



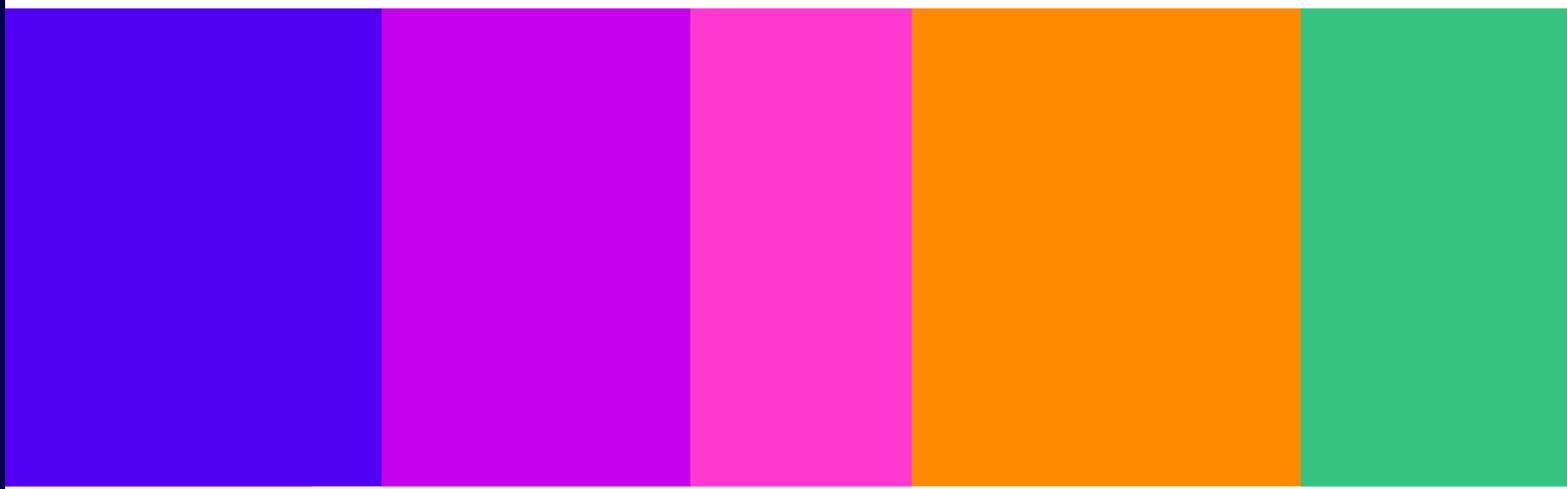
Community Radio Fund

End of year report: 2022-23

Annual report on Community Radio Fund – Welsh overview

Report

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1. Overview

- 1.1 This document reports on how the Community Radio Fund ("the Fund") was administered in 2022-23. Ofcom has been tasked by the Department for Digital, Culture, Media and Sport ("DCMS") with administering the Fund. DCMS provides a sum of money each year for the Fund and grants are awarded to Ofcom-licensed community radio stations.

2. Community Radio Fund End of Year Report 2022-23

- 2.1 The Fund exists to help community radio licensees and to support core costs incurred in the provision of community radio services.
- 2.2 Ofcom administers the Fund on behalf of DCMS. The money allocated to the Fund is given out in the form of grants, following a formal application process.
- 2.3 The decisions on grant applications are made by the Community Radio Fund Panel (“the Panel”), which reports to the Ofcom Policy and Management Board.
- 2.4 DCMS allocated £400,000 to the Fund for the financial year 1 April 2022 to 31 March 2023. A slight overspend in the previous year meant that £393,816 was available at the start of the year. DCMS allocated a further £100,000 to the Fund ahead of the second round of funding. As a result, £493,816 was available for the year.
- 2.5 The Panel met twice during the year to consider applications for grant awards, in July 2022 and February 2023.

Summary of payments

- 2.6 In the first round, grants totalling £242,395 were awarded to 18 stations.
- 2.7 In the second round, grants totalling £251,421 were awarded to 17 stations.
- 2.8 Over the two funding rounds 93 applications were considered, requesting a total of £1,611,455.
- 2.9 Grants over the course of the year ranged from £1,500 to £24,570, with an average payment of £14,109. 35 grants were awarded in total.

