

Response from the Advisory Committee for Scotland (ACS) to Ofcom's Consultation on Localness on Commercial Radio (June 2018)

'The Advisory Committee for Scotland advises Ofcom about the interests and opinions, in relation to communications matters, of persons living in Scotland.'

The response from the ACS to this consultation draws on the knowledge and expertise of ACS members and is informed by our individual experience and through discussion at our meetings. It does not represent the views of Ofcom or its staff.

Background

Radio listening has remained remarkably resilient, despite the continually shifting media landscape, with Ofcom's 2018 Media Nations report showing that radio continues to reach 9 out of 10 adults in the UK.¹

Despite competition from online advertising, commercial radio's advertising revenue in 2017 (£679.1 million) was higher than in any previous year and continues to go from strength to strength². This follows increases in 2016 of 5.4% and 6.5% in 2015. Furthermore, according to The Radio Centre³ "*Commercial radio has reported its highest ever audience of 36 million listeners (35.97 million) according to new figures for Q1 2018 published by RAJAR. This total audience represents a 4.2% increase on the same period last year and commercial radio's biggest ever lead over BBC radio, with 960,000 more listeners overall....The commercial radio sector has also kicked off 2018 with its highest ever revenues Q1 at £179.3m – an increase of 12.5% year-on-year*". Significantly, for the purposes of this consultation, local commercial radio revenue per head continues to be, of the four UK nations, highest in Scotland.⁴

The other significant change is the ease with which digital content can be produced, edited and broadcast, without necessarily being based in the local transmission area. These digital and technological changes are rightly under continuous review by commercial radio stations, in order to improve efficiency and drive economic viability and future profits.

Scottish Radio Context

Commercial radio is an important source of local content for Scottish consumers, particularly as, out of the 4 UK Nations, only England has BBC Local Radio. This is significant in terms of the level of local content choice available to Scottish listeners in comparison to their English counterparts.

BBC Radio Scotland is a "national" station and its output, with some exceptions, is dominated by the central belt of Scotland. Only 20% of adults in Scotland listen to BBC Radio Scotland⁵, so local commercial radio plays a significant role in providing local news

¹ https://www.ofcom.org.uk/_data/assets/pdf_file/0014/116006/media-nations-2018-uk.pdf

² <https://www.radiocentre.org/the-audio-market/ad-revenues/>

³ <http://www.radiocentre.org/biggest-ever-audience-for-commercial-radio-as-ad-revenues-surge-2/>

⁴ https://www.ofcom.org.uk/_data/assets/pdf_file/0014/105143/scotland-radio-audio.pdf

⁵ Ofcom Media Nations Report 2018

and information to communities across Scotland. Commercial radio listening is higher in Scotland than in any of the UK Nations, according to Ofcom's 2017 Digital Radio Report⁶ In 2017, it accounted for 53% of listening hours, 8 percentage points higher than the UK average. Listening to local commercial stations, accounted for 37% of total listening hours, compared to 29% in the UK as a whole.⁷

Many parts of Scotland have either a patchy or non-existent broadband or mobile connection. For those listeners local radio is a lifeline, as testified by research Ofcom carried out three years ago in Inverness⁸ when some participants mentioned the benefits of *"the 'always-available' nature of local radio (both BBC and commercial) compared with alternative sources of news, information and entertainment that depended on patchy internet and mobile coverage"*.

Ofcom Research conducted as part of this consultation

The ACS does not consider the research conducted by Kantar in 2015 about listeners' preferences for local radio, and highlighted in the consultation document, adequately covers the preferences within each individual nation, in order to facilitate a clearer perspective on the views of Scottish people. While we recognise it was intended to be qualitative in nature, the research itself states that *"the sample comprised those who listened to the medium and was not designed to be nationally representative"*. The sample size was also very low ('base 151'); if proportional, this would account for only 13 people in Scotland.

The Ofcom online omnibus survey conducted by Populus in 2018 (paras 2.33 & 2.34) also does not segment their response by UK nation. In Figs. 3 & 4, "Reasons For Listening To Commercial Radio Stations" the results show that the most important factor for listeners is the music that the station plays. This is self-evident as music is the bedrock of commercial radio and, since the consultation was about "Localness" rather than music, distorts the overall picture about what listeners value; Figure 5 is more representative in asking "Factors that contribute to localness", and shows a clear preference for local information and local presenters talking about their area.

