

# Agenda – Culture, Welsh Language and Communications Committee

---

Meeting Venue:	For further information contact:
Committee Room 2 – The Senedd	Steve George
Meeting date: 16 May 2018	Committee Clerk
Meeting time: 09.30	0300 200 6565
	<a href="mailto:SeneddCWLC@assembly.wales">SeneddCWLC@assembly.wales</a>

---

- 1 Introductions, apologies, substitutions and declarations of interest**
  
- 2 Film and major television production in Wales: Evidence Session 6**  
(09:30 – 10:30) (Pages 1 – 13)  
Paul Higgins, Chairman, Dragon Digital and Member of the Media Investment Panel  
Andrew M. Smith, Corporate Affairs Director, Pinewood Group
  
- 3 Film and major television production in Wales: Evidence Session 7**  
(10:30 – 11:30)  
Jane Tranter, Founder, Bad Wolf  
Natasha Hale, Chief Operating Officer, Bad Wolf
  
- 4 Paper(s) to note**
  - 4.1 Radio in Wales: Additional Evidence**  
(Pages 14 – 16)
  - 4.2 Review of the Welsh Government’s Community Radio Fund**  
(Pages 17 – 78)
  
- 5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**



**6 Consideration of evidence**

(11:30 – 11:45)

**7 Non-public funding of the arts: Private discussion**

(11:45 – 12:30)

(Pages 79 – 91)

# Agenda Item 2

Document is Restricted

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cynyrchiadau Ffilm a Theledu Mawr yng Nghymru / Film and Major TV Production in Wales  
CWLC(5) FILMTV31  
Ymateb gan Dragon Digital / Evidence from Dragon Digital

Paul Higgins – Chair **Dragon Digital**

Dragon Digital are an award winning, industry leading restoration, post production and digital delivery facility based in South Wales.

Dragon were selected as one of 6 preferred suppliers by the BFI to work on the Unlocking Film Heritage project. The programme as a whole digitised 10,000 films, some of which were undertaken at Dragon's facility in Wales.

In addition to this Dragon have provided film restoration services on classic film titles such as 'The Private Life of Henry VIII' (1933) and the award winning restoration of 'Napoleon' (1927) as well as other prestigious works.

More recently Dragon Digital have again been selected as one of the BFI's Framework suppliers for film scanning and restoration under the current project for Heritage 2022.

Paul Higgins also Chairs **Fields Park Media Partners**

Fields Park are a specialist corporate finance consultancy focused on the media sector.

Over the past 30 years it has handled some 60+ assignments and invested in and helped to form and develop a number of major media businesses.

Just by way of background and for example it has:

Helped found Optimum Releasing and funded its expansion and development into a leading UK film distributor prior to its acquisition by Studio Canal – this business is now Studio Canal UK.

Set up and invested in Target Media Group Limited – (Target Media, Organic, SuperHero Screen) now the leading media and planning agency to the entertainment sector in the UK.

Set up Edicis – a leading content group bringing together a collection of content agencies focused on the entertainment sector including OTM, White Label Production and Dragon Digital. (its clients include BFI and Studio Canal).

Invested in and helped develop Coco Television into Irelands number one independent television production company.

Invested in and helped develop BigBalls Media into a leading sports YouTube Channel with over 2million subscribers and co-producers of 'You Me and the Apocalypse' with Working Title and Sky.

Invested in many other film, TV rights and games businesses such as Cue Card Limited, Ripstone Limited and The Media Eye.

Fields Park is also an active producer of Films and TV series and from their base in South Wales they have been supporting Welsh film and TV projects including SUBMARINE, JUST JIM, LIBRARY SUICIDES, THE LIGHTHOUSE, THE CHAMBER and LAST SUMMER as well being a financier of the Cinematic Schemes and as the Beacons Short Film Initiative alongside Ffilm Cymru and the BFI.

Fields Park has a current slate of over 12 film and TV projects in various stages of development, production, and release.

Paul Higgins also serves as a member of the Welsh Government's Media Investment Board.

# Agenda Item 4.1

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Radio yng Nghymru / Radio in Wales  
CWLC(5) RADIO02  
Ymateb gan Marc Webber / Evidence from Marc Webber

Dear Committee,

Thank you for inviting me to your session on Radio in Wales. I hope you found the information useful.

I would just like to offer a quick follow-up to some of the points I raised in the meeting.

The first is further information around how I believe a Welsh Language national commercial station can be viable.

There is already a very successful version of this idea running in the Republic of Ireland.

The main Irish Language broadcasters have joined together with Radioplayer (part-owned by Global and the BBC) to create An Seinnteoir Raidió – a digital radio player available as an app or online which offers all the Irish Language radio output in one place.

The story about it's launch is below. I know Radioplayer are very keen to recreate this service in the Welsh Language and would be happy to discuss it with you.

<http://www.rte.ie/about/en/press-office/press-releases/2016/0308/773384-first-ever-irish-language-radio-app-available-to-download-now/>

In terms of running a 24/7 radio station in the Welsh Language on DAB. Most of the owners of all the local DAB licences in Wales (the only one that was not was Swansea Sound). They could be persuaded/asked right now to release frequency from those licences to stream Capital Cymru in its current format throughout Wales, as opposed to it only being available in NW Wales. Most of those DAB licences in Wales are either owned by Global or Nation Radio.

Admittedly, trying to get Capital Cymru on FM is a larger task due to the prohibitive cost of FM transmission, which is part down to topography, part down to a monopoly held by Arqiva.

I see revenue potential from rolling out Capital Cymru across Wales on online, DAB and FM formats. This could be started by the Assembly and Welsh Government themselves by buying airtime for current Welsh Language campaigns with Capital Cymru. National non-governmental institutions would then follow through the Global sales teams in Cardiff and Wrexham using their leverage to get more money for their company.

Marketing is perhaps the big concern and a concerted effort to raise awareness of the new station should be made by stakeholders.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and  
Communications Committee  
Radio yng Nghymru / Radio in Wales  
CWLC(5) RADIO  
Ymateb gan Communicorp / Evidence from Communicorp

Communicorp UK supports the industry's rising talent by working alongside the Student Radio Association to offer all SRA members the chance to gain hands on experience at any of our stations to help them develop their radio skills. We love their energy, ideas and enthusiasm and our teams welcome them inside our stations regularly.

We are also proud sponsors of the yearly I Love Student Radio Awards at the National Student Radio Conference. These awards celebrate the commitment and contributions of individuals in student radio. Communicorp UK also invests time and resource in SRA training days and regional events to give their members access to our professional skills and expertise.





## Review of the Welsh Government's Community Radio Fund



July 2012

If you would like to request this information in an alternative format, please let us know using the information below:

**By Post:**

Culture, Media and Sport Division  
Welsh Government  
Third Floor  
North Core  
Cathays Park  
Cardiff  
CF10 3NQ

**By email:**

sian.evans3@wales.gsi.gov.uk

**By telephone:**

English: 0300 060 3300 or 0845 010 3300  
Welsh: 0300 060 4400 or 0845 010 4400

This document is also available in this format on the Welsh Government website -  
<http://www.wales.gov.uk/cultureandsport>

## Contents

Executive Summary	1
Introduction	5
The Operation of the Community Radio Fund	7
The Community Benefits Arising from the Fund	18
Satisfaction with the Fund and its Administration	30
Issues Arising from the Review	33
Annex 1 Legislation and Policy Background	41
Annex 2 Questionnaire to Community Radio Stations	50
Annex 3 Supplementary letter of 10 January 2012 to Community Radio Stations	56

## **Executive Summary**

1. Welsh Ministers set up the review of the Community Radio Fund to establish whether the benefits the individual community radio stations, the sector and their communities received from the Community Radio Fund justified the Welsh Government's renewing of the Fund after the final bidding round of the current Fund in 2012-13.

2. The review involved a practical evaluation of what was a small scale, low value grant programme based on a postal questionnaire survey of Wales' nine community radio stations which had been eligible to apply for support from the Fund. The issues examined included the extent to which the community radio stations' activities supported by the Fund met the Welsh Government's key purposes and priorities promoting the regeneration of their communities, encouraged training, provided job opportunities and strengthened the cultural and linguistic identity of their communities.

### **The Effects on the Community Radio Stations**

3. The four annual funding rounds of the Community Radio Fund over the period 2008-09 to 2011-12 resulted in a total allocation of £367,518 to seven of Wales' nine community radio stations.

4. The stations which submitted applications and received allocations from the Fund mostly sought assistance with their overhead costs in the form of funding for paid posts for key staff which accounted for 67 per cent of the grant allocated, support for both posts and running costs (20 per cent of allocations) and support for running costs alone (13 per cent).

5. The respondents that received support from the Fund believed that the grant allocations they received provided them with a degree of financial stability. Grant support was felt to be necessary to provide support for stations' day to day operational expenditure which was difficult to raise at a time when commercial revenue from advertising and sponsorship had fallen significantly during the recession and securing alternative public or charitable funding had become increasingly competitive and uncertain. The Fund was considered to be particularly valuable by those community radio stations which were prohibited by their licences from raising revenue commercially from advertising or "on-air" sponsorship because their service areas overlapped with those of small commercial radio stations.

6. Support from the Community Radio Fund in terms of posts and running costs enabled the stations to run effectively and focus on the delivery of the social gains to their communities required by their licences. The posts and persons recruited to fill them provided key skills and expertise to develop the stations, helped the stations to generate further on-going income, for example, from increased advertising sales, trained volunteers and established links between the stations and their local communities.

7. Four of the five community radio stations received grant allocations from the Fund and provided supplementary information on their income sources. These four

generated income of between 1.7 and 5.2 times the allocations they received from the Fund, underlining the fact that the support provided through the Fund had enabled the stations to generate substantial additional income, especially in the form of grant support. However, the low ratio of the stations' self generated income to the grant they received from the Fund (1.4 times) emphasised the precariousness of the stations' financial positions and their dependence on external financial support to remain viable. Overall the relatively small amount of funding provided by the Welsh Government from the Fund enabled the stations to maintain and even expand their operations and generate greater income than they had received from the grants dispersed by the Fund and in this respect could be considered to provide value for money in financial terms.

8. The community radio stations were asked for their opinions on the effects on stations and the community radio sector of a reduction in, or withdrawal, of Welsh Government funding of community radio. The expected effect of a reduction in the size of the Community Radio Fund would depend on the extent to which stations were able to receive alternative sources of funding. Although community radio stations were able to sell air time for advertising or seek programme sponsorship this had become more difficult as private businesses had cut advertising budgets and were reluctant to advertise on a small scale, and in consequence the rates charged by stations to advertisers had fallen significantly. In addition, many of the trusts and charities which had provided community radio stations with funding in the past had reduced the number of grants they intended to award at a time when the cut backs in public funding had increased the demand for such assistance. In the case of applications for key posts a reduced level of support from the Fund would have been expected to result in a reduction in the number of hours associated with the posts or their reclassification from full-time to part-time appointments. This would be expected to result in a reduction in stations' efficiency.

9. Respondents believed that the provision of no funding at all for projects community radio stations proposed would have had severe effects on the stations' ability to manage their day to day business requirements by forcing the management to devote even more time to fund raising. The respondents believed that the key skills foregone by not filling the posts would have limited stations' ability to generate income, supervise, support and train volunteer staff to ensure that they were effective. As the community radio stations depended heavily on volunteers, the decline in the effectiveness of volunteer staff could in time adversely affect the vitality and levels of service stations provide, placing their future in jeopardy.

### **The Community Benefits Generated**

10. The community radio stations' key objectives and the social gains which they aspired to deliver to their local areas and communities of interest were based on the mandatory social gain objectives set out in the Community Radio Order 2004 which were a prerequisite to the stations being awarded operating licences.

11. The community radio stations' objectives were to inform, educate and provide a voice for those not currently served by other broadcasting media by offering a platform for those whose tastes and viewpoints were underrepresented in the mainstream media, provide training and work experience opportunities and

encourage public access and involvement in the stations' operations and management. The stations' objectives were compatible with the Welsh Government's regeneration and wider social priorities.

12. In terms of social gains or community benefits the respondents reported that they focused their activities on young people, older age groups or inhabitants of particular disadvantaged parts of their areas such as Community First areas.

13. The community radio stations supported by the Welsh Government reported generating a range of benefits for their local communities. The main benefits were:

- Increasing the number and variety of radio programmes available, from popular music to special interest programmes.
- Encouraging knowledge of and the use of the Welsh language in what were largely English speaking areas.
- Broadcasting programmes for particular language groups in local areas, for example Radio Cardiff broadcast programmes in Somali and Punjabi while Calon FM broadcast in Polish and Spanish to Wrexham's Polish and Spanish populations. The broadcasting of programmes over the internet, in addition, generated interest in the areas from former residents and their families living elsewhere, including abroad.
- Generating a number of employment, training, and volunteering opportunities for local people, many of whom were unemployed or on work experience from schools and colleges in areas experiencing economic and social problems where few alternative professional and managerial opportunities existed.
- All of the community radio stations operated in partnership and collaboratively with a host of other organisations in their areas, including the local and health authorities, town and community councils, police and other emergency services, schools, colleges, universities and charities.
- Due to additional funding the stations were able to organise events and activities in areas where in the past there had been few such activities.

