

Local Radio Deregulation

A comprehensive review into the extreme and unnecessary deregulation of the radio industry in the United Kingdom.

Including the adverse effects on the radio industry, listeners, local media, local business and local communities across the UK.

APRIL 2019

A report by The Local Radio Group



The Local Radio Group

About us

The Local Radio Group was formed in March 2019 in response to the extreme and unnecessary levels of deregulation being imposed on the UK radio industry.

The group is comprised of various people, from industry workers, to radio listeners, both young and old. We have also received support from local businesses and politicians in both England, Scotland and Wales.

The Local Radio Group is completely not-for-profit and is free for anyone to join. The founders and members of the group receive no form of income or revenue from the running of the group. This report was undertaken at our own personal expense, including the comprehensive survey which will feature as part of the report.

To our knowledge, we are the only group of our kind currently operating in the United Kingdom. The radio industry has no recognized union and, although we are by no means an *official* union, we feel we represent radio industry workers at many levels who feel they have no voice and no say in the changes being imposed on them.

Equally, we also represent radio listeners across the UK. We feel that they are often the ones most forgotten about, and last considered, when it comes to industry-wide changes.

We would encourage anyone who is interested in finding out more information about who we are, and what we do, to follow us on Twitter [@LocalRadioGroup](#).

Alternatively, you can email localradiogroup@yahoo.com.

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New Approved Areas and Localness

Until late 2018 most local radio stations were required to broadcast a minimum of **7** hours a day of local programming (including Breakfast hours) and **4** hours a day at weekends. The medium and the industry boomed under this format. It allowed radio stations to be unburdened from the financial pressures of a once, overregulated industry, whilst at the same time maintaining local radio shows at peak times. What followed were record highs in both listening figures and revenue. In fact, just last year in 2018, commercial radio recorded its highest amount of revenue – ever.

Following the [Ofcom localness consultation](#)¹ of 2018, this was slashed to just **3** hours a day during weekdays (no requirement to be in Breakfast hours) and **zero** hours at weekends. There appears to be a notion that if a station broadcasts local news, weather and travel then it has fulfilled its “localness”. It is far too simplistic for Ofcom, or anyone else for that matter, to suggest this is all listeners expect, require and deserve from their local radio stations.

This was combined with a seismic change in the local “Approved Areas” map, as set out by Ofcom. Formerly, there were **31** local “Approved Areas”, but following the localness consultation this was slashed to just **12** – less than half of the original map. The vast difference is show visually below;



It is worth noting, that since these new “Approved Areas” maps were published, [boundary change requests](#)² have been approved by Ofcom at the request of Global.

1. Ofcom – Localness on commercial radio https://www.ofcom.org.uk/data/assets/pdf_file/0012/115113/consultation-localness-radio.pdf
2. Radio Today - <https://radiotoday.co.uk/2019/01/globals-local-guidelines-changes-revealed-by-ofcom/>

One of the reasons behind the “Approved Areas” map changes, was set out by Ofcom in the Localness Consultation as below;

“Our proposal is to combine Ofcom’s existing published approved areas into a smaller number of significantly larger approved areas which match as closely as possible the ITV regions. This is on the basis that the ITV regions are an already well-established framework for the delivery of sub-UK-wide broadcast programming, which both audiences and advertisers have a degree of familiarity with.”

The fact that the industry regulator for radio has virtually “copied and pasted” a model used for commercial television is extremely disappointing.

There are obvious and vast differences between the two mediums. Radio is, and always has been, an intimate, personal and one-to-one medium in a way that television can never be. Radio is portable, television is not.

This model does not work for radio in the same way and has the potential to harm the reputation of radio as opposed to enhancing it. Radio is the most trusted medium in the UK and that hard-earned reputation is being put at risk with the decimation of local and trusted broadcast services.

[64% of people listen to radio in the car or on public transport.](#)¹ It’s fair to say that by and large, this cannot be done with television or indeed many types of visual media.

1. Radio Today RAJAR infographic - <https://radiotoday.co.uk/2019/02/rajar-q4-2018-the-quarterly-infographic-is-here/>

As a result of these extreme changes, the radio industry is currently witnessing a monopoly. Two large corporations (Global & Bauer) now own a majority of the local, commercial radio landscape in the UK at the expense of smaller, local stations and groups. Both corporations have been buying-out local radio stations all over the UK in the last few years, in anticipation of deregulation. Global have already shown why they did it; so that they could close buildings, cut staff and broadcast a virtual, national product using local FM licenses. How can this be deemed acceptable and allowed by the industry regulator? How can a regulator idly stand by and watch its industry being monopolised? At the time of writing, Bauer's recent purchases are in '[Hold Separate](#)'¹ whilst the CMA investigates. But it has been widely predicted within the radio industry that they will follow Global's lead if/when they are given the green light to do so.

To put this excessive and dramatic loss of services into perspective, Heart local breakfast shows are due to be slashed from **22** separate shows to just **one** national show. Whilst **14** local breakfast shows on Capital have already been revised to just **one** national show. Global's Smooth brand will also be losing local breakfast shows to make way for just **one** national show.

Given the above statistics, it is worth looking at exactly what Ofcom consider "[local material](#)"²

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- *A listener should get a feel for an area by tuning in to a particular station, and have confidence that matters of local importance, relevance or interest to the target audience in the area will be broadcast;*
 - *This should include programming of specific local relevance which also offers a distinctive alternative to UK-wide or nations' service;*
 - *It should include content drawn from, and / or relevant to the station's licensed area;*
 - *Licensees should be able to identify a range of output which is specifically relevant to their local area;*
 - *Programming should be likely to give listeners a feeling of ownership and / or kinship, particularly at times of crisis (snow, floods etc).*
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1. Radio Today - <https://radiotoday.co.uk/2019/03/ukrd-purchase-by-bauer-to-be-looked-at-by-cma/>

2. Ofcom localness guidelines <https://www.ofcom.org.uk/tv-radio-and-on-demand/information-for-industry/radio-broadcasters/localness>

We cannot see how any of the above is possible to achieve when local breakfast shows are now allowed to become national shows and when the only 3 hours of “local” content now required, is allowed to be broadcast over “Approved Areas” that include multiple different counties within one single area, and (in the case of Wales) an entire nation.

Localness Consultation

If you read [all of the responses](#)¹ to the Ofcom Localness Consultation of 2018, made available on the Ofcom website, it is very clear that the respondents who mostly agreed with and supported deregulation were Radiocentre, Global, Bauer and groups that have subsequently been purchased by Bauer Media since the time of the consultation itself.

It is an utter outrage that the vast majority of respondents clearly and comprehensively *disagreed* with local radio deregulation for a variety of well-founded and well-explained reasons - but were simply not listened to. These respondents included Ofcom’s own Advisory Committees across the UK, MPs, businesses, listeners and even local radio stations themselves. They have simply been ignored. There is no other way to describe it.

Just **46** responses have been made public via the Ofcom website. This is surprising given the importance of the subject matter. It is disappointing that a wider-consensus wasn’t sought on the issue.

Regardless - **35** of the 46 of the respondents voiced, at the very least, concerns about the deregulation of local radio. A large majority of these 35 voiced general and vast disagreements with the concept. This is compared to just **11** respondents who largely agreed with the proposals.

This begs the question - Why was there a consultation in the first place, if the views of the vast majority of respondents were to be disregarded in favour of the minority?

1. Ofcom Consultations and Statements <https://www.ofcom.org.uk/consultations-and-statements/category-2/guidelines-localness-commercial-radio?showall=1?showall=1>

Here follows a complete list of the published responses to the initial consultation with short quotes taken from their individual responses. The quotes are mainly in response to Question 1 of the localness consultation - ***“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?”***;

[Advisory Committee for England \(ACE\)](#) – *“we remain concerned that the proposals will lead to a diminution in local representation and voice. There is already a weakness in this aspect which is determined by the defined local areas.”*

[Advisory Committee for Wales \(ACW\)](#) – *“we remain concerned that specifically in the case of a breakfast service, which defines the sound of a station and its inherent local character, that listeners expect to hear a local service with locally based presenters”*

[Advisory Committee for Scotland \(ACS\)](#) - *“the committee’s concern lies in the different radio landscape/consumption in Scotland in comparison to the rest of the UK, leading to possible unintended consequences in Scotland; one size does not fit all.”*

[All-Party Parliamentary Commercial Radio Group](#) – *“We agree that Ofcom’s duty to secure ‘localness’ on local commercial radio stations could still be satisfied if stations were able to reduce the amount of locally-made programming they provide.”*

[Bauer Media Group](#) *“We agree with Ofcom’s proposal. Ofcom research demonstrates that what audiences value most in terms of local content is news and information, rather than where a radio presenter is sat. Ofcom’s proposed approach recognises the changes in technology, rapid increase in audience choice and commercial reality that faces commercial radio today.”*

[Bird, Mr R.](#) - *“many years ago when radio was local all the time, it was a lot better more friendly, more interaction with the listeners in the area you felt part of it. i now feel as a listener less involved and it its slowly crumbling away. If people really wanted to listen to a national station they would have chosen to listen to one, but some people like myself listen to local radio because it was local to them.”*

[Celador Radio \(Company since purchased by Bauer Media\)](#) - *“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”*

[Community Media Association](#) - *“CMA members have expressed the view that if Ofcom reduces the localness requirement on local commercial radio stations then that would undermine the fundamental raison d’etre of those stations. And where a local commercial station becomes part of a larger group and broadcasts networked content under the group name, that station should indeed cease to be considered a small local radio station. In both cases, the rules that currently restrict the commercial activity of community radio stations should be reviewed and revised.”*

[The Culture, Welsh Language and Communications Committee of the National Assembly for Wales](#) – *“The Committee is concerned that this change paves the way for an increasing homogenisation of content, as stations will likely take the opportunity to further reduce the number of hours of local content that they produce.”*

[Dee Radio Group](#) – *“Yes we agree Our thoughts are in line with Radio Centre’s response.”*

[Global Radio](#) – “We support Ofcom’s proposals and believe that stations will retain their ‘localness’ irrespective of the number of hours of locally made programmes.”

