Advertisement of Local Radio Multiplex Licence: Channel Islands

Date of advertisement: 17 April 2019
Closing date for applications: 17 July 2019
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1. Overview

1.1 This document invites applications for a licence to provide a local radio multiplex service. A radio multiplex service is the means by which DAB digital radio stations are broadcast and can provide around ten stereo radio stations (or more if DAB+ is utilised).

1.2 This licence is offered for a local radio multiplex service designed to cover the Channel Islands.

1.3 Radio multiplex licences are awarded by Ofcom in a competitive process. This means that applications are judged against specified criteria, and Ofcom awards the licence to the applicant which it considers best meets the criteria.

1.4 The closing-date for applicants to apply for this local radio multiplex licence for the Channel Islands is 17 July 2019, and Ofcom hopes to award the licence as soon as practicable thereafter.
2. Introduction

2.1 Ofcom, in accordance with section 50 of the Broadcasting Act 1996 ("the 1996 Act"), invites applications for a licence to provide a local radio multiplex service.1

2.2 The frequency being cleared for this licence is a standard VHF DAB channel known internationally as ‘Frequency Block 12A (centre frequency of 223.936 MHz)’. Should clearance of this block be problematic then the GE06 Plan allocation of block 11C (centre frequency 220.352 MHz) will be used.

2.3 This licence is offered for a service designed to cover the Channel Islands (i.e. the Bailiwicks of Jersey and Guernsey), subject to frequency and transmitter siting constraints, and will be granted for a period of twelve years from the commencement of broadcasting.

2.4 In pursuance of a direction under section 49 of the 1996 Act, digital capacity of 256 kbits/sec is reserved on a net basis to the BBC for the broadcasting in digital form of its local radio services, BBC Radio Jersey and BBC Radio Guernsey.

2.5 The closing-date for the receipt of completed applications will be 3.00pm on Wednesday 17 July 2019. A fee of £1,000 will be payable for each application submitted. This fee will not be refundable in any circumstances.

2.6 Ofcom has recently consulted on changes to our Digital Radio Technical Code and Guidance Note. The consultation closed on 18 March 2019 and, following our consideration of responses received, we expect to publish a Statement and the amended Code and Guidance in May 2019. These documents contain essential technical information relevant to all DAB radio multiplex services, including the subject of this licence advertisement. Applicants must be aware that we will assess applications for this licence against the amended versions of the Code and will be able to read the amended Code and Guidance prior to submitting their applications. In advance of that, applicants should ensure that they are familiar with the existing Code and Guidance as well as the changes we are proposing.

Alterations and disclaimer

2.7 Ofcom reserves the right to alter or correct any part of this Notice at any stage before the closing date for applications. Any additional documents referred to in this Notice may also be amended from time to time. Any such alterations, corrections or supplementary information will be made available on our website.

2.8 The information given in this Notice is not an exhaustive account of the statutory and licensing requirements and should not be regarded as a complete and authoritative

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1 The Broadcasting Act 1996 extends, with modifications, to the Bailiwicks of Jersey and Guernsey pursuant to the Broadcasting (Jersey) Order 2003 and the Broadcasting (Guernsey) Order 2003.

statement of the law. Nor does any information we issue, whether in this Notice or elsewhere, imply any judgement by us as to commercial prospects for the applications, or that licensed services will be profitable.

2.9 Applicants must make their own independent assessment after taking their own professional advice and making such further investigations as they deem necessary on all relevant matters.

2.10 We make no representation or warranty, expressly or implied, with respect to information contained in this Notice (together with other documents referred to in this Notice as well as any other information we publish related to matters relevant to this Notice, including such information that we may publish in relation to applications received) or with respect to any written or oral information made or to be made available to any potential applicant or its professional advisors. Any liability therefore is expressly disclaimed, and we do not therefore accept liability for any losses, expenses or damage otherwise suffered or incurred as a result of preparing any applications based on or pursuant to this Notice or otherwise relying on information set out herein, whether or not applications are submitted, and whether or not they are successful.

Contact details

2.11 Any queries on the contents of this Notice should be sent to broadcast.licensing@ofcom.org.uk
3. Assessment of applications

Assessment process

3.1 We will assess applications against the assessment criteria described in more detail below and our general duties, based upon the proposals presented in the completed application. It is the applicant’s responsibility to ensure that submitted applications are complete and conform fully to those requirements. Once received, no material amendments to the application may be made by the applicant nor any new material introduced, without the agreement of Ofcom. Ofcom will not agree to any such amendment which it considers would prejudice the public consultation on the applicant’s proposals or would be unfair to any other applicant for the licence.

3.2 However, in the course of assessing applications, Ofcom may seek clarification and/or amplification of proposals in any application and require any applicant to furnish such additional information in such form or verified in such manner as we may specify. This will usually be done through questioning by a single letter, which will be sent to the individual nominated in the application. Further questions, if appropriate, may be put by telephone, or by e-mail, as well as by letter.

3.3 All applications (save for confidential information) that we receive will be published on our website following the closing-date for applications. Non-confidential responses to any clarifications or amplifications will also be published on the Ofcom website, alongside the original application. Ofcom may take into account any comments received from the public, which can be made to it with respect to the applications submitted.

General statutory requirements

3.4 We refer below to several pieces of UK legislation which extend, with modifications, to the Bailiwicks of Jersey and Guernsey pursuant to secondary legislation. Where we refer to legislation in this document, this should be read as meaning the legislation as it applies in the Channel Islands. In particular:

a) the Communications (Jersey) Order 2003 and the Communications (Bailiwick of Guernsey) Order 2003 extend relevant provisions of the Communications Act 2003;

b) the Broadcasting (Jersey) Order 2003 and the Broadcasting (Guernsey) Order 2003 extend relevant provisions of the Broadcasting Act 1996;

c) the Broadcasting Act 1990 (Jersey) Order 1991 and the Broadcasting Act 1990 (Guernsey) Order 1991 extend relevant provisions of the Broadcasting Act 1990; and


3.5 Ofcom’s general statutory duties are set out in section 3 of the Communications Act 2003 (“the CA 2003”), and include, in particular, the principal duties to further the interests of
citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition.

3.6 In carrying out these duties Ofcom is required to secure, among other things, "the availability throughout the United Kingdom and the Bailiwick of [Jersey / Guernsey] of a wide range of television and radio services which (taken as a whole) are both of high quality and calculated to appeal to a variety of tastes and interests" (section 3(2)(c)).

**Statutory requirements relating specifically to grant of local radio multiplex licences**

3.7 Section 50(1) of the 1996 Act sets out the information that must be included within a Notice of Advertisement of a local radio multiplex licence. This information is described in Section 2 of this Notice. Under section 50(4) of the 1996 Act, any application made in pursuance of a Notice of Advertisement must be in writing and accompanied by:

a) the fee specified in the Notice,

b) a technical plan relating to the service which the applicant proposes to provide and indicating:
   i) the parts of the licensed area which would be within the coverage area of the service,
   ii) the timetable in accordance with which that coverage would be achieved, and
   iii) the technical means by which it would be achieved,

c) the applicant’s proposals as to the number of digital sound programme services (other than BBC services) to be broadcast and the characteristics of each of those services,

d) the applicant’s proposals as to the timetable in accordance with which the broadcasting of each of those services would begin,

e) the applicant’s proposals as to the broadcasting of television licensable content services,

f) the applicant’s proposals as to the broadcasting of digital additional services,

g) such information as Ofcom may reasonably require as to the applicant’s present financial position and his projected financial position during the period for which the licence would be in force, and

h) such other information as Ofcom may reasonably require for the purpose of considering the application.

The questions set out in Section 7 of this Notice are derived from these statutory requirements.

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3 References to Bailiwick of Jersey and Guernsey inserted under the secondary legislation referred to above.
Section 51(2) of the 1996 Act requires Ofcom, in deciding the award of a local radio multiplex licence, to have regard to the following matters, namely:

a) the extent of the coverage area (within the area specified in Section 5 of this Notice in accordance with section 50(2)(c)) proposed to be achieved by the applicant as indicated in the technical plan submitted by him under section 50(4)(b);

b) the timetables proposed by the applicant under section 50(4)(b)(ii) and (d) for achieving the stated coverage (i.e. transmission roll-out) and for the commencement of broadcasting of the digital sound programme services proposed;

c) the ability of the applicant to establish the proposed service and to maintain it throughout the period for which the licence would be in force;

d) the extent to which the digital sound programme services (other than BBC services) proposed to be included in the service would cater for the tastes and interests of persons living in the area or locality for which the service is to be provided and, where it is proposed to cater for any particular tastes and interests of such persons, the extent to which those services would cater for those tastes and interests;

e) the extent to which any such digital sound programme services would broaden the range of programmes available by way of local digital sound programme services to persons living in the area or locality for which it is to be provided and, in particular, the extent to which they would cater for tastes and interests different from those already catered for by local digital sound programme services provided for that area or locality;

f) the extent to which there is evidence that, amongst persons living in that area or locality, there is a demand for, or support for, the provision of the proposed service; and

g) whether, in contracting or offering to contract with persons providing digital sound programme services, television licensable content services or digital additional services, the applicant has acted in a manner calculated to ensure fair and effective competition in the provision of those services.

We set out below some general guidance in relation to the assessment criteria so that applicants’ attention may be drawn to certain matters that they are asked to demonstrate in their applications.

(a) Extent of proposed coverage area

When assessing applications for this local radio multiplex licence with regard to the extent of the proposed coverage, Ofcom will consider the proposed extent of coverage in terms of not only the percentages of households, roads and population covered (as appropriate), but also in terms of the geographical area(s) to be served.

We recognise that there is not necessarily a linear relationship between these different means of defining the extent of coverage, in that it is possible to achieve a significant degree of population/household and/or roads coverage without achieving a similar degree
of geographical coverage, and vice versa. It is also worth noting that in the case of roads, contiguous coverage (where the driver does not intermittently lose the service) may be more important than it is for household coverage, where populations tend to be clustered in large towns and cities. In addition, in considering the extent of coverage proposed by an applicant, Ofcom will take account of the financial implications of establishing the transmitter network required to deliver this coverage (which we recognise has implications for an applicant’s ability to maintain the proposed service).

3.12 Applicants should therefore clearly and comprehensively set out how they have balanced these various factors in their proposals regarding the extent of the proposed coverage area in response to Q.4 of the application (see Section 7 of this Notice).

3.13 Ofcom recognises that different criteria can be used to define coverage, depending on the nature of reception which is being considered. Robust reception indoors, e.g. in buildings, generally requires a stronger signal than reception outdoors, e.g. in cars. Ofcom will consider the proposed coverage for each application by reference to both outdoor and indoor reception.

3.14 Commitments made by applicants in relation to this criterion will be incorporated into the licence as licence conditions.

