

Localness on commercial radio

Consultation response from Celador Radio

1. Celador Radio is one of the UK's major operators of small-scale local commercial radio stations. We own and operate 26 FM radio stations across southern England and East Anglia. All but two of these stations have a Measured Coverage Area (MCA) of under 340,000 adults. Twelve of our stations have MCAs of under 100,000 adults – including three stations with MCAs of under 50,000 adults. Our stations have a combined Total Survey Area (TSA) of just over 6 million adults, with a weekly reach of 778,000 adults (13%). Celador Radio is wholly owned by Celador Entertainment whose sole shareholder, and executive chairman, is Paul Smith CBE.
2. The provision of genuinely local radio is core to our strategy as a radio business, whatever regulatory arrangements are in place. However, this has only been possible because of our ability to co-locate stations into regional clusters. This has enabled us to concentrate our resources and thereby deliver to each individual station a local news and information service that could not be maintained if each station were required to operate on a local, stand-alone basis.

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? If not, please explain the reasons and/or evidence which supports your view.

3. We agree. As Ofcom has observed, and adduced research evidence to support, studio location correlates very weakly with both the provision of locally relevant content and listener perceptions of localness.
4. Ofcom does not appear to have conducted any analysis of RAJAR data but we suspect that such analysis would further reinforce arguments of the irrelevance of studio location to localness. Whether it is with stations that have co-located but still produce localised programming streams to different locations (as with many of Celador's stations), or networked services that carry only local news (such as Heart) we doubt that any obvious drop in audience would be observed that could be attributed directly to the relocation of programme production. In large part, this is because co-location helps to improve the quality – including the local relevance – of the stations' output because it allows broadcasters to concentrate their resources on a small number of higher quality talent, including journalistic talent. Additionally, and as also observed by Ofcom, the much vaunted migration of listening from analogue to digital platforms, including DAB, has come despite the lack of localness requirements on digital broadcasters and the diminished presence of locally relevant content on digital services.

Question 2: Do you agree with our proposed amendments to the localness guidelines relating to locally-made programming? If not, please specify any amendments you think should be made (if any), and explain the reasons and/or evidence which support your view.

5. We welcome the proposed reduction in the minimum hours per day that will be required to be locally-made. As this proposal reduces the regulatory burden on broadcasters with no adverse effect (and potentially beneficial effect) on the local relevance of radio stations, we support the proposals.

Question 3. Do you agree with our proposed new approved areas? If not, please specify any alternative proposals you think should be considered (if any), and explain the reasons and/or evidence which support your view.

6. We welcome the proposal for expanded, regionalised approved areas. These will give all radio groups some additional scope for the concentration of resources to enable them to improve the quality of the services they provide.
7. However, establishing larger approved areas does not resolve all of the difficulties inherent in the approved area regime. No matter how they are drawn, the approved areas will always be problematic – particularly near the boundaries – because the system is arbitrary and rigid. It is arbitrary unavoidably, and only in the sense that any artificial line drawn on a map is arbitrary: you could choose to draw the boundary lines in a number of different ways, each equally valid and logical. But the system is rigid by choice, whereas local affinities, in reality, are not rigid. They vary from place to place, from person to person, by context (work, leisure, retail, culture, sport) and over time. Take Gloucestershire, for example. Is it in the South West or the Midlands? In reality, it can be one or the other, or neither or both – depending on who you ask, when you ask them and in what context they understand the question. But the proposed new approved area map puts it in the Midlands, ruling out any possibility of it being considered part of the South West.
8. The consequence of these two features of the approved area system – that it is arbitrary and rigid – is that anomalies are inevitable. The anomalies result from the fact that stations that are a large distance apart, but within the same approved area, can co-locate with ease, but stations that are close together but separated by an arbitrary and rigid boundary, cannot. Increasing the size of the approved areas exacerbates this problem. Under the proposed map, for example, it would be easier for a station in Swindon to move to Penzance than to Reading.
9. The solution is to remove, or at least ease, the rigidity in the system. We propose that Ofcom adopts a policy whereby a co-location request between two stations would be looked upon more favourably – i.e. would be more likely to be approved and less likely to be subjected to public consultation – if the two stations would have been in adjacent approved areas under the previous (i.e. current) approved area map.
10. In addition, we wish to request one minor amendment to the new approved area map, namely the inclusion of Gloucestershire in the West of England region, rather than the Midlands region. As we have already observed, this county could reasonably be considered part of either region, and it is largely anecdotally that we reach the view that more residents think of themselves as part of the South West, looking to Bristol, than the Midlands, looking to Birmingham or Coventry. It is worth noting that the county falls within the circulation area of the Western Daily Press, and is almost entirely served by BBC West and ITV West Country. Additionally, Gloucestershire was included in the South West Regional Assembly, and remains part of the South West Councils within the Local Government Association. From our point of view, this proposed change would also better reflect the current pattern of (our) local radio ownership, with The Breeze Cheltenham seeming naturally to fall within our Bristol-based cluster of stations. Cut off on its own in the Midlands, our Cheltenham operation would have to function as a small-scale stand-alone station, unable to benefit from the resources in our Bristol centre and, therefore, delivering a poorer quality local service than is otherwise possible.

Question 4: Do you agree with our proposed amendments to the localness guidelines relating to local material? If not, please specify any amendments you think should be made instead, and explain the reasons and/or evidence which support your view.

11. We have no objection to the proposed new wording. It seems to us to have essentially the same impact as the old wording – requiring us to broadcast sufficient locally relevant content to satisfy the obligations in our Format, without being narrowly prescriptive as to how, or when, we do so. As such, it does not seem to be a material change to Ofcom’s policy approach.

Celador Radio
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