### **Improvements to the way the Fund is Administered**

14. The Welsh Government had used the Community Radio Fund as a means of directly funding community radio stations. Funding had also been separately provided to community radio stations by its Communities First programme and the Business, Enterprise, Technology and Science (BETS) department, for a number of purposes including core funding and to support key posts, duplicating the purpose of the Community Radio Fund. The Welsh Government might wish to consider whether a more aligned approach within the Welsh Government to the sector would be appropriate, including the establishment and funding of a single community radio grant and fostering joint working or even joining up between different media categories to create what may be new business models.

15. In the first three funding rounds of the Community Radio Fund all of those stations submitting satisfactory applications received an allocation from the Fund even though in some cases it was less than they had applied for. For the 2011-12 funding round an attempt was made to award the stations making the strongest applications in order to ensure that they received the amounts they had requested or similar, but all those submitting satisfactory applications received allocations from the Fund. The stations appeared to have come to regard the Fund as a guaranteed subsidy and while the majority of stations were satisfied with the Fund and the way it was administered they believed that it should continue with its extant purpose to support stations' core administrative costs. Some of the stations thought that the Fund should be divided equally between all applicants so that each station received a known yearly income and the Fund should be increased in line with inflation and the number of new, eligible, licensed community radio stations.

16. The Community Radio Fund guidance stated that one of the criteria against which applications to the Fund would be assessed was long term sustainability. However, many of the posts assisted financially were short term appointments, time limited for the duration of the grant term, and some of the posts for which applications had been submitted were renewals of posts which had received financial support in previous funding rounds.

17. There is a possibility that a continuation of the Fund in its present form would increase stations' dependency on the Fund's support rather than encourage them to become more sustainable. For example, stations have been reluctant to contribute to funding joint projects with other stations such as to further develop the digital business network (the on-line digital network established under the EU funded E-Business programme's Digital Networked Business or DNB project) which could act as a gateway to the sector and a source of additional income. Given the Fund's emphasis on encouraging sustainability there is an argument that at least some of the funding should be targeted to supporting initiatives that would support stations' long term sustainability.

18. Should a decision be taken to renew the Fund for a further period, consideration would need to be given to developing a suite of common performance indicators and introducing monitoring procedures in line with the Welsh Government's best practice for grant administration.

## Introduction

1. Welsh Ministers set up the review of the Community Radio Fund to evaluate the effects of the Fund. The Fund was established to provide financial support of £500,000 over five years to Wales' nine existing community radio stations. The Fund was intended to provide grant support to cover the stations' core revenue costs on activities involved in the running of the radio stations such as management, administration, fund raising, community outreach and volunteer support for which external financing was difficult to obtain. The legislative and policy background to community radio in Wales and details about the distribution of the stations is set out in detail in Annex 1.

2. The grants from the Fund were directed at only fully licensed community radio stations awarded a full five year community radio licence by Ofcom, the radio regulator. The Fund, in addition, was designed to give priority to applications which promoted sustainability and cooperation with the stations' local communities and other stations. Applicants were also required to demonstrate how they contributed to the Welsh Government's bilingual agenda.

3. Since 2008-09 the Welsh Government had undertaken four bidding rounds for support from the Fund which had allocated a total of £367,518 in grant to seven of the nine community radio stations eligible to apply to the Fund. A further round is scheduled for 2012-13 to allocate the remaining £100,000.

4. The purpose of the review was to establish whether the impact of the Community Radio Fund on individual stations and the sector and their communities justified the Welsh Government renewing the Fund after 2012-13. The review was primarily designed to provide evidence to allow Welsh Government Ministers to reach a decision on whether or not the Fund should be renewed. It was not itself intended to make the appropriate recommendations.

5. The review took the form of a practical evaluation of what was a small scale, low value grant programme based on a postal, self assessment questionnaire survey of Wales' nine community radio stations which had been eligible to apply for support from the Fund (see Annex 2). The stations were also approached for additional information by way of a separate letter (see Annex 3). Discussions were also undertaken with some of the station managers and other stakeholders, such as Ofcom. A more extensive external evaluation would have been disproportionate. The questionnaire examined:

- The extent to which the community radio stations' activities supported by the Fund met the Welsh Government's key purposes and its national and regional priorities, specifically whether the stations supported by the Fund met the conditions of the Fund, promoted the regeneration of their communities by improving well being by encouraging healthy life styles, provided activities that reduced poverty, inequality, discrimination and social disadvantage, encouraged training that targeted vulnerable or excluded people, assisting with the promotion of job opportunities and increased incomes and strengthened the cultural and linguistic identity of the community.



- What would have been the implications for the stations and the sector if there had been no Welsh Government fund or if the scale of funding available had been reduced; and
- Whether improvements could be secured in the way the Fund was administered. The review normatively reported the respondents' views without any objective verification. The limited availability of output measures and quantitative or qualitative information also meant that it was not possible to establish the aggregate impact of the stations' approaches to securing social gains or community benefits or the extent to which their communities appreciated their activities.

6. This report will first examine the background to the operation of the Fund and community radio stations' involvement with it. It will then outline the community gains and benefits which the community radio stations aspired to deliver to their local areas and the extent to which they were successful in doing so. The report will also consider the stations' satisfaction with the Fund and the Welsh Government's administration of it and how the Fund might be adapted to better meet the needs of individual stations and the sector. The final section of the report will summarise the key findings and discuss possible ways forward.

## **The Operation of the Community Radio Fund**

This section will examine the operation of the Community Radio Fund, how it was set up, the use the community radio stations made of it, including an analysis of stations' funding and the contribution made by the Fund to stations' sustainability and the main challenges and barriers they faced.

### **How was the Community Radio Fund Set Up?**

7. The Welsh Government recognised the potential of community radio status when they were first set up and provided them with direct financial support initially through its social grant regime, such as the Community Facilities and Activities Programme and Communities First. In December 2006 the Welsh Government agreed to establish a separate Community Radio Fund which would distribute £100,000 a year over five years (a total of £500,000). Since 2008-09 the Welsh Government has undertaken four bidding rounds for community radio stations from the Community Radio Fund, with the final round of the current Fund scheduled for the 2012-13 financial year. Details of the applications for support submitted by the community radio stations and the grants allocated are set out in Table 1.

8. The Table shows that following the first four bidding rounds a total of £367,518 had been allocated to seven community radio stations. For each round the demand for support from the Fund significantly exceeded the £100,000 available for distribution in spite of the fact that two stations – Radio Cardiff and Radio Tircoed - did not submit applications to any of the rounds while XS did not submit an application to the 2008-9 funding round and Point FM missed the 2010-11 round. The Table also indicates that with the exception of Point FM in 2009-10 all the stations submitting applications for support from the Fund received an allocation even though in some cases it was less than they had applied for. This reflected the approach the assessment panel took to the allocation of money from the Fund. In 2008-9 the panel decided to adopt a standard approach whereby those stations already “on air” which submitted satisfactory applications for support each received £1,500 for every month in that year. The stations that applied that were not then “on air” received three months worth of start up costs totalling £4,500 followed by the prospect of additional funding of £1,500 a month once they began broadcasting. In 2009-10 and 2010-11, when most of the stations were “on air”, the panel decided to divide the Fund equally between the applicants, but those that applied for less received the amount they requested and the surplus was divided equally between the remaining applicants. For the 2011-12 funding round an attempt was made to award to the strongest applications in order to ensure that they received the amounts they had requested or similar. The awards to the weaker bids were also graduated on the basis of the perceived strength or weakness of the bids but all those submitting satisfactory applications received an allocation from the Fund.

### **How was the Fund Utilised by the Community Radio Stations?**

9. The seven community radio stations that applied for financial support to the Community Radio Fund reported that they had applied because it provided assistance in meeting their running costs which they had experienced difficulty in funding on an on-going basis. One station manager emphasised the precarious

nature of community radio stations' funding by saying that his station "has never been cash rich enough to be able to manage in meeting its overheads without financial support".

10. Table 2 categorises the type of applications for funding submitted by the community radio stations from 2008-9 to 2011-12. Stations used the Fund largely as a source of funding for paid posts for key staff. A total of 67 per cent of the value of the funding applications submitted were for the funding or part funding of specific key posts. The types of posts included station managers, station editors or assistant station managers, community development or community liaison workers, station administrators, book keepers, project managers, programme directors and assistants, sales and marketing officers and engineers. A further 20 per cent of applications by value included both funding of posts and contributions to running costs, while only 13 per cent of applications by value were for support for running costs alone.

11. The salaries for the posts for which stations sought support appeared to be reasonable. Applications to the Fund for 2011/12 included GTFM's bid for a grant of £8,000 to cover two-thirds of a full time Finance/Administration Manager's post at £12,000 a year. Point FM applied for grant support to fund the costs of a full time administrator's post at £12,000 a year and XS sought support for a sales and marketing officer at a salary of £16,000 plus 10 per cent commission from sales paid (a total of £20,955). The senior posts' salaries were based on local benchmarks such as the salaries of equivalent posts in the areas' local authorities or commercial radio stations. The remuneration of the more junior, part time, posts were tied to the minimum wage.

12. Some of the posts for which applications were submitted had been submitted for support in previous bidding rounds. For example XS in 2010-11 had submitted an application for £15,175 to part fund a sales and marketing officer. Although the station received this money it submitted a further bid the following year for £20,955 to employ a sales and marketing officer. GTFM also in 2011-12 resubmitted an application to fund general station running costs, including the salaries of a finance administrator/manager and the role of a volunteer coordinator when it had received the money to cover the costs of a similar application in 2010-11. Some stations had sought to combine support from a variety of funding sources to fund the key posts. Tudno FM in 2010-11, for example, submitted an application to the Community Radio Fund for £15,222 for the part funding of a £33,000 a year station manager's post for an additional 12 months, the balance being obtained from the proceeds of a £10,500 service level agreement with the local authority and a £7,000 grant from the Calouste Gulbenkian Foundation. This suggests that the stations were financially fragile and experienced difficulty in funding key staff from their own resources even when the posts involved income generating roles.

**Table 1: Bids Submitted and Grant Allocated from the Community Radio Fund to Community Radio Stations in Wales 2008-9 to 2011-12**

	2008-09			2009-10			2010-11			2011-12			
Radio Station	On air	Bid £	Grant allocated £	On air	Bid £	Grant allocated £	On air	Bid £	Grant allocated £	On air	Bid £	Grant allocated £	Total grant allocated £
BRFM	x	14,500	18,000	x	16,500	16,500	x	16,500	16,500	x	16,500	16,500	67,500
Bro Radio		24,816	4,500		24,816	18,626	x	22,816	17,941	x	22,816	15,899	56,966
Calon FM	x	20,160	18,000	x	19,000	18,626	x	24,000	17,941	x	25,000	16,500	71,067
GTFM	x	65,000	18,000	x	35,000	18,626	x	18,500	17,941	x	20,000	15,899	70,466
Point FM		76,000	4,500		13,600	-	x			x	18,000	10,000	14,500
Tudno FM		17,972	4,500	x	13,122	13,122	x	15,175	15,175	x	15,222	15,222	48,019
XS Formerly Afan FM	x			x	14,500	14,500	x	14,500	14,500	x	20,955	10,000	39,000
Radio Cardiff	x			x			x			x			
Radio Tircoed				x			x			x			
<b>Total</b>		<b>218,448</b>	<b>67,500</b>		<b>136,538</b>	<b>100,000</b>		<b>111,491</b>	<b>99,998</b>		<b>38,493</b>	<b>100,020</b>	<b>367,518</b>

**Table 2: Type of Applications Community Radio Stations made to the Community Radio Fund, 2008-9 to 2011-12**

Purpose of application	2008-09	2009-10	2010-11	2011-12	Total Allocation (£)	
	£	£	£	£	N	%
Funding specific posts	153,448	56,938	92,991	101,993	405,370	67.0
Funding station running costs	65,000	13,600	-	-	78,600	13.0
Funding of posts and running costs	-	66,000	18,500	36,500	121,000	20.0
<b>Total</b>	<b>218,448</b>	<b>136,538</b>	<b>111,491</b>	<b>138,493</b>	<b>604,970</b>	<b>100.0</b>

13. Since the start of the Community Radio Fund three community radio stations had not applied for support. Two of the stations – Radio Cardiff and Radio Tircoed - said that they were not aware of the Fund. Radio Cardiff also said that their focus in fund raising had been directed to securing private sector funding, including sponsorship of programmes from private businesses in Cardiff. This was possibly because they had experienced financial problems in the past and were required to repay the public sector grants they had received because of the increased risk of the project. This had made them reluctant to apply for public sector grants again. Point FM did not apply to the Fund in the 2010-11 funding round because of the difficulties and delay it experienced in putting the station “on air”.

14. All community radio stations receiving support from the Community Radio Fund were asked in what ways the grants they had received had benefitted their stations.

15. All of the stations that received support were of the view that the grants from the Fund had provided them with a degree of funding stability. They reported that support for stations’ day to day operational expenditure was difficult to raise from other sources, especially when commercial revenue from advertising and sponsorship had fallen significantly during the recession and securing alternative public or charitable funding was an increasingly competitive and uncertain process. Support from the Fund enabled the stations to run effectively and deliver the social gains to their communities required by their licences.

16. The extent of the stations’ dependence on external support was shown in the case of GTFM which was run by three full time and one part time paid members of staff and a commission only sales executive. One of the full time posts-the broadcast journalist who presented and produced local news bulletins and features – was supported by Communities First funding, with the station manager’s post partly funded by Communities First. The volunteer coordinator’s part time post was supported by the Welsh Government’s Community Radio Fund.

17. The posts supported by the Fund had provided a number of job opportunities in areas of high unemployment such as Brynmawr, Barry and Rhyl. The posts and the persons recruited to fill them also provided the key skills and expertise to develop the stations.

