



10 years of community radio licensing: Advice for licence applicants

Guidance

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About this document

Since Ofcom first invited applications for community radio licences in 2004, we have received and considered over 500 licence applications, and over 200 licences have been awarded.

Licence award decisions are made by Ofcom's Broadcast Licensing Committee. The Committee has decided it may be helpful to future applicants for community radio licences to set out some informal advice based on its experience of some of the common weaknesses in applications it has considered.

This document is intended for guidance only. Ofcom is required to take account of a variety of factors when considering an application for licence award, not all of which are included in this document. This means that there can be no guarantee that an applicant who successfully addresses the matters described in this document will be awarded a licence.

In September 2016, Annex 1 was updated (with an extract from the Communications Market Report 2016).

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Section 1

What is community radio?

- 1.1 Community radio is a distinct class radio, which is intended to be different from both commercial and BBC radio stations. The objective is that community radio stations provide community benefits and to that end they are run on a not-for-profit basis. Stations are focused on broadcasting to and involving their own particular target community - either everyone in the broadcast area or a community of interest (such as a particular ethnic group, age group or interest group). They involve local volunteers in providing the service, and bring community benefits such as training and community news and discussion. They generally have a small coverage area (usually up to a 5km radius).
- 1.2 Most community radio stations can carry advertising and sponsorship, but there is a limit on how much income stations can take from this source. Where they overlap with small commercial services, as is the case with a small number of community stations, they may not carry advertising and sponsorship. A community radio licence runs for five years, with an opportunity for this to be extended by a further five years.
- 1.3 Ofcom accepts applications for community radio licences as part of a licensing round, which will usually be advertised on our website.

Section 2

How can a group improve its application?

- 2.1 We have considered over 500 applications in the past ten years, and our experience is that there are a number of common areas that some applicants fail to address well in their applications. Summarised below are some of the areas that we have noted are commonly under-developed or misunderstood. We have sought to provide some advice, where applicable, on how an applicant may be able to improve its proposals to address these matters.
- 2.2 The quotes in grey boxes throughout this document come from representatives of existing community radio services. These licensees have shared with us their experiences of applying for a licence and setting up a community radio station, and their advice for potential applicants.
- 2.3 **Understand community radio:** There is no ‘one size fits all’ in community radio, and different things work in different communities, but you can still learn from the experience of others. Talk to other stations, make contact with sector bodies (such as the Community Media Association <http://www.commedia.org.uk/>), look at applications on Ofcom’s website, and if possible get some relevant experience (see 2.10 below).

“As part of the application process we conducted primary market research with the public in our city. This was extremely helpful in shaping the application and giving us a clearer idea of what those within our community wanted from their station.”

“We felt it important to take advice from other stations.”

“The Community Radio Toolkit was very helpful.” <http://www.communityradiotoolkit.net/>

- 2.4 **Clearly identify and understand your target community:** community radio is about involving the identified community to be served and being involved in that community. Applicants need to demonstrate knowledge of their target community and this should inform all of your proposals – not just the output, but also the community benefits you will provide, how the community can feed back its views, and how it can get involved in the station. Community radio has to be part of the community it represents. Make links with community organisations, local government, the local MP and so on, and get them involved in your service. Make sure you refer to these relationships in your application.

“Make sure you know what your audience would like to hear by going out and speaking to as many people as possible, speaking to local groups, local council and if possible businesses.”

- 2.5 **Plan your programming:** We want to understand what output your station will offer, and how it is tailored to the target community’s needs.
- Find out what people in your target community want from their station, build your programme plans around the feedback you get, and then use this evidence in your application to illustrate how your service will cater for the tastes and interests of your community.

- In drafting your 'key commitments', set out a clear summary of your proposals, including music to speech ratios, the amount of original or live output, and what music and speech will feature. Think about how you word your objectives; they need to be specific rather than aspirational. Don't 'over-promise' - make sure what you say you will do is achievable. What you put in your draft key commitments will be in your licence so take care to get it right. (You can see what existing stations have in their key commitments on our website here: <http://www.ofcom.org.uk/static/radiolicensing/html/radio-stations/community/community-main.htm>)
- The 'key commitments' should be a concise summary of your overall proposals, but be careful not to exclude any important proposals you may have mentioned elsewhere in your application. Ofcom considers the draft 'key commitments' to be of critical importance, and they will form the basis of your licence should you be successful in your application, so make sure they are an accurate reflection of the service you are proposing to provide.
- The fact that members of your target community(ies) may be involved in your proposed service does not in and of itself mean that your service will therefore cater for their tastes and interests. You need to be able to demonstrate why and how your proposed service will cater for the tastes and interests of your target community(ies), using evidence wherever possible.
- How will you be different from other stations in your area? How will your service extend choice?

