

# Renewal procedure for local analogue licences

#### **Statutory requirements**

- 1.1 Under the provisions of sections 104A and 104AA of the Broadcasting Act 1990, as amended<sup>1</sup>, the holder of a local analogue (i.e. FM or AM) commercial radio licence who is providing a local digital sound programme service on a 'relevant' local or small-scale radio multiplex service can apply for a renewal of the analogue licence.
- 1.2 A 'relevant' local radio multiplex service is one with a licensed area that provides actual or potential coverage in digital form to 25% or more of the adult population within the measured coverage area (MCA) of the analogue local licence in question. A 'relevant' small-scale radio multiplex service is one with a coverage area which includes at least 25% of the adult population within the MCA of the analogue licence in question.
- 1.3 Ofcom must have advertised a licence for a 'relevant' local or small-scale radio multiplex service before it can be nominated for the purposes of renewing a local analogue commercial radio licence.
- 1.4 The holders of certain local analogue commercial radio licences ("approved licences")<sup>2</sup> can choose to apply for renewal on the basis of a "national nomination", i.e. to nominate a national digital sound programme service that they will provide and a national radio multiplex service on which they will provide it, rather than a local digital sound programme service and a 'relevant' local or small-scale radio multiplex service.
- 1.5 The period for which a local licence can be renewed depends on when the licence was last granted following advertisement or re-advertisement, and/or how many times it has previously been renewed.
- 1.6 Section 104A allows for a local licence to be renewed on one occasion for a twelve-year period, but only if that licence was last granted before 8 April 2010.
- 1.7 Section 104AA allows for a local licence to be renewed on three occasions, for periods of seven, five, and ten years. The Legislative Reform (Renewal of Radio Licences) Order 2020 has amended section 104AA so that a licence can be renewed on three occasions if it has previously been renewed under section 104A, or if it was last granted on or after 8 April 2010.
- 1.8 The combined effect of these statutory provision is that any local licence is eligible to be renewed, provided the relevant requirements are met.

<sup>&</sup>lt;sup>1</sup> By the <u>Digital Economy Act 2010</u>, <u>The Legislative Reform (Further Renewal of Radio Licences) Order 2015</u> and <u>The</u> Legislative Reform (Renewal of Radio Licences) Order 2020.

<sup>&</sup>lt;sup>2</sup> The list of 'Approved Licences', and further information regarding 'national nominations', can be found at: https://www.ofcom.org.uk/ data/assets/pdf file/0013/32260/addendum.pdf

### "Relevant date" and timetable for renewal applications

- 1.9 Before the holder of a local analogue commercial radio licence can apply for renewal,
  Ofcom is required to determine a "relevant date" in relation to the licence, and to notify
  the licensee of that date. The "relevant date" is the date by which a licence would need to
  be re-advertised were it not to be renewed.
- 1.10 Ofcom's general policy is to set the "relevant date" for a licence at one year prior to the expiry date of the licence, but in certain limited circumstances we may diverge from this general policy.
- 1.11 The setting of the "relevant date" has two direct consequences. Firstly, it determines the latest date the licensee can apply for renewal, which is three months before the "relevant date". The legislation also specifies that an application for renewal cannot be made more than three years before the licence expires. There is therefore a 'window' within which an application for renewal can be made, which starts three years prior to the expiry date of the licence and normally ends 15 months before the expiry date.
- 1.12 Secondly, it is Ofcom's general policy to renew a licence from the "relevant date". The legislation states that a licence shall be renewed from the date of renewal, not the date that the licence is due to expire. Although as noted above an application for renewal can be made at any time between 15 and 36 months before a licence is due to expire, our general policy is designed to maximise the benefit to a licensee by delaying the date of renewal as late as reasonably practicable.
- 1.13 The legislation does allow for the consideration of an application for renewal to be postponed beyond the "relevant date", but only in certain limited circumstances which are specified in the legislation. Where these circumstances do not apply, the date of renewal will be the "relevant date".
- 1.14 As required by statute, Ofcom will write to licence holders at least one year in advance of their "relevant date" (in other words, two years prior to the current licence expiry date and nine months in advance of the application deadline) to formally notify them of their "relevant date" and to explain the renewal procedure.

## **Application for licence renewal**

- 1.15 To determine whether to grant an application for renewal, Ofcom is required to satisfy itself that:
  - the applicant would provide a local (analogue) service which complied with the conditions included in the licence in pursuance of section 106 of the Broadcasting Act 1990 (i.e. the Format);
  - the nominated local digital sound programme service provided by the applicant is being broadcast by means of the nominated local or small-scale radio multiplex service, and:
  - the period for which the nominated local digital sound programme service will be available for reception and the times at which it will be available will not be

- significantly different, week by week, from those for which and at which the licensed local analogue service will be broadcast.
- 1.16 There is no application form for licence renewal. An application for licence renewal should comprise a letter, signed by an authorised representative of the licence-holding company, which sets out the following information:
  - that the licensee wishes to apply for renewal for the relevant period under the relevant statutory provision (these will be specified in the letter notifying the licensee of their "relevant date");
  - the digital sound programme service being provided as the basis for renewal of the analogue licence ('the nominated digital sound programme service');
  - the 'relevant' local or small-scale radio multiplex service (or national radio multiplex service for a "national nomination") upon which the nominated digital sound programme service is to be/is being provided;
  - the number of hours per day, and days per week, for which the nominated digital sound programme service is broadcast;
- 1.17 Alongside the letter, an application for renewal must also include:
  - evidence (e.g. relevant contractual or related documentation) that the nominated digital sound programme service is being, or is intended to be, broadcast on the nominated radio multiplex service;
  - a signed Original Declaration;
  - unabbreviated statutory accounts for the last available financial period for the licenceholding company, and;
  - payment of the renewal fee.
- 1.18 The licence renewal fee tariff is as follows:

	Population (aged 15+)	FM (£)	AM (£)
National licences			
All licences		100,000	100,000
Local licences			
Category A	4,500,000 +	21,200	14,500
Category B	1,000,000-4,500,000	11,800	8,000
Category C	400,000-1,000,000	5,000	3,500
Category D	0-400,000	1,500	1,000

(Tariff for 2020/21)

- 1.19 As noted above, in normal circumstances a licence will be renewed from the "relevant date".
- 1.20 Upon licence renewal, a condition will be included in the analogue licence requiring the licensee to do all it can to ensure that the nominated digital sound programme service is provided on the nominated radio multiplex service throughout the period for which the licence has been renewed. Failure to comply with this condition may result in revocation of the analogue licence.

1.21 Queries regarding analogue commercial radio licence renewals should be directed to the Broadcast Licensing team in the first instance: <a href="mailto:broadcast.licensing@ofcom.org.uk">broadcast.licensing@ofcom.org.uk</a>

#### **Data Protection**

1.22 We require the information requested in the application in order to carry out our licensing duties under the Broadcasting Act 1990, Broadcasting Act 1996 and Communications Act 2003. Please see Ofcom's <a href="Meneral Privacy Statement">General Privacy Statement</a> for further information about how Ofcom handles your personal information and your corresponding rights.

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