

Small-scale radio multiplex licence award: Leeds

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Leeds to Leeds Digital Media Limited ('Leeds Digital Media').

In considering the applications it receives for small-scale radio multiplex licences, Ofcom is required to have regard to each of the statutory criteria set out in section 51(2) of the Broadcasting Act 1996 as modified by the Small-scale Radio Multiplex and Community Digital Radio Order 2019. These are as follows:

1. the extent of the coverage area (within the area or locality specified in the Ofcom notice inviting applications) proposed to be achieved by the applicant in the technical plan submitted in its application; (section 51(2)(a))
2. the ability of the applicant to establish the proposed service (section 51(2)(c));
3. the desirability of awarding the licence to an applicant that:
 - a. is a person providing or proposing to provide a community digital sound programme service in that area or locality, or
 - b. has as a participant a person providing or proposing to provide a community digital sound programme service in that area or locality; (section 51(2)(ca))
4. the extent to which there is evidence that, amongst persons providing or proposing to provide community or local digital sound programme services in that area or locality, there is a demand for, or support for, the provision of the proposed service; (section 51(2)(f)) and
5. whether, in contracting or offering to contract with persons providing or proposing to provide community or local digital sound programme services, the applicant has acted in a manner calculated to ensure fair and effective competition in the provision of those services. (section 51(2)(g)).

The legislation does not rate these requirements in order of priority, but it may be that Ofcom will regard one or more of the criteria as being particularly important in view of the characteristics of the licence to be awarded and the applications for it.

Assessment of applications

On 1 September 2020, Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in several localities, including in Leeds.

Ofcom received five applications in response to its notice inviting applications for this locality by the closing date of applications, which was 23 November 2020. These were from: Leeds Digital Media, Tailor Made DAB for Leeds Limited, Leeds DAB Radio Limited, DAB Leeds Limited and Boom Radio DAB Limited. Copies of the non-confidential parts of these applications were made available for

public scrutiny on the Ofcom website, and public comment was invited as required under section 50(7).

Ofcom colleagues assessed the detail of applications, including carrying out assessments of the technical plan required to be submitted as part of all applications. Decisions were made by a panel of Ofcom decision makers which convened on 23 April 2021. They carefully considered the applications, public comments received, and professional advice from Ofcom colleagues, and applied the statutory criteria in reaching their decision on whether and to whom to award a licence. Reasons for their decision are summarised below.

In relation to section 51(2)(a), the successful applicant, Leeds Digital Media, proposed three transmitters to provide a service to the area that was advertised. Ofcom calculations indicate that this would result in just over 92% of the adult population in the advertised area being able to receive the service. We noted that our assessment of the technical plans provided by all of the applicants resulted in higher signal levels to more distant small-scale DAB areas that may need to re-use the same frequency block than has been stipulated by Ofcom. The successful applicant's technical plan was however amongst the most compatible with the overall spectrum plan, and relatively minor alterations to the technical plan may be required to ensure these levels are controlled. We estimate these alterations would reduce the coverage of the Leeds small-scale radio multiplex service only slightly, to just over 90% of the population in the advertised area.

In relation to section 51(2)(c), Ofcom considered financial and business plans, technical plans, the timetable for coverage roll-out, and evidence of relevant expertise and experience. Ofcom considered that Leeds Digital Media would be in a position to establish the service within 18 months of the date of award as required by the legislation. In particular, we noted the applicant's detailed business plan, strong finances and readiness to launch. The company has strong backing from a range of existing broadcasters, including the owners of Sunrise FM in nearby Bradford, and all of its participants are local to West Yorkshire, indicating a good degree of knowledge of the local market.

In relation to section 51(2)(ca), Ofcom noted that the individuals who control Leeds Digital Media also control Akash Radio. Akash Radio holds an analogue community radio licence for Leeds and will provide a community digital sound programme service on the multiplex.

In relation to section 51(2)(f), Ofcom considered evidence of demand or support from persons providing or proposing to provide community or local digital sound programme services in the advertised area and concluded that there was sufficient evidence of support to justify the award of a licence in light of Ofcom's duties, which include amongst other things to secure in carrying out our functions the optimal use of electro-magnetic spectrum, and to secure the availability throughout the UK of a range of radio services. The successful applicant demonstrated good engagement with and strong demand from prospective service providers in the area. In relation to support from prospective community digital sound programme service providers in particular, as well as Akash Radio as noted above, the successful applicant also has board-level involvement of three other companies which are proposing to provide community digital sound programme services on the multiplex (Leeds Dance Community Radio, Mighty Radio, and Radio Rangoli). We consider that the involvement of directors of prospective community digital sound programme services in the management of the small-scale multiplex underlines the active support of such services for the proposed multiplex.

In relation to section 51(2)(g) and based on the evidence received, Ofcom was satisfied that the applicant had, in contracting or offering to contract with persons providing or proposing to provide community or local digital sound programme services, acted in a manner calculated to ensure fair and effective competition in the provision of those services.

It is noted that the award of a licence does not confer on the awardee the right to implement all elements of the technical plan submitted to Ofcom as part of the successful application. Ofcom will treat proposals in that plan, on the basis of which the award was made, as things the successful applicant has committed to achieve within the 18-month period allowed between award and launch. However, for spectrum planning reasons, Ofcom may require amendments to proposals between award and licence grant.

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