

CAPITAL RADIO PLC's RESPONSE
TO THE DCMS REVIEW OF THE BBC's
DIGITAL RADIO SERVICES

Introduction

Capital Radio plc operates 22 UK analogue licences across London, the South Coast, the Midlands, South Wales, the North East, the North West and central Scotland. We also have licences for 58 digital services on local and national digital multiplexes. Capital's stations broadcast to over 8 million adult listeners each week and we employ approximately 700 people across our radio broadcasting interests.

Background

Capital Radio PLC provides more digital sound programme services than any other commercial radio group.

We have put all of our brands on digital, making us a truly national radio group. XFM is provided on 18 local multiplexes, the *Capital FM* Network (through simulcasts of local ILR services) is on 8, *Gold 7*, *Century 8*, *Choice FM 6* and *Capital Disney 10*. *Life* is our one national station.

Investing £5.4 million per year, we believe that digital radio is commercially important to the future of Capital Radio. Our investment in digital radio has enabled stations such as Xfm, having limited analogue presence, to become national brands. We are now able to offer a near-national platform to our listeners and advertisers through both analogue and digital coverage. With digital, Capital Radio Group has a real potential for growth, increasing our number of listeners, increasing our reach and share and therefore increasing revenues.

Capital Radio's Digital Radio Services

Life: a national digital service offering favourites from the 80s and 90s mixed with today's hits.

Capital Disney: Contemporary hits for kids.

Capital FM: Contemporary hits with local news and entertainment.

Capital Gold: Greatest hits of the 60s, 70s, and 80s.

Century Digital: 80's, 90s and current music and speech personality radio.

Choice: Black music for a young audience.

Xfm: Specialist alternative rock music.

BBC Digital Radio Services

Our comments will concentrate on those BBC Digital Radio services which most directly compete or overlap with Capital ones namely BBC 6 Music and BBC 1Xtra.

BBC 6 Music

There are many similarities between BBC 6 Music and Capital's Xfm: both are committed to playing non-chart, distinctive music. However, BBC 6 Music does have a wider playlist and a more album-based music policy than Xfm. The current music policy and output is quite distinctive and eclectic and, as such, generally does not replicate Xfm directly. However, without a firmer programme promise, BBC6 could become more commercial, less speech-based and competing much more head-on with Xfm.

We believe that steps should be taken to ensure that 6 Music retains its public service profile by retaining its eclectic music policy, its level of speech and documentaries and its output based on the BBC archive. 6 Music loses its distinctiveness when it crosses into the territory of showcasing new music – it talks about “showcasing the best new music not played elsewhere”. This is firmly in Xfm's territory and 6 Music should be guided into maintaining its older focus by reducing and refining its new music output.

A case in point is described in the BBC's own evaluation of 6 Music where it heralds its patronage of Athlete, a South London band which is part of the new wave of British guitar-based bands. The BBC claims that after being recorded by 6 Music in March 2002, Athlete were signed by a major record label and subsequently nominated for a Mercury Music prize. In fact, Athlete were played on Xfm Unsigned on 26 September 2001, and then featured on John Kennedy's programme, Xposure, as a band to watch on 8th January 2002. As Xfm's audience is considerably larger than 1Xtra's it is interesting to note the BBC taking credit for Athlete's success!

Xfm has in fact supported numerous British bands pre-signing which have since become successful. Examples include Keane, and The Darkness who both got their first UK airplay on Xfm.

The BBC in its report also refer to 6 Music's support of an indie band, Mass, saying they would be unlikely to gain support from anywhere but 6 Music. This is untrue. Xfm recorded a live session with Mass (also for the Xposure programme) and featured them as a band to watch on 24th July 2002.

6 Music also refer to its New Music Chart as giving support for artists not featured elsewhere such as Peaches, I Am Kloot, and Freak Nasty. Xfm has featured all of these bands.

Remedy

We believe the remedy for the unnecessary and unwarranted overlap between 6 Music and Xfm (which is already a near-national digital service currently heard on 18 multiplexes reaching 62% of the available DAB population) is to review and refine 6 Music's Conditions of Consent into a clear Programme Promise.

The Conditions of Consent of 6 Music are:

