

Small-scale radio multiplex licence award: North Birmingham

Background

Ofcom has decided to award a new small-scale radio multiplex licence for North Birmingham to Switch Radio.

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 North Birmingham.

Ofcom received one application in response to its notice inviting applications for this locality by the closing date of applications, which was 23 November 2020, which was from Switch Radio. A copy of the non-confidential parts of the application was 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 25 June 2021. They carefully considered the application, 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), Switch Radio – which currently operates the trial small-scale multiplex in Birmingham – proposed using four transmitters which would provide coverage to around 98% of the adult population within the advertised area according to Ofcom’s analysis. Ofcom noted that, as part of Switch Radio’s trial multiplex broadcasts, one transmitter site is already in operation.

According to Ofcom’s coverage predictions, coverage overspill outside the advertised area was high. Ofcom has previously stated that overspill outside the advertised area should be as limited as reasonably possible and, in any event, should not generally exceed 30% of the population of the advertised licence area. In this case, we considered adjustments would be required to the submitted technical plan to reduce overspill to acceptable levels. However, Ofcom’s analysis indicates such adjustments would be likely to reduce coverage to approximately 94% of the adult population within the advertised licence area, which remains a high level of coverage.

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. Although it was noted that some of the required launch funding has yet to be secured, Switch Radio has a healthy current balance sheet and this, together with projected income from carriage fees, should help to cover the projected start-up costs. Ofcom considered the applicant, which has extensive experience of operating the trial multiplex in Birmingham as well as running a community radio service in the city, would be in a good position to establish the service within 18 months of the date of award as required by the legislation.

In relation to section 51(2)(ca), Ofcom noted that the applicant company itself plans to provide a community digital sound programme service in the advertised area; a simulcast of the Castle Vale FM community radio service, Switch Radio. As set out in the legislation, the applicant being a person proposing to provide a community digital sound programme service in the locality is a positive point for an application.

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 noted that Switch Radio has built strong relationships with a broad base of programme service providers. In total, 29 programme services expressed an interest in securing carriage on the North Birmingham multiplex, 18 of which are services currently broadcasting on the Birmingham trial 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 also require amendments to proposals between award and licence grant.

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