
Community radio

Two community radio licence awards: July 2018

Statement:

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About this document

This document announces the award of two community radio licences.

The licences are for stations serving communities in Leicester and Whalley Range, Manchester.

Contents

Section

1. Licence awards	1
2. Statutory requirements relating to community radio licensing	3

1. Licence awards

- 1.1 Ofcom has recently made decisions to award two community radio licences. The licences are for stations serving communities in Leicester and Whalley Range, Manchester.
- 1.2 All community radio services must satisfy certain 'characteristics of service' which are specified in legislation¹ – Ofcom was satisfied that each applicant awarded a licence met these 'characteristics of service'. In addition, each application was considered having regard to statutory criteria², the details of which are described below. This statement sets out the key considerations in relation to these criteria which formed the basis of Ofcom's decisions to award the licences. Where applicable, the relevant statutory reference (indicated by the sub-paragraph number) is noted in brackets.

Applicants awarded a licence

- 1.3 Ofcom has made a licence award to each of the following:
- Radio2Funky (2Funky Arts Limited), Leicester
 - Heritage Community Radio (British Muslim Heritage Centre), Whalley Range and surrounding areas in Manchester.
- 1.4 These services will be licensed for a period of five years from the date of their launch, on FM.
- 1.5 As required by law, Ofcom was satisfied that the new services would not prejudice unduly the economic viability of any local analogue commercial radio service.

Radio2Funky

- 1.6 Radio2Funky will serve 16-35 year olds who have an interest in urban music and the arts in Leicester. This is not a community which is directly provided for by existing radio services (1c). The applicant has run arts and music projects for some years and broadcast an online radio station since 2013. Group members also bring experience in management, finance, and working with young people and disadvantaged groups. Ofcom considered that it had demonstrated its ability to maintain the service (1a). The applicant has experience of managing grant-funded projects, training, and working with local partners, which Ofcom considers will help it deliver its social gain objectives to its target community (1e). The group proposes a range of formal and informal accountability measures which include opportunities for volunteers to join the management committee and contribute to decision making, volunteer feedback meetings, audience research and monthly open days for people to meet volunteers and management (1f).

¹ Regulation 3 of the Community Radio Order 2004.

² Section 105 of the Broadcasting Act 1990 (as modified by the Community Radio Order 2004, as itself amended by the Community Radio (Amendment) Orders 2010 and 2015).

Heritage Community Radio

- 1.7 Heritage Radio will be predominantly for the Muslim community, but also for other communities, living in and around Whalley Range in south Manchester. Ofcom noted that the application was from a well-established group which is already providing a community radio service in the area (on AM). It is an organisation with sufficient resources to support the station, and Ofcom was satisfied that it had demonstrated its ability to maintain the proposed service on FM (1a). The applicant had used its radio experience to draw up its programme proposals and demonstrate how it would continue to cater for the tastes and interests of the target communities (1b). Its social gain objectives build on its current work and are to be delivered with appropriate local partner organisations, for example a training provider and local educational bodies. Ofcom considered these would help the applicant to provide social gain (1e). The applicant also demonstrated demand and support for the service (1d), particularly for it to be available on FM rather than AM.
- 1.8 As noted above, Heritage Radio currently broadcasts a community radio service to this area on AM. The station will surrender its existing licence when the new licence on FM commences.

2. Statutory requirements relating to community radio licensing

- 2.1 The following pages set out the statutory requirements relating to community radio licensing, and details of the licensing process. Further information about these, and detailed information relating to community radio, can be found at: https://www.ofcom.org.uk/data/assets/pdf_file/0016/101860/Community-radio-guidance.pdf
- 2.2 In carrying out its functions, Ofcom is required to have regard to the general duties set out in section 3 of the Communications Act 2003. In addition, under section 85(2)(b) of the Broadcasting Act 1990 (“BA 1990”), it is the duty of Ofcom to do all that it can to secure the provision within the UK of a range and diversity of local radio services.

