



department for
culture, media
and sport

CMS 134882/DC

Don Foster MP
House of Commons
LONDON
SW1A 0AA

8 February 2010

Dear Don,

At the Delegated Legislation Committee debate on the Communications Act 2003 (Disclosure of Information) Order 2010 you raised some points about the Impact Assessment which accompanies the draft Order. I am writing to respond to those points.

I should emphasise that this Impact Assessment relates only to the anticipated costs and benefits of allowing Ofcom and the co-regulatory bodies for on-demand programme services to share relevant information. The wider costs and benefits of establishing and operating a new regulatory system for these services were set out in the Impact Assessment accompanying the Audiovisual Media Services Regulations 2009, which we published last autumn and which is available in the library of the House. In the case of this Order permitting information sharing between the regulatory bodies, we anticipate some modest savings and no new costs.

You asked about the Net Present Value (NPV) and how we reached the rather precise figure of £129,114. The NPV represents the value today of future anticipated benefits and costs. In this case, benefits of £15,000 per annum over ten years have been discounted by 3.5% per annum (as set out in the Green Book), so that each year's benefits are calculated in terms of their value today.

You also questioned the absence of figures for the total annual enforcement cost and for greenhouse gas emissions. I can confirm that we do not expect there to be any appreciable enforcement costs or impact on greenhouse gases from this information-sharing measure.

I hope this information is helpful. I am placing a copy of this letter in the library of the House.

Wendy Williams,
a.c.,
Min

FINANCIAL BREAKDOWN OF PUBLIC FUNDING TO COMMUNITY RADIO

Last year Ofcom asked community radio stations, which had been on air for more than a year, to submit financial data, including the amount and source of funding received, for financial year 2008-09. Ninety-nine community stations responded to the request.

The value of public funding to the 99 stations in 2008-09, was £3.32 million; although 20 stations reported receiving no public funding at all. From this Ofcom calculated the approximate value of public funding to community radio as just under 44% of the sector's total income in 2008-09. Of course this represents only a cross-section of the 163 community radio stations currently broadcasting, therefore, the actual amount of public funding is likely to be greater than £3.32 million.

Breakdown of public funding in financial year 08-09 – by type of public body

Organisation	Total amount
Local authority*	£ 1,278,054
Govt bodies & initiatives*	£ 302,177
Regen/RDA*	£ 217,926
MOD	£ 314,097
Welsh Assembly	£ 70,226
Scottish Government*	£ 65,000
NI government	£ 8,954
EU	£ 69,464
Lottery	£ 327,548
Education body/institutions	£ 180,116
Health services	£ 106,628
Ofcom CR Fund	£ 308,347
Other*	£ 74,890
Total	£ 3,323,427

***Local authority** - includes Grant/Subsidy/contract/SLA

***Government bodies & initiatives** - includes Arts Council & Connexions, for example

***Regen/RDA** - includes LDA, Communities First, Neighbourhood Development Company

***Scottish Government** - includes Volunteer Action Fund (RRRI)

***Other** - includes fire and police services, for example
Methodology

Ofcom have categorised the source of funding according to the body that makes the decision to award the funding. Consequently, any funds administered by local authorities on behalf of central Government are classified as being from local authorities, whereas money from charities that may have Government support are not classified as public funds.

Not all funding registered is in the form of grants. As noted in particular under the local authority heading, service level agreements and other forms of contract for services are also included. However, the table does not include in-kind support, for example through the provision of staff (which some university-run stations benefit from, for example) or premises from a local authority (either free or at a peppercorn rent).