

## GENERAL DETAILS

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Organisation ALL FM

## CONSULTATION QUESTIONS

1. ALL FM agrees that there needs to be provision in law for the extension of community radio licences. We believe that where a station has demonstrated clearly its performance on delivering social gain and meeting all other aspects of its key commitments, it should be able to apply for a licence extension after five years, and then again at the end of the next five year period rather than as a one off. If the government does not accept this, then there needs to be a clear, timely and transparent process for reapplication in place for stations that have already had one five year extension as they need to be able to plan for the future.
2. The CMA strongly believes that the 50% funding restriction from any one source should be lifted, particularly where grant and Service Level Agreement funding is concerned. Stations would need to take care that the funder does not exert undue influence over the station, particularly its editorial independence especially when the community might voice opinions and views the funder does not like. However we think that would be a matter for the station, in ensuring that it meets its key commitments, rather than something to be enshrined in law, as this funding restriction does. Re the 50% rules on on air advertising and sponsorship, we reiterate our response to the 2007 consultation on the Future of Radio: We recognise the necessity that community radio delivers on all its social gain/community benefit criteria and maintains editorial independence. We would urge the government to explore ways of measuring this, regardless of the sources of income a station receives. There are many arguments for retaining in statute a fixed percentage limit on income from on air advertising and sponsorship as currently exists. However, any such limit is by nature arbitrary. Therefore we would advocate a change in approach, whereby there is no fixed limit, but a requirement to ensure and demonstrate that there is more than one source of income and that no particular source of funding exerts undue influence on the character of a particular community radio station and accountability to its community. Many stations are affected by the current rules, either because they have to turn away small, very local advertisers (who would not otherwise advertise on commercial radio), or because they are unable under the rules to accept grant funding because it would form more than fifty percent of the station's income. The viability of the sector depends on this rule being changed, to allow greater flexibility while not compromising independence and accountability. We also think that further guidance on the

current rules would be helpful, to enable stations to clearly distinguish what sources of income fall under the fifty percent rules. ALL FM agree with the CMA.

3. i

We do think that the rule prohibiting the licensing of a station whose MCA is less than 50,000 should be lifted.

3. ii

We cannot agree with the further restriction on stations whose MCA is up to 150,000, preventing them either partly or entirely from receiving on air advertising and sponsorship. In our view this amounts to restraint of trade and unfair competition rules. Therefore we would propose that the rules governing the level of on air advertising and sponsorship, whatever they may be, apply equally to all community radio stations, whatever their MCA and regardless of any other businesses that exist in their locality.