

Future Of Radio Consultation

6.1*: The characteristics of community radio services, as included in the Community Radio Order 2004, should be retained, but the definition of "social gain" should be reconsidered.

The not-for-profit categorisation of Community Radio is unhelpful. Community radio is best classified as non-profit-distributing, to the extent that profits are not distributed amongst members of the company. Clearly, Community Radio stations should be in a position to make a profit and this should be clarified as a matter of urgency. In a climate where it is becoming more difficult for community sector organisations in general to source funding, it will become increasingly necessary to adopt a community business model - the defining factor of community business is how any profit is used, ie, that it is re-invested in the station, for the benefit of the community that it serves.

Social Gain should be defined as any benefits to a community (be that a geographic community or a community of interest) which enhance the lives of its members but does not involve direct financial reward to individuals.

6.2*: The statutory criterion regarding the ability to maintain the service should be reconsidered such that Ofcom could be required to have regard to the ability of an applicant to establish and maintain its proposed service for the first year of the licence period.

We would support this.

6.3*: The statutory criterion which requires Ofcom to have regard to the extent to which a proposed service would cater for the tastes and interests of the community to be served should be reconsidered.

We would welcome additional flexibility. However, in submission of an application, an applicant should still show how they will cater for the interests and tastes of the community and they should be required to show demand and support for a station.

6.4*: The statutory criterion which requires Ofcom to have regard to the extent to which a proposed service would broaden choice should be reconsidered.

See 6.3

6.5*: The statutory criterion which requires Ofcom to have regard to the extent to which there is evidence of demand, or support, for a proposed service should be reconsidered.

See 6.3

6.6: The statutory criterion which requires Ofcom to have regard to the extent to which a proposed service would deliver social gain should be retained.

We would support this, but feel that the concept of social gain should be viewed in the widest possible context, as outlined in 6.1.

6.7*: The statutory criterion which requires Ofcom to have regard to the provision that an applicant proposes in order to render himself accountable to the target community should be reconsidered.

Ofcom should retain strict controls over the necessity for applicants to be accountable to their target community. Persons seeking a licence who do not wish to be accountable to their community should seek a commercial licence.

6.8*: The statutory criterion which requires Ofcom to have regard to the provisions an applicant proposes to make in order to allow for access by members of the target community to the station's facilities and for their training in the use of those facilities should be reconsidered.

Access to facilities and training is at the heart of community radio. Applicants should be required to state how they intend to provide this access.

6.9*: It is important for a community radio station not to receive all of its funding from a single non-commercial source. However, it may be that there is a case for increasing or removing the current maximum percentage limit on funding from a single non-commercial source. Ofcom welcomes views as to what the appropriate limit should be.

All limits should be removed. Whether or not a community radio station receives all of its funding from a single source is irrelevant. What is relevant is the potential for such funding arrangements to exert undue influence. However, that needs to be considered on a case-by-case basis and cannot be accommodated through a national policy.

6.10*: It would be possible to take into account volunteer time when assessing the turnover of a community radio service. Ofcom welcomes views on this issue and on how the value of such input could be calculated.

Volunteer time should be taken into account when assessing turnover, as volunteering provides very tangible evidence of community support for a community radio project. Ofcom should consult the UK's major funding bodies to establish the value of volunteer time. The Community Media Association has done some good work in this area and we would propose that Ofcom work with them and with the newly-formed Community Media Council (Northern Ireland) on this and other issues of relevance to the community radio sector.

6.11: There should be no changes to the categories of person prohibited from holding a community radio licence.

We would agree with this.

6.12*: The current rule requiring that no body corporate may hold more than one community radio licence should be reconsidered.

We would disagree with this:-

Whilst there is a danger of forming major community radio groups which could potentially restrict involvement at local community level, we strongly support the concept of existing community radio operators initiating the creation of community radio stations in other areas - partnering and mentoring these organisations. Undoubtedly this would lead to duplication on Boards of Directors but as long as the underlining principle of local involvement is adhered to, substantial additional community benefit would result.