(b) Timescales for coverage roll-out and commencement of services

3.15 Ofcom must in assessing applications consider, in addition to the extent of the proposed coverage area (see above), the timetable for roll-out of coverage and commencement of services. Ofcom recognises that some applications may contain proposals for greater eventual coverage with a comparatively slow roll-out, while other applications may contain proposals for a quicker roll-out but ultimately to fewer people or to a smaller geographical area. Ofcom does not have a preference for either the former or the latter.

3.16 Ofcom welcomes proposals for the commencement of services as early as possible in the licence period.

3.17 Commitments made by applicants in relation to this criterion will be incorporated into the licence as licence conditions.

(c) Ability to establish and maintain the proposed service

3.18 In applying its statutory obligations under section 51(2)(c) of the 1996 Act, Ofcom must satisfy itself that an applicant has access to sufficient financial resources, and appropriate human and technical resources, to establish and maintain the proposed service.

3.19 Ofcom will need to be assured that an applicant has made a well-reasoned calculation of the expected levels of costs and revenue, such that the service is capable of being maintained while delivering its licence commitments. The questions set out under this criterion in Section 7 of this Notice (in particular, Q.10) are designed to enable Ofcom to assess applications in relation to this legislative requirement.
In this regard, applicants should also give particular attention to paragraphs 4.24 to 4.25, which set out that Ofcom may consider revoking a licence for failure to begin to provide the licensed service and that, in such circumstances, a financial penalty may result.

**(d) Catering for local tastes and interests**

This criterion relates only to digital sound programme services – digital additional services, television licensable content services and any services provided by the BBC are excluded. In order to enable Ofcom to consider applications against this criterion, applicants are required to specify the nature of the programme services proposed to be provided, and to outline their characteristics (see next paragraph) including, where appropriate, an indication of how much of the content is unique to this local multiplex licence area. An applicant does not necessarily need to identify the providers of its proposed programme services, but such information will assist Ofcom in assessing the application against other criteria – in particular, it will help to establish the likelihood of an applicant's plans being realised (ability to establish and maintain the service) according to the timetable outlined in its application (timetable for commencement of services).

Applicants are required to set out, for each proposed digital sound programme service, the Format descriptions under which they intend to operate. Submission of a particular Format description will be taken as evidence of willingness to accept a licence, if offered, on the terms indicated. Applicants are strongly advised to pay particular attention to the wording of their draft Format descriptions since changes to the draft will not normally be permitted. (Ofcom will make exceptions to this rule only where there is clear evidence that the proposed correction is consistent with the original application. Changes that, if made, would materially alter the draft Format description, will not be permitted under any circumstances). Ofcom does not intend to enter into any negotiation or discussion regarding the contents of Format descriptions subsequent to a licence award.

In accordance with section 54(1)(b) of the 1996 Act, the successful applicant's Format descriptions will be included in the local radio multiplex licence when granted.

In order to demonstrate how its proposed services would cater for local tastes and interests, an applicant may wish to cite findings from its own research, as well as pre-existing data such as RAJAR figures, as evidence.

**(e) Broadening of local commercial DAB choice**

Under section 51(2)(e), Ofcom is required to consider the extent to which the line-up of local digital sound programme services proposed by an applicant for a local radio multiplex licence would broaden the range of local digital sound programme services available in the area. BBC radio services, national digital sound programme services and analogue services are excluded from consideration. Given that this local radio multiplex licence is the first such licence to be advertised in the Channel Islands area, Ofcom will wish to assess the extent to which an applicant’s proposed bouquet of local digital sound programme services offers an inherent breadth of programming on the single multiplex (i.e. the extent to which
the proposed local digital sound programme services cater for a variety of tastes and interests).

**(f) Local demand or support**

3.26 Ofcom recognises that, unlike with applicants for local analogue licences, an applicant for a local radio multiplex licence is unlikely to be able easily to generate direct support for itself as an entity, as it is merely a ‘packager’ of programme services. Instead, it will be the individual local digital sound programme services themselves, and possibly their providers if these are identified, which will attract support. However, Ofcom believes that evidence of local demand, as demonstrated by formal audience research or analysis, is a more meaningful and cogent measure than evidence of local support as demonstrated by letters or petitions.

**(g) Fair and effective competition**

3.27 Section 51(2)(g) requires Ofcom to assess whether, in contracting or offering to contract with providers of digital sound programme services, digital additional services and television licensable content services, an applicant has acted in a manner calculated to ensure fair and effective competition in the provision of such services. We consider that this requirement seeks to support competition and to ensure that prospective service providers are treated fairly and have an opportunity to contract with a prospective multiplex licensee.

3.28 To this end, applicants should formulate fair and transparent policies for negotiations with potential providers of digital sound programme services, digital additional services and television licensable content services, and maintain full records of any contacts and discussions which take place prior to and during the application process. Ofcom recognises that the form and nature of these negotiations and therefore the records of them will vary, and thus there will be no standard documentation that applicants will be expected to submit (see Q.16-18 of the application in Section 7 of this Notice). It is for applicants to decide what documentation should be submitted as part of their responses to these questions.

3.29 Ofcom will wish to consider whether negotiations with potential service providers (including the selection criteria for such providers) are fair and the terms of any contract for service provision are fair and non-discriminatory.

3.30 A number of conditions will be included in the licence which will assist in supporting competition once the licence has been granted – see paragraphs 4.5 to 4.7.
4. Other relevant regulatory requirements

Radio multiplex licence conditions

4.1 This section provides an overview of some of the licensing requirements and some of the key conditions to which the local radio multiplex licensee will be subject. It does not purport to be an exhaustive account of the licence conditions or relevant legislation and applicants should take their own legal advice.

4.2 Under section 54(1) of the 1996 Act, Ofcom is required to include in a radio multiplex licence such conditions as it considers appropriate for securing various matters, as set out below.

Commitments regarding extent of coverage, timetable for roll-out and format

4.3 In accordance with section 54(1)(a) and (b) of the 1996 Act, the licence will incorporate conditions which will ensure that the following commitments made by applicants are met:

- that the coverage is implemented across the area concerned according to the timetable outlined in the application;
- that the digital sound programme services, digital additional services and television licensable content services are provided in line with the proposals in the application; and
- in the case of the digital sound programme services, the implementation of the timetable for their commencement which was proposed in the application.

Licensed services

4.4 In accordance with section 54(1)(c), (ca) and (d) of the 1996 Act, the licence will require the licensee to ensure:

- that all digital sound programme services broadcast under the licence are provided by the holder of a local digital sound programme licence under section 60 of the 1996 Act or the BBC (see paragraphs 4.31-4.38);
- that all digital additional services broadcast under the licence are provided by the holder of a digital additional services licence under section 64 of the 1996 Act (see paragraphs 4.44-4.50); and
- that all television licensable content services broadcast under the licence are provided by the holder of a licence under Part I of the Broadcasting Act 1990 (“the 1990 Act”) to provide such a service or by an EEA broadcaster (within the meaning given by section 12(3A) of the 1996 Act) (see paragraphs 4.39-4.43).
Fair and effective competition

4.5 In accordance with section 54(1)(e) of the 1996 Act, the licence will also include conditions to secure that in terms on which the licensee contracts or offer to contract for digital sound programme services, digital additional services or television licensable content services, there is no undue discrimination either against, or in favour of, a particular person. Accordingly, a licensee will be expected to formulate fair policies and maintain records of all negotiations conducted throughout the licence term. Such records must be kept for a minimum of one year following the negotiations, and may be examined by Ofcom in the event of a complaint.

4.6 In accordance with section 54(1)(f) of the 1996 Act, the licence will also include conditions to ensure that a radio multiplex licensee does not prevent those digital sound programme service licensees, digital additional services licensees or television licensable content service licensees which are contracted to transmit on the multiplex from 'sub-letting' the capacity to which the relevant agreement relates, except to the extent that the restriction is reasonably required for ensuring technical quality of the broadcasts and to secure compliance with any other condition of the licence. This means that, inter alia, the radio multiplex licensee may impose conditions to ensure that any changes to the services provided to a radio multiplex licensee are in keeping with the latter's obligations as regards the nature and characteristics of the digital sound programme services, digital additional services and television licensable content services to be broadcast, as varied where appropriate. Furthermore, arrangements should not breach the quantity of multiplex capacity which may be used for digital additional services and television licensable content services.

4.7 The licence will also include the standard broadcasting licence condition under section 316 of the CA 2003, which requires the licensee not to enter into or maintain any arrangements, or engage in any practice, which is prejudicial to fair and effective competition in the provision of licensed services or of connected services (as defined in section 316(4) of the CA 2003), and to comply with any code or guidance for the time being approved by Ofcom for the purpose of ensuring fair and effective competition in the provision of licensed services or connected services. Section 316 also gives Ofcom the power to insert specific conditions into licences, were appropriate, to ensure fair and effective competition in the provision of licensed services.

Technical quality

4.8 In accordance with section 54(1)(g) of the 1996 Act, a radio multiplex licence will include conditions as Ofcom considers appropriate to secure "that the signals carrying the radio multiplex service attain high standards in terms of technical quality and reliability throughout so much of the area or locality for which the services is provided as is for the time being reasonably practicable". Ofcom regards the basic quality of audio as originated and supplied to the multiplex operator as being a matter for the sound programme service licensee to control and agree with the multiplex operator. Audio quality should generally
be of a standard consistent with reasonable expectations for the majority of listeners, taking into account the nature of the content and the sound programme service concerned. Factors relevant to expectations may include the target audience, and the quality with which the service concerned may be delivered on other platforms.

4.9 The licensee shall broadcast digital sound programme services featuring audio characteristics as proposed in its application and recorded in a technical annex to the radio multiplex licence. In this context, audio characteristics means the parameters 'stereo' or 'mono' and 'full-rate coding' or 'half-rate coding'. Applicants are required to provide details of the audio characteristics of each of the digital sound programme services they propose to provide, as well as an overview (supported by examples) of the strategy the applicant proposes to adopt in dividing the available multiplex capacity between the number of digital sound programme services and the audio quality of each of those services, any programme-related data services (ancillary services), any additional services, any television licensable content services, and the provision of encryption (technical services). This strategy should be consistent with the description of services proposed elsewhere in the application, and their quantified relevance to the applicant's business plan.

4.10 In accordance with section 54(1)(h) of the 1996 Act, the radio multiplex licence will include a condition as appropriate to secure that at least 70% of the multiplex capacity is used, or is left available to be used, for the broadcasting of digital sound programme services, simulcast radio services, programme-related services and relevant technical services. "Programme-related service" means any digital additional service consisting in the provision of services (apart from advertising) which are ancillary to the programmes included in one or more digital sound programme services, simulcast radio services or local or national services and are directly related to the contents of those programmes, or relate to the promotion or listing of such programmes, and "relevant technical service" means any technical service which relates to one or more digital sound programme services (see also paragraph 4.36).

Other general licence conditions

4.11 The radio multiplex licence will contain provisions requiring the licensee to furnish Ofcom with such information as it may require for the purpose of exercising the functions assigned to it under the 1990 and 1996 Acts and CA 2003.

