Consultation response form

Your response

Question	Your response
Question 1: Do you agree that Ofcom's duty to secure 'localness' on local commercial radio stations could be satisfied if stations were able t reduce the amount of locally-made programmin they provide? If not, please explain the reasons and/or evidence which support your view.	No I don't believe that Ofcom would be securing 'localness" by reducing the requirement for local programming on commercial stations in this way. The current arrangement, whilst allowing some flexibility and networking of programming, gives the ability for stations to maintain their connection and local relevance to the extent that it is effective (Rajar performance of stations with networked programming in daytimes has been in growth or steady- http://www.radiocentre.org/biggest-ever-audience-for-commercial-radio-as-ad-revenues-surge-2/). Ofcom's duty is to protect localness on the licences that were won based on a commitment to provide local programming- and licences that generate sizable revenue for those companies that hold them and so a reduction to a mere 3 hours and conjoining local areas thereby further reducing any commitments is not an action based in securing local programming, but is freeing commercial companies who should have an obligation to providing local content. For example in the East Midlands, which is very different from the West Midlands and the Birmingham conurbation- indeed the ITV licence maintains East and West programming despite being one "Central region". These proposed changes would mean that ITV in the midlands would be providing more locally relevant content bespoke for the East and West Midlands area than the local licensed radio stations for the individual cities in the midlands which have smaller licenced service areas in their original application. These stations as they stand have large and well

	established audiences and compete with BBC radio very effectively for their targeted demographics, further demonstrating their ability to generate a connection and relevance to the local market place. The new proposed super region would be the largest region in terms of population, very close to the London region, but without the local connectors that exist in the London suburban area and therefore reducing the "localness" of the content and the relevance. The maintenance of Breakfast and Drive programmes help build the close relevance and connection of the area and the lifestyle of listeners, with the networked daytime and 'at work" audience satisfied with the less local offering. Using the East and West Midlands as the example again, the higher listening at these peak times, coupled with the local programming reinforces the local ownership and connection of the stations to their area. Removal of these key elements would reduce the locally relevant nature of the programming which would not be maintained by the local news, given that a few of these station broadcast only around 60 seconds of pre-recoded news each hour as it currently stands. If that 60 second bulletin (for example for the East or West Midlands area) were to be extended to cover the whole of the proposed Central area, then by default the localness of those bulletins for each region would be hugely dissipated. By reducing the requirements in this way, Ofcom would be reducing the relevance of any local content to a mere whisper, removing any substantive obligation of the commercial companies to maintain local programming and output. It would enable these licences to operate as effectively national services rather than the local ones which they were advertised as being, whilst maintaining the ability for those local transmitters to soak up the local advertising revenue from the market place, without the level of commitment to providing local services- The Radiocentre reports that commercial radio is extremely successful as an advertising medium in

	comparison with other mediums according the latest Advertising Association/WARC Expenditure Report. This would create a market impact by-product and have a detrimental effect on other local advertising mediums if Ofcom were to release commercial operators from their obligations in the local area. This consultation has come from the DCMS report asking Ofcom to "see what it can do under existing regulations" ahead of any future parliamentary scrutiny and legislative change. Given that there is strong evidence from the industry via their industry body that they are both successful in audience and revenue and in strong growth with "no signs of slowing", the sensible option would be to maintain the existing guidelines until such a time that fresh legislation and parliamentary scrutiny is possible, given the potential for any future scrutiny to reverse some of the proposed removal of local obligations, which would be far more costly to the industry than the level of the existing commitments which are not inhibiting the industry success.
Question 2: Do you agree with our proposed amendments to the localness guidelines relating locally-made programming? If not, please specif any amendments you think should be made instead (if any), and explain the reasons and/or evidence which support your view.	No I do not agree. As stated in the above response to Question 1, the existence of locally originated programming at peak times (Breakfast and drive minimum) allows the stations to maintain their local credentials at the time of day when there are peak audiences and at a time when local programming is required to address local issues, concerns and make those local connections to the audience that generate and engender the connection to the station. The audiences of those stations at that peak time, in comparison with BBC services, demonstrates the effectiveness of that approach- even for hard won demographics like 15-24. A reduction of these local hours, ignoring and scaling back the commitments made when the licences were won and given to the company bidding for them, will be impossible to reinstate once lost. The loss of local creative industry jobs and skill, with a centralisation in the London and South East, flies in the face of

