



Radio – Preparing for the Future

Appendix C: The move from input to output regulation on
commercial local radio

October 2005

Appendix C

The regulation of formats and local material on analogue commercial radio

C.1 Introduction

In phase 1 of “Radio – preparing for the future” we explained how the current regulatory regime applied to radio varies by platform: analogue commercial radio is the most tightly regulated, DAB digital radio is less heavily regulated, while radio via digital television has only to comply with minimum standards and radio via the internet is not regulated at all.

We argued that our primary consideration is to protect the range and quality of local programming that listeners currently enjoy on analogue local commercial radio in the UK. To this end, in phase 1, we carried out research to determine what listeners thought about the services they receive and which elements of those services are the most important to them, both as citizens and as consumers.

However, we considered whether all of the regulation currently in place is required to protect the interests of citizens and consumers and ensure provision of the range and quality of services they expect, including local programming. As well as the audience research we carried out, we also considered the financial implications for stations of any proposed changes.

As a result of this work, we proposed to put less emphasis on input regulation of local analogue commercial radio and more emphasis on the output – the services actually delivered to listeners – as well as more of an onus on stations to demonstrate what they have delivered. We consulted on our proposals and present here the results of that consultation and our final decisions.

Our premise was that, while regulation should aim to ensure the range and quality of radio for listeners, where possible the regulator should avoid determining how the programming is made. Current regulation comprises a combination of Formats (generally output regulation), controls over a range of inputs (rules on how programmes should be made) – e.g. the use of news hubs, the amount of automation allowed in programming, the location of studios – and Ofcom’s programme codes.

We proposed to continue to use each station’s Format, as set out in its licence, as the primary regulatory tool, backed-up by a new set of clear guidelines covering local content. We pointed out that stations will also continue to have to comply with Ofcom’s programme codes.

Alongside our proposed set of localness guidelines we made some specific proposals around the regulation of inputs – i.e. how programmes are made - for consultation. These are considered in turn below.

C.2 Input regulations

We said in our phase 1 report that our primary consideration was to ensure the quality and range of the programming that listeners hear, rather than a focus on how

the programmes are produced. This consideration underlies all of the changes we proposed to other regulations.

As well as the Format, included as part of each station's licence, there is currently a set of rules, introduced by the Radio Authority, governing matters such as the use of automation, the location of a station's studios and the way in which local news is delivered.

While Formats can generally be described as 'outputs' (i.e. they describe what the listener hears), these other rules can be described as 'inputs' (i.e. they are related to the production of the output).

One of the results of using Formats as the primary regulatory tool, supported by a clear set of localness guidelines, and focusing on outputs would be to allow us to relax some input regulations, although we recognised that some input regulation will still be required to comply with Ofcom's duties as regards local production. In particular we focused our proposals on the regulations around:

- the location of a station's studios (e.g. the importance or otherwise of a local station having a local presence, accessibility, etc);
- the networking of programmes among multiple stations (e.g. how far should this practice be restricted), the scope of what is meant by local material, and to what extent programmes consisting of or including local material should be included in the service;
- the use of automation (e.g. whether the present daytime restrictions are reasonable; whether automation should be allowed from within a specific distance, etc.);
- how stations should meet their Format obligations to provide local news, if appropriate (e.g. whether 'news hubs' should be allowed generally; whether they should be restricted by distance, etc); and
- the scope of what is meant by locally-made programmes, and what would be a suitable proportion of such programmes.

We welcomed the views of all stakeholders on our proposals in these areas.

C.3 Studio location

Under section 314, Ofcom is required to secure that, where programmes consisting of or including local material are included in a station's Format, a suitable proportion of them consists of locally-made programmes. "Locally-made" is defined in the legislation as "made wholly or partly at premises in the area or locality for which that service is provided".

All existing analogue commercial local radio licences in issue have a requirement for at least some programming to be locally-made, and therefore every local radio station has its own studios. We carried out research amongst listeners for phase 1 of this review. That research suggested that 71/% of listeners believe it is important or very important for a local station to be locally based. We agree with those listeners. However, we wanted to test whether the current definition of where a station's studios have to be based is the correct one.

The current policy is that stations providing locally produced and presented output should do so from a studio located within their Measured Coverage Area (MCA). The MCA is a technically-defined area within which radio signals of a certain strength can be received; in practice, a station can usually be heard over a larger area. The MCA is also generally smaller than the licensed area, which is the area that the licence is designed to serve (as set out in the original licence advertisement).

In the past, there have been calls from some in the radio industry to allow adjacent stations to co-locate studios somewhere between their two current bases, even where this would mean moving one or both outside of their MCAs. Arguments for station co-location are typically based on financial or operational needs. Co-locating studios can result in significant savings on premises and administrative overheads, amounting to perhaps £30k per annum for smaller stations and £60k for county-sized stations, although clearly there will be large variations depending on rental contracts, which part of the UK they are operating in, station size and other factors. Proponents argue that sharing premises can also mean less duplication, so that the amount of administration and management can be reduced. Many small stations are not large enough to put in place any kind of career development system, and there is limited potential and funding for management positions. Sharing of premises would make it easier to put in place more effective management structures. If the choice of location makes geographic sense, it can also lead to a more focused sales effort.

