

Written evidence submitted by UK Community Radio Network

UK Community Radio Network (UKCRN) submission to Culture, Media and Sport Committee on the Draft Media Bill

17th May 2023

The UK Community Radio Network is the national organisation that represents, supports and works to develop the Ofcom licensed Community Radio sector. Its direction, work and strategy is defined by Station Managers of Community Radio stations who make up its board and via regular discussions at its regular meetings and other events.

Community Radio is the largest sector of the industry with over 350 Ofcom licenced stations (analogue FM/AM stations & C-DSP stations), they seek to serve local communities, diverse communities, and those under-represented by other commercial or BBC radio stations.

The sector is powered by volunteers, and is often underfunded, under resourced, and under-supported by local and national government, who fail to fully recognise the worth of these stations, and provide them with the correct platforms and resources to enable them to fully service their audiences and communities.

Community Radio considerations;

As a whole Community Radio is not really mentioned in the bill, in the briefing notes and other guidance there is reference to the Community Radio order, and amendments being made following a future consultation around the sector with a timeframe yet to be disclosed. Since its inception, Community Radio has been faced with restrictions that have prevented some, if not all, stations from fully supporting the communities they seek to serve. This has in the past been down to power restrictions (for the first 10 or so years of Community Radio stations were given relatively low power and Ofcom had a '5km rule' for coverage which never existed in legislation or intent), and Community Radio stations have income restrictions and shorter licence terms than commercial radio.

We would encourage the committee to consider issues around Community Radio even if not served by this bill. Yet again, we are forgotten about and treated like a lesser third tier of the radio industry.

Community Radio stations are currently limited on their funding, there is currently a £15,000 on-air advertising and sponsorship threshold where other restrictions come into effect, known as the 'cap', for some stations they are unable to generate above this cap (traditionally to protect independent commercial radio stations with a population of under 150k on their FM/AM coverage based on old population data), and for the rest, stations can only then have 50% of their income over the 'cap' from on-air advertising and sponsorship, with 25% coming from other income sources and 25% based on 'volunteer value'.

We would recommend that the 'cap' is increased to a more reasonable £30,000 and this figure be future benchmarked in line with inflation, and remove the restriction on some stations to not be able to go above the 'cap', there are very few stations this is relevant to, and we feel that level of

protection is no longer needed for commercial radio stations based on analogue population data when those same stations boast much higher coverage and listenership on DAB.

We would also recommend that current Community Radio licence lengths are increased, some stations can struggle to secure long term grants or other income support based on only having a 5 year licence and no automatic renewal, we also feel that the current cap on the number of renewals should be removed and we should not have to worry about hitting a limit on the total length of licence (or for some stations worry that legislation will not be changed to enable them to continue past their current licence term). If there are concerns about the long term life of FM with possible migration to DAB there are already mechanisms in place for the Secretary of State and Ofcom to reduce licence terms as needed to support this.

Funding;

The bill enables the expansion of existing grant-making powers to allow funding for 'community-related programmes to be made to small commercial stations and producers of audio content'. We have great concerns about this clause without any consideration or promise in relation to the level of funding that will be available for funding.

The Community Radio Fund which is exclusively open to Ofcom licenced Community Radio stations has only averaged around £400k for the past decade, when initially launched it was to serve the first round of Community Radio of a dozen or so stations, and had been intended to grow with the number of stations. If that had been the case it should currently be over £1m, before taking into account inflation. Currently, the fund only gives out on average £14,127 (2022/23), and this year had over £1.6m (2022/23) worth of applications. The fund is still currently only around £400k and there are now closer to 350 stations eligible to apply to it (all current analogue Community Radio stations and now C-DSP stations). It currently only really provides funding for roles designed to develop the economic viability of Community Radio stations, including income generation, and normally on a one-year term. Many radio stations do not see the point of applying for the fund as they find the time involved vs the probability of success too much of a gamble. Currently, the fund does not support content creation, or support of journalism (recommendation from this committee from the investigation into the sustainability of local journalism).

