



THE MOST MUSIC AND DEVON'S NEWS

exe
BROADCASTING

Response to Ofcom's consultation paper

'Localness on commercial radio – proposals to amend guidelines'

3 August 2018

DECLARATION

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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 support your view.

Yes, we are satisfied that localness *could* be secured on local commercial radio if stations were able to reduce the amount of locally made programming they provide – but the real question is whether it *will* be. Evidence of past relaxation of regulations is that local content always reduces, usually considerably, on local stations as companies retreat from the licence areas they serve.

In para 2.19 of its consultation document, Ofcom notes that: “Data from the independent radio audience research organisation RAJAR shows that there has been a noticeable shift in listening patterns over the past decade away from local commercial radio stations to national commercial radio” and uses this as one of the bases of its recommendations. Yet as far as we can see, Ofcom has not interrogated cause and effect. National stations have clearly benefitted as localness has withered over the past decade: most stations being centrally programmed, with any remaining local content delivered at regional level. As local transmitters merely pump out quasi-national output, it should really be little surprise that many listeners have chosen the real thing and migrated to national stations.

In our opinion, and based on the evidence, most large commercial radio groups will do the bare minimum they can to meet any new guidelines. We note, for example, that very few, if any, local Heart stations produce more than the minimum seven hours of local programming permitted, unless their specific local licence dictates that. There are no local programmes specifically for each local FM licence area Global holds in Devon, for example: only a regional service. There is no guaranteed local news for the licence area, again only for the wider region.¹ When localness is defined by regions, whether they are the size of two counties, as presently in Devon and Cornwall, or of say 50,000 square miles, a rough estimate of the new west of England region, one should question whether content is really local, or whether semantics trumps reality.

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 instead (if any), and explain the reasons and/or evidence which support your view.

Our main concern is not the number of hours of programming made locally. If listeners enjoy the programming, then we accept that should be a primary objective met. We have no issue with the proposals about where local content is made.

Our biggest concern is the commercial impact on a station such as Radio Exe, with just one licence. We have the high costs that Ofcom recognizes. But under the proposals our competitors in the local radio advertising market will have the option of providing national shows, with star presenters, huge promotions, guests and so on. News could be local as far as the new approved areas determine, which means something considered local to Exeter could be a report about Portsmouth or Penzance - places in the new west of England area that are 240 miles apart. The *only* meaningful element of localness on these stations could well be the commercials. ie. these groups use the economies of scale and huge programming and marketing budgets to produce effectively national output – with minimal local content comprising of huge areas. The benefit of local licences is to patch together a national network, whilst benefitting from local sales revenues.

¹ We monitored Monday 30 July and heard no local news for the North Devon local licence, for example

Whilst we are broadly unconcerned whether a local region is defined as Devon and Cornwall, as currently, or the west of England, the proposed new area into which Radio Exe will be absorbed, the key amendment we would like to see made is to reflect the new definition of local into the **commercial requirements** of the licence. By this we mean that stations should specifically serve the local FM licence areas they hold, either by way of programme hours or news bulletins, if they are to sell local advertising specifically for that licence area. It will be up to individual groups to define their local area within the wider region and for this to be written into each licence area's Format.

Right now, large groups are able to sell advertising on individual transmitters whilst providing no other local content specifically for that area. Our amendment would allow that to continue only if three hours of local programming and daytime bulletins are provided for that area (or six hours programming and peak-time bulletins). It would be for the licence holder to determine what level of local service they wish to provide within the 13 new approved areas.

An example may make this clearer. Let us say that a group in the west of England region decides it wishes to provide three hours of local programmes and daytime bulletins only for that wide area – which we estimate is roughly fifty thousand square miles of 'localness.' In this eventuality its advertising inventory should be for that area too. If a group is going to split its three hours of local programmes further – into say, Devon, local advertising may be sold across the six FM local transmitters in the county (which in this example make up the Heart network in Devon). If it chooses to provide programmes and news for Exeter, then it may sell advertising just for this city. We may then see a mixed economy of commercial stations; broadly providing national programmes, but some serving large approved areas, perhaps others macro-regions of some size, others being city or town-oriented. It would be for licensees to determine their area, based on what they think is commercially appropriate. In return for this commercial choice for stations, the audience receives programming for their area, not just advertising.

