

Report of:	[Head Economic Development
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Key Decision:	No
Report Track:	Cabinet: 15/06/17

CABINET
15 JUNE 2017
CIVIC CENTRE ROOF AERIAL – CANNOCK CHASE RADIO

1 Purpose of Report

- 1.1 To consider a request by Cannock Chase Radio to site a transmission aerial on the roof of the Civic Centre, Cannock together with an electrical transmitter box inside the Civic Centre building at a subsidised non-commercial rate.

2 Recommendations

- 2.1 That Cabinet considers a request from Cannock Chase Radio to grant the station a lease enabling the radio station to situate a transmission aerial on the roof of the Civic Centre, Cannock together with an electrical transmitter box inside the Civic Centre building;
- 2.2 that Cabinet considers approval of a rent that is at a subsidised non-commercial rate on the basis that Cannock Chase Radio is a community based venture set up to serve the residents of the Cannock Chase District;
- 2.3 that, subject to the outcome of 2.1 and 2.2 above, Cabinet authorises the Head of Economic Development to enter into a lease at a subsidised non-commercial rate and otherwise on terms and conditions to be agreed in consultation with the Managing Director and the Leader of the Council.

3 Key Issues and Reasons for Recommendation

- 3.1 Cannock Chase Radio (previously Cannock Radio) began broadcasting in Cannock in November 2014 as a community based radio station. Initially broadcasting online only the station is now seeking an FM broadcast licence via the OFCOM process.

- 3.2 Having started in Cannock the radio station has plans to expand to provide District wide coverage across the three key towns: Cannock, Hednesford and Rugeley, hence a requirement to site two transmission aerials within the District. Privately owned property at Brewery Street Arcade, Rugeley has been identified as the site for one of the aerials and the radio station is seeking a lease from the Council to site the second aerial on the roof of the Civic Centre, Cannock along with an electrical transmitter box inside the Civic Centre building.
- 3.3 Cannock Chase Radio was founded by, and is currently funded by, Mr Rob Hughes and Mrs Jane Hughes. The station does not receive any funds from party political entities. The founders have confirmed that the station is politically neutral and this is also a requirement of OFCOM. Whilst it will interview politicians and cover political issues, it does not and will not be promoting the views of a political party or political view.
- 3.4 Although it is currently a non profit making organisation Cannock Chase Radio's legal status is a Limited Company. The radio station is not a charity or a community interest company.
- 3.5 The station is asking the Council for a subsidised non-commercial rent to site the aerial on the Civic Centre on the basis that the Council should support a community based venture of this type.
- 3.6 The station has confirmed that the costs associated with installation of an aerial and transmitter box at the Civic Centre amount to around £15,000. These costs would be borne in full by Cannock Chase Radio. In addition the radio station would also be required to bear the Council's legal costs in the preparation of the lease.
- 3.7 A lease to Cannock Chase Radio at a subsidised rent would be subject to review of the subsidy linked to the commercial success of the radio station. In addition, the lease would contain a rolling break clause reserving to the Council the right to terminate the lease with a maximum of 4 weeks notice if:
- (i) in the Council's opinion, there was clear evidence that the station had developed party political links or had engaged in the overt promotion of political parties which was over and above routine coverage of political issues and politicians of all parties.
 - (ii) the Council decided to dispose of or redevelop the Civic Centre site.

4 Relationship to Corporate Priorities

- 4.1 The Council's Corporate Plan aspires to lead the local community to deliver better jobs and skills, more and better housing, cleaner and safer environments and better health outcomes. The Cleaner and Safer Environments element of the Plan includes a specific reference to working with partners to foster safer and stronger communities to which this report provides a positive response.

