

Blackburn Independent local radio licence applications

Questions and responses: Burn FM

These are the responses from Burn FM to the non-confidential questions asked by Ofcom regarding the group's application for the Blackburn licence.

1. Would any of the share capital for Burn FM be issued for non-cash consideration?

No. Post-licence award, all share capital will be issued for cash consideration, as set out on page 19 of the BURN FM application.

Ofcom may be interested to note that, in the pre-licence award budget, the three major shareholders are meeting all application costs and have service fees in place with the smaller shareholders.

2. Please could you provide details of any stake held by Milestone or Newsquest (or their predecessor companies) in radio broadcasting licensee companies within the last five years.

Both Milestone and Newsquest are well known investors who have demonstrated a long-term commitment to the development of the UK local media industry. The table below sets out all UK analogue radio interests ever held by the two groups (excluding RSL activity).

| Original on-air name of licensee(s) | Milestone or Newsquest beneficial interest | Brief Summary of Investment |
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| Victory FM & Oak FM | Milestone – circa 20% minority interests | Early Milestone minority investments: As a 20% shareholder in companies primarily owned by individuals, Milestone was unable to prevent the sale of these two stations in 1999 and 2001 respectively. All proceeds received by Milestone were re-invested, and the experience led the group to subsequently increase its interests in Kestrel FM and Kick FM. |
| Oxygen 107.9, Millennium 106.8 & FLR 107.3 | Milestone – 100% interest | Original Fusion Group acquisitions: All three stations were acquired in 2000. The Oxford station was ultimately re-branded as Passion 107.9 to coincide with the launch of its new licence period in 2003 and it continues to operate as part of Milestone. Following investment in the development of the SE London stations, a strategic review was implemented and ownership of the two London stations was transferred to the London Media Group (Sunrise Radio) in 2003. |
| Kestrel FM, Kick FM, Rugby FM & Reading 107 FM | Milestone – controlling interest in Kestrel/Kick/Rugby and the joint largest shareholder in Reading 107 FM (37%interest) | Major Milestone supported licence applications: Kestrel FM was awarded its licence in 1997, Kick FM in 1999, Rugby FM in 2001 and Reading 107 FM in 2002. Milestone was involved as a founder shareholder and has either maintained or increased its interest in all four stations. |
| Wire FM, BCR FM, The Falcon | Newsquest – various minority interests | Newsquest minority interests: With the exception of the interest in Wire FM, Newsquest has, to date, been unsuccessful in licence applications acquiring its other minority radio interests through the expansion of its publishing interests. The only radio investment acquired |

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| | | by Newsquest which it has disposed of is the minority stake in BCR (the sale of which is currently completing) following the recent decision by Chrysalis to exit from their investments in smaller radio stations. |
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3. Could you please clarify what the following statement, “Burn FM will operate a live local service as far as is practical into the evening” (p71) would mean in practice and how it relates to the group’s Format commitment (p.83)?

BURN FM recognises the significant benefits of providing a live and local evening show, with programming that enables the local audience (and particularly the area’s younger audience) to interact with the station, and have a live input on issues and topics of personal concern. BURN FM’s evening programme will also provide further opportunities for work placements, promote self improvement and community integration initiatives, and continue to offer BURN FM’s high quality local news and sports coverage.

Page 35 of the BURN FM application specifies the standard working hours of all programming staff, including the Community Liaison Officer (“CLO”) who will present the weekday evening show.

In most normal circumstances, it is the intention that the weekday evening programme (6.15-10pm) will be broadcast live for its entire duration (as will the Sunday night Asian Image programme). However, the BURN FM application sets out the benefits of enabling some parts of this programme to occasionally be automated. This is to allow the CLO – an important post with responsibility for helping to integrate Asian and other community organisations into the station’s overall output – the advantage of working more flexible hours where circumstances make this desirable.

For example, on occasions when the CLO’s engagements in the community or training commitments may require an earlier start than normal to their working day, the evening programme may be voice-tracked from a suitable point (as agreed with the Programme Manager but most commonly not before 9pm) to allow for the CLO to finish earlier and recoup the additional hours they will have worked. Generally we anticipate a large proportion of the CLO’s work will be able to be completed in the afternoons and therefore expect that the number of programmes containing such elements of automation need not be high.

Additionally, live local news bulletins are scheduled to 8pm on weeknights and a rapid response system will be in place to enable BURN FM to respond to local incidents that occur during any period of automated programming.

BURN FM chose in its Format to commit itself to character-defining elements of the station’s programming including local news throughout weekday daytime, news at weekends and a range of other speech requirements. Overall, the BURN FM Format promises to provide no less than 18 hours of locally produced programming every day.