4.12 Other general licence conditions are summarised in section 43 of the 1996 Act. They will include conditions enabling Ofcom to supervise and enforce technical standards in connection with the provision of the licensed multiplex service, and conditions requiring the payment of appropriate fees in accordance with the current tariff.

Ownership and control

4.13 Ofcom will need to be satisfied that applicants fully comply with statutory provisions regarding ownership and control of radio multiplexes and the provision of digital sound programme services. In addition, Ofcom is required to satisfy itself that applicants are "fit

4.15 The ownership rules applicable to local radio multiplex services disqualify certain categories of persons from holding a licence or participating in a licensee above a prescribed level.

4.16 Applicants should ensure that they would comply with all relevant ownership rules should their application be successful.

**Subsequent changes in composition**

4.17 In accordance with section 44 of the 1996 Act, Ofcom may withdraw or revoke a licence after it has been awarded or granted if changes take place which affect the nature or characteristics of the licensee, or in the persons having control over or interest in the licensee, such that Ofcom would not have granted the licence in the first place had this been so. Notification to Ofcom of any change in control will be required (see further Ofcom’s published Ofcom’s guidance on the definition of control of media companies available at https://www.ofcom.org.uk/__data/assets/pdf_file/0022/45292/media_statement.pdf)

**Radio multiplex licence renewal**

4.18 This local radio multiplex licence is not eligible to be renewed.

**Licence variations**

4.19 As previously noted in paragraph 4.3 of this Notice, under section 54(1)(b) of the 1996 Act Ofcom is required to include conditions in each local radio multiplex licence that are appropriate for securing that, inter alia, the applicant’s proposals as to the number of digital sound programme services to be broadcast and as to the characteristics of each of those services, the timetable in accordance with which the broadcasting of each of those services would begin, and the broadcasting of digital additional services and television licensable content services, are implemented.

4.20 The holder of a local radio multiplex licence is entitled to apply to Ofcom for a variation of any condition relating to the characteristics of any digital sound programme service. In accordance with section 54(6B) of the 1996 Act, Ofcom will vary the condition only if it is satisfied:

a) that the variation would not unacceptably narrow the range of programmes available by way of local digital sound programme services to persons living in the area or locality for which the licensed multiplex service is provided;
b) that the variation would be conducive to the maintenance or promotion of fair and effective competition in that area or locality; or

c) that there is evidence that, amongst persons living in that area or locality, there is a significant demand for, or significant support for, the change that would result from the variation.

4.21 Ofcom has published guidance for radio multiplex licensees wishing to make a change to their licence. This can be found at: https://www.ofcom.org.uk/manage-your-licence/radio-broadcast-licensing/amend

4.22 The holder of a local radio multiplex licence is also entitled to apply to Ofcom for a variation of the licence relating to the area in which the service is required to be available (called the “licensed area”) or the frequency on which the service is provided. In accordance with section 54A of the 1996 Act, Ofcom may vary the licence to change the licensed area or frequency only if it is satisfied that doing so would not unacceptably narrow the range of programmes available by way of local digital sound programme services to persons living in the area or locality for which, before the proposed variation, the local radio multiplex service is required to be available.

4.23 Other than when imposing a sanction, Ofcom may vary the period for which the licence is to continue in force only with the consent of the licensee. Conditions imposed in connection with:

a) the timetable and other proposals indicated in the technical plan submitted under section 50(4)(b); or

b) the implementation of any proposals made by the licensee in connection with the number of digital sound programme services to be broadcast and their characteristics, the timetable in accordance with which the broadcasting of each of those services would begin, and the broadcasting of digital additional services and/or television licensable content services may only be varied with the licensee’s consent. In the case of any other variation, Ofcom may vary the licence by notice served on the licensee once the licensee has been given a reasonable opportunity of making representations to Ofcom about the variation.

Revocation of licence for failure to begin providing licensed service

4.24 Before the commencement of the service, if the successful applicant indicates to Ofcom that it does not intend to provide the service, or Ofcom has reasonable grounds to believe that the applicant will not provide it, Ofcom will serve notice immediately revoking the licence. Unless the successful applicant has itself indicated its intention not to provide the service, Ofcom will serve a prior notice stating the grounds for revocation and will offer the applicant a reasonable opportunity to make representations to Ofcom about the matters concerned.

4.25 Revocation of a licence by Ofcom will result in the imposition of a financial penalty not exceeding £250,000 (section 53(5) of the 1996 Act).
Other sanctions

4.26 Ofcom is empowered to apply specific penalties in respect of breaches of licence conditions or directions by Ofcom. These sanctions include: (i) the power to require the payment of a specified financial penalty not exceeding £250,000 (section 59(4) of the 1996 Act); (ii) a reduction in the licence period by a specific period not greater than two years; and (iii) revocation. The licensee will be afforded an opportunity to make representations to Ofcom about the matters concerned prior to such sanctions being imposed. The licensee may also be required to reimburse Ofcom any costs reasonably incurred by Ofcom in connection with the breach.

Licence fees

4.27 Each licensee is required to pay an annual fee for its radio multiplex licence. Under the current tariff (2018/19), this is £500 for a local radio multiplex licence. Ofcom reserves the right to revise the fee charged during the course of the licence period. The licence fee is payable from the beginning of the licence period, which will be the date of the commencement of broadcasting of one or more services on the multiplex.

4.28 No fee is currently payable for the Wireless Telegraphy Act licence that each radio multiplex licensee must also hold.

Other licences and requirements

4.29 Radio multiplex licensees must comply with the requirements to hold a licence under Section 8 of the Wireless Telegraphy Act 2006. Licensees must also comply with Ofcom’s Digital Technical Code.

Analogue licence renewal for provision of a local digital sound programme service

4.30 Under section 104A of the 1990 Act, an existing local analogue licensee is eligible to apply for a renewal of that licence in the event that the licensee is providing (or is contracted to provide) a local digital sound programme service on a ‘relevant’ local radio multiplex (i.e. one with “a coverage area which to a significant extent includes the coverage area of the local service provided under the local [analogue] licence”).

4.31 Ofcom has determined that it will regard a ‘relevant’ local radio multiplex service as one with a ‘licensed area’ that would provide potential coverage in digital form to 25% or more of the adult population within the measured coverage area (MCA) of the local analogue licence in question. A list of those local analogue licence holders who could qualify for licence renewal if providing a local digital sound programme service on this local radio multiplex service for the Channel Islands is at Annex 1 of this Notice.
Digital sound programme services

4.32 As noted in paragraph 4.4, a local radio multiplex licence will include conditions as Ofcom considers appropriate to ensure that all digital sound programme services broadcast under the licence are provided by the holder of a local digital sound programme licence. A radio multiplex licensee itself may also be licensed to provide a digital sound programme service, subject to, amongst other things, compliance with the ownership provisions referred to in paragraphs 4.13-4.16.

4.33 A local digital sound programme licence allows its holder to provide any number of local digital sound programme services, together with related ancillary services and technical services. Subject to Ofcom being satisfied that an applicant is "fit and proper", in accordance with section 42 of the 1996 Act, and is in compliance with relevant licence provisions and statutory provisions on ownership, the licence effectively will be available on demand. A prospective digital sound programme licensee is not required to make any proposals about the type of service to be provided, at the time of applying for such a licence. However, at the time of entering into a contract with a multiplex licensee, a digital sound programme licensee must notify Ofcom that it is doing so, providing at that time a description of the characteristics of the programme service, the identity of the multiplex on which it will be transmitted, and the period during which it will be provided. The description of the licensed service will then be referred to in the annex to the digital sound programme licence, with amendment from time to time as the programme service provided and notified to Ofcom changes. Where a digital sound programme licensee intends to cease providing a digital sound programme service to a multiplex licensee, it must notify Ofcom. A local digital sound programme licence is of indefinite duration.

4.34 'Downloaded' audio channels, providing digital files of audio programme material, are permitted to be broadcast on a radio multiplex service. These allow for audio to be sent to a storage and retrieval device at a rate different from 'real time', for replay by a listener at a later time. All such audio is required to be licensed as a digital sound programme service, unless it is synthesised at the point of reception, in which case it must be licensed as a digital additional service.

4.35 Where particular prospective digital sound programme service providers are identified in a radio multiplex licence application, the applicant should do all it can to establish that there is no reason why those persons should not be issued with a digital sound programme licence, if these providers are not already so licensed.

4.36 Each digital sound programme licensee may provide ancillary data services directly related to its individual programme stream without requiring a separate licence. (Other parties may provide such information but would require a digital additional services licence; see paragraphs 4.45-4.51). This might include, for example, text and graphics relating to sound broadcasts on the channel concerned, such as weather maps, travel information, photographs of the artists whose music is being played, or details of programmes or music played. Ancillary material must be broadly concurrent with the audio from the digital sound programme service and, as a whole, should represent the breadth of material
available on the latter. Ancillary services may not comprise advertising, although visual sponsorship messages on the digital sound programme service are permitted within the terms of the Ofcom Broadcasting Code. Ancillary services may cross-refer to the visual content of additional services, and the two may be displayed on-screen at the same time.

4.37 Each digital sound programme licensee may also carry ‘technical services’, which relate to the encryption/decryption of digital sound programme services, without a separate licence. This could permit ‘pay radio’ for particular programme services or programmes, under the terms of the Ofcom Broadcasting Code. Where such encryption is planned, applicants should make clear to which digital sound programme services it will apply, and how listeners will subscribe. If it is intended to use an encryption system, all reasonable endeavours must be made to facilitate reception on open-standard digital receivers, without discriminating against any person, or a class of such persons, purchasing such a receiver.

4.38 There is no requirement to carry any existing or planned analogue local commercial radio or community radio services on a local radio multiplex. Should such services be carried, it is on the proviso that the analogue services continue to comply with the terms of their own analogue licences, and that they have also been licensed as local digital sound programme services.

4.39 Full details of how to apply for a digital sound programme licence can be found at https://www.ofcom.org.uk/manage-your-licence/radio-broadcast-licensing/apply-for-a-radio-broadcast-licence

Television licensable content services

4.40 Under section 54(1)(ca) of the 1996 Act, a radio multiplex licensee must ensure that all television licensable content services broadcast under the licence are provided by the holder of a television licensable content service licence or by an EEA broadcaster (within the meaning given by section 12(3A)).

4.41 A television licensable content service (TLCS) licence authorises the licensee to provide television programmes for reception by members of the public by means of satellite, electronic communications network, or a radio multiplex.

4.42 TLCS licences are granted in respect of a particular licensable service (put simply, a TV channel), rather than in relation to a particular service provider. A broadcaster providing three separate services will therefore need three licences.

4.43 If a broadcaster already has a licence for a TV channel which is being provided, for example, on satellite, it does not need an additional licence for that same service to be carried on a radio multiplex or an electronic communications network like cable. The TLCS licensee is, however, required to notify Ofcom of any agreement with a radio multiplex licensee for carriage of the service.