Most recently there was the Audio Content Fund, which provided no direct funding for Community Radio and was set up in a way that benefitted existing production companies, and commercial stations that had experience or the ability to produce content via third parties to receive funding. While we were broadly supportive of the Audio Content Fund, any future funding of this nature needs to be supportive of Community Radio which can lead to direct finance for stations participating in the broadcasting of material or in the production / co-production of material.

FM Switch off;

Language around FM or analogue 'switch off' is deeply concerning and possibly damaging to Community Radio Stations. There is overwhelming support in the sector for FM with a good number of currently licenced Community Radio stations still advocating for its long term existence, and there are even calls for future and further stations to be licenced for FM or AM. All current data around radio usage is biased towards commercial radio stations and the BBC, because the survey system (Rajar) doesn't really engage with or include Community Radio stations and their audiences, and there is an agenda by commercial radio and the BBC to 'switch off' FM/AM mainly due to dual transmission costs, and could also be because the route to DAB is not yet fully viable or suitable for the Community Radio sector. If the BBC and commercial radio want to be able to switch themselves off FM/AM they should be welcome to do so, but only if that spectrum is then

reallocated to new Community Radio stations (or for coverage/power increases for existing Community Radio stations).

We would advocate for protections for FM to secure its long term future until certain conditions are met, mainly that any digital DAB platform alternative is actually comparable to actual received FM/AM coverage and not Ofcom small coverage maps based off different protection power thresholds than other standards (and those set for commercial radio). In practice stations receive better coverage for their FM/AM than their maps show and there are concerns that SSDAB will not be able to provide actual comparable coverage. We have yet to see the long term viability and financial suitability of SSDAB for Community Radio, and other DAB alternatives (Local/Regional DAB multiplexes), which are not financially sustainable for most Community Radio stations. We have also yet to see if every single existing licenced Community Radio station in the country will actually be able to be served by SSDAB, and have confirmation from Ofcom that the current open round of licence applications (round 5) will not have enough spectrum for every area in that round to 'win' a SSDAB multiplex licence.

Internet Radio / Radio Selection Services;

We have concerns on behalf of licenced Community Radio stations in relation to the possible definition of 'internet radio'. While we have no issues with internet only radio stations, especially those that are not for profit and run in a way that would be recognised as Community Radio. There are concerns that these services could be given full equivalence on radio selection services to Ofcom licenced radio stations BUT without any regulations or requirements set on them. In this regard no regulations related to their funding and operation (eg. no Key Commitments or funding restrictions), or the adherence to the Ofcom code, this could give these unlicensed internet radio services an unfair competitive advantage against existing licenced Community Radio stations.

We do feel that radio selection services should be made to provide equal access to all licenced radio services including Community Radio stations. From our experience, due to the nature of Community Radio being smaller independent stations, it can be harder to engage with existing radio selection services to make sure our stations can be accessed by the correct activation wording or have the same and equal access as the larger commercial radio station groups and the BBC.

Ofcom;

This bill creates more and broader obligations for Ofcom to deliver. Currently, Ofcom can already struggle to engage directly with Community Radio stations in a meaningful way, they can often take weeks to respond to simple enquiries or clarifications of any issues or concerns, they have no service level agreement or published workflow for their activity, which means that changes to licences, or coverage improvements or expansions can take longer than should be considered reasonable, with an unknown timescale for a response, and currently claim they are under resourced to enable them to better serve audiences by making the best use of spectrum.

SSDAB rollout is around 2 rounds per year, with another possible 4 or 5 rounds still to go. This is taking far too long to secure a digital future for Community Radio, they also have no published timetable for future analogue Community Radio licences, and have indicated that future coverage improvements or expansions may be a lesser priority than now.

If Ofcom is already struggling with its current workload in regard to broadcast licencing, and citing a lack of resources within its work, how can they be expected to effectively continue to work in this area, as well as working on new and broader areas of work?