[Harlech Propertied Ltd](#) – “There is a desire by media cartels to remove ‘local’ from ‘local commercial radio’. ‘Local’ in radio is about being part of the local community, carefully defined by the geography of the original licence. The format of a station is NOT just about music, it’s the recipe which defines it as coming from its broadcast region – presenters, news, information, and languages used. Unfortunately, the big companies will choose to muddy the water between ‘local material’ and ‘locally made’

[Heart of the Nation Broadcasting Team](#) – “If these proposals to reduce the amount of locally-made programming are to be implemented then we believe that there must be an increase in local/regional news provision at peak hours, as well as keeping the existing amount of ‘local content’.”

[Hollywood, Mr T.](#) – “I am writing to highlight the importance of maintaining at least seven hours local output a day on our local radio stations and allowing them to continue broadcasting from their TSA’s.”

[Hughes, Mr G.](#) – “Ofcom’s response appears to do nothing to secure localness. In my current area the nearest “local” commercial station is thirty miles away and while it does pre-record local weather and insert some traffic news the general output is clinical and gives no outward impression of being part of its westerly TSA”

[Kingdom FM Radio Ltd](#) – “Kingdom FM is one of the few remaining independent radio stations in Scotland. The proposals detailed in this consultation paper will sound the death knell for small independent stations like ours. We are not alone in this view and others like us will find little room to be competitive if the proposals go ahead. They hand an unfair advantage to the larger groups and will force us to have a complete rethink on how we run our operation to survive in a world where locally-made programming is a perception instead of a reality”

[Lilian Greenwood MP](#) – “Ofcom does not seem to have undertaken a full enough impact assessment of what will happen if these changes take place. Over 80% of commercial radio revenue is generated by just four companies – three of which are private companies not listed on the stock market. These four interests have a collective voice through the Radio Centre. Radio is almost entirely non-unionised and so there is no effective voice for the managers, producers, presenters, engineers, sales people and support staff who deal with the day to day operation of the industry. Aside from this short period of consultation, Ofcom has not appeared to talk to these people about the impact of these proposals.”

[Lincs FM Group](#) (Company has since been purchased by Bauer Media) – “Yes. We concur with the view of RadioCentre that ‘localness’ can still be secured if stations are able to reduce the amount of locally -made programming”
(The research referenced in this response was included in detail)

[Nagy, Erzsebet](#) – “Localness should never be reduced on local commercial radio stations. There is research to back this up, proven by statistical research from 2008-2014.”

[Name Withheld 1](#) – “No. Localness on local commercial radio stations cannot be satisfied by a reduction in programming.”

[Name Withheld 10](#) – “No. Programming being made miles away from the area it is being broadcast too is not necessarily going to be very good at localness. The team working on the programme would be under no obligation to ever even visit the local area.”

[Name Withheld 11](#) – *“I do not agree with plans to alter the approved areas for localness. This would lead to a detrimental drop in the quality of local broadcasting.”*

[Name Withheld 2](#) – *“No I don’t believe that Ofcom would be securing ‘localness’ by reducing the requirement for local programming on commercial stations in this way”*

[Name Withheld 3](#) – *“Ofcom’s own survey shows that some people very much value having local presenters. Just because this reason didn’t come top in the survey does not make it irrelevant. With between a fifth and a quarter of people valuing local presenters, this sizable chunk of people are in danger of being badly served if these proposal go through.”*

[Name Withheld 4](#) - *No. Being able to serve a local area and satisfy ‘localness’ is why these licenses were created in the first place. To reduce the hours of locally made programming by very definition has an impact on ‘localness’ and given the reductions that were approved eight years ago, most operators now only have to provide a service which is not fully local as it is.”*

[Name Withheld 5](#) – *“No – I am very concerned that local commercial radio has become very non local and over consolidated already. I see no listener benefit for stations to be allowed to reduce still further their local commitments.”*

[Name Withheld 6](#) – *“I understand that some footprints make sense to potentially merge/share. The North West of England is a clear example. It makes no sense to have Heart and Smooth North West but Capital has to provide separate services in Liverpool and Manchester.”*

[Name Withheld 7](#) – *“I do not agree with the proposed amendments to the localness guidelines relating to locallymade programming. I do not believe a three hour show is enough to contain any meaningful local content which in turn would mean that Ofcom’s duty to secure localness is not satisfied”*

[Name Withheld 8](#) – *“No I don’t. These local stations would not be local, by definition. They would be quasi-national or indeed national.”*

[Name Withheld 9](#) – *“No. The majority of local commercial radio stations already produced very little locally-made programming.”*

[Nation Broadcasting](#) – *“Yes” “We do not believe that Ofcom’s proposals go far enough.”*

[New Wave Media](#) – *“Yes but we think Ofcom could go further. We feel that the broadcasting landscape is changing so fast with new digital and web based broadcasters entering the sector that these proposals could soon be out of date.”*

[Owen, Mr L.](#) – *“No. Such generalisation and rules may work when you combine Yorkshire and the East of England in to one area but to put the whole of Wales in to one area shows a blatant lack of understanding.”*

[Parry Mr. M](#) – *“Ofcom has already pandered too much towards the large corporate licensees in exchanging the fundamental building blocks of ‘independent local radio’ for undeniably corporate, faceless and synthetic networked content.”*

[Quidem Group](#) – *“We do agree with Ofcom’s conclusion. The research data presented in Ofcom’s consultation document is compelling.”*

[Radio Centre](#) – “Yes, we agree that Ofcom’s duty to secure ‘localness’ on local commercial radio stations could still be satisfied more than adequately if stations were able to reduce the amount of locally-made programming they provide.”

[Radio Exe](#) – “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.”

[Rhun ap Iorwerth AM](#) – (Translation from Welsh language to English) “I understand that this is consultation on locality, not consultation in a format, but I think it is important to use this opportunity to remind Ofcom of the need to protect the Welsh and bilingual element and not allow it be negatively affected by any decisions on de-regulation”

[Scottish Government](#) – “In reassessing the framework for localness we believe Ofcom should ensure that the distinctive needs of audiences in Scotland continue to be fully met. The Scottish Government believes broadcasting should be devolved so that proportionate decisions can be taken which recognise the requirements of viewers and listeners in Scotland.”

[Smith, Mr. D](#) – “No. Since 2012 we have been virtually stripped of meaningful local commercial radio stations.”

[Stuart McDonald MP](#) – “I strongly disagree that the duty to secure localness could be satisfied through the proposed changes to the required volume of locally-made programmes.”

[Swift, Mr. M](#) – “No. It is Ofcom's own significant deregulation of the 'localness' of format in 2015 that has led to the quoted decline of local commercial radio listening from 30.3% to 27.4%. The reason behind this is that Ofcom's deregulation has allowed operators to destroy local content when they buy up stations, thereby shedding listeners.”

[Technical Wizard](#) – “It seems an odd proposal for Ofcom to even consider taking the number of local hours provided by stations down from 7 to 3 and to hugely increase the size of approved areas for 'local' production. Considering the industry has achieved such great revenue and audience figures. Ofcom's focus should be on maintaining the current licence requirements rather than looking at cost reductions for commercial radio.”

[Tim Farron MP](#) – “Ofcom’s proposals would not allow for a local breakfast and drivetime shows. These are well known to be the two most listened to slots of the day and by sacrificing one of the two to national programming, then the station will lose purpose, credibility and, as a result, listeners. Seven hours of locally produced content per weekday must be retained, including provision at breakfast time.”

[Van Kohler, Izzi](#) – “Stations should not reduce locally-made programming, as since 2012, there has been a general consensus that local radio has been eroded...”

[Wireless](#) (Wireless regional stations have since been purchased by Bauer Media) – “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.”

The responses in full can be viewed via their individual links. All of which can be found under the “Responses” section of the following web page; <https://www.ofcom.org.uk/consultations-and-statements/category-2/guidelines-localness-commercial-radio?showall=1?showall=1>

Industry Job Losses

[An exclusive report](#)¹ by the RadioToday website suggested that, as a result of deregulation “Radio presenter numbers could drop by more than 250”. That’s just presenters. That doesn’t account for the people who work “off air” and behind the scenes. Producers, broadcast journalists, technical operators, managing editors, admin and office staff and other roles were not considered in this report. All of this adds up to a devastating amount of job losses – all of which are completely unnecessary and without valid justification – either for broadcast or financial reasons.

According to the recent [Valuing Radio report](#)² by the All-Party Parliamentary Group on Commercial Radio; “Commercial radio supports more than 12,000 jobs (including over 4,000 people who are direct employees)”. This report was proudly shared by Radiocentre. However, given the fact the industry has now been deregulated to such a degree, we find a statistic like this to be disingenuous. Taken at face value, the statistic looks and sounds impressive, but is not reflective of the radio industry ‘post-deregulation’. These numbers will be dramatically dropping as deregulation takes full-effect and in fact we are already seeing evidence of this as buildings are closed and people are made needlessly redundant. We rather feel that, at the very least, there should be a follow-up report considering recent industry changes, in to reflect the true nature of jobs in the industry as it stands **now**. These jobs have been slashed more widely than ever witnessed in our industry before.

