



## **DCMS consultation on sustainable independent and impartial news; in the Nations, locally and in the regions**

### **Response by the Community Media Association**

The Community Media Association (CMA) is the UK representative body for the community media sector. It supports and represents community based radio stations, local and community TV operators, community based internet media groups and independent community film producers. Community media organisations offer numerous volunteering and training opportunities for people in disadvantaged communities, often marginalised by mainstream media, to produce media to tell their stories in their own ways and to communicate and engage with the wider public.

Through community media projects:

- **new voices and faces are brought to the airwaves and the screen;**
- **local issues are presented in informative and engaging ways;**
- **health, education and economic resources in the community are promoted;**
- **the democratic process is enhanced as people become more engaged in the issues facing their own and the wider community**
- **local talent is developed increasing the talent pool for mainstream radio and television**

We note this consultation is entitled “Sustainable independent and impartial news; in the Nations, locally and in the regions” but that it also consults on funding for other “essential public service content”. Our response is focussed on the public funding arrangements for community broadcasting, both as a provider of essential public service content in general and as a contributor to the plurality of local news. We provide context and background before addressing the specific questions posed.

### **Background**

Community broadcasting has become an increasingly important part of the European media landscape. In the European Union it has been the subject of a resolution of the European Parliament<sup>1</sup> which calls on Member States “to support

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<sup>1</sup> European Parliament resolution of 25 September 2008 on Community Media in Europe  
<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2008-0456&language=EN&ring=A6-2008-0263>

*community media more actively in order to ensure media pluralism” and “stresses the role that may be played by local, regional and national authorities in supporting and promoting community media”. In the Council of Europe it has been the subject of a Declaration of the Committee of Ministers<sup>2</sup> which stresses the desirability of: “recognising the social value of community media and examining the possibility of committing funds at national, regional and local level to support the sector, directly and indirectly”.*

In the UK, the Communications Act 2003 includes provision for community radio and local digital television. A pilot community radio scheme was the subject of an independent evaluation by Professor Anthony Everitt which formed the basis for legislation. Everitt proposed a mixed funding mechanism for community radio that would assure its sustainability while limiting direct competition with the commercial radio sector. A central element of Everitt’s proposals was a funding mechanism that would provide around £30,000 per annum (just over £35,000 at 2009 levels) per station towards core operating costs such as the employment of a station manager.

On 8 May 2003, Secretary of State, Tessa Jowell, said in a letter to key stakeholders: *“I have now considered Anthony Everitt’s evaluation of the access radio experiment and believe that it provides a sound basis for taking the work on access radio to the next level”*. At the same time, the Government’s own Regulatory Impact Assessment<sup>3</sup> stated: *“One possibility being considered is the creation by Government of an access radio fund to support the establishment and running of access radio stations. If it is decided to proceed with such a scheme the amount of Government support is unlikely to be more than £3 to 4 million per annum.”* On 5 March 2004, the Secretary of State announced an intention to proceed with an initial commitment to the fund of £500,000 for 2004/05. On 20 July 2004, the Secretary of State approved the Community Radio Order 2004 which provided the legal framework for licensing the new services.

The Communications Act also provides for the possibility of licensing local digital television and for the extension of the Community Radio Fund to include television in the future. This consideration needs to be taken into account in the context of the potential development of community television on the digital terrestrial platform, which could form a crucial element in the distribution of sub-regional and local news as envisaged within the Independently Funded News Consortium approach.

### **The case for community radio**

Evaluation reports by both DCMS and Ofcom provide compelling evidence that community radio has demonstrated its effectiveness and contribution to social gain and community cohesion since licensing commenced under the Community Radio Order 2004. In its Annual Report 2008/09 Ofcom describes community radio as: *“one of the great UK broadcasting success stories of the last few years”*.

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<sup>2</sup> Declaration of the Committee of Ministers on the role of community media in promoting social cohesion and intercultural dialogue, adopted by the Committee of Ministers on 11 February 2009  
<https://wcd.coe.int/ViewDoc.jsp?id=1409919>

<sup>3</sup> Department for Culture Media and Sport information note to the Communications Bill – “TV and Radio Services: Regulatory Impact Assessment”, version of 30 June 2003

It is equally clear that this success is not built on firm foundations. In a letter to the Prime Minister on 20 July 2009, 60 community radio station managers together with other media experts described the new sector as *“economically very precarious”* and called on the Government to substantially increase its contribution to the Community Radio Fund.

The case for funding the sustainability of community broadcasting, as part of the wider agenda for increasing plurality in broadcasting and provision of truly local news and views, has broad public and parliamentary support. An Early Day Motion in 2007 supported by 152 MPs from all Parties called on the Government *“to ensure that the whole of the community media sector has sufficient financial resources, through a fully funded Community Media Fund significantly larger than the current annual £500,000 Community Radio Fund, thus ensuring that the sector is economically sustainable and able to realise its potential to help those most in need.”*<sup>4</sup> A public petition on the 10 Downing Street website, calling for an increase in the Fund, has gathered over 3000 signatures

In the 2008 DCMS consultation on community radio, many of the responses stressed that the Community Radio Fund was insufficient to achieve its function. That remains the case today and will continue to be a key preoccupation of the sector until government puts in place adequate funding to balance the significant revenue restrictions that community radio faces compared to commercial radio stations. The Digital Britain report states: *“if the community radio sector is to grow and prepare itself for a more fundamental role in the future radio landscape it must also be given the certainty to invest in its future”*. To achieve that certainty requires more than the proposed adjustments to the Community Radio Order 2004. If the community radio sector is to have the certainty to invest in its future that the Digital Britain report states is needed, then the regulatory restrictions on funding need to be complemented by adequate public funding investment to assure core costs can be met and to reward community radio stations that are most effective in providing local public service content.