BURN FM does not feel it is appropriate, as part of a competitive licence application process and prior to the publication of RAJAR, to offer a binding 12-year Format commitment to live programming until as late as 10pm. Nevertheless, such a commitment is built into BURN FM’s business plan for the first six years of the new licence.

4. Given that 50% of all survey respondents (and 67% of females) indicated that they were “not very interested” in sports discussions and phone-ins, how confident is the group that its emphasis on sports programming would not alienate a significant sector of its target audience?

BURN FM’s programming is designed to have mass appeal – and not to alienate any significant sector of its local target audience, even outside of peak times.

BURN FM aims to be seen by its audience as ‘number 1’ for news, sport and music. The BURN FM board recognise that, in order to achieve this objective, the station must be primarily music-led with engaging speech content catering for a range of tastes and interests, carefully programmed, that taken together help to provide an important sense of ‘localness’ and community identification.

BURN FM will be based at Ewood Park, the local sports and leisure venue in the heart of the broadcast area, and the station’s programming will benefit from access to the award-winning news and sports reporters of the Lancashire Evening Telegraph. Consequently, BURN FM’s emphasis in relation to sports content is primarily one of quality – not quantity.

BURN FM’s proposals for sports programming recognise the distinction between the drama and excitement of a major local sports event – which has mass interest and appeal across the community – and simply comment and opinion on general sports issues. It is clear, from the research referred to, that sports related phone-ins and discussions have the most appeal to the dedicated sports enthusiast, whilst sports news and live Rovers coverage have wider appeal across the community.

Sports Preview (scheduled Friday 6.15-7pm)

BURN FM has not proposed that ‘sports discussions and phone-ins’ should be a specific Format commitment. However, BURN FM considers that it would be a mistake to not include a sports discussion programme outside of peak-times when a remarkable **49%** of the entire TSA suggested they are interested in hearing such a programme.

Behind this total-sample finding, there are two-thirds of all men, and one-third of all women who are interested in sports discussions and phone-ins. As is evident, there is a male skew to the finding, but it is of such great interest to men that it is impossible for BURN FM to ignore.

Therefore, once a week, BURN FM has scheduled a 45-minute sports discussion programme (Friday night 6.15-7.00pm). This programme, containing both music and opportunities for listener comment, will follow the successful model of the Friday night sports preview programme presented by Keith Macklin on all four BURN FM trial broadcasts.

Whilst there is confidence in the continued demand for this highly successful programme, like all parts of the BURN FM schedule its timing and duration will be reviewed when audience measurement figures become available from RAJAR.

Saturday Sport (scheduled Saturday’s 1-7pm)

When Blackburn Rovers are live on the field playing, the local interest in their performance is at its greatest. BURN FM will maximise the benefit of its shareholder links to provide the local audience with the sports content it most wants – live, uninterrupted coverage of all Blackburn Rovers first team fixtures – home and away.

Saturday afternoon audiences listening to existing services available in the BURN FM area clearly demonstrate the interest in current sports coverage. As detailed on page 59 of the BURN FM application, whilst the Saturday afternoon audience quickly falls away for the music service provided by Rock FM, the BBC Radio Lancashire audience – with its comprehensive football commentary – grows substantially towards kick-off time.

BURN FM's Saturday afternoon sports programme will tackle the BBC head on – providing the best local radio sports coverage with a programme that includes the popular BURN FM music mix, live sports action, analysis, results and access to the stars – with only limited general sports discussion. The programme will not just feature football but also cricket and other popular local sports results.

Over 20,000 local residents attend Blackburn Rovers home games each week and Radio Rovers on AM has gained substantial local support for its home match commentaries. However, due to the rules governing AM match day stations, Radio Rovers is unable to broadcast away games. BURN FM will be the principal radio partner of Blackburn Rovers, with the club directing its fans to the station's coverage.

In BURN FM's fieldwork research, **40%** of the overall sample are dedicated fans of Rovers. Across the whole Blackburn, Darwen and Hyndburn broadcast area, **60%** of men, and **39%** of women state that they current seek Rovers commentary and information when listening to the radio. It is to be expected that the greatest interest in Rovers coverage may be found within the town of Blackburn itself – here **60%** are interested in Rovers commentary and information when listening to the radio.

Rovers coverage on existing commercial stations has often been limited, competing to be given priority with the other major clubs in the North West region. Indeed Century have now fully dropped any Rovers match commentaries. It is clear that, in BURN FM's focussed broadcast area, there is a substantial demand for consistent provision of comprehensive Rovers coverage.