The effects of deregulation are not just going to impact on the “direct employees” of radio stations. It would be remiss of anyone involved, not to consider other roles and industries that are affected by such excessive deregulation; scriptwriters, copywriters, web designers, consultants, audio hardware manufacturers, commercial producers, voiceovers and bespoke computer software manufacturers are amongst the people who stand to lose business and livelihoods following the changes.

And what of the hundreds of students currently studying radio related subjects at Universities across the UK? This should be the next generation of radio talent ready to burst onto the scene and make a living in the career they have studied long and hard for.

Instead, they are faced with an industry that is effectively destroying itself from within. An industry that has very few jobs available, even to the most experienced radio professionals. What chance do these students stand of breaking into the industry now? These are students that spend a lot of their time honing their skills broadcasting on student radio stations at campuses across the UK. What a travesty it would be if that was allowed to go to waste.

1. Radio Today - <https://radiotoday.co.uk/2019/02/opinion-uk-commercial-radio-presenter-numbers-could-drop-by-more-than-250/>
2. Radiocentre Valuing Radio - <https://www.radiocentre.org/policy/valuing-radio-2/>

Both Global and Bauer have their own respective Academies. What kind of message does this industry currently send to those young people? Particularly when, in the case of Global, the very company responsible for their education is the very same company consolidating the industry to an alarming extent.

Labour MP and Shadow Culture Secretary, Tom Watson [said the following](#)¹ regarding deregulation;

“The loss of more than 100 local radio jobs across the country is a travesty and particularly damaging at a time when local news is already under extreme pressure. Replacing local voices with London-based presenters will be a terrible loss to communities across the country. Radio has unique reach, providing listeners with national and local news and friendly company. This announcement is a terrible blow.”

These sentiments have since been echoed by politicians across the UK.

Scottish Parliament has given [cross-party support](#)² to a motion calling for a review into the loss of local radio services. The motion was backed by an unprecedented number of MSP’s from across the Holyrood House.

Lilian Greenwood MP has also [raised the issue in Westminster](#),³ describing the situation as the “unnecessary deregulation of local radio – at a time when commercial radio in the UK is booming”. The Leader of the House, Andrea Leadsom MP agreed with this sentiment and advised the seeking of an adjournment debate on the issue. We would certainly welcome this debate and would argue that, ultimately, a parliamentary review would be justified.

1. ITV News - <https://www.itv.com/news/2019-02-26/globals-regional-radio-cuts-a-travesty/>
2. Scottish Parliament - <https://www.parliament.scot/parliamentarybusiness/28877.aspx?SearchType=Advance&ReferenceNumbers=S5M-16105&ResultsPerPage=10>
3. KettleMag The loss of local radio - <https://www.kettleMag.co.uk/the-loss-of-uk-local-radio/>

Commercial Radio is thriving

Why are we fixing something that isn't broken?

Commercial radio in the UK is in rude health, both in terms of listening figures and revenue. So why was there the need to change the industry regulations *at all*?

There seems to be a (largely unfounded) fear that is projected onto the industry that we must “move with the times” and that digital listening to things such as Spotify and Podcasts will “kill off” the industry if radio doesn't change. There is no real evidence that this is happening. Spotify, iTunes, Podcasts and others have been widely available to listeners for a long time and yet the industry is still experiencing record revenues and extremely strong listening figures.

We rather feel that this “fear” of the digital age is being used as a so-called “smokescreen” by some, to essentially allow the big corporations to have their way and make as much money as they can. It is the only argument these people seem to have for the concept of deregulation - yet is largely unfounded. The *real* figures to take notice of are listening figures via RAJAR and the commercial radio revenues and economy – both of which are very healthy, and these are public, documented facts.

Also - who says that these widespread and extreme changes now allowed under deregulation are going to make radio more popular anyway? Where is the hard proof in that? We know that radio is thriving now, but how can anyone be so sure that it will continue to thrive with widescale changes? We suggest, it could have entirely the opposite effect and do more harm than good to the industry and the perception of the listener.

Surely radio survives in the long term by being as different and inclusive as possible to its listener. We're in real danger of losing that intimate, one-to-one connection with the listener that gives radio its mass appeal.

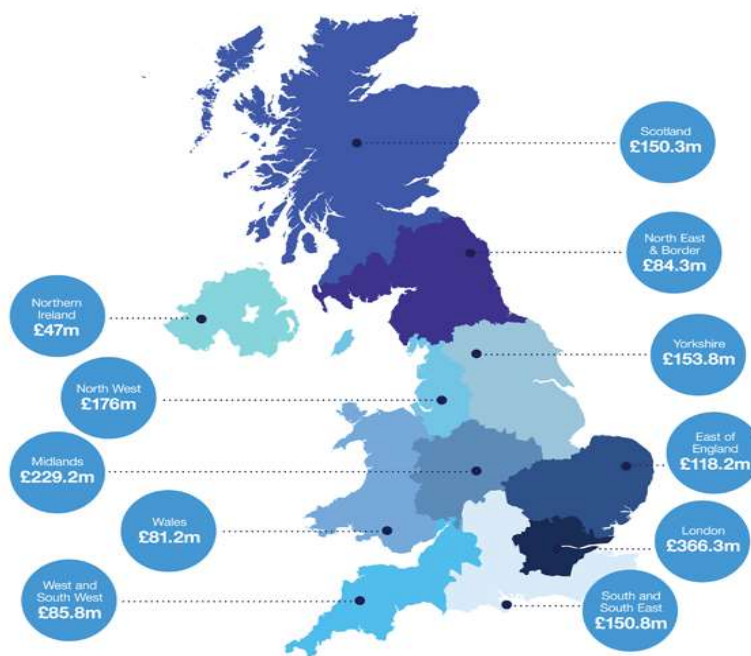
In fact, since the launch of the new, national Capital Breakfast show, we have already seen examples on social media where disenfranchised listeners have stated they will now be listening to Spotify instead. This is a dangerous place for radio to have found itself. The people involved in making recent decisions have completely lost sight of what radio is all about. Taking away local radio's unique selling point is extremely harmful to the medium as a whole.

In the long-term, the only obvious parties that stand to benefit from such widespread and extreme changes are Global & Bauer at the expense of all others. In fact, it now leaves a huge void in terms of local advertising and the benefits provided to local communities and businesses across the UK.

Local radio advertisers see an annual £1.6bn return on investment. Proof that the radio industry model was working, in fact *thriving*, before deregulation. [To quote RadioCentre](#);¹

“Commercial radio is currently enjoying positive momentum in terms of both audiences and ad revenues having taken £713 million in 2018, its highest ever figure. This represents a 5.1% increase year on year and builds on 2017’s figure”

Radio’s £1.6bn return on investment for local advertisers



Graphic 1 - Valuing Radio a report by the All-Party Parliamentary Group

It surely begs the question; Why on earth is this all being put at risk?

1. Radiocentre Ad Revenues and Forecasts - <https://www.radiocentre.org/the-audio-market/ad-revenues-and-forecasts/>

Because of the recent industry changes, there is now a massive void in local communities across the UK, where there is no longer a truly, local commercial radio station. There will be a knock-on effect for local economies as a result of this. For many local businesses, independent local radio provides them with a chance to advertise at a reasonable cost, whilst at the same time targeting their advertising campaign to reach their local customers. The cost of advertising with the bigger, national brands is astronomical in comparison and far less able to be targeted to specific markets.

Not only this, but advertising availability on these bigger stations, combined with the costs, will see only national companies being able to win the space for airtime at the expense of small to medium sized local businesses. An unfair and unbalanced culture has been created which, in fact, flies in the face of the government stance on supporting these types of businesses within the UK economy. And of course, one shouldn't forget that independent, local radio stations are *themselves* small to medium sized businesses that should be afforded a level of protection. This simply is not the case as things stand.

With the vast and extreme nature of deregulation we are running the risk of many current advertisers shunning radio as a means of advertising their product, or literally being forced out of the marketplace altogether.

As part of the public survey that we ran in conjunction with this report, we received the following comment from an anonymous local radio advertiser;

"I have watched with alarm the changes to local radio in the past months. I am a marketing manager for a large visitor attraction who uses radio to cover the 25 unitary authorities from where we get our visitors. The 'local' feel to commercial radio produced results for us, I will be looking at not booking my campaign's in advance now until I see what difference the changes from Global and Bauer have made to listening figures. We regularly advertise on eight radio stations all have been told of my feelings on the changes."

During the process of writing this report, we also received a detailed message from another business owner who advertises using local radio;

“My partner and I run a small independent local business in West Sussex.

As what our company does is unique, selecting advertising channels can be challenging. There are no sections or departments for our business type.

We work within a 50-mile radius, although 50% of that is the English Channel so we need to advertise locally and where our ideal target audience will hear about us.

Our company has been advertising on our local radio station for the past 4 years and this is our primary source of advertising and certainly has the most response. We have advertised in print in various magazines etc and never receive any response or enquiries.

We pay £416 per month plus vat (working out at under £100 per week) and because of how the radio station spread the air time and adverts, means we are always on the air at different times of the day and different days of the week. This results in us reaching a huge variety of listeners, whether they are driving, working, in their home and during the week and weekend.

I approached Heart FM (Global) to find out how much they charge as I was intrigued to know the difference, even though I felt that Heart’s audience is not predominantly our average customer. I was advised that their audience are three times larger than that our local station have, however that was reflected in the price; three times the price at £1495+vat per month. Plus, that was only for the Brighton mast and not the whole of Heart Sussex & Surrey, that was even more money!

