

SMALL-SCALE RADIO IN THE UK

HOW LOCAL COMMERCIAL AND
COMMUNITY RADIO CAN CO-EXIST

REPORT BY DAVID LLOYD



ABOUT THE AUTHOR

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This report was commissioned by Radiocentre, the industry body for commercial radio in the UK.

Radiocentre is the industry body for commercial radio and works on behalf of over 50 stakeholders who operate around 300 licensed radio stations across the UK and represent 90% of commercial radio in terms of listening and revenue.

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INTRODUCTION

Community radio was created “for the good of members of the public or of particular communities and in order to deliver social gain”. Stations would involve members of the community and be accountable to them.

Those objectives are sound, and there are many examples of community stations across the country doing excellent work on and off-air.

Commercial radio too serves its communities. Alongside the well-known major stations and brands, there are many examples of smaller commercial stations which also provide distinctive programming tailored to the needs of their communities.

In a fast-changing media world, however, these much-valued smaller commercial radio stations in the UK face ever more challenges for audiences and revenues in their local areas.

Many such stations report too that the growing number and nature of community radio stations poses a specific and significant risk to their viability. This is particularly evident in the case of small commercial stations in Scotland and Wales - and those serving ethnic communities.

This result seems contradictory to the very thinking which gave rise to the community radio sector. If small communities are to continue to be afforded a quality local radio service – then the licensing and regulation of both commercial and community radio must surely need to be mutually sympathetic.

This report, commissioned by Radiocentre, seeks to examine the scale of the impact from community radio on the most vulnerable commercial radio stations and offers recommendations of how the two sectors might more successfully co-exist.

It draws upon fresh interviews with representatives from some of the stations most adversely affected, market and revenue analyses and programme monitoring in seeking to establish the extent to which small commercial radio stations have been unduly prejudiced, contrary to the statutory intentions.

This investigation was triggered by Ofcom’s announcement of a further wave of community radio licensing, and an invitation from the regulator to existing community stations to apply for better coverage.



David Lloyd

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SUMMARY

A valuable contribution is made by many community radio operators, where audience and content are well-defined - and where the community objectives are genuinely embraced by those involved and represented and discharged conscientiously. Colourful, award-winning and praiseworthy content is produced by sensibly-licensed operators deeply concerned with their areas, involving local people and making a genuine contribution.

This report does not criticise the concept of community radio, nor the diverse, gifted and committed individuals who behave honourably and who share the original ambition for the sector, as set out in statute.

Whilst larger commercial radio operators co-exist with community stations with ease, the findings of this report suggest that some of the smallest commercial radio stations are placed at real risk when less dutiful, or unduly competitive, community stations are launched in their areas, with minimal ongoing regulatory oversight.

Over 30% of UK commercial stations serve measured coverage areas of under 150,000 adults. This report details cases where the most severe threats are evident, particularly in Wales, Scotland and stations serving specific ethnic groups.

The increasingly successful performance of UK commercial radio generally, in audiences and revenues, masks the vulnerability of smaller commercial stations, owing to increasing national media competition alongside rising costs. Inappropriate community radio stations are proving the final straw for such small businesses. Several small commercial stations feel justifiably aggrieved that whilst they seek to run a professional operation, providing a valuable radio service and local jobs at no cost to the public purse, less well-governed entrants take advantage of a multitude of concessions whilst providing nothing new for listeners.

Whilst the quantum of commercial revenues community stations harvest may be small, they are sufficient sums to impact appreciably on a small commercial station in the same area. At the very least, there is disruption to advertiser relationships and advertising yield in areas where few local clients exist. Community stations serve, sometimes inadvertently, as a spoiler. Such is the level of profitability of smaller commercial stations, this degree of damage – from one or more – community stations can have a serious impact.

“ The findings of this report suggest that some of the smallest commercial radio stations are placed at real risk when less dutiful, or unduly competitive, community stations are launched in their areas. ”

The legislation to create community radio stipulated that it should not place commercial radio stations at risk. In the cases cited in this report, there is evidence they have been placed at risk. It is concerning that Ofcom suggests that no community station has ever had its licence refused on grounds of its potential impact on a local commercial station.

Time has been allotted specifically by Ofcom to consider transmission coverage enhancements for community radio, whilst no similar explicit invitation was issued to commercial radio. Given the legislation requires that community stations must “*not prejudice unduly the economic viability of any other local service*”, it is puzzling that the needs of vulnerable commercial stations were not considered specifically prior to the invitation to community stations. Secondly, small commercial stations are pressured at relicensing, under statute, to commit to DAB transmission often on larger multiplexes than their service warrants, at disproportionate cost.

Many small commercial radio stations carry some degree of regular local news bulletin service, provided by paid journalists, requirements for which are stipulated in their licences. Should these local stations fall, this seam of local journalism will no longer exist.

Community radio was established with very clear objectives of social gain. There appears to have been little substantive research into the extent to which the sector is fulfilling these aims before growing the network and liberalising its regulation. Such a study would have rightly trumpeted the excellent work from the best community stations - but highlighted areas where other community stations’ performances fall worryingly short of what is pledged - and informed future policy.

Whilst the larger commercial radio stations will usually be unaffected by the community stations, owing to their relative scale, this report suggests that unacceptable damage is being caused in the case of some smaller, self-sufficient and much-valued local commercial stations.

It appears, therefore, that Ofcom has failed to recognise satisfactorily the plight of smaller commercial radio operators when determining and implementing community radio policy. This report offers recommendations about how this reality may be best addressed; and how the community and commercial sectors might collaborate more effectively.

“ Community radio was established with very clear objectives of social gain. There appears to have been little substantive research by the regulator into the extent to which the sector is fulfilling these aims before growing the network and liberalising its regulation. ”

RECOMMENDATIONS

IMPROVED COLLABORATION

The two sectors both play key roles in their communities – and this should be recognised.

Ways should be examined to establish how, where appropriate, community gain can be jointly facilitated and achievements duly recognised.

At an operational level this will involve continuing to work together on small-scale DAB. However, this important collaboration could be undermined, unless DCMS reverses its plans to prevent many small commercial stations from participating as multiplex licence holders.

Separately, stations of all types should continue to work together on key campaigns such as the ‘Mental Health Minute’, broadcast across UK radio in 2018, or international emergency fundraisers. There may also be scope for liaison on training and diversity initiatives – and in ensuring the best community radio content and individuals are eligible for industry recognition in awards.

A FULL INDEPENDENT REPORT INTO ‘SOCIAL GAIN’

Ofcom should commission a full independent report into the ‘social gain’ produced by community radio. Such a project should comprise a deep analysis of the sector, with detailed scrutiny of a significant number of stations to establish the extent to which they are genuinely discharging their licence commitments on and off-air; and establish the nature and degree of societal gain from their work.

Such a report would rightly highlight the sector’s many successes, but also make clear where licensees

are falling short, so remedial action may be speedily implemented and Ofcom’s approach to all licensing and regulatory matters be suitably informed.

PUBLIC FILE

Transparency is crucial for stations, particularly where public money is being spent – and community stations are rightly required to be ‘accountable’. To ensure that local communities can hold their community radio station to account, the stations should be required to maintain a comprehensive ‘public file’.

This should contain all relevant contact information, the Key Commitments for programming, and the most recent annual report submitted into the delivery of these commitments.

HEIGHTENED ECONOMIC SCRUTINY

Economic assessments of potential community stations should attach heightened and careful importance to the cases expressed by relevant small commercial radio stations; and consult with them routinely in every instance.

No further latitude should be given to community radio on the nature or level of commercial advertising revenues.

There should also be heightened scrutiny by Ofcom to ensure that revenue reporting is not being distorted by attribution to online services, websites, DAB or such things as cash payments, related companies or any direct payments to contributors, all of which might be used to circumvent current limits on advertising revenue.

COVERAGE ENHANCEMENTS

Ofcom should devote immediate resource to ensuring that the smaller commercial radio stations have access to the best possible coverage and frequencies available, insofar as legislation permits. This should precede any further work on community radio coverage enhancements or general development.

Furthermore, before granting an enhancement to the coverage of a community station, Ofcom should verify, by means of suitable evidence, the extent to which the community station conforms to the ‘characteristics of service’, in accordance with the conditions already set out by the regulator for such improvements. It should also consult routinely with all relevant commercial radio stations.

LICENCE RENEWAL

Smaller commercial radio stations should qualify for a licence renewal on committing to either a traditional local radio multiplex or a small-scale DAB multiplex. If necessary, the statute should be amended accordingly to reflect today’s DAB infrastructure.

PAUSE IN FURTHER COMMUNITY RADIO DEVELOPMENT

Ofcom should pause its community radio licensing. Once social gain has been fully examined, Ofcom should commission a full independent overall review of the sector and then inform Government of the ways in which audio generally – with all its new platforms - can best deliver ‘social gain’.

RE-DEFINING THE COMMUNITY RADIO FUND

Government should consider expanding the scope of the community radio fund so that small commercial radio stations and hospital radio or student stations may bid for funding for specific projects and further their efforts in the community.

COMMUNITY RADIO REPRESENTATION

Ofcom should require community radio licensees to represent their status and role accurately in their communities and, specifically, not to mis-represent audience figures.

COMPLIANCE AND ENFORCEMENT

Mindful of the generally worrying compliance record from community radio stations, there is a clear case for better oversight and enforcement. Ofcom should implement ways in which it can better regulate the ongoing content and activities of community radio operators, including the allocation of additional resource where warranted.

BACKGROUND: COMMUNITY RADIO OVERVIEW

By the end of 2017, 236 community stations were in operation, with over 30 further licences awarded so far in 2018. The majority (around 60%) are aimed at listeners in a specific geographic area; with around 14% targeted minority ethnic; 10% youth; 7% community of interest; 5% religious; and 4% military. Typically, the licences of the stations require local programming for around 13 hours each day.

From the outset, Ofcom stated that the stations were intended to complement other radio provision, catering for whole communities or for different areas of interest - such as a particular ethnic group, age group or interest group. Ofcom said the stations “reflect a diverse mix of cultures and interests and provide a rich mix of mostly locally-produced content”.

Community radio services are required to be “provided primarily for the good of members of the public or of a particular community, rather than for commercial reasons” and to “confer significant benefits on the public or on the communities for which they are provided” (Communications Act 2003).

The specific characteristics of community radio stations were then outlined in the 2004 Community Radio Order. This included a requirement to be “for the good of members of the public or of particular communities...in order to deliver social gain, rather than primarily for commercial reasons or for the financial or other material gain”, as well as a specific safeguard for commercial radio which stipulated that community radio stations must “not prejudice unduly the economic viability of any other local service”.

The commercial radio industry body Radiocentre has indicated it is broadly supportive of this third sector in delivering “distinctive content that is of social gain to local audiences”. “As long as community stations are sufficiently focused on well-defined social gain objectives that ensure the distinctive nature of their content and funding models relative to commercial radio, there is no reason why they cannot be part of a balanced radio offering in the UK”.

In the years which followed the early licensing of community stations, the regulations have become more permissive, with the protection for local commercial radio stations lessening.

Small scale commercial radio stations question what evidence drove these liberalisations, in a climate where they faced ever more general vulnerability owing to a changing backdrop for revenues and audiences. A full regulatory timeline is available in Annex C.