In this way, the inherent unfairness of large groups taking up valuable FM local licences, but providing little or no local content specific to those licenses is removed. Local advertisers in most areas will still have the ability to buy radio airtime, either on smaller commercial stations, or where permitted, on community stations (or with the national groups, if they choose to offer specific local content). Should they choose not to, there will be a loss of local revenues for the larger groups, but this will be mitigated by the reduced cost of running local operations, the bricks and mortar that Ofcom refers to (we note Ofcom chooses not to mention savings as local jobs are lost), and presumably, if audiences for the new national programmes rise, higher national advertising revenues will follow.

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.

This regression to the national rather than the local has been underway for many years, fuelled by large commercial groups that have national or global aspirations, at a time when only three national commercial licences are available. Ofcom has colluded in this, not least because of the understandable concerns about financial viability of small stations. It is not particularly bothered about applying the existing 31 approved areas, as it explains in the case of The Breeze stations (para 4.4).

The movement towards 13 larger areas is just a step along the way to a greater number of national commercial stations, patching together a collection of local licences. Ofcom's proposals for provision of local news is protection in name only, given that only the geographically challenged could perceive 50,000 square miles (a rough estimate of the new west of England region) as a local area in which people feel as one community. If the definition of local is not the larger approved region, but the licence area, clearly the application of those regulations is a dead duck already.

The new proposals are the middle end of the wedge in a slow migration to national provision (the thin end has been and gone with previous deregulation). Ofcom gives a nod to this in explaining how its proposals are designed to allow new national breakfast shows. But moreover, the inference from para 4.13 is that if groups don't much like the new large regions, they must but ask Ofcom "to approve a different area for the purposes of where its locally produced programmes may be originated. As with its example of The Breeze, this is Ofcom's Groucho Marx moment. "These are our principles, but if you don't like them, we have others." In short, 31 regions reduce to 13, or whatever number licence holders wish, provided they ask first.

One of the principles Ofcom appears to be trying to protect something it perceives as good, and appreciated by listeners – local news – but the consultation document has no proposals through which such provision is preserved on specific local licences. Radio Exe serves Exeter and surrounding area. Some parts of our new approved region requires a four-hour drive and a journey at sea. It's nonsensical to think this area achieves local provision. We'd say have done with it and let the larger groups operate as national broadcasters if they wish.

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.

We have no issue with the proposed amendment, except to highlight a concern about the definition of local material. Characters of service often refer to the local area, but this frequently results in little or no local material, except something of a very inconsequential nature. The statutory definition of local material as "material which is of particular interest for those living and working in the locality for which the service is provided" is hardly applied now.

For example, we monitored Heart's breakfast show for the South Hams area (licence AL252, which according to format published on the Ofcom website, as at 3 August 2018, commits to providing "a locally focused music and information station for 25 to 54 year-olds in the South Hams), with no reference to towns in the South Hams at all (sometimes there is a nod towards one of the towns in the area). The breakfast show is essentially the same as for Heart Plymouth area (licence AL103) which contained one local news story and some references in travel only ("Plymouth not looking bad"). The character of service is "A locally oriented mainstream popular music and information service for under 44s in the Plymouth area." Music and all content on these two services, which at least according to the published formats, are aimed at different target audiences, was the same.

In short, it doesn't really matter what Ofcom states in the amendment, not what characters of service it agrees. Stations that produce very little local content now will inevitably produce even less. We have no editorial concern about this; if the audience enjoys the product, that should be the only thing that matters. We do, however, have strong concerns that what are still licences for "local sound broadcasting services" are in fact being run as national licences, except for the purposes of local advertising sales.