Government plans for a new funding mechanism to support essential public service content provide a straightforward means to implement now the recommendation on funding in the Everitt report and to put this on a predictable long term footing. The case for funding community radio rests both on the intrinsic public service benefits that are provided by the broad range of community radio content and on the specific contribution that this sector can make to assuring a plurality of provision of local news and information. The intrinsic public service benefits of community radio are now well documented not only in the Everitt Report and its follow-up study but also in the Government’s own review of the sector and Ofcom’s first annual survey.

The contribution the sector can make to local news and information provision is of particular relevance to the present consultation and is closely tied to emergent models of news and information production and distribution. Unlike mainstream media, community broadcasting is predominantly volunteer-based. At a very low production cost, community broadcasters can mobilise large numbers of citizen reporters and community correspondents who are increasingly using cross-media

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<sup>4</sup> EDM 922, Ian Stewart MP

platforms. At present, however, the quality of local news production on community radio is limited by the very tight budgets on which these services exist. Most are unable to employ even one professional journalist to provide training and editorial oversight.

For community broadcasters the first priority, unsurprisingly, is to secure additional funding through the Community Radio Fund towards their core operating costs. This is needed to assure their sustainability. Were additional funds available specifically to support news and information programming the evidence strongly suggests that investment in the community broadcasting sector would be one of the most cost-effective means to achieve the objectives which the government has set out.

## **Response to the questions**

### **1. Do you agree that securing plural sources of impartial news for the Nations, locally and in the regions should be a key priority?**

This is a key priority – both for community broadcasters and the communities that they work within.

We recognise that the provision of local news and information is one of the key priorities for audiences however we are not convinced that the Government's proposed mechanism, through Independently Funded News Consortia, is the best mechanism to achieve this objective. The IFNC model places unnecessary limitations on media pluralism and freedom of expression by insisting on further consolidation in news provision among alternative providers to the BBC. Given the likelihood that IFNCs would be dominated by the major traditional providers – newspaper networks, major commercial radio groups and ITV – in which there has already been significant consolidation, there is high risk that a small number of large media companies with national reach would dominate and the new and innovative services as well as smaller and more locally owned companies would be excluded. Community broadcasting, in particular, is unlikely to gain a fair share of resources deployed through IFNCs. It would be better for part of any funding for investment in local news provision to be provided to community broadcasters through a separate Community Media Fund.

If the IFNC proposal is taken forward we would also want it to include specific reference to the need for partnerships to be local, not regional and a requirement that local partnerships include community radio and TV broadcasters, in order to strengthen local accountability, ownership and control.

### **2. Do you agree that sustainable, impartial news in the Nations, locally and in the regions is likely to require some top-up public funding?**

The provision of impartial news at the local and regional level and in the Nations could be strengthened by some top-up public funding providing this is administered through a funding mechanism that is independent of Government and not dominated by a small number of media companies. This can be best achieved through one or more independent bodies at UK level and/or at the level of the Nations, with decisions on funding taken on an impartial basis and in the

public interest. The need for impartiality must extend to ensuring the funding mechanism itself is open, transparent, independent of the beneficiary companies and publicly accountable.

**3. Do you agree that the Television Licence Fee should be used to support impartial news in the Nations, locally and in the regions in addition to BBC services?**

We are not convinced that the Television Licence Fee is the optimal means to provide support for impartial news or other public service content outside the BBC. There are two reasons for this. First that by using the same source of funds for both the BBC and alternative provision to the BBC there is a greater risk of politicisation of decision making and the objectives of impartiality and media pluralism are likely to be less adequately protected. Second the television licence fee is a regressive tax whereas a strong case can be made for a more redistributive approach to benefit those who are least well provided for in terms of a plurality of media and sources of news. This could be achieved by, for example, a levy on national content providers/broadcasters (including the BBC) and/or a levy on electronic communication network providers.

**4. Do you agree that any funding within a contained contestable element of the television licence fee not required for impartial news should potentially be available to fund other forms of essential public service content, or should such funding be limited to news?**

Funding is needed for other forms of essential public service content in addition to news. We further believe that the key priorities should include funding for community broadcasting. We do not agree other priorities should be secondary to the provision of news but rather that a balance should be found in which different forms of essential public service broadcasting content receive a contribution that is proportionate to their needs and their relative importance. Community broadcasting should be one of those priorities with an immediate and essential need to allocate funds to increase the Community Radio Fund to the levels envisaged in the Everitt Report. Additional to this, provision should be made for the Fund to be extended to community television and to support impartial news content on community media.

**5. Are there alternative funding mechanisms that you believe would deliver the above objectives more effectively?**

Yes, as stated above, this could be more fairly and better achieved by a levy on national content providers/broadcasters (including the BBC) and/or a levy on the providers of electronic communication networks and services.

**6. Do you agree with the proposal to set a maximum percentage of Television Licence Fee revenue which could be set aside as a contained contestable element?**

If this is the mechanism chosen by Government then a fixed percentage should be set aside and, within that, a fixed percentage should be reserved for community media.

- 7. Do you agree that amending the BBC Agreement could provide the necessary protection to the BBC's future funding and independence?**

This depends on the amendments proposed.

- 8. Do you agree that the use of any contained contestable element within the Television Licence fee should be restricted to the public purposes set out in the BBC Charter?**

If this is the mechanism chosen by Government then it would be appropriate that use of the funds in any contained contestable element should be consistent with the public purposes set out in the Royal Charter. There is a case, at the same time, for the public purposes to be reviewed to include, for example, reference to "cultural diversity".