

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) RADIO11  
Ymateb gan GTFM / Evidence from GTFM

The document outlines the history of Assembly advertising on GTFM (the first Community Station in Wales) and was actually prepared for our local AM Mick Antoni who, like several other AM's, has become interested in finding a way to ensure community stations in Wales receive and broadcast all Welsh Government and other related agency advertising campaigns, as the current system where your media buyers request of the advertising agencies they use that campaigns be placed on community radio as well as commercial local radio clearly isn't working, apart from a few isolated examples.

In the document I explain why I think agencies may be reluctant sometimes to use community stations, which from their viewpoint are legitimate – and I end by suggesting a way you could completely bypass this system and simply make individual or blanket payments for campaigns directly to the community stations and supply them with copies of all the adverts to play. Even if there are stations unable to take normal advertising under Ofcom overlap rules to protect small sized commercial stations, it might still be possible to get the regulator to agree they are public service announcements and can be broadcast under a service level agreement instead. It would all be paid for by subtracting a small percentage of the budget allocated to each campaign at source, before the rest is made available to an advertising agency to book all other media, as now.

I can't speak for other stations, but it's certainly the case here at GTFM that we've had to adapt considerably to changing fortunes with regard to the availability of funding as virtually all our grant support has gone because of austerity and we now survive on the money we can generate ourselves through advertising, sponsorship and roadshow (outside event) sales, supplemented by charity fundraising efforts, bucket collections and the like (we are a registered charity in our own right, which helps). Anyway, after nearly folding in 2014 we have recovered to a point where we break even some months and only need to increase our average income by around £1,000 a month to move to a much more comfortable and sustainable position. We are also servicing quite a lot of debt, which will reduce over time and improve our operating margins still further without

income needing to go up by very much more. The plan at that point will be to start replenishing our reserves.

If, for the sake of argument, the £10 – 15,000 annual income we used to get up to 2010 from the Welsh Government to play their adverts could be restored it would make a real contribution by tangibly improving our situation, making the day to day challenge of juggling our cash flow so much easier, assuming of course we can keep our other income streams healthy too. (in 2010 the new UK government accidentally broke the Welsh community radio booking system and nobody has been able to fix it since, which is why I'm trying so hard now!).

## Welsh Government Advertising on Community Radio in Wales

### Background

GTFM pioneered Community Radio in Wales, starting full-time broadcasting in 2002 as the only Welsh representative in a 15 station UK wide 'Access Radio' pilot study, set up by out-going radio regulator The Radio Authority. The experiment was evaluated by incoming regulator Ofcom who judged GTFM a success and granted it the first Community Radio licence in Wales (only the fourth to be awarded in the UK) commencing on 1st January 2006. Broadcasting was allowed to continue uninterrupted during the transition from experimental to full-time licences, except for a requirement to change the transmission site to improve reception in Pontypridd and move to a new operating frequency because its temporary experimental dial position was earmarked for a new regional commercial licence.

Although other community stations have followed and while we all operate on a not-for-profit basis, GTFM has also been a registered charity since 2004. This status has become important since 'austerity' removed all the grant funding which previously supported around 80% of our (then much higher) operating costs. As a consequence employed staff numbers have dropped from 6 to 2, supplemented by the excellent efforts of around 50 volunteers who do the bulk of the broadcasting. At the same time annual turnover has dropped from around £160,000 per annum to around £40,000 as GTFM survives on a combination of advertising sales and the proceeds from our own fund raising events, plus charitable collections – for example with buckets in supermarkets.

We are also carrying a burden of debt accumulated during the leanest years which costs around £1,000 a month to service but will halve in 2019 when a CVA arrangement ends.

We are currently in the process of re-building our income from a low-turnover-point of around £30,000 in 2014 when we were very nearly forced to close, to an annual target of around £65,000, which will allow us to pay all our bills, discharge debt more quickly and generate a small surplus to replenish our long empty reserves.

As a 'full-time' entity therefore, GTFM Community Radio is the same age as devolved government in Wales, which from the outset has been keen, on a cross party basis, to encourage the introduction and survival of this new 'third tier' community focussed media outlet. This it did through a number of grants including its own Welsh version of the DCMS/Ofcom Community Radio Fund which for five or six years issued annual grants to assist with management and other station running costs. GTFM also benefited from grant support allowing it to publicise Communities First activities in the RCT area. At its peak this annual grant funded two full-time staff positions and paid the land rental for our transmitting station, located on local farmland.

As UK Government 'austerity' measures took effect and the Communities First support was withdrawn, the Welsh Government paid for an audience survey to help GTFM attract more of its own income from local advertisers. This discovered GTFM was the outright market leading radio station in its core Pontypridd broadcast area and joint market leader with BBC Radio 1 over a larger part of Rhondda Cynon Taff.

### Radio Advertising

In the very early days the brand new Welsh Government asked the (UK) Central Office of Information (COI) who used to book UK Government media campaigns via advertising agencies to automatically include GTFM alongside commercial local radio stations in Wales on their media schedules. These not only included Welsh Government advertising, but other Welsh campaigns mounted (for example) by the Electoral Commission and the (then) Environment Agency. So when I joined the management team around 2005 I quickly got used to taking phone calls from advertising agencies booking on-air campaigns.

Not only was the income from these campaigns (totalling £10–15,000 per annum) very helpful in supporting station running costs, they also reinforced the overall public service nature of our service, which regularly includes editorial (news and programme) coverage of Welsh and Local government initiatives to a far greater degree than competing commercial services.