- XS, for example, said that their grants from the Fund enabled the station to generate on-going income as a result of the increased advertising sales secured by the sales and marketing officer's post, which the grant funded. This enhanced income covered the station's monthly rent and general overheads.
- In the case of Calon FM the Fund supported experienced full and part time staff to manage and train the volunteers and to establish and develop the links between the stations and their local communities.
- Bro Radio believed that the skills and experience of the key worker and station manager supported by the Fund were key to the station's survival.

18. The Fund was considered to be particularly valuable by those stations which were prohibited from raising revenue commercially from commercial advertising or "on-air" sponsorship. Point FM, for example, said that without the financial support to underpin the core operation of the station its ability to perform would have been severely compromised.

19. The community radio stations were asked for their views on the impact on stations and the community radio sector of a reduction in, or withdrawal of Welsh Government funding of community radio. Respondents felt that the impact of a reduction in the size of the Community Radio Fund would depend on the extent to which stations were able to receive alternative sources of funding. Although most community radio stations are able to sell air time for advertising or seek for programme sponsorship, the recession is likely to hinder their ability to generate substantial alternative income. As a result of the recession, private businesses have cut advertising budgets and are reluctant to advertise on a small scale in largely deprived areas where listeners have below average disposable incomes, while businesses' curtailed advertising has forced stations to significantly reduce their advertising rates. In the case of those stations prohibited by their licences from raising any commercial income, the impact of a reduced level of funding would have been to kill the project for which funding was required and, respondents felt, possibly the station.

20. In the current financial climate, although there are many potential alternative sources of funding, the recession has forced many of the organisations dispensing such support - the trusts and charities- to limit the number of grants they award at a time when cut backs in public funding have increased the demand for assistance from such funds.

21. Those stations applying for support for key posts reported that a reduced level of support from the Fund in the absence of available match funding would have been likely to result in a reclassification of the posts from full-time to part-time, even

though such a change might have had a negative effect on the speed of the stations' development and growth. The removal of funding for key posts and the reliance on volunteers to run the stations would be likely to result in a reduction in the stations' efficiency and in the quality of the programmes produced and other outputs.

22. It was the opinion of the respondents that the provision of no funding at all for the projects community radio stations put forward to the Community Radio Fund would have had severe effects on the stations' ability to manage their day to day business requirements. XS thought that the failure to employ key sales and marketing staff would have significantly reduced the advertising income it eventually received and which helped sustain the station.

23. The limited availability of key staff would limit stations' ability to supervise, support and train volunteer staff to ensure that they were effective and able to enjoy their volunteering experience at the radio stations. As community radio stations are largely voluntary organisations the stations considered that the absence of meaningful and effective supervision and training would be likely to adversely affect volunteers' enthusiasm, resulting in a decline in the number of volunteers and in the organisations' vitality and levels of service which could eventually lead to the stations' loss of their broadcasting licences and possible eventual closure.

24. Three of the stations said that had there been no core funding, which they regarded as pivotal to their existence, the stations would not have been in operation. Tudno FM said that "without the Fund we would have had serious problems in surviving". Even those stations which managed to secure alternative funding would need to manage the increased financial uncertainty and risk which the withdrawal of the Fund would cause, resulting in a possible reduction in the standard and quality of the services provided.

## **Financial Analysis**

25. The concept of community radio implied that the radio stations would generate a significant proportion of their income locally from advertising to the local communities, their own activities and fundraising. All the stations gave priority to raising funds for revenue and capital and all reported difficulties in fully meeting their revenue and capital requirements, partly because they were located in areas experiencing particular economic problems that adversely affected local businesses.

26. This section is based on the community radio stations' replies to the questionnaire and supplementary letter which was sent to the stations following the analysis of their responses.

27. Community radio stations' reported securing revenue funding from three main sources.

- First, the stations' sale of "air time" or web site space for advertising and sponsorship by the private and public sectors of specific programmes and events such as road shows. Most of the private sector companies advertising on the community radio stations were local businesses, including local franchisees of national and international companies such as McDonalds. Only

one station, Radio Cardiff, had been able to rely solely on private sector advertising and sponsorship to generate income, largely because of its location in Cardiff. The recent fall in Radio Cardiff's advertising income as local companies cut back on advertising and the fall in the advertising rates the station can charge due to the recession may force the station to apply for grant support from the Welsh Government in future years.

- Second, the stations undertook fund raising activities relying on donations from volunteers and other supporters who donated items which were subsequently sold to generate income. Stations also hired out equipment and sold items displaying the stations' brands on their web sites.
- Third, eight stations applied for financial support to a variety of sources in the public, private and charitable sectors. The sources of funding included the Welsh Government and Ofcom's Community Radio Funds, county, community and town councils. Some stations such as Tudno FM and Bro Radio entered into service level agreements with their councils. In Bro Radio's case it received a grant of £2,000 per month from the Vale of Glamorgan Council. Stations also applied to local charities such as local church funds, the community focussed awards of national organisations such as Nat West's Community Award, the Big Lottery Fund, Comic Relief, the Ford Britain Trust and the community grants provided by BT and O2. Approaches were also made to charities such as the Alex Dickson Trust, Esmee Fairburn Trust and charities supporting volunteering such as Youth Volunteering and Millennium Volunteers. Most of the public, private and charitable sources were targeted to fund specific projects. Most such funds were not available to support organisations' core administration costs as the Welsh Government's and Ofcom's Community Radio Funds were designed to do.

28. As the community radio stations rarely generated sufficient revenue surpluses to fund their capital expenditures, stations also reported seeking financial support for capital projects. A total of six stations secured financial support to replace existing equipment or build new facilities which were secured from sources such as the Big Lottery Fund, Communities First and Business Development and Coalfield Regeneration grants. Bro Radio in Barry occupied new studios in the YMCA building which received funding of £152,000 from the Barry Regeneration Board to develop a Digital Media Enterprise. The YMCA agreed to rent the studios to Bro Radio at a low rent. Community radio stations also sought and secured capital grants from organisations such as the Dulverton Trust, Millennium Stadium Trust and Red Nose day, while some stations secured small legacy gifts which they used for capital purposes.

29. In spite of the competition for grants and the need to apply to multiple sources, only one of the radio stations that applied for external funding reported being unsuccessful in raising any funding. The grants received by the community radio stations varied from £300 to £500 from community and town councils or local charities to the £45,000 and £79,000 which GTFM and Tudno FM respectively received from Communities First.



30. Most stations applied to all the financial sources for which their projects were eligible. Respondents reported devoting considerable time to applying for such support. BRFM, for example, over the period from November 2009 to November 2011 secured grants from 20 organisations totalling £83,000. One station manager said that applying for grants was the single most time consuming activity he undertook and detracted from the day to day management and direction of the station.

31. Table 3 sets out the aggregated income generated by seven of the community radio stations over the last two financial years (2009-10 and 2010-11). Two stations Radio Cardiff, which refused to provide financial information and XS, which had gone into voluntary liquidation since completing the postal questionnaire, were not included in the Table, while a further two stations, Radio Tircoed and Point FM had not received allocations from the Community Radio Fund.

32. The income generated by the community radio stations excluding the Community Radio Grant varied from £56,804.68 in the case of BRFM to £158,275 in the case of Bro Radio and £146,826.49 in the case of Tudno FM. The income sources varied but all of the stations raised income from donations and events and all applied for and received income from revenue and capital grants.

33. All of the stations except Calon FM generated more income from their various other funding sources than they received from the Welsh Government's Community Radio Fund. Calon FM generated £6,930 in total income, that is, its self generated income and the revenue and capital grants it had received, including £5,000 in capital grants. It received £36,567 from the Welsh Government's Community Radio Fund or 5.3 times what it had generated in total income. The other four stations which received allocations from the Fund generated total income of between 1.7 and 5.2 times their allocations from the Fund, or overall 2.3 times the grant they received from the Fund. When the allocations received from the Fund were compared to stations' self generated income, the overall ratio was only 1.4 times the amount of grant the stations received from the Fund and although two stations were able to generate more than twice the amount of grant they received, three stations generated substantially less.

34. Taken as a whole it appears that the support provided by the Welsh Government to the stations contributed to their being able to generate further income, which they used to fund their on-going operational costs, additional programmes and the provision of training for their volunteers.

35. The relatively small proportion of financial support provided by the Welsh Government from the Fund enabled the stations to:

- Maintain and even expand their operations.
- Generate greater income than they had received from the grant dispersed by the Fund during what was a challenging economic environment. The funding provided could therefore be considered to provide value for money in financial terms, even excluding the other wider community benefits generated by the stations (which will be considered in the section below).

## Barriers to Success

36. Community radio stations considered that the main barriers they faced were, constrained budgets and the limited funding available to enable them to meet their overhead costs and to employ experienced paid staff. Even those stations that were able to continue to support their businesses by generating advertising revenue had experienced the effects of the recession, experiencing a fall in advertising income as local companies cut back on advertising and the rates stations were able to charge fell. The shortage of resources was particularly restrictive to stations as volunteering during a time of economic uncertainty and high unemployment was very high and demand for the range of services provided by community radio stations had increased.

For example, Bro Radio noted that there was increasing demand from local people, businesses and statutory providers for the station to increase and improve its information services in particular on dealing with debt, the provision of benefits and pensions advice while more schools and colleges had asked the station to take students for work experience. There had also been pressure on the station to expand their radio footprint into the Vale of Glamorgan.

Other community radio stations reported similar pressures and XS believed that without support for the full time key posts previously supported by the Fund it would struggle to meet its daily target of 12 hours live output in January and February 2012 if the grant was not renewed.<sup>1</sup>

37. The two radio stations prohibited by their licences from raising commercial income highlighted the restrictions of the regulations associated with the licences which was regarded as a threat to the viability of their operations and their continued existence.

38. Finally, a number of stations wishing to increase their Welsh language programming reported difficulties in recruiting Welsh speaking volunteers who had the confidence to have their work broadcast or written material published on websites.

39. The stations suggested that they could overcome some of these barriers by reducing their dependence on public subsidy and generating more of their income from various commercial and cooperative ventures. Although the new DNB network could contribute to income generation this could prove difficult in a period of recession. However, one station proposed that the recruitment of more volunteers or those on work placements with experience or qualifications in marketing, sales and advertising could benefit individual stations and the community radio sector. Some stations suggested that funding pressures might force stations to enter into discussions with Ofcom to reduce the stations' daily live broadcasting target hours. XS proposed to reduce the target from 12 to eight hours per day. The stations could also recruit more Welsh speaking volunteers, who in time, with the appropriate training, would be able to provide publishable and broadcastable Welsh language

---

<sup>1</sup> Ofcom fined XS in December 2011 for failing to broadcast live programming with speech content for a number of days in December 2010, in breach of its radio licence.

material and support for further Welsh speaking volunteers, who might join the stations.

40. In summary, the stations submitting applications to the Community Radio Fund mostly received allocations which they used for funding paid posts for key staff and to cover some of their running costs. All the stations believed that the support they received provided them with a degree of financial stability which enabled the stations to employ key personnel who generated additional income, helped them undertake the training of volunteers and others and enabled the management to focus on running their organisations rather than on applying for further grant support to keep the stations “on air”.

41. The stations considered that the effect on the stations and the sector of a reduction in, or withdrawal, of the Welsh Government’s support would be severe, especially given that alternative funding sources were difficult to access. The reduction in funding, especially of the key posts, would have led to a reduction in the number of hours associated with the posts, while the withdrawal of the funding completely would have severely affected stations’ ability to manage their day to day activities, forcing management to devote even more time to fund raising and, if alternative resources and the key skills were unavailable, to cutting back on their broadcasting and training activities, which would adversely affect stations’ vitality and levels of service, possibly placing their broadcasting licences in jeopardy.

42. The money allocated to community radio stations through the Fund enabled the stations to maintain and expand their operations and to generate additional income and as such could be considered to provide good value for money in financial terms, even excluding the additional community benefits the stations generated, which will be considered in the next section.