Sport is a unifying force in the local community. In addition to the findings already quoted, BURN FM's fieldwork research informs us that a total of:

- **61%** are dedicated fans of a football club somewhere
- **59%** watch sports at least occasionally (and this rises to 70% amongst Asian respondents)
- **48%** are interested in sports other than football
- **52%** (including 72% of men) are interested in national sports news

In an area in which Blackburn Rovers play an integral part in local life, even the most ardent non-sports fan will be aware of Rovers fortunes.

BURN FM is confident its full weekend sports programme will deliver a substantial audience on a weekend afternoon, when listening data at stations elsewhere suggests audiences might otherwise be relatively low, without alienating a typical weekday BURN FM listener. Even the small minority who may tune out (at the same

time as many more are tuning in) will still have every incentive to tune-back following the end of the live game – and remain tuned for the whole week.

Sports News (scheduled primarily within local news bulletins)

BURN FM's research pointed to a demand for “*more music and less talk*” during the working day and this is reflected throughout BURN FM's weekday programming proposals.

The BURN FM Format commits the station to provide sports news within peak times. BURN FM's illustrative programme schedule envisages full sports updates hourly during such peak times and relevant top stories in other local news bulletins. There will not generally be additional updates scheduled unless a major story breaks or, such as during the summer cricket season, a major local fixture is taking place.

This level of sports news provision is not particularly unusual for a local commercial station – but BURN FM's sports news will not be dependent upon merely providing a ‘rip and read’ service from Independent Radio News – since BURN FM will have arrangements in place with its shareholders for the provision of the very latest exclusive sports news from across the area.

Sports news on Saturday mornings during the football season is generally scheduled every 30 minutes. Consequently, sports fans are never more than 30 minutes away from the latest sports headlines; conversely the music and community information flow that typifies the sound of BURN FM will sit between the updates, creating a balance that makes the output accessible to all.

BURN FM is confident that its commitment to ‘bite sized’ sports news within its local news bulletins will serve the total audience well and that even the least sports-enthusiastic listener (in themselves a minority) will find the station's emphasis on quality in its sports coverage will not be to the exclusion of other items of interest. Whilst additional unscheduled sports stories may feature during every day output, this will only be when justified by the station's standard news and feature values and thus will represent a small proportion of overall programming.

No station for Blackburn, Darwen and Hyndburn can truly reflect local interests without recognising the importance of sports within the area. In particular, the loyalty to the area's own football club, Blackburn Rovers, is clear. There is overwhelming evidence to suggest that BURN FM's measured approach is appropriate to meet the high appetite for local sport, generating further local pride for the area BURN FM exists to serve.

Currently, BBC Radio Lancashire is the market leading radio station in Blackburn, Darwen and Hyndburn, beating all local and national competitors. As BURN FM sets out to establish a new commercial service, focused sports content will be a crucial element in helping to build a mass audience, with a sound that is ‘big’, ‘local’ and highly popular in the area.

5. Given the strong interest in crime prevention (p.96), why did the group chose not to include this specific speech element in its Format?

BURN FM is only too aware of the current local concern relating to crime issues and, most especially, the levels of serious assaults in the area.

A range of research available to BURN FM, including the response rate to stories in the Lancashire Evening Telegraph, suggests an extremely high importance is attached by local people to crime stories and issues.

Andy Edwards from the Lancashire Constabulary was interviewed on BURN FM live twice every week during all four of the station's trial broadcasts.

BURN FM has promised the police that it will continue to provide news and 'crime stoppers' style features, of vital importance to their work, if awarded the permanent licence. Extended 'crime stoppers' items are included as a specific feature of BURN FM's drive time magazine programme (p.54 & 61).

When drafting its Format, the BURN FM board had in mind that, during the lifetime of the new licence, issues of concern and interest may change, becoming more or less important as local cultural and socioeconomic shifts occur. The Format was drafted to ensure that the station maintains the flexibility to programme a range of vital local speech features. It was for this reason that, ultimately, it was agreed that a reference to specific topics of current concern within the Format may be counter-productive to the long-term interests of the station and its listeners.

The Format does commit BURN FM to providing local news and separate social action features and it is intended that the latter will include the 'crime stoppers' style items set out in the application.

BURN FM is committed to helping to promote a safer community for all local residents. The station will ensure it is always available to the police to make important public service announcements and to do whatever it can to assist in preventing and solving crime in the area.