That amount is not only out of our budget as a small business, it is simply not justifiable to pay to advertise to people that are not going to be able to afford or require our service.

We will always choose to advertise with independent local radio over a larger radio station that covers a larger area/nationally. Should we be advertising with a radio station that was taken over/bought out, to be turned into a national station, then we would pull our advertising and cancel the contract as it would be totally irrelevant & inappropriate to our business.”

Quote from Zoe Imbimbo – Co-owner of Colourfull Kitchens



Global themselves reported a [pre-tax profit of £25m¹](#) in the last tax year. This is yet more proof that any further deregulation of the industry was completely unnecessary. There have been times in the history of commercial radio where the industry was arguably over-regulated and consequently radio stations struggled to survive. However, this is categorically *not* one of those times – in fact quite the opposite. None of this needed to happen.

1. Radio Today - <https://radiotoday.co.uk/2019/01/global-reports-ninth-year-of-increased-profits/>

Listener Survey & Comments

Aside from advertising and revenue, surely the most important factor of all is the desire of the listener. Without listeners, everyone involved in the radio industry would be without any purpose whatsoever. In our opinion, the listener has been overlooked by companies who have far more interest in how their financial spreadsheets read.

[The latest RAJAR figures¹](#) (Q4 2018) suggest that **88%** of the population tune into radio every week, that is some **48.4 million** adults. On average a listener tunes into **20.7** hours of live radio per week – that's over a **billion** total listening hours, combined. Digital listening continues to grow with a new high share of **52.6%**.

68% of people listen to the radio at home, **64%** listen in the car or on public transport and **22%** listen at work or elsewhere.

None of this suggests that radio is in any way in need of the radical reform and deregulation that we have witnessed. Quite the opposite, in fact.

We recently conducted an online survey, which asked a series of questions regarding listening to local radio, the deregulation of local radio and advertising on local radio. The survey was available to everybody and was shared widely by MP's from England, Scotland and Wales, reaching constituents from across the UK. The survey was also widely shared amongst journalists, media organisations, radio listeners, radio presenters and radio stations. As well as Facebook groups of local areas and business community Facebook pages – through to an internet fans forum for a Premier League football club.

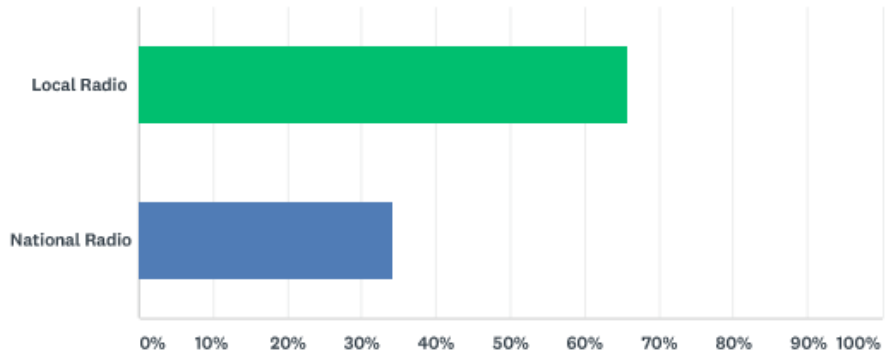
We wanted to make sure the survey was spread as widely as possible. The survey was paid for at personal expense, including a Facebook advertising campaign to specifically target the survey to the 18-65+ demographic in the United Kingdom.

1,005 participants took the survey between 28th March – 6th April 2019 via the website surveymonkey.com. The results were as follows;

1. Radio Today - <https://radiotoday.co.uk/2019/02/rajar-q4-2018-the-quarterly-infographic-is-here/>

Q1 What do you listen to more of?

Answered: 1,005 Skipped: 0

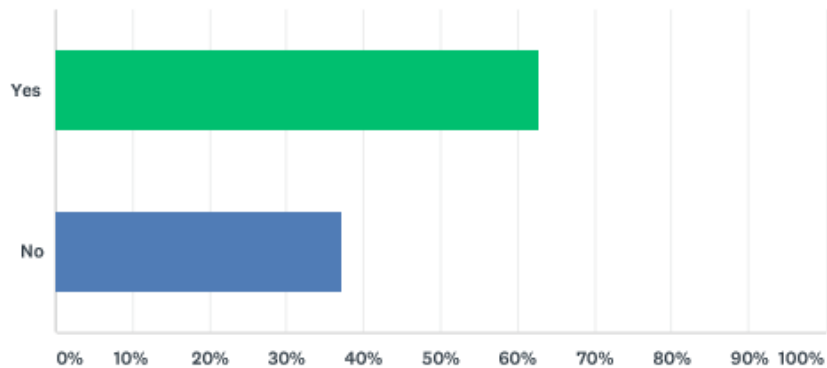


| ANSWER CHOICES | RESPONSES |
|----------------|------------|
| Local Radio | 65.77% 661 |
| National Radio | 34.23% 344 |
| TOTAL | 1,005 |

The response to Question 1 clearly shows that Local Radio is still very much in demand from listeners, with **over 65%** of respondents saying that they mostly listen to local radio over national radio.

Q2 Would you switch off if your local station became national?

Answered: 1,005 Skipped: 0

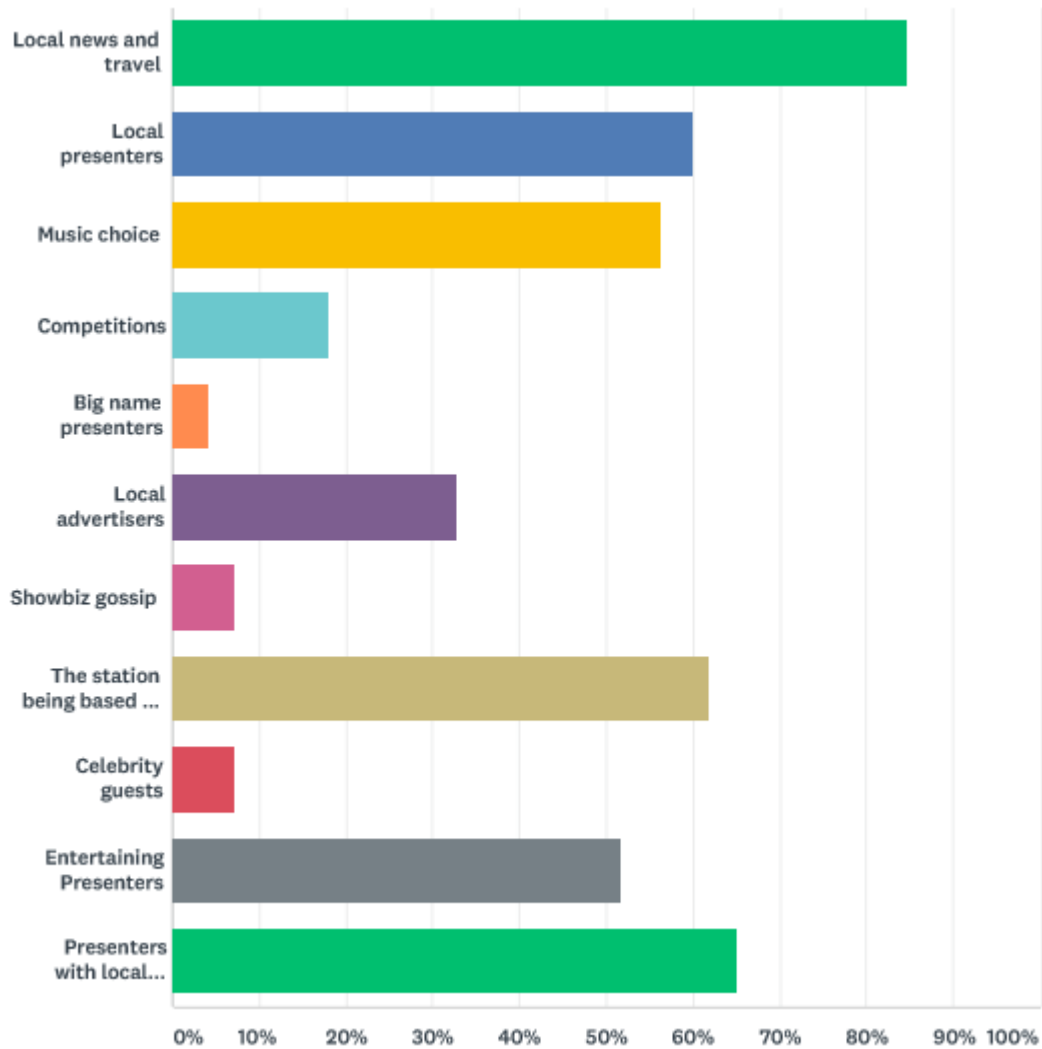


| ANSWER CHOICES | RESPONSES |
|----------------|------------|
| Yes | 62.79% 631 |
| No | 37.21% 374 |
| TOTAL | 1,005 |

The response to **Question 2** is surely a worrying finding for any local radio station intending to drop local programming in favour of broadcasting a national product. The result of our survey shows that stations making this move will be risking the loss of large amounts of listeners, who clearly still demand a local service from their local radio station.