	the rest of industry- or even other areas of media with BBC in Salford and Channel 4 looking at a HQ move out of London. The document from Ofcom outlines that "locally-made programming is relatively costly for commercial radio companies to make because of the need to maintain separate studios and presenters"- but the requirement of Ofcom is not to look out for the cost structure of the commercial companies that operate the licences, instead it is supposed to look out for the interests of listeners and guard against erosion of the obligations of licence holders who are always going to be looking at reducing obligations and cost structures. Ofcom should be the listeners guardian and securing localness commitments and promises- holding commercial companies to account- not be trying to reduce costs for those commercial companies who have reported publicly that they are enjoying high revenues and have already co-located and reduced local commitments from those originally promised (http://www.radiocentre.org/huge-boom-for-radio-as-2016-q3-revenue-figures-released/) (http://www.radiocentre.org/biggest-ever-audience-for-commercial-radio-as-ad-revenues-surge-2/). Just in the last week (31st July 2018), the Radiocentre reports that commercial radio continues to grow as the fastest medium https://www.radiocentre.org/fastest/ - including the quote from Siobhan Kenny, the Radiocentre CEO, "Radio is on a roll, and the medium continues to build momentum. After announcing record revenues for commercial radio and highest ever audiences earlier this year, these latest figures are further proof that the Audio Revolution is in full swing. Advertisers are recognising the true scale of the impact radio has for their brands and investing accordingly, so this boom for our brilliant industry shows no signs of slowing." If commercial radio- via it's own industry body and it's CEO is quoting that commercial radio is in rude health with "no signs of slowing", where is the pressure to reduce the costs and obligation of providing local output and studios

	which formed the set of promises when the licences were originally won? Ofcom is saying “locally-made programming is relatively costly for commercial radio companies to make because of the need to maintain separate studios and presenters” and yet the commercial radio industry is saying “Radio is on a roll, and the medium continues to build momentum. After announcing record revenues for commercial radio and highest ever audiences earlier this year, these latest figures are further proof that the Audio Revolution is in full swing… so this boom for our brilliant industry shows no signs of slowing.” Commercial Radio on the one hand is saying to Ofcom ahead of this consultation that it is struggling and needs help with cost saving and removing the expensive local commitments and people and studios, whilst reporting consistently via it’s industry body, representing all the stations in commercial radio, that it is growing fast, making lots of money and outstripping other media and advertising formats, a view backed up by the Advertising Association. It is clearly not in Ofcom’s remit as a regulator to increase the existing profit margins of commercial operators, who by their own word are already very successful. I understand that the local licences come with local obligations, but the reality is that the local radio companies make the majority of their revenue from their FM broadcast licences and so the obligation should be maintained if they are to reap those benefits. If they are not willing to maintain those obligations, then give up their licences to those who are willing to, rather than the regulator reducing the obligation and allow those companies to reduce costs and increase revenue still further, in already what is reported as being a “huge boom” in revenue and “this boom for our brilliant industry shows no signs of slowing“ according to the Radiocentre industry body and the latest Advertising Association/WARC Expenditure Report. I would suggest a maintenance of the existing 7 hours of locally produced output, including breakfast and drive as a fair cost of entry into

	the lucrative FM broadcast advertising market which the commercial radio industry reports is not showing any sign of slowing down in terms of it's revenue and audience success. Given that Ofcom allow those stations to produce a minimum of 7 hours on a promise of "enhanced local news" rather than 10 hours of local programming where there isn't that commitment, I would suggest that rather than freeing already successful commercial companies from their modest commitments, Ofcom should be regulating the level of "enhanced local news" which allows only 7 hours of local programmes, given that that provision is in some instances a 60 second bulletin which would not easily pass a threshold of being "enhanced". This "creep of commitments" over local news provision is a demonstration of how the commercial companies will always produce the very minimum to maximise profit, requiring Ofcom to regulate and hold companies to account on existing obligations, rather than further reduce those obligations which according to the industry itself, those obligations are not inhibiting their ability to generate enhanced profits.
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/ evidence which support your view.	Confidential? –N No, some of these areas are hugely destructive to the local make up and connection of the local area. Combining East and West Midlands for example would create a huge region with little or no social cohesiveness stretching from Newark in Nottinghamshire to the Severn estuary and Gloucester. The ITV licence for those areas provides distinct programming for East and West Midlands and would, under these proposals, be providing more locally relevant programming than a local radio operator with smaller licence areas. The maintenance of East and West Midlands as distinct areas would be the first of my proposals, given the differences and economic regions and success of the existing stations in those areas to generate a listenership. These two regions are vastly different and the

