

Localness on commercial radio

Wireless response – August 2018

Executive Summary

1. Wireless believes that to safeguard the future of local radio delivery across the UK, Ofcom and DCMS should focus their policies on securing a new round of local DAB multiplex licensing. This step is crucial in securing the long-term viability of FM-only local radio services which currently lack digital migration pathways. Accordingly, we eagerly await the publication of Ofcom's licensing plans in this area, following DCMS's consultation on small-scale DAB licensing.
2. Based on our current experience as a local radio operator, further delays in implementing a permanent small-scale DAB licensing regime and second layer of additional local multiplexes risk serious financial harm to existing FM-only local commercial radio stations. We consider this issue to be of significantly greater urgency to the sector's future than further localness deregulation.
3. Currently, services such as Wire FM, Radio Wave and Peak FM face not only the structural headwinds identified by Ofcom as affect all commercial radio services in the internet age, but also the lack of a level playing field to larger regional or national services which enjoy device prominence and FM equivalent coverage of DAB. This hinders achievable listenership reach and inhibits channel innovation and creative.
4. Historically, Wireless has not advocated for further deregulation of the commercial radio industry as other groups have. This is due to our ongoing commitment to locally relevant broadcasting on our local FM radio services, which are each embedded in their respective communities. We are also not a member of industry body Radiocentre which has had a central role in advocating these changes.
5. Nevertheless, we note the support for change in these areas elsewhere in our sector. Our response generally seeks to take a pragmatic approach. In particular, we call for a flexible approach to AM licensing, coupled with an amended approach to approved area classifications – providing additional flexibility to stations located on the periphery of adjacent approved areas.

Q1. 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.

6. Though we have not pushed for this move towards liberalising local FM programming rules we consider affording stations more flexible delivery of local programming commitments is appropriate for a post-internet market.
7. In the case of Wireless' local stations, in all likelihood we will continue to maintain current levels of locally made programming and news output, which already exceed Ofcom's minimum requirements.

Q2. 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.

8. We are in overall agreement with the proposed amendments to the localness guidelines.
9. However, we would suggest that Ofcom go further in reducing AM specific requirements. Given changes in platform consumption trends, it follows that consideration could be given to regulating AM services on an equivalent basis to DAB services. This could help to ensure that local licensees are not unintentionally incentivised to divest of their AM licences and transmission arrangements prior to audiences supporting such a move.

Q3. 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.

10. Wireless urges Ofcom to consider an important change to the proposed approved area policy to account for the many smaller stations – including those which might be most deserving of regulatory relief – located at the periphery of these approved areas. For such stations, Ofcom's current approach may preclude them from potential collaboration with adjacent stations, which are technically regarded as residing in separate approved areas.
11. To address this issue, we propose that Ofcom introduces a concept of overlapping approved areas, allowing stations located at the borders of adjacent areas to decide which 'region' would best fit them for the purposes of a co-location or programme sharing request. An example of a station whom this policy would benefit is Peak FM, which shares geographic and cultural affinities with both South Yorkshire and the East Midlands – a reality which is not acknowledged in Ofcom's proposed approach.
12. Allowing approved areas to overlap in appropriate instances would afford stations such as Peak FM the flexibility to investigate the fullest range of collaboration options, rather than being constrained by arbitrary regional divides. Such an approach would also reduce the likelihood of stations opting for alignments with services which may share significantly less geographic or cultural affinity but which happen to be classified as being in the same approved area.

13. Otherwise, we are broadly in favour of current approved areas being aggregated and stations being given more freedom to determine where to locate their studios and make their content. We recognise that for some licensees, this change will allow them to prioritise resources for programme making and less on “bricks and mortar” costs.
14. Wireless supports the proposed flexible policy of studio location which mirrors our support for regulation which is focused on broadcasting output, rather than production inputs and the internal operating structures of stations

Q4. 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.

15. Wireless supports a continued role for Ofcom in ensuring that sufficient local material is broadcast by commercial radio. If such requirements were left to the market it could undermine the existing justification for the basis on which radio broadcasting licences are awarded by Ofcom, potentially leading - as DCMS has noted - to a requirement for spectrum charging.
16. However, Wireless also supports a regulatory framework that centres around broadcasters’ programming (“output” based regulation) rather than prescribing how it is created (“input” based regulation). In line with this move, we are of the opinion that Ofcom needs not unnecessarily impede any requested changes which will not significantly affect the overall character of a station’s stated format.