Community Radio Fund

End of year report: 2025-26

Annual report on the Community Radio Fund

Report

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1. Overview

1.1 This document reports on how the Community Radio Fund (”the Fund”) was administered in 2025-26. Ofcom has been tasked by the Department for Digital, Culture, Media and Sport (“DCMS”) with administering the Fund. DCMS provides a sum of money each year for the Fund and grants are awarded to Ofcom-licensed community radio stations.

2. Community Radio Fund End of Year Report 2025-26

2.1 The Fund exists to help community radio licensees and to support core costs incurred in the provision of community radio services.

2.2 Ofcom administers the Fund on behalf of DCMS. The money allocated to the Fund is given out in the form of grants, following a formal application process.

2.3 The decisions on grant applications are made by the Community Radio Fund Panel ("the Panel"), which reports to the Ofcom Policy and Management Board.

2.4 DCMS awarded an uplift making a total allocation of £1,000,000 to the Fund for the financial year 1 April 2025 to 31 March 2026. The increase from £400,000 was a welcome boost to the Community Radio sector, following demand for funding being oversubscribed in recent years.

2.5 Ofcom received confirmation from DCMS in January 2026 that an underspend of £529 from a previous year and funds reclaimed from misspent awards could also be allocated to the Fund. As a result, a total of £1,004,472.90 was made available.

2.6 In previous years of funding, the Panel have met twice annually to consider funding applications. Due to the anticipated increase in demand for funding as a result of the uplift and the need for efficient management of Ofcom resources, the Panel met once during the year in January 2026 to consider applications for grant awards.

Summary of applications and payments

2.7 115 applications for grants totalling £2,930,421 were considered.

2.8 Grants totalling £1,004,322 were awarded to 47 stations.

2.9 Grants ranged from £7,500 to £39,839, with an average payment of £21,369.

Panel priorities

2.10 Ofcom publishes a statement from the Panel following each funding round which sets out the awards made and the Panel's funding priorities. As part of this statement, the Panel also provides general feedback on the applications received to provide some assistance for unsuccessful applicants in any future applications that they might submit.

2.11 The Panel considered that the grants made should, as far as possible, support the financial stability and long-term sustainability of stations, and so were likely to favour applications which prioritised these areas and/or offered prospects of becoming self-sustaining beyond the term of the grant.

2.12 The Panel highlighted that a small number of stations had not read the guidance notes published by Ofcom, which highlights the types of application which cannot be funded, such as rent/utility costs and DAB carriage fees, and the additional information required including job descriptions, financial information and reports on previous Community Radio Fund grants. The Panel reminded applicants that there is no discretion in funding such costs and to refer to the guidance notes for further detail on the supplementary documentation required. By not providing all requested documentation and information, applicants reduce the effectiveness of their submission.

2.13 The Panel reminded applicants to provide up to date financial information as some stations provided financial accounts that did not reflect its current financial status. In cases of significant financial changes between two accounting periods or where large unrestricted reserves and significant previous years' trading profit was reported, the Panel welcomed additional information as any lack of clarity potentially disadvantages an application.

2.14 The Panel saw several applications for multiple posts and recommended that applicants decide what single post would be of most value and to only apply for funding for that role given the significant demand for funding in this round. Noting that some unsuccessful applications suggested roles where the post-holder had a huge range of responsibilities, the Panel emphasised that stations applying for posts should be clear and realistic about the responsibilities and expectations of those roles, highlighting that strong applications often included measurable targets, such as expected income from sales/income generation roles.

2.15 For salary-based applications the Panel reminded applicants that it is essential to be clear about the working hours and that the base salary must meet the National Living Wage. When applying for a post to be funded, the Panel reminded applicants to explain how they have arrived at the proposed salary and whether the post is full or part time. On several applications, the Panel could not see how the amount requested had been worked out, included consolidated estimate costs, and either excluded or miscalculated NI contributions. The Panel therefore recommended use of online resources to ensure accurate calculations and that applicants intending to employ a member of staff should ensure they are familiar with the National Living Wage legislation including any forthcoming increases, in addition to employment legislation and entitlement to statutory holidays.

2.16 The Panel also reminded stations that the Fund does not pay for "management fees" and that other "on costs" should be fully itemised. Any commission-based salaries also need to be justified.

2.17 The Panel noted an increase in requests to engage a self-employed contractor and so suggested applicants verify if their work plan qualifies for "self-employed" status, demonstrate the minimum hours they intend to contract the worker for, and therefore the hourly pay that worker will receive. Should HMRC take a different view at any time, retrospective tax and NI liabilities rest with the applicant.

2.18 A small number of stations applied for extended funding for posts which have previously been funded. In requests for repeat funding, the Panel would expect to see evidence such as the performance of the post-holder to date (including income raised, for example). The Panel would also need to see a very good reason for repeat funding. Where there were factors that adversely affected the use of previous funding, the Panel would expect to see details so it can make as fair an assessment as possible.

2.19 The Panel suggested the value of a third-party reviewing applications prior to submission to ensure clarity and accuracy of the proposal and to identify inconsistencies in the aims of the proposed post.

2.20 The Panel highlighted the importance of awardees reading their grant agreement to ensure money is not misspent or used outside the terms of the agreement. The Panel also reminded awardees of their responsibility to report on the spending of the grant. Applicants were reminded that funds can only be spent on the designated purpose as outlined in the agreement and that they must inform Ofcom of circumstances that may affect the expenditure of the award or seek consent for any proposed variations to the purpose or tenure of the grant.