A TLCS licence does not authorise provision of the service on a digital terrestrial television multiplex.
Applications for TLCS licences are considered as and when they are received. Ofcom will grant a TLCS licence provided the applicant and the proposed service meets the licensing criteria. Ofcom can refuse to issue a licence if the applicant is not “fit and proper” to hold a licence, is disqualified from holding a licence or does not comply with any relevant ownership restrictions. More information about how to apply for a TLCS licence, and the conditions that TLCS licensees are subject to, is available in the Guidance Notes for Applicants for TLCS licences on the Ofcom website at https://www.ofcom.org.uk/manage-your-licence/tv-broadcast-licences/apply-for-a-tv-broadcast-licence

**Digital additional services**

Under section 54(1)(d) of the 1996 Act, a radio multiplex licensee must ensure that all digital additional services broadcast under the licence are provided by the holder of a digital additional services licence.

A digital additional services licence is, like a digital sound programme licence, effectively granted on demand, subject to compliance with sections 42(2)(a) and 44(1) of the 1996 Act. It is of indefinite duration and authorises its holder to provide services which are not digital sound programme services, simulcast radio services, ancillary services or technical services on national and/or local radio multiplexes or general multiplexes.

Additional services might, for example, be text or data services such as videotext, slow moving graphics, electronic publishing or road transport information. It is anticipated that visual advertising to accompany the audio of digital sound programme services may account for a substantial proportion of the data provided under digital additional services licences. Additional services may or may not be for general public consumption, and may or may not be encrypted. The services may include or comprise sounds, provided the sounds are received through the use of coded reference to pre-defined phonetic elements of sound. This would permit, for example, the broadcasting of control data to generate synthesised music or speech.

Each digital additional services licensee will be required to notify Ofcom when entering into or changing a contract with a multiplex service licensee, giving details of the identity of the multiplex service, the period during which the service will be provided and, where the additional services licensee is entitled to use a specified amount of digital capacity, the amount of capacity concerned.

Where particular digital additional services providers are known, applicants should do all they can to establish that there is no reason why those persons should not be licensed, if such licences have not already been granted.

Programme-related data provided by a digital sound programme licensee about its own services is categorised as an ancillary service, not as an additional service (see paragraph 4.35). Any data which is provided by a third party, distinct from the relevant digital sound programme licensee, should be carried as an additional service and must be licensed as such. The definition of programme-related material under digital additional services licences is as for ancillary services (see paragraph 4.34).
Full details of how to apply for a digital additional services licence can be found at
https://www.ofcom.org.uk/manage-your-licence/radio-broadcast-licensing/apply-for-a-radio-broadcast-licence

Reservation of capacity for BBC Local Radio services

Ofcom is required, under section 49(1) of the 1996 Act, to reserve an appropriate amount of digital capacity on local radio multiplexes, when advertised, to enable each BBC Local Radio service to be received in digital form within a coverage area that so far as is reasonably practicable corresponds with the analogue coverage area for that service.

As noted in paragraph 2.4, digital capacity of 256 kbits/sec must be reserved on this local radio multiplex service on a net basis (i.e. net of capacity for protection of the audio component of the service at UEP3) to the BBC, for the broadcasting in digital form of its Local Radio services, BBC Radio Jersey and BBC Radio Guernsey. The BBC has a right to take up all of this reserved capacity or, by negotiation with the radio multiplex licensee, a lesser or greater capacity. The reserved capacity applies only to the sound programme service itself, net of protection and any ancillary services (see also paragraph 4.36). The attribution of multiplex capacity to ancillary services related to BBC digital sound programme services is made by negotiation between the BBC and the radio multiplex licensee, just as would be the case between a non-BBC digital sound programme licensee, digital additional services licensee or television licensable content service licensee. There is no capacity reserved for this purpose. BBC services may be carried on the radio multiplex without the need for a separate digital sound programme licence.

Section 49(6) of the 1996 Act states that where the reservation of capacity for one or more BBC services is a requirement, the radio multiplex licence “shall include conditions as appear to Ofcom to be appropriate for the purposes of securing that, in consideration of the making by the BBC of such payments as are from time to time agreed between the holder of the licence and the BBC or (in default of agreement) determined under this section, the holder of the licence uses such digital capacity as may from time to time be requested by the BBC (not exceeding the amount so reserved) for the broadcasting of services provided by the BBC”. It is for radio multiplex licence applicants and the BBC to agree the terms and payment for the carriage of those BBC services for which capacity has been reserved. The point of contact at the BBC is Tim Butler (tim.butler@bbc.co.uk).

Use of digital capacity

As noted in paragraph 4.10, Ofcom is required to include conditions as appropriate in radio multiplex licences such that at least 70% of the total multiplex capacity is made available for the provision of digital sound programme services, simulcast radio services, ancillary services and technical services. Consequently, no more than 30% of the total capacity of a radio multiplex may be devoted to non-programme related digital additional services and/or television licensable content services.
4.56 A radio multiplex licensee must comply with these requirements. The proportion of
multiplex capacity allocated to non-programme related digital additional services and/or
television licensable content services may be aggregated over a 24-hour period, such that
the 30% limit may be exceeded at particular times of day provided that the amount of
capacity allocated is correspondingly lower at other times. Whatever the proportion of
capacity allocated to non-programme related digital additional services and/or television
licensable content services at any one time, however, all digital sound programme services,
simulcast radio services, ancillary services and technical services must still be provided in
accordance with the conditions of the radio multiplex licence, to the required technical
standards.

Coding standards

4.57 The digital radio system to which this licence pertains is terrestrial digital audio
broadcasting (T-DAB). The system is specified by the European Telecommunications
Standards Institute (ETSI), as its standard of EN 300 401. Copies may be obtained from:
http://www.etsi.org/.

4.58 All non-encrypted digital sound programme services (including any provided by the BBC)
must be in conformance with one of either
   a) the MPEG Layer II audio coding standard as described in ISO/IEC 11172-3, ISO/IEC
      13818-3 and EN 300 401; or
   b) the subset of the MPEG-4 Hi Efficiency Advanced Audio Coding v2 (HE AAC v2) Layer 2
      profile described in ISO/IEC 14496-3 and TS 102 563. This is also known as DAB+.

4.59 The use of other audio coding standards is acceptable for the provision of audio content
not delivered in real time, but for storage and use at a time after transmission (e.g.
'podcasts' – see paragraph 4.34), and for any technical services (see paragraph 4.37).

Programming compliance

4.60 All programme output provided by digital sound programme licensees and simulcast radio
service providers, including sponsorship, must conform to The Ofcom Broadcasting Code,
available at: http://stakeholders.ofcom.org.uk/broadcasting/broadcast-codes/broadcast-
code/

Advertising compliance

4.61 Similarly, all advertising output must conform to the UK Code of Broadcast Advertising,
which is available at: https://www.asa.org.uk/codes-and-rulings/advertising-
codes/broadcast-code.html

4.62 Subject to the requirements of this Code, each digital sound programme and digital
additional services licensee is free to decide the amount, frequency and distribution of
advertising airtime. This is not the case in respect of television licensable content services,
which are subject to the Code on the Scheduling of Television Advertising (COSTA), which is available at: https://www.ofcom.org.uk/tv-radio-and-on-demand/broadcast-codes/code-tv-advertising

Reference Offers

4.63 In order to be able to broadcast its services, the local radio multiplex licensee will need to arrange for the local radio multiplex service to be transmitted.

4.64 As a major provider of transmission services and owner of many transmission sites, Arqiva is under an obligation to produce Reference Offers in relation to certain aspects of broadcast transmission as a result of Undertakings given to the Competition Commission in 2008 following the acquisition of National Grid Wireless by Arqiva’s parent company, Macquarie UK Broadcast Holdings Ltd. Arqiva’s compliance with the terms of the Undertakings is monitored by the Office of the Adjudicator, Broadcast Transmission Services5.

4.65 In accordance with the Undertakings, Arqiva will, within a month of the date of this Notice of Advertisement, publish a Reference Offer for Transmission Services in respect of this licence. The Reference Offer will be published on Arqiva’s website at the following location: http://www.arqiva.com/documentation/reference-offers/

4.66 The sites included in the Reference Offer should not be taken to be an indication of the areas of coverage or the size of the network that Ofcom expects the successful applicant to build. It is for applicants to propose the coverage they would provide.

4.67 Transmission Services comprises ‘Network Access’ (NA) components, plus Managed Transmission Services (MTS) which includes customer-specific equipment such as dedicated transmitters which together enable the local radio multiplex service to be broadcast. The NA scope covers the price for access to common facilities such as structures, antenna systems, buildings and power.

4.68 Ofcom is providing in this notice of advertisement some high-level guidance to applicants who may be unfamiliar with Reference Offers, with a view to helping them to understand some of the information which will be contained in it when it is published.

4.69 Any applicant who intends to rely upon information contained in the Reference Offer should seek independent legal and commercial advice, and engage with Arqiva to discuss specific terms. There are many situations under which actual prices for providing the services could vary from those quoted.

4.70 Reference Offers provide benchmark prices for the services offered against a notional specification. Applicants are not obliged to accept the arrangements set out in the Reference Offer, and are free to negotiate alternative technical and commercial arrangements.

5 Adjudicator, Broadcast Transmission Services: http://ota-bts.org.uk/
4.71 Alternatively, applicants can deal with other providers of transmission services who may offer many of the services that Arqiva will set out in the Reference Offer. Arqiva is obliged to provide access to its transmission sites on fair, reasonable and non discriminatory terms that are reflective of the cost involved in providing that access.

4.72 Applicants may be considering use of non-Arqiva transmission sites for which they are able to secure favourable terms, or perhaps to serve a location that it is not possible to reach from one of the Arqiva transmission sites. Ofcom is willing to consider proposals for the use of alternative or additional transmitter sites, but will need to be satisfied that the location of the transmitter will not result in reception difficulties for any nearby households as a result of adjacent channel interference (see also Section 5 of this Notice).

4.73 Arqiva is required to maintain strict procedures concerning the flow of information between certain of its business units, to ensure that it does not gain any unfair commercial advantage and that customer confidentiality is respected. Therefore, applicants wishing to contact Arqiva in relation to this local radio multiplex licence should ensure that they contact only people in the appropriate part of the company.

4.74 Arqiva will publish the contact details of the appropriate recipient of enquiries within Arqiva at www.arsea.com/documentation/reference-offers
5. The licensed area and coverage

5.1 This licence is offered for a local radio multiplex service designed to cover the Channel Islands, i.e. the Bailiwicks of Jersey and Guernsey (the "licensed area"). In designing their transmitter networks, applicants need to take account of the international framework for frequency use (paragraphs 5.2 to 5.4), transmitter siting constraints (paragraphs 5.5 to 5.9) and constraints arising from co-channel services (paragraph 5.13)

International framework

5.2 The internationally agreed frequency planning framework for DAB services in Europe is 'The Regional Radiocommunications Conference of the International Telecommunications Union' signed in Geneva in June 2006, referred to as 'GE06'; see: www.itu.int/ITU-R/conferences/rrc/rrc-06/index.asp. This provides for rights to implement services with reference to defined geographical areas known as 'allotments'.

