

CHESHIRE EAST COUNCIL

Cabinet Member for Communities and Health

Date of Meeting: 27 June 2016
Report of: Head of Communities
Subject/Title: Funding of Community Radio Stations
Portfolio Holder: Councillor Paul Bates – Communities and Health

1.0 Report Summary

As a Residents First Council we recognise the support and added value our community and voluntary sector bring to our local residents and communities. Community radio stations play an important role within the communities they serve. They are a community focussed body that highlights and promotes news and events in the local area, raising awareness of the range of services available not only within the council but its wider partner organisations and the community and voluntary sector as a whole.

- 1.1. Community radio stations have received direct funding awards from Cheshire East Council since 2012. The budget for community radio stations is £10,000 and is managed by the communities and partnerships team.
- 1.2. In line with corporate commissioning intentions, there is a requirement to review this funding and ensure that there is a robust process for the allocation of this budget that is equitable, transparent and open to public scrutiny and challenge.
- 1.3. In order to manage expectations and minimise impact for community radio stations that have received previous direct funding a phased approach is recommended for the financial year of 2016/17.
- 1.4. It is proposed that for 2016/17 the £10,000 community radio station budget is available to all community radio stations in the borough with acknowledgement that this may result in a lower funding award for some organisations than in previous years.
- 1.5. To mitigate financial impact to community radio stations have received funding in previous years, there will be a tapered approach to the financial support, and encouragement for those organisations to apply for an additional further grant via the existing community grants scheme.
- 1.6. An Equality Impact Assessment has been completed and is attached for consideration. It is proposed that the findings and recommendations are addressed by implementing the proposed approach.

- 1.7. In 2017/18 it is proposed that the community radio station budget will transfer to the existing community grant budget, for which there is a robust policy in place which was approved by Cabinet on the 12th April 2016.
- 1.8. In 2017/18 all community radio stations will be encouraged to submit applications for funding through the community grant scheme.

2.0 Recommendation(s)

- 2.1 To consider the Equality Impact Assessment
- 2.2 To support the need to ensure that there are equitable funding opportunities to the whole of the voluntary and community sector, through open and transparent processes, whilst acknowledging the need to support the community radio stations through a period of transitional change.
- 2.3 To support a stepped approach to change, with assurance that there is support for these organisations to move towards having a sound financial plan.
- 2.4 To agree that the £10,000 community radio station budget is available to all community radio stations in the borough with acknowledgement that this may result in a lower funding award for some organisations than in previous years.
- 2.5 To note that the funding will be advertised directly with the community radio stations operating in Cheshire East from Monday 27th June for 10 working days. Decisions on the allocation of monies will be made no later than the 15th July 2016. This process will apply to the financial year of 2016/17 only.
- 2.6 To note that the application process will require community radio stations to submit information on the following:
 - 2.6.1 The level of previous funding that they have received from the Council;
 - 2.6.2 The level of previous and current funding from other sources over the last 3 fiscal years of the organisation
 - 2.6.3 What the funding is requested for and how it will be used within their business plan (a copy of which must be supplied);
 - 2.6.4 What the benefits are of the funding to the Council and its residents?
 - 2.6.5 To declare that the community radio station will not have any political bias to any particular party as a result of any funding award.
- 2.7 To agree that all applications are to be considered by the Portfolio Holder in consultation with Steph Cordon, Head of Communities, who will make the final decision on the funding allocation.
- 2.8 The £10,000 community radio station budget will be transferred to the community grants budget from 2017/18 onwards.

3.0 Other Options Considered

- 3.1 There is an option to consider the continuation of directly awarding funding to community radio stations as per current practice, however legal advice recommends that this practice is not continued as it is not equitable.

4.0 Reasons for Recommendations

- 4.1 All Council services have budgetary pressures and all funding must be able to be justified and stand up to public scrutiny.
- 4.2 As a commissioning council, the funding arrangements for community radio stations have been reviewed and are to be brought in line with the Council's corporate commissioning principles. This will address inequalities and ensure transparency of funding so that all eligible community radio stations can apply for funding on the same basis.
- 4.3 The partnerships and communities team will work with all community radio stations in order to help them to become self-sustaining and look at a number of different options for financial management to help reduce the reliance on grant funding, particularly from the Council.
- 4.4 Community radio stations will also be eligible to apply to the Council's community grants scheme, alongside all other voluntary, community and faith organisations within the borough. The Community Grants Scheme operates under a policy which is reviewed by Cabinet each year to ensure that it is fit for purpose. The process is open and transparent with all grant decisions being made at a Portfolio Holders meeting, which are open to the public.