**Table 3: Community Radio Stations' Revenue Sources 2009-10 to 2010-11**

Income Sources	Radio Tircoed	Point FM	BRFM	GTFM	Calon FM	Bro Radio	Tudno FM	Total
Advertising and Sponsorship	2781	-	8794.25	35,803.45	110.00	10,337.00	315	58,140.70
Donations	1,840.90	3,450.00	4,379.50	261.00	320.00	505.00	45,219.53	55,975.93
Events	2,450.50	3,800.00	5,332.75	3,355.00		1,200.00	1,450.00	17,588.25
Service level agreements				91,346.00	1,500.00	200.00	12,395.00	105,441.00
Courses			300.00					300.00
Sales promotions	106.96							106.96
Membership fees	771.00							771.00
Hire of equipment		1,200.00						1,200.00
Recording of bands			1,851.00					1,851.00
Total self generated income	7,950.36	8,450.00	20,657.50	130,765.45	1,930.00	12,242.00	59,379.53	241,374.847
Total; revenue grants	1,000.00	10,000.00	43,487.25	36,567.00		30,600.00	34,872.00	156,526.25
Total capital grants	19,762.00	20,000.00	25,659.93		5,000.00	152,000	80,871.96	303,293.89
Total income	28,712.36	38,450.00	89,804.68	167,332.45	6,930.00	194,842.00	175,123.49	701,194.98
Community Radio Grant			33,000.00	36,567.00	36,567.00	36,567.00	28,297.00	170,998.00
Total income excluding Community Radio Grant	28,712.36	38,450.00	56,804.68	130,765.45	-29,637	158,275.00	146,826.49	530,196.98
Ratio of income/CRgrant	-	-	1.7	3.6	0.81	4.3	5.2	2.7
Ratio of self generated income to CRgrant	-	-	0.6	3.6	0.05	0.8	2.1	1.4

## The Community Benefits Arising from the Fund

43. The social gains or community benefits which the community radio stations aspired to deliver to their local areas and communities of interest reflected the mandatory social gain objectives set out in the Community Radio Order 2004 and the social inclusion and regeneration priorities set out in the Welsh Government's "Community Radio Fund: Guidance Notes". The community radio stations' objectives were identified as:

- To inform, entertain and provide a voice for those not currently served by other broadcast media by offering a platform for those whose tastes and viewpoints are under represented in the mainstream media and to act as a focus for community concerns, issues and local news, which are often ignored. Some of the stations such as BRFM, Point FM and Bro Radio expanded this objective to include a requirement to encourage local residents to create, produce and broadcast their own material and to advance the social cohesion of their communities by creating a sense of social identity, pride and a common bond of interest within localities.
- To provide an extensive range of training and work experience to the next generation to enable them to provide high quality local news, information and training so that the communities "speak for themselves" and became more self reliant. Bro Radio's aim was to "enable our community to speak to and for itself."
- To encourage greater public access a number of stations held regular open evenings to provide the public with opportunities to learn about the stations, the opportunities they offered and to contribute to their operation and management. Bro Radio had a community elected local resident as a "listener champion" who reported to the station's Board of Directors, who were local people with business backgrounds.

44. A number of stations said that their primary objective was to deliver social gains in all its aspects and a number of the stations also said that the objectives were routinely reassessed to ensure that they were compatible with their communities' requirements and aspirations. The objectives, which mostly reflected issues relating to social inclusion and regeneration were compatible with the Welsh Government's priorities. However, none of the stations in their responses referred to ensuring the organisations' financial sustainability, or the requirement to generate surpluses or to attract other sources of income sufficient to meet their operational costs and overheads in order to deliver the future improvement of services.

45. The social gains or community benefits which the community radio stations aspired to deliver to their local areas and communities of interest reflected the four mandatory social gain objectives set out in the Community Radio Order 2004. No station proposed any other type of community or social gain.

46. The stations identified their particular interest groups as being the younger or older age groups or the inhabitants of particular disadvantaged parts of their areas

and, in Radio Cardiff's case, the black and ethnic minority community in South Cardiff, who they believed to be underserved by the existing media. The community radio stations generated a range of benefits for their local communities which they attributed to the funding they received from the Fund which included:

- An increase in broadcasting hours.
- An increase in the number and variety of programmes.
- The provision of support for Welsh and other languages.
- The provision of employment, training and volunteering opportunities; and
- The contribution to partnership working and the running of local events and activities. These are considered below.

### **Broadcasting Time**

47. Table 4 sets out the hours per week the community radio stations broadcast in English, Welsh and other languages. The Welsh Government's "Community Radio Fund: Guidance Notes" emphasised the importance of stations reflecting the Welsh language in their broadcasting, bilingual advertisements on air, the provision of programmes for Welsh learners and speakers and undertaking outreach work with the Welsh language community. The nine community radio stations collectively delivered a total of 1158 hours per week of live broadcasts in English and 50.5 hours per week of Welsh output, some 4.2 per cent of the total.

**Table 4: Hours Per week Broadcast in English and Welsh**

Station Name	Hours per week broadcast in English	Hours per week broadcast in Welsh	Hours per week broadcast in other languages	Total live hours per week	Total hours per week	% Welsh in live broadcasts	% Welsh in all broadcasts
GTFM	123	6		129	168	4.7	3.6
XS	168	-		168	168	-	-
BRFM	94	4		98	98	4.1	4.1
Calon FM	108	4	4	116	116	3.4	3.4
Radio Tircoed	118	1		119	168	0.8	0.6
Radio Cardiff	166	-	2	168	168	-	-
Tudno FM	90	25.5		115.5	115.5	22.1	22.1
Point FM	160	8		168	168	4.8	4.8
Bro Radio	131	2		133	168	1.5	1.2
Total	1158	50.5	6	1,214.5	1,337.5	4.2	3.8

48. The stations' broadcasting hours varied between stations, for example, six of the stations were "on air" for 24 hours a day for seven days a week, that is 168 hours a week. Although their overnight output largely comprised customised music and syndicated programmes and pre-arranged items, they contained regular connecting messages, programme trailers, advertisements, local news, weather headlines and UK and international news bulletins during weekdays. The radio stations' specifically produced programmes ("live" broadcasts), which were usually broadcast between 7am and midnight most days, varied from 98 hours per week in the case of BRFM to 129 hours per week in the case of GTFM. XS broadcast a total of 168 hours in English compared to 90 hours per week by Tudno FM and the time allocated to Welsh language broadcasting varied from 25.5 hours per week in the case of Tudno FM to no Welsh language broadcasts at all on XS and Radio Cardiff. Radio Cardiff and XS explained that they sometimes broadcast the occasional Welsh advertisements which were not included in the statistics of their Welsh language output. In Radio Cardiff's case the station also broadcast in Somali and Punjabi to the ethnic minority community in Cardiff Bay. Calon FM also broadcast two hours per week in Polish and two hours of Spanish per week to Wrexham's Polish and Spanish population. Some of the stations also broadcast programmes over the internet which generated interest from former residents and their families, many living abroad, including in the USA, who wished to keep in contact with developments in their former home areas. Point FM established a relationship with a number of community radio stations in Ohio, where many families from Rhyl settled in the nineteenth century, to explore issues relating to family history.

49. The stations reported that the number of hours of live broadcasts had increased since the stations opened. In BRFM's case, for example, the number of live broadcasts had increased from 56 to 98 hours per week, largely because the station was able to employ staff. The Welsh language broadcasts of other stations had also increased. Tudno FM increased its Welsh language broadcasts by 12 hours per week or 50 per cent, while GTFM had doubled its Welsh language output since 2007 to include a three hour magazine style show which included information about the activities of local Mentrau Iaith. Calon FM said that there had been a significant increase in the amount of Welsh music in the station's general rotation playlists, which also featured local artists as well as Welsh language music.

50. Some stations had specifically targeted Welsh speakers. Tudno FM had appointed a Director who was responsible for increasing the station's Welsh language output. BRFM persuaded the Welsh Department at Tredegar Comprehensive School to present a one hour programme once a week to fluent Welsh speakers and the station also broadcast two other bilingual programmes. Two stations BRFM and Calon FM had hosted the National Eisteddfod at Ebbw Vale in 2010 and Wrexham in 2011 and had featured the National Eisteddfod in their broadcasts and offered their listeners a full coverage of the event. In BRFM's case the station established a separate RSL station for the week broadcasting totally in Welsh from the Eisteddfod Maes at a cost of £3,000, half of which was funded by a sponsor. Calon FM at the time of the Wrexham National Eisteddfod featured a number of Welsh language and bilingual programmes to encourage both English and Welsh speakers to be involved in the Eisteddfod and short "Learn Welsh in five Minutes" packages were included in its English language community programmes throughout the year and the station's web site was also bilingual.

51. BRFM and GTFM ran weekly learning Welsh features and promoted local Welsh classes. Both Point FM and Bro Radio had introduced bilingual shows for Welsh learners involving English speaking Welshmen trying to learn Welsh with fluent Welsh speaking female presenters. Both programmes were accompanied by the playing of Welsh traditional and modern music.

## **Radio Programmes**

52. Table 5 sets out the categories of programmes the stations broadcast. The figures are estimates provided by the stations as they were not required by Ofcom to keep records of the exact number of hours devoted to specific categories of programmes. The community radio stations adopted a rolling format which mixed their output into a continuous, multi-faceted narrative, punctuated by music so that it could be difficult to separate out the different categories of programmes, especially the time allocated to music, which for some stations was a major component of their programming.



**Table 5: Type of Programmes Broadcast on Community Radio Stations**

Programme Categories	GTFM (hours per week)	BRFM (hours per week)	Calon FM (hours per week)	Radio Tircoed (hours per week)	Radio Cardiff (hours per week)	Tudno FM (hours per week)	Point FM (hours per week)	Bro Radio (hours per week)	Total (hours per week)	Percentage
Local news	6	14	29	10	1	5	8	32	105	10.1
National news	5.6	-	-			4	8	2	19.6	1.9
Music	*	64	25	91	148	63.5	112	*	503.5	48.2
Local interest programmes	82.5	6		16	5	20	8	35	172.5	16.5
General interest programmes	32	7	22		12	18	20	82	193	18.4
Sport	6.5	3	2	4	3	5	8	4	35.5	3.4
Arts		-	9	-		-			9	0.9
Other languages than Welsh		-	4		2				6	0.6
Total	132.6	94	91	121	171	115.5	164	155	1,044.1	100.0

\* GTFM and Bro Radio were unable to provide estimates because a substantial proportion of their programmes involve music.

53. In terms of the stations' output of programmes music was very clearly the largest component amounting to 503.5 hours per week or 48.2 per cent of their total output, but this was likely to be an underestimate as both GTFM and Bro Radio were unable accurately to estimate the precise number of hours of music they broadcasted per week. The amount of music played varied between stations. Radio Cardiff's music output amounted to 148 hours per week and that of Tudno FM 63.5 hours per week. A number of stations, in addition, ran specialist music programmes such as GTFM which broadcast 17 hours of such programmes. Calon FM also ran separate arts programmes with a focus on poetry, books, theatre and film. The local and community focus of the stations was also evident as local news and local interest programmes were significant amounting to 277.5 hours per week, or 26.6 per cent of the broadcasting time.

54. The national news usually took the form of two or three minutes of news broadcasts every day on the hour, which was usually bought in by the stations from Independent Radio News, a subsidiary of Sky News.

55. Over the last two years the stations' programme mix had changed with an increase in the amount of live production, in particular increases in the time allocated to local news and features and national current affairs and their local implications. Some stations emphasised that the programme mix continually changed to reflect listeners' views, local events held at different times of the year and the interests of individual volunteers. Cardiff Radio noted that its specialist music programmes had changed as new disk jockeys joined the station while in response to listeners' demands the station had recently started a new ska show. Bro Radio also mentioned that the station now had a full programme, but two years ago, when it was first launched, there were periods when only music was played as there were insufficient people to cover all of the available air time. The station now had a waiting list of presenters wishing to host their own shows.

56. The programme formats of the stations varied. GTFM, for example, broadcast popular music programmes by day and special interest programmes during weekday evenings and over the weekends. Independent Radio News (Sky News) was broadcast every day on the hour and was followed by in-house local news hourly from 6am on Monday to 6am on Saturday each week. There was no scheduled local news over the weekends. The station's weekly daytime output routinely contained local information, such as the travel headlines, "what's on" in the area, short pre-recorded talks and live interviews, punctuated with popular music. The stations' evening and weekend output comprised a wide range of mainly special interest programmes focussing on specialist music programmes comprising of a wide variety of types of music presented by local experts. GTFM had recently launched monthly local business and motoring programmes.

57. All of the stations placed importance on providing a voice for their areas. In order to facilitate the discussion and expression of opinions the stations broadcast question and answer sessions on local issues with local Assembly Members and MPs, the representatives of other parties and local statutory and Government bodies. The stations also ran round table debates and discussions with local groups on topical local issues such as crime, the closure of local schools and proposed planning developments affecting their areas, and open access (phone-in, e-mail or

text-in) programmes to stimulate listener involvement. Some stations such as Point FM preferred to interact directly with their audiences and encouraged their audiences to contact the programmes' presenters or shows direct by texts and e-mail, which gave the listeners ownership of the issues considered. GTFM shared some of its live phone-in programmes with Radio Cardiff.

## **Employment**

58. One of the main social gains resulting from community radio stations was reported to be the employment, either full time or part time and the opportunities they provide for local people to volunteer and train. Table 6 sets out the number of staff and volunteers working in the community radio stations. In total the stations employed only 18 full or part time paid staff. They were mostly the station managers, editors, the senior staff with experience in finance, marketing/sales, community development and radio engineering. They undertook the full range of roles involved in running the radio stations and also the training and supervision of the volunteers. Three community radio stations – Radio Tircoed, Radio Cardiff and Point FM - employed no full time paid staff and two of these, Radio Tircoed and Radio Cardiff, did not employ any part time paid staff either, but relied entirely on part time volunteers to run the stations. The majority of those working in community radio stations (over 96 per cent) were either full time or part time volunteers. The number of volunteers in the stations varied from 136 in Radio Cardiff to 27 in XS and Bro Radio.

59. There were many reasons why people become volunteers with community radio stations. Volunteering provides individuals with a sense of achievement from doing something different and acquiring new skills. Others look for a career in the media and wish to gain direct broadcasting experience, while others may experience loneliness and isolation and wish to work with others and assist in their local communities.

60. The volunteers at the community radio stations were drawn from all age groups, backgrounds and employment sectors. They included:

- Young people, who were not in employment, education or training.
- Those on work placements from local schools and colleges, who wished to gain experience of all aspects of radio production.
- Individuals who were unemployed.
- Students.
- Retired; and
- Others who were in full time employment.

The stations worked with local colleges' media departments with a view to placements being provided for their students. They reported a growing number of young people with A-level and degree qualifications volunteering who were unable to find permanent jobs.