"The secret is not to overpromise on key commitments, but try to keep them manageable and deliverable i.e. simple and not too complicated."

"Find out what your community needs are and construct your key commitments around this."

2.6 Social gain (community benefits): Your station could become a number of things: for example, a training body, a community centre, a local news resource, a partner in various local projects, as well as a radio station that broadcasts from the heart of its community. We need to understand what community benefits the station would deliver, and how it would be different from commercial radio. Some key points to consider and explain in your application are:

- How have your social gain proposals been developed? What evidence do you have of the need or demand for what you propose? How is the community involved? What experience do you have in delivering the different things that you propose?
- Partnerships: These may be an extremely useful way of delivering social gain. Tell us about what partnerships are already in place, and what experience you have of working with other organisations. What reciprocal arrangements do you have in place? How will both the station and partner organisations benefit from the relationship?
- Community involvement: how will the service be embedded in its community? How can you demonstrate this?

- Key commitments: social gain objectives should be specific and measurable rather than just stated in aspirational terms, as you will need to deliver these ‘promises’ and measure progress against them.

“We felt [our application proposal] provided something different to what was available on other local stations whilst at the same time delivering social gain to those within our community.”

“We identified key community partners – particular organisations who would fit in well with what we had in mind for our programme schedule.”

2.7 Access and training: Tell us about how volunteers and other people will get involved with the radio station, and what training you will offer them.

- We want to know about how members of the community will be involved in your station, how this involvement will be encouraged, as well as how people will be trained, for example in using the studio equipment and broadcasting techniques. (Although it is important that community members who wish to participate are able to physically get to and enter your studio, we do not need specific details of the building’s accessibility arrangements).
- How will you train volunteers, community members and groups, etc? What will be included in the training? Will training be formal, with set programmes for example, or informal (as and when need arises), or both? How many people will receive training? How often? What experience do you have in training people? Do you have partner bodies, or are local schools or colleges (for example) involved in any way?
- The application should contain the detail of your plan, and the evidence that you can provide it. These plans should be summarised in the key commitments.

“One needs to get people with a strong like-minded passion to stay the course. Remember - once you get there (on the air) you then have to maintain and run the station once the bright lights have faded.....”

2.8 Accountability: We are looking for sufficient evidence that the service would be accountable to the community and include opportunities for members of the community to participate in the operation and management of the service. For example:

- How will members of the community feed back their views on the service, how can they influence the operation of the station, and how can they get involved?
- How might volunteers or members of the community become members of the management committee (or alternative entity) which runs the station, or of the company which will hold the licence, or of the board? What roles will volunteers fill? How will complaints be handled? Is there a grievance procedure for staff and volunteers?
- We would expect to see evidence that members of the target community(ies) have the opportunity to contact the station, but what is more important is an explanation of how the station will take account of any feedback it receives.

“Ensure that you have a good team of people around you that you can trust ideally with a range of backgrounds and experience. The amount of work involved in submitting the application, bringing to launch then sustaining the station should not be underestimated.”

2.9 Business plan: Your business plan is an important part of your application, it is one of the factors we use to weigh up your group’s ability to get your station on-air and run it. Information about your experience is another important element that we want to know about.