There is a concern however that, by allowing stations to share premises which are outside the licensed area of one or both stations the provision of localness will be adversely affected. The counter-argument to this is that stations cannot afford to stop focusing on the local area since it is a significant factor in how well they compete with larger competitive stations, and is a requirement of their Formats in most cases.

In our research for the phase 1 report, we asked people if it mattered where their local radio station was based. A substantial majority, 71%, said that it was either important or very important.

This was backed up by findings from our qualitative research in phase 1, which showed that listeners notice when a station does not have a base within its area. In one instance, for example, listeners had noticed that the studios of their local station had moved from their town to a nearby town. This was felt to be a loss, and they felt that localness had reduced as a result. One bemoaned the fact that it was no longer the case that *“You could walk in and report local events and news.”* (MORI audience research for Ofcom).

We concluded that it remains important for a station to be based locally, so as to better provide the local programming which audiences want. It will also remain necessary for stations to have a local base in order to comply with the requirements of section 314 as regards locally-made programmes.

Therefore, in our phase 1 report we said we were minded to relax the current rules slightly, so that each local station is required to maintain its studios within its licensed area, rather than the more narrowly-defined MCA. If a station wished to re-locate its studios, it would need to confirm with Ofcom that the proposed new location is within its licensed area.

As now, in exceptional circumstances, we said we would consider allowing a station to locate its studios outside its licensed area.

These proposals allow some flexibility while ensuring that both the requirements of section 314 and listeners' expectations are met.

Summary of consultation responses

In our phase 1 consultation, we asked:

Should the requirement for a station's studios to be based within the measured coverage area be relaxed to require the station to be based within the licensed area?

The majority of respondents were in favour of the proposal to allow a station's studio to be located within the licensed area (rather than the MCA). A few (e.g. Chrysalis and Emap) felt that the relaxation would have a minimal practical effect. However, while agreeing with the proposal for relaxation, many respondents expressed a desire that the requirement be relaxed further either to the Total Survey Area¹ (TSA), or, in some cases, to no restriction at all. Sunrise asked for clarity as to the definition of what constituted "a studio" and "licensed area".

Those who opposed included BECTU and the NUJ, who urged caution and more consultation before making a decision, and the RNIB. The major concern was that stations could lose touch with their local communities if they were not in the heart of the area.

Conclusion

We remain of the view that both to fulfil our statutory duties under section 314 and protect listeners interests, local stations' studios should be in the area to which they broadcast.

As we explained in the Regulatory Impact Assessment in phase 1 of this review, we reject the proposal to allow stations to be based anywhere inside their total survey area (TSA). A station's TSA is defined by the radio company. It is the area within which the station seeks to measure its audience. It is not a statutorily defined concept, and is not used for regulatory purposes. A station can change its TSA whenever and however it wishes. A station's TSA can be smaller or larger than its MCA or licensed area. We consider that this option is not appropriate because a station's TSA can be changed as a station wishes. Accordingly, using TSA would not give a sufficiently clear and stable regulatory outcome.

On balance, having taken into account the consultation responses, we believe that our proposal in phase 1 was correct, as this strikes a reasonable balance between protecting listeners' interests and not being overly restrictive. As we also said in the phase 1 report, in exceptional circumstances, we will consider allowing a station to locate its studios outside its licensed area, for example to co-locate with another station (although this may require a Format change, using the proposed process outlined in section x.2, to remove any requirement for "locally produced and presented material", while retaining any requirements for local material). We will now formally include this provision in the guidelines, which will now read:

Where a station is required to provide locally-made programming, its studios should be located within its licensed area, although Ofcom will

¹ The TSA is defined for a station by itself for RAJAR purposes and defines the area that RAJAR will sample in order to get listening data for that station

consider requests for exceptions to this on a case-by-case basis, taking in such factors as Format obligations, financial impact, output impact, operational needs, etc.

We will also revise all individual licences to remove existing references to measured coverage areas (MCAs).

C.4 Networking, the provision of locally made programming and local material

Networking involves the transmission of the same programme, at the same time, across a number of different radio stations. Although the use of networking implies a reduction in localness, modern technology allows for networked output to incorporate local material, with such output being inserted into 'windows' during the course of the programme.

Our research for phase 1 of this review asked listeners about the presenters on local radio. The majority (56%) said that it was important or very important for local radio presenters to be based in the local area. A majority (57%) also said that they enjoy listening to presenters from the local area.

In line with this research, we therefore set out, in phase 1, our objective to ensure the provision of locally-made programming and local material on radio stations, to the extent required by each station's Format. Formats may also specify that programming at certain times of the day (e.g. peak time) must be locally-made. Beyond these Format requirements, there are currently no written rules on the networking of content.

