

## Response on behalf of Prescap Ltd to the Consultation on Amendments to the Community Radio Licensing Regime

Prescap Ltd (Preston Community Arts Project) is a registered charity, currently running the "Preston FM" community radio project in Preston, Lancashire. The organisation was awarded a community radio licence in early 2008 and commenced broadcasting in October 2008, following six RSLs. The project currently engages over 300 volunteers from Preston and the surrounding areas, as well as working with a large number of community, voluntary and statutory organisations in the city. The Preston FM project has been in existence since Spring 2005.

We endorse the response from the CMA, and add the following comments regarding specific consultation questions:

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

We welcome proposals that community radio licensees will be offered one extension to their licence, subject to meeting their licence conditions (which we assume will include a determination on delivery of key commitments). We would hope and expect that determination of a licensee's "ability to maintain the service for the period of the extension" would take into account their success (or not) in doing so over the course of the initial five year licence period as well as their proposals for the future at the time of licence extension.

If licence extensions are not to be granted more than once, then it will be necessary to announce the application process for applying for a further licence (following the single extension) in the near future. Existing licensees will need clear criteria and sufficient time to plan if they are to be reasonably expected to face an open application process, potentially in competition with new entrants, if they wish to further extend their licence.

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

Whilst the "50% rule" is unpopular in some quarters within the community radio sector, we feel that it is useful not only in ensuring that no one body has undue editorial influence but also in encouraging licensees to develop a broad, sustainable funding base from a number of sources. However, we feel that a method of regulation that takes account of the output of a community radio licensee (including consideration of the independence of editorial content), rather than concentrating on funding sources, would be more effective. We would therefore support the lifting of the 50% funding restriction from any one source, so long as the regulatory regime provided for sufficient scrutiny of stations' editorial independence.

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?

Yes. We fully support Ofcom's stated aim of licensing community radio in every community that can sustain it - and so we would welcome the lifting of restrictions which currently prevent community radio stations being licensed in some areas.

3.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?

No. We believe that all community radio stations should be treated equally in terms of their ability to use advertising and sponsorship to generate revenue. Any restriction in place to protect commercial radio operators seems to us to become more and more unjustifiable as further relaxation of regulatory controls (including location and local output) for these stations is introduced.

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