

John Whittingdale MP
House of Commons
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Dear John,

It was good to see you last week, in York, along with some of your colleagues from the Culture, Media and Sport select committee. It certainly seemed that there is an "appetite" for seeing your committee outside Westminster! As a representative of the 300+ local commercial radio stations in this country, I am naturally pleased that your committee has chosen local and regional media as the subject for its current inquiry, and I look forward to giving evidence later this year.

What was clear from last Wednesday's meeting was the importance that continues to be attached to the local and regional media sector by everyone. I'm sure that this sentiment will be repeated throughout your inquiry. Commercial Radio remains extremely committed to the provision of local output, recognising that - perhaps increasingly so - it is our unique selling point. Most attendees to the meeting also appeared to agree that some degree of plurality of provision in the local and regional media sector is both desirable and necessary.

However, acknowledging the troubled state of the sector is unavoidable. For Commercial Radio alone, seven stations have closed this year and the Myers Review, published in April 2009, predicted that up to 50 more local commercial radio stations are likely to close during the next 18 months.

The dilemma that you have identified, and the CMS select committee will encounter throughout the duration of its inquiry, is how to fund alternatives to the BBC to ensure plurality of local news provision. As our submission to the committee's call for evidence set out, local and regional Commercial Radio requires a new regulatory ethos and a re-designed DAB landscape if it is to continue to flourish. Substantial progress in these areas has been achieved in the past few months.

However, beyond this, I believe that there is now an urgent need to reconsider the role and resources of the BBC. If public funding may now be required to help underpin multiple sources of local and regional news and community information, the licence fee (or a variation of it!) is looking like an increasingly likely source. Realistically, we all recognise that there is unlikely to be net more money earmarked for media than the c.£3.5bn the BBC claims.

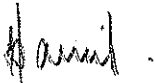
Assuming that is the case, I believe that the BBC must consider how it could focus its output more tightly on delivering the public purposes. This might include, for example, a re-focus

on original UK programming only (rather than paying for foreign TV shows or films), and non-exclusive bidding for sports and music rights.

Not only would this save money, but commercial competitors such as Commercial Radio would find that they had more space and ability to be distinctive and utilise the advantages of operating as commercial organisations. BBC Audio and Music has c.£400m to spend on programming for 56 stations, compared to Commercial Radio's £75m programming budget for 320+ stations. Notwithstanding the significant differences between the sectors, I believe this indicates that BBC Audio and Music could make substantial savings; a finding backed up by the recent National Audio Office report into the efficiency of BBC radio production.

I look forward to engaging with you further on this issue in the autumn. In the meantime, if you do have any questions, please do not hesitate to contact me.

Kind regards,



Andrew Harrison
Chief Executive