5.3 Full details of the allotment being coordinated for this local radio multiplex licence can be found in Appendix 1 of Annex 3 to this Notice. The Frequency Block for this allotment is expected to be 12A, with a centre frequency of 223.936 MHz.

5.4 There are a number of international constraints specific to this licence. Appendix 3 of Annex 3 to this advertisement gives further guidance on this issue.

Transmitter siting

5.5 It is necessary to apply a system of regulatory approval to transmitter siting in order to control the impact of ‘adjacent channel interference’ (‘ACI’) and blocking. This interference mechanism arises from the technical characteristics of consumer receivers, and potentially affects all DAB services which cover the area around a transmitter site, not just the services on the immediately adjacent channel.

5.6 The system of regulatory approval is given effect through the requirement for Ofcom to agree all changes to the transmitter plan included in the Wireless Telegraphy Act licence held by the person to whom this licence is to be awarded. Ofcom’s policy for approval is described and explained in Technical Policy Guidance for DAB Multiplex Licensees.

5.7 The main elements of this policy are as follows:

- Multiplex operators should have the freedom to coordinate their roll-out plans and manage the impact of ACI that might arise from new transmitter sites through liaison amongst themselves.
- Ofcom will consider proposals, taking into account the potential impact upon listeners where ACI is predicted to occur. If the DAB multiplex operators are unable to come to agreement on a proposed site, the final decision will be made by Ofcom. The process to
be adopted by operators proposing new sites is set out in Ofcom’s Guidance Note for DAB licensees.

- The DAB transmitters currently in use in the Channel Islands are included in a list of Reference Sites, which is available on the Ofcom website.

5.8 Examples of the factors that Ofcom would take into account when considering the possible impact of ACI upon listeners would include (but not be limited to) the following:

- the quality and reliability of both indoor and mobile reception of other multiplexes in the area;
- the increase in the coverage of the proposing multiplex compared with the loss suffered by other multiplexes;
- the number of multiplexes predicted to be affected;
- the duration of any impact; and
- the degree to which reception of the victim multiplexes is degraded.

5.9 Applicants will need to consider these provisions when assembling their technical plan, both in terms of their own choice of transmitter sites, and as a factor which may affect their coverage adversely. Applicants should note that Ofcom has recently consulted on amendments to its Digital Radio Technical Code and Guidance Note for DAB multiplex licensees. We expect to publish amended documents in May 2019. Applicants should ensure they are aware of possible changes by making themselves familiar with the proposals in our consultation.

Submission of technical plans

5.10 Subsequent to our advice to Government on DAB coverage planning, Ofcom generally carries out calculations of DAB coverage using the UK Planning Model (“UKPM”), a planning tool developed jointly by the BBC, Arqiva and Ofcom. The UKPM is a proprietary model which may not be available to all applicants. Therefore, Ofcom will assess all technical plans using the commercially available ATDI frequency planning software, ICSTelecom.

5.11 Ofcom will use the following datasets and settings in ICSTelecom:

Datasets

- Ordnance Survey terrain data – 50 metre resolution
- Infoterra clutter data – 50 metre resolution
- Ordnance Survey Strategi road data for motorways and ‘A’ roads

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6 Technical Policy Guidance for DAB multiplex licensees: https://www.ofcom.org.uk/tv-radio-and-on-demand/information-for-industry/guidance/DAB-Technical-Policy-Documents. This document is being updated following consultation and an updated version will be published during May 2019.
7 Technical parameters (broadcast radio): https://www.ofcom.org.uk/spectrum/information/radio-tech-parameters
9 http://stakeholders.ofcom.org.uk/broadcasting/radio/coverage/dab-coverage/
• Jersey 2011 Census data and Guernsey 2018 Census data for adults (aged 15+) to output area accuracy

ICSTelecom settings

• Model pre-set – Fresnel
• Diffraction geometry – Deygout 94
• Subpath attenuation – coarse integration
• FZ fraction 0.8
• Earth radius (sea and land) 8,500km

5.12 In assessing the coverage delivered by applicants’ technical plans, Ofcom will:

• not take into account co-channel interference, either from other administrations or from within the proposed network itself;
• not take into account ACI from existing UK DAB networks;
• define mobile road coverage as 54 dBµV/m at 10m above ground level using power summation, and;
• define population coverage as 62 dBµV/m at 10m above ground level using power summation which, according to present planning standards, broadly equates to useful indoor coverage in a suburban environment.

Co-channel interference

5.13 Within the current Local Frequency Plan, there are no other existing or planned local radio multiplex services using Frequency Block 12A that are expected to be of relevance to this licence. Appendix 2 of Annex 3 to this Notice gives details of the constraints on the use of this frequency block.

General

5.14 The exact parameters of an assignment proposed in the applicant’s technical plan should be determined by the applicant in order to achieve its coverage objectives within the constraints of compliance with the various requirements which apply to this licence.

Population coverage

5.15 The adult (aged 15+) population within the licensed area is 134,000. (Source - Guernsey 2018 census and Jersey 2011 census).
6. Guidelines and procedures for submission of applications

6.1 The application should be presented in the format prescribed by Ofcom in Section 7 of this Notice and should include responses to all of the questions. Pages should be numbered. All narrative should contain uniquely numbered paragraphs, and all financial or other tables within the supporting narrative should also be uniquely numbered and referenced using these numbers.

6.2 Applications must be clear, concise and simple in layout and style. Over-elaborate applications which include videos and/or other supplementary promotional material are strongly discouraged. Ofcom will not be influenced by the inclusion of illustrations or other devices designed to enhance the visual appeal of an application. A limited number of charts is acceptable.

6.3 One electronic copy (in pdf or MS Word format) of each version of the application (e.g. a full version including confidential information as well as (if necessary) a nonconfidential publishable version of the application) must be received by Ofcom no later than the closing-date specified in Section 2 of this Notice. Applications received after this time will not normally be accepted. All applications will be acknowledged upon receipt. The application must be sent to broadcast.applications@ofcom.org.uk. Individual emails should be considered for sending large attachments to avoid rejection by your (or Ofcom’s) email server. Applicants should also be aware that emails are not always an instantaneous means of communication. Applicants are therefore strongly advised to submit email applications at least 48 hours in advance of the closing-date, so that urgent steps can be taken by the applicant if no acknowledgement from Ofcom is received.

6.4 Payment of the application fee must also be received (i.e. the funds must be present in the Ofcom bank account) by the closing-date specified in Section 1 of this Notice. Applicants may submit their payment by either of the following methods:

   a) Payment by BACS into the Ofcom bank account (sort code: 30-97-90, account number: 00782415, account name: Ofcom). Please note that any payments made using this method will take at least three working days to reach the Ofcom account. In the mandate reference field of your payment, please write ‘CI’ followed by the applicant’s company name or proposed station name.

   b) Payment by CHAPS into the Ofcom bank account (details as above). Please note that although this is a ‘same day’ payment method, applicants intending to submit their payment on the closing-date itself should confirm with their bank the deadline for ensuring that it is received by Ofcom on that date. In the mandate reference field of

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10 Hard copies may also be submitted if an applicant wishes to do so, but any application which is submitted only in hard copy will not be accepted. Hard copies should be addressed to Broadcast Licensing, Ofcom, Riverside House, 2a Southwark Bridge Road, London, SE1 9HA.
your payment, please write ‘CI’ followed by the applicant’s company name or proposed station name.

c) Payment by cheque. Cheques must be made payable to ‘Ofcom’, and posted to the address given in the footnote below. If an applicant wishes to submit a cheque without an accompanying paper copy of the application, the cheque must be accompanied by a note detailing the applicant’s company name or proposed station name. Any cheques must be sent to Ofcom in such time that Ofcom will be in possession of cleared funds by the application closing date.

6.5 As soon as reasonably practicable after the closing-date for applications, Ofcom will announce the number of applications received, and for each applicant, will publish the name(s) and contact details as provided in response to Q.1 and Q.2 of the application (see Section 7). The announcement will also summarise each applicant’s proposals as to the number of digital sound programme services, digital additional services and television licensable content services (as appropriate), to be broadcast, and details of the characteristics of each of those services, together with such other information connected with the application as Ofcom considers appropriate. At the same time, Ofcom will invite representations to be made to it with respect to the applications submitted, specifying the manner in which, and the time within which, such representations are to be made.

6.6 As applications (save for confidential information) will be made available for public inspection on the Ofcom website, if an applicant wishes to submit any information in confidence, this should be presented in an appropriately-marked annex to the main application. Details of which parts of an application may be submitted in confidence are included in Section 7 of this Notice. If an applicant wishes to submit information in confidence other than where this is specifically indicated in Section 7, confirmation that this is acceptable must be sought beforehand, in writing, from Ofcom, explaining the reasons as to why that material is considered to be confidential. Such permission will only be given where Ofcom considers this to be appropriate.

6.7 An application may include a copy of any detailed market or audience research reports, or of any other information which an applicant wishes to provide, to demonstrate the way in which the digital sound programme services to be provided on the radio multiplex address the requirements of section 51(2)(d) to (f) of the 1996 Act. All original research material, other than as summarised by the applicant in response to Q.14 of the application, will be regarded as confidential to Ofcom and not be made publicly available. Ofcom reserves the right to request any further supplementary material subsequently; if so, this will be specifically requested.

6.8 A completed application should also include the submission of the technical plan and financial projections. These too will be regarded as confidential and not published.

6.9 An application may include only a single proposal for the array of digital sound programme services (including any ancillary services) and digital additional services to be provided. An applicant may submit more than one application, upon payment of a further application
fee for each additional application. In these circumstances, each application will be considered separately.

6.10 Submission of an application will be taken as evidence of willingness to accept a licence, if offered, on the terms indicated.

6.11 Failure to comply with any of the above guidelines may render the application liable to disqualification. As soon as reasonably practicable after an initial review of applications against the above-mentioned application requirements, we will provide written confirmation to any applicant whose application we judge to be invalid and confirm that we will not be able to give that application further consideration. However, if it appears to us that an application on its face complies with those requirements, we will assess the application in accordance with the process set out in Section 7 of this Notice.

**False or misleading information**

6.12 Applicants should note that if we are satisfied at any time after making a licence award that information provided by the applicant in connection with its application was false in any material aspect (whether the applicant knew it to be false or was reckless as to whether or not it was false), or an applicant withheld material information knowingly or recklessly, we may serve a notice revoking the licence in question.

**Collusion**

6.13 We will take any allegations of collusion extremely seriously. We retain the right to exclude an application in its entirety if we are satisfied that any agreement, cooperation or practice has as its object or effect the prevention, restriction or distortion of competition. Applicants should therefore ensure that they have in place effective and actively implemented compliance programmes, which should have the visible and active support of senior management and should be appropriate specifically in relation to matters relevant to applications in response to this Notice.
7. The application

7.1 The application should be structured strictly in accordance with the following outline:

Executive summary

Please provide a summary of your application, of no more than four pages in length.