Panel priorities

- 2.10 Ofcom publishes a statement from the Panel following each funding round which sets out the awards made and sets out the Panel’s funding priorities. As part of this statement, the Panel also provide general feedback on the applications received to provide some assistance for unsuccessful applicants in any future applications which they might submit.
- 2.11 The Panel considered that the grants made should, as far as possible, support the financial stability and long-term sustainability of stations, and so were likely to favour applications which prioritised these areas and/or offered prospects of becoming self-sustaining beyond the term of the grant.
- 2.12 The Panel highlighted in both rounds that a small number of stations had not read the guidance notes, published by Ofcom, which establish types of application which cannot be funded, such as rent/utility costs and the payment of licence fees.
- 2.13 The Panel emphasised following both rounds that stations applying for funding for job roles should be clear about the responsibilities and expectations of those roles, and highlighted

that strong applications often included measurable targets for their roles, such as expected income from sales/income generation roles.

- 2.14 The Panel highlighted following the first round that they had funded some applications proposing innovative income generation methods, such as through digital marketing, and encouraged other stations to consider innovative approaches in future.
- 2.15 Following the second round, the Panel indicated that, while realism about a station's situation is important, they also enjoyed reading applications from stations which sold their success stories in their bids.
- 2.16 In this financial year DCMS commissioned independent research to review the effectiveness of the Fund. Following this report, Ofcom colleagues have held discussions on the feasibility of implementing the recommendations with DCMS. To note, with agreement from DCMS, we have engaged in discussions about the use of an online platform (though realistically this is some years away due to budget) and have started collating feedback for individual stations, signed off by the Panel during the Panel Meetings, to deliver to unsuccessful applicants if they ask for further information once the award statement has been published.

Grant monitoring

- 2.17 The Panel has a reporting procedure in place to check that grant awards are spent as agreed. A grant agreement is put in place between Ofcom and each licensee awarded a grant, and this sets out the terms of the award, including an expenditure period. At the end of the grant expenditure period successful applicants are required to complete a report (the 'grant report') detailing how they spent their Fund grant. In addition, interim grant reports are requested halfway through the relevant expenditure period. The interim reports are to help identify any potential issues arising with the grant spending. If a satisfactory report is not made, the Panel may require repayment of the grant and may consider not making a further grant to a licensee in a future round.
- 2.18 In the event that a licensee ceases to hold its broadcasting licence (e.g. by surrender or revocation) while a grant agreement is in place, any unspent grant monies will be required to be repaid in full.
- 2.19 All reviewed grant reports received during 2022-23 were satisfactory but the process is ongoing. Ofcom checks each report carefully and seeks clarification from grant recipients during the review process where necessary.
- 2.20 The Panel considered a number of requests to repurpose part of the funding received, or to lengthen the term of a grant following difficulties filling funded vacancies. The Panel considers each request of this nature on its own terms, taking into account the reasons behind the initial award in making its decision on whether to approve such requests.

Community radio sector and future of the Fund

- 2.21 The analogue community radio sector has remained stable, following the completion of the final round of licensing in 2020. There remain a handful of stations due to launch, but there are currently a total of 317 community radio stations broadcasting on AM or FM. We are seeing a small number of services struggling to generate sufficient levels of volunteers to maintain the levels of local content as set out in Key Commitments, which has resulted in

three licence surrenders. However, when we do hear of Licensees considering handing back their licence, we encourage them to see if there are any other local groups who would consider taking on the licence given we are not re-advertising any analogue community radio licences at present. This approach has proved to be successful in some cases.

- 2.22 At the end of the 2022-23 financial year, we had received 99 applications for Community Digital Sound Programme (C-DSP) licences, which are community radio licences for digital radio broadcasting on small-scale DAB multiplexes. 46 C-DSP stations were broadcasting, and are therefore eligible to apply for the fund, with a further 36 awarded and pending launch. The remaining 17 were still going through the licensing process at the end of the financial year. We expect these numbers to continue to grow significantly over the coming years due to the continued success of the SSDAB programme.
- 2.23 Ofcom's current funding agreement with DCMS lasts until 2024-25.

Panel members

- 2.24 The Panel is made up of three members appointed by Ofcom's Policy and Management Board. For 2022-23 these were:
- Wendy Pilmer, the Chairman of the Panel, who is a consultant who works with the world's leading broadcasters in implementing strategy and managing change;
 - Olu Bankole, an Ofcom employee, who has extensive experience in financial and funding matters; and
 - Mark Jones, a former BBC employee with extensive experience in radio reporting, production and management.
- 2.25 Wendy Pilmer's term as chair ended at the end of the 2023 financial year, having joined the Panel in 2012, first as a member and subsequently as Chair. Ofcom and the Panel would like to place on record their thanks to Wendy for her years of service.