Q3 What is important to you when listening to a local radio station? (Tick as many as applicable)

Answered: 1,005 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|--------------------------------------|-----------|-----|
| Local news and travel | 84.78% | 852 |
| Local presenters | 60.00% | 603 |
| Music choice | 56.22% | 565 |
| Competitions | 18.01% | 181 |
| Big name presenters | 4.18% | 42 |
| Local advertisers | 32.94% | 331 |
| Showbiz gossip | 7.26% | 73 |
| The station being based in your area | 61.99% | 623 |
| Celebrity guests | 7.36% | 74 |
| Entertaining Presenters | 51.64% | 519 |
| Presenters with local knowledge | 65.07% | 654 |
| Total Respondents: 1,005 | | |

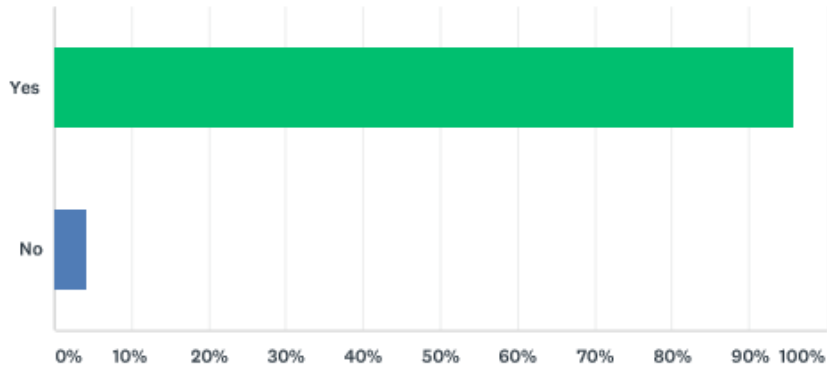
We find the results of **Question 3** to be very interesting. Local news and travel are the most important with over **84%**, but the results also show how other local aspects are also very important to people listening to a local radio station. **Presenters with local knowledge** was shown to be the second most important thing with over **65%** followed by **The station being based in your area** with nearly **62%**.

Conversely, **Big name presenters** was the least popular opinion, with just over **4%**. Also, **Celebrity guests** and **Showbiz gossip** were both only important to just over **7%** of listeners.

This is particularly concerning as the big brand radio stations who are switching from local to national shows, will be hoping that big name presenters and celebrity guests will be the things that may persuade listeners to remain listening to the station. The results of this section of the survey would suggest otherwise.

Q4 Do you believe local radio still has a place in a digital, modern world?

Answered: 1,005 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------|-----------|-------|
| Yes | 95.82% | 963 |
| No | 4.18% | 42 |
| TOTAL | | 1,005 |

The answer to Question 4, is the starkest finding from our survey. When asked ***Do you believe local radio still has a place in a digital, modern world?*** Nearly **96%** of people answered **Yes**.

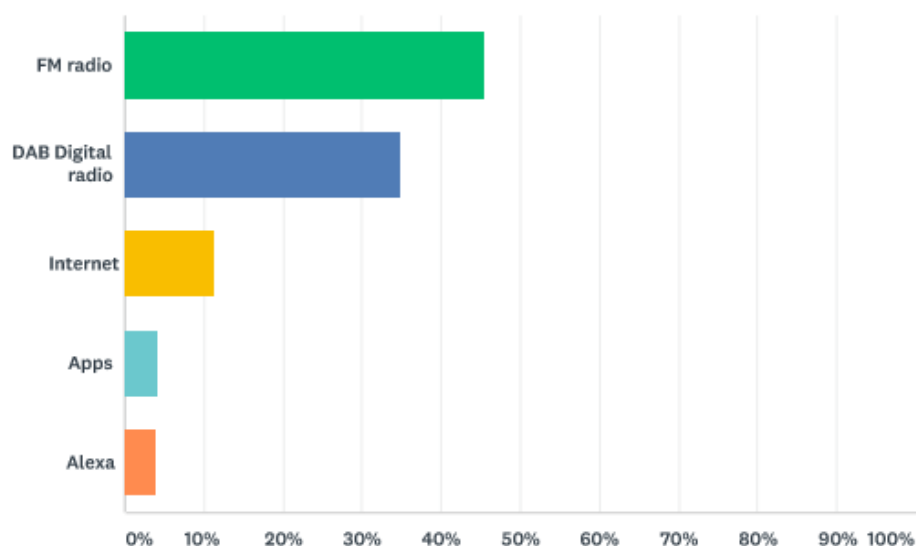
This compared to just **42** people out of **1,005** who answered **No**.

The results show that there is still a need and a demand for true, local radio in 2019.

It makes it all the more concerning that the industry has been allowed to go down the route of deregulation when presented with a figure as compelling as this.

Q5 In the main, which method do you use to listen to local radio?

Answered: 1,005 Skipped: 0

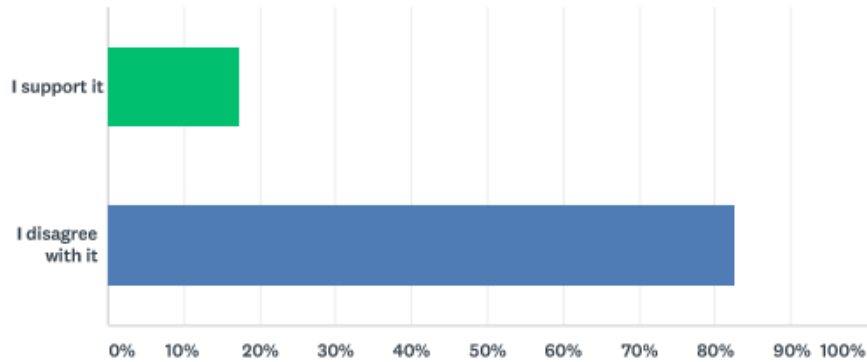


| ANSWER CHOICES | RESPONSES | |
|-------------------|-----------|-------|
| FM radio | 45.67% | 459 |
| DAB Digital radio | 34.93% | 351 |
| Internet | 11.34% | 114 |
| Apps | 4.08% | 41 |
| Alexa | 3.98% | 40 |
| TOTAL | | 1,005 |

Responses to Question 5 clearly show that **FM radio** is still the most popular method of listening with over **45%**. The rise of **DAB** listening is also reflected in the response with nearly **35%** of listeners now tuning in using digital radio. However, other methods of listening via digital devices are some way behind as shown above.

Q6 Do you agree with and support the recent deregulation of local radio? Meaning that once local services are now becoming national services?

Answered: 1,005 Skipped: 0

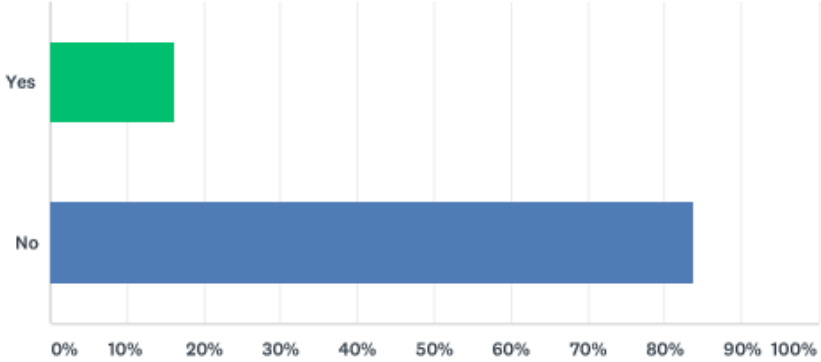


| ANSWER CHOICES | RESPONSES | |
|--------------------|-----------|-------|
| I support it | 17.41% | 175 |
| I disagree with it | 82.59% | 830 |
| TOTAL | | 1,005 |

The response to Question 6 is yet another stark finding from our survey and should be particularly noteworthy to the regulator who chose to deregulate the industry. Over **82%** of listeners **disagree with deregulation** upon learning that once local services are now becoming national. It's quite clear this change in regulation isn't what the huge majority of listeners wanted.

Q7 Do you advertise your business specifically using local radio? (Skip if not applicable)

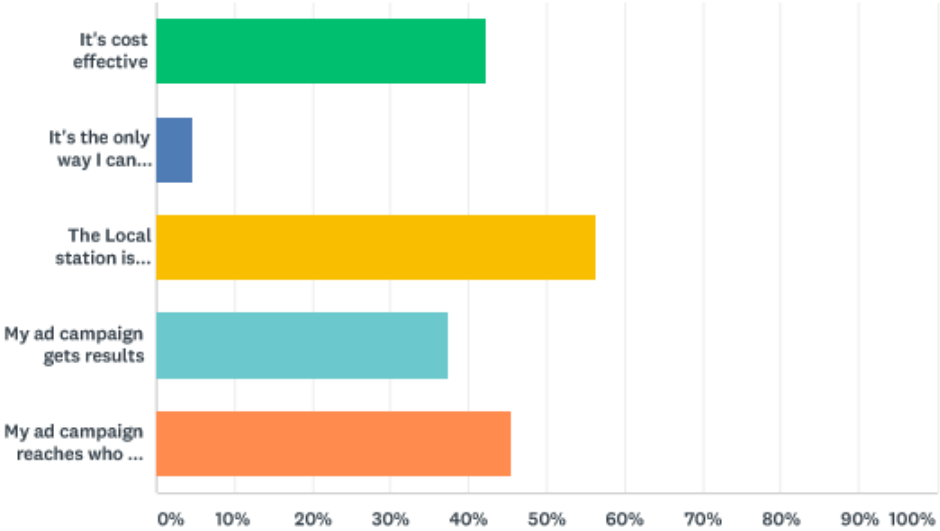
Answered: 337 Skipped: 668



| ANSWER CHOICES | RESPONSES | |
|----------------|-----------|-----|
| Yes | 16.02% | 54 |
| No | 83.98% | 283 |
| TOTAL | | 337 |

Q8 If you answered 'Yes' to question 7. Why do you choose to advertise using local radio?

