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Ms Susan Williams
Ofcom
Riverside House
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Dear Ms Williams

Community Radio Consultation

Thank you for the opportunity to comment on the licensing and development of Community Radio. PPL welcomes this development in radio.

BBC and commercial radio services have been hugely successful. This third tier of Community Radio services should complement existing services and will allow niche services to cater for very specific communities of interest.

PPL has supported the Access Radio pilot schemes by designing a simple flat rate tariff for stations using sound recordings. This allows those stations use of over 7m tracks in their services and ensures that proper permission is given by the creators of the sound recordings – the 3,000 record companies and 30,000 performers represented by PPL. Whilst the fee paid by each Access Radio station is low, PPL licenses a huge number of small music users and, together, these generate an important return on the investments made in sound recordings. We plan to extend these licensing arrangements to the new Community Radio stations.

As well as being generally supportive of Ofcom's plans to encourage Community Radio, we would like to ensure that any body running a Community Radio station does so on a legitimate basis. We note that Ofcom itself is required not to "grant a licence to any person unless they are satisfied that he is a fit and proper person to hold it" (Section 86(4)(a) of the Broadcasting Act 1990). We would like to assist Ofcom in ensuring that Community Radio stations obtain the proper permissions for inclusion of material in their services and, in particular, the inclusion of sound recordings.

We suggest that the simplest way to achieve this is at the point of application to Ofcom for a licence, subject to a possible review when the station provides their annual report to Ofcom.

We therefore support Ofcom's plans for an applicant-led licensing process, setting out the station's plans for programming and how it is to be delivered. Ofcom recommends (in paragraph 16 of the Consultation Paper) that "each group should provide a statement summarising its planned programming approach. It should also give an indication of the amount and types of speech output … a description of the music … [and] the source of any output that is to be provided by someone other than the applicant …" This is a sensible approach, reflecting what any well-run organisation would do in order to set up a new radio station. We would suggest that, at the application stage, applicants are invited to commit to obtaining the relevant permissions or licences for any material not provided directly by the applicant and to demonstrate that they have accounted for these licences in their financial projections.

We also support Ofcom's annual reporting proposals which again fit in with standard accountability of a well-run organisation. We suggest that stations include in their annual report progress against their planned programming and financial projections.

Finally, we would like some commitment from Ofcom to act against any Community Radio station that persistently fails to obtain proper permissions and licences for material they do not produce themselves. While this should only be seen as a last resort, the radio sector should operate on a legitimate basis and Ofcom should not allow a station to continue to operate if it is blatantly trading illegally.

In order to assist Ofcom in the consultation process, we provide below answers to the questions that are most relevant to PPL and the performers and record companies who create the sound recordings used by radio stations.

Question 1:
What role should Ofcom have in respect of community radio, beyond the licensing of new services?

Ofcom should ensure that Community Radio stations operate legitimately. In particular, when they apply for their Ofcom licence, these stations should commit to obtain the relevant permissions and licences for any third party material.

Question 9:
Are you content with the proposal for listing a station's key commitments in its licence?

Any applicant for a Community Radio licence should state the planned programming in their application, including what music (if any) they intend broadcasting, along with a commitment to obtain the necessary licences for music and other third party material. They should also account for these licences in their financial plan. These plans and commitments should form part of the licence conditions from Ofcom.

Question 10:
Are you content with Ofcom's proposal that each station should produce an annual report?

Each Community Radio station should provide a short annual report indicating progress against their programming and financial plans.

PPL enjoyed an excellent working relationship with Ofcom's predecessor in the radio sector, the Radio Authority. We would welcome a similar working relationship with Ofcom, particularly in relation to the issues we raise above. We look forward to discussing these with you.

Yours sincerely

Dominic McGonigal