Generally, the required level of locally produced and presented material is high. Over two-thirds of all local stations must broadcast locally-made programming for at least 16 hours a day on weekdays, 12 hours on Saturdays and eight hours on Sundays; many have even higher requirements (figure xx). In fact, all local analogue licences in issue have a requirement for at least some programming to be locally-made.

The stations with lower required amounts of locally-made programming are either:

- specialist music stations, where localness is not their primary aim;
- very small-scale stations, which cannot afford to sustain as much locally-made programming; or
- MW stations, where the rules have been relaxed (38 of the 59 MW stations must broadcast local output for either four or seven hours a day).

Figure xx: Licence requirements for local output (MW and FM)

Minimum hours of locally produced and presented output	No. of local stations
24 hours (for most stations 7 days a week, although some broadcast only 21 hours a day of local output at weekends)	49
At least 18 – 20 hours a day on weekdays and 12-18 hours a day at weekends	97
At least 16 hours a day on weekdays, 12 hours on Saturdays	

Minimum hours of locally produced and presented output	No. of local stations
and 8 hours on Sundays	36
At least 12 hours a day on weekdays and 6 hours a day at weekends	38
At least 7 hours a day, every day	12
At least 4 hours a day, every day	40
TOTAL	272

In addition to these requirements for the number of hours of locally-made programming, each Format stipulates what type of local material should be provided (e.g. local news, traffic reports, etc), although the quantity of each type is not generally specified.

For the purposes of clarification, in our phase 1 report we proposed that stations be free to network as they wish, outside of the requirements regarding locally-made programming specified in their Format. Where local material must be provided during networked programming, this will already be defined in each station's Format.

By definition, output which is networked cannot be considered as part of a station's locally produced and presented requirements, with the obvious exception of the station from which the networked programming is originated.

We also noted in phase 1 that, should any station wish to adjust the amount of locally-made programming demanded in its Format, such a request would be considered having regard to the matters specified in section 106 of the Broadcasting Act 1990, as amended. (see section x.2 above, for Ofcom's proposed approach to considering Format change requests)

In attempting to clarify the position on networking, we also considered what an appropriate amount of local material would be and stated that "all of the hours of locally made programming (as required by the station's Format) should be able to demonstrate elements of local material." This fulfilled our responsibilities under Section 314 of the Communications act which required us to give guidance as to how we would secure a suitable proportion of the programmes consisting of local material, consist of locally made programmes.

Summary of consultation responses

Our phase 1 report asked for views on the following question:

Do you agree that a station's local hours, as defined by its Format, should include local material, but that, outside of these hours, stations should be free to share material with other stations on a network basis as they see fit?

Most of the respondents focused on the second half of the question (i.e. about networking) and did not comment on the first part of the question (i.e. about a station's local hours including local material). The response to the question was broadly positive. In particular the majority of the radio broadcasters were in favour of both aspects of the proposal except as noted below. A number of respondents (e.g. CRCA and Chrysalis) pointed out that the networking question was currently the status quo and that this was not a change.

GWR, the NUJ, UTV and one other respondent wanted networking to be restricted to occur only outside daytime or peak times. Those who were opposed to the networking point were concerned about the loss of localness. BECTU and the Music Business Forum wanted Ofcom to monitor the development of networking and to reserve the right to intervene. RNIB wanted networking to be minimal as it did not fulfil key local information functions which their constituents relied on.

In relation to the provision of local material in each hour of locally produced material, a number of respondents (Capital, CRCA, SRH and two other respondents) expressed concerns. Broadly, their concern was that it would be neither an efficient use of resources, or in listeners' best interests, to ensure that every hour of locally produced material had elements of localness. This view was also expressed during our visits and phone calls to a sample of stations around the country.

The times where stations would be unable, or reluctant, to fulfil the requirement were largely when there were music sweeps (for example an hour of back-to-back love songs), although some thought that the problem would be overcome by the provision of a local news bulletin at the top of each hour. However, rather than feel they were being forced to include local material in every hour of locally made output, industry respondents wanted to target their resources at specific times during the day, to provide a better service for listeners.

The CRCA (supported by SRH) also objected to this proposal on the grounds that it went beyond the legislative requirement to ensure that the local services contain an appropriate amount of local material.

Conclusion

We confirm our proposals to clarify the rules on networking, which do not represent a change from the current provision. The amount of locally produced programming is included as part of each station's Format, and this should be sufficient to ensure that an appropriate proportion of programming continues to be made locally.

Stations are, therefore, free stations to network as they wish, outside of the requirements regarding locally-made programming specified in their format (normally peak-time). Where local material must be provided during networked programming, this will already be defined in each station's format.

However, we accept the arguments (as set out above) against the proposal to require all of the hours of locally made programming to be able to demonstrate elements of local material. We have therefore removed this from the final localness guidelines.