REGULATORY TIMELINE

2002	‘Access Radio’ Pilot
2004	Community Radio Order, establishing stations - with tiers of restrictions to protect commercial stations
2005	First community radio stations licensed
2008	Second round of community radio licensing
2010	The Community Radio (Amendment) Order, lifting some income and overlap restrictions
2011	Third round of region-by-region licensing
2015	Community Radio Order 2015 - all community radio stations allowed to raise commercial income - and extended licences
2016	Key Commitments ‘streamlined and simplified’
2017	Statement on future licensing and technical policy allowing a <i>more flexible approach</i>
2017	Further invitation for licence applications
2018	Community radio licensees invited to request changes to transmission arrangements
2018	Ofcom issues a further list of areas for community radio licences

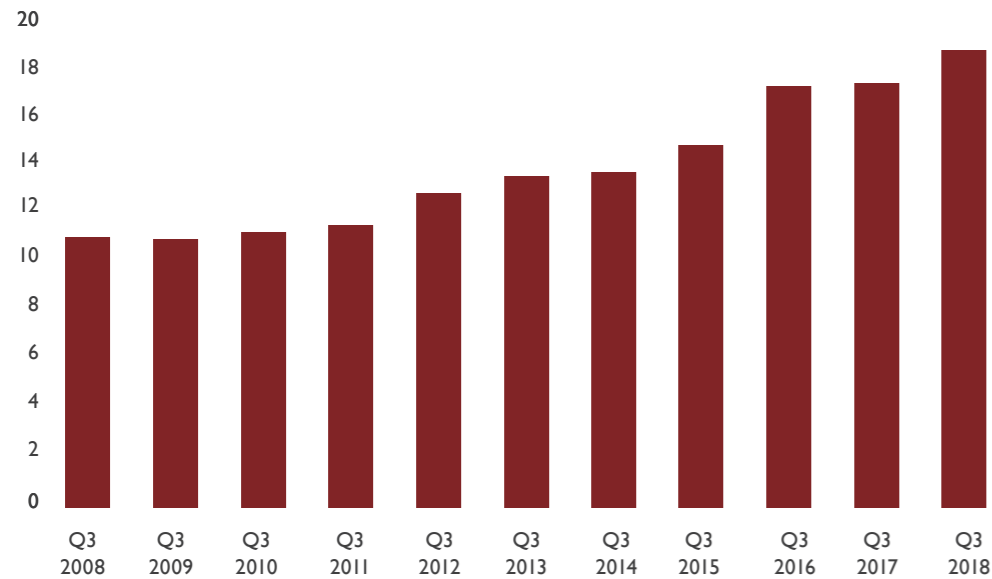
THE COMMERCIAL RADIO INDUSTRY

Amidst a healthy audience performance from UK commercial radio generally, listenership to smaller ‘non-aligned’ commercial stations is being squeezed by competition from all directions.

The UK commercial radio industry overall is enjoying success. In both revenue and audience terms, there are success stories. Total revenues overall rose to £679m in 2017, the highest level ever in nominal terms. Commercial radio’s share of UK listening also rose - from 43.7% to 45.7% in the last four years (Q3 2014 VS Q3 2018).

Below the top-line figures, however, the constitution of the industry is changing. National commercial radio stations now command an audience share of 18.5% of UK radio listening compared to 13.6% just four years ago.

NATIONAL COMMERCIAL RADIO UK MARKET SHARE %

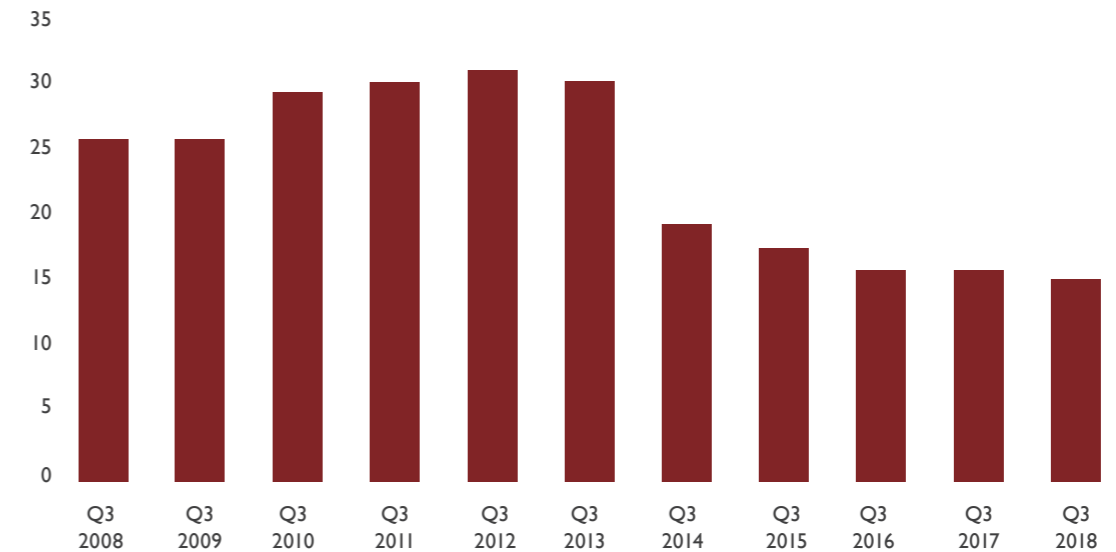


Source: RAJAR

Industry ownership is consolidating further – and the creation of a plethora of new national digital brands and the FM quasi-national networks have created fresh, clear options for listeners – and well-targeted offerings of real appeal to national advertising agencies. This strategy has generated significant growth in national revenues.

Radio however, rather like the retail industry, is a story in two parts. As major retail brands expand, the much-loved and valued corner shop is squeezed out. Smaller commercial radio stations face a similar threat to both their audiences and revenues. Now, community radio stations serve as a competitor to small commercial radio stations for the diminishing number of remaining local revenue sources.

% OF LISTENING HOURS NOT ATTRIBUTED TO THE BIGGEST THREE COMMERCIAL RADIO GROUPS



Source: RAJAR

Industry consolidation means that over half of all adults now listen to a station owned by Bauer or Global Radio. As the graph above suggests, only around 15% of listening is not to a station owned by one of the three biggest groups (Global, Bauer and Wireless Group). This growing audience scale from the largest operators has been accompanied by commensurate revenue growth.

INDUSTRY ANALYSIS

IMPROVED COLLABORATION

The two sectors of community and local commercial radio both play key roles in their communities. Ways should be examined to establish how, where appropriate, community gain can be jointly facilitated and achievements duly recognised.

This report focuses on the impact and conduct of some community stations on some small commercial radio stations. As highlighted in the opening to this report, all the commercial operators questioned volunteered their support for the community sector in general terms. Indeed, they readily named examples of community stations they believed made a thoroughly worthwhile contribution with negligible impact on their own business.

Given it is simplistic and inaccurate to suggest that only community radio can produce social gain, it would be beneficial to explore further how it might be jointly facilitated, where appropriate, by the two sectors.

In a practical sense this includes working together on providing a route to digital broadcasting for radio stations of all kinds, through the small-scale DAB platform. This has been a successful model through the pilot phase and should continue to be the basis of future licensing.

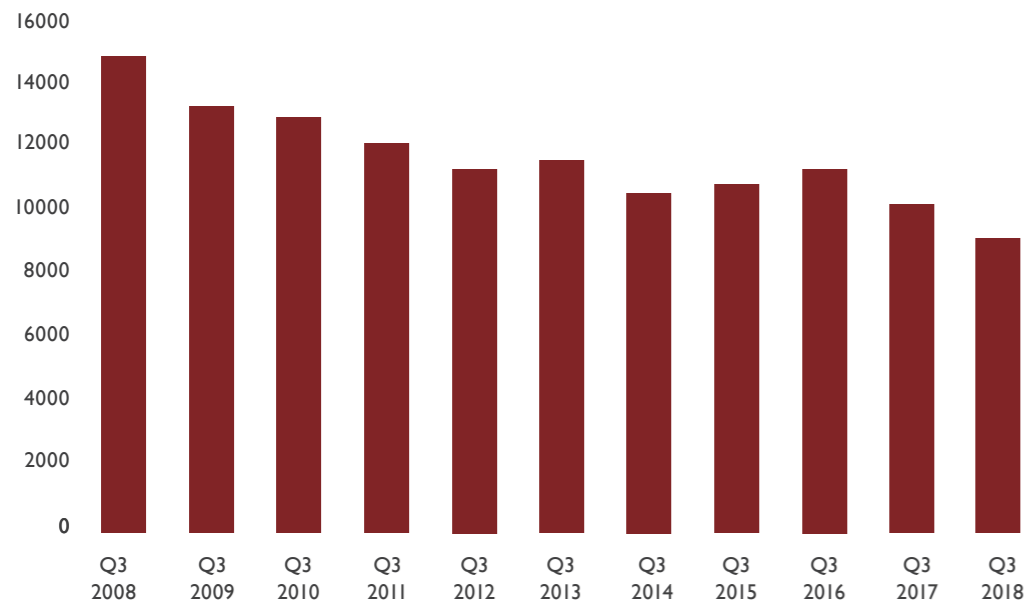
DCMS published its framework for licensing these services in October 2018. However the current proposals would severely limit the ability of commercial operators to be involved (and prevent it completely where they have a share in the local county-wide multiplex).

The exclusion is ostensibly to ensure competition and choice but in reality is likely to limit listener choice on DAB, particularly in under-served and rural areas. DCMS should review this position and provide Ofcom with flexibility to ensure that smaller commercial operators are not blocked from being partners in small-scale DAB.

Collaboration may also take the form of working together on key campaigns such

Whilst these are success stories, they also depict the environment in which the smaller commercial radio stations now operate, alongside competition from a more competitive BBC and fresh digital entertainment offerings.

TOTAL LISTENING HOURS 000s TO SMALL COMMERCIAL RADIO STATIONS (UNDER 200,000 ADULTS)



Source: RAJAR

In revenues, such smaller local radio stations tend to be highly dependent on the local pound which is also under threat. Advertising clients - local retail and service companies - are themselves being subsumed into national brands, with marketing budgets controlled ever more centrally by agencies who naturally choose cohesive national media offerings.

Overall, the radio market is simply becoming busier, with over 450 stations now broadcasting on DAB, including 20 new national commercial radio stations from the launch of the second national commercial DAB multiplex in 2016. Given the DAB platform's growing penetration, the new digital stations now command a significant audience, which is being sliced from listening to other services.

as the ‘Mental Health Minute’, broadcast across UK radio in 2018, or international emergency fundraisers. There may also be scope for liaison on training and diversity initiatives – and on ensuring the best community radio content and individuals are eligible for industry recognition in awards.

There may also be scope for liaison on training initiatives and working to provide opportunities for new and emerging talent from a diverse range of backgrounds.

In addition, it is important for the entire radio fraternity to recognise the community sector where it makes a genuine contribution. The best community radio content, and those individuals providing it, should certainly be able to apply for industry recognition in awards including the cross-industry Audio and Radio Industry Awards (ARIAS) as well as the new Young ARIAS initiative for 8-18 year olds.

ECONOMIC ASSESSMENT

Economic assessments of potential community stations should attach heightened and careful importance to the cases expressed by relevant small commercial radio stations; and consult with them routinely in every instance.

No further latitude should be given to community radio on the nature or level of commercial advertising revenues.

There should also be heightened scrutiny by Ofcom to ensure that revenue reporting is not being distorted by attribution to online services, websites, DAB or such things as related companies, cash payments or any direct payments to contributors, all of which might be used to circumvent current limits on advertising revenue.

Ofcom is required to take into account the economic impact of a planned community service on existing commercial radio services, as set out in section 105 Broadcasting Act 1990, as amended. The 2004 Order required Ofcom to ensure that stations did not “*prejudice unduly the economic viability of any other local service*”. Ofcom, accordingly, sets out clearly and appropriately how it evaluates the scale of any impact.

