

January 22, 2015

## **RADIOCENTRE REACTS TO GOVERNMENT CHANGES ON FOR NOT-FOR-PROFIT RADIO**

RadioCentre, the industry body for commercial radio, has expressed its concern after the Government announced today (22 January) that it intends to amend the rules differentiating between commercial and not-for-profit radio by allowing the community broadcasting sector to take the majority of its income from advertising.

Siobhan Kenny, Chief Executive of RadioCentre said: “This is a disappointing outcome and will be a real cause for concern for small commercial radio stations where margins are already squeezed.

“The changes proposed by the Department of Culture, Media and Sport (DCMS) risk blurring the lines between community and commercial stations and puts them in direct competition for limited local advertising, alongside local press, local television and online.

“Community radio can perform a valuable complementary role to commercial radio and the BBC, but it must offer something significantly different to the communities it serves. Any changes must be accompanied by a renewed emphasis on enforcement and compliance with the key commitments of these stations.”

The Government’s announcement follows a consultation carried out by the DCMS launched in February 2013.

In particular it has accepted calls by community stations to relax a number of financial and advertising restrictions, including:

- Relaxing the restriction on community stations taking advertising if they overlap with small commercial stations with a coverage area of 150k adults or less.
- Enabling all community stations to take advertising revenue up to £15k pa (a Fixed Revenue Allowance).
- Allowing most community stations to take 50% advertising/ 50% donations and grants once the initial £15k has been met (unless they overlap with small independent commercial stations that are locally based).

However, the Government also pointed out that it would retain existing requirements on community stations to demonstrate social gain; remain not-for-profit; and not prejudice the viability of local commercial stations.

**Ends**

**For more information please contact Lucy Goodwin at Reputation Communications on: 07961 452558 or email: [lucy@reputationcommunications.com](mailto:lucy@reputationcommunications.com)**