

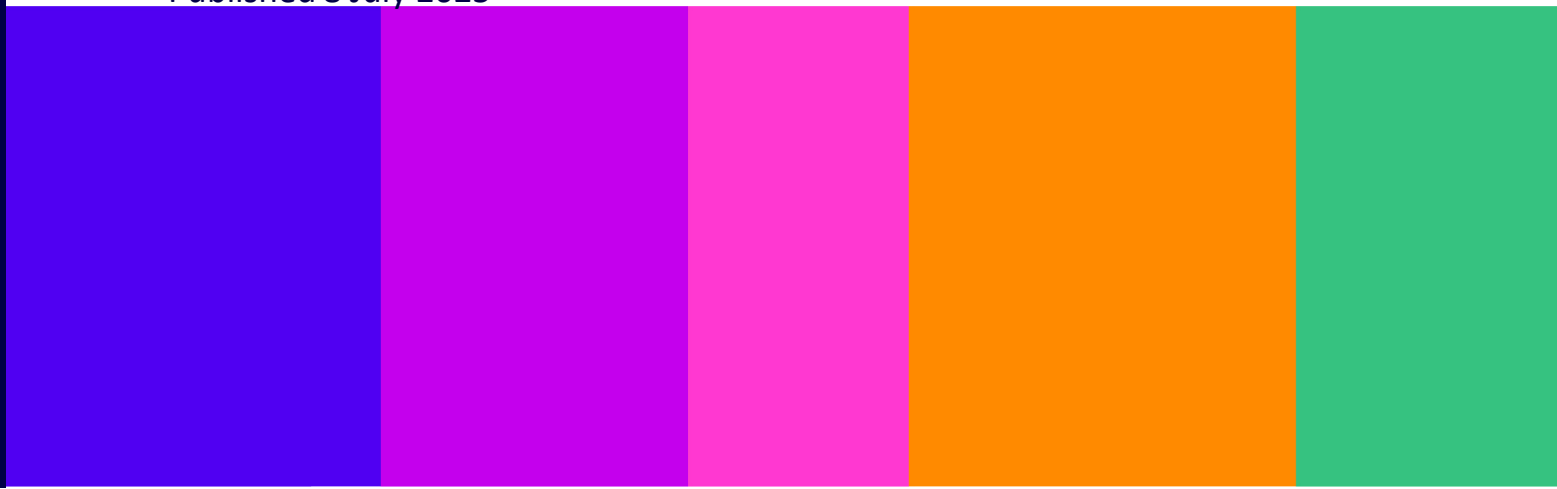
Community Radio Fund

End of year report: 2024-25

Annual report on Community Radio Fund

Report

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1. Overview

- 1.1 This document reports on how the Community Radio Fund ("the Fund") was administered in 2024-25. 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 2024-25

- 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 2024 to 31 March 2025. We received confirmation from DCMS in January 2025 that a further £50,000 was being made available for the second funding round. It was also agreed that:
- a grant return from a previous awardee of £11,759.20 ahead of the first round of funding in July 2024; and
 - two grant underspends totalling £5,438 ahead of the second round of funding in January 2025 could be allocated to the Fund.
- As a result, a total of £467,197.20 was made available.
- 2.5 The Panel met twice during the year to consider applications for grant awards, in July 2024 and January 2025.

Summary of payments

- 2.6 In the first round, grants totalling £205,479 were awarded to 11 stations.
- 2.7 In the second round, grants totalling £261,476 were awarded to 15 stations.
- 2.8 Over the two funding rounds, 161 applications were considered requesting a total of £3,394,976.
- 2.9 Grants over the course of the year ranged from £4,320 to £33,854, with an average payment of £17,960 awarded across both rounds of funding. A total of 26 grants were awarded across the two rounds of funding.

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 provides 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 that a small number of stations had not read the guidance notes published by Ofcom, which highlights the types of application which cannot be funded,

such as rent/utility costs and the payment of licence fees. The Panel reminded applicants to provide up to date financial information as some stations provided financial accounts that did not reflect its current financial status.

- 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 For salary-based applications the Panel reminded applicants that it is essential to be clear about the working hours and that the base salary must meet the national living wage. It also reminded stations that the Fund does not pay for “management fees” and that other “on costs” should be fully itemised.
- 2.15 Following the second round, the Panel highlighted the importance of awardees reading their grant agreement to ensure money is not misspent or used outside the terms of the agreement. The Panel also reminded awardees of their responsibility to report on the spending of the grant.
- 2.16 Following both rounds, the Panel indicated that they enjoyed reading concise descriptions of a station’s history and current activities, particularly from those stations which were able to demonstrate their excellent delivery of social gain.

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, which 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 money. In addition, interim grant reports are requested halfway through the relevant period. The interim reports 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 If 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 The majority of the grant reports received during 2024-25 were satisfactory but some issues did arise during the period regarding the misspending and mismanagement of grant money. In these instances, Ofcom has sought to reclaim money from the licensees. Ofcom checks each report carefully and seeks clarification from grant recipients during the review process.
- 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 vacancies. The Panel considers each request on its own terms, taking into account the reasons behind the initial award and the change request before making its decision on whether to approve.

Community radio sector and future of the Fund

- 2.21 The analogue community radio sector has remained relatively stable following the

completion of the final round of licensing in 2020. There remains a handful of stations due to launch, but there are currently a total of 308 community radio stations broadcasting on AM or FM. Four licences have been surrendered between April 2024 and March 2025. 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 to ensure that listeners in the local area are not disenfranchised. This approach has proved to be successful in some cases.

- 2.22 At present, we have received 185 applications for Community Digital Sound Programme (C-DSP) licences, which are community radio licences for digital radio broadcasting on small-scale DAB multiplexes. C-DSP licensees are eligible to apply for the Fund from their launch date. In total, we have now awarded 164 licences and of these 107 C-DSP stations are now broadcasting, while there are a further 57 awarded and pending launch. Of these licences awarded, 79 are direct simulcasts of existing analogue community radio services while 85 are new services to the market. We expect these services to grow significantly over the coming years due to the continued roll-out of the SSDAB multiplex licensing programme.
- 2.23 Ofcom has recently received a new funding agreement from DCMS which authorises us to administer the Fund in financial year 2025-26 and increases the pot to £900,000 providing more opportunities for existing community radio stations to be successful in their applications for funding in the period.

Panel members

- 2.24 The Panel is made up of three members appointed by Ofcom's Policy and Management Board.

For 2024-25 these were:

- Mark Jones, the Chairman of the Panel, who is a former BBC employee with extensive experience in radio reporting, production and management;
- Clare McNally-Luke, Head of Audio Research & Insight in the Strategy & Research Group at Ofcom, who has extensive experience in commercial radio strategy and performance; and;
- Alan Stewart, the former Head of the Independent Television Commission in Scotland and former Ofcom employee, with extensive experience in broadcasting relations and local community affairs.