Community radio: volunteer input

Guidelines for community radio stations that wish to use volunteer time as part of station turnover

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Section 1

Background

In Ofcom's 'Future of Radio' consultation published in April 2007[1], which looked at a range of issues across commercial and community radio, we asked a number of questions concerning the future operation of community radio broadcasting. The majority of the issues consulted on required alterations to legislation in order to permit changes. However, recognising the value of volunteer inputs as part of total operational turnover was one issue which it was within Ofcom's power to introduce without the need for legislative change.

Following the consultation, a statement setting out Ofcom's conclusions, and entitled 'The Future of Radio: The Next Phase', was published in November 2007[2]. Regarding volunteer input to community radio turnover, we concluded that:

Volunteer time should be able to be taken into account when assessing the turnover of community radio services and stations will be free to choose whether or not to include the value of volunteer inputs in their turnover figures as submitted to Ofcom.

However, we believe it would be inappropriate for any community radio station to be able to generate all of its funding from a combination of on-air commercial revenues and the value of volunteer inputs.

After the publication of this document, Ofcom held discussions with representatives of the community radio sector, including the Community Media Association and a number of community radio station operators. Our aim was to draw up guidelines covering volunteer inputs used by the community radio sector. These guidelines set specific financial values on volunteer inputs provided to community radio stations.

Community radio station operators may wish to count volunteer inputs as part of their turnover because by offsetting volunteer input against other sources of income:

- it allows for a greater sum of money to be provided from one source;

- it allows for greater revenues to be obtained from on-air commercial sources where such funding is permitted.

Community radio licences include licence conditions setting out the position with respect to the income that may be derived from advertising and sponsorship, volunteer inputs, and other sources respectively.

These guidelines are set out below, and come into effect for the financial year April 2008-March 2009 onwards. They have most recently been updated to reflect changes that have been introduced by the Community Radio (Amendment) Order 2010.

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[1] http://www.ofcom.org.uk/consult/condocs/futureradio/

[2] http://www.ofcom.org.uk/consult/condocs/futureradio07/statement/

Section 2

Legislative context and implementation

The terms of the Community Radio Order 2004 and the Broadcasting Act 1990 place limits on the funding which an applicant group proposes to utilise when operating a community radio service.

For stations that are permitted to generate income from on-air commercial funding – specifically, remunerated advertising and programme and station sponsorship – the maximum amount they may obtain from such sources in any one year is generally 50% of their relevant income. Ofcom may set a lower percentage in relation to particular stations, but the legislation does not permit this percentage to be increased.

As set out in 'The Future of Radio: The Next Phase', we do not believe that it would be compatible with the spirit of the legislation to allow any community radio service to be funded entirely by a combination of on-air commercial funding set against the value of volunteer inputs. This has been further established in light of the balance of consultation responses received. Our approach therefore is that no community radio station will be permitted to obtain 100% of its income from a combination of on-air commercial funding and volunteer inputs alone.

As a result, the following key rule applies:

- A minimum of 25% of annual operational income must come from sources other than on-air commercial funding and the value of volunteer inputs. Put another way, stations claiming a value for volunteer inputs and generating income from on-air commercial sources must always generate at least 25% of their income from other sources (grants, donations, service level agreements etc).

See annex 1 of this document for some illustrations of various income scenarios and how volunteer input may be counted.

Definition of a 'volunteer'

There are many, often competing, definitions of what constitutes a volunteer. However, for the purposes of valuing volunteer time as part of the turnover of community radio services, we propose a simple definition, supplemented by some examples of what, for Ofcom, would and would not be considered as a volunteer input.

A volunteer is a person contributing to the operation or management of a community radio service who is not in receipt of payment for their time, services or expertise, and is not required to provide any such contribution by a third party (e.g. as part of a course of study).

In light of the above, the following volunteer input would normally be considered acceptable:

- Inputs from unpaid directors of the community radio service;

- Inputs provided by students which are not a requirement of their particular course of study (e.g. only extra-curricular activities would be acceptable);

- Additional unpaid inputs by individuals who may be employed by the community radio service on an occasional freelance basis.

In light of the above, the following volunteer inputs would not normally be considered acceptable:

- Additional inputs provided by full-time and regular part-time employees of the community radio service on a voluntary basis;

- Inputs from unpaid trainees;

- Inputs from those on work experience placements at the station;

- Inputs provided by students as part of their course-work or syllabus.

Categories of volunteer

Ofcom recognises that a community radio service may wish to recognise volunteer inputs of various types. For example, perhaps in relation to the following station activities: management; programming; community out-reach work; fund raising; training; and administration. However, in terms of monetary value, and for the sake of simplicity, we have decided on a straightforward two-tier system offering stations the chance to claim a higher rate for those volunteers who have senior managerial responsibilities alongside a standard rate for those volunteers who are only responsible for the provision of their own inputs to the operation of the service.

Section 4

Reporting requirements and traceability

Ofcom requires that stations wishing to include the value of volunteer inputs in relation to their financial reporting are able to substantiate any such claims. This means that a station needs to be able to trace back a claim to a particular individual if required to do so by Ofcom. In practical terms, this may mean that a station needs to consider having a volunteer membership scheme or some other way of 'registering' its volunteers, so that it can produce evidence as to who they are. In addition, a station will then need to require its volunteers to sign in and out of the station or otherwise record the hours contributed. Any such records would then need to be counter-signed as fair and accurate by station management.