Commercial radio has evolved hugely in structure and nature in recent years, benefiting from fitting deregulation in many ways. Some might argue, therefore, that today’s commercial stations should need little protection from community stations. This test, however, allows for such factors. It permits ready assent to community stations where the scale and nature of commercial stations in the relevant area means they are likely to be largely unaffected. In this report, there are few criticisms from operators of such major stations.

The worry from operators of smaller stations, however, is that the likely seriousness of the damage to their operations has not been sufficiently well understood - or potential disruption taken into account. Indeed, those operators who choose to continue with very locally-driven approaches in smaller areas, investing in content in excess of regulatory minima, can be the very ones affected most acutely by community stations. The scale of the threat is particularly evident in Scotland and Wales and in the case of ethnic stations.

Whilst some commercial radio operators confirmed they had been approached as part of a community radio economic assessment, others suggested they had not. Some said they have been consulted in respects of some proposed community radio development, but not all. The operators believe they should be consulted in every case, and it is reassuring that Ofcom is considering a review of this process.

Those smaller operators who had been consulted felt aggrieved that the evidence they had supplied did not appear sufficient to reject a damaging new entrant.

Ofcom suggests that whilst the conditions of a community licence may have been adjusted at award in some cases, it has never turned down a community radio licence on the basis of an economic assessment. In some of the smaller communities already amply served by dedicated local commercial radio operators, it is puzzling it has not done so. An expression of interest from a potential community radio operator may not be an indication of a void in listening choice.

It is easy to draw the conclusion that commercial radio stations should not be under appreciable threat from the comparatively low levels of commercial revenues generated by community stations. For the larger commercial stations in the larger areas, this is true. Case by case, however, in smaller areas, the level of revenue derived by the community station can seriously impact on a vulnerable smaller commercial station. This is particularly the case where a commercial station is already targeting not all adults in its area, but a particular community, such as an ethnic station.

Impact deteriorates further when several community stations are launched in close proximity, each seizing a further slice of latent revenues.

The appendices to this report illustrate how some of the small commercial radio stations are on the edge of crisis. At a time when such stations are facing ever greater threats, it is worrying that the number of community stations continues to grow - and the commercial and coverage limitations on community radio operators have been eased.

ECONOMIC ASSESSMENT

In assessing the likely economic impact from a community station, Ofcom states it takes into account:

- The extent of any overlap of the commercial service by the applicant community service and its size (in terms of population) relative to the existing commercial service
- The target audience of the existing commercial service and applicant community service respectively
- Whether the existing commercial service has an MCA population fewer than 250,000 people
- The pattern of population density in any overlapping area
- The profitability of the commercial service
- Whether the commercial service has been operating for fewer than three years
- Whether the commercial service is reliant on local revenue
- Whether there are multiple community radio applications in the same area
- Whether the commercial station already faces existing competition from other community services
- The commercial strategy of the applicant community service, and how much revenue they expect to make from advertising and sponsorship
- The funding model of the applicant community service

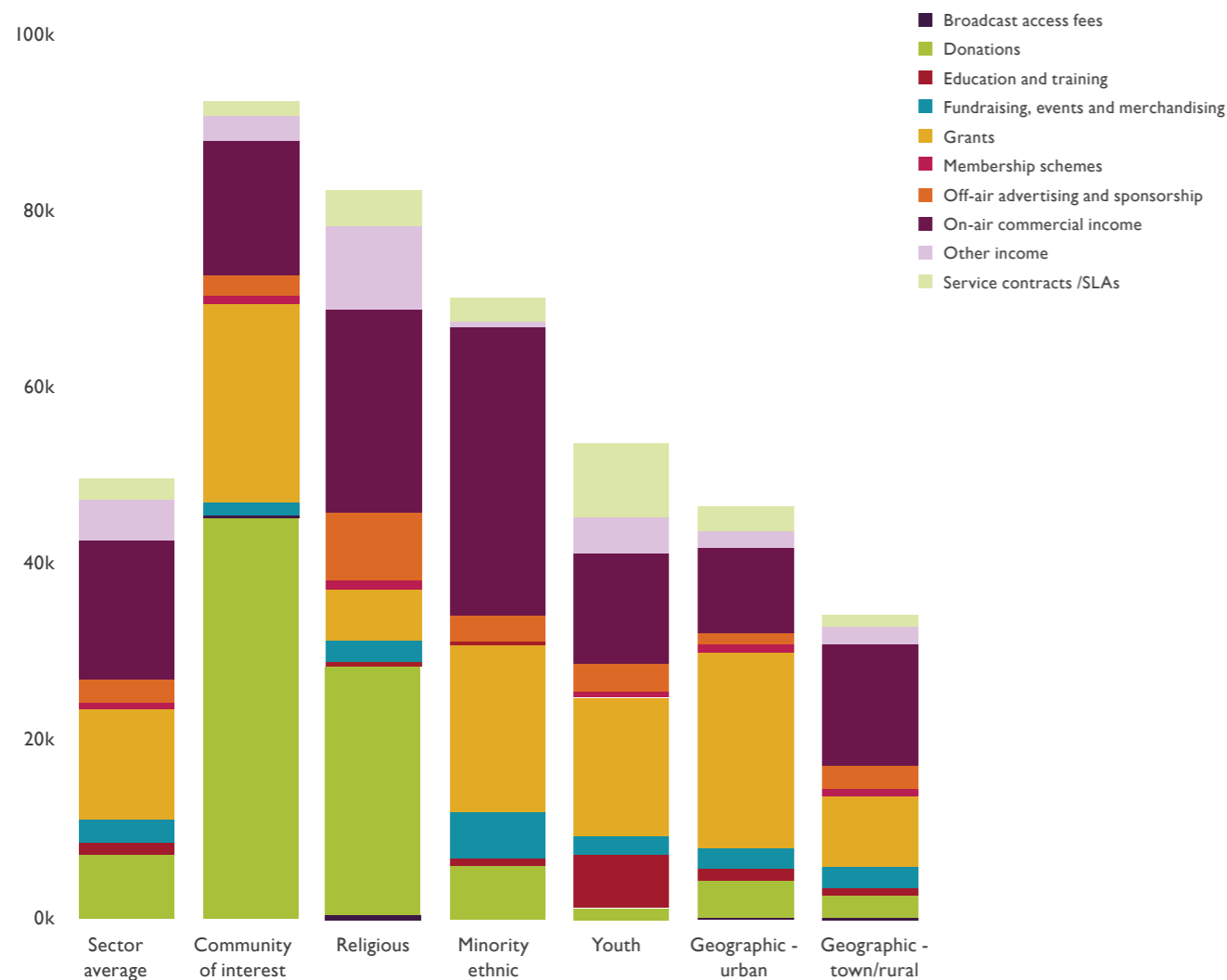
On the basis of that evaluation, Ofcom decides whether to carry out a full economic impact assessment. If it does, it will ask the relevant commercial service for:

- Management accounts, including information on turnover, including advertising and sponsorship revenue (both national and local), for the last four full years
- Operating costs for the last four full years
- Net operating profit for the last four full years

The below graph shows the revenue sources for community station by category of service. As can be seen, on-air commercial income constitutes a significant proportion of the funding. Whilst it may be argued that the sums in question are small, they are of a significant scale to a small commercial station on the edge of viability or in losses.

In towns or rural geographic areas, the likely territory for small commercial stations, on-air commercial advertising revenues account for a hefty 40% of community radio income - almost double the percentage for urban community stations.

REVENUE SOURCES FOR COMMUNITY RADIO BY CATEGORY OF SERVICE



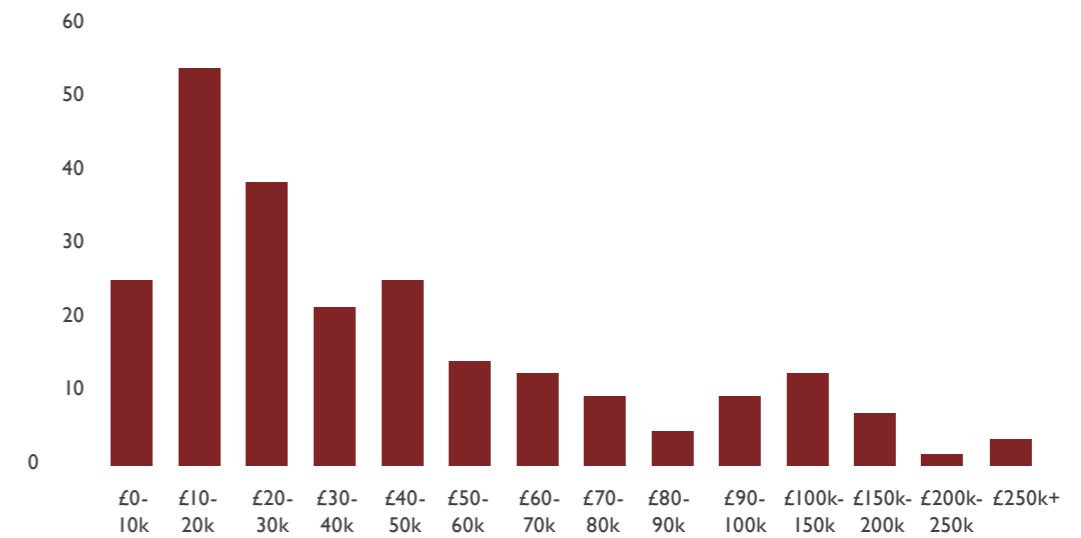
Source: OFCOM

The graph below shows community radio income overall in 2017. Around 15% of stations secure over £100k of income.

Total community radio income in 2017 was £11.9m, with average station income at £51k. Advertising comprised £4.4m, 37% of the sector's income. This comprised £3.8 m for on-air advertising and sponsorship and £655k for off-air advertising and sponsorship.

Ofcom suggests stations benefited, on average, from £16k of on-air advertising. That figure rose to £33k for ethnic stations, which is the category of stations deriving the highest proportion of commercial income (46%). As can be seen from the case studies attached to this report, there is no doubt this is causing real damage to established and much-valued ethnic radio stations. The financial damage is exacerbated when a number of community stations are licensed in the same, or an adjacent, area.

NUMBER OF COMMUNITY STATIONS BY ANNUAL INCOME



Source: OFCOM

Some small commercial operators question the accuracy of community radio revenue attribution. Where a community station also is on DAB, it is suggested that revenues may be attributed to the DAB service and not to the community service to avoid falling foul of any Ofcom revenue limits.

There are calls too to ensure that community radio revenues are not channelled through related companies; cash payments or payments to individuals; or digital platforms. There seems a need for further scrutiny of accounting practice including, inter alia, a full correlation exercise between what is broadcast and what is invoiced.

Putting the scale of community radio revenues to one side, operators of many small commercial stations stress that often it is the sheer market ‘disruption’ created by community stations which causes the damage. Even if business is retained by a commercial station, its spot rates are easily eroded when a community radio station, without the overhead burdens of commercial stations, pitches a campaign at a hugely reduced price.

Under the ownership rules, “*no company or organisation can hold more than one community radio licence*”. Some commercial radio operators question whether or not there are relationships between individuals at various community radio stations and applicant groups which may not amount to overlapping directorships and/or ownership of companies, but which might still be seen as contrary to the spirit of the rules.

There are worries too about how community radio is represented to clients, both in terms of their purpose, and their audience size. In press coverage, one was said to be “*reinventing itself as a fully commercialised broadcast operation*”.

In the absence of official audience data from Rajar, extravagant listening figures may be claimed from a variety of sources which lack the rigour of radio’s official audience currency. When these are misleading - and the clients persuaded by them to spend on community radio do not see a return on their investment - their faith in the efficacy of the radio medium generally can lie in jeopardy.