- A broad range of skills is needed to run a community radio station. Tell us about your experience as a group and also as individuals. What experience do members have of running a business, working in the third sector, fund-raising, training, broadcasting, etc?
- Understand finance. In our experience the finance section of an application is often the weakest. What resources do you need to set the station up? Where will you get the money from for this pre-launch period? How much will it cost to run a station each year, and where will you get the funding from? Most groups do not have funding in place, but you need to identify appropriate potential sources of funding (e.g. grants) research them, approach the funders, and then include this information in your application. A community radio station is a business, even though it is a not-for-profit business, and you need to convince us that you understand how your business will work.
- While it may be useful to draw on your experience of raising advertising revenue during a temporary radio broadcast (S-RSL), it would be wrong to assume the same level of income will be available throughout the year when broadcasting full-time.
- Read the community radio section of Ofcom’s Communications Market Report. It includes average income and expenditure figures for the sector as a whole, as well as for different types of stations (for example, urban, rural, minority ethnic, youth). (It is attached as Annex 1; the entire radio and audio section can be found here: <https://www.ofcom.org.uk/research-and-data/cmr/cmr16>)
- Contingencies: It is likely that unforeseen expenses will arise and/or there is the potential that some of your funding will fail to materialise. We ask about financial contingency plans in the application. Use this opportunity to set out some of the ideas you have to raise funds. We understand that some of these may not yet be fully worked through, but we want to see what ideas you have to find extra funds if need be.

“Concentrate on your budget, allow more time than you think it will take e.g. 1.5 to 2 times as long to raise cash, make sure you have a strong backbone of dedicated volunteers with you in the project steering group, remain strong and determined, it’s a very long journey, but stick with it, and you will get on the air”

“Make sure you have a strong and clear budget in place, not some guessed figures on the back of a fagpacket. We had strong budgeting skills in our Finance sub-group, and still struggled to get the budget headings right”.

2.10 Getting experience: The ability of an applicant to maintain his proposed service is one of the statutory criteria to which Ofcom must have regard when considering

applications for community radio licences. If possible, get some experience in relevant skills and projects, for example running training schemes, working with local partners on projects, and so on. You could also gain local broadcasting experience by running a station on the internet, or via a temporary FM licence (an S-RSL), or on DAB, for example, or by working on another station. However, the fact of having previous broadcasting experience is not in and of itself sufficient – you need to demonstrate how this experience would enable you to provide your proposed service. Here are some examples of how groups get radio experience:

- **Internet radio:** A station which only broadcasts over the internet does not need a licence from Ofcom.
- **Temporary FM or AM licence:** Short term restricted service licences (S-RSLs) are available from Ofcom (<https://www.ofcom.org.uk/manage-your-licence/radio-broadcast-licensing/apply-for-a-radio-broadcast-licence>).
- **Broadcasting on DAB digital radio:** A Digital Sound Programme Service (DSPS) Licence is required if you want to provide a service on a digital multiplex, (<http://licensing.ofcom.org.uk/radio-broadcast-licensing/digital-radio/dsp/>). You need to contact the relevant local multiplex owner before applying. A list of operators can be found on Ofcom’s website at: <http://www.ofcom.org.uk/static/radiolicensing/digital/dm-main.html>

“We are still recruiting volunteers, we had about 80 to start off, but some came and went quickly once they had tried it, some stayed the course, going on the internet as an apprenticeship was very useful.”

“RSLs ... will give you the opportunity to test the water and will provide valuable experience should you get the opportunity to apply for a full licence.”

[Broadcasting experience] *“is invaluable in providing a good grounding to writing a licence application, an understanding of the transmission considerations, costs involved in running the station-day to-day together with an appreciation of the responsibility, compliance obligations, commitments and level of work involved in sustaining the station ... and gain support.”*

Section 3

How do I choose a good site for my transmitter?

3.1 We would advise applicants to seek professional technical advice on transmission issues, including where to site the transmitter. Here are some points you will need to consider for FM transmitters:

- ‘Height is might’; as a general rule, the higher the transmitter is in relation to the desired coverage area, the better in terms of likely coverage (if your antenna is surrounded by taller buildings, coverage will be adversely affected)
- In simple terms FM coverage is usually by ‘line of sight’ - What you see from where the antenna is planned is what you are likely to cover (although incoming interference and other factors may affect the signal too).
- Is the site secure? Would access be difficult?
- Will it be cost effective and affordable over the duration of the licence? Is planning permission required? Listed buildings can be particularly problematic.
- What would be required for the transmitter to be linked to the studio site?
- Are there health and safety implications?
- Is there an available electricity supply?
- How easy would it be to install the antenna and equipment or would there be cost implications?
- Are there other users or local residents to be borne in mind?

