

Cynulliad Cenedlaethol Cymru / National Assembly for Wales
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and
Communications Committee
Radio yng Nghymru / Radio in Wales
CWLC(5) RADIO02
Ymateb gan Marc Webber / Evidence from Marc Webber

Enclosed is my submission to your forthcoming inquiry into the radio industry in Wales.

It is a subject which I have had a long-standing interest in, from my very first job as a reporter on Cardiff's Red Dragon Radio to my role today as a Senior Lecturer in Multimedia Journalism at the University of Northampton.

Born in Bridgend, I co-founded the local radio station, Bridge FM. I worked as a news reporter for radio stations in Manchester, London and Birmingham and have since gone on to hold senior editorial positions at The Sun online and ITV.com. I was part of the launch team of the Press Association's online video service.

More recently, I have been involved in the growth of podcasting as Head of Sport for audioBoom, which hosts a number of podcasts made by Welsh podcasters. I still present the official Welsh Premier League football podcast.

As well as working at the University of Northampton. I am a football reporter for BBC TV and Radio Five Live. My views here do not represent company policy on this issue for any of my current employers.

During your evidence gathering, you will be presented statistics which show growth in the radio industry in Wales. I refer to numbers like the rise in the amount of revenue made by Welsh commercial radio stations¹ and the fact that more Welsh people listen to radio as a percentage of population than anywhere else in the UK².

Whilst these figures are accurate and welcome, they hide a wider malaise in the market, and I believe that the people of Wales are underserved by the current offering. This is creating not only a democratic deficit in knowledge of how Wales is run, but also a cultural deficit and a jobs deficit.

I will answer your terms of reference by citing specific concerns I have where this is the case. But, in short, the reasons why Wales is being underserved by its radio services (in order of concern) are: -

- The power of the monopoly held by Global & Communicorp Radio groups on market share in Wales is holding back market development.
- Share of listening to Non Wales-based stations (and digital services) is on the rise.
- Cost of transmission barring new entrants.

¹ OFCOM Communications Report: p53 Wales

https://www.ofcom.org.uk/__data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

² OFCOM Communications Market report 2017: Wales p45

https://www.ofcom.org.uk/__data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

- Community Radio has its hands tied behind its back in terms of being able to prove its true worth.
- Commercial radio Welsh language content disparate; if pooled it could challenge BBC Cymru

My suggestions for remedies are at the end of this document.

Question 1. The extent to which BBC Cymru Wales radio services, commercial radio services and community radio services meet the needs of audiences in Wales.

At a time when audio services continue to be popular with Welsh people, a race to the bottom is occurring in Welsh radio, as companies fretting about digital growth has lowered the cultural and political offering of radio in Wales.

BBC Radio Wales & Radio Cymru, coupled with an ever-decreasing handful of local commercial stations such as Swansea Sound and Nation Radio, are the only outlets of engaging, Welsh-made information, entertainment and music.

The challenge to their existence not only comes from the sapping of Welsh jobs, Welsh voices and news as a result of the homogenisation of brands like Heart and Capital throughout Wales (run from London), but also the growth in listening of London-based BBC stations like Radio 2.

There seems to be an audience-led flight away from any station that does Welsh stuff. It is as if Welsh radio listeners do not want to hear people with Welsh accents talk about things going on near them.

I believe this flight away from radio made in Wales can be arrested by pressuring OFCOM to arrest the market failure they have overseen in Welsh commercial and community radio, so new outlets in Wales can set-up at low cost and without restriction. And that the BBC do more to enhance the relevance of UK-wide services to people in Wales.

There is over 80 hours a week of Welsh Language programming aired on commercial and community radio stations in Wales. However, you would not know this because it is spread over a number of rival stations, with no central point of access. There would also be many more hours being broadcast by community stations.

Question 2. The possible impact of the deregulation of commercial radio on audiences in Wales.

In my view, the recently-announced commercial radio market deregulation poses more of a threat to Welsh content than offering a chance to enhance it. It allows for further homogenisation of formats and the removal of local conditions on an FM licence, meaning more of the current Welsh-made content can be removed and it becoming less likely that a national brand like Capital would give exposure to new artists from Wales.

Secondly, it removes more opportunities for Welsh radio producers, presenters and sales reps to have a career in Wales as there will be less shows made in Wales.

The recent DDCMS report³ talked a lot about how those stations that have remained staunchly locally-manned would not be threatened by these reforms. However, I disagree, as the reforms are intended to ensure the free trading of frequencies and that is the commodity the networked radio groups value, not the talent on those stations.

The regulation puts the localness of Nation Radio and The Wave under threat as there is nothing stopping those frequencies from being sold to groups that will remove local presenters.

Whilst the reforms secure the need for local news content, it must be understood that there is more to Welsh life than news. Talking about Welsh culture and sport, even hearing people speak with Welsh accents, makes people feel they are part of a nation. That is what is under threat here.