We have based our final guidelines on the stated desire of listeners to be offered relevant and timely local programming by their local radio station and we are not proposing here any increase in the amount of networking allowed. We also have a statutory duty to ensure that a suitable quantity of programmes that contain local material is locally made. We believe that this duty is fulfilled by the Format and therefore the guidelines now read:

The extent to which local material is included in the service provided by a licensee varies by station and is specified in the station's Format. Ofcom regards the Format, as supported by the localness guidelines, as fulfilling the statutory requirement regarding the provision of an appropriate amount of local material and a suitable proportion of locally made programmes.

While stations are free to network programmes outside the requirements regarding locally-made programming in their Formats ... they are expected to be able to respond to local events in a timely manner, providing live local programming in the way and at times that audiences expect

It should be noted that any increase in networked hours above those allowed by a station's Format would require Ofcom's approval, under the Format change guidelines outlined in section x.

C.5 The use of automation

Automation was defined by the Radio Authority as “*computer controlled programming, involving the music, voice tracks, drop-ins, commercials and other programming elements being played in accordance with a pre-defined schedule and which is not under the direct control of an on-air presenter.*”

The current automation rules differ by waveband and station size.

- FM stations with an MCA of 50,000 adults (aged 15+) or more are limited to two hours of automated output during daytime hours. (Note: daytime is defined as 6am to 7pm);
- FM stations with an MCA of fewer than 50,000 adults are limited to four automated hours during daytime;
- a handful of FM stations with an MCA of greater than 50,000 adults have been given permission to broadcast more than four hours of automation during the day; and
- MW stations are limited to four hours of automation during daytime. Some MW stations are only required to broadcast four hours of locally-made programming, and they may not automate those four hours.

The Radio Authority considered that automation had the capacity to impact negatively on the quality of a radio station's output, but also felt that restrictions would help to preserve localness, on the assumption that live output would be locally-made whereas automation could be produced from anywhere.

In phase 1 of this review, we argued that, at its best, automation can produce output which is indistinguishable from live output - just like live programming, automation can be done well or badly. The sophistication of automation has improved significantly since the Radio Authority imposed limits on the amount of automation any station could use. As a result, we no longer believe that restrictions on the amount of automation will necessarily guarantee quality.

We reported in phase 1 that, through consultation with the industry, we had found little demand overall for more automation during the day. Stations will usually prefer to be live during the day when audiences are greatest, and when they are best positioned to respond to events and listeners. Many stations, especially smaller ones, automate overnight when audience levels are lowest and the demand for a presenter to deliver speech and information is minimal. There are no regulations at present on overnight automation.

Some stations, mostly small-scale, make use of their automation allowance during the mid-afternoon period. Often, this can allow some time during the day for the station team to meet, which can be beneficial for management and organisational purposes. On the other hand, automation is not always made full use of, even when allowed. Some stations use the overnight period as a nursery for new presenters, which can have greater benefits in the long run than alternatives like automating or networking.

While most stations would prefer to broadcast live throughout the day, it may not be economically viable for them to do so. In some circumstances, it might be better to concentrate the available resources on the key daytime periods of breakfast and drive-time, perhaps automating during the afternoon. The current automation rules, as they stand for most stations, do not lend themselves to this because they allow only two hours of automation during daytime. This period of time is a useful tool for having some flexibility during the day, but will not make a noticeable difference in terms of costs. Some stations were of the opinion that a four-hour maximum level during the daytime would make more of a financial impact, since four hours equates to the length of a typical presenter shift on commercial radio, which could potentially be saved.

The concept of automation is not one most audiences are familiar with. Many audiences may not be able to tell the difference between live and some automated programming and might be surprised to learn that some of their favourite programmes are, at least in part, automated.

However, as part of gathering evidence in phase 1 of the review, on Ofcom's behalf, MORI carried out some research into the public's attitudes to automation. We began by explaining what automation is:

"Sometimes radio presenters or disc jockeys pre-record the talking between the music and records that they play. The radio station then broadcasts the pre-recorded parts of the programme automatically. This process is called automation. Automation does not apply to items such as news bulletins, live sports reports, weather forecasts and traffic reports."

We then asked whether people were aware that some music programmes are currently automated. The results revealed that 57% claimed that they were aware, and 43% claimed they were not. What it is not possible to know from this survey is whether listeners can tell the difference between an automated programme and a live programme and so the results of this research should be treated with caution.

We then asked whether radio stations should be allowed to automate any of their programming. Of those questioned, 10% thought stations should not be allowed to automate at all, while 35% thought they should be allowed to automate as much as they like. 52% of respondents thought that there should be some limit on how much programming stations should be allowed to automate.

We asked the 52% who thought that automation should be limited whether it was important for programmes to be live at particular times of day. The results suggest that 70% (of the 52%) thought that breakfast programmes should be broadcast live, 56% thought drive-time should be broadcast live, while only 19% thought it important to broadcast late evening programmes live.