The characteristics of a community radio service

- 2.3 All community radio licensees must satisfy 'characteristics of service' requirements which are specified in Article 3 of the Community Radio Order 2004. The characteristics of community radio services are:
- that they are local services provided primarily for the good of members of the public, or of communities, and in order to deliver social gain, rather than primarily for commercial reasons or for the financial or other material gain of the individuals involved in providing the service;
 - that the service is intended primarily to serve one or more communities (whether or not it also serves other members of the public);
 - that the person providing the service does not do so in order to make a financial profit by so doing, and uses any profit that is produced in the provision of the service wholly and exclusively for securing or improving the future provision of the service, or for the delivery of social gain to members of the public or the community that the service is intended to serve;
 - that members of the community it is intended to serve are given opportunities to participate in the operation and management of the service; and
 - that, in respect of the provision of that service, the person providing the service makes himself accountable to the community that the service is intended to serve.
- 2.4 Article 2 of the Community Radio Order 2004 includes four mandatory “social gain” objectives. “Social gain” means the achievement, in respect of individuals or groups of individuals in the community that the service is intended to serve, or in respect of other members of the public, of the following objectives:
- the provision of sound broadcasting services to individuals who are otherwise underserved by such services;
 - the facilitation of discussion and the expression of opinion;

- the provision (whether by means of programmes included in the service or otherwise) of education or training to individuals not employed by the person providing the service; and
- the better understanding of the particular community and the strengthening of links within it.

2.5 Article 2 also includes a number of other objectives of a social nature which may be considered to represent "social gain".

Matters to which Ofcom shall have regard

2.6 There are seven matters set out in section 105(1) BA 1990 that Ofcom must have regard to when considering whether to grant a community radio licence. In summary these are:

- The ability of each applicant to maintain its proposed service over the licence period (section 105(1)(a)).
- The applicant's ability to cater for the tastes and interests of the target community (section 105(1)(b)).
- The extent to which each applicant would broaden the range of local radio services available in the area, and have a content distinct from those services (section 105(1)(c)).
- The extent to which there is evidence of local demand or support for a proposed service (section 105(1)(d)).
- The extent to which the service would deliver social gain benefits to the public or relevant community (section 105(1)(e)).
- Provisions for making the operator of service accountable to the relevant community (section 105(1)(f)).
- Provisions for allowing access by members of the public or the relevant community to the station facilities, and the provision of training in the use of those facilities (section 105(1)(g)).

2.7 In considering whether, or to whom (and on what conditions), to grant a community radio licence, Ofcom must also have regard to the need to ensure that any service provided under that licence does not prejudice unduly the economic viability of any other local commercial radio service.

2.8 Furthermore, without prejudice to the generality of that economic impact requirement, section 105(4) BA 1990 requires Ofcom to impose conditions to ensure, in effect, that any community radio service is prohibited from taking any relevant income from paid advertising and sponsorship of programmes except in the following respects:

- A 'fixed revenue allowance' totalling £15,000 per financial year of the licensee for such relevant income - this exception applies to any community radio service where that service overlaps with any local commercial radio service serving a potential audience of no more than 150,000 persons who have attained the age of 15 years or older.
- A 'fixed revenue allowance' totalling £15,000 per financial year of the licensee for such relevant income plus a proportion of the total relevant income (specified by Ofcom in

the licence), but which must not exceed 50% of the total relevant income (disregarding the fixed revenue allowance) for the licence in question in that year - this exception applies to all community radio services other than a community radio service referred to in (i) above. It should be noted that a community radio service that overlaps with any local commercial radio service serving a potential audience of no more than 150,000 persons who have attained the age of 15 years or older, which has at any time been varied pursuant to section 106(1A)(e) BA 1990, is also covered by this exception.

- 2.9 For the avoidance of doubt, programme sponsorship includes station or channel sponsorship, and commercial communications.

Process for assessment of applications

- 2.10 The Ofcom Board has delegated the discharge of certain of its functions in relation to television and radio broadcast licensing to one or more senior executives from Ofcom's Content & Media Policy Group. Each of those individuals, on their own or together, have responsibility for deciding on the award of community radio licences.
- 2.11 The decision-makers for these licence awards were Ofcom's Director, Content Standards, Licensing and Enforcement, Ofcom's Head of Radio & Broadcast Licensing Policy and Ofcom's Principal, Broadcast Licensing.

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