2.21 The Panel indicated that they enjoyed reading concise descriptions of a station's history and current activities. The panel were particularly pleased to learn about those stations which were able to demonstrate their excellent work and social value.

Grant monitoring

2.22 The Panel has a reporting procedure in place to check that grant awards are spent as agreed. A grant agreement is put in place between Ofcom and each Licensee awarded a grant, which sets out the terms of the award, including an expenditure period. At the end of the grant expenditure period, successful applicants are required to complete a report (the 'grant report') detailing how they spent their money. In addition, interim grant reports are requested halfway through the relevant period. The interim reports help identify any potential issues arising with the grant spending. If a satisfactory report is not made, the Panel may require repayment of the grant and may consider not making a further grant to a Licensee in a future round.

2.23 If a Licensee ceases to hold its broadcasting licence (e.g. by surrender or revocation) while a grant agreement is in place, any unspent grant monies will be required to be repaid in full.

2.24 The majority of the grant reports received during 2025-26 were satisfactory but some issues did arise during the period regarding the misspending and mismanagement of grant money. In these instances, Ofcom has sought to reclaim money from the licensees. Ofcom checks each report carefully and seeks clarification from grant recipients during the review process.

2.25 The Panel considered a number of requests to repurpose part of the funding received, or to lengthen the term of a grant following difficulties filling vacancies. The Panel considers each request on its own terms, taking into account the reasons behind the initial award and the change request before making its decision on whether to approve the request.

Community radio sector and future of the Fund

2.26 The analogue community radio sector has remained relatively stable following the completion of the final round of licensing in 2020. There are currently a total of 297 community radio stations broadcasting on AM or FM. 11 licences have been surrendered between April 2025 and March 2026. If we do hear of a potential licence surrender, we continue to encourage licensees to seek any other local groups who would consider taking on the licence to ensure that listeners in the local area are not disenfranchised. This approach has proved to be successful in some cases.

2.27 At present, we have received 278 applications for Community Digital Sound Programme (C-DSP) licences, which are community radio licences for digital radio broadcasting on small-scale DAB ("SSDAB") multiplexes. C-DSP licensees are eligible to apply for the Fund from their launch date. In total, we have now awarded 219 licences and of these 139 C-DSP stations are now broadcasting, while there are a further 80 awarded and pending launch. Of these 139 services, a total of 57 services are new to the market, while the remaining 82 simulcast the content available on existing analogue community radio licences. 21 applications were either rejected or have been withdrawn, 23 licensees have surrendered their licences since they were awarded, with 15 currently under or awaiting assessment. While Ofcom has now completed the planned roll-out of SSDAB multiplex licensing rounds, we expect a continued increase in the number of C-DSP services due to approximately 50 SSDAB multiplex licences still pending launch.

2.28 The new Community Radio Order 2025 came into effect on 1 April 2025. The Order provided Ofcom with the power to extend all community radio analogue licences for a further fourth term for a period of 10 years. Community radio analogue and Community Digital Sound Programme licences were also amended to remove the on-air sponsorship and advertising restrictions in all but five community radio analogue services where the revenue cap is being increased from £15,000 to £30,000 per annum. We simultaneously varied analogue community licences to implement the simplification of Key Commitments in line with our published Statement to give stations more flexibility to deliver the key objectives of community radio, including the delivery of social gain and access of the service for the local community.

2.29 On 11 February 2026, we published a consultation which sought views from stakeholders with regard to our proposed priorities for radio licensing in the short/medium term. One of the proposed areas of priority is to complete more analogue FM community radio licensing given the continued requests we receive from prospective licensees and the availability of spectrum in some areas of the UK. We expect the statement confirming the outcome of this consultation to be published in the summer of 2026.

2.30 In March 2026 DCMS announced an increase for community radio funding to £1million over the next three financial years as part of the Local Media Action Plan. This is welcome news as the additional funds will provide more opportunities for existing community radio stations to be successful in their applications for funding in the coming years. Although details of the uplift to the Community Radio Fund are being finalised with DCMS officials, we expect to implement changes to the fund ready for applications in FY 2026/27.

Panel members

2.31 The Panel is made up of three members appointed by Ofcom's Policy and Management Board.

For 2025-26 these were:

- Mark Jones, the Chairman of the Panel, who is a former BBC employee with extensive experience in radio reporting, production and management;
- Clare McNally-Luke, Head of Audio Research & Insight in the Strategy & Research Group at Ofcom, who has extensive experience in BBC and commercial radio strategy and performance; and;
- Alan Stewart, the former Head of the Independent Television Commission in Scotland and former Ofcom employee, with extensive experience in broadcasting relations and local community affairs.

2.32 Following a round of inclusive recruitment and approval from the Policy and Management Board in December 2025, Hannah Bryant was appointed to the Community Radio Fund Panel and commenced her role in January 2026 as an observer until 31 March 2026 ahead of the formal start of her three-year term until 31 March 2029. Alan Stewart was also appointed to the role of Chair of the Community Radio Fund Panel in March 2026 for a three-year term.

2.33 Hannah has over 25 years' experience leading the evaluation of tenders, proposals and grant applications across central government, the NHS, local authorities and the charitable sector. Biographies of all Panel Members can be found on the Ofcom website at Community Radio Fund Panel.

2.34 Decisions on grant applications made to the 2025/26 round were taken by Mark Jones and Alan Stewart as Clare McNally-Luke was unavailable. This was in keeping with the Terms of reference for the Community Radio Fund Panel which states that a quorum shall be two.