Question 3. Ownership structures of commercial radio and their impact on local content;

When I worked at Red Dragon Radio in Cardiff in 1992, the station had at least 20 local presenters.

Today, that station is known as Capital and it only has two local presenters. If any other industry in Wales had lost 90 percent of its workforce, there would have been an emergency debate in the Senedd.

Technology has played some part in that lowering of head count, as it has allowed radio shows to be broadcast from anywhere to multiple areas. However, it is the choice of the radio station or network itself whether to partake in the use of that technology to syndicate shows and, more importantly, where they are syndicated from.

In Wales, due to the monopoly held by Global and Communicorp, most of the output you hear on Welsh commercial radio comes from Global's studios in Leicester Square. Compare this to the attitude of Bauer Media in Scotland. They realised Scottish listeners would want to listen to people from Scotland broadcasting about Scottish life to Scots.

Bauer syndicate a lot of shows to their seven FM stations in Scotland, but they are all broadcast from Glasgow or Edinburgh. The shows stay within Scotland and are presented by people living in Scotland.

And to counter claims it is not economically viable to serve 24hr locally generated content to a population of three million, have a look at the diversity of choice they have in Northern Ireland, which has half the population of Wales.

Belfast radio listeners have the choice of four profitable commercial radio stations producing local content 24 hours a day. Cardiff has one.

The decision by the Global/Communicorp group to cut local investment in content has led to a race to the bottom by the other groups that remain in Wales. Nation Radio has cut local production in Aberystwyth, Pembrokeshire and Carmarthenshire because they have seen Global 'get away with it' and their margins are quite naturally tighter because they are a smaller group.

³ Government response to consultation on Commercial Radio

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/668926/Commercial_radio_deregulation__Government_response_final.pdf

However, whilst these groups have cut local programming they continue to sell local advertising. In fact, revenues generated by Welsh commercial radio stations grew in 2017.⁴

However, the same research shows radio's share of all ad revenue in Wales is anaemic compared to other parts of the UK.

So, if radio is so popular in Wales, why aren't advertisers flocking to it? One reason is the huge number of Welsh people that choose BBC Radio 2 (which I will address later). Another would be the flow of money to targeted advertising on Facebook and Google.

But another one is the lack of choice Welsh firms have in the commercial radio market.

The only part of Wales where there is genuine choice of stations to advertise on is Swansea Bay. In Cardiff, it is a straight choice between Global/Communicorp and Nation Radio. In North Wales, there is no alternative to Global/Communicorp.

It is that lack of choice which makes advertisers believe that a monopoly fixes the price and it is not a competitive place to advertise.

Question 4. The impact of new technology on local content

Digital technologies have caused the creation of an underground scene of content about Wales which is becoming increasingly attractive to Welsh people.

In January 2018 alone, the podcast hosting company, audioBoom, saw 270,000 listens from Wales to the podcasts they host.⁵ AudioBoom is by no means the market leader in Wales for podcast listening. Numbers for iTunes and SoundCloud, for example, will be far higher.

Streaming services like Spotify are now becoming the only way people consume music or speech audio, with many deserting FM, DAB and even apps like Radioplayer and iPlayer radio.

It explains why there is a merging of FM radio stations into homogenous brands like Heart and Capital. Global's competition isn't really Swansea Sound anymore, it is Spotify. It needs to do what it can to stop listeners fleeing to Spotify.

Similarly, the growth of Spotify and podcasting without significant engaging Welsh content will also water down the 'Welsh voice' in audio as more people use those platforms and there is less Welsh content on them.

The recently-announced development of small scale DAB⁶ could be a big boost to growth of local radio in Wales. However, there are two things that could stop that growth.

Firstly, growth could be held back dependent on who owns those DAB multiplexes and what price will they set for stations to use them. Secondly, will Welsh audiences be able to receive DAB or believe it is worth taking up?

⁴ OFCOM Communications Report: p53 Wales

https://www.ofcom.org.uk/___data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

⁵ Data provided to me by audioBoom from their Google Analytics data, Jan 2018.

⁶ DDCMS Consultation on Small Scale DAB licensing

<https://www.gov.uk/government/consultations/small-scale-dab-licensing-consultation>

Coverage of DAB in Wales is well below where it should be⁷ and research shows Welsh people are seemingly in no rush to buy DAB sets⁸, so is there any point in new radio stations setting up on DAB if the audience isn't there?

Question 5. The financial sustainability of community radio services in Wales;

Community Radio was supposed to be the great hope for protecting local discourse whilst the commercial stations reduced local content. But at least four Welsh community radio stations have gone under or handed in their licence before even broadcasting. The problem is, community radio is operating blind and with one hand tied behind its back.

We honestly have no idea how well community radio is doing in Wales because it is unable to join the industry-recognised RAJAR audience measurement system used by BBC and commercial radio networks.

