

Small-scale radio multiplex licence award: North Aberdeen

Background

Ofcom has decided to award a new small-scale radio multiplex licence for North Aberdeen to Station House Media Unit.

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 the application

On 25 January 2022 Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in several localities, including in North Aberdeen

Ofcom received one application in response to its notice inviting applications for this locality by the closing date of 25 April 2022 which was from Station House Media Unit. 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 the application, including carrying out an assessment of the technical plan required to be submitted as part of all applications. The decision was made by a panel

of Ofcom decision makers which convened on 30 June 2022. 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), the applicant proposed a single transmitter site to provide a service to the advertised area. Ofcom's calculations indicated that this would result in just under 87% of the adult population in the advertised area being able to receive the service. Our coverage predictions indicated that the proposed small-scale multiplex would reach less than 40% of the population covered by the local Aberdeen multiplex, and that overspill outside the advertised area was under 30% of the population of the advertised area. Therefore, no mitigations would be required to comply with these thresholds. We considered minor mitigations may be required to minimise the risk of interference with other services, but this would reduce overall coverage only slightly to around 86%. We noted that the predicted coverage serves the majority of the advertised area including the most densely populated areas although, due to the use of a directional transmitting antenna, the west side of the advertised area is less well served. Nevertheless, Ofcom considered the applicant's proposal provided generally good coverage within 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 overall that the applicant would be in a reasonable position to establish the service within 18 months of the date of award as required by the legislation. Ofcom noted that Station House Media Unit plans to secure funding from existing partners once the licence is awarded.

In relation to section 51(2)(ca), it was noted that Station House Media Unit itself plans to provide a C-DSP service, shmu FM. This is an existing community analogue licensee, providing confidence that the C-DSP would be broadcast on launch of the multiplex. Under the legislation, provision of a C-DSP service by the applicant company (or a participant in the applicant company) is a desirable feature.

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. The applicant had listed seven prospective C-DSP services, three of which (including the one proposed to be provided by the applicant) are existing community analogue services, and the remaining four are current online services. However, limited evidence was provided regarding the stage of discussions with providers, and only two additional potential DSP services were referred to in the application. Ofcom considered that the evidence of support was sufficient to justify the award of a licence, and interest from prospective community services was encouraging. However, decision makers noted that it would be important post-award for the applicant to work with commercial and community services to help ensure the longer-term viability of the 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. However, as noted above, decision makers noted that it appeared discussions with potential service providers were less far advanced than they could be and this should be progressed by applicant post-award.

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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