“Be prepared to make some really good contacts in the sound, radio and technical arenas.”

“We found that the process of installing the transmission equipment and antenna more complicated than originally anticipated, so would advise any other station to allow plenty of time for this part of the process, particularly if the building is owned and managed by a third-party. In our location we had not factored in weather conditions and the delays which they caused.”

“Working through the bureaucracy of the local council to finally get permission and support for the link and transmission aerial took an inordinate amount of time.”

Section 4

How do I apply for a community radio licence?

- 4.1 We can only accept applications as part of a licensing round, and not at any other time. There are various documents on our website, including: 'Notes of guidance for community radio applicants and licensees' which sets out the various legislative requirements for community radio licence holders; 'Community radio: third round of licensing' which gives guidance on the timetable, frequency availability and application procedures; and the application form which asks for the information we need to judge your proposals against the requirements in the legislation.
- 4.2 All of these documents can be found at: <http://licensing.ofcom.org.uk/radio-broadcast-licensing/community-radio/apply-for-licence/>

Annex 1

Extract from Ofcom Communications Market Report 2016

Community radio

Community radio revenue has increased slightly

At £11.6m, there was a small (0.5%) increase in the past year in total revenue for the community radio sector. However, an increase in the number of licensed radio services operating has had the effect of lowering the average income per station to £53,500 (down by 4.2%). The median, or mid-point, income level for 216 stations fell by a greater amount (8.5%) year on year, to £32,500.

Figure 1.1 Average income for community radio stations: 2010 to 2015

Income	2010	2011	2012	2013	2014	2015
Average (mean) income	£65,750 (-12.9%)	£60,250 (-8.3%)	£57,000 (-5.4%)	£55,500 (-2.7%)	£55,750 +0.8%	£53,500 (-4.2%)
Median income	£42,500 (-7.14%)	£40,500 (-4.8%)	£35,250 (-13.1%)	£33,250 (-5.6%)	£35,750 +6.9%	£32,500 (-8.5%)

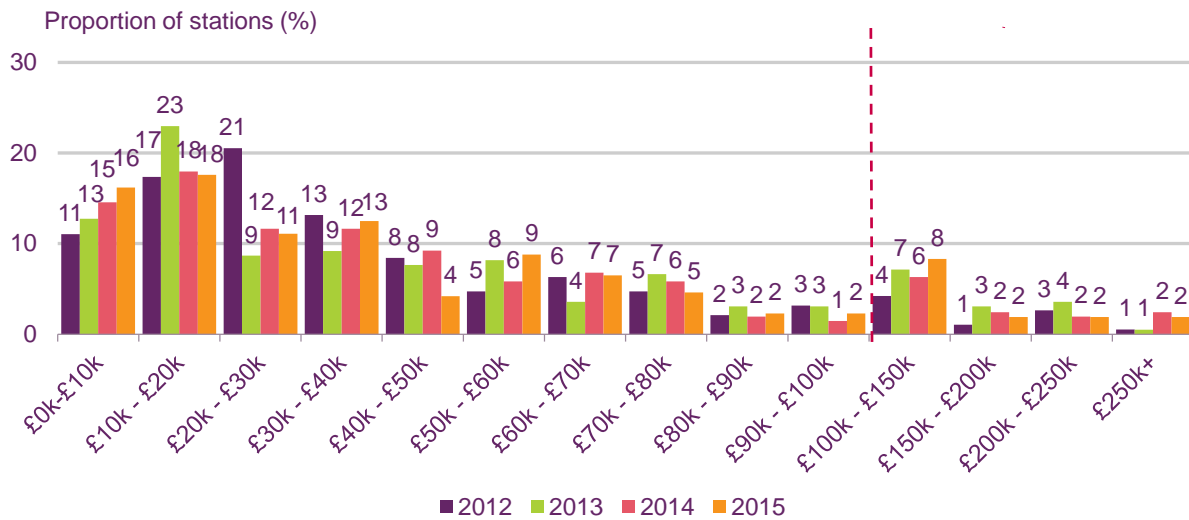
Source: Ofcom analysis of community broadcasters' returns.

Note: The data collection period changed from the financial year to the calendar year as of 2011. Data from previous years have been adjusted to reflect this.

