

DCMS Consultation on Amendments to the Community Radio Licensing Regime

Response from Station House Media Unit

Station House Media Unit (SHMU) is a not for profit company with charitable status, which serves the seven regeneration areas of Aberdeen and is the only cross-platform community media resource (video and radio production, publications, and digital access) operating in Scotland. The organisation is community-managed and needs-led, and contributes to social, economic and digital inclusion in its target communities by engendering personal development and community capacity building through participation in the processes of community media production.

SHMU is the licensee for shmuFM, a full-time community radio station that launched in October 2007.

In principle we support the response put forward by the CMA (except the points raised in question 2), and would like to add the following comments;

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

We agree with the CMA's position that if a station clearly demonstrates that it has met its key commitments, and has the support from the community it serves, then it should be encouraged to apply for a licence extension, that would be awarded to run from the date of the end of the previous licence – thus ensuring a continuous, seamless service.

We feel it is essential that this licence renewal process be completed at least one year prior to the end date of the existing licence, to assist in contributing towards the financial sustainability of the station.

We also believe that there should be no limit to the number of times that a station renews its licence – assuming it meets the above criteria.

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

In terms of funds raised through Grants and Service Level Agreements, we are in agreement with the CMA's view and believe that the restrictions are unfair and should be lifted.

As a direct result of this ruling, we found ourselves in the situation where we had to negotiate a reduction in an offer of a five-year grant from the Big Lottery in Scotland from £520,000 to £317,000, which had a major impact on the planned service delivery.

We agree that stations should ensure that major funders do not exert undue influence over the station, but would assume that this would/should be covered in terms of the stations delivery of their key commitments. Perhaps there can be a question added to the stations Ofcom Annual report that would require a station to identify any funder over the 50% margin and if this is the case then a few additional questions should be answered to ensure that the funder is not exerting undue influence?

We disagree with the CMA's views on the 50% rule on commercial revenue, and feel that a limit should be retained to ensure that the ethos of Community Radio is retained. We don't feel strongly about whether the limit should be retained at the 50% level, or whether indeed that it is something that the sector itself dictates for itself in terms of a code of conduct – as an organisation we feel that there should be a restriction in place to ensure that community stations don't end up becoming ILR's operating under a community radio licence.

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 agree with the CMA's response to this issue and would add the further points;

- i) Absolutely - This rule equates to protectionism and should be removed immediately. There should be a level playing field – why should the commercial radio sector be offered preferential treatment. In reality the services being offered are so different (or certainly should be) that there should be no detrimental effect in any case. Our experience has shown that the addition of our service to the radio landscape in Aberdeen has re-engaged and added listeners to radio in the region (both to our community station and as a result to commercial stations).
- ii) Absolutely not – the rules on advertising and sponsorship should be universal across the community radio sector – and in line with our response to question 2 above. The problems that the commercial sector are facing in terms of financial sustainability has not and will not be caused by the community sector – it is caused by a fundamentally flawed business model. Offering a form of protectionism to this failing model will not assist the commercial sector in the long-term – and will restrict the aspirations of a flourishing community sector.

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