As a result of our research and the improvements in technology, and in line with our aim to reduce input regulation, we said in phase 1 that we wished to consider the case for removing all specific limits on the use of automation. However, were we to do so, we pointed out that stations should obviously bear in mind that listeners expect their local station to be live at key times of the day.

We also said that, if we were to relax this regulation and it proved to be detrimental to the overall quality of radio services, then we may reconsider whether specific limits on automation should be reintroduced.

We noted that the automated programming during a station's hours of locally-made programming, as specified in its licensed format, must be locally-made.

Summary of consultation responses

In phase 1 of this review we asked the following question:

Should stations be allowed to decide for themselves how much programming they automate?

The respondents (including all of the radio broadcasters) were largely supportive of the proposal to allow stations to decide for themselves how much programming to automate. Those in support pointed out that techniques and software allowed automation to be high quality.

There were a few requests for more information as to how Ofcom would test for a reduction in quality. A few of the opposing views wanted Ofcom to move more cautiously e.g. the NUJ wanted automation to be carried out only with Ofcom's permission, Leeds University wanted some, but not total relaxation of the rules and the Radio Studies Network and the Music Business Forum wanted more evidence.

The dissenting voices including the Advisory Committee for Scotland and BECTU. The opposing views often supported some relaxation in automation, but wanted some controls left in place. Ofcom's Advisory Committee for Scotland was concerned that there was no clear, unambiguous way to assess the quality of the output so were concerned at the removal of the input proxy.

Conclusion

In drawing up our final guidelines on the use of automation, we have focused on the service provided to listeners. Listeners tell us they expect their local radio station to be live at key times and to be able to react in a timely way to major events, either local or national.

On balance, we continue to believe that the current automation rules do not serve the best interest of citizens and consumers. Technology has improved since the rule was imposed and automated programmes can sound just as good as live programmes. A limit on the amount of automation is, therefore, no longer a proxy for the maintenance of quality. However, we do not wish to see all programming being automated, as stations need to be live and local and be able to react to events at the times that matter to listeners, for example at breakfast time. We have tried, therefore, to allow stations flexibility in the way that they produce programmes, while focusing in our guidelines, on the quality of the service the listener hears.

We found no strong support in our consultation for maintaining the current regulation and so confirm our proposals as set out in phase 1. The localness guidelines therefore state that:

It is up to each station to decide how best to produce its locally-made programming and so there are no restrictions on the amount of automation (e.g. using voice tracking) that a station may use. To the extent that such programming forms a part of local hours (as defined in the station's Format), any such automated programmes should be locally-made and to the extent it comprises part of the station's local material should take account of Ofcom's localness guidelines. However, ... licensees are expected to take into account listener expectation when it comes to automated and live programming.

While stations are free to ... use automation as they see fit, they are expected to be able to respond to local events in a timely manner, providing live local programming in the way and at times that audiences expect

However, as we noted in phase 1, Ofcom reserves the right to reconsider whether specific limits on automation should be reintroduced if the removal of regulation in this area proves to be detrimental to the overall quality of radio services; for example if we found that stations were not generally reacting to local or national events in the interests of their listeners.

In our phase 1 report, we suggested that each station should include, in the proposed Format and Localness File, details of how many and which of its hours are automated and where any automated programmes are made. As noted below in the section on the Format and Localness File, many respondents to the consultation objected to making this information public on the grounds that it could pose security issues for stations by advertising the fact that the premises are unmanned at certain times.

We have therefore changed this proposal for the Format and Localness File, and will instead require licensees to state in their Format and Localness File how many hours they are automating in daytime (6am – 7pm), but not which those hours are. In addition, Ofcom will collect information on which hours are being automated throughout the day, directly from stations on a quarterly basis, as part of the quarterly revenue data collection process. The system will be designed so as to be very simple for stations to provide data on which hours are automated and where programmes are produced. The data will be useful in gaining an overall impression of the use of automation across the industry and in following up any specific complaints against stations.

C.6 The delivery of local news

As we set out in phase 1 of this review, Ofcom's objective is to serve the interests of citizens and consumers by ensuring the provision of a high quality news service, including local and national news, by local radio stations, to the extent required by each station's Format. The question is how this objective is best achieved.

At present, with very few exceptions, each station's licence includes a requirement to produce local news, which is implicitly locally presented. This is the only current format requirement regarding news for most stations. There is no requirement for the news to be timely – so, in practice, stations can record news bulletins well in advance of transmission and some smaller stations often do so. Neither are there

requirements for a specified number of journalists at a station (except for those stations already operating as part of a 'news hub' arrangement) nor for journalistic cover outside of the hours the station's format requires local news. Ofcom does not currently monitor how stations produce their local news, but we do respond to complaints about particular stations' news provision.

The Radio Authority considered that the provision of local news was covered as part of the 'locally produced and presented' output requirements in each station's format, and, therefore, any station whose format calls for locally produced and presented output is currently required to produce any local news bulletins from a studio within its coverage area. The Radio Authority also stated that all such stations must have a journalistic presence (i.e. an in-house news operation) unless permission for alternative arrangements had been given.

