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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order amends the Community Radio Order 2004 (S.I. 2004/1944) (“the 2004 Order”) to permit certain community radio stations to receive income from the taking of remunerated advertising or sponsorship of their programming output, to allow the holder of a local digital television licence to also hold a community radio licence, and to permit the holders of a community radio licence to extend their licence twice.

Article 2 amends article 6 of the 2004 Order to allow the holder of a local digital television programme service licence to also hold a community radio licence.

Articles 4 to 8 amend the Schedule to the 2004 Order which sets out modifications to the provisions in the Broadcasting Act 1990 and the Communications Act 2003 which are applicable to community radio licences.

Article 4 ensures additional provisions of the Broadcasting Act 1990 (relating to the extension of local licences) are disapplied in the case of community radio licences. Those sections were added by the Digital Economy Act 2010 and the provision made by paragraph 4 of the Schedule to the 2004 Order therefore requires amendment.

Article 5 amends the modifications to section 105 of the Broadcasting Act 1990. The amendments firstly require OFCOM to consider certain conditions when considering the variation of a licence as well as a grant. The amendments also permit a community radio licence which overlaps with a small commercial station to raise up to £15,000 per annum from remunerated advertising or sponsorship. A community radio licence which overlaps with a small commercial station which has had its licence amended to allow it to make programmes outside its broadcasting locality, or a community radio licence that does not overlap with a small commercial station may also raise up to £15,000 per annum from remunerated advertising or sponsorship, but may also raise up to 50% of its annual income above that £15,000 threshold from remunerated advertising or sponsorship. In addition, a community radio station which is not subject to restrictions may also raise up to 50% of its annual income above the £15,000 threshold from remunerated advertising or sponsorship. The amendments allow the Secretary of State to ask OFCOM to undertake reviews to see whether the £15,000 figure remains appropriate. The amendments permit OFCOM to vary the 50% figure if that amount would prejudice unduly any nearby local commercial radio stations.

Articles 6 and 7 amend paragraph numbering in the modifications. Section 34 of the Digital Economy Act 2010 amended section 106 of the Broadcasting Act 1990 including inserting a new paragraph (e) into subsection (1A).

Article 8 amends the modification in paragraph 10A of the Schedule to the 2004 Order which modifies the CA 2003 by adding a new section 253A into the Communications Act 2003, to allow up to two extensions of a community radio licence.

Article 9 makes provision to allow a person whose licence would otherwise expire within 6 months of the coming into force of the Order to make an application for renewal up to 4 weeks before the expiry of that licence.

An impact assessment of the effect that this instrument will have on the costs to business and the voluntary sector is available from the website of the Department for Culture, Media and Sport ([www.gov.uk/organisations/department-for-culture-media-sport](http://www.gov.uk/organisations/department-for-culture-media-sport)). It is also annexed to the Explanatory Memorandum which is available at [www.legislation.gov.uk](http://www.legislation.gov.uk)