Most community radio stations run on income levels lower than £50,000

As in previous years, most community radio stations' income was less than £50,000 in 2015; this was the case for 62% of all stations in 2015, compared with 66% in 2014. Around a quarter of stations reported total income of between £50,000 and £100,000, with the remaining 14% earning above £100,000 in 2015 - a rise of 2% on the previous year.

Figure 1.2 Distribution of total income levels across the community radio sector

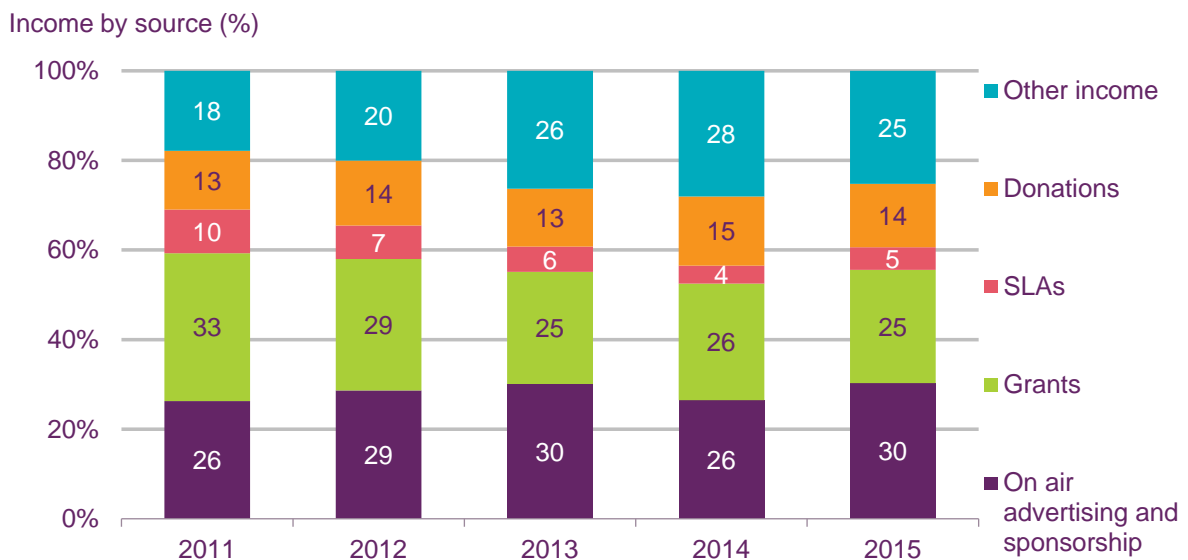


Source: Ofcom analysis of community broadcasters' returns. Figures rounded.

Half of community radio's income is from grants and sources other than on-air advertising

The largest single source of income for a community radio station (30%) in 2015 was on-air advertising and sponsorship, bringing the sector back into line with its 2013 reported share. Grant funding and income from donations appears broadly flat, with both down by 1pp over the year. 'Other' income, which includes revenue from the provision of training, fundraising and events, and merchandising income, reduced over the year from 28% to 25% of total income.

