

Community Radio Consultation
Media Directorate
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Consultation on Amendments to the Community Radio Licensing Regime

I am writing to you regarding the measures contained in the above consultation, which could potentially impact on the viability of the smallest Commercial Radio stations including Waves Radio Peterhead.

The proposal that is of particular concern is the possible removal of the current rule prohibiting a Community Radio station from being licensed where it would overlap with an existing local radio service where the MCA is less than 50,000.

This current restriction formed part of the Community Radio Order 2004 and was seen as appropriate at that time as a measure to ensure the viability of small local radio services.

However, local Commercial Radio is currently facing an even more challenging economic position than at the time these restrictions were introduced. Revenues could fall by as much as 20% in 2009 and competition with other platforms has never been tougher. A recent report commissioned by Ofcom indicated that the smallest stations are finding it most difficult in the current climate, with the majority already being loss-making and even more likely to become unprofitable with the expected decline in revenues¹. In this environment it is simply not appropriate to increase competition for listeners in the smallest of radio markets.

The consultation document appears to accept the need for a continuation of the current restriction on taking advertising and sponsorship by community stations that overlap with local radio services up to 150,000 MCA. Indeed I believe that there is actually a case at this time for increasing this restriction to those community stations that are licensed in areas that overlap with local radio services of up to 200,000 MCA.

However, it is important to understand that this is not the only impact of Community Radio. The presence of an additional radio service can create confusion among listeners and fragment local audiences, meaning that small and community-focused commercial services become financially unviable, irrespective of the protection provided by a limitation on advertising by Community Radio.

¹ Radio: Impact of regulatory relaxations, produced for Ofcom by Value Partners, May 2009

As a small local station in the Aberdeenshire area, I wish to make it known that Waves Radio already works in the community with local businesses and authorities and has survived over the past eleven years by dedication and hard work with no assistance or grants. The station regularly attends events in the area and provides valuable publicity to organisations which this year have included The Royal National Mission To Deep Sea Fishermen, the local Relay For Life cancer event for which a team from the station raised £5000 in just six weeks. As a coastal station, we broadcast daily fish landing reports as well as our Community Calendar which is aired three times a day Monday to Friday.

Over the past three years the station has worked with Aberdeenshire Council in promoting healthy eating. This project takes the shape of schools in the area creating scripts for broadcasting and promoting the menus available to them. The prize for winning teams includes their menus being produced by the children at our studios and then broadcast each morning Monday to Friday. This project has been a tremendous success and has been provided by Waves Radio with no financial benefit to the business.

As a small business in the area, we rely in other small businesses to advertise with our service and every listener is important for our survival as our MCA is only 45,165. Over the years, we have had many calls from listeners regarding rumours of a smaller community station being set up in the town of Peterhead. These callers have expressed concern and sometimes been confused by such reports and they have expressed that another station is unnecessary for a town of a population of approximately 20,000.

As owner of the station I, like so many in the industry decided to invest in digital and have been on the Aberdeen Multiplex since it began operation. This has been a very costly exercise and has given no return. I feel the government should be assisting the professional stations in their survival and not be concentrating on introducing smaller stations in areas which are served adequately by services like Waves Radio which employs, trains and promotes the radio medium.

Any additional radio station in such a small area as ours which will reduce listeners and then possibly reduce advertising revenue will most certainly lead to job losses on Waves Radio, a local company that has served the area with professional community information and entertainment for nearly twelve years.

Therefore I would urge the DCMS to resist any proposal to remove the existing restriction on licensing a Community Radio station that would overlap with an existing local radio service whose MCA is no more than 50,000.

Yours sincerely

Norman Spence

Managing Director