

The Future of Radio

Response from Laser Broadcasting Ltd

Laser Broadcasting is the newest but fastest growing commercial radio company in the UK.

The company has, as its core philosophy, a commitment to local radio which it intends to pursue as a multi-platform provider via analogue, digital and on-line programme streams. Laser shares the concerns expressed in the consultation document about the nature and burden of format regulation. It also has considerable anxiety about the current proposals for digital migration.

1. Programme Formats:

The template set out in the consultation document, requiring a minimum amount of local output according to station size goes some way to meeting our concerns. However, it ignores the circumstances that apply where stations in common ownership are grouped together in contiguous clusters.

While there can, of course, be local differences of view and perception within any area, to impose a minimum "local" output condition on neighbouring stations with as much similarity to one another as difference, appears to us to be illogical.

A contiguous grouping can be run through one management and sales structure, enabling the revenue potential of a number of relatively small licences to be maximised. To deny similar programming benefits that need not dilute the local delivery of news and information to each area makes little sense.

We would argue that where a contiguous cluster of stations, operating potentially under a common name or brand, can reasonably do so, the minimum output of four hours per day, local to each of the individual stations, should apply.

We concede that parameters would have to apply to determine when the consequent programme sharing arrangements, running across the cluster, could be deemed to be “reasonable”. If – for example – all the stations in Wales formed a contiguous group and all happened to fall into common ownership, providing all but four hours a day of common programming across those stations would be a significant move away from the ethos of “local” radio.

However, a grouping of three or possibly even four or five stations, up to a total maximum TSA of, say, 1.5-million, could still retain essential localness, through one four-hour programme (e.g., a breakfast or drive-time show) per day plus advertisements, local information inserts and local news specific to each licence area.

Such a strategy is vital to underpin the viability of most small to medium sized stations.

2. Digital migration:

Laser Broadcasting is very concerned about the path that digital migration appears to be following.

We share the view of the BBC that there should be a clear distinction between listening to “digital platforms” and “digital radio”. Planning to remove analogue transmissions based on a perceived take-up of digital radio which actually includes a considerable amount of listening via means other than radio is, from our view, an extremely flawed approach.

The portability and immediacy of radio remain two of its core values and any moves to dilute either would be extremely damaging.

Our concerns focus on:

- While DAB has been adopted thus far as the accepted standard for UK digital radio, we are not content that enough attention or research has been paid to DRM.
- There are, without doubt, some quality issues concerning existing DAB broadcasts in some parts of the country which DAB+ may or may not address.
- As the Secretary of State said recently, it may not be possible for all existing analogue stations to migrate to digital platforms and we call for an urgent and comprehensive

industry-wide debate to consider all the issues surrounding our digital future.

Common sense dictates that, while digital television is a tangible, sexy, desirable product for consumers to aspire to, particularly when effectively delivered at no additional cost via Freeview, Freesat, etc..., the same does not apply to radio.

The attempt to hype great excitement around all the new formats and stations that digital radio offers collapses the moment anyone considers precisely what is on offer. Any excursion 'across the dial' on a DAB set demonstrates clearly that there are no new formats under the sun, merely different ways of doing what is already there. While that may also be true of television to some extent, the offer of a range of movies or live sports coverage is dynamically greater than three or four different ways of introducing the same track by Elton John or The Kaiser Chiefs.

Popular music can be sub-categorised in many different ways. There is nothing new in that, but experience in the analogue world tells us that anything other than the one or two marginal variations of what might be termed "main stream pop" are unlikely to draw audience on a significant scale.

There are two key consequences to that:

- One is that the only way for a multiple of similar stations to exist in a digital world is to persist with minimum format regulation, allowing the tightest possible cost regime to exist and support viability.
- The second is to underline the importance of the key difference between analogue stations across the UK - localness. Given our earlier view of how lighter format control should apply, particular to contiguous groups of local licences, it is essential that urgent attention be applied to ensuring that all local licences are given a route to a digital platform, thus offering the customer true choice according to the local area output they wish to select.

Laser Broadcasting is committed to being part of a multi-platform future and we aspire to being a player in the new digital age. If, however, digital migration is not an option for all stations, we argue strongly that an analogue switch-off programme that removes viable commercial radio businesses from communities that have come to rely on them, in some cases over many years, and

negatively affects the shareholder base of the radio companies, is a retrograde step that should be resisted.

Indeed, we believe that Ofcom's decision not to advertise any more new analogue licences when there are parts of the country still not directly served by their own local commercial radio station was premature, to say the least. We regard it as unfortunate and misled.

Laser Broadcasting regards the issues outlined above as requiring critical examination before any timetable is considered, let alone set, for an analogue-digital switchover.

Ofcom has a statutory duty to maintain localness and choice of radio services in any area. This would surely be compromised if the issues we address here were not acted on.

3. Community Radio:

The community radio experiment is, in our view, still precisely that – an experiment that has enjoyed some stunning success but also a considerable amount of failure and disappointment.

We welcome proposals to review the ownership and regulatory regime that is certainly onerous and unreasonably heavy. We would go further, and suggest that urgent consideration be given to a return to the "mother-hen-and-chicks" concept that is a part of the early history of UK commercial radio.

By that we mean that existing licence holders (e.g., the existing commercial radio companies) should be allowed to take ownership, where such agreement can be reached, of community licences operating within their existing TSA's. While it should be mandated that each community licence has to provide a minimum amount of hours per day specific to that community it is intended to serve, the economies of scale, management services and professional sales techniques that could be applied would ensure the viability and future of these 'experimental' stations.

Summary:

Laser Broadcasting welcomes Ofcom's initiative in publishing its consultation document. We hope it will be the start of true consultation. If so, it is essential that the views of all concerned with the business of radio are aired and considered.

Radio company shareholders, national and local advertisers, radio station employees and radio industry suppliers are among those whose voices should be heard. The radio companies themselves, both BBC and commercial radio, should have their say in the widest possible forum, and the most important people of all – the listeners – should also be engaged in this debate.

The changes and challenges we face are arguably the most fundamental since the birth of UK commercial radio in 1973. The solutions found must be the right ones.