General information

1. Name of Applicant, Address, Telephone No. and Email Address

This must be a single legal entity: either a body corporate or a named individual person. If the former, a copy of the Certificate of Incorporation must be included with the application.

2. Main contact (for public purposes)

Please nominate at least one individual to deal with any press or public enquiries, stating:

Name:
Telephone (daytime):
Address:
Email address:

3. Main contact (for Ofcom purposes)

Please nominate one individual to whom questions of clarification and/or amplification should be sent, stating:

Name:
Telephone (daytime):
Address:
Email address:

Section 51(2)(a) and (b): Extent of proposed coverage area and timetable for coverage roll-out

4. Summary of Summary of coverage proposals

Provide a summary, fully consistent with the more detailed information about transmission sites supplied separately (see Q.6 below), of the coverage areas proposed to be achieved by the applicant’s technical plan, and an estimate of the percentage of Channel Islands households, Channel Islands major roads and/or the Channel Islands adult (aged 15+) population which will be served by this local radio multiplex service for both indoor and outdoor coverage.
5. **Timetable for coverage roll-out**

Outline the timetable in accordance with which the coverage proposed at Q.4 would be achieved, and the technical means by which it would be achieved. This should also be fully consistent with the more detailed information provided in response to Q.6.

6. **Detailed coverage proposals**

Provide, in an electronic text file, details of the technical plan, which should consist of the following components: assignment details, implementation table, and implementation data.

a) The first part of the technical plan is a table of assignment details. This gives the relevant technical detail of each transmitting station which the applicant is undertaking to provide as part of its network. It will be used to enable Ofcom to estimate the coverage which will be achieved by the applicant, on a basis consistent with other applicants. It will also enable confirmation of the plan’s compliance with Ofcom’s various technical requirements. All files must be supplied in text format which is in accordance with the ITU format defined for digital sound broadcasting assignments, details of which can be found at: [https://www.itu.int/en/ITU-R/terrestrial/tpr/Documents/GE06_BS/BS-GE06_Guide.pdf](https://www.itu.int/en/ITU-R/terrestrial/tpr/Documents/GE06_BS/BS-GE06_Guide.pdf)

b) A separate table, the implementation table, should also be provided for the technical plan. This should list, for each proposed transmitter, the date of implementation promised with the parameters promised in the transmission plan, the owner/lessor of aperture space on the mast/tower, and any relevant accompanying notes. If it is proposed to introduce a transmitter with different parameters (typically lesser power or height) for an interim period, then on both lists there should be one entry for the initial assignment, and a second entry for the one which replaces it, with a note stating which transmission assignment is replaced.

c) Each transmission assignment should also be represented by site implementation data, specific to each transmission site. This detail is intended to elicit the practicability of the technical plan. For each site name (corresponding to assignment details and implementation table):

ii) If existing aerials are to be used, this needs to be stated and an explicit reference made. If not, then applicants should provide a photograph or scale diagram (or set of photographs or diagrams), showing the portion of the supporting structure on which the radiating aerials are to be mounted. Show the radiating aerials, and the aerials of other services mounted immediately above, below, and at the same level as, the radiating aerials of the applicant’s service.

iii) Provide details of the location of the building in which the transmission equipment is to be housed, and confirmation that space is available for all of the equipment.

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11 This is the ‘technical plan’ referred to in Section 50(4)(b) of the 1996 Act
required (or describe what modifications to buildings and infrastructure will be required, if relevant).

iv) Provide confirmation from each of the relevant parties that they have seen and agreed the applicant's proposals (to the extent that this includes new works) in respect of:

- aerial mounting on the supporting structure, as proposed in the sketch diagram;
- running of feeder cable from transmission system to aerial(s);
- sharing of aerials and insertion/use of combiners, where relevant;
- siting of transmission equipment;
- supply of power;
- building works (if any).

The relevant party in each case, namely whoever controls the infrastructure (mast, cableways, building, power), should be named explicitly.²

Note: submission of this information does not imply that Ofcom will validate the design of the aerial system. The licensee will be required to adhere as far as is reasonably practicable to the antenna pattern proposed in the assignment details, and in all cases to limit the maximum radiated power in any given direction as may be required by Ofcom.

d) Provide the following details regarding transmission arrangements:

i) Any transmission contracts that have been agreed

ii) The status of these agreements.

7. Other technical proposals

a) Supply a network diagram, with associated tables and labels as necessary, showing in terms of functionality and (in principle) location: the source of each proposed digital sound programme service, digital additional service or television licensable content service, the point(s) of multiplexing, the point(s) of control of the elements of the multiplex (both FIC and MSC) and the distribution circuits to the transmitters. State the nature of the bearer circuit in each case, and its possible provider.

b) For each of the data services proposed in Q.11(d) and Q.12, outline how compliance will be achieved with the requirement that no more than the statutory proportion of the total multiplex capacity will be devoted to non-programme related data services (see

12 Ofcom recognises that the level of detail required in response to this question may require an applicant to request information from a competitor. However, Ofcom needs to be able to assess mast aperture and other infrastructure proposals as part of its overall assessment of the technical plan. This is especially important where there is no realistic alternative site, as is the case at many major broadcast sites. If any prospective applicant however wishes to propose ways in which applicants can provide information which would allow Ofcom to assess implementation of the technical plan but which would not cause an applicant confidentiality concerns, Ofcom would be happy to consider these.
paragraphs 4.46-4.47; the figure excludes Synchronisation, MCI and SI). See also Q.19, about audio services.

*The response to this question may be submitted in confidence.*

**Section 51(2)(b): Timetable for commencement of services**

8. **Commencement of services**

If it is envisaged that any of the digital sound programme services or their related ancillary services will not begin broadcasting from the start of the radio multiplex licence period, provide details of which service(s) will not commence from the launch of the radio multiplex service, the reason(s) for this, and an indication of the expected timescale for the commencement of the service(s).

**Section 51(2)(c): Ability to establish and maintain proposed service**

9. **Ownership and control of company which will hold the licence**

(a) **Board of Directors**

   i) Provide the name, occupation, other directorships, other media interests, background and relevant media experience of each director (executive and nonexecutive), including the proposed chairperson.

   ii) If there are firm plans to appoint any further directors, provide information (with details of any specific individuals in mind). This information may be submitted in confidence.

(b) **Proposed Investors and Shareholding Structure**

Full details of the proposed shareholding structure should be provided, including:

   i) Names and addresses (the latter may be submitted in confidence) of all existing or proposed shareholders.

   ii) Total number, class/classes of shares and issue price of shares (specify voting, non-voting, preference, other etc.).

   iii) All voting shareholders and holders of 5% or more of non-voting shares and loan stock should be named. State the number, class/classes and price of shares to be issued to each investor.

   iv) Outline any shareholders agreements or arrangements which exist.

   v) Where a corporate body other than a current Ofcom licensee will be providing 30% or more of the required funding, details should be given of its directors and main shareholders, and of its activities.

   vi) Where the applicant is an existing company or subsidiary of an existing company, the applicant should provide the last three years’ statutory accounts and management accounts for the last financial year for the applicant and/or the parent company.
vii) Ofcom may request additional information (e.g. a banker's letter, statutory/management accounts) regarding the shareholders, or any other providers of finance, listed in the application.

(c) Involvement of the Applicant in Specified Activities

Details are required of the involvement by the applicant and its participants (including shareholders or other subscribers of more than 5% of the applicant's total funding requirements) in any of the activities listed below, and the extent of the interest. For these purposes, the applicant includes associates of the applicant (i.e. directors and their associates and other group companies).

i) Advertising agencies; ii) Newspapers; iii) Other broadcasting interests; iv) Bodies whose objects are wholly or mainly of a religious nature; v) Bodies whose objects are wholly or mainly of a political nature; vi) Local authorities; vii) Other publicly-funded bodies.

* Applicants should note that this information is required for the purposes of checking compliance with the ownership rules, and is not relevant to an applicant's ability to establish and maintain its proposed service. If none of the categories above apply to the application this should be clearly stated.

10. Financial and Business Plan

(a) Overall Financial Strategy

Explain how the applicant considers it is able to establish and maintain, throughout the licence period, its proposed service. This explanation should include an assessment of each of the following, but is not restricted to these factors:

- The network construction phase
- The operational start-up phase
- Marketing
- Ongoing operation of the service

(b) Funding

Detail the sources of finance that will be used to fund the licence, under the following headings:

- Share capital
- Loan stock
- Leasing/HP facilities (capital value)
- Bank overdraft
- Grants and donations
- Other (please specify)

Applicants should provide evidence that sufficient funds are available to each investing shareholder to cover their proposed investments.
For incorporated investing shareholders, applicants should provide a copy of the most recent statutory accounts.

Where relevant, provide information on:

- Loan terms (e.g. interest rate, repayment terms, redemption/conversion terms);
- Assets leased.

All of the funding identified above should be confirmed to the applicant. If any funding has not been confirmed, or if there are any pre-conditions that have not yet been met that need to be met before the funding is released to the applicant, provide an explanation of what needs to be done, the dates by which it needs to be carried out, and any steps the applicant needs to take to ensure the funding is confirmed and/or released.

(c) Financial Projections

The purpose of this question is to allow the applicant to demonstrate its understanding of the market. The forecasts should be based on reasonable assumptions that are logically applied and justifiable.

A letter should be provided from a firm of Independent Accounts, addressed to the board of directors of the applicant, confirming the results of agreed-upon procedures carried out under the International Standard on Related Services (ISRS) 4400; Engagements to Perform Agreed-Upon Procedures Regarding Financial Information. The letter should confirm:

- Whether the projections contained in the financial model have been accurately compiled on the basis of the assumptions listed and explanatory notes accompanying the projections; and
- Whether the assumptions listed and explanatory notes follow International Financial Reporting Standards and Generally Accepted Accounting Policies.

The applicant should provide financial projections for the pre-operational period and on an annual basis for the subsequent 12-year licence period. The projections must include:

- Profit and loss accounts;
- Balance sheets
- Cash-flow forecasts
- Appropriate supporting schedules

The forecasts should be supplied on an Excel spread-sheet or similar and guidance notes should be provided. The applicant must also complete and submit the spreadsheet entitled “Financial Template for DAB Local Radio Multiplex Licence Applications” at: [https://www.ofcom.org.uk/manage-your-licence/radio-broadcast-licensing/apply-for-a-radio-broadcast-licence](https://www.ofcom.org.uk/manage-your-licence/radio-broadcast-licensing/apply-for-a-radio-broadcast-licence) using information from its business model. Guidance notes for completion of the Template can be found in Annex 2 to this Notice. This section must include a full listing of the underlying assumptions on which the financial projections are based.
The application should detail how revenue figures were derived, distinguishing between: i) Access fees ii) Fees based on audience or revenue shares iii) Other fees (please specify)

Revenue forecasts should also distinguish between digital sound programme, digital additional and television licensable content services.