In terms of reporting, Ofcom will keep this to a minimum. Stations are asked to provide a simple spreadsheet of hours claimed in either one or two value categories. This spreadsheet should include the number of volunteers involved, the number of hours claimed and the nominal value of any such claims. In cases of query or complaint, Ofcom may require sight of the more detailed volunteer records underpinning the particular claim involved. It will therefore be a requirement of the scheme that these membership records will need to be kept for possible future inspection. For traceability, these more detailed records will need to breakdown the total claim by the various roles against which the value of volunteer inputs are being claimed, and the identity of the volunteers.

Volunteer rates

Ofcom has investigated rates of pay within local radio in the UK, as well as rates of pay recognised by the European Social Fund (ESF) for volunteer inputs (when used as match-funding against its grants). Figures for both commercial radio services and BBC local radio stations were obtained and taken into account. These are broadly in line with the community radio and ESF rates of pay set out below:

Source	Lower rate of pay	Upper rate of pay
Community Radio*	£15-17,000	£24-27,000
ESF Volunteer Rates	£16,300 (Project Administrator)	£23,000 (Project Co-ordinator)

*Rates of pay will vary according to the experience of the employee concerned, responsibilities of the post, location of the station, budgetary constraints, and so on. These figures should be used as a guide only.

In light of these examples, and based on the information Ofcom received about local commercial radio and BBC local radio rates of pay, we have decided to use the European Social Fund (ESF) rates as set out above. These equate to the hourly equivalent figures set out below:

Type of Volunteer	Responsibilities	Hourly Rate
Senior Volunteer	With responsibility for station outputs and/or the outputs of other volunteers. Typically this will be a station manager.	**£13.13**
Standard Volunteer	With responsibility only for their own outputs.	**£9.38**

We note from the ESF website that the above figures have been in place since at least 2007. Should these figures change in future we would propose to review the volunteer rates we use and may keep them in line with revised ESF figures, after we have first re-assessed rates of pay within the wider broadcast radio industry.

Annex 1

Examples of income breakdown scenarios

There is no requirement for community radio stations to count volunteer inputs as part of their turnover, but, for those that wish to do so, these guidelines and example scenarios apply.
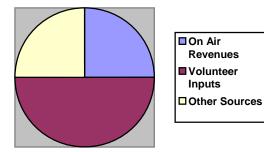
A community radio station cannot take 'income' <u>only</u> from a combination of on-air advertising and sponsorship, and volunteer inputs. A minimum of 25% of annual operational income must come from sources other than on-air commercial (i.e. advertising and sponsorship) revenues and the value of volunteer inputs taken together. In other words, stations claiming a value for volunteer inputs and generating income from on-air advertising and sponsorship (taken together) must always generate at least 25% of their income from other sources (grants, donations, service level agreements etc).
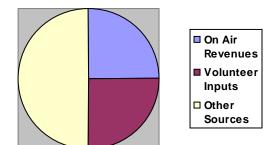
A number of examples of income breakdown scenarios are set out below for guidance.

Interpretation:

- 'On-air revenues' and 'commercial sources' refers to on-air advertising and sponsorship taken together.

- 'Volunteer inputs' refers to the value of volunteer time at the rates discussed elsewhere in this document.

- 'Other sources' and 'non-commercial sources' refers to all other income streams, e.g. grants, donations, service level agreements, in-kind support, station fundraising events.
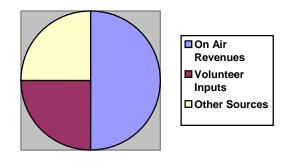
Example 1: Greatest percentage of income is from volunteer inputs.
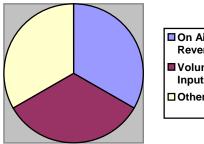
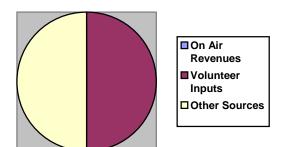**Example 2: Greatest percentage of income is from non-commercial sources.**

- On Air Revenues
- Volunteer Inputs
- Other Sources

Example 3: Greatest percentage of income is from on-air commercial revenues

- On Air Revenues
- Volunteer Inputs
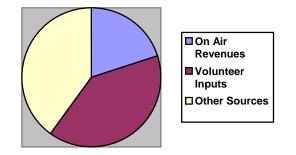- Other Sources

Example 4: All revenue sources are approximately equal.

- On Air Revenues
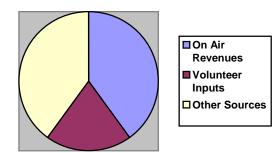- Volunteer Inputs
- Other Sources

Example 5: Service does not generate income from on-air commercial sources.
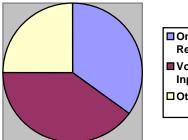

Example 6: Station gets a smaller percentage of income from on-air commercial sources.

Example 7: Station claims a smaller percentage of income from value of volunteer inputs.

Example 8: Station claims a smaller percentage of income from other sources.

On Air Revenues
Volunteer Inputs
Other Sources