

Kingston-upon-Hull independent local radio licence applications

Questions and responses: Hull Local Radio

These are the responses received from Hull Local Radio on the non-confidential questions asked by Ofcom regarding their application for the Kingston-upon-Hull licence.

- 1. Laser Broadcasting's website indicates that "it is in the final stages of completing the first phase of a nationwide acquisition strategy. Eight acquisition targets have already been identified of which four have signed heads of terms". What impact would this have on management time and finances at HLR?**

Since the HLR application was submitted, Laser Broadcasting has reached an agreement to purchase Classic Hits 954/1530 and Sunshine 558 from Murfin Media International.

Personally, I find significant interest in the comments of Mr Muff Murfin of Murfin Media International, who will become a shareholder in Laser Broadcasting as a consequence of that acquisition. Mr Murfin mirrors my perspective, and that of my board, when he refers to Laser identifying in both stations "...a strong local product at a time when localness seems to be going out of local radio." He adds that Laser will provide an important boost to the performance of the two stations because "...like many smaller stations, getting a well organised and proactive local sales set-up has been the biggest problem. This is exactly what Laser can bring to the marriage."

Negotiations are also taking place with other groups as Laser continues to roll out the strategy referred to in the application. Indeed, I am advised that not only is Laser pursuing other purchases but radio companies are approaching Laser with a view to offering some or all of their stations to a company that they regard as having the approach and attitude required to take them forward.

Laser's declared intention is to build its network of stations strategically, on the basis of synergy and cost-effectiveness, particularly with areas contiguous or adjacent to those in which it already operates or wishes to operate through application success. Geographically, this applies (initially at least) to Wales, the South West of England, the Midlands and the North of England.

The other significant criteria being applied by Laser is to embrace stations whose performance, measured by reach, share and profitability, can be improved.

In tandem with that, Laser is also building the technical and logistical resources to support their group of stations. These are resources which, if centrally managed and controlled, remove cost from each local station without affecting local performance. As an example, negotiations are on going for Laser to take a significant shareholding in NYPD, the production company owned and operated by HLR Director Sean Bell. This would see NYPD, based in Hull, function as the in-house production unit for all the Laser stations.

So, rather than impact negatively on the management time and finances at HLR, the Laser acquisition strategy will support and enable the viability of the company.

The core Laser Management team of Nigel Reeve (Chief Executive), Stuart Linnell (Project Director) and David Mortimer (Project Director) will provide and oversee the significant support that Laser will provide to HLR.

2. The application notes that there would be “a close working relationship between HLR and Fresh Radio” (p.18). How would this work in practice?

HLR’s philosophy is to provide a genuine local radio service, which is specifically tailored to meet the needs and aspirations of the people of Hull. Whilst this is fundamental to our proposals, we equally recognise that the ability to share resources and expertise with other stations makes sense both financially – and in the ability to draw on additional experience and expertise.

The planned working relationship between HLR and Fresh Radio was originally facilitated through Laser Broadcasting’s 25% ownership of Fresh, a level of ownership which, as outlined in our application, is due to increase in the near future on final completion of an ongoing rights issue.

In practice, the joint working relationship will cover overall managerial control, together with areas of the business such as accountancy, music scheduling, traffic, commercial production and some general administrative functions. It is envisaged that Laser Broadcasting will provide these services to HLR in the same way that it currently does with Fresh Radio using, where viable, staff already providing these services to Fresh, with resultant cost savings to both stations.

In providing the existing services to Fresh Radio, Laser already has staff working within the management and staff structure at the station’s existing base in Skipton. It will be a relatively simple, and extremely effective, process to facilitate the joint operation. Fresh Radio is in the process of relocating to new premises, which, in turn will allow for the relocation of Laser Broadcasting’s Head Office to the Skipton base.

The planned joint arrangements will also allow greater flexibility in most ‘departments’, across both stations, and will provide in-built cover which might otherwise not be possible – particularly in areas such as sales, news, promotions and marketing. Resources can be allocated where they are most needed, but costs can be shared between the two stations.

Dave Parker, as Joint Managing Director, will liase closely with managers, department heads and the Board at both stations to ensure optimum use of staff and other resources. The joint arrangement will allow Dave to concentrate his time fully on managerial matters rather than having the need to undertake an ‘on-air’ role in addition to his Managing Director duties – a situation generally not possible at a ‘stand-alone’ station.

He will divide his time between the two stations as required – but will focus on HLR during the pre-launch period and first weeks of operation, bringing invaluable previous experience of launching new radio stations.

3. Please define the term "significant proportion" with regard to the Format commitment to broadcast "album tracks by popular artists" (p.37).

Not less than one-fifth and not more than one-third of the station's music output will be album tracks by popular artists. The precise amount at any one time will vary according to the topical availability of new albums by artists relevant in appeal to the target audience. That does not mean that only tracks from new albums will be played. There is much to be said for including music from classic albums such as:

Graceland - Paul Simon
Pet Sounds - The Beach Boys
Tapestry - Carole King
No Secrets – Carly Simon
Bridge Over Troubled Water – Simon & Garfunkel
Songs For Swinging Lovers – Frank Sinatra
Sgt Pepper's Lonely Hearts Club Band – The Beatles
Mythical Kings & Iguanas – Dory Previn
Revolver – The Beatles
Who's Next – The Who
Blonde On Blonde – Bob Dylan
Band On The Run - Wings

This list could be much, much longer and is merely illustrative of the range and quality of music of great appeal and interest to HLR's target audience. It is music that is rarely - if ever – heard elsewhere on UK commercial radio, apart from some of the hit singles contained within these albums. Those hits will take their turn in the general output of HLR.

All of these albums have other, equally playable tracks. Some have several tracks that would qualify, while others have maybe one or two tracks worthy of inclusion. Playing them will enhance and underline the intelligent, mature programme output that HLR will provide.

4. Why was the second quantitative survey conducted among respondents aged 25 and over rather than all adults (15+)?

Our overall analysis and monitoring of the local market place, including the earlier survey conducted in 2003, pointed us clearly towards our target audience of 35 to 64 year olds. To test this further, we focused our research on respondents aged 25 and over, regarding the under-25 audience as not strictly relevant to the service we now had in mind.