The application should clearly set out the fee structure for each service provider, and explain the reasons for any differences in fees paid between providers. Where the applicant expects to receive fees based on audience or revenue shares of the services carried on the multiplex, forecasts of the audiences and revenues of those services should be provided.

_The response to Q.10(c) may be submitted in confidence._

(d) Risks

The financial information submitted by applicants should demonstrate that the business plan has sufficient resilience for the service to be maintained despite adverse movements in revenues and costs arising from more difficult trading conditions than expected.

The business plan must therefore:

i) Incorporate a set of sensitivity tests, and;

ii) Provide details of the main operational and financial risks to the business plan and explain how the applicant proposes to address these risks.

_The response to Q.10(d) may be submitted in confidence._

Section 51(2)(d): Catering for local tastes and interests

11. Proposed local digital sound programme services

i) Provide, for each local digital sound programme service for which capacity is to be allocated, a description of the service. This description should encapsulate the nature and characteristics of the proposed service (e.g. type(s) of music and speech to be provided, target audience, etc.). The number of hours each day that the service will be broadcast must also be included. These service descriptions will form part of the licence. Therefore, questions of clarification may be asked prior to licence award and the wording amended to reflect this, if necessary.

j) Outline the expected target audience of each local digital sound programme service to be accommodated on the multiplex, in terms of demographic profile (i.e. age-range, gender, socio-economic background), ethnic composition, and/or any other relevant characteristics. To what extent will each of these services cater for local tastes and interests, general or particular?

k) If agreement has been reached (either firmly or provisionally; state which) with particular providers of some or all of the local digital sound programme services to be accommodated on the multiplex, identify these programme providers. For each one, state whether it has already been issued by Ofcom with a licence to provide a local digital sound programme service.
l) Details of any arrangements with particular providers which the applicant considers to be commercially sensitive may be submitted in confidence.

m) Give details of any programme-related 'data' or other services to be provided to enhance the audio elements of the local digital sound programme services proposed to be provided. List separately those provided by the relevant local digital sound programme licensees themselves (as 'ancillary' services) and those, if any, provided by other parties under a digital additional services licence.

n) If it is intended to use an encryption system, state that this is so, and make clear to which local digital sound programme services it will apply, and how listeners will subscribe to the service.

12. Digital additional services and television licensable content services

Provide details of any digital additional services and/or television licensable content services planned, other than programme-related data services (see Q.11(d) above), and the proportion of the total multiplex capacity which will be allocated to each of these.

* Applicants should note that this information is not relevant to section 51(2)(d), which relates only to digital sound programme services, but this question is positioned here for convenience.

Section 51(2)(e): Broadening of local commercial DAB choice

13. Broadening of choice

Outline how the programming provided by the local digital sound programme services (other than BBC services) proposed will broaden the range of local digital sound programme services available in the area, and describe the extent to which the proposed local digital sound programme services will cater for tastes and interests different from those catered for by local digital sound programme services already available in the area. If the licence applied for is the first local radio multiplex licence to be advertised in an area, detail the breadth of programming which will be delivered by the range of local digital sound programme services to be provided on that local radio multiplex alone.

Section 51(2)(f): Local demand or support

14. Audience requirements

Summarise the main findings of any original market research undertaken, or any analysis of existing audience research information, or any other form of evidence which demonstrates demand for the types of programme service and/or programme-related data or other data services proposed, or has otherwise influenced the applicant's proposals.

If original market research has been undertaken, please provide the following information for each piece of research:

a) A statement of the key objectives of the research;

b) The specific questions that the research sought to answer;

c) How the research was conducted;
d) The size and composition of the sample(s);

e) When and where the research was conducted;

f) A summary of the main findings from the research, showing how these demonstrate evidence of demand for the service proposed – this summary should represent a fair and accurate summary of the full results;

g) A copy of any detailed audience research report or analysis, from which the summary provided in the main application document has been derived, full data tables for any quantitative research undertaken, and any questionnaire used (these may be submitted in confidence).

Please provide your responses to (a) – (e) in tabular format.

15. Local support

Provide any evidence which has been gathered of local support for the provision of the proposed local radio multiplex service.

Section 51(2)(g): Fair and effective competition

16. Measures taken to ensure fair and effective competition

Detail the measures that have already been taken, and will be taken before and during the licence period, to demonstrate that "in contracting or offering to contract with persons providing digital sound programme services or digital additional services or television licensable content services, the applicant has acted in a manner calculated to ensure fair and effective competition in the provision of those services".

17. Contacts with prospective service providers

Provide a comprehensive list of all prospective providers of digital sound programme services and/or digital additional services and/or television licensable content services with whom the applicant has had contact prior to and during the preparation of this application, at the initiative of either party, and in whatever form. Summarise the nature of the proposals discussed and, for each proposal which is not among those planned for inclusion on the multiplex (as per Q.11 and Q.12 above), state the reason(s) why the prospective provider and/or the service(s) proposed by that provider has not been included.

_The response to this question may be submitted in confidence._

18. Contractual and other arrangements with service providers

For each digital sound programme service provider and/or digital additional service provider and/or television licensable content service provider named in this application:

a) Supply details of the terms of access, including financial agreements.

b) To what extent are any or all of these terms of access conditional? Clarify any conditions that exist.
c) In respect of each named service provider for which details of terms of access are provided, supply a letter from the service provider confirming its agreement with the account of the terms of access provided above, and in particular with the fees it expects to pay.

The response to this question may be submitted in confidence.

**Technical quality**

19. **Division of multiplex capacity**

Show, by means of a pair of clearly-labelled tables, the proposed division of the available multiplex capacity into digital sound programme services and other services during all time periods. The tables should depict the proportion of the total available capacity (in kbits/sec) which it is proposed to allocate individually to each of the digital sound programme services listed in response to Q.11, plus any capacity reserved for expansion, inclusive of any ancillary services. It should also show the total proportion of the available multiplex capacity which it is proposed to allocate to digital additional services and television licensable content services. Please also indicate what proportion of these services will be programme-related (see paragraph 4.35). One of the tables should refer to the capacity units taken by each service (i.e. inclusive of capacity used for error protection), and the other table should refer to the bitrate net of error protection capacity, together with the associated protection level (1 to 3) which it is proposed to use, in accordance with EN 300 401. The tables should make clear which of the coding standards (stipulated in paragraphs 4.57 to -4.59) the applicant proposes adopting for each sound programme service (ie which will be broadcast using DAB and which using DAB+).

20. **Basis of allocation of multiplex capacity**

On what basis have technical decisions on the allocation of multiplex capacity to each of the proposed digital sound programme services been made? How has the balance been determined between the number of services to be accommodated and the audio quality and robustness of reception which each will enjoy?

21. **Audio characteristics**

For each local digital sound programme service proposed to be provided, state whether it will be broadcast in 'stereo' or 'mono', and whether it will operate at 'full-rate coding' or 'half-rate coding'. The response to this question should be consistent with the proposed division of multiplex capacity set out in response to Q.19.

**Declaration**

Applicants are required to conclude their submission by making the following declaration:

I hereby apply for and on behalf of [INSERT Applicant Name] (the “Company”) to the Office of Communications (“Ofcom”) for the Local Radio Multiplex Licence for the Channel Islands (as specified in Ofcom’s Notice dated 17 April 2019) in order to provide the local radio multiplex service proposed in this application.

I confirm that the appropriate payment has been submitted for this application. I further confirm that the Company consents to Ofcom publishing this application on its website or otherwise disclosing this application to any person, together with the Company’s responses to any request by
Ofcom for the Company to furnish additional information about its proposal. This consent does not extend to any part of this application or such responses that the Company has requested that Ofcom should keep confidential by including such information in a separate annex (or other agreed form) that is clearly marked ‘confidential’.

I declare that the information given by the Company in this application form is accurate and up-to-date to the best of my and the Company’s knowledge and that any matters which might influence Ofcom’s judgement as to whether the directors and substantial shareholders involved in the application are fit and proper persons to participate in a radio licence have been made known to Ofcom.

I further declare and warrant that the Company is not a disqualified person within the meaning of that expression as defined in Part II of Schedule 2 to the Broadcasting Act 1990 or as a result of a disqualification order under section 145 of the Broadcasting Act 1996, and that having made all reasonable enquiries neither the Company nor any person by which the Company is controlled will, as a result of this application, be in breach of any other requirement of Schedule 2 to the 1990 Act as amended. References to UK statute above are to the law as it applies to the Bailiwicks of Jersey and Guernsey pursuant to any relevant secondary legislation.

Applicant Signature:

Name (BLOCK CAPITALS):

Position:

Date:
8. Procedures for decision-making and next steps

8.1 The Ofcom Board has delegated the discharge of certain of its functions in relation to television and radio broadcast licensing to one or more senior executives from Ofcom’s Content & Media Policy Group (“the decision-makers”). These individuals, on their own or together, have responsibility for deciding on the award of local radio multiplex licences. The decision-makers will consider each application under the statutory criteria set out in Section 3 of this Notice.

8.2 The decision-makers will also take account of a summary of the views received as part of the public consultation and, where appropriate, relevant background information such as listening data for existing stations.

8.3 In deciding on the licence award, the decision-makers must have regard to Ofcom’s general duties as far as they are relevant to the licensing process.

8.4 The decision-makers will consider each application by having regard in particular to the extent to which the proposals appear in their opinion to meet the assessment criteria as discussed in more detail in Section 3 above.

8.5 After they have considered all valid applications, the decision makers will decide:
   a) to award the licence to the successful applicant; or
   b) not to make an award.

8.6 Ofcom’s intention is to decide and announce the successful applicant for the licence within four months of the closing-date for applications, depending on circumstances such as the degree of competition for the licence.

8.7 Where the decision-makers make a decision to award this local radio multiplex licence, we shall, in accordance with section 51(4) of the 1996 Act, as soon as is reasonably practicable after making our determination, publish the name of the successful applicant to whom the licence has been awarded, as well as a statement setting out the key determining factors under each of the statutory criteria which led to the decision will be published after the licence award.

After licence award

8.8 After the announcement of the award, we would expect there to be an adjustment period while licence details are finalised and the successful applicant produces any necessary guarantees that formed part of the business plan that were contingent on winning the award.

8.9 Licence award is not the formal beginning of a licence; it is Ofcom’s decision about which of the applicants should hold the licence. We will notify the successful applicant in writing that they have been awarded the licence.
Granting and commencement of the local radio multiplex licence

8.10 We will aim to grant the Channel Islands local radio multiplex licence as soon as possible after the final technical plan is received and approved by Ofcom and incorporated into the licence. The commencement date in the licence will be the date when the local radio multiplex service will commence broadcasting.

8.11 If it transpires that an applicant is unable to complete all of the commitments and guarantees made during the application stage, it can either refuse the award or Ofcom can withdraw the award. If, however, during this period all relevant matters can be agreed, then the local radio multiplex licence will be issued.