In essence, the Radio Authority considered that the requirement in formats for 'locally produced and presented' output should be interpreted as including a requirement for stations to have a local newsroom. However, an express requirement relating to the staffing of newsrooms is not included in any formats, apart from those of the stations to whom permission has been given for alternative arrangements.

These alternative arrangements are known as 'news hubs', and involve a station being allowed to broadcast local news bulletins presented from another radio station's studios. The Radio Authority agreed to such arrangements in a limited number of cases, and only for stations in common ownership within a geographically-limited area. The formats of such stations specify the exact out-of-area station from which bulletins must be presented and also require the maintenance of a full-time or demonstrable journalistic presence for a specified period (either eight daytime hours – i.e. at least one journalist, or weekday daytime - 6am-7pm – i.e. at least two journalists).

The formal requirements of news hub arrangements go beyond what is set out in stations' formats, however. The Radio Authority also required that the information about the news hub that had been included in the application for such an arrangement (such as aggregate staffing levels across participating stations, the location of the news hub, weekend arrangements and the pre-recording of bulletins) formed part of the agreement and could not be deviated from without the permission of the Authority.

These requirements were intended to protect the presence of local, on-site journalists and to ensure that stations do not use news hubs simply as a cost-cutting measure. The Radio Authority believed that, in the absence of a local news presence, the news hub would drift further away from the local station's area, leaving significant local stories to be covered remotely.

Some people have concerns that the timeliness of news bulletins could be negatively affected by any widespread use of news hubs. In a news hub arrangement, it is inevitable that some bulletins will be pre-recorded if bespoke bulletins are to be provided to each participating station. However, there is no requirement in any station format for news bulletins to be broadcast live (although the formats of some of the stations involved in news hubs require that bulletins can only be recorded shortly prior to broadcast). In effect, the Radio Authority assumed that the presence of a local newsroom would protect the provision of live news bulletins.

In practice, presence of a local newsroom does not necessarily ensure the provision of live news bulletins. For example, some smaller stations record their local news

bulletins early in the morning, to be played out on the hour for the rest of the morning, and it is common for many stations to record some bulletins in advance. This allows the journalist to leave the studio during the morning to gather news.

Thus the proponents of news hubs argue that such arrangements could allow stations to broadcast more up-to-date news than they do at present, as the local journalist could phone in a story to the news hub, rather than having to go back to the studio to read the bulletin themselves or play a pre-recorded bulletin. At present, if a major local story breaks, the local news will be updated as soon as possible, sometimes breaking into the non-news programming. There is no reason, it is argued, why this should not continue to happen if a news hub operation is in place.

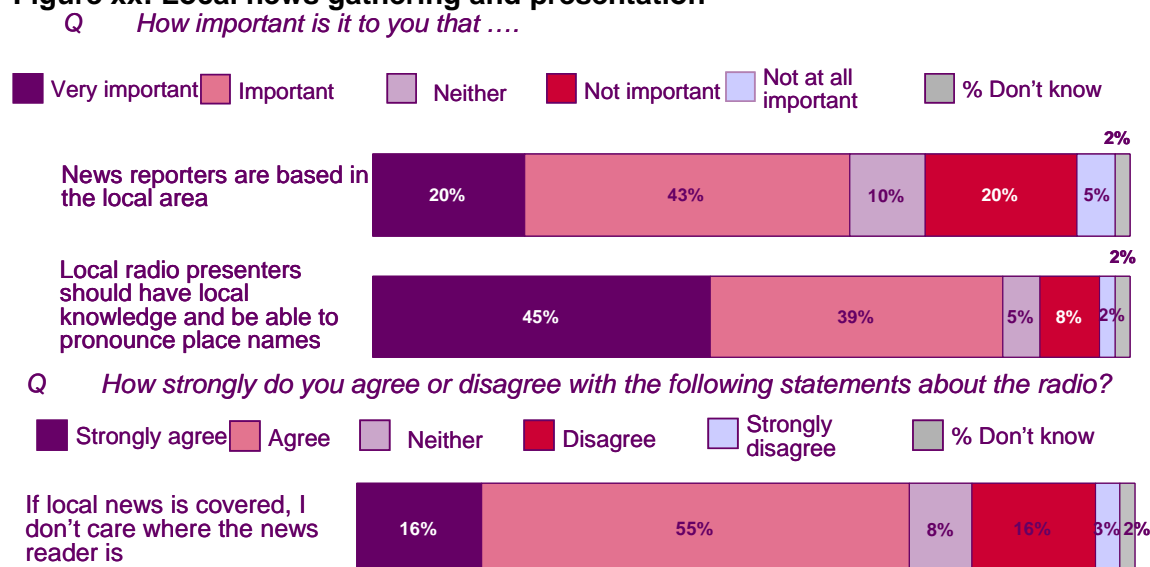
The proponents of news hub-style arrangements also claim that allowing bulletins to be broadcast from a centralised hub can free up reporting staff to generate more quality audio and deliver a greater volume of local stories. Similarly, they allow better use of the best broadcasting voices across several stations, improving the quality of presentation. It is arguably easier to manage the quality of the news broadcasts across several stations if they are being prepared in one location. Often, two neighbouring stations will want to share news because the stories are relevant to both areas and news hubs can facilitate this. In short, the argument proponents put forward is that news hubs can make better use of station and group resources.