1. To play popular music from the 1970s to the 1990s
(*Comment: Less than 50% of 6 Music's output falls within this range*)
2. Concentrate on major artists and materials which do not receive much radio support elsewhere.
(*Comment: It is agreed that 6 Music's playlist and rotation is much larger and varied than Xfm's*)
3. It will allow the public to hear new artists who will be the enduring icons of the future, particularly those who are not enjoying commercial support.
(*Comment: By its own account, daytime non-specialist programmes feature a contemporary playlist. As detailed above, 6 Music regularly features artists who are enjoying the (commercial) support of Xfm. The BBC has unilaterally amended this commitment to read: "Support new music from artists not featured consistently on mainstream radio, concentrating on UK acts." This BBC amendment legitimises 6 Music competing with Xfm as Xfm would not be categorised as 'mainstream radio'. The amendment should refer to "artists not featured elsewhere on commercial radio..." properly to differentiate 6 Music from Xfm.)*)
4. Speech output will be based on developing an understanding of the music and its context.
(*Comment: it is in its speech and documentary output that 6 Music offers distinctive programming.*)
5. Support major artists still producing new material, but who no longer receive significant airplay.
6. Play the work of iconic artists in a depth not matched elsewhere – including less well-known singles and album tracks.
7. Strong strand of live music.
(*Comment: Rather than competing with Xfm for showcasing new 'indie' bands, 6 Music should concentrate on the extensive BBC archive, and covering concerts of artists of genres not played on commercial stations.*)
8. Strong speech output through news, features, documentaries.
(*Comment: This aspect of 6 Music's output is commendable, but clear targets should be set as Conditions of Consent.*)

By contrast, Xfm's licence from Ofcom requires it to comply with its format:

"Xfm will be targeted at 15-34 year-old listeners, providing a specialist music format of "alternative rock", best defined as modern rock with attitude, featuring artists generally outside the mainstream.

"Tracks and artists featured will generally be groundbreaking "alternative" artists, innovative, youthful, generally guitar-led. Output will not be expected to have much overlap with other, more mainstream stations, or become chart-hit oriented (whether past or present charts). Up to 50% of the output will be current popular alternatives (from the last two months), with the rest of programming made up of breakthrough

tracks from the previous fortnight, classic alternatives and “roots” tracks which played a part in alternative evolution. None of those categories should exceed 30% of the output.

“Daily programming will contain whats-on information, news about bands, a full weekly alternative rock review programme, and at least three weekly “live” sessions (each at least 15 minutes) commissioned for Xfm. At least four bulletins a day weekdays and three weekends should contain relevant local/regional news tailored to the tastes of the target audience. National news will feature at other times. Sport is seen as a key interest to the target audience and a music/sport mix on Saturdays may be aired.”

To ensure 6 Music provides a distinctive radio service which does not replicate services offered by Xfm and the commercial sector generally, we believe it should be required to:

- Limit the number of non-current popular tracks, concentrating instead on interesting, iconic but non-chart tracks from the 1970s-1990s.
- increase the percentage of non-current tracks played, *particularly in daytime*;
- refrain from promoting new, alternative rock artists who are, or are likely to be, supported by Xfm;
- concentrate on promoting new artists from genres which are not so supported by commercial services;
- clearly identify its target audience as older listeners;
- set clear targets for its programme of news, features and especially documentaries;
- continue playing live music, particularly from the BBC archive. New music sessions should concentrate on genres which do not benefit from live music coverage on commercial stations

BBC 1Xtra

1Xtra promotes itself as focussing on the full range of contemporary black music with an emphasis on new UK artists, tracks and genres. It is aimed at 15-24 year old fans of contemporary black music, particularly young British black African/Caribbean listeners. It broadcasts a range of black music including dancehall, hip-hop, UK garage, R&B, drum & bass, live music.

As such, 1Xtra is placed in direct competition with Choice. Choice is also targeted at young listeners of black music. It broadcasts a range of specialist black music: 3 hours/week of gospel, 3hours/week of rap, 2 hours/week of African music, 3 hours/week of soca, 13 hours/week of reggae, 10 hours/week of UK garage/cutting-edge music, and 6 hours/week of live mixed shows featuring Drum & Bass, hip-hop, jungle and so on.

According to the BBC’s submission to the DCMS review, the black African/Caribbean population in Britain is over 1m, with the majority under the age of 34. It is centred mainly in London but with concentrations of population also in Leeds, Birmingham and Manchester. Choice broadcasts digitally to approximately 57% of adults who can receive DAB, including to London, the North West, Yorkshire, the West Midlands and the Severn Estuary.

We applaud the fact that 1Xtra plays specialist music during the day, and not confined to off-peak. This, we believe, should be a significant indicator of whether a radio service is, or is not, public service.

We also applaud 1Xtra's week nightly 2-hour news and current affairs show, TX Unlimited. We believe that this is the sort of public service programming that the BBC, with its resources and freedom from commercial pressures should be encouraged to provide.

The BBC cites its provision of 15 hours of social action programming a year, covering topics such as domestic violence and student debt. By contrast Choice FM broadcasts approximately 250 hours a year of such programming, with two weekly programmes (one hour each Wednesday evening, and a weekly three-hour phone-in) plus many one-off dedicated programmes. We would like to encourage 1Xtra to take advantage of the resources of the BBC and to broadcast even more such programming, as a means of identifying itself clearly as a public service radio service.

Remedy

As with 6 Music, we believe the remedy to ensure there is no unnecessary and unwarranted overlap between 1 Xtra and Choice (which broadcasts digitally to 57% of the available DAB audience) is to review and refine 1 Xtra's Conditions of Consent into a clear Programme Promise.