Figure 1.3 Community radio income, by source

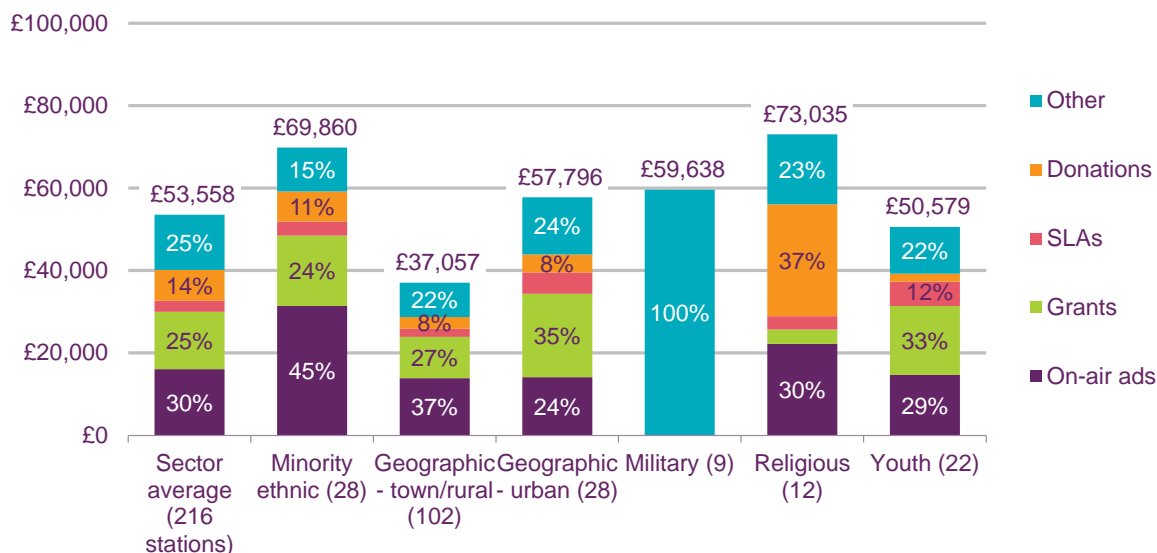


Source: Ofcom analysis of community broadcasters' returns

Religious stations rely most on grants for income

Religious and minority ethnic community radio services attracted the highest levels of income, with donations representing the largest single income source for religious stations (37%) and on-air advertising (45%) being the largest income category for minority ethnic stations. Smaller geographic town/rural area services received the smallest level of income per station, an average of £37,057 per station, down by £1,000 from 2014's £38,000 figure.

Figure 1.4 Average income, by type of community served



Source: Ofcom analysis of community broadcasters' returns

Community radio expenditure by station is up

In 2015, average expenditure per community radio service was £54,800, an increase of 2.3%. The median spend remained flat between 2014 and 2015, following growth in income for community radio reported in 2013-2014. We see that the average expenditure per station is greater than average income per station, a difference of £1,300. Expenditure totals do not always correlate directly with broadcast operating costs, as some community radio services receive revenue to provide aspects of social gain, such as providing training.

Figure 1.5 Average expenditure of community radio stations: 2010 to 2015

Expenditure	2010	2011	2012	2013	2014	2015
Average (mean) expenditure	£67,000 (-12.3%)	£64,250 (-4.1%)	£58,000 (-9.7%)	£55,000 (-5.0%)	£53,500 (-2.7%)	£54,800 2.3%
Median expenditure	£43,000 (-17.5%)	£41,000 (-4.9%)	£35,500 (-15.4%)	£35,750 (2.7%)	£33,250 (-6.8%)	£33,250 0%

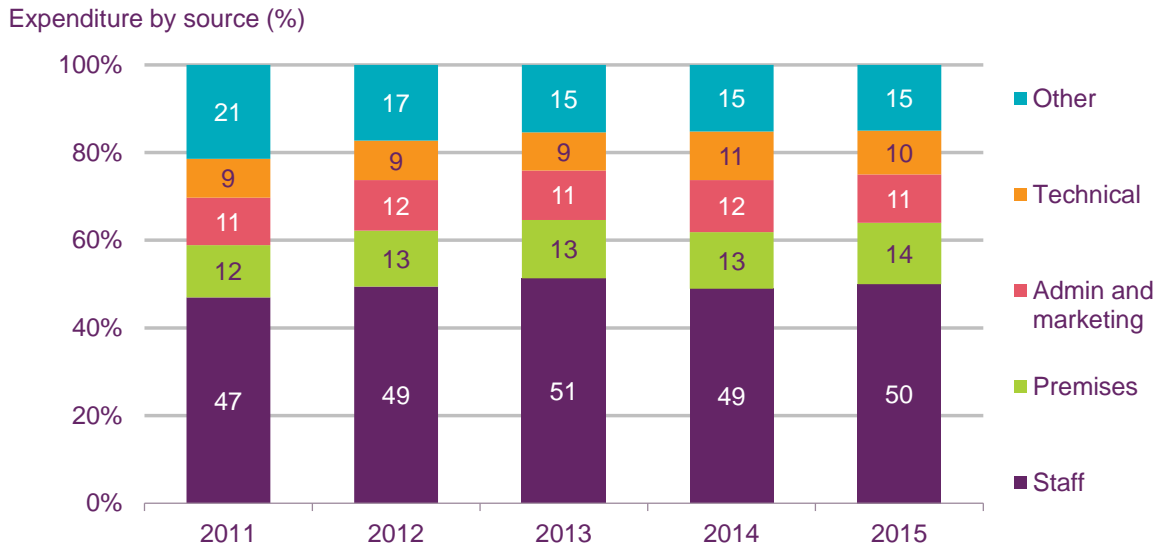
Source: Ofcom analysis of community broadcasters' returns.