Response to Question 1 (*Do you agree that Ofcom's duty to secure 'localness' on local commercial radio stations could be satisfied if stations were able to reduce the amount of locally-made programming they provide?*) **AND Question 2** (*Do you agree with our proposed amendments to the localness guidelines relating to locally-made programming?*)

The ACS appreciates the market conditions which are behind the proposed changes, as well as the important distinction that these changes relate to *"Locally made Programming"*, rather than *"Local material"*. Nevertheless, the committee's concern lies in the different radio landscape/consumption in Scotland in comparison to the rest of

⁶ https://www.ofcom.org.uk/_data/assets/pdf_file/0014/105143/scotland-radio-audio.pdf

⁷ https://www.ofcom.org.uk/_data/assets/pdf_file/0014/105143/scotland-radio-audio.pdf

⁸ https://www.ofcom.org.uk/_data/assets/pdf_file/0026/81467/local_commercial_radio_content_research.pdf

the UK, leading to possible unintended consequences in Scotland; one size does not fit all.

With the choice of traditional news and information sources in Scotland diminishing, particularly in print media, commercial radio has an important part to play in Scottish consumers being able to access information which is important and relevant to them, particularly the older demographic, many of whom do not choose to access alternative sources of online news and information, eg. via apps. Ofcom's 2018 Media Nations report confirms the value that Scottish listeners place on local radio content, with 35% of Scottish audiences valuing local news, 23% valuing local traffic & travel and 22% valuing the weather. In each of these categories, the figures for Scotland are higher than for the other nations, with local news eight percentage points higher than for Great Britain (27%).⁹

There is a possibility that these proposed guidelines could result in stations ultimately by-passing Ofcom's own Localness Guidelines ie:

'A listener should get a feel for an area by tuning in to a particular station, and have confidence that matters of local importance, relevance or interest to the target audience in the area will be broadcast; This should include programming of specific local relevance which also offers a distinctive alternative to UK-wide or nations' service'.

In response to the DCMS consultation at the end of last year, the largest commercial radio group in Scotland, Bauer Media, stated the following:

"There is a significant risk that without regulation some areas may no longer have access to local news and information on commercial radio. Because of this risk, we agree that continued regulation to ensure the provision of local news and information is desirable."¹⁰

Bauer went on to state: *"Any station benefiting from advertising discretely targeted at a particular area should be required to give something back to that area by way of local news and information. "*

Bearing the latter point in mind, coupled with the fact that local commercial radio revenue per head continues to be highest in Scotland, the ACS considers Ofcom should reflect that in what is required by way of "Localness" for Scottish stations. Reducing the current locally broadcast hours in Scotland on commercial radio would not be in the best interests of the listeners and would lessen their enjoyment of the station.

⁹ Ofcom Media Nations Report 2018

¹⁰

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/668927/Commercial_radio_deregulation_responses_received_final.pdf

Response to Question 3 (Do you agree with our proposed new Approved Areas?)

The ACS considers the proposed North / South “Approved Areas” for Scotland too rudimentary. Given the geographical spread and vast differences between urban, rural & remote rural regions in Scotland, a more nuanced structure which reflects those differences would be more appropriate.

Proposals for new areas should recognise the vast differences in the communities in which they serve in terms of remoteness and access to other services, population demographics, levels of connectivity, deprivation etc. The more remote and rural areas of Scotland have different needs than the cities and will be more reliant on local radio. Rather than opting for the most convenient solution, consideration should be given as to how other public and commercial bodies in other sectors divide the country in order to deliver services to these regions and what can be learnt from this.

The ACS accepts there is a multiplicity of ways to collate digital content, without being based in the immediate transmission area. However Scottish identity is complex and any production centre and its staff, wherever it is based, will be influenced by its immediate geography, social demography and cultural identity and this will be reflected in what content is produced. An example of this is Glasgow and Edinburgh. A retired local radio journalist living in Edinburgh wrote the following in his local online newspaper directly in response to this current consultation: *“There is a public policy question to be asked. How do we balance the shareholder’s desire to extract a profit from radio broadcasting with the benefits to ordinary people of having a healthy range of local news, entertainment and information free to air in their city. From an Edinburgh point of view this (new AA) removes the last line of defence against the complete concentration of media in Glasgow. Does Edinburgh want to be a satellite of Glasgow in its radio news and entertainment services?”*¹¹

Advisory Committee for Scotland (ACS)

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¹¹ <https://www.theedinburghreporter.co.uk/2018/06/comment-how-local-is-local-radio/>