

Small-scale radio multiplex licence award: Stockport

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Stockport to Stockport Community SSDAB Limited.

In considering the applications it receives for small-scale radio multiplex licences, Ofcom is required to have regard to each of the statutory criteria set out in section 51(2) of the Broadcasting Act 1996 as modified by the Small-scale Radio Multiplex and Community Digital Radio Order 2019. These are as follows:

1. the extent of the coverage area (within the area or locality specified in the Ofcom notice inviting applications) proposed to be achieved by the applicant in the technical plan submitted in its application; (section 51(2)(a))
2. the ability of the applicant to establish the proposed service; (section 51(2)(c))
3. the desirability of awarding the licence to an applicant that:
 - a. is a person providing or proposing to provide a community digital sound programme service in that area or locality, or
 - b. has as a participant a person providing or proposing to provide a community digital sound programme service in that area or locality; (section 51(2)(ca))
4. the extent to which there is evidence that, amongst persons providing or proposing to provide community or local digital sound programme services in that area or locality, there is a demand for, or support for, the provision of the proposed service; (section 51(2)(f)) and
5. whether, in contracting or offering to contract with persons providing or proposing to provide community or local digital sound programme services, the applicant has acted in a manner calculated to ensure fair and effective competition in the provision of those services. (section 51(2)(g)).

The legislation does not rate these requirements in order of priority, but it may be that Ofcom will regard one or more of the criteria as being particularly important in view of the characteristics of the licence to be awarded and the applications for it.

North west England and north east Wales, of which this locality is part, was designated as a 'macro area' because there was potentially insufficient spectrum available to enable to award a licence in all localities advertised. Ofcom therefore adopted a two-stage process. Firstly, we provisionally decided whether and to whom to award a licence in each individual locality applying the statutory criteria. Secondly, having reached a provisional view in relation to each area, we assessed whether there was sufficient spectrum to award licences in all areas where acceptable applications had been received. The notice inviting applications set out that, if there was insufficient spectrum to enable us to make an award in all areas, we would give priority to areas where more capacity was reserved for community digital sound programme services (as specified in the notice) and, where there were

equal numbers of reserved slots, to areas with more existing licensed community analogue services whose coverage area overlaps substantially with the proposed small-scale multiplex.

Assessment of applications

On 1 June 2021 Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in several localities, including in Stockport.

Ofcom received two applications in response to its notice inviting applications for this locality by the closing date of applications which was 1 September 2021, from Digital Radio Stockport Limited and Stockport Community SSDAB Limited ('Stockport Community SSDAB'). A copy of the non-confidential parts of the applications was made available for public scrutiny on the Ofcom website, and public comment was invited as required under section 50(7).

Ofcom colleagues assessed the detail of applications, including carrying out assessments of the technical plan required to be submitted as part of all applications. The provisional decision in relation to Stockport was made by a panel of Ofcom decision makers which convened on 15 December 2021. They carefully considered the applications, public comments received, and professional advice from Ofcom colleagues, and applied the statutory criteria in reaching their decision on whether and to whom to award a licence. Reasons for their decision are summarised below.

In relation to section 51(2)(a) the successful applicant, Stockport Community SSDAB, proposed a two transmitter network which our calculations indicated would be likely to serve more than 95% of the adult population within the advertised area. Our coverage predictions showed that the amount of coverage outside the advertised area was relatively high. Ofcom has previously stated that overspill outside the advertised area should be as limited as reasonably possible and, in any event, should generally not exceed 30% of the population within the advertised area. We considered that alterations to the technical plan in the form of transmitter power reductions would be likely to be required to ensure that coverage outside the advertised area is appropriately limited, and these would also mitigate risk of interference to other multiplexes. Our projections indicated such mitigations would be likely to reduce coverage to around 82%, which remains a good level of coverage in the Stockport area. Details of the coverage likely to be achieved after completion of the frequency allocation process for the north west England and north east Wales 'macro area' are set out below.

In relation to section 51(2)(c), Ofcom considered financial and business plans, technical plans, the timetable for coverage roll-out, and evidence of relevant expertise and experience. Ofcom considered the applicant would be in a position to establish the service within 18 months of the date of award as required by the legislation. The decision makers noted the mix of community and commercial radio experience among the applicant's directors, in addition to their access to secure funding and the involvement of an experienced contractor (UK DAB Networks Ltd) to undertake the day-to-day management of the multiplex.

In relation to section 51(2)(ca), Ofcom noted that the applicant has two participants (107.8FM Limited and Stockport One Digital Limited) who are persons proposing to provide community digital

sound programme services in the advertised area. Stockport Community SSDAB is a company limited by guarantee, and the participants are each guarantors/members with 50% of voting rights in the applicant, representing a significant degree of involvement. Decision makers noted that one of the participants, 107.8FM Limited, currently holds an analogue community radio licence for Stockport, broadcasting as 'Your FM' providing a high degree of confidence that the C-DSP service will be provided on the multiplex. We also noted that Stockport One Digital Limited has recently been granted a community digital sound programme service licence by Ofcom.

In relation to section 51(2)(f), Ofcom considered evidence of demand or support from persons providing or proposing to provide community or local digital sound programme services in the advertised area, and concluded that Stockport Community SSDAB had demonstrated a very high level of demand for its multiplex from a number of potential DSP and C-DSP service providers, some of which are also participants in the applicant company, through the provision of signed draft 'heads of terms' agreements.

In relation to section 51(2)(g) and based on the evidence received, Ofcom was satisfied that the applicant had, in contracting or offering to contract with persons providing or proposing to provide community or local digital sound programme services, acted in a manner calculated to ensure fair and effective competition in the provision of those services. The decision makers welcomed Stockport Community SSDAB's commitment in its application that, if it was awarded the multiplex licence, it would contact directly any programme service providers who were part of any rival application for the multiplex licence.

A panel of Ofcom decision makers convened again on 7 April 2022 to consider whether there was sufficient spectrum to award licences in all localities in the north west England and north east Wales 'macro area' where an acceptable application had been received and, if not, in which areas to confirm the provisional decision to make an award. Under the spectrum plan that was agreed at this meeting, the Stockport multiplex has been allocated frequency block 8A, which we estimate would enable the proposed multiplex to cover just under 77% of the population in the coverage area advertised by Ofcom.

It is noted that the award of a licence does not confer on the awardee the right to implement all elements of the technical plan submitted to Ofcom as part of the successful application. Ofcom will treat proposals in that plan, on the basis of which the award was made, as things the successful applicant has committed to achieve within the 18 month period allowed between award and launch. However, for spectrum planning reasons, Ofcom may also require amendments to proposals between award and licence grant.

May 2022