Under these arrangements, which abruptly ended when the incoming UK Government abolished much of the COI in 2010, we received far more Welsh Government and other public body advertising orders than we do today. Unaware of the Welsh Government's wish for GTFM to be included in its advertising campaigns the UK Government transferred their media buying from the COI to Media Com, who hadn't heard of us because we were not in the RAJAR audience measurement system. At the time the Welsh Government didn't know what had happened to our bookings when I urgently enquired as nothing had changed at their end, so it took nearly two years to discover the COI connection.

Since then, officials at the National Assembly have been very supportive, especially since they brought much of their media buying back to Welsh agencies from Media Com. But although they've actively encouraged agencies to use Welsh Community Stations, very few actually do, certainly in the sense of booking paid-for advertising campaigns.

As a result, although things have improved a bit since personal interventions like the one you made when you were horrified to find we didn't even have the Welsh Government's 'blanket' organ donation awareness campaigns, we still only receive bookings representing (I estimate) around a fifth of the campaigns your government is running at any given time, when compared to bookings on commercial radio in Wales. In fact the only agency we receive regular bookings from is Golley Slater, which has helpfully added Welsh Water advertising to our portfolio recently.

As GTFM received advertising agency bookings totalling only £2,622.88 during the year from February 2017 to January 2018, if pre-2010 levels of Welsh Government advertising revenue could return it would turn the station from one which struggles each month to pay its bills, often because of delayed payments and other cash flow issues, to one with a far less stressful future by bringing total revenue up to comfortable break-even point now so much has been done to build other revenue streams, reduce costs and control debt.

## Low Advertising Agency Awareness of Community Radio

Apparently low awareness of the potential value of the community radio sector in Wales as an additional advertising outlet is largely due to the fact community stations are not part of the recognised RAJAR audience measurement system used by both commercial radio and the BBC. This means our stations do not appear on the radio campaign media planning software used by media buyers. Bookings on Community Radio therefore depend either on buyers knowing there is a community station in a particular locality, or being expressly asked by a client to book one or more community stations as part of their campaign. But even when this has happened agencies have not always used community radio stations for actual paid-for advertising campaign, preferring instead to involve them in supplementary PR based activity for which they won't be paid.

Why? Because agencies can't exactly predict the demographic delivery of campaign messages on community radio in the same way as with commercial stations due to the lack of RAJAR listener data. And that means they can't deliver to their clients a complete report of the likely impact and value for money of campaigns involving community stations.

The diverse nature of community radio output from one station to another and the fact some stations actually set out to be very different from each other and commercial outlets can also be an impediment to them receiving serious attention from advertising agencies – as is the fact that people answering phone enquiries at some stations have no idea what advertising would cost on their station, or who deals with it. (A media buyer at Golley Slater which uses GTFM and would like to use other community stations told me that).

Another problem is that some agencies say they don't use community stations like GTFM for clients who want to reach people over a larger geographical area than are served by individual stations, preferring outlets like Heart because they have bigger coverage footprints. This ignores both the probability (suggested by research) that GTFM has more listeners in the Pontypridd area than Heart and the fact Pontypridd listeners to GTFM may not listen much, or at all, to Heart and vice versa. Given the relatively tiny cost of advertising on stations like GTFM (usually less than one tenth of the cost of adverts on Heart) the obvious solution would be to use commercial and community stations to achieve maximum local impact for Welsh Government messages. But, as you will recall from my email correspondence

with Penarth based Media Angel agency, that solution has apparently not occurred to them.

This is presumably why we don't ever get bookings from any of their clients, which include Welsh Government owned Cardiff Airport. Their client list also features other 'brands' or organisations which would fit nicely within community radio's public service remit, for example; Ty Hafan; Act Learning; The Children's Commissioner for Wales; Welsh For Adults; NHS Wales, Coleg y Cymoedd; Keep Wales Tidy; Chwarae Teg and the National Botanic Gardens of Wales. They also represent a host of the airlines using Cardiff Airport, including Flybe, KLM and Vueling.

### A Possible Solution

Ask your officials to allocate a small proportion of the budget for every Welsh Government media campaign directly to the Welsh community stations and make sure the creatives who make the adverts send copies directly to the community stations for broadcast too. Payment could either be on a campaign-by-campaign basis, or via 'blanket' monthly, quarterly or annual credits. You will also save yourself the cost of paying agency commission on the community radio part of your campaigns.

By only using agencies to book your commercial radio, TV and other media you are avoiding the chance of them ignoring community radio as well as lifting from their shoulders the responsibility of delivering campaign impact analysis which they can't do without RAJAR results anyway.

The important thing to remember is that this idea only requires you to divide money already allocated to buying advertising time in a different way, not find any additional funds. Not only would such a move greatly help community stations survive, it will ensure community radio in Wales plays all your advertising campaigns.

About the writer: Terry's background is mostly in commercial local radio. After being trained by the BBC in Bristol he came to Wales to help launch its first local station, Swansea Sound in 1974, coming back again as its MD in 1995 to split the AM and FM frequencies to create 'The Wave'. This was his idea and led to great audience success after he launched the new station on the 21st Birthday of parent station Swansea Sound. Both remain on-air today.

Shortly afterwards he also founded Valleys Radio based in Ebbw Vale, but it was very hard to attract sufficient local advertising revenue and later owners closed it down.

But Terry finds getting enough revenue to keep community station GTFM going post 'austerity' (which saw off most of its grant funding) the hardest challenge of his long career to date, which is why he is still spending time going 'back to the future' in his efforts to regain the majority of Welsh Government bookings, hence this document.