8.12 In the event we decide not to award the licence we shall publish our decision (and the reasons for it) as soon as reasonably practicable. We anticipate this would normally occur soon after the Committee has made its decision. The actual time we require to do so will depend on the specific circumstances at that time.

Timetable for licence award

8.13 The timetable for awarding this local radio multiplex licence will be as follows:

- This Notice of Advertisement, published on 17 April 2019, constitutes the advertisement of the Channel Islands local radio multiplex licence;
- The period for applications will be open until 17 July 2019, to allow interested parties to assemble their business cases and apply – note that, as discussed further in paragraph 4.66, Arqiva will publish a Reference Offer within one month of the licence being advertised;
- After the period for applications closes, a list of all applicants and all nonconfidential aspects of each application will be published on the Ofcom website;
- Ofcom will consider the licence applications received and will seek to make a licence award as soon as possible. We expect this to be possible from October 2019.

8.14 Although we will seek to adhere to this timetable as closely as possible, it may be necessary to deviate from it in the event that further time is needed to deal with particular matters arising from the assessment process.
A1. Qualification for licence renewal

A1.1 This local radio multiplex service for the Channel Islands constitutes a ‘relevant’ multiplex (i.e. by providing coverage in digital form to at least 25% of the adult population of the measured coverage area of the existing local analogue licence) in respect of the following local licences which have not already been renewed:

- Channel 103 (Jersey) AL000143BA/2
- Island FM (Guernsey) AL000142BA/2
A2. Financial template – notes of guidance

A2.1 Ofcom requires each applicant to complete the financial template (the “Template”) which can be found at http://licensing.ofcom.org.uk/binaries/radio/digital/financial_template_local.xls.

A2.2 Each line item on the Template should be supported by accompanying narrative and/or further financial data in order to explain the basis of calculation and estimation. It should be linked to any underlying business model that the applicant is using.

A2.3 All narrative should contain uniquely numbered paragraphs for ease of future reference and pages should be numbered. All financial or other tables within the supporting narrative should also be uniquely numbered.

A2.4 Wherever possible, internal links, functions and formulae within the spreadsheets supplied should be retained.

A2.5 Applicants are invited to supplement their forecasts with any further relevant information which supports the projections made. This should be submitted at the same time as the application. Applicants should provide sufficient detail to allow a full appreciation of their financial projections.

A2.6 Ofcom may require applicants to provide further data, narrative or explanation of the basis for their forecasts subsequent to the applicant making the application and prior to Ofcom’s award of the licence.

A2.7 The applicant is responsible for ensuring that all appropriate totals and subtotals are correctly calculated, that each line item is correctly signed and that any tables or further analysis in the application are consistent with the inputs and outputs of the Template. Within the P&L, balance sheet and direct cash-flow all figures (e.g. revenues, costs, assets and liabilities) should be shown as positive values.

A2.8 The applicant should explain whether the forecasts are in real or nominal terms, and what assumptions have been made about inflation.

A2.9 For each line item in the P&L applicants should explain the cash flow assumptions used so that, given these assumptions, the direct cash flow could be replicated from the P&L.

A2.10 The applicant should distinguish between the pre-op period and the 12-year operational phase of the licence.

Financial Template – line items (rows)

A2.11 All line items should come with sufficient detail to allow a full appreciation of the financial projections. Where specific information and schedules are required, these are highlighted below.

Profit and Loss account

A2.12 Revenue from digital sound programme services, digital additional services, television licensable content services and other revenue: Forecasts should be supported by detailed
schedules. The levels and structure of tariff arrangements (e.g. fixed annual fee, payments related to revenue or other factors, etc.) should be fully set out in the explanatory notes in a way that allows Ofcom to evaluate the basis of the applicant’s revenue assumptions. For each digital sound programme service, digital additional service and television licensable content service proposed, details of expected revenue streams should be provided, supported by relevant assumptions.

A2.13 Contra revenue and costs: forecasts should be supported by schedules and explanatory notes.

A2.14 Staff costs: provide a schedule showing a breakdown of numbers of staff, gross salaries, national insurance, pensions, and other direct staff costs. This schedule should reconcile to the P&L.

A2.15 Transmission costs: include the assumptions used in forecasting transmission costs, and details of any transmission contracts in place. Projections should be consistent with the proposals for coverage roll out detailed elsewhere in the application.

A2.16 Depreciation: schedules should be provided, explaining the policies used. These should reconcile to the fixed asset schedules.

A2.17 Marketing costs – provide a schedule of on-going marketing spend broken down into the type of marketing and associated costs, e.g. TV, press, etc. Provide a commentary explaining the marketing strategy.

A2.18 Licence fees: Broadcasting Act and Wireless Telegraphy Act licence fees should be assumed to remain at existing levels for the duration of the licence. See paragraphs 4.26 and 4.27 of this notice of advertisement.

A2.19 Other costs – attention should be drawn to any material items.

**Balance sheet**

A2.20 Fixed assets – provide a schedule of fixed assets which should give relevant details, such as:

- Assets acquired
- Estimates of cost;
- Basis of estimates of cost;
- Expected depreciation profile;

A2.21 The applicant should also include details of any major finance leases.

A2.22 Current assets – forecasts should include assumptions made on debtor days. Cash should reconcile to the cash flow forecasts.

A2.23 Current liabilities – forecasts should include assumptions made on creditor days.
Direct cash flow

A2.24 The direct cash flow should be reconcilable to the P&L using the cash assumptions provided. As per paragraph A2.9 of this annex, applicants should explain the cash flow assumption for each line item in the P&L.

A2.25 Capital expenditure: a schedule of future capital expenditure should be provided, which should relate to the fixed asset schedules and depreciation policies.
A3. Constraints on use of the frequency

A3.1 Section 4 of this Notice of Advertisement describes the constraints applying to use of the frequency. This Annex consists of three appendices which give technical details of the various rights of implementation and protection which are relevant.

A3.2 The international agreement and associated plan to which these details relate was concluded in June 2006 in Geneva under the auspices of the International Telecommunications Union (ITU). It may be referred to as ‘GE06’ for convenience. The document ‘Final Acts of the Regional Radiocommunications Conference for planning of the digital terrestrial broadcasting service in Parts of Regions 1 and 3, in the frequency bands 174 -230 MHz and 470-862 MHz (RRC06)’ can be obtained from the ITU, details are at http://www.itu.int/pub/R-ACT-RRC.14-2006/en

A3.3 The key principles of the agreement and plan which affect this licence, are outlined below.

A3.4 Modifying the Plan: The agreement includes criteria and procedures for modifying the Plan. These criteria and procedures are designed to control the extent to which such modifications either allow for interference to services registered within the plan, or preempt equitable use of spectrum by different countries. Ofcom would seek to apply these procedures so as to control interference to this licence.

A3.5 Using the Plan: Frequency use for digital radio is generally based on ‘allotments’. This is a geographical area defined by a set of location points (‘test points’). Rights of implementation, i.e. to bring individual transmitters into use, are defined within the GE06 agreement. These rights are defined by two sorts of condition, both of which must be satisfied:

- generic rights defined in the agreement, which are a function of the characteristics of the allotment;
- (in most cases) specific rights defined in bilateral agreements between countries.

A3.6 The latter conditions have been formulated as part of the process of agreeing the Plan, and typically involve some compromise between the ability to implement one allotment, and the need to protect another, in agreeing co-channel re-use of the same frequency. By contrast, the former conditions do not intrinsically protect allotments from interference, but those implementation restrictions, coupled with how the plan has been drawn up, have the effect of affording reasonable protection, typically without the need for the sorts of compromise found in the bilateral agreements.

A3.7 The technical criteria of this licence are laid out in the following appendices, each giving further details to the aspects mentioned in Section 4 of this licence advertisement. They deal with the characteristics of the internationally co-ordinated allotments upon which the licence for this local radio multiplex service is based.

- Appendix 1 gives the details of the internationally registered allotment which Ofcom is seeking to modify and upon which the licence is based.
- Appendix 2 gives details of the co-channel interference constraints upon this licence.
Appendix 3 gives details of the international co-ordination issues affecting this licence.

**Appendix 1: Details of the co-ordinated T-DAB allotment being modified by Ofcom for this service**

A3.8 This local radio multiplex service is based upon the following allotment internationally agreed under the GE06 Plan:

A1.40 G__60003 Channel Islands I

A3.9 The allotment is assigned frequency block 11C. However, during bilateral negotiations with France, Ofcom has been asked to swap the assigned frequency with that of the block 12A Guernsey allotment. The frequency swap has been agreed bi-laterally with France and Ofcom will seek full international agreement under the GE06 processes. Applicants should base their proposals on the use of block 12A.

A3.10 There is no proposal to change the shape of the allotment whose shape and test points are given below. When providing the Technical Plan for the licence, the allotment details given above must be correct for each transmitter in the electronic file(s) supplied.
Appendix 2: UK interference constraints

A3.11 There is not expected to be any significant incoming interference from the nearest UK block 12A DAB multiplexes at Swansea and London.

A3.12 Ofcom has supplied a reference ITU format transmitter file and a set of test points with this advertisement. These files will enable applicants to calibrate their planning tools to Ofcom’s. The transmission proposals supplied with the application should not exceed the field strength level at the UK coastal test point of the reference network. A margin of 1 to 2dB will be allowed at 20% of these test points. Calculations should be carried out using summation methodology defined in the Final Acts of GE06.

A3.13 The file format of the test point file is as three comma separated fields: Test point name, longitude, latitude. Longitude and latitude is given in decimal form using WGS84 reference.

Appendix 3: International co-ordination issues

A3.14 The allowable outgoing international interference from this licence is defined by the conversion of the GE06 Plan allotment. Any calculations must be carried out in accordance with the Final Acts of GE06.

France

A3.15 The French administration has given bi-lateral agreement to the 12A allotment for this service and applicants should assume that it may be implemented in accordance with the rights of the block 11C allotment detailed in this advertisement.

Incoming interference from outside the UK

A3.16 One French block 12A DAB allotment might cause interference to the proposed service. This is the Haute Normandie regional allocation details of the allotment are shown below along with a table of the allotment test points. There are no transmitter proposals available for this service. However, under the bi-lateral agreement mentioned above the French service will be restricted to a maximum field strength of 40 dBµV/m at the boundary of the Channel Islands allotment.
<table>
<thead>
<tr>
<th>Test points of the French Haute Normandie allotment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordination with other administrations</td>
</tr>
</tbody>
</table>

8.15  Ofcom has not yet completed coordination of the frequency change from 11C to 12A with other administrations. As such, it is possible that the administration of The Republic of Ireland, Belgium or The Netherlands could object to the proposed frequency change. We judge this outcome to be unlikely. Should this eventuality arise, the Channel Islands DAB multiplex will need to operate on the existing allocation, block 11C and Ofcom will need to
define revised interference parameters based on further bilateral discussion with those administrations and with France.