61. Volunteers were deployed in roles covering all aspects of the running of radio stations. The roles included news preparation, research work, presenting programmes, making advertisements, outside broadcasting, station engineering, technical backup, office based administrative work, editing and producing programmes. In some stations all the main programmes were presented by volunteers. In GTFM's case over 40 individual volunteers out of a pool of 60 were directly involved in station activities in any one week.

62. Each of the community radio stations provided training to volunteers and those on work placements with little or no radio experience. This took the form of full induction on all aspects of the radio stations' work and work based learning and bespoke training on particular aspects of radio production, such as programme making and presentation, sound recording, including editing. The stations' intention was usually to tailor the training programmes to the needs and interests of the individual volunteer and the station.

BRFM, for example, had developed a structured training programme which included taster days on techniques such as interviewing skills, editing and basic computer skills which were open to all members of the community as a way of encouraging participation, day to day support through formal and informal training linked to mentoring, attendance at formal courses at the University of Glamorgan which led to accreditation, and a 10 week formal course covering key broadcasting and life skills, such as teamwork, discipline, self motivation, communication and organisational skills.

63. The volunteers contributed significantly to the stations. In the case of Bro Radio in the period from January to November 2010 the younger volunteers (aged 13 to 24 years) devoted a total of 2,765 hours to the station while those aged over 24 years devoted a total of 3,347 hours, equivalent to a monetary contribution of £35,632 based on the minimum wage.

**Table 6: Numbers Employed and Volunteering in Community Radio Stations**

	Radio Tircoed	Radio Cardiff	Point FM	BRFM	GTFM	XS	Calon FM	Bro Radio	Tudno FM	Total
No. of full time paid staff (30 hrs week and above)	-	-	-	2	3	2	2	1	1	11
No. of part time paid staff ( wk fewer than 30 hrs)	-	-	4	1	-	-	1	1	-	7
No. of volunteers ( full time)	-	1	14	5	1	-	-	-	-	21
No. of volunteers (part time)	48	135	34	30	60	25	60	25	55	472
Total	48	136	52	38	64	27	63	27	56	511

**Table 7: Outcomes for Volunteers and Students Undergoing Training in Community Radio Stations over the period 2009-11**

	Radio Tircoed	Point FM	BRFM	GTFM	Calon FM	Bro Radio	Tudno FM	Total
Number of volunteers undertaking training	85	14	50	24	300	90	153	716
Number of volunteers completing training	85	24	50	24	300	60	146	689
Number of volunteers securing paid employment elsewhere or in the station	3	10	11	2	9	6	13	54
% of those completing training securing paid employment	3.5	41.7	22.0	8.3	3.0	10.0	8.9	8.0

64. Table 7 sets out the training community radio stations reported providing for volunteers and those on work placements. A total of 716 volunteers and students undertook training over the two financial years 2009-11. The number varied from 300 in the case of Calon FM and 14 in Point FM. A total of 689 out of the 716 undertaking training (that is, 96.2 per cent) completed the training. A total of 8 per cent of those completing the training found paid employment in their radio stations or elsewhere. However, a number of others were accepted on higher and further education media courses due to the work experience and training they received at the stations. The percentage securing paid employment varied from 3 per cent in Calon FM, which trained the most volunteers, to 41.7 per cent in Point FM, which trained the fewest.

### **Partnership and Collaborative Working**

65. The establishment of partnerships is regarded as one of the way stages to regeneration, is an indicator of good management practice and is one of the Welsh Government's requirements for the organisations they support financially. The Welsh Government's Community Radio Fund Guidance Notes, for example, emphasise the importance of collaborative working, including joint applications for Community Radio Fund support from stations. All of the community radio stations said that they worked in partnership or collaboratively with other organisations and each provided a number of examples, although there were no joint applications for support submitted to the Fund.

66. The organisations the community radio stations worked with included public bodies such as county councils, community and town councils, the police, fire and rescue services, health bodies, local schools, colleges and universities. Calon FM, for example, was based at Glyndwr University in Wrexham and both GTFM and Radio Cardiff had been assisted by the University of Glamorgan. The evening programmes on Radio Cardiff were broadcast by students from the University's campus in Cardiff. All of the stations made programmes highlighting the work of the local police, fire, ambulance and councils' services, which included the provision of safety advice and crime stopper type programmes, features on crime problems such as the car crime experienced by specific areas and up to date advice on issues such as healthy eating and exercise by representatives of healthcare organisations.

67. Some stations entered into partnerships with local newspapers, such as Bro Radio's partnership with the Glamorgan Gem news team and the Vale of Glamorgan Council, to provide the most up to date news and advice for their areas. GTFM ran its own local news bulletins which it provided to local on-line and RSL stations Rhondda Radio in Treherbert and Dapper FM based in Penywaun. During the winters of 2009 and 2010 the stations gave up to date coverage of road, school and public building closures and conditions during the very bad weather and acted as intermediaries between their listeners and the emergency services.

68. All the stations reported that they worked with local charities such as Marie Curie, Citizens Advice Bureaux, Macmillan Nurses, British Heart Foundation. All religious denominations contributed to religious programmes, such as Radio Tircoed's "Thought for the Week." The stations also worked with the Communities First partnerships updating their listeners on developments in the regeneration areas and highlighting the presence of job opportunities in local businesses and the events run by the partnerships. Bro Radio, which is based in the YMCA Centre in Barry, worked closely with YMCA staff to promote radio and film making in the community to local people.

69. All of the stations reported attempting to foster a better understanding of their communities and the strengthening of links within it. For example, Radio Cardiff ran topical programmes on local environmental issues, Aids, gay rights and black history, while BRFM ran programmes where various charitable organisations were given a platform to engage with the public to increase awareness about their services. GTFM went further and encouraged debates with charities and others about public involvement in schemes such as community regeneration, volunteering, safer communities, retiring and life long learning. The stations also established contacts with organisations like the Communities First partnerships in their areas, voluntary sector bodies and the Community Foundation in Wales to provide new links between local organisations and groups. Some community radio stations, such as BRFM, used volunteers as outreach workers to keep the stations abreast of issues and needs and to maintain contacts with the other local media and groups.

## Events

70. As a result of the Community Radio Fund, some community radio stations such as GTFM reported staging events and activities in their areas when in the past there had been few such activities. These were undertaken by the stations themselves or in partnership with local authorities and others. Events included concerts and dances for young people, road shows, carol services, the turning on of Pontypridd's Christmas lights, the opening of the Church Village by-pass and broadcasting local remembrance services. XS promoted and publicised "The Passion" play in Port Talbot which starred Michael Sheen over a three day period while Point FM was appointed the official radio station for Rhyl FC and a co-sponsor of Rhyl Air Show.

71. In conclusion, given the range and scope of their activities community radio stations appear to have taken the actions required to deliver effective broadcasting services and have met the social gain objectives set out in their licences. They also appear to have engendered positive attitudes to enhancing local services and the self-worth of individuals, groups and their areas by fostering "can do" attitudes, encouraging self help through the provision of advice, helpful information and training in media skills and engaging with the agents of government in their areas.

72. The range of activities undertaken by community radio stations suggested that they were innovative and energetic organisations.



## **Satisfaction with the Fund and its Administration**

73. This section first examines the community radio stations' views on the Community Radio Fund and how it might be better adapted to meet the needs of community radio stations and the sector in Wales. It also examines respondents' level of satisfaction with the Welsh Government's administration of the Fund.

### **Proposals for Changing the Fund**

74. Community radio stations were asked for their views on how the Fund might be adopted to better meet the needs of individual stations and the community radio sector in Wales. And what the Welsh Government could do to promote and support community radio stations and the sector.

75. In terms of possible changes to the Community Radio Fund stations were supportive of the Fund and the way it operated. Four stations thought that the Fund as currently constituted was sufficient to meet the needs of their stations, in particular the opportunity to obtain funding for the recruitment of key staff. A number of suggestions for adapting the Fund were made by stations. They included: increasing the Fund in line with the rise in community radio stations' overhead costs and according to the growth in the number of community radio stations, following, for example, the licensing of new stations.

76. One station suggested that the Fund should be divided equally between all applicants so that each radio station received a known yearly income. Another station suggested a slightly different approach that entailed every station receiving a flat fixed sum to assist with its operating overheads and thereafter designating a flexible amount that could be targeted towards specific projects, employment or need. It was also suggested that there should be an increase in the range of activities that the Fund would support. The specific areas would be identified after consultation with the community radio sector but it was proposed that one of them should be the new DNB network.

77. The community radio stations, in addition, suggested a number of actions which the Welsh Government could take to support community radio. They believed that the Welsh Government should include community radio stations in Wales on the Welsh Government's preferred list of media suppliers and that it should also routinely place a proportion of its paid for public service advertising on community radio stations alongside its advertising on commercial radio and television. They believed that community radio stations' combined advertising rates would be relatively small, but the benefit to the sector would be considerable.

78. The stations also proposed that Welsh Government officials should meet with representatives of the community radio sector periodically to discuss the development of the sector and specific issues of interest and concern. Issues would include the training role of the stations, raising the profile of community radio by, for example, encouraging collaborative work with other broadcasters such as the BBC, ITV and S4C and sponsoring awards in recognition of their achievements and excellence in order to encourage high standards in the sector.

## Administration of the Community Radio Fund

79. Service improvement has become an important priority for all public services. An important aspect of an evaluation of the Welsh Government's externally focused Community Radio Fund was therefore to establish the community radio stations' level of satisfaction with the administration of the Fund and to obtain feedback from them on whether the processes followed could be improved. Stations were asked:

- how they found out about the Fund; and
- for their assessments of aspects of the Welsh Government's administration processes.

80. Although details of the Fund and the separate funding rounds were sent by post to all community radio stations, only four of the stations reported finding out about the Fund direct by letter from the Welsh Government. Two stations reported that they were informed by Ofcom, two by word of mouth from station volunteers and one station found out from the press but too late to send in an application to the Welsh Government.

81. The stations were also asked to rank from 1 (poor) to 5 (excellent) their assessment of the information the Welsh Government provided about the purpose of the Fund, the guidance on how to apply for support to the Fund, the ease of using the application form, clarity on how the applications would be assessed and the overall service provided to applicants throughout the funding process.

**Table 8: Views on the Welsh Government's Administration of the Community Radio Fund**

Radio station	Rankings given for the Welsh Government's performance				
	Information on Fund's purpose	Guidance on how to apply	Ease of applying using application form	Clarity about the assessment process	Overall satisfaction with service received
BRFM	5	5	5	5	5
Bro Radio	4	4	5	5	4
Calon FM	5	5	5	5	5
GTFM	5	5	4	5	5
Point FM	4	4	4	4	5
Tudno FM	5	5	5	5	5
XS	5	5	5	4	5
Radio Cardiff	4	4	N/A	N/A	N/A
Radio Tircoed	3	5	4	5	2
Total					
Mark attained	40	42	37	38	36
Maximum mark possible	45	45	40	40	40

82. The rankings given by the community radio stations are set out in Table 8. Individual stations' rankings have been aggregated into a total figure. As Radio Cardiff did not apply to the Fund, it considered that it was unable to comment on the ease of using the application form, the assessment process and the service provided to applicants to the Fund. The stations' aggregated responses which range from 42 out of a maximum score of 45 to 36 out of 40 suggests that the community radio stations were satisfied with the Fund's documentation and the administration of the application process. A number of stations said that the Welsh Government's procedures were satisfactory and did not need to change. One station commented that "compared to other funders the process was brilliant."

83. The only suggestion for change to the application process made by one station was for the timescale for the panel's decision on the applications to the Fund to be publicised to give those stations making unsuccessful applications to the Fund for the renewal of existing posts sufficient time to give their staff the required redundancy notices. This, again, emphasises the precariousness of the stations' revenue funding.

84. Monitoring is regarded as key to the proper operation of a grant regime and the accountability for public funds. The Guidance for the Community Radio Fund requires the community radio stations to submit quarterly monitoring reports together with their grant claims. Although some of the community radio stations that received funding from the Community Radio Fund provided the quarterly reports not all of the stations did so. The stations were also required to complete evaluation templates outlining how the grants previously awarded had been spent, but not all of the stations approaching the Fund appear to have done so. Visits by Welsh Government officials to community radio stations were infrequent and there have been no consultation or other meetings with the sector or their representatives.

85. In conclusion, the community radio stations appeared to be satisfied with the purpose of the Community Radio Fund and the way in which it had been administered by the Welsh Government. They considered that the Fund should continue to provide support to stations' core administration costs and that the Welsh Government should increase the Fund in line with inflation and any increase in the number of new, eligible, licensed stations.

## Issues Arising from the Review

86. This section first summarises the review's key findings, then explores a number of issues of concern and suggests possible ways forward. Finally, this section considers whether the Community Radio Fund should be renewed after 2012-13, when the funding for the current round expires.

### Summary of Key Findings

87. The review showed that over the four funding rounds of the Community Radio Fund 7 of the stations shared a total of £367,518. All of the stations which submitted satisfactory applications received an allocation from the Fund. The bids submitted were mostly for assistance with stations' overhead costs in the form of funding for paid posts for key staff which accounted for 67 per cent of the sum allocated, support for both posts and running costs (20 per cent) and support for running costs alone (13 per cent).

88. Because few funds provided support with organisations' core costs as opposed to specific projects the demand for support from the Fund in each of the four rounds significantly exceeded the £100,000 available for distribution in spite of the fact that two stations did not submit applications to any of the rounds.

