

## Small-scale radio multiplex licence award: Exeter

### Background

Ofcom has decided to award a new small-scale radio multiplex licence for Exeter to ExeDAB Limited.

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 Exeter.

Ofcom received two 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 ExeDAB Limited ('Exe DAB') and Like DAB Limited. Copies of the non-confidential parts of the 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 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) ExeDAB proposed using two transmitter sites which Ofcom's analysis showed would provide coverage to nearly 88% of the adult population within the advertised licence area. Ofcom's coverage predictions showed that the amount of coverage outside the advertised area would be within acceptable limits, though we did consider that alterations to the technical plan would be required in relation to one of ExeDAB's proposed transmitters, in order to minimise the potential for 'hole-punching' to reception of existing DAB services along a part of the M5 motorway. We estimated that possible measures to mitigate this effect may reduce the coverage of the Exeter small-scale radio multiplex service slightly, although it should remain available to at least 82% of the adult population in the advertised area, which remains a good level of coverage in the locality.

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. It was noted that three of the successful applicant's shareholders (including the majority shareholder, Radio Exe) benefit from direct practical experience of operating commercial and community analogue radio services in Exeter and south Devon. ExeDAB would also be supported in establishing and operating the multiplex by Niocast Digital, who have significant experience of DAB multiplex operations. We were also satisfied that ExeDAB has access to adequate funding to cover the projected launch costs for the service. We therefore considered that ExeDAB 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 has as a participant a person (Exeter Community Radio Limited) which is proposing to provide a community digital sound programme service (Phonic FM, the analogue community radio station for Exeter) in the advertised area. The level of participation is relatively modest (12% of shares), although we noted that the Chairman of Exeter Community Radio Limited also serves on the board of the applicant.

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. It was noted that ExeDAB provided evidence of interest in carriage on the multiplex from some 30 programme services, of which four plan to provide C-DSP services (albeit we noted one of these four was from Crediton Radio, and Ofcom's analysis indicates the town of Crediton is not within the coverage area implied by the applicant's technical plan). In most cases the evidence of demand provided was in the form of standardised 'expressions of interest' forms created by ExeDAB which, although non-binding, indicated a good level of interest on the part of potential service providers.

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.

July 2021