

DCMS consultation on amendments to the community radio licensing regime

Response from Sheffield Live! 93.2 FM

Sheffield Live! 93.2fm serves the city of Sheffield providing public access to media production and broadcast facilities supported by training and mentoring. Established in 2001, Sheffield Live! launched South Yorkshire's first full-time community radio service on FM in October 2007. It has built a reputation for its innovative and diverse programme content and for its extensive community engagement and participation.

This is our response to the consultation on amendments to the community radio licensing regime. In our response we wish to draw attention to some broader matters of concern as well as to respond to the specific questions in the consultation.

General observations

The present consultation is rather narrowly drawn. The Community Radio Order 2004 was reviewed by Ofcom in 2007 when it was concluded that this was too early in the development of community radio to recommend significant changes in the licensing regime. Since then the sector has grown considerably but stations have also come under growing financial strain. In the 2008 DCMS consultation on community radio, many of the responses suggested that the Community Radio Fund was insufficient to achieve its function. That remains the case today and will continue to be a serious concern of the sector until government puts in place an adequate funding mechanism 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". The proposals in the present consultation fall well short of providing that certainty and, for most of the existing licensees the only impact would be the licence extension. There is a need for a more wide-ranging review of the sector than that which could be conducted in 2007, with a view to assuring its long term sustainability and growth, and to provide better incentives for the sector to invest in delivery of social gain and community benefit.

The Digital Britain report recognises that in an increasingly plural media landscape there will remain forms of public service content that are not delivered by the market alone and that, in addition to content regulation, there is a case for public investment in essential public service content. The report also makes clear that commercial and community radio stations have distinct roles. The funding arrangements for community radio are among the key mechanisms for ensuring its distinctiveness.

If the community radio sector is to have the certainty to invest in its future that the Digital Britain report states is needed, then restrictions on funding (such as those that limit the carriage of advertising or sponsorship) 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 public service content. A match funding mechanism, as was recommended in the Everitt report, could achieve these goals and assist in encouraging other non-commercial sources of revenue.

Whilst we recognise that funding for essential public service content is the subject of a separate consultation (to which we will respond later), we believe the consultation on community radio licensing must proceed in tandem with a review of the funding arrangements for the sector including investment in the Community Radio Fund.

Response to the questions

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

We support the proposal that community radio licences should be eligible for a licence extension. We believe licence duration should be extended in order to facilitate long term planning and to provide similar arrangements for continuity as are available to small scale commercial stations. The current licensing period of 5 years is an impediment to capital investment in facilities and to long term strategic planning.

The extension of the licence period should also be accompanied by a timely process for re-application at the end of the extended licensing period with a mechanism to fast track re-application by the incumbent licensee where there is no competition for the frequency from aspiring new entrants. The conditions for licence extension and renewal should be equivalent to those applying to small commercial stations.

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

The Digital Britain report set out a commitment to revisit the rationale for the 50% funding restriction. The consultation paper sets out two components to this policy rationale: (a) to avoid over-reliance on one source of funding; and (b) to ensure that no single majority funding can exert undue editorial influence. We agree the second of these components might be achieved by the use of other regulatory restrictions but there would still remain a risk of over-reliance on a single funding source.

The consultation paper suggests stations themselves might be left to make decisions on the sustainability of their funding models, however the removal of the 50% funding restriction might lead to such decisions being unduly influenced by a single funder with an interest in gaining greater effective control over the licensee.

We note a similar restriction exists in the Irish legislation and was recently, in a Canadian comparative survey¹, noted as an example of good practice in law and regulation. The desirability of a diversity of funding sources for community radio is a principle included in the Community Media Charter of the CMA and in the European Charter of the World Association of Community Radio Broadcasters. Its rationale lies not only in the direct benefit to sustainability and editorial independence of not being dependent on any one source, but also that this in turn can lead to greater focus on accountability to the community, one of the key characteristics of community radio.

¹ Connectus Consulting (2009) International approaches to funding campus and community radio <http://www.crtc.gc.ca/eng/publications/reports/radio/connectus0903.htm>

The removal of this restriction needs to be weighed carefully as it could risk a broader change in the characteristics and distinctiveness of the sector. The main beneficiaries would most likely be large, well-funded organisations that have an interest in establishing a quasi-national approach through a franchise model of community radio.

The number of actual operating community radio stations that have been caught by this restriction is probably rather low. It may therefore be more appropriate to deal with such instances on a case-by-case basis, allowing Ofcom some leeway to agree from time-to-time for the revenue from one source to exceed 50% provided this is on a temporary basis and accompanied by efforts to restore a diverse funding base.

- 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 support the proposal to remove the rule prohibiting a community radio station being licensed if it would overlap with a local radio service with an MCA of less than 50,000 adults.

The restriction that excludes revenue from advertising and sponsorship for community radio stations that overlap with local radio services of up to 150,000 adults is an unfair and arbitrary restraint on trade and an unjustified limit on the freedom of expression of the communities affected. The smallest community radio services are those which suffer most from this restriction since they lack access to other sources of finance.

The restriction that prevents income from advertising and sponsorship in areas that overlap local radio services of up to 150,000 adults should be removed in its entirety.

*Sheffield Live! 93.2fm
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