Critics argue that, unless there are regulations to ensure journalistic presence, news hubs may simply be used for cost-cutting and that large hubs, serving many stations, would diminish contact with the locality. They also argue that the use of news hubs would normalise the recording of news across stations which employ hubs.

There is considerable demand within the radio industry to expand the use of news hubs or similar arrangements. The few hubs that operate have required investment of up to six figures in hardware, software and technical equipment, often in addition to training and salary uplifts. To date, therefore, the introduction of news hubs does not seem to have resulted in noticeably cheaper operations and the stations involved have argued that it makes their news provision more efficient and improves the quality of output.

In considering the matter of news hubs for phase 1 of this review, we asked audiences how important it was that the news reporters were based in the area and whether it mattered where the news was being read from.

The results were very clear; 63% believe that news reporters should be based in the area they are covering, but 71% said it does not matter where the news is actually read from (figure xx). The important thing is that the local news should be relevant, and that presenters – both for local news and other local programming – should have local knowledge and be able to pronounce local names correctly.

Figure xx: Local news gathering and presentation

Source: MORI research for Ofcom

For listeners it is the quality, relevance, timeliness and accuracy of the news that matters, not where it is read from. In phase 1 of this review, we said that we wished to consider the case for allowing any group of stations to operate news hubs in any way which makes operational sense for them, but which still ensures that Ofcom can meet the objectives set out above.

We suggested that one possible way of ensuring that the overall objective of providing a comprehensive local news service, in touch with the area it is covering, is met would be to require each station to provide direct and accountable editorial responsibility, based within the licensed area, equivalent at least to full time professional journalist cover for all of the hours during which its licensed Format specifies that it will provide local news programmes.

We recognised that this approach is not fully consistent with our aim of moving the emphasis from input to output regulation, and we welcomed views as to whether there is a better way to meet the objective of ensuring the provision of a high quality local radio news service.

Summary of consultation responses

In phase 1 of this review, we asked:

How do you think the objective of ensuring the provision on commercial local radio of a high quality news service, including local and national news, is best achieved?

- *Should stations be allowed to use news hubs to allow them to operate in the most operationally effective way?*
- *Do you agree that we should include a statement in the localness guidelines to the effect that, in order to provide a comprehensive local news service, each station must provide direct and accountable editorial responsibility, based within the licensed area, for the provision of a news service equivalent at least to full time*

professional journalist cover for all of the hours during which its licensed Format specifies that it will provide local news programmes?

- *Is there a better way to achieve the objective that focuses more on output rather than input regulation?*

All of the radio broadcasters, with the exception of GMG, opposed the proposal to require stations to maintain a full time professional journalist for all of the hours during which its licensed Format specifies that it will provide local news programmes. A frequently made point was that this was not consistent with our goal of output regulation. Many made the point that it would not be in their interest to provide a low quality local news service as it would not serve their listeners who could switch off. A number who opposed the proposal separated local editorial responsibility from journalistic presence. A number pointed out that a number of the activities of a journalist could be done from anywhere as they involved telephoning and other remote communication (e.g. email). A few respondents (e.g. UKRD and Saga), thought it could be difficult to define and regulate a “full time professional journalist”. Lincs FM pointed out that it would be an additional financial burden on smaller stations (e.g. where the journalist has more than one job and so is only around for working hours so records the other news bulletins). Capital Radio pointed out that while they may wish to keep full time journalists at certain stations, this should be an operational not a regulatory decision. The supporters of the proposal included Leeds University, NUJ, GMG and UTV. In addition Saga could see this as one option for ensuring resource was available to provide news for a station.

Further evidence

Given the level of opposition to this proposal, Ofcom carried out further work to gather evidence as to how local news is currently being provided. We carried out interviews with a sample of radio stations around the UK, we held several meetings with representatives of the commercial radio industry, in London, Cardiff, Belfast and Glasgow, and we took into account a 60 station survey carried out by the Commercial Radio Companies Association (CRCA).

We undertook 25 station interviews (either face to face or over the telephone) with all of the major groups, and a number of smaller groups, independents, and news hubs. The interviews were with station managers, and where possible, the news editor. The key issue discussed was the likely effect of our phase 1 news proposal on the stations.

