

*Championing
excellence and diversity
in broadcasting*



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VLV RESPONSE TO THE DCMS CONSULTATION ON ANALOGUE COMMUNITY RADIO LICENSING

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INFORMATION ABOUT THE VLV

The Voice of the Listener & Viewer (VLV) is an independent, not for profit membership-based charity, free from political and sectarian affiliations. VLV supports high quality broadcasting which maintains the democratic and cultural traditions of the UK. We support the independence and integrity of the BBC and encourage work which demonstrates commitment to the principles of Public Service Broadcasting (PSB). VLV is a charitable company limited by guarantee (registered in England and Wales No 4407712 - Charity No 1152136).

Introduction

1. VLV welcomes the opportunity to respond to this DCMS Consultation, which seeks views on the future approach to the licensing of analogue community radio licences.
2. In making this submission VLV has taken into account the draft joint response¹ of the Community Media Association (CMA) and the UK Community Network Radio (UKCNR) and the response made by Better Media².
3. It is clear that the community radio sector is a growing and vibrant sector with over 300 licensed stations³, which VLV welcomes because of the benefits it brings to citizens across the UK. However, we note concerns expressed by Better Media that there is a lack of opportunity for new entrants to apply for an FM licence to serve their community. We note that the CMA and UKCNR research also suggests that there are aspirational stations out there which would welcome the chance to apply for a FM licence to serve their community⁴.
4. VLV considers it important that when considering any changes to the licensing regime the DCMS ensures that there is greater access for new entrants to the sector in future. This will ensure there that the diversity of stations is maintained and that innovation is encouraged. VLV also encourages the DCMS to engage with Ofcom to immediately restart the process of licensing new analogue community stations across the whole of the UK. We would urge this especially in areas where licences have been revoked or handed back, leaving communities and areas underserved by community radio, or areas where 'local' commercial services have de facto ceased to exist.
5. Allowing new entrants to the community radio sector will also counter the consolidation seen elsewhere in the radio market which is leading to less local content and more homogenous output. We note that 'There was a strong theme in respondents to the [CMA/UKCNR] survey that community radio is now the new local radio in most communities and that both commercial radio and the BBC have abdicated this role'⁵.
6. In light of VLV's concerns about the inability of new entrants to apply for licences in areas where FM spectrum is scarce, we have chosen to support Option 1 as the only suggested model which will open the sector up and allow new entrants to apply for FM licences. We understand the reasons for this not being the government's preferred option

¹ <https://bit.ly/DCMSDraft>

² <https://bettermedia.uk/2024/02/01/submission-to-the-dcms-consultation-on-analogue-community-radio-licensing/>

³ *Consultation on analogue community radio licensing*, DCMS, 10 November 2023, page 3

⁴ <https://bit.ly/DCMSDraft>

⁵ <https://bit.ly/DCMSDraft>

due to the burden on Ofcom, the burden on current incumbents and the disruption to audiences. However, we consider that healthy competition should be encouraged as an essential element of the community radio sector and without it communities could be underserved.

7. VLV agrees that it is crucial to maintain analogue provision for the benefit of audiences not yet on DAB. It is clear that the majority of the sector believes that 'FM is stronger than ever for community radio, especially in its role to serve underserved and minority communities'⁶, and we note that the CMA and UKCNR have stated that they 'can see no direct evidence of this changing for a long time'⁷. VLV questions the current value, sustainability and reach of SSDAB for community radio.
8. Along with considering possible future licensing models, we would encourage the DCMS to seek views on how best to assess social gain which is a primary purpose of community radio and should be taken into account when regulating the sector. This is currently assessed via the provision of what is known as Key Commitments, but we note that respondents to the CMA and UKCNR survey felt that Ofcom's approach is overly dependent on quantitative aspects of delivery (original and local hours) rather than qualitative outcomes of social gain.

Question 1: Do you favour allowing all community radio licences held for 20 years to expire, and if so, why?