The 2004 Order required Ofcom to ensure that stations did not “*not prejudice unduly the economic viability of any other local service*”. All stations are sufficiently realistic to understand that any extra station will have some degree of impact, and the drafting of the law allows for some degree of ‘prejudice’ of their economic viability. However, where a small commercial station is loss-making or forced to the edge of viability, it is surely self-evident that it is being ‘unduly’ prejudiced by this extra local community radio competitor.

Ofcom clearly understands the challenges of small commercial operations, as evidenced by it choosing to attach particular importance to section 105(a) of the 1990 Act when licensing smaller stations - ‘*the ability of the applicant to maintain the service*’. It is, therefore, puzzling that once small stations are licensed, they can be subject to damaging extra tiers of competition.

Overall, there is a concern that in its economic assessments, Ofcom is failing to recognise satisfactorily the scale of the threat community stations pose for the smallest commercial radio stations. Some have been pushed into significant losses and fear they may not survive – and they attribute this decline principally to specific community radio operators.

SOCIAL GAIN

Ofcom should commission a full independent report into the ‘social gain’ produced by community radio. Such a project should comprise a deep analysis of the sector, with detailed scrutiny of a significant number of stations to establish the extent to which they are genuinely discharging their licence commitments on and off-air; and establish the nature and degree of societal gain from their work.

There are many excellent examples of the true worth of community radio. Where stations are licensed sensibly and operated honourably, they provide opportunities for local people to get involved, and the content broadcast can be unique and of real value to listeners and the communities in general. New, diverse broadcasters too can get their first step on the ladder. Nothing in this report should be taken as diminishing such efforts. Indeed, a full report into social gain would validate this work.

Social gain is defined in the Community Radio Order 2004 as the achievement of specific objectives. It is apposite to consider these criteria afresh, given how the media world has progressed since 2004.

Now, more than ever, it is possible to achieve many of the objectives, including the provision of education, training and volunteering in the creation and dissemination of audio – without the use of - and funding for - FM transmission.

There are many examples of powerful podcast or video content which has been assembled by enthusiasts and reached specific audiences. And, on BBC local radio, a host of new evening programmes are being devised, often including younger broadcasters, with some stations already offering time explicitly for community radio content.

If community radio - while drawing on the public and charity purse (and risking adversely impacting on small local commercial radio businesses) - is to continue to be gifted FM spectrum and other concessions, its worth must be carefully evaluated.

The broader question for Government is the extent to which community radio and audio generally is part of effective social policy in today’s media world.

In 2014, DCMS stated that community radio had become “*part of a modern radio landscape and valued by the communities they serve*”. This may well be the case, yet there appears little published independent evidence of the second point. How do we know communities and listeners are deriving useful value from the stations without asking them? The information garnered to date has been largely supplied by the operators rather than the consumers of the service. It is a measure of inputs rather than outputs.

In 2015, the then Minister for the Digital Economy, asserted that community stations “*provide an important relevant service alongside the BBC and commercial radio*” although the listener experience has never been fully evaluated.

The compiling of a comprehensive independent analysis of the social gain afforded by community radio would seem in the interests of community radio, the communities they serve, public funders and the commercial radio stations operating in their areas.

Another question the regulator should ask is the extent to which fragmentation of communities through ever more targeted stations may inhibit social cohesion, for example those stations serving the various Asian communities.

Several of the small commercial radio stations worry that some determined community operators can simply be intent on creating a radio station which sounds as mainstream and ‘commercial’ as possible. The attraction for enthusiasts is undeniable – an easy route to getting on-air and fulfilling an ambition. One cannot criticise such individuals – but one should look to station management and the regulator to ensure that their energies are channelled into the real objectives of the community sector.

By contrast, hospital radio enjoys little formal encouragement, yet on the best stations, volunteers understand well the specific needs of their self-defining target audiences and appreciate that such things as ward visiting are a critical part of what they do.

If particular community stations place at risk the valued output of committed small commercial stations and produce inadequate social gain, then such stations will have been a damaging addition to the broadcasting landscape, contrary to the intentions of the 2004 Order.

In Ofcom’s 2004 consultation ‘Licensing Community Radio’, the regulator cited “*a clear message from respondents*” that it should be a “*light touch regulator*” but be “*hands on*” in “*ensuring that groups deliver on their social gain promises*”. Many commercial radio operators fear Ofcom has not taken that message on board.

SOCIAL GAIN

Social gain, defined in the Community Radio Order 2004, is the achievement of the following objectives:

- (a) the provision of sound broadcasting services to individuals who are otherwise underserved by such services,
 - (b) the facilitation of discussion and the expression of opinion,
 - (c) the provision (whether by means of programmes included in the service or otherwise) of education or training to individuals not employed by the person providing the service, and
 - (d) the better understanding of the particular community and the strengthening of links within it, and may also include the achievement of other objectives of a social nature and, in particular, those mentioned in paragraph (3).
- (3) Those objectives are —
- (a) the delivery of services provided by local authorities and other services of a social nature and the increasing, and wider dissemination, of knowledge about those services and about local amenities;
 - (b) the promotion of economic development and of social enterprises;
 - (c) the promotion of employment;
 - (d) the provision of opportunities for the gaining of work experience;
 - (e) the promotion of social inclusion;
 - (f) the promotion of cultural and linguistic diversity;
 - (g) the promotion of civic participation and volunteering.

CONTENT REGULATION

Mindful of the generally worrying compliance record from community radio stations, there is a clear case for better oversight and enforcement. Ofcom should implement ways in which it can better regulate the ongoing content and activities of community radio operators, including the allocation of additional regulatory resource where warranted.

Each community radio station is bound by its 'Key Commitments', which form part of its Ofcom licence. These include a statement to define the particular service, with some outline detail of the music; the nature of the speech requirements; the amount of local programming; and the origin of the service.

Whilst some community stations are required to provide local news, its frequency and scheduling is not stipulated as rigidly as it is for those commercial stations licensed for their local content. It is important to make clear, therefore, that only a limited number of community stations can boast the news service provided by many small local commercial stations.

The community radio licence Key Commitments also define the range of other benefits to be provided including training and community involvement. Ofcom then requires the submission of annual reports covering the ways in which stations have discharged their obligations - and financial reports.

The compliance record of community radio is poor, with around 200 breaches of output and compliance rules recorded in the past four years. For example, in the May 2018 'Broadcast and on-Demand Bulletin', 11 community stations were reported as submitting their financial returns late or not at all.

The value of community radio is often to be found in its speech content. However, with speech comes heightened compliance risk. One upheld content complaint (May 2017) was described as 'very serious'; and in another case (March 2018) a financial sanction was imposed for a broadcast with "*potential for serious harm associated with broadcast content that is likely to encourage or incite crime or lead to disorder...compounded by the fact the material also constituted hate speech*".

Ofcom suggests that "*reviewing content is usually done as a result of complaints received*". Whilst it says it "*may decide*" to carry out other monitoring if it has "*concerns that have been raised by other means*", it does not confirm it has ever done this.

In some senses, mindful of the way community stations are structured and operated and the inherent low barriers to entry, a higher level of errant performance may be expected. Indeed, Ofcom says it acknowledges "*the practical and logistical challenges faced by community radio licensees*".

Accordingly, a case must be made for Ofcom to invest more resource into proactive regulation of the community sector. The sheer volume of activity on and off-air is recognised and no amount of resource would provide comprehensive regulatory coverage, but this report concludes there is a case for more extensive oversight. Ofcom resource, which has diminished in this field, in favour of other radio-related tasks, must be supplemented.

There would seem to be a precedent in this matter from local TV, where Ofcom has mounted a general monitoring exercise "*to gain a better view of current standards in the Local TV sector and an understanding of how licensees are attempting to meet their Programming Commitments*".

In the case of community radio, the matter stretches beyond the judging of outputs. Ofcom needs to be assured, inter alia, that "*members of the target community*" have "*opportunities to participate in the operation and management of the service*".

Proportionate monitoring and investigation may take the form of 'spotlight monitoring' or routine post-award monitoring where a station's activities after a few months on-air are contrasted with what is required. This would be similar to the post-enforcement monitoring which Ofcom already, on occasions, conducts.

Given the clear community objectives of the sector and the specific legal requirement for accountability (Section 105(1)(f) Broadcasting Act 1990), it is puzzling that so little information is made available online to local communities about the nature of their stations. It is challenging from many community radio station websites to establish who operates the stations, and what their objectives are. Annual declarations, required by Ofcom, are not required to

be made public by the stations so that the social gain may be evaluated and recognised by their communities.

By contrast, stations of all sizes in the commercial sector are required to maintain a public file online, linking to their licence, alongside details of how they comply with it; and relevant contact names.

The regulator should introduce a requirement for all community stations to maintain a comprehensive public file, in a specific consistent form, giving the names and structure of the station, alongside its Key Commitments and its most recent annual declaration. Such information would be of benefit to those who contribute funding, to see their investment has been well-placed; and to communities to see examples of how they might engage in future. Some community stations already choose to share such information.

The detail would also help local communities to hold their stations to account, and alert Ofcom if they believed any commitment was not being honoured so that the regulator's efforts might be best targeted. Such publication of material which already exists would not seem to be an unwarranted nor excessive administrative burden for community stations.

Every licence includes specific Key Commitments for programming plus the following requirements:

- The service provides a range of community benefits (social gain objectives mandated by statute) for the target community, both on-air and off-air, and in doing so, achieves the following objectives:
- the facilitation of discussion and the expression of opinion.
- the provision (whether by means of programmes included in the service or otherwise) of education or training to individuals not employed by the person providing the service, and the better understanding of the particular community and the strengthening of links within it.
- Members of the target community contribute to the operation and management of the service.

The licences also require “mechanisms in place” to ensure each one is: “accountable to its target community”, and Section 3(5) of the Community Order requires this as “... a characteristic of every community radio service”.

DISTINCTIVENESS

There are concerns from some small commercial stations that the output from some community radio stations is indistinguishable from commercial stations, and the way community radio operators represent their programme strategy in their communities is unrecognisable from the community objectives.

Ofcom should implement ways in which it can better regulate the ongoing content and activities of community radio operators. This should involve securing any appropriate additional resource required to enforce the regulations.

Community radio was designed to be an additional distinctive tier of stations, targeting new audiences: “the provision of sound broadcasting services to individuals who are otherwise underserved by such services”.

One expects this to be achieved principally in its speech offerings rather than its music offerings, although some stations are required to provide a particular musical offering. A 2014 analysis of community radio concluded that 71% of output was music; and that 75% of stations included chart or mainstream pop music as a key part of their music output.

Where there are speech items of real value, the backdrop of mainstream music may not be of concern, but where they are absent it is easy to see how a community station can easily lack distinctiveness.

Where a tight geographic area already enjoys a small-scale commercial radio station, providing many of the familiar features of a thoroughly local service – stretching, as many do, into off-air community involvement, it is questionable how a community radio station can be justified whatsoever given listeners simply are not “otherwise underserved by such services”.

This report does not include comprehensive output monitoring. However, to inform the findings, a limited number of stations, selected at random, were sampled in August 2018 and the results contrasted with the Key Commitments of the relevant station (see Annex B for the full results). Such content monitoring cannot fully ascertain the extent of off-air social-gain and community involvement, but it can indicate the value to listeners.

Given the largest available audience for radio is at breakfast-time, an hour in this day-part was listened-to, and other programmes dipped into, aided by inspection of the online programme schedules. Whilst such an exercise is not conclusive, it affords the sort of impression of a station that a casual listener might garner.

The exercise concluded that some stations were indeed thoroughly distinctive and providing a valuable community service. In other cases, it was challenging to establish how the stations, on-air at least, were meeting their Key Commitments in hours of continuous music or presenter banter.