Answered: 64 Skipped: 941



| ANSWER CHOICES | RESPONSES | |
|---|-----------|----|
| It's cost effective | 42.19% | 27 |
| It's the only way I can advertise | 4.69% | 3 |
| The Local station is popular | 56.25% | 36 |
| My ad campaign gets results | 37.50% | 24 |
| My ad campaign reaches who I need it to | 45.31% | 29 |
| Total Respondents: 64 | | |

Of the 1,005 respondents to our survey, **54** people said that they use local radio to advertise their business.

Of those 54, the main reason given for advertising using local radio was ***The local station is popular*** with over **56%** choosing this option. Next was ***My ad campaign reaches who I need it to*** with over **45%**, followed by ***It's cost effective*** (42%) and ***My ad campaign gets results*** (37%).

Clearly this shows that advertisers believe their local radio station is popular and would therefore be a good way to reach a loyal audience. It also shows that the perception of “local” is important in advertisers reaching out to the potential customers that they wish to target.

The fact that this method of advertising is cost effective, according to almost half of respondents, is something that is concerning for the future. As pointed out earlier in this report with a local business case study, the cost of local advertising is only set to rise with the growing prominence of corporations owning supposedly “local” radio stations.

Small to medium sized businesses will struggle to justify the cost of advertising on the radio and this will consequently deny them the opportunity to utilise one of the most successful methods to advertise their business.

The survey also received **341** comments on the subject of local radio. The vast majority of these, in keeping with the survey results, were negative comments towards what is currently being allowed to happen to local radio. Here follows a selection of these comments;

- *"I'm disgusted that capital will pass itself off as local when based in London. The morning crew visited schools, knew regular people, could see what the weather was like, interacted with you because they knew the area. All so important"*
- *"Local radio should not be engulfed by the big nationals. They should not be allowed to swamp out local radio"*
- *"I object to the monopoly of 2 big companies acting against smaller local stations."*
- *"Local Radio is vital to the health of our local communities in so many ways - championing new talent; holding local democracy to account; bringing the community together. This deregulation of local commercial radio is against the public interest. We have a proud heritage of local radio in my area - Radio 210 and County Sound - but Global have evaporated that heritage in Reading, and Bauer have just bought Eagle in Guildford. So sad."*
- *"Local radio is a vital resource for their communities. Moving to regional or national formats would destroy radio's ability to reach and speak to local audiences, and risks losing those listeners entirely. Moving to more generic regional and national format also undermines radio and what it can offer its listeners"*
- *"I love Heart Anglia the morning presenters are great fun & work well together, will definitely switch to another local station when they're not around"*
- *"Ever since Global brought our local station here in Derby we haven't had any real local station. I live where I can't pick up Amber Sound and we really need a station back. I'm fed up with networking, who wants presenters from London?"*
- *"Used to listen to Dream 100 however after ployout was merged with sister stations in Norwich, stopped listening. Despite living in Clacton, I now listen to the new local station in Ipswich, Ipswich102"*
- *"I have listened to my local radio for years (Essex FM which became Heart Essex), never really got into national, my current breakfast presenters have been doing the show for 18 years and always the highest listening figures in the county which speaks volumes (you would think). It's going to be a very sad day when it comes to an end and will not be tuning into heart national. I want local people, with local knowledge and news/travel!"*
- *"Local radio should be local. Not 200 miles away"*
- *"Scottish stations becoming increasingly English. I'm not interested in what the presenter got up to in a nightclub dahn souff!!!! It means nothing to me."*
- *"I personally don't listen to Pulse 2 but do listen to Stray & Minster FM. To me If one company own all the radio stations then the shows are all the same. When it is local it is about local news and local events. The Bauer group own too many stations and get rid of stations to broadcast the same on all stations."*

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- *“Local radio should stay local. With the option of DAB and other options that’s the way big companies could go national”*
 - *“I would like to be sure that the regulator wasn’t unduly influenced by the power of the wealthy media owners in making this decision and that local listeners were considered important.”*
 - *“As founder of the Children's Media Network, our vision very much involves the local community. I believe very strongly that we MUST support local businesses and if we are indeed to leave the EU this will become even more of a necessity than at anytime in the last 30years. If Britain is to succeed in the future then 'local' will be essential and key to our growth and prosperity. Greed will not get us anywhere.”*
 - *“Every decent local radio station in the Brighton area has gone, Juice etc. and now Heart is going, this is a disaster. Keep radio local.”*
 - *“Apart from the job losses for people what is going to happen when it snows or when a bomb goes off somewhere other than London. I live in Manchester and it felt like we had ownership of what was going on after the arena attack this would not happen coming from a studio in London by a presenter that doesn't know the areas of Manchester.”*
 - *“Shutting down individual local stations to because sterile national brands is wrong on Ofcom should never have bent over backwards to bow to Global's wishes - the regulation should grow a pair!”*
 - *“I find it crazy, in this day and age Cardiff, the Capital of Wales has no radio stations specifically for it. Swansea has 2, London has several as does Edinburgh and Belfast.”*
 - *“Love Heart Wales especially the morning show. Appalled it's being scrapped.”*
 - *“Local radio’s unique selling point is having local presenters who reflect the lives and times of the areas in which they also live and work. Lose this, and that unique bond with the listener is broken.”*
 - *“There needs to be a local station for the South Hams. Too many local stations are becoming networked brands and it's rapidly declining at an alarming rate.”*
 - *“Birmingham, once a hotseat of a range of exciting and entertaining local radio, now has next to nothing.”*
 - *“If radio is to become national then it will become even more London centric than it already is. Scotland needs devolved radio and television channels to relate to our population.”*
 - *“It is such a shame that we have lost so many local radio stations. Soon in my area of Plymouth the only local stations we'll have is BBC Radio Devon and DAB southwests Goldmibe”*
 - *“Capital East Midlands Dino Pete and Tyles are amazing and I’ve listened for years. When it goes national I will be forced to change to another local station. Really sad”*
 - *“Rock FM used to be a fantastic station with great local presenters. Now it’s just part of a depressing Hits Radio network”*

- *“OFCOM is allowing national stations through the back door using local muxes that were designed for local radio which is wrong.”*
- *“Local Radio should be Local. That’s the whole point of it.”*
- *“I listen to local radio all the time for travel news as I do a lot of travelling within the local area. I also love being aware of local events and being able to support my local community. I love getting to know the presenters who live locally also and hearing about their knowledge/experience. Please keep local radio, thank you.”*
- *“Local radio is vital. Local news and events support our area! Surely it brings much needed funds into our towns and villages?”*
- *“Local radio stations are important to the communities. Listening you get to bond with the presenters. Taking things like that away and making things national will be disastrous to community spirit.”*
- *“listening to local radio is so much more personal. Not just for travel and traffic news, but for hearing about local businesses and events, but about local people and issues that directly relate to our area”*
- *“It’s a travesty that Heart are axing local breakfast shows. It will seriously make me reconsider my choice of radio each morning”*
- *“We have a strong local scene but thats mostly Global owned and that will be lost in the coming months. We’ve got a good community station that’s more professional than many but with less funding and support in general it’s difficult for it to develop.”*
- *“Local radio is vitally important to the local economy for business generated through advertising and also keeping the area informed and entertained.”*
- *“National brands can exist without having to decimate the local radio network, there is no logic to what they are doing.”*
- *“With the changes coming on 4th April. South East Wales will officially no longer have a local radio station. Not even regional as Nation Radio is now serving the country [Wales] on DAB/DAB+.”*
- *“Local radio was designed to serve local audiences, not act as an outlet for national brands. Let’s keep it that way.”*
- *“local radio is essential for a local community, making the listening audience feel part of it. without local radio, the airwaves would be just one grey bland national monopoly, controlled by people that have no regard for local issues.”*
- *“My local radio station is More and I absolutely love it. It is broadcast for local people by local people who give it the personal and friendly touch If it was to be national, I doubt very much if I would listen to it”*
- *“Kent and Sussex local radio should not be coming from Fareham”*

-
- *“I listen to the biggest breakfast show in Wales. It won't be the biggest once global take it national. Why do people feel the need to change what's not broke!”*
 - *“Local radio is very important to the community. It is aware of local issues and local events. Presenters are usually fairly local and can add extra knowledge to travel issues or other local events. It is important to me that local radio stays local. It is why I choose it over other stations such as Heart or BBC.”*
 - *“I have listened to local radio for many years, I enjoy the local chat and banter, (And don't want to be listening to some reality tv personalities etc.) I tune in for local updates like school closures and disruptions on roads, and local events in MY area. This has to be the worst news for thousands upon thousands of local listeners, and I know of quite a few people that feel the same as me. I will not be listening to national radio.”*
 - *“How about this for an idea? Where a studio has closed down (Kent and Sussex come to mind), why don't Ofcom readvertise the local licence to see if anyone else can run a local radio station?”*
 - *“If the station can't be bothered to talk to me, and be live, local & fun, then I can't be bothered to listen to them.”*

These were just some of the sentiments of local radio listeners. It is very clear to see just how much people value their local radio stations - right across the UK.

It also shows that a majority of people are clearly unhappy with deregulation and the loss of localness from every corner of the country.

These people have been badly let down by the regulator and by the corporations that have decided to nationalise their product. It is extremely damaging to the reputation of radio and the loyalty of listeners should be taken for granted at your peril.

Relations with Radiocentre

Here is the [Wikipedia definition](#)¹ of Radiocentre;

Radiocentre is the industry body for UK commercial radio. It exists to maintain and build a strong and successful commercial radio industry. It does this by lobbying on behalf of members for: more freedom in how and where they produce content; deregulation of commercial messages; tighter rules on the prominence of commercial brands on the BBC; and the removal of local media ownership rules.