	metropolitan areas in east region very distinct. The ability of each station to effectively combine its localness obligation to the whole area rather than the smaller East or West region would vastly reduce the relevance of the output and connection to the areas the stations currently serve. Given the example of the 60 second news bulletins on Capital East Midlands and Capital Birmingham as currently stands, these bulletins in just 60 seconds aim to cover the whole of the 1.8 million East Midlands region and under the new proposal that same 60 second bulletin would cover the whole of the enlarged 'Central" region, vastly reducing the localness, effectiveness and relevance to listeners in East and West Midlands. The combination of Manchester, Liverpool and the Lancashire and Cumbria regions again creates a super region which has little or no geographical cohesion and social connection extending as the proposal states from Carlisle to Cheshire and combining two large cities in Liverpool and Manchester. I would propose maintaining this distinction (Liverpool and Manchester as two regions with distinct major cities and the Lancashire/Cumbria area as a third region). The Home Counties ring around London has little or no cohesion either, with Surry and Sussex being separate from the Solent area with which it has more connection. I would propose combining Home Counties with Thames Valley as a region and combining Solent, Surry and Essex as a separate region. Kent and Essex could combine into one "Estuary" region. I can see the idea of combining and matching the ITV regions, however programmatically this makes very little sense and from a sales perspective the areas can split and sold in a different format in any case depending on local station ownership or sales house and brand connection and so the point of matching ITV region is a mute one. Given that Ofcom states that this review is to bring up to date the guidelines for radio regulation into an internet-era, establishing a basis for the approved areas on ITV regions which

themselves were established pre-internet and based on old criteria seems a poor start point. Therefore without a ITV region framework, and basing areas instead on where each region or city area “looks towards” as a cohesive wider zone or area would seem to be a more sensible approach.

Suggestion of the following 19 regions (reducing from the existing 32)

North Scotland
East Southern Scotland
West Southern Scotland
North East (Newcastle, Middlesborough)
Yorkshire
Manchester (Manchester, Salford, Stockport, Macclesfield, Eastern Cheshire)
Liverpool & The Wirrel (Inc Cheshire)
Lancashire & Cumbria
East Midlands (Nottinghamshire, Derbyshire, Leicestershire, Part of Linc, East Staffs and Northants)
West Midlands (Birmingham, Coventry, Wolverhamption, Shropshire, Western Staffordshire, Worcestershire and Warwickshire)
North Wales
South Wales
East Anglia (Norfolk and Suffolk)
London
Herts, Beds, Bucks, Cambs
Thames Valley and Sussex
Estuary (Kent & Essex)
Gloucester, Wiltshire and Avon (Bristol, Gloucester, Swindon, Bournmouth)
West Country (Devon Dorset, Cornwall)
Northern Ireland

These areas would allow for a reduction in the current regulation, whilst still maintaining a regional relevance based on the commitment to the area served and the economy of scale provided by the wider region.

Given that commercial radio via it’s own industry body is continually reporting success and growth, these changes will improve still

	further the cost structure for those commercial companies, whilst maintaining some of the level of commitment that they made when they bid for the licences. These licences are obviously very lucrative, and so it would be only right that the companies are held to account to provide a level of local service which was the point of these licences when they were advertised.
Question 4: Do you agree with our proposed amendments to the localness guidelines relating 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.	Partially. The maintenance of the existing requirement is good to see, however maintaining that across a wider area would be pointless, given the diluting effective of the enlarged proposed region. The local licences were won by the companies based on a level of service, output and provision to the local area being advertised. Given that the commercial radio industry reports via it's industry body that it is very successful, it should be held to account for the provision of those local obligations that formed the basis of the licence when they were won. https://www.radiocentre.org/fastest/