Of the stations that were interviewed four did not have a local journalist for all of the hours that they were required to have local news. All of the stations spoken to had at least one journalist based in the MCA during weekdays. Those stations which would not meet the proposal as currently formulated would generally do so for one, or both, of two reasons:

- They would not have journalists working locally at weekends although they had an obligation to provide local news at peaktimes² at weekends; and / or

² Peaktime is defined in each station’s Format as “Weekday Breakfast and Afternoon Drivetime output, and Weekend Late Breakfast”.

- The stations would have a journalistic presence during weekday working hours (i.e. 9am to 5pm Monday to Friday). With a peaktime news requirement this would mean that they did not have a journalist present during the first part, or the majority, of their breakfast show. During the drive-time show in the late afternoon / early evening this could also mean that there was no journalist present during the latter part of that show.

As a result of the visits and telephone interviews three specific misconceptions arose:

- The status of guidance in relation to this proposal was not well understood. The perception was that this was a rule rather than guidance.
- There was a concern that journalists would have to be accredited in some way (e.g. a member of the NUJ), i.e. that the use of paid trainees would be insufficient
- Where staff carried out news gathering and also other (non-news related) roles in the station where there was a concern that “full time” would mean that some one else would have to be hired

A number of examples were given as to how the proposal as currently formulated could lead to a fall in the quality of local news:

- Compass FM had a requirement to provide news during peak times but only had a journalist present locally between 9.00 and 17.30 (i.e. not during all of the time that news was required). At other times, the major local stories were covered from the station’s parent station, Lincs FM.
- The Capital group of stations and the Lincs FM group considered that it was not a good use of the resources of a small station to have a journalist present in the area at the start of the breakfast show (i.e. 6am) when there was no news to be gathered. Lincs FM contended that their news budget was fixed, so if they were required to have a journalist present at a time when it was not currently the case, and when there was no news to be gathered, then overall quality would fall.
- The Local Radio Company (in the industry representatives’ meeting) gave an example of where one of its stations, Mix 107 in High Wycombe, Buckinghamshire, was designed to cover the southern half of the county when the county council, county police offices, health service, etc were in Aylesbury in the northern half of the county, where another of its stations, Mix 96, is based. Under the proposal the station would not be able to have its Mix 107 journalist in Aylesbury to cover stories relevant to High Wycombe.
- One station used its journalist to cover local council meetings in the evening (when it had no local news obligations) and did not have a journalist during all of the breakfast show when it was required

As part of their submission the CRCA submitted a survey of 60 stations from the Capital, Chrysalis, The Local Radio Company, Tindle, Lincs FM and KMFM station groups. They claimed that 30% of respondents (18 stations) would not have a “full-time professional journalist on duty for every hour that local news is required by the station’s format”. Of those 18 stations 61% (11 stations) were providing more news than their format required. 95% of their respondents claimed that they would be able to respond to major local news stories even if the newsroom was un-staffed.

Conclusion

Following the consultation and the further work we carried out, we have revised the proposals we set out in our phase 1 report.

We continue to believe that it is the quality of service provided to the listener that matters, rather than how the programme is made. We also believe that listeners are right to expect a local station to collect its news using journalists based in the local area, who are able to be more in-touch with the matters of importance to each area. However, we accept the arguments that to require a professional journalist to be employed locally for all of the hours that a station is required to provide local news is not a sensible requirement. It could actually damage the quality of news in some instances and could lead to significant additional costs for stations, particularly those smaller stations, many of which are not currently in profit.

We confirm, therefore, that groups of stations will be allowed to operate news hubs as they see fit, but we have revised the wording of the proposal regarding the need for full time professional journalists and tried to bring the proposal more into line with our aim of moving from input to output regulation.

This has the effect that local news provision is no longer included as part of the “locally produced and presented” output requirements in a station’s Format.

The revised guidelines for news now read:

- ***For listeners, it is the quality, relevance, timeliness and accuracy of the news that matters, not where it is read from. Any group of stations may therefore operate news hubs in any way which makes operational sense for them.***
- ***However, in order to provide a comprehensive local news service in touch with the area it is covering, Ofcom believes each station should have direct and accountable editorial responsibility for covering its licensed area. It also believes that the appropriate provision of professional journalistic cover, based within the licence area, on days when local news provision is a Format obligation, is a reasonable minimum expectation.***
- ***Any individual station should have procedures in place to be able to react to and report on local news events in a timely manner. Therefore, while Ofcom understands the need to record news bulletins this should be as an exception rather than a rule.***
- ***Ofcom also draws the attention of licensees to the research findings and listeners’ expectations that peak time bulletins should be live (or only shortly pre-recorded); an expectation we believe is reasonable.***

These new guidelines are proportional to, although not directly consistent with, the demands on television broadcasters.

We also wish to clarify that in the context of these guidelines, “professional” means paid, and does not require the journalist to be accredited by a professional body. We also wish to clarify that the requirement for “journalistic cover” means that the

journalist has to be available to collect news when required, rather than that news collection has to be their sole task.

Ofcom reserves the right to review the position if a general decline in the quality of news provision, as demonstrated by the complaints of listeners.