[Radiocentre](#)² member stations make up approximately 90% of commercial radio listening. Radiocentre work on behalf of over 40 stakeholders who operate 278 licenced radio stations. Any commercial radio station in the UK which holds a terrestrial radio broadcasting licence from Ofcom is eligible to become a member of the Radiocentre. Obviously, there is a cost attached to this service and subscription rates are calculated in relation to a radio company's net broadcasting revenue figure, so the smallest stations pay least. Major member groups are Global Radio and Bauer Media.

In summary, the industry body for commercial radio are largely funded by Global and Bauer and when it comes to lobbying for change, Radiocentre have publicly supported deregulation – which stands to mainly benefit Global & Bauer. But what of the smaller stakeholders who also pay their subscription fee to be a part of Radiocentre? Do they feel their needs are met by such an industry body? Do they feel they are being given adequate support and protection to allow their businesses to thrive and survive?

1. Wikipedia - <https://en.wikipedia.org/wiki/Radiocentre>
2. Radiocentre About - <https://www.radiocentre.org/about/>

There has been at least [one example](#)¹ where a smaller group of stations (UKRD) with membership to Radiocentre have “pulled out” of the group. These groups could see the direction of travel for Radiocentre and didn’t feel they were being fairly represented, given where Global (a large stakeholder in Radiocentre) wanted to take the radio industry. Their beliefs proved to be entirely founded given where the industry finds itself today and the fact that, ironically, the UKRD Group have recently been purchased by Bauer, pending a [CMA investigation](#).²

Here is a quote from industry expert, [John Myers](#)³ recent blog;

“The medium boomed as advertisers flooded back resulting in record revenues. Knowing this, and that the two largest groups are collectively making over £50 million a year, you wonder how the regulator was convinced of the need for further change. There is certainly no crisis to avert as per a decade ago. For this, you have to hand it to The Radiocentre for their brilliance in lobbying. It’s funded mostly by Bauer and Global and staffed by good, creative and clever people. It is their job to lobby for change and they’ve been pretty successful at it. I accept that we are faced with world wide challenges from new entrants trying to eat our lunch, however, the regulator is there to think long and hard before agreeing to something major like this, and be seen to be doing so. Sadly, it all seems so easy.”

1. The Guardian UKRD pulls out of Radiocentre - <https://www.theguardian.com/media/2009/nov/02/ukrd-radiocentre>
2. Gov.uk CMA cases - <https://www.gov.uk/cma-cases/bauer-radio-ukrd-group-merger-inquiry>
3. myersmedia blog - <https://www.myersmedia.co.uk/john-myers-blog/2019/3/3/and-they-call-this-progress>

For a lot of people, both inside and outside of the radio industry, there is a feeling that Radiocentre, Global and Bauer have been granted everything they have wanted by the regulator over a prolonged period. Most (if not all) of recent regulatory changes have been welcomed by these three aforementioned organisations, which mostly stands to suit their own interests and business models. It is easy to see why others in the industry feel aggrieved that this culture has been allowed to develop. At every level, it has cost far too many people, far too dearly.

Again, to quote John Myers;

“What we should be asking is how the hell OFCOM agreed to this in the first place? Make no mistake, the blame lies squarely on their shoulders. Never have so many been let down by so few.”

Radiocentre also commissioned a [report](#)¹ into the effects of **community radio** on the commercial radio industry, which was published in November 2018 titled **“Small-Scale Radio in the UK – How Local Commercial and Community Radio Can Co-Exist”**. The report was written by David Lloyd and the report was subsequently handed to Ofcom.

In the report, it was suggested that the biggest threat to local commercial radio is, in fact, community radio. We find this notion to be extremely peculiar, and fundamentally not the case. We cannot stress enough how categorically we disagree with the basis and findings of the report.

1. Radiocentre Small scale radio in the UK - <https://www.radiocentre.org/wp-content/uploads/2018/11/SMALL-SCALE-RADIO-IN-THE-UK-ONLINE.pdf>

Here is a quote from the introduction page of the report;

Community radio was created “for the good of members of the public or of particular communities and in order to deliver social gain”. Stations would involve members of the community and be accountable to them. Those objectives are sound, and there are many examples of community stations across the country doing excellent work on and off-air. Commercial radio too serves its communities. Alongside the well-known major stations and brands, there are many examples of smaller commercial stations which also provide distinctive programming tailored to the needs of their communities. In a fast-changing media world, however, these much-valued smaller commercial radio stations in the UK face ever more challenges for audiences and revenues in their local areas. Many such stations report too that the growing number and nature of community radio stations poses a specific and significant risk to their viability. This is particularly evident in the case of small commercial stations in Scotland and Wales - and those serving ethnic communities.

The introduction concludes;

This investigation was triggered by Ofcom’s announcement of a further wave of community radio licensing, and an invitation from the regulator to existing community stations to apply for better coverage.

Firstly, there are now literally only a very small amount of “smaller commercial radio stations” left in the UK. Most of the commercial radio landscape in the UK is now owned by Global & Bauer.

Secondly, this has absolutely **nothing** to do with Community Radio and **everything** to do with large corporations buying-out the “smaller commercial radio stations” to take advantage of a deregulated industry.

In fact, one of the radio stations featured in the “Case Studies” section of the report is **Rutland Radio**. Shortly after the publication of this report, the Lincs FM group (who were the local owners of the station) were purchased by – **Bauer Media**. There couldn’t possibly *be* a bigger example of how far removed from reality this report is.

One surely must question the motivation of such a report, given that it was commissioned by a body who so readily welcomed the deregulation of their own side of the industry, but seem perfectly happy to suggest to the regulator that other aspects of the industry should be *more* heavily regulated.

[A large number of Community Radio stations](#)¹ subsequently, and quite rightly, joined together to condemn this report.

To quote the joint statement;

“At a time when Radiocentre has been lobbying hard and successfully achieved further deregulation for the commercial radio sector in recent weeks, it seems strange that they would argue for a huge increase in regulatory burden to be placed on the community radio sector.

1. Radio Today - <https://radiotoday.co.uk/2018/11/community-radio-stations-condemn-radio-report/>

The statement continues;

“At a time of increasing co-location and programme sharing between commercial radio licences, which we have not objected to, community radio could in some cases be left as the ‘last station in town’ providing a crucial local service. An implementation of the recommendations in this report would jeopardise this and we urge the broadcast regulator to take its own view on the matter rather than that of the commercial radio lobby group.”

Given the information as pointed out in this section of our report, we feel that it is only right that the purpose and motivations of Radiocentre are something that should be looked at carefully by the regulator. The scrutiny should be with regard to both the commercial and community radio sectors.

We would also welcome scrutiny of the relationship between Radiocentre and Ofcom. Given that in recent times, the regulator has only been seen to implement the ideals put forward to them by Radiocentre, with seemingly very little regard for the consequences and/or taking genuine notice of alternative views and opinions.



For the purposes of this report we also sought the opinion of a managerial-level employee of a “smaller commercial radio station”.

Pete McIntosh is the **Programme Director of More Radio** - a local, independent radio station serving the county of Sussex on FM and DAB. He provided the following for the report;

“I was surprised by the contents of David Lloyd’s report. As a PD looking after a group of smaller stations, I can honestly say we have never felt threatened by the presence of community stations within our transmission areas. The emergence of stations like Hailsham FM and Burgess Hill Radio have had no discernible effect on the viability of our stations or our ability to sell advertising – in fact awareness of these stations is very low even within the town’s they serve.

It is clear the bigger threat was always going to be deregulation on a massive scale that would make stations like ours suddenly become attractive to bigger groups. Would, for example, Bauer have bought Spirit FM or Spire FM (UKRD) if they still had to provide 7 hours of local programming every day and retain a local premises? I doubt it. It is also clear that deregulation on this scale was never a necessity - larger groups are already reporting pre-tax profits running to millions of pounds.

The threat posed by deregulation has now become a reality for many smaller stations across the UK and many committed, hard working radio professionals now fear for their futures. Even though we have been lucky enough to remain independent, we are still feeling the effects of the current situation. In the last fortnight I have lost two staff who cite the uncertain future of stations such as ours as a major factor behind their decision to leave. Radio has never been the most secure of vocations, but it’s less secure now than it has ever been.”

Pete McIntosh
Programme Director, More Radio

Industry Opinions & Quotes



Jeff Zycinski is the former **Head of Radio** at **BBC Scotland**. He kindly provided us with the following summary to be included in this report;

“As someone who grew up listening to local commercial radio in Glasgow and who got his first job at Moray Firth Radio in Inverness, the threat to the localness of local commercial radio is deeply troubling. In many towns and cities across Scotland and across the U.K. local stations offers a service that goes beyond just relevant news and weather (although even that has gradually been diluted over the years). The sound of a local presenter talking about the events in your home town is an important part of our culture. Dare I say this is even more important in Scotland where much of the media already on offer is being programmed in London and commissioning decisions are taken by executives who are far removed from the concerns of people hundreds of miles to the north. Yes, it’s also about jobs – presentation and technical jobs and the loss of opportunity for people – young and older – who see their local radio station as a stepping stone to a new career.

In Scotland, there is not BBC Local Radio as it exists in England. The nations stations, like BBC Radio Scotland, BBC Radio Wales and BBC Radio Ulster, were created at a time when commercial radio was thriving and there was no point trying to replicate the local news and entertainment being provided by those stations. That complementary eco-structure is now threatened by Ofcom’s decisions. Will the BBC now step in to fill the gap? This is doubtful given the current BBC strategy is about investment in the BBC Sounds project.