PUBLIC FUNDING

Transparency is crucial for stations where public money is being spent. To ensure that local communities can hold their community radio station to account, the stations should be required to maintain a comprehensive ‘public file’.

Community stations rely, to some extent, on public funding of various sorts. Typical examples include grants from local authorities and other public sector bodies.

Additionally, Ofcom is tasked by the UK Department for Digital, Culture, Media & Sport with administering the Community Radio Fund, providing up to £400,000 per annum to help community radio licensees and to support core costs incurred in the provision of community radio services. This may be used by stations on management; fundraising; administration; financial management; community outreach and volunteer organisation and support. The Welsh Government also had a similar scheme between 2008 and 2014.

In 2017/2018, grants per station from Ofcom ranged from £2,160 to £21,190 with an average payment of £14,815. DCMS has confirmed it will continue to provide money to use in the Fund, up to and including 2019/20.

The definition of the Community Radio Fund and how it may be spent suggests that only community radio stations are equipped to deliver community value. As is well-known, commercial radio stations deliver huge public value to significant audiences, from crisis coverage to charity appeals and public service announcements, as illustrated by Radiocentre’s ‘Action Stations’ reports. The most recent edition suggests that commercial radio stations attend over 10,000 local events each year; broadcast an average of 80 community bulletins each week and raised an impressive £25m directly for charity in a year.

If social gain is the objective, it seems puzzling that small commercial radio stations cannot apply for a share of the Community Radio Fund, if they can provide evidence of equivalent, if not greater, value owing to the proven scale of their audiences. Similarly, hospital and student radio stations do much good work and they too should be allowed to pitch for this funding. Government should consider expanding the scope of the fund to maximise the social gain it generates.

Opening up the benefits of the fund to the broader radio industry in this way would also be more consistent with the approach to the new £3m Audio Content Fund. This will not seek to exclude applications from any category Ofcom-licensed station, as long as they meet the criteria.

Overall, around £7m of community station revenue is 'non-commercial', coming from the public or charity purse in various sources. Given the nature and importance of these funders - it is hugely important to know whether or not they are gaining value for their investment.

Radiocentre has called for a full report on this matter of social gain, which has yet to be delivered. It is concerning that a network of stations established to meet very specific objectives, as set out in the Order, has never been properly and independently evaluated.

It is simplistic too to assert that this 'non-commercial' money causes no damage to small local commercial stations. Such revenues attracted by community stations can include some sources which commercial stations would otherwise legitimately be able to attract for airtime or other initiatives, delivering key messaging to their proven audiences.

IMPROVEMENTS TO EXISTING COVERAGE

Ofcom should attach immediate importance to ensuring that the smaller commercial radio stations have access to the best possible FM coverage, within the terms of the legislation and the frequencies available. This should precede any further work on community radio enhancements or general development.

All relevant local commercial radio licensees should be consulted routinely in each case a community radio enhancement is entertained.

There is considerable concern from smaller commercial radio operators that Ofcom has published a specific invitation to community radio operators without first establishing whether the frequencies could provide more value to commercial radio stations, in line with the specific statutory provisions governing community radio.

However, in June 2017, Ofcom placed community radio coverage enhancements specifically on the Ofcom timetable: *"Next (after a new licensing round) we will consider requests for coverage extensions for existing services"*.

The announcement on community radio had not been preceded by an indication that 'Ofcom resource' would specifically be scheduled to consider deserving commercial radio enhancements, nor that resource would be allotted for such a task. This is despite the legislation requiring that community radio serve *"individuals who are otherwise underserved by such services"*, and a concern from operators that adjustments for community radio could impact adversely on frequency use for commercial radio. It is incumbent on the regulator to put frequency spectrum to the best possible use if it is to achieve its overarching objectives.

The announcement was followed in June 2018, by Ofcom expressly inviting existing community radio licensees the opportunity to apply for:

- a) an improvement to their signal, *"if they suffer from poor coverage within their existing licensed coverage area"*; and
- b) an extension of their licensed coverage area into an adjoining area or locality.

• Improvements to community radio coverage

Ofcom stated that improvements for community radio stations may be entertained if there is evidence of significant interference and poor coverage; and if no significant extension of the coverage area is created, and thus Key Commitments would not require amendments.

In deciding whether to agree to such an improvement, Ofcom stated it will take into account technical and service area factors and whether there is “*competing demand for the spectrum from another community radio licensee*” (paragraph 2.41). It is puzzling that this section, at least, suggests Ofcom appears not to consider similar demand from a commercial radio licensee.

• Extensions to community radio coverage

Extension of licensed coverage area into an adjoining area may only be authorised, in accordance with Sections 106(4) – (6) Broadcasting Act, as amended, if it would “*not result in a significant increase in the licensed area, or if Ofcom considers that the increase in the licensed area is justifiable in the exceptional circumstances of the case*”.

In the case of community radio, therefore, Ofcom stated it will take into account, particularly, six ‘core considerations’. These include the size and nature of the population increase, the relationship between areas; the nature of the original application proposals; frequency availability and the broader impact of using such a frequency.

It stated too that a decision would also take into account the potential impact on other licensed commercial and community radio services (paragraph 247(f)). Where a community radio licence has a restriction on funding (a cap on income from on-air advertising and sponsorship of £15,000 per year) due to overlap with a commercial service, Ofcom states it is “*unlikely to agree to an extension that would increase the overlap. Where an extension would extend coverage of one service into the core area of an overlapped commercial or community service (for example into the main town served by that station)*” it also suggests it may not agree to a request.

Ofcom further states (paragraph 2.48) that stations requesting an extension must already be providing a service “*which conforms with the ‘characteristics of service’ legal requirements*” for community radio, as set out in their licence. There appears, however, no indication by Ofcom as to how it intends to establish the extent to which a service is compliant beyond self-certification.

• Commercial radio coverage

Whilst one can understand the wish to enhance or supplement unsatisfactory community radio coverage, smaller commercial services are concerned that they have not been afforded a similar specific invitation. Ofcom states there already exists a process whereby a local commercial radio station can request a coverage enhancement; and that many stations have taken advantage of this.

It also points out that the spectrum allocated to community radio services is “*largely not suitable to support commercially sustainable radio services*”; and highlights its duty when considering enhancements to “*consider the impact on local commercial radio services*”. Indeed, the processes for both sectors were outlined in an updated ‘coverage and planning policy’ document in June 2018.

It is felt, however, by several operators of smaller commercial stations that their experience of requesting coverage enhancements had not received a sympathetic ear. Section 3.5 of ‘Coverage and planning policy for analogue radio broadcasting services’ (June 2018) suggests that: “*Ofcom may be willing to consider enhancements for commercial services; whereas 4.6 states, in the case of community radio: “Ofcom is willing to consider requests for coverage improvements...”*”.

By way of example, one group operating a smaller commercial station suggested it had enquired about an extension when a neighbouring community station failed, so that it might return local radio to the area, and also aid the viability of the small commercial station itself. It suggests no substantive response was ever received. The station believes it could have justified the extension, in exactly the same way that community stations are justifying theirs in terms of proximity and nature of adjacent areas. Whilst the additional frequency alone would not sustain a commercial service, it could certainly have enhanced one.

Another commercial radio operator suggests it was only after four months and several reminders, was any response received. Some small commercial stations suggested that their relative situation was worsened by some community stations choosing to increase their transmission power permanently or intermittently without authority. Ofcom must devote sufficient resource to identify such offenders and withdraw their licences.

Small-scale commercial operators call for a more formal, open and swift process for any applications for coverage enhancements, with timescales stipulated, given the impact of these decisions to a radio company. Some believed that the industry at large would be open to the funding of proportionate extra resource. In the case of community radio enhancements, it would seem important, in all cases, to consult with relevant local radio licensees as the change may result in prejudicing unduly the latter services.

LICENCE TERM EXTENSIONS

Smaller commercial radio stations should qualify for a licence renewal on committing to either a traditional local radio multiplex or a small-scale DAB multiplex. The statute should be amended accordingly to reflect today's DAB infrastructure.

Commercial stations of all sizes have been urged to commit to DAB to qualify for an FM licence renewal. The extra transmission platform comes at a serious cost for small stations, given they generally need to commit to capacity on a much larger multiplex, alongside the major radio brands. In these cases, the cost is disproportionate to the value.

The alternative is allowing the small commercial radio licence to be re-advertised - which poses a serious risk to the business. The non-renewal by Ofcom of the Town 102 licence in Ipswich illustrates the risk is real.

It seems odd that, to qualify for an extension, a small commercial station must commit to a DAB multiplex much larger than its own area, at a time when small-scale multiplexes are coming on-air. Current legislation does not appear to allow for renewal through provision of a station on a small-scale multiplex.

This would be an anomaly, as small-scale multiplexes were not envisaged under the current legislation.

CONCLUSION

The findings of this report suggest that the two sectors of commercial and community radio seem to be working at odds in delivering communities with targeted local radio.

There is no doubt that some smaller commercial radio stations have been unduly prejudiced by the number and nature of some community radio stations; the revenues they attract; and the market disruption they create.

Whilst sensibly-licensed community stations attract widespread and ready support from their commercial radio colleagues, others fail to generate the level of social gain envisaged, contrary to the intentions of statute.

There is evidence of significant damage to small commercial radio businesses, particularly those in rural areas, Scotland and Wales and those serving the Asian community. Some stations have moved from modest profitability to losses and their future lies in doubt.

Ofcom is now beginning work on a further tranche of community radio station licensing; and work on coverage enhancements are already underway. Immediate action is, therefore, needed if there are not to be further casualties in much valued small-scale local commercial radio. Such action is detailed in the recommendations of this report:

- **Improved collaboration between community radio and commercial radio**
- **The commissioning of a full analysis of community radio social gain;**
- **Imposing a licence requirement for a comprehensive public file for each community station;**
- **Heightened economic scrutiny, both at licensing and beyond;**
- **Conducting an immediate evaluation of any coverage enhancements sought by small commercial operators;**
- **Recommending that statute be amended to allow smaller commercial radio stations to qualify for a licence renewal on small-scale DAB multiplex carriage;**
- **A pause in further community radio development pending a full independent review of the sector and consideration of audio's place in social gain;**
- **A re-defining of the Community Radio Fund so that others may bid for funding for specific audio projects;**
- **Introducing licence conditions requiring community radio stations to represent themselves fairly in their communities;**
- **Allocating more Ofcom resource to enforcing community radio compliance.**

It is suggested, therefore, that a suitable forum is promptly established to explore the recommendations of this report and swiftly implement an agreed plan to address the matters raised and best inform future policy.

ANNEX A - CASE STUDIES

To illustrate the risks of inappropriate community radio licensing or conduct, contact was established with several concerned small-scale commercial radio operators.

Several of the stories are alarming, particularly where they involve small commercial stations serving Wales, Scotland or specific ethnic groups.

In all cases, the operators went to pains to praise sensibly-licensed community stations which discharge social gain honourably with distinctive programming aimed at specific communities and offer demonstrable community involvement and training opportunities.

SABRAS RADIO



A MUSIC AND INFORMATION STATION FOR ASIAN LISTENERS
IN AND AROUND LEICESTER, BROADCASTING A VARIETY OF
LANGUAGES AND ASIAN MUSICAL GENRES

“Community stations have decimated our turnover”

Sabras Radio is a station serving the Asian population in Leicestershire, established in September 1995. It quickly developed into a strong station appealing to the entire Asian population. Atypically, the station was licensed on AM, not FM. Its success was achieved despite the presence of the BBC Asian Network, with its ever-growing scope of activity.

The station broadcasts Gujarati, Hindi, Punjabi and religious programming with news too delivered in various languages.