89. The review found that support from the Fund had resulted in important social benefits for their communities. The stations significantly increased the number and variety of radio programmes available. Some of the stations broadcast for 24 hours, seven days a week. The nine stations recorded a total of 1,214.5 hours per week of live broadcasts covering a wide range of English and Welsh programmes which reflected local conditions, issues and requirements. The stations by adopting phone-in formats also gave their communities a voice and opportunities to contribute to programmes.

90. Although the stations collectively broadcast only 50.5 hours per week of Welsh language programmes, advertisements and Welsh/bilingual greetings often used by presenters in the stations' English language programmes increased the visibility of the Welsh language in largely English speaking areas. The stations also reported encouraging Welsh learners by running on-air Welsh courses and promoting others run locally. The stations also broadcast in other languages to their local communities, for example, Radio Cardiff broadcast in Somali and Punjabi while Calon FM broadcast in Polish and Spanish to Wrexham's Polish and Spanish populations. Some of the stations broadcast programmes over the internet which generated interest from former residents and their families many living abroad, including in the USA, who wished to keep in contact with developments in their former home areas, while the descendents of previous migrants expressed an interest in discovering their family histories.

91. The community radio stations generated a number of employment, training and volunteering opportunities for local people. Although the stations employed only 18 full and part time paid employees, mostly the senior and professional staff running the operations, the stations were located in areas experiencing economic and social problems where few alternative professional and managerial opportunities existed. In contrast the stations provided opportunities for 511 full and part time volunteers,

drawn from a wide range of age groups and backgrounds which included young people not in employment, education and training, unemployed individuals, students and retired people. The stations also provided work experience opportunities for school and college pupils. The training offered to the volunteers reflected their experience and interests and the stations' requirements and focussed on the wide range of broadcasting and ICT related skills while those on work experience placements and the younger volunteers also received training in transferrable life skills. One community radio station estimated that the monetary value of the hours worked by its volunteers amounted to over £35,000 in an 8 month period.

92. All the community radio stations reported operating in partnership and collaboratively with other organisations in their areas, including the county and town and community councils, the police and emergency services, schools, colleges, universities and charities. This enabled other local organisations to contribute to local programmes which provided them with opportunities to explain their activities to listeners and receive feed back from them, while at the same time updating local residents about future developments in their areas, and potential threats to health and from crime and the actions that could be taken to mitigate such threats.

93. The stations also reported organising events and activities for their areas such as road shows, carol services, the promotion of plays such as XS's The Passion play in Port Talbot and Point FM's sponsorship of the Rhyl Air Show. These were undertaken, often in partnership with others, to raise stations' profiles and to generate revenue.

94. The community radio stations used the support from the Community Radio Fund predominantly to finance key posts required for the effective operation of the stations that they were unable to fund without grant support. The key posts involved managing the stations, generating income, training and supervising the volunteers and delivering high quality programmes to the local communities. The stations match funded the posts for which they sought support from the Fund using grants and money obtained from other sources. Four of the five community radio stations which received allocations from the Fund and provided Welsh Government officials with financial information generated income of between 1.7 and 5.2 times their allocations from the Fund, suggesting that the support provided by the Welsh Government to the stations contributed to the stations being able to generate further income, which they used to fund their on-going operational costs or expand their activities.

95. The stations considered that the ending of the Fund or a significant reduction in its size would have a severe negative effect on stations' ability to manage their day to day business activities. The inability of some stations to employ key paid staff would have hindered their effectiveness, reduced their vitality and levels of service, including the training and supervision of volunteers and the quality of their radio programmes which could result in their enforced closure or loss of licences.

96. Finally in terms of the administration of the Fund, the stations appeared to be highly satisfied with the Fund's documentation and the application process and procedures and believed strongly that the Fund should continue with its extant purpose to support stations' core administrative costs, including the funding of key posts. The review of monitoring procedures suggested that the procedures

associated with the Fund should be strengthened in line with the Welsh Government's best practice for grant administration.

### **Discussion of Issues Arising from the Review**

97. The stations that received support from the Fund believed that the grants provided them with funding stability that enabled the stations to employ key staff, who were regarded as important to the effective operation of the stations. The grant also helped the stations meet their rising overhead expenditures when finance for such purposes was difficult to raise at a time when commercial revenue from advertising and sponsorship had fallen significantly due to the recession.

98. The financial pressure faced by community radio stations was illustrated recently when XS (the former Afan FM) was placed in voluntary liquidation in December 2011 following a large unexpected claim from HMR&C, which it was unable to pay. Similar cash flow problems have been experienced by Welsh stations in the past, as was the case when a licence originally issued to Toradio in Torfaen was handed back before the station went on air. The difficulties faced by community radio stations in generating surplus income and meeting their rising overhead costs and employing key staff raises questions about the sustainability and management of the stations. It appears from the evidence of the station managers that stations are not capable of generating sufficient surplus income to cover their operating costs without securing funding from the Community Radio Fund and other funding sources. The problems appear to be particularly difficult for those stations – Point FM and Tudno FM – whose service areas overlap with that of the licence area of the commercial radio station Coast FM and are not allowed to raise any commercial income from advertising or the on-air sponsorship of programmes.

99. Although Ofcom assesses whether potential applicants' resources are adequate to operate community radio stations before issuing the licences the recent recession has adversely affected stations' ability to raise commercial income from advertising and sponsorship. This suggests that there is an argument for the Welsh Government and other stakeholders assessing the adequacy of stations' existing income sources and establishing whether other potential opportunities exist.

100. The small 5km footprint within which community radio stations operate limits the opportunities available there to generate sufficient commercial income to sustain stations. Enabling community radio stations to cover a larger area by increasing the current footprint of the stations where appropriate would increase stations' viability and ensure that community radio stations could set up and operate effectively in rural areas or areas where the Welsh language is spoken.

101. The objectives of the community radio stations and the social gains or community benefits which they pursued were directed at securing social inclusion and regeneration and as such were compatible with the Welsh Government's own objectives and priorities. As currently operated Wales' community radio stations are arguably focussed as much on being regeneration and community development organisations as they are on the media. The community radio stations through the Community Radio Fund reported creating a number of paid jobs, encouraged training, education, promoted volunteering, provided advice on health matters,

helped stage local events and debates on issues affecting their areas and fostered self help and encouraged engagement with the agents of government.

102. Although the range of activities undertaken by community radio stations suggested that they were innovative organisations, in the absence of any output measures and quantitative and qualitative indicators it was not possible to establish the full impact of the actions taken by individual radio stations or their aggregate impact. In order to ensure the effective monitoring and tracking of community radio stations' performance the Welsh Government may need to agree a range of outcome measures with the radio stations receiving financial support from the Fund which could be included in the stations' quarterly monitoring returns to Welsh Government officials and tracked over time.

103. One of the particular difficulties with evaluating the effectiveness of community radio stations is the absence of audience figures which would allow a comparative assessment of community radio stations' success in attracting listeners. Most of the community radio stations are too small to be able to afford the use of the Radio Joint Audience Research Ltd (RAJAR) to measure their audiences. One of the areas for potential cooperation between community radio stations would be to establish a methodology to estimate stations' listener numbers, possibly by using surrogates for listeners such as the number of visits to the stations' websites.

104. The community radio stations' focus on local communities and their news outputs and emphasis on the provision of information and discussions and the linkages with deprived and excluded groups and communities would enable the stations to inform their communities about Welsh Government and UK Government policies and their local implications, encouraging communities to feed back their views or concerns to Government.

105. There is an indication that Wales appears to receive less than proportionate time in the national news media and commercial radio stations in Wales are shifting their emphasis away from local to national news due to the centralisation of the stations' ownership and arrangements for purchasing and broadcasting largely national news from Independent Radio News (Sky News). Community radio stations' links to local communities would be useful to many parts of the Welsh Government. Some parts of the Welsh Government such as Communities First and BETS have funded a number of community radio station projects including recently the DNB network website. Communities First supported two key posts at GTFM and the station's rent, utilities, insurance and management fees since 2006 at a total cost of £225,721.64. There were also links between community radio stations and local Communities First partnerships including the funding of Communities First shows to promote their activities and services.

106. Welsh Government Departments such as Heritage, DCELS, Local Government and Communities, Health and Social Care, Environment and BETS have an interest in many of the areas where community radio stations are located and in their communities of interest. The Welsh Government might therefore usefully consider whether a corporate and aligned approach to the sector would be appropriate as community radio stations themselves are beginning to collaborate through the DNB network. An aligned approach within the Welsh Government could, result in a reconfiguration of support to community radio which would increase the

level of financial and other support available to the sector and make the administration of the grant less onerous. It could also be linked to associated sectors which could serve an expanded community radio sector such as the Universities which could provide advice and training courses and organisations such as the local papers (Y Papurau Bro) that could assist the radio stations to collect local news reports and in the training of volunteers as journalists.

107. Some stations such as Bro Radio have entered into partnership with local newspapers such as the Glamorgan Gem to produce up to date local community news and information. The growth of community radio and the onset of a local television service throughout the UK suggests that there may be opportunities for cooperation, joint working or even joining up between the different media categories to establish sources of local news and what may be new business models.

108. The development of the DNB network provides a mechanism for fostering joint and collaborative working between community radio stations on issues such as training, sharing experiences, identifying good practices, helping each other to develop professional, disciplined and credible organisations with high quality output. It could also act as a gateway for contacts between the community radio sector and potential advertisers and the public sector. The development of the network will require further funding primarily by the community radio stations, which the stations to date have been reluctant to find because of their fragile finances, but it should promote the sector's long term development, effectiveness and sustainability.

109. The Institute of Welsh Affairs in its recent report "Taking Responsibility for our Media" recommended that the Welsh Government give consideration to lobbying DCMS for the devolution of community radio policy to the Welsh Government. Should the Welsh Government decide it wanted to press for the devolution of responsibility for this policy area there would be arguments for such an approach. The transfer of responsibility for community radio to the Welsh Government would reflect the local nature of community radio but also the affinity between its policy initiatives and aspirations and those of the Welsh Government and its local agencies. The devolution of policy responsibility for community radio, in addition, would ensure that the design and structure of the community radio network would be sufficient to meet Wales' future needs. The existing nine community radio stations cover about a quarter of the Welsh population. This will increase somewhat with the inclusion of the four community radio stations securing licences in the third Ofcom licensing round, in spite of the failure of XS.

110. If in the future the intention is to increase the coverage of community radio stations the expansion of the sector could be hampered by the restricted availability of frequencies. In order to increase the number of stations the Welsh Government would need to lobby the UK Government and Ofcom for additional frequencies for community radio stations.

111. The purpose of the review was to establish whether the Community Radio Fund was to be renewed after the fifth and final funding round in 2012-13.

112. Although the idea of a community radio station that would focus on the needs of particularly excluded and disadvantaged groups and areas is one that merits



support there are two aspects of the model of community radio station currently operating in Wales which are causes for concern.

113. First, it is uncertain whether the current model of community radio station operating in very small geographical areas, which are run on a non-profit basis largely by volunteers is, or can be, independently sustainable. It appears that the stations' small geographical coverage limit their ability to generate sufficient commercial income because of the small number of companies located there, and those stations whose areas overlap with the licence areas of commercial radio stations have their ability to raise commercial income severely constrained or removed. In these circumstances, stations wishing to avoid cash flow difficulties have to rely on fund raising which can be difficult both during a recession and in areas experiencing economic problems. The Welsh Government might wish to consider with other stakeholders how community radio stations could widen their funding bases through commercial and other activities to avoid them becoming overly dependent on the Welsh Government's and other organisations' grant regimes.

114. The second issue of concern relates to the management and governance of the community radio stations. Stations relied on small numbers of full and part time staff and some rely entirely on volunteers. This raises questions about the adequacy of the organisations' governance arrangements and their capability, experience, expertise and ability to cope with running organisations through times of economic difficulties which has made managing stations' cash flow deficits more severe. Most stations have sought to plug their funding gaps through fund raising and to date most appear to have been successful in attracting grant support for projects and to cover some of their overhead costs. However, there is evidence that one station, XS, reduced the time they broadcast live output, contrary to their licence requirements, and made no provision for an unexpected HMR&C demand, which led to the station's closure. The Welsh Government before agreeing to provide grant funding to stations should satisfy itself that the stations have appropriate governance and management arrangements in place.

115. The recession and public expenditure cuts have increased other organisations' demand for alternative funding sources and has made fundraising more difficult, time consuming and uncertain.

116. The stations were satisfied with the way the Welsh Government's Community Radio Fund operated and would like to see it continue as a form of subsidy covering a proportion of their staffing and overhead costs. There is a possibility that the Fund as operated in its present form has increased stations' dependence on the Fund's support rather than encourage them to become more sustainable, for example, stations have been reluctant to enrol on the new DNB network and have been reluctant to contribute funding to its further development as a gateway to the sector. Given the Fund's emphasis on ensuring sustainability it might have been more effective to target the funding to support initiatives that would support stations' long term sustainability such as the DNB network and assistance for new, recently established community radio stations.

## **The Administration of the Fund**

117. The radio stations' responses to the questionnaire suggested that they were satisfied with the Fund's documentation and the application process and procedures. The stations were also satisfied with the purpose of the Fund and the only proposal for change was for the timescale for the decision panel's meetings to be publicised to give those stations making unsuccessful applications to the Fund for the renewal of funding for existing posts sufficient time to give their staff the required redundancy notices. This further underlines the precarious financial position of many of the stations.

