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Community Radio Consultation
Radio & Media Markets Branch
Media Directorate
Department for Culture, Media & Sport
2-4 Cockspur Street
London
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19th August 2009

Dear Sirs,

Consultation on Amendments to the Community Radio Licensing Regime

We submit our response to the DCMS consultation on community radio.

We believe that it is right that there is a community radio sector, recognising the importance that it can bring in terms of delivering social gain to the public and specific communities. However, we are cautious against any amendments to its regulatory structure that would lessen its identity as a distinct third tier in the radio industry. In addition, and as acknowledged by Ofcom, many small commercial stations are under severe financial strain, and it is these stations that community radio potentially poses the greatest risk to. To lessen regulations on community radio could weaken commercial radio at the local level, and lead to a further decline in local radio provision.

1. Do you agree with the proposed criteria for Ofcom to apply when considering a 5 year extension?

We note the concerns of Ofcom and DCMS of the time scales that it takes for community radio services to become fully established, that as a result are often only realising their full potential social impact towards the end of their licence period, and that licence extensions would allow them time to 'plan better for their future' and provide 'continuity of service for listeners'.

We believe that it is important that that the community radio sector is not given preferential treatment over commercial stations. Currently, commercial stations not on DAB have to reapply for their licence for an extension until the end of 2015. We believe that all radio stations that fall within the proposed 'ultra-local tier' should be given the same degree of licensing certainty.

In relation to the licence extension scheme, we believe that when assessing whether a licence should be granted an extension, Ofcom should look beyond just:

- the licence holder's ability to maintain the service for the period of the extension, and
- the extent to which the existing licence conditions have been met and the likelihood of a licence condition being breached during the extension period.

We believe that Ofcom should assess extension applications against the special requirements set out in Section 105 of the Broadcasting Act 1990, as follows (and abridged):

- a. The ability to maintain the licence throughout the period for which would be in force;
- b. The extent the services caters for the tastes and interests in the relevant community;
- c. The extent to which any proposed service would broaden the range of local programming, and the extent to which it has distinct content;
- d. The extent of evidence amongst persons in the area that there is a demand for the service;
- e. The extent to which the service would result in the delivery of social gain to the public or relevant community
- f. The provision that the licensee renders himself accountable to the relevant community in respect of the service;
- g. The provision to allow access by members of the relevant community to the facilities for the provision of the service and for their training in the use of those facilities.

2. Do you think the 50% funding restriction from any one source should be lifted?

We believe that the 50% funding restriction can be removed to enable stations to have greater autonomy on their own funding decisions. We welcome that the restriction prohibiting a community station from obtaining more than 50% of their funding from advertising and sponsorship will remain in force.

*3. i) Do you think that the rule prohibiting a community radio station from being licensed if it would overlap with an existing local radio service whose MCA is no more than 50,000 adults, should be lifted?
ii) If so, should the advertising and sponsorship restriction be applied to community radio stations that overlap with local radio services of up to 150,000 adults?*

We note the DCMS' concerns that not to lift the restriction would mean that a small number of small communities remain prevented from having access to a community radio station.

Given the general acknowledgment by Ofcom and the DCMS of the precarious financial nature of commercial radio in the current economic climate, with the smallest radio stations significantly affected, we do not believe that it is prudent or efficient to enable community services, which may well be publicly funded, to operate in areas where the smallest commercial radio services operate. The issue of competition is not solely revenue but also audience share. In markets of under 50,000, small commercial services may be able to survive with their current audience levels, but if those were halved because of a well funded community service, such commercial services may well be lost.

We therefore believe that it is necessary to protect the smallest commercial stations from increased competition. We would argue that many such services already fulfil many of the functions of community stations and therefore these communities do not lose out.

If this restriction is to be removed, then we believe that the extension of the advertising / sponsorship restriction is absolutely necessary.

Yours faithfully,

Gregory Watson