Today, Sabras says it faces further direct competition from at least four of the seven local community stations which operate within the Sabras transmission area. The station suggests that whilst it has been consulted about the most recent rounds of licensing, it was not consulted about the earlier arrivals.

In many cases of community radio concern, audience attrition is not cited. However, in the case of Sabras, it believes this is the case. They have witnessed audience fragmentation, *“creating divisions and boundaries within the total Asian radio audience”*, with specialist Sikh and Punjabi focused-stations eating significantly into the Sabras audience.

Sabras further claims that community stations have seriously impacted on revenues, *“decimating turnover”* as business communities have changed loyalties. Spot rates have been under pressure and some Asian communities have ceased advertising spend on Sabras completely.

Sabras is also concerned about the extent to which the activities of community stations are policed; and how well they adhere to their programming commitments.

At a time when community stations are invited to make representations about coverage enhancements, Sabras feels its wish to upgrade to FM has never been duly considered. Given the decline of AM listening, it would seem obvious to have implemented a policy of exploring routinely whether any FM frequencies could be used for AM stations, given such upgrades have been implemented elsewhere.

In the past, Sabras has approached Ofcom to assist with an FM frequency or alternatively allow a power increase on AM, but feels that Ofcom and its predecessor has failed to *“grasp the seriousness of the situation”*, whilst continuing to grant FM licences to community stations. The latest application from Sabras came at a time when the station was re-negotiating transmission arrangements and finding it *“financially prohibitive”* to enter into a new agreement on its existing transmitter.

The company also believes that the cost of its DAB carriage is disproportionate to its value, but it was obliged to commit owing to the risk to the business of licence re-advertisement.

Overall, Sabras is concerned about community stations being licensed which self-evidently, owing to their targeting, have a significant – and now proven – impact on its livelihood. This is contrary to the legislative intention of not unduly prejudicing the economic viability of any other local commercial radio service. Sabras has made its case to Ofcom but feels its concerns have not been taken into account. of any other local commercial radio service.

Sabras has made its case to Ofcom but feels its concerns have not been taken into account.



RADIO CEREDIGION

A LOCAL NEWS, BROAD MUSIC AND INFORMATION SERVICE FOR CEREDIGION TARGETTING A BROAD 15+ AUDIENCE AND INCLUDING REGULAR AND IDENTIFIABLE WELSH LANGUAGE PROGRAMMING.

“A small station can depend on just half a dozen key advertisers in a rural market— if you lose those or their yield is reduced by a new competitor, the station is at real risk”

Radio Ceredigion is a small commercial radio station serving the rural patch of Ceredigion in Mid Wales. It is owned and operated by Nation Broadcasting. It provides dedicated programming including such elements as dedicated news bulletins, local ‘hero’ awards and presenters much-loved by their local audiences. Like many stations, it provided a programme content above and beyond the regulatory minimum.

The station adjusted its cost base to stem losses, not least by taking advantage of the deregulatory flexibility Ofcom offered to local stations, for example the ability to co-locate premises. However, in doing so, the station lost its protection against a community station being licensed.

If Ofcom’s deregulatory approach is designed to help local commercial radio survive generally against an

ever more competitive media backdrop, it seems perverse and counter-productive that an immediate by-product of using such flexibility is a new competitor for the most vulnerable stations of all who were protected hitherto.

When faced with the prospect of a new community station in the area, the owners decided that they could no longer risk continuing with their business model. Indeed, prior to their ownership, every operator of this licence failed to complete its licence term.

At the stage of licence renewal, therefore, rather than continue and gain an automatic licence renewal, they chose to face competition and apply afresh with a new more cautious model. In that application, the fully localized station was replaced by the programmes from an expanded neighbouring service.

In short, even the prospect of a community station dealt a terminal blow to this valuable local service. The stated objective of community radio was to complement commercial radio, not remove it.

There is a case that the continued viability of small stations like this could have been secured, rather than undermined, by evaluating more carefully both existing radio provision – and the best use of any further available frequencies in the area. One such frequency

could help the commercial station build on its proven track record and audiences, rather than rely on the hopes of whomsoever might apply for any community licence.

Whilst the future community station may succeed, it may not. Other community station plans in the area have failed to be realized. A community station called Radio Beca for Ceredigion, Carmarthenshire and north Pembrokeshire was licensed in 2012, but had its licence revoked when it failed to come on air after two years. Ceredigion suggest this community award overlapped the MCA of three existing commercial radio licences.

The owners of Radio Ceredigion recognise the value of community radio, where distinctive services are provided appealing to specific tastes and interests, but question the merits where the objective is purely to deliver ‘local radio’ to a similar geographical patch, creating head-on crossover. They also point out the extent of the conflict where the areas served are rural, rather than urban and clients are few.

The above experience suggests that Ofcom should have retained its wise earlier caution on the areas where community radio would be licensed; and review the circumstances where taking advantage of logical premises and programme-sharing diminishes the level of protection from community radio. There is also a

case that such small stations should be allowed to bid for the community radio fund to deliver on further defined objectives.



RADIO EXE

A FULL LOCAL SERVICE DEDICATED TO LISTENERS IN EXETER AND THE SURROUNDING AREA, COMBINING A WIDE VARIETY OF CLASSIC AND CONTEMPORARY MUSIC TOGETHER WITH A HIGH-QUALITY, DISTINCTIVE RANGE OF SPEECH AND INFORMATION FEATURES FOCUSED ON MATTERS OF LOCAL INTEREST AND RELEVANCE.

“We pay our staff, but there’s no chance of a return for shareholders”

Radio Exe (formerly Exeter FM) is an independent locally owned commercial radio station based in Exeter in Devon. It holds just one FM licence.

The station struggled in its earlier incarnations under the ownership of a larger international group and was about to fold, losing six figure sums annually. It has been nursed back to health, but still suggests that it is always effectively ‘*extremely difficult*’ in financial terms, and only on the edge of sustainability. It has an MCA of 132,000.

The operators of Radio Exe are keen to stress that they have no objection to true community radio – well-focused and run honourably with the intention of serving the community rather than just personal satisfaction. Indeed, they praised Phonic FM and Riviera FM (Torquay) for being well-governed and supported by a true diversity of members from all walks of life.

They feel other stations, however, do not appear to be operating as constructively, posing a threat both to revenues and audiences - by broadcasting on superior platforms to wide areas and being able to compete head-on for audiences whilst taking advantage of all the benefits of community status to lower their cost-base.

Radio Exe questions the level of social gain from some services –and whether all staff (or volunteers) have sufficient grasp of the concept and the objectives of the community station they serve. They point out that social gain is not evaluated formally by Ofcom, with the annual report submitted by stations with little or no scrutiny, in the absence of listener complaint. Again, Radio Exe cites some excellent examples of genuine benefit from laudable stations, yet other services where even a glance at the programme schedule suggests social gain is notably absent.

The station was concerned that the transmission footprint of one community station appeared to far exceed what had been proposed, with its transmitter located well outside the 5km area for the community it serves: the distance which is Ofcom’s general limit for community stations. This larger area has been embraced by the station editorially and commercially. Such enhancements occurred, they claim, without consultation. They are concerned any enhancements to community stations will tilt the balance of comparative signal strengths once more. Exe believes if appropriate Ofcom resource had been devoted to helping them explore the possible frequencies available they would have been able to make a sound case.

Exe suggests that its own signal has always been poor, unable to be heard in some key areas. Exeter is Devon’s capital city, but Radio Exe claims it cannot be heard in some places 10 miles away; clearly within the travel-to-work area. It has taken advantage of DAB,

to better its coverage and also to secure FM licence renewal. It believes that its own fees for multiplex carriage are on less favourable terms than community stations, on lower bit rates.

Exe questions whether the music played on some community stations truly “*broaden(s) the range of programmes available by way of local services to people living in the area*”.

Mainstream music programming from community stations, without the necessary ad loadings of Exe owing to their alternative income sources, can be a threat in audience terms. This comes at a time when audiences are being lost to powerful new well-marketed national brands on DAB. Exe needs an audience to survive – and some, but not all, community stations are proving direct audience competitors in a way for which they were not licensed.

Exe points to the cost-base of community stations compared to their own. Exe derives no concessions, paying full PRS/PPL rates, staff and pension costs, and is not able to lean on subsidised premises and associated concessions. Community stations pay lower copyright rates, usually at the minimum fee level, which even include fees for any rebroadcast on small-scale DAB.

Exe is unable to apply for grant funding in the way community stations can. Whilst it could compete for funding for other ‘public service’ content, it cannot always offer the volume of content community stations can and is therefore less likely to be chosen

for such monies. It believes, however, such content would be served to fewer people on community radio and may thus not be the most appropriate use of public money. Furthermore, they fear that any ineffective radio campaigns carried on community radio risk may undermine the perceived value of the medium.

They question too the accuracy of audience research from some community stations and the ways in which it may be presented.

It is thus not just about losing particular slices of revenue to community stations – in terms of spot advertising, Exe accepts it offers clients the better option - it is the broader present and future impact of their existence and modus operandi on a small advertising market. It suggests: “*a community station that takes commercials is, by definition, a commercial station.*”

Unlike some small commercial radio stations, Exe is not able to share overheads with neighbouring stations, therefore it relies wholly on its own community for its livelihood. Where community stations ‘act as commercial stations’ Exe says they undermine the sustainability of an operation which has created eight jobs in a commercial sector where national consolidation has led to a loss of jobs in the industry.

WAVES RADIO - PETERHEAD



A BROAD MUSIC, LOCALLY ORIENTED INFORMATION SERVICE FOR ALL ADULTS IN THE PETERHEAD AREA

Waves Radio is a local radio station based in Peterhead, North East Scotland. Licensed in 1990, they talk of the strict licensing criteria they faced on winning their licence, compared with what they suggest is a much less rigorous process for community stations. Their own commitment to small-scale commercial radio followed a thorough grounding in RSLs (restricted service licences) where they honed their plans and developed their abilities.

Peterhead is currently serviced by three radio stations: two from Aberdeen with relay transmitters situated in the immediate area - and Waves Radio based in the town. Given the population of Peterhead at the last census in 2011 was 18,500, Waves suggests there is sufficient choice for the residents who also have access to an increasing number of other stations via DAB. Notwithstanding the statutory definition, it is difficult to conclude this small commercial radio station, Waves Radio, is anything other than a true, diligent 'community radio station', yet it derives none of the benefits.

The Waves Radio programme schedule features fish market landings, and regular local news, travel and weather bulletins. The programme 'Making Waves' focuses on local and national items with interviews, comments and features "Word on Health". These on-air efforts are accompanied by a real commitment to serve local causes, such as 'the mile of pennies' for cancer research and the £120k raised from the Peterhead Cancer Research Relay for Life.

They deem themselves a professional business, providing real jobs and, deriving no income from the "begging bowl". On the contrary, they are proud that the station "does its bit", wherever possible, to put money back into the community.

A direct community radio 'competitor' has yet to come to air, although one has now been licensed. Waves Radio questions whether the proposed community station can bring anything further to the area than its own offering.

Any advertising booked on a new station would take away revenues from a severely limited local pool of clients. Furthermore, advertising rates from a community station, routinely lower than a commercial station owing to smaller overheads, would distort the market.

To be confident in retaining their FM licence, Waves committed reluctantly to DAB carriage, which has added a significant additional cost. By the same token, a community station can simply place itself on the lower-costing DAB stations if the operators feel a need for digital carriage. Choosing the lower cost alternative would mean the commercial station would lose its licence.

SILK FM



A COMMUNITY-ORIENTED BROAD MUSIC STATION FOR MACCLESFIELD AIMED PRIMARILY AT 25 TO 54 YEAR-OLDS, WITH A STRONG COMMITMENT TO LOCAL NEWS

"This is a tight margin business. 10% difference in revenue can make a damaging difference"

Silk fm is an award-winning small station serving Macclesfield and East Cheshire, established in 1998.