This has particular relevance in considering communities of interest. If, for example, a strong interest community has the resources to set up a community station in one area, there would be resultant additional community benefit, if those who have gained the experience and built up resources in one area could be involved in assisting others within the same interest community in another area. For example, the experience of those involved in serving a particular language community could play an important role in helping provide a community station for speakers of the language in other areas (which may not have the same level of experience, resources and population).

6.13: Ofcom needs to ensure that community radio services operate within the terms

of the relevant legislation. The process of feedback has not yet begun, as no station has been on-air long enough. It is not therefore possible to assess the advantages or shortcomings of the existing system. For this reason, Ofcom is not proposing specific alterations to the level of feedback required at this time.

We would agree with this.

6.14*: Community radio licences should be eligible to be extended for up to a further five-year period, subject to meeting specified requirements, on one occasion only. The period of extension for some licences may be less than five years, should that be necessary to achieve a common end-date for all analogue radio services.

Community radio projects should have the option of continual licence renewal for as long as the analogue platform is in place (and for as long as they continue to address and meet the social gain criteria). All uncertainty around this issue should be addressed as soon as possible to allow community radio stations to plan for the longer term. For example, many small community radio stations will require capital investment (in terms of premises, equipment etc) if they are to remain viable and continue to meet the growing needs of their communities. There should be provision made to incorporate community media on digital platforms when the switch-over occurs. In any case there should be no break in the provision of community radio services – community radio is a necessary part of the cohesive fabric of communities.

6.15*: There may be a case for removing all of the current restrictions relating to the economic impact of licensing community radio services. Ofcom will be conducting further assessment in this area, with a view to bringing forward proposals for consultation later in the year as part of our review for the Secretary of State. In the meantime we welcome views on these matters.

Many stations are finding it more and more difficult to secure grant funding as sources dry up. The Community Radio Fund is not sufficient to spread itself adequately over an ever-increasing number of community stations.

Limiting advertising revenue protects the interests of commercial stations and places community radio at an unfair disadvantage. Whilst we recognise that community radio needs to be regulated so as not to become a front for commercial operations, protecting commercial stations in such a way could potentially be the downfall of community radio in an area, prohibiting the establishment/success of a community radio service where there would be substantial social benefit.

We would also question how the existing legislation and regulations are compatible with UK and European Union legislation on monopolies and anti-competitive practices. We would call on Ofcom to refer this matter to the Competition Commission.

6.16: The coverage of community radio services will still be restricted by frequency availability constraints, and Ofcom will continue to need to weigh up the relative merits of alternative licensees, for example where it might be possible to licence two small stations or only a single larger service, when deciding on the best use of the available spectrum resources.

Ofcom legislation appears to be designed with large urban areas in mind. In London, a 5km signal radius would cover hundreds of thousands of people, however in rural areas, such as Ireland, 5km may only reach a few thousand people. Signal strength should be revised, perhaps looking at it on a case-by-case basis, with 5km the absolute minimum. Again, stations which serve communities of interest are particularly disadvantaged by this rule.

Other Comments

Central to our views on the Future of Radio is that Ofcom needs to be flexible in its approach and, as far as possible, deal with each station on its individual merits, with reference to the particular community it serves.

We would also recommend transparency in the decisions procedure and the establishment of an appeals system where failing elements of an application could be reconsidered on a case by case basis.

We would suggest that there should not be a third national round of applications, but that Ofcom target areas where there is no existing community radio provision and encourage existing successful community radio operators to aid in establishing additional stations in these areas.

Why does the community sector have to take second place to the commercial sector with regard to advertising? We are providing a community service and are operating for the benefit of the community whilst commercial stations operate for personal gain. If there is to be a restriction on advertising it should be to the benefit of the community sector rather than the commercial sector. If there is to be any restriction, the commercial sector should be restricted from encroaching on the advertising revenue of the community radio sector.

We recommend that Ofcom make a distinction between communities of place and communities of interest in the formulation and application of regulation in the future.