5.0 Background/Chronology

- 5.1 There are a number of community radio stations that have received funding from the Council, these include: Canalside Radio, RedShift Radio and Beartown Radio, the latter of these three has since ceased operating. Funding support to community radio stations has varied from £3,000 up to £7,000 per annum for annual radio licence fees and rent.
- 5.2 There are currently four community radio stations operating in the Cheshire East area, the newest of the stations being Dane Sound, formed in the summer of 2015, which has not received any funding from the Council and is not currently aware of any funding opportunities other than the Council's Community Grant Scheme.
- 5.3 It is proposed that for 2016/17 a phased and tapered approach will be applied to organisations that have received previous funding and as such may have an element of reliance on this. To reflect this it is suggested that the funding will be awarded as follows:
 - 5.3.1 The previous year funding will be tapered and reduced across the 2016/17 financial year:
 - 100% applied for the Qtr 1 and 2 (April – September)
 - 50% applied for Qtr 3 (Oct – Dec)
 - 25% applied for Qtr 4 (Jan – March)

5.3.2 Applying this approach using the example of Canalside Radio who in 2014/15 and 2015/16 received £7,000, this would result in their funding being:

- Qtr 1 and Qtr 2 = £3500
- Qtr 3 = £875
- Qtr 4 = £437

Total funding award: **£4812**

5.4 A scoping exercise, with contact being made with a number of other local authorities and community radio stations operating across the country, has shown that it is unusual for community radio stations to be funded through local authorities. Best practice has shown that those that do receive funding do so through council community grant schemes for specific initiatives.

5.5 Moving the funding for community radio stations into the Council's Community Grant Scheme will bring the approach in line with what is happening elsewhere.

6.0 Wards Affected and Local Ward Members

6.1 The recommendations relate to all wards within Cheshire East.

6.2 Currently, community radio stations operate in the areas of Crewe, Nantwich, Macclesfield and Holmes Chapel and cover a total of 24 wards.

7.0 Implications of Recommendation

7.1 Policy Implications

7.1.1 There are no policy implications.

7.2 Legal Implications

The Council has powers to award grant funding under the general power of competence as set out in section 1 of the Localism Act 2011. In exercising the power the Council must only take into account relevant considerations, follow procedural requirements and not act unreasonably. The Council must also be mindful of its public sector equality duties and the impact the decision may have on residents that have protected characteristics as detailed in the Equalities Act 2010.

There is currently no overarching Council policy/framework by which grant funding should be allocated but the Council needs to apply transparent and fair criteria and treat all potential grant recipients equally.

As part of the application process, organisations should be required to disclose any other sources of funding as well as previous funding granted by the Council to assess and guard against any potential state aid issues. It is unlikely that organisations have been or will be allocated grant funding in

excess of the current de minimis levels applicable to state aid of 200,000 Euros (over 3 fiscal years) but it is prudent for the Council to seek a declaration to this effect from each organisation.

7.3 Financial Implications

There will be no overall financial impact to the Council as the total budget for community radio stations will remain at £10,000 in 2016-17. £10,000 will then be added to the Community Grants budget from 2017-18 onwards.

7.4 Equality Implications

7.4.1 The current process is not equitable as has been shown by the Equality Impact Assessment, which has highlighted that the current process is not transparent and not open to all eligible organisations to apply to.

7.5 Rural Community Implications

7.5.1 There are no specific implications on the rural community.

7.6 Human Resources Implications

7.6.1 No extra personnel will be required to implement the recommendations.

7.7 Public Health Implications

7.7.1 There are no public health implications.

7.8 Other Implications (Please specify)

7.8.1 There are no other implications.

8.0 Risk Management

8.1 There is a risk that by not adopting a robust approach to funding of community radio stations in Cheshire East would leave the Council open to scrutiny and challenge.

8.2 There is a risk that community radio stations could, in the short term, find it difficult to fund their radio licences (under the community grant scheme no organisations can apply for payments towards licences). The Council provides pre-application support and advice to all organisations applying under the community grants scheme and will provide assistance in identifying areas of their operations where the community radio stations can potentially apply for assistance.

9.0 Access to Information

9.1 Access to more information can be made by contacting the report writer.

10.0 Contact Information

Contact details for this report are as follows:-

Name: Tina Jones
Designation: Partnership Support Manager
Tel. No.: 01270 685811
Email: tina.jones@cheshireeast.gov.uk