9. While VLV notes overwhelming support from current incumbent stations to continue their licences beyond the 20 year limit⁸, there is a problem with this approach. Due to limited FM spectrum available for community radio, we understand that unless licensees choose to terminate their licence or it expires, new entrants to the sector are effectively barred from entry which results in less competition, fewer fresh ideas and less innovation. While we acknowledge that the rollout of SSDAB and growth in online listening does provide new ways to reach listeners⁹, it seems that FM is still the most popular option.
10. In light of this inability for new entrants to join the sector, VLV considers that a review of community radio licences should be conducted and stations should have to reapply for their licences.
11. This is the only means to ensure that existing stations are still providing the social gain they proposed in their original applications or to even secure stronger social gain commitments from them. It will also allow Ofcom to ensure that they are meeting the needs of their audiences, which may have changed during the past 20 years.
12. If further FM spectrum were made available for community radio, then the need to force renewal would be less necessary.

⁶ <https://bit.ly/DCMSDraft>

⁷ <https://bit.ly/DCMSDraft>

⁸ <https://bit.ly/DCMSDraft>

⁹ *Consultation on analogue community radio licensing*, DCMS, 10 November 2023, page 11

Question 2: What would be the probable impact on individual stations and the wider community radio sector if licences were allowed to expire and be readvertised in accordance with the existing legislation? We would be interested in the potential benefits in terms of encouraging new entrants to the sector, and what would be the cost and other impacts for community radio in rebidding for licences?

13. As stated above, VLV considers the only way to ensure effective competition and innovation in the community radio sector, is to allow licences to expire, due to the current lack of additional FM spectrum available for community radio.
14. We regret the significant impact this will have on incumbent licensees. VLV recognises that during the past 20 years community radio stations have invested a significant amount of resources, funding and volunteer time to develop and build their stations and that this investment is valuable.
15. We note that licensees consider the process to reapply as onerous, in both time and resources, and reapplying could impact on some stations' sustainability. If stations are required to reapply, VLV would welcome a revised process for applications, designed in consultation with the sector. We note the suggestion by the CMA and UKCNR that 'something similar to the current 'local' (commercial) radio licences involving expressions of interest, and fast tracking - the key driving force should be that existing stations are not left with uncertainty for extended periods of time, or that audiences are left without community radio stations to serve them'¹⁰.

Question 3: What would be the likely impact on the community radio sector of a further five-year or ten-year extension of licences?

16. Continued extensions of licences seems to VLV to be a far from ideal option because this approach would continue to preclude encouraging new entrants to the sector and might allow stations which are no longer providing adequate social gain to stay on air.
17. Additionally we note that there are concerns that five year licences are not long enough to provide the certainty which stations need to get long term investment and allow development of their station. Ten year licences are clearly better from this perspective.

Question 4: What would be the likely impact on the community radio sector of allowing licences to be extended in perpetuity - mirroring the position for digital sound programme (DSP) service licences and community digital sound programme (C-DSP) service licences?

18. We note that allowing community radio stations licences to be extended in perpetuity is understandably popular among existing licensees, however VLV finds it difficult to fully support this approach because it will preclude new entrants being allowed to join the sector unless additional FM spectrum is made available for community radio.

¹⁰ <https://bit.ly/DCMSDraft>

19. It is clear that extending licences in perpetuity would be beneficial for the existing licence holders because it would reduce the burden of Ofcom and provide stations with far greater certainty so that they can focus their energy on delivering their key commitments instead of reapplying for their licences.
20. If this approach is taken VLV recommends that Ofcom should introduce a structure of regular robust reviews of the existing community radio services. These reviews should focus on how well existing services are fulfilling the obligations of their licences, as well as on whether the communities that they serve have evolved or changed significantly. These should ensure that social gain is still delivered.
21. There also would need to be a change to legislation that would make it easier for Ofcom to allow applications for new analogue licences and Ofcom would need to agree to hold new rounds of analogue licensing to enable existing community radio stations, who want to reapply for their own licence under updated or new terms, or for new perspective service providers to be able to launch new community radio stations.

Question 5: Should the current restrictions on community radio stations' ability to raise revenue through advertising and sponsorship be removed? If so, is there a need for any safeguards?

22. VLV understands that advertising and sponsorship are significant sources of income for the community radio sector. While it is crucial that stations are able to raise enough funds to cover essential costs, it is also important that their modus operandi remains distinctly different from commercial radio. Being not-for-profit and providing social gain for the communities they serve should remain the key characteristics of community radio.
23. VLV supports the recommendations for a review and possible relaxation of the restrictions on income generation for community radio stations as we have been convinced by the arguments that the time is right for such a review to be carried out. VLV considers that at the very least the current bar of £15,000 should be increased to take into account historic inflation since 2015 and in future it should be index linked.