118. Although the stations receiving support from the Fund are required to submit quarterly monitoring reports together with their grant claims not all stations did so, but when they applied for support during the funding rounds they were required to complete an evaluation template outlining how the grants previously awarded were spent. It is proposed that stations receiving support from the Fund should in future be required to submit quarterly monitoring reports outlining how the previous quarter's grant was spent together with certain outcome measures to be agreed between the stations and Welsh Government officials and that the quarterly grant payments would be dependent on the completion of the monitoring forms. Whilst this may be regarded by the stations as increasing the administrative burden on what has been a "light touch" approach to administering the Fund the quarterly monitoring process is regarded as good practice for what must be regarded as organisations which face the risk of financial instability.

119. As monitoring can be resource intensive and given the limited staffing resources available for media issues within Heritage Department consideration might be given to the Welsh Government adopting a shared and joined up approach to the monitoring of community radio stations' performance should the Welsh Government decide to introduce a single support portal for community radio. This should include periodic meetings between Welsh Government officials and representatives of the community radio sector to discuss issues of mutual interest relating to the sector.

120. The monitoring and verification of community radio stations' performance has been hindered by the absence of baseline information and research by the stations on the satisfaction or otherwise of their audiences and stakeholders. For example, the effects of the support from the Fund on the stations' Welsh language broadcasting output was difficult to establish. Although the majority of the stations, with the exception of Tudno FM, broadcast very little Welsh output, they reported that Welsh language broadcasts had increased since the stations opened, but it was impossible to verify this in the absence of baseline information. The stations explained that the relatively slow progress was due to the difficulty experienced in recruiting Welsh speaking broadcasters and website authors. Some of the stations targeted Welsh learners with special programmes, broadcast events such as the National Eisteddfod when it was held in their areas and promoted the learning of Welsh with special packages in their English language programmes. The stations provided little evidence of how satisfied local Welsh speakers or organisations

representing Welsh speakers were with the stations' Welsh language services. The Welsh Government and other stakeholders and the sector should agree a suite of outcome measures and performance indicators which grant aided stations would be required to collect and report and should advise on how the information could be collected cost effectively.

## Annex 1

### Legislation and Policy Background

#### Legislative background

121. The 1990 Broadcasting Act encouraged the growth of commercial radio and established both short term and long term Restricted Service Licences (RSLs). Long term RSLs were designated for hospitals, students and military radio stations, while short term RSLs ran for a maximum of 28 days and were typically used by community groups to broadcast during special events and festivals.

122. The idea of a third and community level of broadcasting was piloted by the Radio Authority, the regulator at that time, in 2002 with the licensing of 15 so-called Access radio stations for a trial period of one year to test the feasibility of such stations. GTFM, serving the Pontypridd area, was one of the first Access stations, the only one licensed in Wales. The licences of the Access pilot stations were extended in 2003 for a further year and following a period of consultation and sustained campaigning by the voluntary sector, especially the Community Media Association, which represented those organisations involved in community radio, the UK Government in the Communications Act 2003 permitted the Secretary of State for Culture to introduce new community radio stations by secondary legislation and established a regulatory regime for new community radio stations which were to be administered by Ofcom, the new regulator, which replaced the Radio Authority at the end of 2003.

123. The characteristics of community radio were set out in the Community Radio Order 2004, which was amended by the Community Radio (Amendment) Order 2010<sup>2</sup>. They included that the community radio stations were to be run on a non profit basis and to a large extent by volunteers and deliver social gain or community benefits. They also serviced a small geographic area, typically with a coverage of 5km using FM (in VHF Band II, the band used in the UK to broadcast FM services) or on the Medium wave using AM.

124. The Communications Act 2003 also established the regulatory framework, whereby Ofcom regulated community radio. Licences were issued for a five year period and since 2010 it has been possible for stations to apply for renewal for a further five years. The community to be served can be a geographical area or a community of interest such as a particular sub community in the area such as a particular age, cultural or ethnic group. For example, in Wales Bro Radio in Barry, which is located in the local YMCA building, is involved with training young people who are not engaged in education. Tudno FM, on the other hand, which is located in a large housing estate in Llandudno, where there is a large aged population,

---

<sup>2</sup> The amendments to the Order were made to promote the growth and more effective operation of community radio stations and were based on Ofcom's consultation "The Future of Radio-The Next Phase" issued in 2007 the conclusions of which were set out in the DCMS consultation paper "Amendments to the Community Radio Licensing Regime" in 2009.

provides services for the older generation and promotes community cohesion. Radio Cardiff services the black and ethnic minority communities based in the Cardiff Bay area of South Cardiff.

125. The Community Radio Order 2004 required that to be eligible for a licence a proposed service must:

- Be provided primarily for the good of members of the public.
- Be intended to serve particular communities, defined as people who live, work or undergo education and training in a particular area or locality, or people who have one or more interests in common.
- Be intended to operate on a non profit distributing basis. Any profit produced by a station should be used solely to secure or improve the future delivery of the service or the delivery of social gain to members of the public or target community.
- Provide operational and managerial opportunities for members of the target community; and
- Be accountable to the target community.

126. Section 105 of the Broadcasting Act 1990 as amended by the Communications Act 2003 and the Community Radio Order 2004 set out additional special requirements Ofcom had to take into account when assessing applications for community radio licences. These included: the ability of each applicant to maintain the proposed service; the extent to which the service catered for the community's tastes and interests; the extent to which it broadened the range of programmes available; local evidence of demand for the service; the service's potential to deliver social gain; its accountability to the community and the degree of access it provided to members of the community.

127. The Order specified that community radio stations delivered four mandatory social gain objectives:

- The provision of sound broadcasting services to individuals who otherwise would not have access to such services.
- The facilitation of discussion and the expression of opinion.
- The provision of education and training to individuals not employed by the person providing the service; and
- Promoting better understanding of the particular community and the strengthening of links within it.

128. In addition, applicants for licences may have other, additional, social gain objectives set out in the stations' licences, and which reflect the social gain objectives set out in the original applications made to Ofcom.

129. Community radio stations must comply with the ownership rules set out in the Broadcasting Act 1990. Community radio licences can only be held by registered companies (or equivalent bodies such as those created by statute). Licences cannot

be held by individuals and no company or organisation can hold more than one community radio licence and there are also restrictions on ownership between commercial radio and community radio.

130. Community radio stations are required to operate within strict financial constraints requiring that they be funded from a variety of sources. Most community radio stations are able to carry advertisements and receive commercial sponsorship, although at least half of the stations' income must come from other non commercial sources. In addition, stations have to be funded through a range of public sources in order to protect their editorial integrity so that a particular station would not be funded exclusively by a local authority or university. In some cases stations are prohibited from raising any on-air commercial income where their service areas overlap with those of small scale commercial stations which serve fewer than 150,000 listeners. For the purposes of the Order two licences will overlap if the potential audience of one of the licensed services includes 50% or more of the potential adult population (aged 15 +) of the other licensed service. This was the case with two community radio stations in North Wales - Tudno FM and Point FM - which are not allowed to raise any commercial income as their service areas overlap with the licence area of the commercial radio station Coast FM, which is a station owned by Global Radio and now branded as Heart. These provisions were designed to provide protection to small commercial stations which are operating in a market where advertising revenues are expected to fall and which do not have access to public funding.

131. Although there are restrictions on advertising and sponsorship income community radio stations can take into account the value of volunteer time when calculating the stations' turnover and which contributes to stations' total non-commercial income, without which, in some cases, they would not be able to operate.

132. Ofcom has powers to revoke a community radio licence if there is evidence that:

- The station is in breach of the special impartiality requirements set out in the Communications Act 2003.
- The station is not meeting the key characteristics of community radio as set out in the Community Radio Order 2004; or
- The station is not complying with its individual "key commitments" which are included in licences.

### **Policy Background to Community Radio in Wales**

133. Wales' first experience of community radio occurred in 2003 with the licensing by the Radio Authority, the regulator at that time, of the so-called Access radio stations for a trial period to test the feasibility of such stations. GTFM, serving the Pontypridd area, was one of the first Access stations, the only one licensed in Wales.

134. It has been the policy of Ofcom, the new regulator set up by the Communications Act 2004, since its foundation to encourage the establishment of community radio stations. In Wales this has been done on a regional basis – North Wales and North West England and South Wales and South West England – to enable assessments to be made of the effects of the proposed Welsh stations on

North West and South West England, and the proposed England based stations on Wales.

135. Following the consultations relating to the establishment of community radio stations in 2005, Ofcom invited community groups throughout the UK to apply for community radio licences. There was a second round of licensing in 2008 and a third round in July 2011.

136. If stations met the criteria set down in the legislation and the stations' resources were adequate to operate Ofcom would normally issue a licence to them. Ofcom does not operate bidding or beauty contests, unless there are competitors for a restricted number of frequencies. To date only in Wrexham has there been a competition between stations where the main criterion for selection was which radio station would best meet the criteria.

137. The only constraint on the number of digital radio stations is the availability of frequencies usually in the VHF Band II (FM) band. As a result of the shortage, Ofcom stated prior to the third licensing round that new licence applications would not be accepted in 12 of Wales' 22 local authority areas including Swansea, Neath Port Talbot, Bridgend, The Vale of Glamorgan, Rhondda Cynon Taff, Cardiff, Caerphilly, Newport, Flintshire, Wrexham, Conwy and Denbighshire. It is possible that should there be a demand for wider coverage of community radio stations in these areas a number of suitable medium wave (AM) frequencies could be made available, however they suffer from greater interference from continental broadcast stations.

138. Six bids were submitted to Ofcom during the third licensing round for community radio stations, five of which were from North Wales and included St Asaph, Abergele, Harlech, Isle of Anglesey, and Prestatyn. There was one bid for a station for much of the former county of Dyfed, Radio Beca, which was wider than the usual community radio footprint, which could breach Ofcom's current guidelines. In rural areas such as West and Mid Wales because of the greater availability of suitable FM frequencies services could be permitted to reach a wider radius than 5km, due to the need to serve a dispersed population. Ofcom announced that four stations in Wales would be awarded licences following the third licensing round: Glan Clwyd AM, Bodelwyddan, Denbighshire, Mon FM, Isle of Anglesey, Harlech FM, Gwynedd, and Radio Beca.<sup>3</sup> The award of a licence to Radio Beca demonstrated Ofcom's willingness to be flexible when assessing the transmission arrangements and coverage in rural areas, serving dispersed populations. However, the transmission facilities represent significant fixed costs, which could make it harder to sustain services in rural areas.

139. In the medium to longer term the UK Government intends to pursue the digital upgrade of radio in the UK. This would be similar to the digitisation process currently underway for television. The migration of stations from the FM band to digital would free up the spectrum which could be sold, for example to mobile broadband operators. When Radio Wales and Radio Cymru and Capital FM move to digital broadcasting only (some stations operate on both the FM and digital frequencies) it

---

<sup>3</sup> Ofcom, Ofcom Awards Eleven New Community Radio Licences, Press Release, 5 April 2012; Western Mail, 20 April 2012

would free up the FM spectrum which would allow Ofcom to licence more community radio stations, increasing the geographical coverage of the stations and possibly, in addition, providing an opportunity for the growth of new niche community radio stations in some of the more populous areas. Ofcom, for example, has recently received a bid for a community radio station from Mumbles FM, which only broadcasts on the internet but is located in Swansea local authority area where applications for new community radio licences would not be accepted. Ofcom would be able to allow that application if the Swansea station Wave FM migrates to the digital spectrum, but the decision would be one for Wave FM.

### Welsh Community Radio Stations

140. In November 2011 there were nine community radio stations broadcasting in Wales. These are set out in Table 9.

**Table 9: Community Radio Stations in Wales at November 2011**

Station Name	Area served/community of interest	Date set up	On air date
GTFM	Pontypridd, general service	Previously operated as an "Access" licence service since 2003	1/1/2006
XS	Port Talbot and Neath, youth music	2003	20/4/2007
BRFM	Brynawr, Blaenau Gwent, specialist music	September 2004	18/10/2007
Calon FM	Wrexham, general service	2004	1/3/2008
Radio Tircoed	Tircoed Fforest Village, Swansea, general service	May 2005	1/12/2008
Radio Cardiff	Cardiff Bay, black and ethnic minority communities	2005	8/10/2007
Tudno FM	Llandudno, general service	November 2005	12/7/2008
Point FM	Rhyl, general service	November 2007	24/3/2010
Bro Radio	Barry, general service	2008	31/3/2009

141. The stations are mostly located in urban areas in the eastern parts of North and South Wales and largely provide a general radio service to their communities, although BRFM provides specialist music, XS youth music, while Radio Cardiff focuses on serving the black and ethnic minority communities in Cardiff Bay. Some of the radio stations such as GTFM report that they focus on individuals in particular need of help and support within their areas, while other stations focus on particular



parts of their areas, such as Tudno FM with the Community First wards of Tudno and Mostyn. It has been estimated that the stations as a whole can reach about 675,000 people, about a quarter of the Welsh population. Because of the problem in securing funding all of the stations experienced a gap of some years between when they were set up and when they started broadcasting. The difficulty in securing start up funding led to one station Toradio, located in Torfaen Borough Council, handing back its licence and deciding not to broadcast, while Tircoed Village Radio also handed back its licence on the grounds that it could not support itself financially, but has since resumed broadcasting. In addition, Radio Cardiff went into administration in 2008 having been ordered to repay the funding it received from the Welsh European Funding Office, which had decided to withhold its grant after concluding that the risk involved in the project was no longer manageable. The precariousness of community radio stations' funding was further underlined in December 2011 when it was announced that XS had gone into voluntary liquidation following a very large unanticipated demand from HMR &C which it was unable to pay.