Conditions of Consent of 1Xtra are:

1. The service must play contemporary "black music" aimed at a young audience, covering all the popular 'urban' music genres.

(Comment: In order to ensure that 1Xtra broadens the range of radio stations available to its target audience, it must concentrate on those specialist genres less featured on commercial stations, particularly music from UK artists, and increase the amount of specialist music played in peak time.)

2. The service must maintain its distinctiveness by concentrating on new "black music" and new artists within that genre by presenting a strong strand of live music; by not following trends in the mainstream top 40 and by maintaining around 20% speech content, including around 10% covering news, information and social action programming.

(Comment: About 70% of 1Xtra's output is new music (either pre-release, or within 1 month of UK release), compared to 29% on Choice. 53% of its music is UK origin, compared to 15% on Choice. Its 20% speech requirement does not make it distinctive as compared to Choice, which provides speech up to 30% of output. In addition, Choice's social action output dwarfs 1Xtra's. Given the resources of the BBC, the speech element on 1Xtra should be considerably higher.)

3. As a national "black music" station, this service must maintain its purpose of bringing together the diversity of 'black' music and culture across the UK.

By contrast, Choice FM's licence requires it to comply with the following format:

“Choice FM is a music, news and information service primarily for listeners of African and Afro-Caribbean origin, but with cross-over appeal to young white fans of urban contemporary black music.

“Speech is an important part of the content but will not usually rise above 30% of the output. It will highlight community news with other information of relevance and interest to the target audience. News bulletins containing local news will be run at least during peaktime. National news will feature at other times.

“Music will be predominantly of black origin, consisting of a mix of Soul, Soul-influenced Currents, Reggae/Ragga and R&B and may include a proportion of Gospel, Rap and Caribbean music. Soul-influenced currents (from the top 40) should never account for more than 30% of the music output. Other specialist music programmes which complement the main music streams can run in non-daytime. These may include Reggae, House/Garage (to a maximum of 8 hours a week), Hip Hop/Jazz, Funk, Gospel and Soca/African.”

To ensure 1Xtra provides a distinctive radio service which does not replicate services offered by Xfm and the commercial sector generally, we believe it should be required to:

- provide specialist music throughout peak times
- substantially increase its speech output, and in particular its social action programming. As a public service broadcaster, we would expect it to provide a significantly larger amount of speech programming than (commercial) Choice.
- Continue to concentrate on new and UK music, aiming to increase the percentages played as a means of distinguishing it from commercial stations.
- Consideration should be given to changing 1Xtra from a youth-oriented service to one which would serve the entire African/ Caribbean community ages 15-54, thus providing a truly distinctive service.

Technical Issues

With its considerable technical resources and market leadership, the BBC is in a unique position to map the technical future for DAB (return-path radio, EPG, downloads etc). So far, it has taken a major role, helping with DRDB, contributing to the Eureka consortium and providing technical support (for example through the testing of prototypes) for receiver manufacturers through their Kingswood Warren Laboratory. We would wish to encourage the BBC to demonstrate its continuing commitment to DAB by increasing its technical support and leadership in this area.

New Services

Over the coming months Ofcom will be deciding whether or not to release additional spectrum for DAB broadcasting use. If it does, both the BBC and the commercial radio sector will be seeking allocations of spectrum. The availability of additional spectrum – especially for national commercial digital services – will provide the opportunity for the introduction of new, innovative commercial formats (a restriction on the development of niche commercial formats has been the fact that licences are only granted for local areas. This greatly limits the potential commercial viability of niche format services, a limitation which would be removed with the availability of new spectrum for national services.).

It is vital that the commercial sector is given the opportunity to provide innovative services without competition from the BBC. It is not in the interests of listeners or in the development of a vibrant radio industry for the BBC either to pre-empt or to replicate services which can be provided by commercial radio. Therefore, if additional digital spectrum is to be made available for DAB broadcasting, licences should be awarded to the commercial sector before any decisions are made about possible new BBC digital radio services.

Conclusion

There is no doubt in our mind that new and distinct services help consumer take-up of digital radio. This is particularly the case with services connected to strong brands, such as the BBC. However, certain of the BBC's digital services lack distinctiveness and seek to replicate output available on commercial multiplexes.

A discussion of BBC Radio's Digital Services must consider what public service radio should be. We believe that public service radio, while not limited to providing for 'market failure', ought to offer something significantly different to what is available on commercial services, which do not have any public service obligations whatsoever. In particular, niche or specialist programmes should be broadcast in peak times (roughly 6.00am to 7.00pm) and not limited to off-peak. These considerations should be applied to all of the BBC's radio services, both analogue and digital. Furthermore, advantage should be taken of the BBC's considerable journalistic and archive resources to provide in-depth, intelligent speech across its digital radio services.

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