It had its 'protection' from community radio reduced when its own MCA was expanded. It points out that this expansion had been implemented to deliver a quality of listener experience rather than to increase the editorial area - evidenced by the fact that it chose not to extend its researched TSA.

Now, Silk faces a community station in its patch which it believes to be operating more commercially than it should.

The station points out that community stations often run with a single paid employee, meaning that sales staff for the commercial airtime and other products are unlikely to be professionals and therefore cannot be expected to routinely have the rigour and accountability of a professional operator. With voluntary staff, there is an understandable risk that commercial campaigns may not be delivered correctly, but this can cause damage to the reputation of the medium itself at the expense of all stations.

Ofcom did allocate Silk fm a transmission power increase but the move was partially retracted owing to competitor complaints. They note the recent offer to community radio to apply for power increases and is concerned the equivalent offer was not made beforehand to small scale commercial radio operators.

They point out that whilst the revenues generated per se, by a community station may not be significant, the disruption to a carefully balanced local radio advertising market can have a seriously deleterious effect on a small local commercial operator.

PANJAB RADIO



THE SERVICE WILL BE KNOWN AS PANJAB RADIO AND WILL PROVIDE A SERVICE AIMED AT THE PANJABI COMMUNITY. IT WILL EMBRACE PANJABI CULTURE AND LANGUAGE WITH SPIRITUAL MUSIC AND THE CELEBRATION OF FESTIVALS FOR A VARIETY OF RELIGIONS. THE SERVICE WILL BE BROADCAST IN PANJABI AND ENGLISH LANGUAGES

Panjab Radio serves North London, with additional carriage on DAB and Sky. It provides radio for the Panjabi community, including news from East and West Punjab. The station provides religious programmes for the Sikh community and has played a role in fund-raising for such things as an appeal for the victims of the 2002 earthquake in Gujarat state in India which resulted in the building of 104 new homes.

Panjab's North London licence is on AM, a waveband with a declining audience, yet it suggests it has received little Ofcom enthusiasm for considering improving its coverage. Panjab was concerned that its application to review additional transmission in West London arrangements took many months to be processed; and was only responded to after persistent enquiries – and with a standard reply.

In London, Panjab faces three community radio stations and questions their community status owing to some of them choosing to broadcast on other platforms to reach additional geographic areas. Panjab also points out the low advertising rates which community stations are using in the market, which jeopardise its own business.

Panjab fears that any analogue coverage enhancements for these stations will impact severely on their own business.

In short, Panjab Radio feels community radio stations are afforded a level of support by Ofcom which is not offered to small local commercial stations.

RUTLAND RADIO



A MELODIC MUSIC AND INFORMATION STATION PRIMARILY FOR 25-54 YEAR-OLDS IN THE RUTLAND AND STAMFORD AREA, HIGHLY FOCUSED ON LOCAL ISSUES.

Rutland Radio came on air twenty years ago serving the smallest county in England. It broadcasts local programmes at least 10 hours a day during daytime weekdays and at least 4 hours daytime Saturdays and Sundays. Like many such small stations, it chooses to deliver programming which exceeds the minimum required by Ofcom's guidelines on localness, in that it could choose to amalgamate services.

In 2014, a community station was proposed in the area from BFBS. This Cottesmore and North Luffenham service would be aimed *"at military service personnel, their families and the wider local civilian community supporting the contiguous military bases"*.

Whilst recognising the huge value of BFBS around the World, Rutland Radio made representations to Ofcom about the serious damage such a station might have made to its viability in this local area. The exhaustive efforts involved invoking the support of key local figures. In the event, the station was given the go-ahead, but at a very low power. The proposed operators chose not to launch under such conditions.

Whilst it may be suggested that this is evidence of the regulatory approach working, Rutland Radio stresses that its efforts took a considerable amount of time and its case was only reluctantly agreed. It is suggested that the management of a smaller stand-alone station may not have been able to spare the resource to mount such a concerted campaign.

Like all other operators, however, Rutland's parent company goes to pains to volunteer that other community stations, doing very distinct jobs honourably in larger transmission areas cause no issues.

Where issues do exist, they believe that community stations can disrupt businesses, eroding yield for advertising spots. It is also suggested that damage results from community stations making expansive claims about their audience figures. Clients can be confused or misled, and any lack of effectiveness from a campaign secured on community radio can erode a client's trust in the medium generally.

There are questions too about the extent to which community operators are free to break the spirit of the regulations by attributing revenues to their DAB services rather than to the FM channel.

Whilst it is acknowledged that commercial stations can apply for transmission enhancements, and Rutland's parent group have successfully achieved that, there is a belief that the process is not open; and insufficient time has been devoted to ensuring that commercial stations have appropriate coverage. It believes the Ofcom funding model allows the frequency planning team to be expanded, as reasonably necessary, to deliver the appropriate service levels to licensees in this critical field.



NEW WAVE MEDIA

“We feel [as small commercial radio operators], we are no longer welcomed in the landscape by the regulator, judging by its actions”

New Wave Media, established in 2007, has owned small stations in Scotland. It believes the regulatory environment has not been sufficiently supportive of small commercial radio stations in general terms.

They are puzzled why a City such as Edinburgh should only have one dedicated FM commercial radio licence, given its scale. They reported that having enquired about the prospect of a commercial opportunity, they were told that Ofcom was not considering further FM licensing owing to the strategic move to DAB. Whilst this would have been a satisfactory response, they observed that the regulator has continue to expend effort in delivering community radio on FM to the City.

They believe that if community radio is, as statute states, to deliver radio services which would not otherwise exist, then commercial radio consortia

should have been invited to apply for a licence, in the first instance. They point out that the two community stations licensed are not now on-air.

The company also expressed concern about the blurred definition of licences. They cited one holder of a neighbouring small-scale commercial licence delivering a service which appears utterly community-oriented in its objectives, sources of funding and volunteer involvement behaviour. Whilst that project appears laudable, its definition as a commercial station meant that New Wave was not able to make a case for extending the broadcast area of one of its own struggling stations in Dundee. Such an extension would have helped the station to survive as part of the small independent group, rather than be sold, as it was.

New Wave, therefore, raises general questions about the classification of licences and whether there is a scope for some re-classification of licences in certain circumstances.



COOL FM/ DOWNTOWN RADIO

**ON 97.4 MHZ: A LOCALLY-ORIENTED ROCK AND POP STATION AIMED AT 15-35 YEAR-OLDS IN THE BELFAST AREA.
ON 96.4, 96.6, 97.1, 102.3, 102.4, 103.1, 103.4 MHZ: A LOCALLY-ORIENTED MUSIC AND INFORMATION STATION OF PARTICULAR APPEAL TO OVER 30S IN NORTHERN IRELAND.**

The Cool FM and Downtown Radio stations are owned by Bauer, serving Belfast and Northern Ireland on their various frequencies.

The operators point out that some community radio stations are doing ‘exactly what they should be’, with little impact on their own business in terms of audience and revenues; and they make a distinctive contribution.

They pointed out one case, however, of a community radio station which had impacted in the past although the situation now was felt to be less acute. They estimated that around half a million listening hours had been lost to one station which they believed had not been operating in line with its Key Commitments, emerging instead simply as “another part of the CHR listening mix in the City”. Whilst it believed it had not suffered financially at the time, it suggested that other commercial operators in the area may have done.

Whilst some complaints were upheld, the view of Cool/Downtown overall was that the “cogs had turned slowly” at the regulator when concern had been expressed.



SUNRISE RADIO- YORKSHIRE

A BROAD ASIAN MUSIC, ENTERTAINMENT AND INFORMATION SERVICE FOR ASIANS IN THE BRADFORD AREA, IN APPROPRIATE LANGUAGES.

“It seems as if Ofcom are trying to close us down”

Sunrise came on air in 1989. It provides a full service for the Asian community, with a range of programmes, including discussion programmes and longer news features. There are regular news bulletins provided by a trained journalist – in both English and Hindi - and a trainee programme.

Overall the station says that it provides “programming for all communities and actively work with organisations to promote harmony across the region”, helping “integration or community cohesion”. Sunrise feels aggrieved at the level of community radio stations launched in their Bradford area. The issue is further worsened by the range of stations licensed in neighbouring Leeds just nine miles away or Huddersfield, whose signals easily overlap. These stations have served to create a competitive environment which has now pushed the station into losses.

To illustrate the community radio in the area: Bradford Asian Radio is a speech-led radio station for the Asian population of Bradford; Radio Sangam serves the Indian, Pakistani and Bangladeshi communities of Huddersfield; Akash Radio Leeds is for the Punjabi-speaking communities living in the inner-city areas of Leeds, mainly Sikhs and Hindus but also Punjabi-speaking Muslims; Fever FM is for the South Asian communities of Leeds; and BCB provides a service for diverse inner city communities in Bradford, covering a range of ethnic minorities, age groups and special interest groups. Radio MAC has now also been

licensed, planning to broadcast a community radio service to the diverse Muslim community and wider ethnic communities (primarily Asian and Asian British) of Bradford.

There are also short-term restricted service (RSL) licences granted for festivals (Diwali, Muharram, Ramadan, Vaisakhi, Hajj, Pakistan independence day etc.), which are granted with such regularity that they too can amount to a fresh competitor, including such stations as Radio Ramadan (Bradford); Radio Ramadan (Huddersfield); Ramadan Radio (Leeds); and Radio Ramadan (Keighley).

In addition, Sunrise faces some degree of competition from BBC Radio Leeds’s Asian programming, Sunrise Radio (London) (DAB), BBC Asian Network (DAB), Panjab Radio (DAB), Asian Sound (DAB).

A glance at the list suggests how challenging life has become for Sunrise – targeting just the Asian/Asian British population of Bradford of 140,149. Sunrise suggests that some stations are broadcasting a very similar offering to them, (for instance Bradford Asian Radio is licensed as a speech-led station but is music-led) offering little choice for listeners – but agrees that some, such as BCB, with its range of specialist programmes, do offer something different and are a valuable addition.

Whilst many of the stations are not licensed wholly within the Sunrise TSA, radio signals spill over with ease and it is well known that listeners will search out specialist offerings from outside the area.

In revenues, Sunrise says it has lost clients, and yield has been eroded from the cheap deals offered by community stations. The Ofcom figures suggest that commercial revenues form a higher proportion of ethnic community radio income than any other format. The total of revenues from all the stations above therefore will constitute a considerable sum which is no longer available for Sunrise. Sunrise is also concerned that the advertising code is not being correctly implemented by some community stations, which leads to clients choosing to spend elsewhere to avoid the rigours of compliance.

In terms of coverage, Sunrise has been concerned about its coverage for decades, given it launched on what was called a ‘temporary frequency’. It suggests its plight was recognised by the former regulator who offered assurances that two frequencies had been identified. In time, these were awarded instead to community operators. Save for a small power increase, Sunrise’s concerns have never been addressed. Sunrise suggests it was invited to make its case to Ofcom when the regulator conducted an impact assessment on planning to license further community radio. Despite the situation being as above, a further licence was awarded.

The station has been pushed into losses, with the redundancy of some posts including local journalists. The evidence suggests that this is a station which has been unduly prejudiced by community radio contrary to the intention of the law. Sunrise suggests it feels there is a regulatory bias to community radio.