Whilst community radio can collect its own data from online listens and could do its own street surveys, that data cannot be compared with data gathered by RAJAR. As a result, it cannot prove its true FM listening in a comparable way to BBC and commercial radio rivals.

This has been a big issue for stations which are seeking funding or are even allowed to sell advertising, as potential funders/advertisers will not trust home-acquired surveys versus the officially recognised measurement scheme of whole radio industry.

RAJAR seems to be a closed shop to community radio due to costs. "Unfortunately, as RAJAR is a not for profit organisation we are unable to offer a discount to charitable stations wishing to join the survey."⁹

It goes on to say on its website: "RAJAR will consider applications from Community stations. Due to the highly localised survey requirements, it is unlikely that existing sample points are already in place requiring a specific cost to be calculated for each application."

So, it is clear RAJAR has no intention of opening the doors to community radio to help them prove their worth. My opinion is that RAJAR is funded by the commercial broadcasters that have left local content to community radio. Therefore, they should fund the surveying needs of community radio to make it a level playing field, otherwise it will never be able to prove its value or acquire any sort of funding and will be dead within five years.

Community Radio has its hand tied behind its back on rules around selling advertising. Whilst commercial radio stations in Wales decrease the amount of local content yet keep selling ads to local companies, community radio is not allowed to go into the airtime sales market. This means unless you have a rich interest group backing you, your access to funds will always be restricted.

⁷ OFCOM Communications Report 2017, page 44, 3.3.

https://www.ofcom.org.uk/__data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

⁸ Only 1 in 10 without DAB likely to purchase it in next year - OFCOM 2017 Communications Report. Page 49

https://www.ofcom.org.uk/__data/assets/pdf_file/0012/105006/wales-radio-audio.pdf

⁹ <http://www.rajar.co.uk/content.php?page=faq>

Question 6: The suitability of Wales's radio broadcasting infrastructure.

There is another issue which holds back the development of community and commercial radio in Wales – the frightening cost of transmitting on FM. Whilst the hilly terrain has to take some of the blame for this issue, as you need more (or bigger) transmitters to get the signal out, I believe a virtual monopoly in transmission companies in Wales is the real reason behind this. And I cite the decision of Radio Beca to hand back their community radio licence as an example of this.

Radio Beca had a bold concept to deliver a Welsh Language popular music channel on an FM community radio licence to Ceredigion.¹⁰ However, they had to hand back the licence two years later without a single broadcast due to the £320k costs of running the station. A large part of that cost - and one that the Beca owners had not budgeted for - was down to transmitting to a wide, hilly area.

There is only really one company that could service the need of the area coverage and that was Arqiva.

Pages 27-29 of an OFCOM consultation on the market dominance of Arqiva¹¹ notes a number of concerns from English radio groups about Arqiva's pricing structure, less preferable terms for new clients and lack of transparency in pricing.

Arqiva has a monopoly on the delivery of FM and DAB signals in Wales. It can set whatever price it likes because it is the only player in the market in Wales. Their pricing structure for Wales is worth investigation.

Suggested Remedies

I understand that some of the suggestions below are not within the remit of the Assembly and they are reserved at Westminster. However, there are a number of ways the Assembly can improve audio services in Wales, either through funding or supporting some of the initiatives below.

And whilst broadcasting is not devolved, I believe this Assembly has a really persuasive lobbying position with OFCOM, the DDCMS and others to make the necessary changes to ensure Wales has regulations which promote growth of the industry in the country, as oppose to harm it.

My suggestions are:

Free or subsidised transmission costs for community radio stations in Wales on FM and DAB.

BBC Radio 2 to run news bulletins produced in Wales on the hour during weekday breakfast and drivetime for Welsh frequencies.

BBC Radio 1 to reinstate the Thursday night Evening Session from Wales for transmission in Wales only or UK wide.

RAJAR to offer free or low-cost service to community stations for audience measurement.

¹⁰ <http://www.bbc.co.uk/news/uk-wales-mid-wales-17776884>

¹¹ OFOM consultation into Broadcast Transmission Services, pages 27–29

https://www.ofcom.org.uk/___data/assets/pdf_file/0032/93785/bts-statement.pdf

Nationwide Welsh Language popular music channel on FM and DAB with no transmission costs for first three years, or a programme-sharing partnership between current Welsh Language show makers.

A free audio news service, supplying clips and bulletins of Senedd sessions to all independent and community radio and podcasters in Wales and beyond.

A unified National sales rep/team in Cardiff, working for Non Global/Communicorp stations & podcasters to pitch for Welsh Assembly/Government and Wales-wide orgs radio ad spend to even up market.

Offer subsidised marketing support to community radio stations in Wales to help raise awareness of their existence to listeners in their area.

Work with Spotify and/or iTunes music to create a stream and marketing campaign around Welsh Music.

Assembly to create podcast workshops at Senedd and in mobile bus to help those interested set up and market their podcast on iTunes.