5 Report Detail

- 5.1 Cannock Chase Radio (previously Cannock Radio) began broadcasting in Cannock in November 2014 as a community based radio station. Initially broadcasting online only the station is now seeking an FM broadcast licence via OFCOM process.
- 5.2 Since summer 2015 the station has been streamed live within Cannock Market Hall on all market days. Feedback from the Markets Officers suggests that the music mix is popular with traders who make regular record requests (and thereby achieve a mention for their stall). Due to its popularity within Cannock Market a digital radio was provided for Rugeley Market Hall by the radio station prior to Christmas 2016 and the Council now also streams the station within Rugeley Market Hall. Cannock Chase Radio has also set up and broadcast live from both market halls on a number of occasions over the last 12-18 months.
- 5.3 Subject to Cannock Chase Radio achieving an FM Broadcast licence it plans to expand to provide District wide coverage across the three key towns: Cannock, Hednesford and Rugeley. To achieve this aim the station needs to locate two transmission aerials within the District. It has agreed favourable terms (subject to review) to locate one of the aerials at the privately owned Brewery Street Arcade in Rugeley. The Council has been approached to accommodate the second aerial on the roof of the Civic Centre in Cannock together with an electrical transmitter box inside the Civic Centre building.
- 5.4 Cannock Chase Radio is not a charity or a community interest company however, on the basis that it is a community based venture working for the benefit of the community, the radio station has asked the Council to grant it a lease enabling it to locate a transmission aerial on the Civic Centre for a subsidised non-commercial rent. The Council is authorised to dispose of land and property by leasehold interest over 7 years at an undervalue if the disposal improves the social, economic or environmental well-being of the area or its inhabitants.
- 5.5 Cannock Chase Radio is a limited company that was founded by, and is currently funded by, Mr Rob Hughes and Mrs Jane Hughes. The founders have confirmed that the station is politically neutral and it does not receive any funds from party political entities. Political neutrality is also a requirement of OFCOM. Whilst it will interview politicians and cover political issues, it does not and will not be promoting the views of a political party or political view.
- 5.6 The radio station has the ability to earn income by the sale of advertising opportunities to other organisations. At present the station is not making a profit from the sale of advertising but as its audience expands through the grant of an FM broadcast licence, the station may become more commercially successful.
- 5.7 A lease to Cannock Chase Radio at a subsidised rate would be subject to a review of the subsidy linked to the commercial success of the radio station. In addition, the lease would contain a rolling break clause reserving to the Council the right to terminate the lease with a maximum of 4 weeks notice if:

- (i) in the Council's opinion, there was clear evidence that the station had developed party political links or had engaged in the overt promotion of political parties which was over and above routine coverage of political issues and politicians of all parties.
- (ii) the Council decided to dispose of or redevelop the Civic Centre site.

6 Implications

6.1 Financial

Cannock Chase Radio is seeking to pay a rent of £2,000 per annum for the first three years of the lease term. This equates to a subsidy of 80% on market rental value based on existing telecoms equipment located on the Civic Centre roof.

Cabinet will need to consider if the granting of the lease on favourable terms will contribute to the promotion or improvement of economic, social or environmental well-being of the area or its inhabitants.

Should Cabinet agree to the granting of a lease at the favourable rent of £2,000 per annum the Council will be foregoing potential rental income for the 3 year period, subject to the terms and conditions negotiated by the Head of Economic Development.

The Council will also recharge to Cannock Chase Radio the cost of electricity used by the transmitter box.

Cannock Chase Radio will be required to bear the Council's legal costs in the preparation of the lease document.

Cannock Chase Radio will also be responsible for meeting the £15,000 costs associated with installation of the aerial and transmitter box at the Civic Centre, together with insuring the equipment any undertaking any subsequent repairs required.

There are no further financial implications as a result of this report.

6.2 Legal

The Council is authorised to dispose of land and property by leasehold interest over 7 years at an undervalue if the disposal improves the social, economic or environmental well-being of the area or its inhabitants.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 **Human Rights Act**

None

6.6 **Data Protection**

None

6.7 **Risk Management**

None

6.8 **Equality & Diversity**

None

6.9 **Best Value**

See above

7 Appendices to the Report

None

Previous Consideration

N/A

Background Papers

None