Note: The data collection period changed from the financial year to the calendar year as of 2011. Data from previous years have been adjusted to reflect this.

Types of expenditure by community radio have changed little over time

Taken as a whole, the areas in which a typical community radio station might spend its income have changed little over time. Staff costs remain the largest area of expenditure, reaching 50% in 2015. There was a slight decline in technical and admin/marketing costs over the year, but this was matched by a slight increase in premises costs.

Figure 1.6 Community radio station expenditure, by type

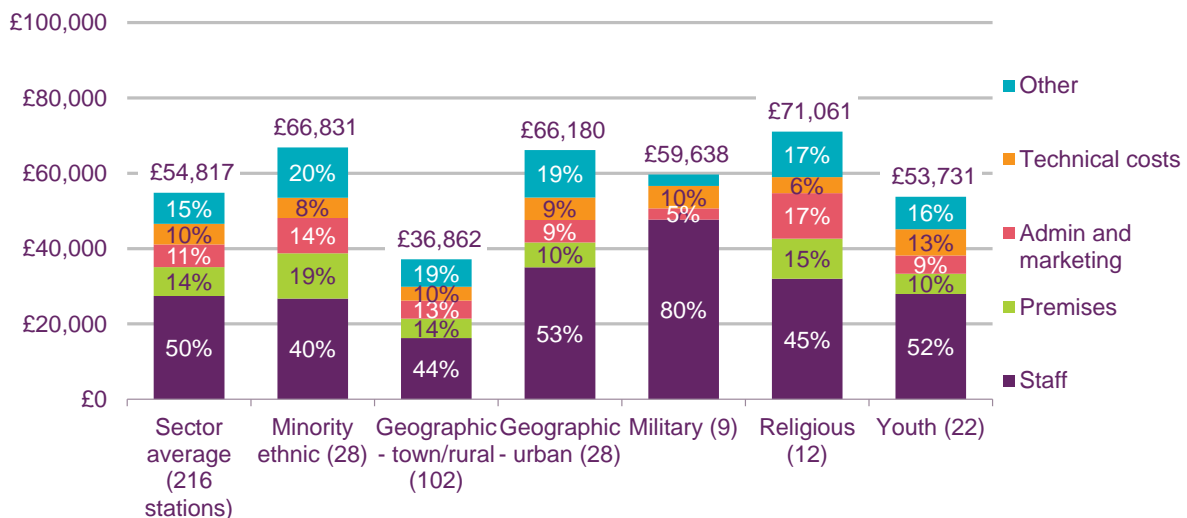


Source: Ofcom analysis of community broadcasters' returns

Spend by religious community radio stations is up by 14%

When considering total expenditure by type of community served, the largest year-on-year increases are among religious (14.1%), military (13.1%) and youth-oriented (12.5%) community radio stations. The cost of staffing these stations, as a proportion of total expenditure, ranges from 44% for geographical town-rural services to 80% for military services.

Figure 1.7 Average expenditure, by type of community served



Source: Ofcom analysis of community broadcasters' returns

The number of volunteers working in community radio has fallen over the year

In a full 168-hour week, community radio, on average, broadcasts original (live and pre-recorded output) programming for 54% of this time. Each community station is required to deliver on its 'key commitments' which ensures a focus on community benefits, such as training, and community access – most stations are largely run by volunteers. In 2014 a typical community radio station enlisted support from 87 volunteers, and trained 60 volunteers.

Figure 1.8 Community radio hours and volunteers: 2015

	Sector average
Total original hours per week	90
Number of volunteers	79
Total volunteer hours per week	186
Number of volunteers trained	51

Source: Ofcom analysis of community broadcasters' returns

Extract from 'The Communications Market 2016'.

<https://www.ofcom.org.uk/research-and-data/cmr/cmr16>