



“Consultation on amendments to the Community Radio Licensing Regime”

**A response to the
Department of Culture, Media & Sport
by Rossendale Radio CIC**

July 2009

**Rossendale Radio CIC, Haslingden Community Link & Children’s Centre
Bury Road, Haslingden, Rossendale, Lancashire BB4 5PG
Tel: 08000 430441 Fax: 01706 872269 Email: info@rossendaleradio.co.uk**

Rossendale Radio is a Community Interest Company registered in England No. 06319487
and licensed by the *Office of Communications* – CR159

“Consultation on amendments to the Community Radio Licensing Regime”
A consultation response to the Department of Culture, Media & Sport by Rossendale Radio CIC (July 2009)

About Rossendale Radio CIC

- Rossendale Radio was initially established in Summer 2006 to co-ordinate 'not for profit' radio project(s) for the Rawtenstall, Haslingden, Ramsbottom (*in the Metropolitan Borough of Bury*) and Helmshore areas of East Lancashire.
- The CIC holds a Community Radio licence (*CR159*), which was granted by the *Office of Communications* (Ofcom) in February 2008.
- Rossendale Radio Ltd was incorporated into a *Private Limited Company* in July 2007 and converted to '*Community Interest Company*' status in October 2008.
- During September 2007; the company incorporated the Ramsbottom-based “*Rossendale Valley Radio*” project.
- Funding has already been gathered from numerous sources including; *Grassroots, Awards For All* and *Rossendale Borough Council*.
- The Board of Directors of the CIC are currently establishing the “*Rossendale Radio*” community radio service, which aims to commence broadcasting in October 2009.
- The CIC will carry out skills-based learning opportunities within the community and it is anticipated that around 100 people will receive training within the first year of broadcast.
- Rossendale Radio CIC has recently become part of the 'Lancashire Community Radio Forum', joining existing community radio licence holders and aspiring broadcasters from across the county and surrounding areas.

“Consultation on amendments to the Community Radio Licensing Regime”
A consultation response to the Department of Culture, Media & Sport by Rossendale Radio CIC (July 2009)

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

Rossendale Radio CIC agrees wholeheartedly with the DCMS's proposals to extend the current five year community radio licence with a “one-off” five year period. We believe that if a community radio licence holder has shown a consistent track-record in delivering its social gains commitments, maintained the service and generally complied with the rules and regulations set down by the regulator, the proposed five year licence extension should be given.

We feel that the proposed extension should not be mandatory and judged on an individual basis.

However, the CIC believes that this extension process should also be relatively-straightforward and not become a 're-application'. This would be too similar to the original Community Radio Application procedure, which every licence holder would have undertaken at the outset. It would add a considerable amount of workload onto the regulator and the Community Radio licence holder, as well as additional bureaucracy.

We also put forward a question for consideration relating to this section of the consultation. *“Would this extension procedure include an 'invitation' to existing Commercial Radio licence holders and/or any other organisation/individual within the Community Radio Station's broadcasting area to object or make observations regarding the said extension?”*

“Consultation on amendments to the Community Radio Licensing Regime”
A consultation response to the Department of Culture, Media & Sport by Rossendale Radio CIC (July 2009)

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

Rossendale Radio CIC cautiously agree that the 50% funding restriction from any one source should be lifted, although we believe that safeguards about ownership must be in place. These would be in addition to those regulations stipulated by the original 'Community Radio Order'.

One area of concern is undue influence from one single person/entity who joins (or wishes to join) the Board of Directors of a community radio licence holder in exchange for revenue etc. We wish to put forward the following suggestion.

All aspiring Community Radio applicants and existing licence holders should incorporate as '*Community Interest Companies*'.

The CIC model fits into the existing structures of the 'Community Radio Order', because it was designed for '*social enterprises*' and also legally binds that organisation to '*reinvest surpluses*' for the '*business or in the community, rather than being driven by the need to maximise profit for shareholders and owners*'. (Source CIC Regulator) The above suggestion ensures that the '*body incorporate*' is in existence for the benefit of the community and not the personal gain of a particular person, or group of people.

We also suggest that in future community radio licensing rounds, applicant organisations should be incorporated as a CIC before the application deadline, unless there are compelling reasons otherwise. This would show to the regulator that the applicant is serious about its social gains commitments to the community, because they would be legally-binding through the 'Articles of Incorporation'.

“Consultation on amendments to the Community Radio Licensing Regime”
A consultation response to the Department of Culture, Media & Sport by Rossendale Radio CIC (July 2009)

Question 2. *“Do you think the 50% funding restriction from any one source should be lifted?” (Continued)*

To combat reliance on a single source of income, the DCMS should further assist the expanding sector by increasing the amount allocated to the Community Radio Fund. We realise that the Community Radio Fund is not within the remit of this consultation, although funding is of a key consideration.

We would like the amount allocated to the Community Radio Fund per annum to be increased and a possible loan system to be put into place, although this would be in addition to the grant.

Alterations to the Community Radio Fund system would assist licence holders immensely in raising income to establish or maintain a service, therefore resisting reliance from one source.

Rossendale Radio CIC would like to see a future dialogue about all issues relating to funding the community radio sector, including advertising and sponsorship.

**“Consultation on amendments to the Community Radio Licensing Regime”
A consultation response to the Department of Culture, Media & Sport by Rossendale Radio CIC (July 2009)**

Question 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?***

Ofcom have stated that every 'community' should have 'access to a community radio station', if the community 'support such a station' (sic). We believe that this proposal could bring the benefits of community radio to more people and communities.

Rossendale Radio CIC, whose community radio licence will serve a potential audience of under eighty thousand people can fully sympathise and support similar groups in smaller populated areas. Especially those groups who are currently excluded from the licensing process, due the existing 'Community Radio Order' restrictions. We supported the recommendations from the 'Myers Report' and welcome the same proposal in Lord Cartier's 'Digital Britain Final Report'.

We believe that the existing criteria set out by Ofcom relating to '*distinct and different*' character of service should be more prominent when dealing with applications overlapping a commercial radio service (as defined in Question 3). The existing regulatory powers should also be robust enough to ensure that potential community radio applicants do not mirror the format (or evolve through 'format creep') of the existing (under 50k MCA population) commercial radio station.

The DCMS and Ofcom should also look at ways of incorporating a 'transition mechanism' of small-scale commercial radio stations to become community radio stations, if they wish.