

Provision of information: community radio finance reports year ending 31 December 2020

Type of case	Broadcast Licence Conditions
Outcome	In Breach/Resolved
Service	Various
Date & time	n/a
Category	Provision of information
Summary	Twelve licensees failed to submit their Community Radio Finance Reports by the deadline specified. Six of these licensees have been found in breach of Licence Condition 9(1).

Introduction

Community radio stations are provided primarily for the good of people in an area or for a particular community, rather than primarily for commercial reasons. They must also deliver social gain, operate on a not-for-profit basis, involve members of their target communities and be accountable to the communities they serve.

There are statutory restrictions on the funding of community radio stations which are set out in community radio licences. Specifically, that stations are permitted to raise on-air advertising and sponsorship income up to £15,000, the “fixed revenue allowance”. Most community radio stations may raise a further amount from this type of income, but it must not exceed 50% of the station’s total relevant income (disregarding the fixed revenue allowance) for that year, and of which at least 25% must come from “other income” (such as grants and donations).

It is of fundamental importance that Ofcom can verify that a licensee is complying with its licence requirements relating to funding. We therefore require licensees to submit a finance report setting out how they have met their licence obligations.

The finance reports from stations also inform Ofcom’s own understanding of the community radio sector, and financial information about the sector will feature in the Media Nations report to be

published later this year. Finance reports that are not received or received late, impact on the accuracy of the data in the report.

Failure by a licensee to submit a finance report when required represents a serious and fundamental breach of a community radio licence, as the absence of the information contained in the report means that Ofcom is unable properly to carry out its regulatory duties.

Ofcom requested finance reports for the calendar year 2020 from all community radio licensees who were broadcasting for the whole of 2020. A number of licensees failed to provide their reports by the deadline specified.

Ofcom considered that this raised issues under Condition 9(1) in Part 2 of the Schedule to the Community Radio licence, which states:

- “9(1) The Licensee shall maintain records of and furnish to Ofcom in such manner and at such times as Ofcom may reasonably require such documents, accounts, estimates, returns, reports, notices or other information as Ofcom may require for the purpose of exercising the functions assigned to it by or under the 1990 Act, the 1996 Act or the Communications Act and in particular (but without prejudice to the generality of the foregoing):...
- c) such information as Ofcom may reasonably require for the purposes of determining whether the Licensee is complying with the requirements of the Community Radio Order 2004 for each year of the Licensed Service;
 - d) such information as Ofcom may reasonably require for the purposes of determining the extent to which the Licensee is providing the Licensed Service to meet the objectives and commitments specified in the Community Radio Order 2004; and
 - e) the provision of information under this section may be provided to Ofcom in the form of an annual report which is to be made accessible to the general public.”

Decision

In Breach

Ofcom did not receive a finance report from the following licensees by the deadline given and the finance reports remain outstanding. Ofcom’s Decision is therefore that these licensees are in breach of Licence Condition 9(1):

Licensee	Service name	Licence number
Amber Sound FM	Amber Sound FM	CR000170
Bolton FM Community Interest Company	Bolton FM	CR000163
Fiesta FM CIC	Fiesta FM	CR101278
Frome Community Productions Community Interest Company	Frome FM	CR000230
Takeover Radio Children's Media Trust	Takeover Radio	CR000010
Wythenshawe Community Media	Wythenshawe FM	CR000024

Ofcom considers the failure to provide this information to be a serious matter. It is of fundamental importance that Ofcom can verify that a community radio licensee is complying with its licence requirements relating to funding. Failure by a licensee to submit an accurate finance report represents a serious and fundamental breach of a community radio licence, as the absence of the information contained in the report means that Ofcom is unable properly to carry out its regulatory duties.

Takeover Radio Children's Media Trust failed to provide its report by the deadline when requested in 2019. We expect the Licensee to provide Ofcom with an accurate finance report by the initial deadline set when we request the 2021 finance report from it in 2022. If the Licensee fails to do so, Ofcom will consider taking further regulatory action, which may include consideration of the imposition of a statutory sanction.

Resolved

Ofcom did not receive a finance report from the following licensees by the deadline given. However, these licensees subsequently submitted late reports. We therefore considered the cases to be resolved:

Licensee	Service name	Licence number
Alias Music and Community Projects CIC	1BTN	CR101282
Juice Belfast Limited	Juice FM Belfast	CR102273
Noah's Ark Glasgow	Radio Ramadan 365	CR101766
Revival FM (Glasgow) Limited	Revival FM	CR102295
St Mathews Community Solution Centre Ltd	EAVA FM	CR000178
Working Actively to Change Hillfields Limited (WATCH)	Hillz FM	CR000183

Following receipt of Ofcom's Preliminary View, some licensees highlighted that the Coronavirus pandemic impacted their ability to complete the report on time. Whilst we understand the difficulties faced by licensees during the pandemic, we set out in November 2020 that we expect licensees to have put in place relevant mitigations or adjusted their internal processes so they can respond as normal to information requests issued by Ofcom and be able to provide the relevant data and information by the deadline specified.¹ We reiterated in April 2021 that if a licensee still faces challenges responding to any information requests it receives as a result of the pandemic, we ask that it notifies the contact on the request as soon as possible, and before the request deadline, providing detailed information on the issues it is facing and any mitigations it has put in place. If no attempt to

¹ Ofcom's [Note to Broadcasters – Coronavirus update November 2020](#).

contact Ofcom is made and a licensee fails to provide the relevant information by the specified deadline, we may commence enforcement action.²

Ofcom therefore considers the failure to provide this information to be a serious matter. It is of fundamental importance that Ofcom can verify that a community radio licensee is complying with its licence requirements relating to funding. Failure by a licensee to submit an accurate finance report when required represents a serious and fundamental breach of a community radio licence, as the absence of the information contained in the report means that Ofcom is unable properly to carry out its regulatory duties.

St Mathews Community Solution Centre Ltd and Alias Music and Community Projects CIC also failed to provide their reports by the deadline when requested in 2019.³ We expect St Mathews Community Solution Centre Ltd and Alias Music and Community Projects CIC to provide Ofcom with an accurate finance report by the initial deadline set when we request the finance report from them in 2022. If these licensees fail to do so, Ofcom will consider taking further regulatory action, which may include consideration of the imposition of a statutory sanction.

² Ofcom's [Coronavirus update to broadcast licensees – April 2021](#).

³ Due to the Coronavirus pandemic and its impact, particularly on community radio licensees, Ofcom did not take any enforcement action in relation to the 2019 finance report which we requested from licensees in 2020.

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