

# **LOCALNESS ON COMMERCIAL RADIO: PROPOSALS TO AMEND GUIDELINES**

## **Scottish Government response to Ofcom - August 2018**

### **SUMMARY**

Local commercial radio has a distinguished history in Scotland and remains a key element in the nation's public service broadcasting system. It has helped to sustain distinctive identities in our major cities and regions and has been a valuable contributor of creative talent.

Ofcom's *Media Nations: Scotland 2018* report (July 2018) demonstrates the continuing importance of local commercial radio, showing that Bauer Radio alone (owner of Forth 1, Clyde 1 and Northsound 1 among other stations) accounts for 26% of listening share. The report also shows that for Scottish audiences, local news is the most valued content on radio after music.

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. However in the UK context we support the UK Government's decision to retain national and local news obligations for commercial radio, and to "clarify" Ofcom's powers in that area. We look forward to seeing legislation retaining robust obligations and ensuring that Ofcom has adequate powers to regulate.

In response to the specific proposals:

- We accept that 'localness' may be delivered through lower levels of locally-made programming as quality and impact may be more important than where content is made (Q1,2). However the proposition is untested and there may be a 'tipping point': Ofcom should monitor performance to ensure that the public value offered by 'localness' is not reduced.
- We do not believe there is a case for making almost all of Scotland south of the Tay into a single "approved area". The distinctiveness of the East and West of Scotland is one of the defining characteristics of Scottish life and culture and should continue to be reflected in the regulatory framework for local services in Scotland. We do not agree that channel 3 (STV) area is an equivalent: audience expectations of local radio and national TV are very different, and the adequacy of STV's local provision for the East of Scotland is, since the demise of STV2, currently in some doubt. At any rate we believe that Ofcom should ensure that locally-made material must be made within the licence area, not the approved area.
- Ofcom should strengthen the definitions in the guidelines of "local material" and of "programming of "specific local relevance" (Q4) to ensure that such content continues to be authentically rooted in the areas listeners

to local commercial radio live in. We would consider this essential in the event of Ofcom deciding to relax hours and locations requirements.

- We are concerned that the relaxation of localness requirements generally may lead to a greater concentration of production activity in major centres and that this may diminish career opportunities in the regions. We believe that Ofcom should be seeking to sustain a system which provides creative opportunities for people right across the country.
- A more level playing field between analogue and digital operators may be achieved by the extension of national and local news obligations to DAB stations and/or multiplex operators and Ofcom should explore options for how quickly this may be done.

## RESPONSE TO CONSULTATION QUESTIONS

### Localness and Locally-made programming (Qs 1 and 2)

The Broadcasting Act 1990 requires Ofcom to ensure that analogue commercial radio stations provide an appropriate amount of local material, and of locally-made programmes. It has been for Ofcom to set appropriate levels, and offer guidance on how these should be achieved. Ofcom proposes to amend the current guidance to reduce the minimum amount of locally-produced hours.

We accept that the relevance, quality and impact of content is of greater value than where it is made, and that localness may therefore be deliverable on lower levels of locally-made programming. The rationale for change (2.22) is that some larger station owners desire “less prescriptive regulation” to allow them to compete more effectively with digital services. We agree this may be beneficial if it delivers commercial advantage without significantly reducing public value.

However the proposition is untested and there may be a ‘tipping point’. We believe that if these proposals are adopted, Ofcom would have a greater responsibility to scrutinise and monitor licences to ensure that the public value offered by ‘localness’ continues to be provided.

We do not agree that stations “**should no longer be expected to provide... any locally-made programming at weekends and public holidays**” (3.14). This represents regulatory withdrawal from a requirement to offer localness on those particular days. While public value may be delivered on reduced hours if quality and impact are maintained, we do not see how localness can be delivered where there are no obligations at all, particularly in Scotland where there is little alternative provision by BBC local radio services, and none at these particular times.

### Approved areas (Q3)

The Scottish Lowlands include many distinctive administrative, cultural and historic identities and the SG believes that public service broadcasting – of which commercial radio is an important part - should seek to support and sustain these.

The argument for setting larger ‘approved areas’ is that technology now permits the production of locally-relevant material from a remote location and that this may offer scope for efficiency savings for the operators. The proposal to enlarge the approved area in the South of Scotland would mean that Glasgow and Edinburgh would be in the same ‘approved area’. We do not believe this is justifiable if it permits local content for the East of Scotland to be produced in the West. Ofcom’s *Media Nations: Scotland 2018* report shows that for Scottish audiences, local news was the most valued content on radio after music. This distinctive preference should continue to be met and to be effective, local content has to be authentic. We are not confident that the creation of such a large approved area will not have a negative effect on the character and quality of local material. The distinctiveness of services for Scotland’s two main cities and other distinctive localities should be protected.

The proposed South of Scotland approved area closely mirrors the Channel 3 TV licence area for STV South and Ofcom observes at 4.11 that the ITV regions are a “well-established framework for the delivery of sub-UK-wide broadcast programming”. However there is currently a level of concern about the delivery of the C3 licence in Scotland in future following the new strategy announced by STV. Audiences also have different expectations from local radio and national television stations and the two are not equivalents.

Alternatively Ofcom could revise licences to stipulate more clearly that “locally-made programming” must be produced within the licensed area, and not the approved area, with the aim of protecting the authenticity of “locally-made” programming while providing greater flexibility for station operators to produce other material centrally.

### **Economic consequences for rural areas**

The creation of larger approved areas may result in a higher concentration of staff in urban areas and a loss of production premises in the regions. This could reduce career opportunities in the regions both at entry level and for existing practitioners. The maintenance of studios and staff in regions of Scotland is a tangible economic and cultural benefit for those areas. We believe that Ofcom should seek to maintain a system which provides creative opportunities for people right across the country.

### **Local material (Q4)**

We support the inclusion of guidance on “sufficient” local material to deliver the “required character of service” (5.6).

We also note and support the retention of stipulations regarding local news production which suggest that each station should have a “direct and accountable” editorial responsibility for covering its licensed area; and that there should be appropriate professional journalistic cover based within the licensed area (or approved local area).

A more level playing field between analogue and digital operators may be achieved by placing equivalent obligations on the latter. We would suggest that Ofcom should explore options for the extension of national and local news obligations to DAB stations and/or multiplex operators.