

Response from the Advisory Committee for Scotland (ACS) to Ofcom's further Consultation on Approved Areas for Local Commercial Radio

'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.

The ACS has discussed the subject of "Approved Areas", as well as "Localness on Commercial Radio" more generally, at length since the previous consultation, with both internal and external stakeholders. Whilst we sympathise with the concerns particularly of the smaller commercial stakeholders, our role is to represent what we believe to be the best outcomes for Scottish citizens and listeners. Our response to the first consultation on this subject can be viewed on Ofcom's website¹.

Local commercial radio is very important in Scotland's media landscape, regardless of the expansion of podcasting and webcasting, particularly as the BBC's Radio Scotland operates at a national level, unlike BBC Local Radio in England. And local radio's distinctive USP is that it is indeed "Local"; Ofcom's own research shows that listeners place high value on the provision of local news and information. This is in keeping with Ofcom's Public Purposes for Radio i.e.:

"Sustaining citizenship and civil society; Promoting education and learning; Stimulating creativity and cultural excellence; Representing the UK, its nations, regions and communities; Bringing the UK to the world and the world to the UK; and, promoting social gain."

The overall effect of the changes to the localness guidelines is a substantial relaxation of the requirements placed on local commercial radio and the ACS's views on this are set out in our response to the original consultation. Whilst not agreeing with it, the ACS understands the position that has been taken by Ofcom given the public policy position of the UK Government and the market conditions.

In respect of the further consultation on new proposed approved areas, the ACS does not believe it has seen any compelling evidence to support a reversion to the original Ofcom proposal for new approved areas for the North and South of Scotland. To that end, the ACS:

- Supports this current proposal to revert to separate approved areas (AAs) for the western and eastern parts of southern Scotland, given that each of these AAs has significant and distinctive audiences.
- Disagrees with the argument from some stakeholders that this will incur significant extra costs for stations having a base in the relevant AA, given the ease with which digital content can now be produced and broadcast.
- Is disappointed in the reduction in local hours content but trusts that Ofcom will monitor even more closely the quality of that locally made programming moving forward.

¹ https://www.ofcom.org.uk/data/assets/pdf_file/0027/117549/Advisory-Committee-Scotland.pdf

- Recommends that Ofcom revisits the policy of offering new FM licences solely to Community Radio.

In relation to the final bullet, this policy was put in place when it was anticipated that total DAB switchover was going to happen much more quickly. Although listening to the radio through a digital platform is now at 50.9% for the UK as a whole, Scotland remains behind the UK average at 46.9%² and it is the view of the ACS that the growth rate will continue to be below the UK average for some years to come.

The ACS appreciates the efforts that Ofcom has put into small scale DAB but also thinks that there should be some flexibility in the awarding of FM licences to **smaller** commercial operators for a fixed period of time e.g. 3-5 years, on condition that they move over to DAB by the end of that time. It is evident that in the last few years, it has become impossible for standalone commercial stations to survive in Scotland, resulting in the reduction of competition and significant consolidation by the larger radio groups.

The relaxing of this policy would provide an opportunity for smaller commercial companies to retain audience/revenues, whilst simultaneously working towards DAB switchover, thereby maintaining media plurality. It is the ACS's understanding that this should be achievable within the existing statutory framework, although we appreciate Ofcom may require to consider the proposal from a legal standpoint.

On a broader, more strategic level, local content is now available from a multiplicity of sources not anticipated when Local Commercial Radio started in the 1970s and Community Radio at the turn of the millennium. The larger commercial groups such as Bauer and Global have the vast majority of advertising share, with the highest ever advertising revenue recorded in 2017 (£679m). With the reduction of local content hours, these stations are becoming more and more like national stations, certainly in Scotland, something which the ACS is not in principle opposed to, as long as this is reflected in revised public policy.

Parallel to this, smaller players are being squeezed at both ends, with Community Radio stations gaining licences for offering a product which is sometimes more akin to local commercial than community radio. An example of this is Groove City Radio, streaming live from Glasgow, which describes its offering as a "specialist music service aimed at 20-50 year olds, playing dance, house, soul, and electronic music."

The Community Radio sector is less strictly regulated since they are not-for-profit, an issue raised in a recent report from the Radio Centre: "*Small scale Radio in the UK*"³. Whilst the ACS does not agree with many of the conclusions of the report, we do accept that the "line" between what constitutes a community radio station versus a small local commercial station can become blurred, resulting in an unequal regulatory playing field. The ACS would like to see more discussion between the two sectors, to explore more joint engagement for mutual benefit and we hope that Ofcom Scotland might wish to support such stakeholder engagement.

² https://www.ofcom.org.uk/data/assets/pdf_file/0011/116012/media-nations-2018-scotland.pdf (page 33)

³ <https://www.radiocentre.org/wp-content/uploads/2018/11/SMALL-SCALE-RADIO-IN-THE-UK-ONLINE.pdf>

The ACS also suggests that Ofcom might consider commissioning new qualitative and quantitative research in Scotland (particularly as there is no local BBC radio here) into how the entire sector (Local Commercial Radio & Community Radio) has changed since the last piece of in-depth research, in order to inform future public policy. What part do these two types of radio now play in the market, including respective Opportunities and Threats? If it is accepted that the Public Purposes of Radio remain the same, how are the different parts of the local and community radio market fulfilling those purposes? Is it an equal playing field in both sectors? The Scottish research might also provide a very useful basis for reassessing the role of Local and Community Radio across the wider UK.

Advisory Committee for Scotland

30 November 2018