ANNEX B - CONTENT SAMPLING

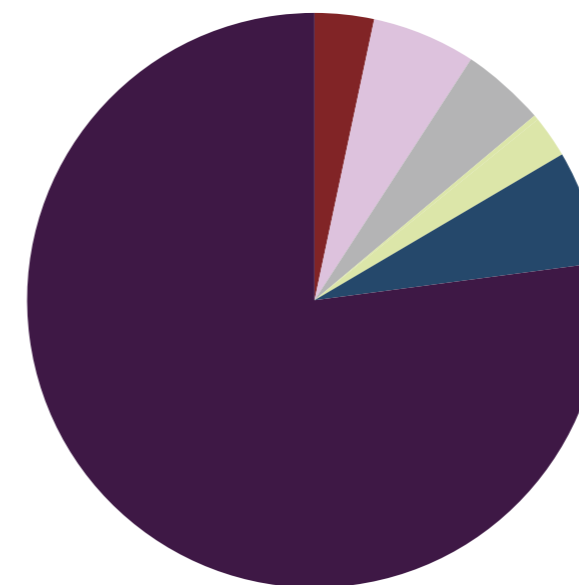
To inform the findings of this report, a limited number of stations, selected at random, were sampled in August and September 2018. Such content monitoring cannot fully ascertain the extent of off-air social-gain and community involvement, but it can indicate the value to listeners.

Given the largest available audience for radio is at breakfast-time, an hour in this day-part was listened-to, and other programmes dipped into, aided by inspection of the online programme schedules. Whilst such an exercise is not conclusive, it affords the sort of impression of a station a casual listener might garner.

Overall, some stations did offer a distinctive music mix, without question. Judging by this daypart alone, however, much routine speech seemed to lack the distinctive local flavour than one might have expected from a community station. Indeed, the incorporation of the spirit of localness is a skill which even some experienced broadcasters find a challenge.

Where relevant local speech content is not timely nor of significant volume, it might be asked whether a full-time radio station, with all its corresponding overheads, is the most appropriate vehicle for delivering content.

STATION A - 07.00AM



■ Music
■ News
■ Ads & Sponsors
■ Travel
■ Local link
■ Other links

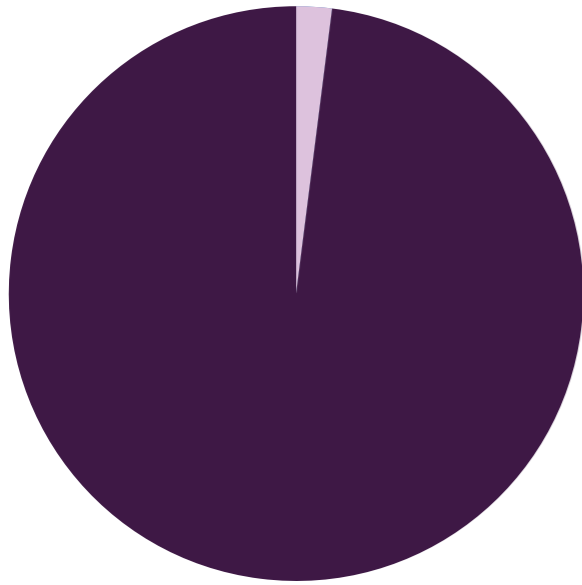
Station A was utterly proficient in broadcasting standards. However, nothing was heard or promoted within the hour which suggested community ideals on-air. The majority was music, which comprised an eclectic blend, albeit not to the extremes suggested in the Programme Commitments,

News in the hour amounted just to Sky news, seemingly in contradiction of the programme commitments which afforded local news and information a real emphasis. Speech levels were low, and even much of this comprised cheery banter over the introductions to songs. Travel news was comprehensive, and wide-ranging. Apart from that, there was little which genuinely suggested the station was serving its community, certainly not the specific groups outlined in its licence.

Online, there was scant local information, certainly not the further local news suggested by the flagging of such content on-air.

Whilst off-air commitments could not be fully assessed from this exercise, overall, there was nothing in the output of this station which made this station any different from a small commercial music-intensive mainstream radio station. A brief audition of the 11.00 hour suggested the same conclusion during the day.

STATION B - 08.00AM

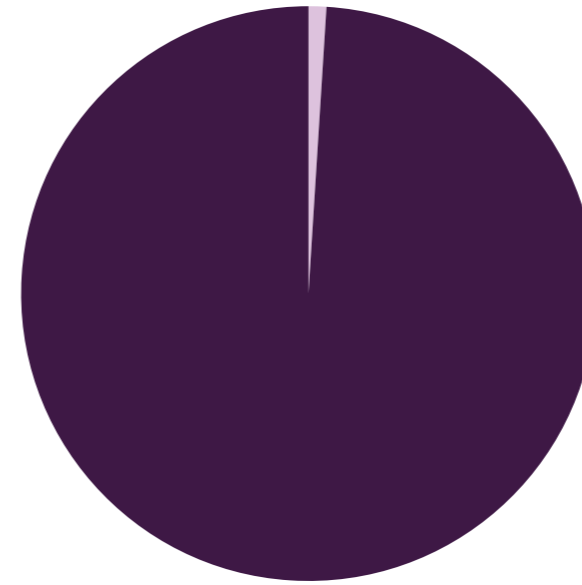


Station B had a thoroughly defensible atypical strategy which did not focus its efforts at breakfast-time. Although there was no spoken content in this period, the music was very different from other stations in the market.

The following hours certainly featured a range of diverse programming with much spoken word content which seemed to address the community and feature much community involvement. The station overall appeared to be in keeping with its Key Commitments.

■ Music
■ IDs

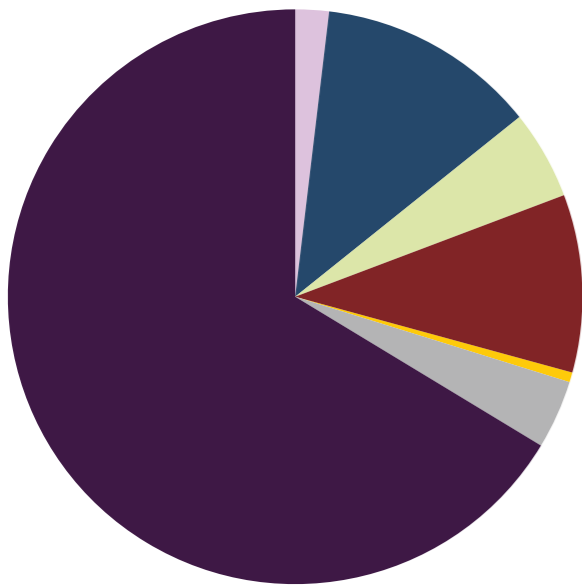
STATION D - 08.00AM



Station D was again music-intensive at breakfast time, although the music included was more familiar. Other programmes dipped into did represent more musical variety and local music. It was not possible, from this exercise alone, to establish whether or not the presenters involved in later programmes were gaining skills which might aid employment prospects or aiding social inclusion, but on-air content did not appear to relate to the community and opportunities appeared to be missed. It was challenging to establish how the station was addressing its Key Commitments.

■ Music
■ IDs

STATION C - 08.00AM

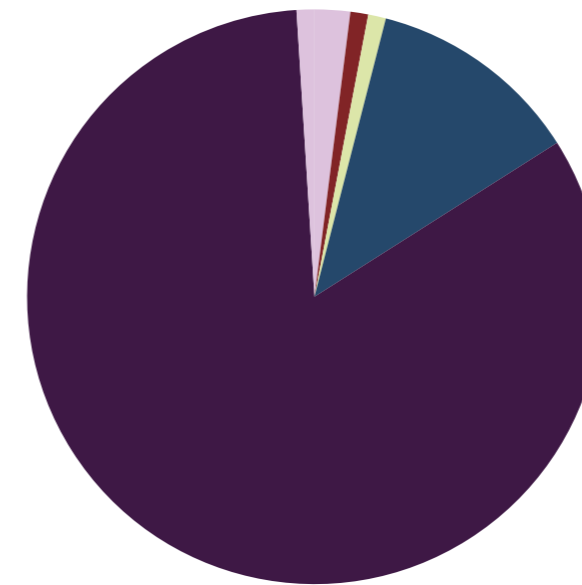


Station C was a chatty programme with a relatively familiar urban mix of music. Apart from travel news and the station saying it was live from the City centre, however, none of the conversational content featured anything other than tabloid chat. There was nothing relating to the community apart from the commercial content, some of which related to music appearances or specialist programme sponsorship, and the travel news.

The commercial elements were frequent – with some eighteen client mentions in various ways within the hour. The presenter appeared new, and one imagines this was a training opportunity for them. There were other programmes on the schedule which suggested the station involved a broader mix of voices from the community than this programme alone suggested.

■ Music
■ Ad
■ ID
■ Travel
■ Spon Promo
■ Link
■ Spon ID

STATION E - 07.00AM



Station E had a more distinctive musical and presentation sound. Although this hour contained no informational speech, there was some local banter and a reference to a relevant informative piece later in the day. Dipping into other hours, a range of music was aired, although there appeared little evidence of the range of contributor voices and discussion suggested by the Key Commitments.

■ Music
■ Ads
■ IDs
■ Travel
■ Promos
■ Link

ANNEX C - REGULATORY CHANGES IN COMMUNITY RADIO

- 2002** A pilot began - to “establish the value and sustainability of community radio and to propose an appropriate licensing regime for ‘Access Radio’”.
- 2004** The Community Radio Order, which enabled the licensing of community radio, with specific restrictions to protect small commercial stations. This prevented a community station with a coverage area that would overlap by 50% or more (in adult population terms) with the measured coverage area of a local commercial station which contains 50,000 or fewer adults.
- Although the Order did allow Ofcom to license a service which would overlap by 50% or more with a commercial station with 50,001-150,000 adults in its measured coverage area, the legislation did not allow Ofcom to permit such services to gain any income from advertising or sponsorship. In all other cases, Ofcom was required to limit the proportion of commercial income, and to ensure that a new community radio service did not unduly prejudice the economic viability of any other local commercial radio service.
- Accordingly, where the sale of spot advertising and programme sponsorship was allowed, there was an upper limit of 50% (or less, at Ofcom’s discretion) on income from these sources taken together.
- The legislation required also that community radio stations must be funded from multiple sources, with not more than 50% of its funding from any single source.
- 2005** First community radio stations licensed.
- 2008** Second round of community radio licensing.
- 2010** The Community Radio (Amendment) Order, which lifted the restrictions on community radio stations taking more than 50% of their income from a single source and removed the rule preventing the licensing of community radio stations in areas of overlap with a commercial radio station whose measured coverage area (MCA) included 50,000 adults or fewer. Retained the restriction meaning community radio stations could not seek ad revenue where overlapping with the smallest commercial stations (<150,000 MCA).
- 2011** Third round of region-by-region licensing.
- 2015** The Community Radio Order 2015, whereby all community radio stations were allowed to raise at least £15,000 in income from commercial sources before any limits (even where they overlap with the smallest commercial stations of <150,000 MCA). Ofcom was also allowed to extend licences by five years.
- 2016** Key Commitments were ‘streamlined and simplified’ to “capture just the core elements of the character of service”; to reduce “administrative burden”; and provide for “greater flexibility to better serve communities and deliver valuable social gain”.
- 2017** Statement on future licensing and technical policy. Technical policy “no longer refers to limitations on the coverage radius and transmission power of community radio services” enabling a “more flexible approach and to consider new licence applications for wider areas”.
- 2017** Fourth round of licensing. Invitation for applications to provide community services in areas where expressions of interest had been received by Ofcom, but which were not within the coverage area of an existing licensed community radio service.
- 2018** Community radio licensees invited to request technical changes to their transmission arrangements to
1) improve existing coverage within their licensed coverage area and,
2) in specific circumstances, extend their licensed coverage.
- 2018** Ofcom issued a list of areas for inviting applications for community radio licences.



David Lloyd Media Services