6. The application states that Burn FM tested “three broad mainstream music groupings that could potentially fit within a smaller station’s Format: Pop, Classic and Middle of the Road (soft / gold-based music)” (p.68). However, the research tables indicate that a mix of eleven genre and era-based music categories were tested. Please explain the statistical approach applied to these categories and specifically how this research substantiates the Format commitment (p.83)

The three broad mainstream music groupings (Pop, Classic & MOR) are the result of a statistical factor analysis conducted on the appeal ratings given by each respondent to the eleven music style montages. Each music style was presented to respondents in audio montage form, which were rated using ten-point appeal scales. The individual style ratings were subjected to the factor analysis procedure.

The factor analysis searches for underlying common threads which suggest commonalities among individual music styles, and by extension, tie like-minded respondents into audience segments.

This process merged and reduced the eleven music styles into three broad musical coalitions, defined by the original underlying music styles as follows:

- “Classic”: Classic Rock, 70s, & 80s
- “Pop”: Dance/R&B, Chart, Rock, 90s, & Feel-Good
- “MOR”: Middle of the Road/MOR, 50s/60s, & Love

Each respondent was then associated with one of the three audience segments, according to the manner in which they rated the underlying, defining music styles. For example, if a respondent's average score for the three Classic montages (Classic Rock, 70s & 80s) was higher than the average scores derived from the clusters of Pop and MOR styles, that respondent was associated with the Classic audience segment. Only an exact tie put one respondent in more than one audience segment.

As Ofcom has noted, across BURN FM's eleven styles, both musical era and genre were tested. Pre-2000 music generally received the most favourable response levels. Of the four eras of pre-2000 music tested, pre-1970s music was the least popular, especially for the under-45s. Music from the 90s was the most popular era for the vast majority of age ranges; 80s music was particularly popular amongst 25-54 year olds.

The greatest amount of musical common ground between the listeners of existing BBC popular music services (BBC Radio 1, BBC Radio 2 and BBC Radio Lancashire) were demonstrated by the appeal ratings for the 80s and 90s styles. It is clear that these two decades will prove important to any station aiming to become the local 'number 1' commercial music choice in the 25-54 age group.

By genre, post-2000 Dance and R'n'B ranked more highly than post-2000 Chart or Rock amongst 15-44s, but greatly fell away in support amongst those aged 45+. This style is also the clear 'number 1' favourite amongst Asian respondents. Popular Dance and R'n'B tracks will therefore be carefully programmed, featuring most prominently in BURN FM's slightly younger-targeted, live evening programme.

A cross-era selection of Love songs gained support from those aged 30+, especially females. Middle of the Road music scored generally poorly.

Of particular interest is the support for the Classic Rock style, which enjoys a (slight) male bias but gains acceptance from both sexes. It is particularly appealing to the 30+ population.

Across all styles tested, post-2000 Chart was the highest scoring category for women whilst post-2000 Rock and Classic Rock shared joint first place for men.

BURN FM will seek unashamedly to maximise its 25-54 core audience with its music policy (extended to encompass 15-54s in the evening). As BURN FM sets out in the Format Character of Service, the emphasis will be on a "*mix of current and classic hits of wide popular appeal*". These will largely be drawn from both the Classic and Pop groupings (primarily encompassing music from the 70s to today), with lesser emphasis on the MOR segment which was, overall, the least popular of the three broad groupings tested.

BURN FM consistently recognised during its four trial broadcasts – and subsequent research – the desire for the audience to be 'excited' by the music heard. Therefore, BURN FM's Format promises to provide musical variety through a broad selection of popular, familiar tracks that avoid musical extremes.

A complete profile of the Classic, Pop and MOR segments may be found in the music chapter of the CPR research report submitted as part of the confidential appendix to the application (pages 52-61).

7. Given that neither of the methods for calculating audience projections illustrated in the confidential appendix (p.48 and 49) appear to match the

group's audience projections in the application (p.39) please explain what methodology was applied to the 'likelihood to listen' question in order to derive these projections. Notwithstanding the reference to Rugby FM's year one reach (p.42), did the group use any other local commercial radio stations as comparators for Burn FM's audience projections?

In the absence of a 100% 'proven' method for projecting weekly adult audience reach prior to the launch of a new radio service, BURN FM gave lengthy consideration to its reach projections. This included a review of the past and current performance of a large number of smaller radio stations in the UK, including those in the various distinct areas in and around the North West region.

Following this analysis of existing services, the board decided to apply a consistent reduction of exactly 63% to the reach estimates formulated by CPRresearch (which were 30—35—40) and which arose from the high 'likelihood to listen' response seen in the research. The board considered this level of reduction to be appropriate given the cautious and prudent approach the company wished to adopt for the purpose of business planning.

Overall, the board are confident that a radio station with committed investors, strong local involvement, substantial ongoing marketing and focussed programming – reflecting a genuine passion for the locality – will meet the bold audience objectives BURN FM has set itself in its application.