Finally, what, really, is the commercial argument for allowing the big brands like Global and Bauer to simulcast U.K. content – other than the greater revenue to be achieved by selling national advertising? If the local licences were handed over to local business people, could they make them viable? Surely they should at least be given the opportunity.”

Jeff Zycinski
Former Head of Radio, BBC Scotland



Ian McCulloch Clarke, the former Chair and a former member of the **Ofcom Advisory Committee for Wales**, provided the following thoughts for our report;

“The Local Radio Group is to be congratulated on its campaign in favour of truly local radio broadcasting and against the practice of derogation and dilution of radio licence conditions.

Despite the globalisation of big media, ‘everywhere people are feeling increasingly disconnected from the truth and from news. (And are) completely unaware of what is happening just down the road.’ (Bethan Sayed A.M) This process eats away at a bedrock cornerstone of newsgathering and of cultural progression.

Local radio licensing was in large part created and licensed to address these issues. Instead, many operators have seen it as merely a route to the creation of additional UK-wide channels for low-cost downmarket music – a genre that is already well catered. Ofcom have facilitated this strategy by not standing firm against derogation of licence conditions.

If, as usually claimed, a licensee cannot afford to deliver a service in accord with its obligations, the licence should be re-advertised, perhaps with a range of optional local content conditions.

In Wales, the situation is critical. The lack of plurality in coverage of Wales news, local news and the arts (in both national languages) is a threat to our democracy and culture. It is simply not acceptable for ‘local’ radio stations to be managed, staffed and scheduled from a UK-wide hub.

The Welsh Government has recently launched a small fund, targeted at local journalism. It is to be hoped that this will grow and emulate the Canadian model of support for journalism. Ofcom should abide by the precautionary principle and at least defer consideration of licence derogations until these developments have bedded in.”

Ian McCulloch Clarke
Former Member, Ofcom Advisory Committee for Wales (2004-2013)
Former Chair (2012-2013)



In an [article for the Media Reform Coalition](#),¹ **Rob Watson** from the **Community Media Association** wrote the following;

“What we need, [therefore], is to support an alternative approach to media reform that revisits our models of media regulation and management. We need to change the fundamental approach that we take to media engagement. Rather than retaining our assumptions about mass-media systems, borne from the age of mass communications in the twentieth century, we need, instead, to support and embed forms of media that are dispersed, creative, accessible and participatory.”

He continues;

“The role of government and regulation should be to clear the path so that a pluralistic media ecology can emerge. A media eco-system that is made up of sustainable alternative models of media provision. Some centralised and nation-based, but most decentralised and locally defined. To this end Ofcom should be broken up. Ofcom is not fit for purpose. Its essential role is as an economic regulator that manages resources and technical platforms. Ofcom plays only a cursory role in promoting media pluralism, media literacies, creative diversity and social inclusivity. Quite why we need a national media content regulator is beyond me? Ofcom is effectively a central committee worthy of a Soviet-Bloc state in the 1970s. It is ridiculous that Ofcom can decide what music is played on a radio station in Bedford or Glasgow. Let local people make these decisions in their own interests, not some technocratic managers in London.”

1. Media Reform Coalition Blog - <https://www.mediareform.org.uk/blog/community-radio-deliberative-media-communities-at-the-heart-of-media-reform>



During the report-writing process, we received a personal tweet from American radio host, **Tom Leykis**. Tom has been in the US radio industry since 1970 and has been broadcasting ‘**The Tom Leykis**’ show since 1994 across America. He tweeted the following¹;

“Yeah, deregulation worked so well for US radio. Two out of our three biggest radio companies are bankrupt. Good luck with that!”

1. <https://twitter.com/tomleykis/status/1115517754553954305>



Rex Wilderstrom is a broadcaster, journalist and political consultant from **New Zealand**. He wrote the following piece to describe what has happened to the commercial radio industry in New Zealand since deregulation in the 1990's;

“For listeners [in New Zealand], the choice is now between two almost identical sets of formats operated by two networks. Each has a talk network. Each has a hit radio brand. Each has a rock brand. Each has an oldies brand. Each has an urban contemporary and so on.

All are networked across the entire country, from Auckland. Some stations seem to rely heavily on voice tracking, expecting hosts to record their vocal inserts and then sell advertising all day.

The New Zealand Radiocommunications Act 1989 has been described as ushering in “the world’s most market-oriented system of spectrum management” (Auctioning Radio Spectrum Licenses, Volume 26, Issue 3).

But what “market” has benefited? Not young people hoping for a career in radio. Initially, polytechnics established ambitious “radio schools” aiming to fill what they assumed would be increased places in an expanded radio industry. But many of these have now closed or been incorporated into a much broader communications, media or journalism course.

Not experienced broadcasters, who’ve been priced out of the market for the few remaining jobs by young people willing to work for low wages and to voice track their shift and work on another part of the station just to get a “start”. But who gradually realise that’s all there is for the vast majority.

Not advertisers. One effect of the combination of fierce competition and lack of understanding of the medium amongst owners and their upper management is that prices per spot have crashed. Recently one network, slightly more profitable than the other, tried to bankrupt the competition by offering “dollar a holler” 30 second spots. While that might seem attractive to an advertiser who doesn’t understand the medium, the downside is that the number of commercials per segment vastly increases and their message is lost amongst a string of commercials. This is exacerbated by the fact that, since most stations relying entirely on music to win audiences – lacking the ability to inject any local news or information into the show – they try to compete with “fifty minutes commercial free” during non-drive dayparts. That of course crams the remaining 10 minutes with a lengthy block of advertising.

And not listeners, who are served two identical smorgasbords of content, reliant in the most part entirely on music choices to beat their mirror-image on the opposing network. Particularly ill-served is anyone who is interested in topics other than celebrity gossip and a few minutes of news covering only international and national events. A voice tracked host in Auckland can’t even mention everybody’s favourite topic, the local weather.

People who work for the networks – most of them, anyway – acknowledge radio in New Zealand could be a great deal better than it is. But management focus is on protecting the asset and they do that by fighting anything that could break their oligarchy. Government, meanwhile, do not understand the medium, do not care, and know they will face a wave of negative publicity on TV and in newspapers, as well as on radio, if they move to change the status quo.

This is the result of, initially, simply allowing networks to absorb local stations, dispense with local content, and consolidate their programme output in the country’s largest city. Less choice, less value, less career opportunity, less creativity, fewer jobs and, ironically, eventually an unprofitable business for the networks.”

**Rex Wilderstrom – Broadcaster, Journalist and Political Consultant
Wellington, New Zealand**

Proposals

This report highlights, in great detail, that there are many issues that need resolving in the radio industry and need resolving urgently. This damaging process has gone more than far enough now. Here follows our proposals based on the findings of this review;

- We are calling for local broadcasting hours to be restored along with the “Approved Areas” map, to the model used before deregulation. We believe that the bare minimum requirement should be that every county in the UK has its own truly local, commercial radio station. It is also worth noting that there is currently no legislation for recent deregulation changes in Parliament - just recommendations and suggestions. There is currently a minority government and this issue is still to be put to parliament in a bill, which could ultimately be altered.
- We are calling for any automatic FM local licence renewals to be put on hold pending a review.
If conglomerates don't intend using local licences to make local programmes, why shouldn't other companies be allowed to bid for them? This is not even remotely what these licences were designed and awarded for.
National brands should **absolutely not** be allowed to use local FM spectrum to build and broadcast a national product via the ‘back door’, in an attempt to try and compete with the BBC. There is already a multitude of national stations available for people to listen to if they so wish, including plenty on DAB.
- We are also suggesting that the few remaining independent local commercial radio stations are protected from purchase by corporations for the foreseeable future.
This should particularly be the case if the only reason they are making the purchase is; to close down a site, make staff redundant and essentially buy-out the station for its FM transmitter/frequency.
Far too much of this practise has gone on already. It’s an extremely poor practice for the regulator to allow, to put it mildly and it has gone on for more than long enough.
- We also feel that the community radio sector should be deregulated. This is particularly the case in areas that have been left without an independent local radio station, resulting in a loss of listener choice, a loss of jobs and nowhere left for local businesses to advertise.
We do not see how it is at all fair for the regulator to allow a monopoly of the commercial radio industry yet impose such strict rules on community radio. These are local stations that really *do* serve their local areas and should be afforded a freedom that would allow them to thrive.

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- We would welcome a review at parliamentary level into deregulation and we feel this should be carried out in each individual parliament across the UK. We feel that the relevant bodies should be held to account for their decisions in permitting deregulation to such an extent, when it wasn't required in the first place. Scottish Parliament have led the way with this, gaining cross-party support for a motion into a review of the loss of local radio services. England and Wales now surely must follow.
 - We are calling into question, the remit of Ofcom with regards to the regulation of the radio industry. Faced with the compelling evidence as laid out in this report, it is difficult to see valid justification in some of the decisions that have been made. One must question if this is simply due to a lack of due care and attention, or if this is a decision taken to appease a select few conglomerates - Either way, questions must now surely be asked.
 - Finally, we are calling for devolved powers to be handed to Scotland and Wales with regards to broadcast media. It is simply not feasible for large corporations based and broadcasting in London, to have any real understanding of relevance to the issues of people and communities hundreds of miles away - in an entirely different nation. It is not fair on the people of Scotland and Wales that they must hear their content delivered from London. If anything was crying out to be a devolved issue, then this is it.

That concludes our report and review into the issue of local radio deregulation in the UK. Thanks for reading. We hope you found it to be informative.

For any press, PR, media or general enquiries – please email localradiogroup@yahoo.com
Or message via our website at thelocalradiogroup.co.uk.