### **Welsh Government's Involvement with Community Radio**

142. Although broadcasting is not a devolved issue the Welsh Government has provided financial and other support to the community radio sector in Wales. The Welsh Government has provided support because it viewed community radio as a medium for encouraging participation and volunteering, a provider of training in a range of activities, including broadcasting, ICT and related administrative and managerial skills and as a source of public and community information and a mechanism for discussing issues of concern locally and how national actions impact on communities, especially those at risk of exclusion and disadvantage. Welsh Government support for community radio has included the provision of support to Communities First partnerships to use community radio to communicate with their communities and to encourage the development of the communities by encouraging volunteering and the transmission of ICT and broadcasting skills, which are of interest to and useful for young people. The Welsh Government also provided direct financial support to community radio stations through the Community Radio Fund and recently the WG's Department of Business, Enterprise, Technology and Science (BETS) encouraged community radio stations to collaborate by facilitating the establishment of an on-line digital network for the stations in Wales. These developments are outlined in this section.

### **Promoting Community Development**

143. The Welsh Government's support for community radio stations stemmed from the appreciation of its potential role in stimulating community involvement and development in deprived Community First areas. The support provided has included the provision of free expert advice from the Community First Advice Service to support Community First partnerships wishing to use community radio to communicate with their communities. The Welsh Government's Digital Inclusion programme, Communities@One, which ran from 2005 – 09, undertook an initiative involving community radio stations in Rhondda Cynon Taff, Pembrokeshire and Carmarthenshire which involved the provision of training to enable disadvantaged individuals to use digital broadcasting equipment, desk top and lap top computers to up skill local people in terms of ICT, to improve digital inclusion and media literacy locally as well as encouraging them to become more involved in their communities.

The evaluation of the Rhondda Cynon Taff part of the project considered the project a success as many of the participants who would have been unlikely to have considered formal ICT courses secured employment, training placements and entered formal education.<sup>4</sup>

144. The second Digital Inclusion initiative undertaken by Communities 2.0, which commenced in April 2009, included a pilot project located in an RSL station, Dapper FM in Penywaun in Rhondda Cynon Taff, to test the extent to which community radio could encourage digital inclusion. The project involved installing an IT suite within the radio station that could be used to deliver IT training and which would double –up as a community drop-in facility. The approach had been successfully trialled elsewhere in the UK, but although the formal evaluation has not been completed the general view was that while the initiative was successful in encouraging volunteering, it was less successful in promoting digital inclusion.

### **The Welsh Government's Community Radio Fund**

145. The Welsh Government provided direct financial support to community radio stations. For example, between November 2002 and March 2007 the Community Facilities and Activities Programme provided grants totalling £382,493 to four community radio stations.<sup>5</sup> Because of the financial difficulties experienced by many community radio stations in getting “on air” the Welsh Government agreed in December 2006 that £100,000 a year over five years (a total of £500,000) would be allocated to the then Minister for Social Justice and Regeneration to support community radio stations and placed with the Community Facilities and Activities Programme (CFAP). Following an internal review of CFAP it was subsequently decided that the programme would only offer funding for capital projects and that the responsibility for the new Community Radio Fund should be transferred to the then Minister for Culture, Welsh Language and Sport (the broadcasting element of which is now included in the Heritage portfolio). With the agreement of the Minister for Social Justice and Regeneration and the First Minister the funding was transferred to the Culture, Welsh Language and Sport MEG in November 2007.

146. Only fully licensed community radio stations which have been awarded a full five year community radio licence by Ofcom are eligible to apply to the Welsh Government's Community Radio Fund, including stations that are licensed but not yet on the air. Stations operating under a Restricted Service Licence or which broadcast over the internet only, however, are not eligible. The grant is only available to cover community radio stations' revenue costs on core activities such as management, administration, fund raising, community outreach and volunteer support. While some of the activities undertaken by community radio stations such as training can be funded from specific sources it can be difficult for stations to find funding to help meet the costs of the core work involved in running a station. Priority would be given to applications which promote sustainability and cooperation with the target community and other stations and applicants are also required to demonstrate

---

<sup>4</sup> Andrew Jones Report to Consider How the Development of Community Radio Stations Can Be Harnessed Most Effectively to Support the Regeneration Agenda in Wales , Vistaradio, February 2009.

<sup>5</sup> The grants were awarded to GTFM (£47,027) for equipment and running costs for the station; Afan FM (£69,884) to provide music based information service; Brynmawr Scene (£17,027) to create a local radio service and train volunteers in the planning and production of programmes; Llandudno Community Radio (£248,555) for equipment, staff and running costs.

how they contribute to the Welsh Government's bilingual Wales agenda. Prior to the announcement of the Welsh Government's Community Radio Fund Ofcom had established a Community Radio Fund of £500,000 a year in 2004 to provide assistance with the core costs of running a community radio station. Unlike the Welsh Government's Fund the Ofcom fund was only targeted at those licensed stations that were already "on air". Welsh community radio stations with full licences and already "on air" applying for support to the Ofcom Fund will not be considered for a further grant from the Welsh Government's Community Radio Fund for the same project or post.

147. Since 2008-09 the Welsh Government has undertaken four bidding rounds for community radio stations from the Community Radio Fund. The grants were awarded on a competitive basis. The minimum grant that could be applied for was £5,000, but there was no upper limit. The applications received were reviewed and determined by a panel comprising of Welsh Government officials and one representative from Ofcom Wales, who advised on the applications. The outcome from the fourth round was announced in February 2011 and up to then a total of £367,518 in grant had been allocated to seven community radio stations. The fifth and final round of the current Fund for the 2012-13 financial year to allocate the remaining £100,000 took place in February 2012 which resulted in eight of the community radio stations receiving financial support from the Fund.

### **Encouraging Collaborative Working**

148. Limited staff numbers and the local focus of community radio stations can result in isolation and limited interaction between stations. In order to increase the level of collaborative working and the sharing of knowledge and ideas the Community Radio Fund gives priority to supporting joint projects, although the emphasis is on applications by individual community radio stations. The Welsh Government's Department of Business, Enterprise, Technology and Science and the Faculty of Creative and Cultural Industries, University of Glamorgan increased the emphasis accorded to joint working by establishing an on-line digital business network (under the EU funded E-Business programme's Digital Networked Business or DNB project) for Wales' nine community radio stations and other stakeholders. The DNB is an advanced on-line mechanism designed to improve contacts between linked organisations. It takes the form of an easily extendable demonstrator platform that can be extended by the incorporation of new applications that can be developed in practically any software language by any developer and hosted on any server. The Welsh Government's contribution was to provide the community radio network with the DNB prototype application which is currently being hosted free of charge for a six month trial period by Transplan, a server company. The Welsh Government also funded two associated consultancy projects – a deployment plan and a DNB assessment report - to facilitate the development of the project. The deployment report proposed a range of actions which the network could progress collectively, including sharing useful information and best practice, producing training resources, sharing news stories, producing a desk-top instant messaging application and video conferencing facility to aid communication between stations, and delivering Welsh language resources and training across all stations.

149. After the end of the trial period it will be for the network to fund the future development of the project. Although the community radio stations would be

interested to join the network their only reservation relates to the long term maintenance and further development costs of the platform. The DNB development plan proposed a number of measures for securing the future sustainability of the network, including sponsorship of the network, income from advertising generated from acting as a central point of contact with the community radio sector and taking advantage of the recent deregulation of advertising instigated by Ofcom's new Broadcasting Code of 2011. Given the shortage of funding faced by most community radio stations, many of the stations were reluctant to commit to incurring significant costs in maintaining the network beyond the free trial period offered by Transplan.



Types of programmes broadcast p/w      Time allocated ( Hours p/w)

Hrs

Hrs

Hrs

Hrs

6.      What are your target audiences and communities of interest? (For example, a specific geographical area or group)

Target Audiences:

Communities of Interest

7.      What social gains do you hope to deliver to your local area and communities of interest?

8.      How many paid full time staff does the station have and how many volunteers?

Number of full time paid staff  
(who work 30 hours and above per week)

Number of part time paid staff  
(who work fewer than 30 hours per week)

Number of volunteers ( full time)

Number of volunteers (part time)

What categories of people volunteer to work at the station? (for example, students, retired people, young unemployed or employed people)

9.      What training do staff/volunteers receive?

10.     What roles do the volunteers undertake? (for example, administrative work, introduce or make radio programmes)

11. Do you work in partnership or collaboratively with other organisations or groups to deliver your service?

No  Yes

If yes, please list the organisations/groups and give examples of your collaborative working.

Organisations/Groups:

Collaborative working examples:

12. What are the station's current sources of revenue and capital income?

Sources of revenue income:

Sources of capital income:

13. Excluding the Community Radio Fund have you applied for and received other grants over the last two financial years (2009/10 – 2010/11). If yes, which ones?

Grants applied for:

Grants received:

Grant giving body	Type of grant received	Sum of money received	Year
		£	
		£	
		£	
		£	

**About the Welsh Government Community Radio Fund**

14. Why did you apply to the Fund?

If there was a year when you did not apply to the Community Radio Fund why did you not apply to the Fund?

15. If your proposal for financial support was rejected or only met in part, what were the projects and what were the reasons you were given as to why the application was turned down or reduced?

Rejected/pared back projects

Rejection/pared back reasons

16. How did you find out about the Fund?

Letter from the Welsh Government

Press / media  please specify

Other radio stations

Other  please specify

17. How would you rate the information the Welsh Government provided about the purpose of the Fund? (1 = poor / 5 = excellent)

1  2  3  4  5

How do you think this might be improved?

18. How would you rate the guidance on how to apply to the Fund? (1 = poor / 5 = excellent)

1  2  3  4  5

How do you think this might be improved?

19. How easy was it to apply using the application form? (1 = very difficult / 5 = very easy)

1  2  3  4  5

How do you think this might be improved?

20. How clear was the information the Welsh Government provided on how your application would be assessed? (1 = very unclear / 5 – very clear)



1  2  3  4  5

How do you think this might be improved?

21. How would you rate the service you received from the Welsh Government throughout the funding process? (1 = poor / 5 = excellent)

1  2  3  4  5

How do you think this might this be improved?

### **The Impact of Community Radio Funding**

22. In what ways would you say your station has benefited from the grant you received from the Fund? (Please be as specific as possible).

Would you say that the effects fully met your expectations and hopes?

Yes  No

If no, please say why:

23. What do you think the impact on your station would have been had the Welsh Government not offered it this funding or if you had received a reduced level of support?

Reduced funding:

No funding at all:

24. What in your view would the impact be on the community radio sector if the Fund was reduced or withdrawn?

Reduced funding:

Withdrawn:

## **The Future of Community Radio**

25. In your view, what are the barriers to meeting the objectives of the station?

How might you overcome these?

26. In your view, how might the Fund be adapted to better meet the needs of individual stations and the community radio sector in Wales?

27. In your view, what else might the Welsh Government do to promote and support community radio stations and the sector as a whole?

Thank you for your cooperation

Please return your completed form to:

Ian Thomas  
Department of Housing, Regeneration and Heritage  
Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ

Return Date: 22 November 2011

As part of this work we would like to contact you and explore some of the issues in more detail. We may get in touch with you within the next few weeks

## Annex 3

Ein Cyf/Our Ref:

Date: 10 January 2012

Dear

### **Evaluation of the Welsh Government's Community Radio Fund**

Thank you for completing the questionnaire I sent you in November. I have been analysing the responses and unfortunately because of the absence of clear categories in the original questions I have been unable to compare all of the responses meaningfully as stations have used different categories to group the information they provided. In order to provide as positive a picture of the community radio sector as possible I am writing to ask you whether you would be able to provide me with additional information on four areas to enable me to complete the evaluation. The information includes:

(i) The hours per week which the station broadcasts, in particular

- The total hours per week the station broadcasts.
- The total hours per week it broadcasts in Welsh; and
- The total hours per week it broadcasts in English.

How this pattern has changed over the last two years (since 2010) and whether the receipt of grant support from the Welsh Government's Community Radio Fund has impacted upon the station's broadcasting hours.

(ii) The types of programmes broadcast on your station and the time allocated to each of the following categories:

#### **Types of programmes broadcast**

#### **Time allocated (hours per week)**

Local news  
National news  
Music  
Local interest programmes  
General interest programmes  
Sport  
Other (Please specify)

How has your station's programme mix changed over the last two years?

- iii. Details of stations' income over the last two financial years (2009-10 and 2010-11), from the following income sources:

**Stations' income sources      £**

Advertising

Sponsorship

Events

Service level agreements with public service organisations such as local authorities and Communities First partnerships (Please specify)

Total revenue grants

Total capital grants

Other income sources (Please specify)

Please provide details of the specific revenue and capital grants received and their values over the last two financial years.

(iv) For the last two financial years (2009-10 and 2010-11) please provide details of :

- The number of volunteers undertaking training.
- The number of volunteers completing training.
- The number of the station's volunteers securing paid employment elsewhere or in the radio station.
- The number of road shows and events organised and held.

I apologise for approaching you again for further information so soon after the last questionnaire and would be grateful if you could let me have the information by Friday, 20 January. Please let me know if that timescale would cause you any problems.

Yours sincerely

Ian Thomas  
Department of Housing, Regeneration and Heritage  
Welsh Government

# Agenda Item 7

Document is Restricted

Document is Restricted

Document is Restricted