

# Small-scale DAB stakeholder event: C-DSP licences

Jon Heasman, Senior Broadcast Licensing Executive

Beth Carr, Broadcast Licensing Executive

29 September 2020

# Agenda

- An introduction to small scale DAB
- Applying for a C-DSP licence
- Selection criteria
- After a C-DSP has been granted
- DSP licences
- Q&A

# Analogue compared with digital

## Analogue (AM and FM) radio

- Each portion of spectrum can carry one programme service
- One Community radio licence covers both content and access to spectrum (transmitter)
  - Can think of it as a small car (FM signal) that can carry one passenger (the radio station)



## Digital (DAB) radio

- Each portion of spectrum can carry several (20+) programme services
  - More like a bus (DAB multiplex) capable of carrying several passengers (radio stations)



## Different licences for digital and their relationships

- **Multiplex licence**
  - Gives access to spectrum and building transmitters (i.e. the bus)
- **Digital Sound Programme Service (DSP) licence**
  - For radio stations carried in a multiplex (like a permission to travel)
- **Community Digital Sound Programme Service (C-DSP) licence**
  - For Community Radio services: gives access to reserved capacity (access to reserved seats on the bus)

This session  
concentrates on  
C-DSP licences



Holders of DSP and C-DSP licences have to agree carriage terms with a multiplex licensee (buy a ticket)

Parties can hold both multiplex and DSP or C-DSP licences

## What is a C-DSP licence?

- Designed for community radio stations that want to broadcast on DAB digital radio (primarily small-scale DAB)
- They must be run on a not-for-profit basis (though staff can be paid)
- They must deliver 'social gain' to the target community in the multiplex
- Similar financial restrictions to analogue community radio services
- Can take advantage of 'reserved capacity' on small-scale multiplexes
- Eligible for the Community Radio Fund
- Alternatively, a DSP licence may better suit your requirements

## Reserved capacity on multiplexes

- Legislation specifies that a minimum of three slots for community radio services must be made available on all small-scale DAB multiplexes
- Ofcom will specify the number of slots in each multiplex licence advert
- They range from three (Basingstoke, King's Lynn) to eight (Glasgow) in Round One
- Factors include number of licensed analogue community stations, expressions of interest received
- Multiplex operators must keep slots free for community radio at all times
- Reserved capacity level can be reviewed after three years if there is unused capacity



# Applying for a C-DSP licence

## When to apply

You can only apply for a C-DSP licence once Ofcom has opened the window for particular areas. Trigger is the advertisement of small-scale multiplexes.

- Round 1 opened on 1 September 2020, advertising 25 multiplex licences
- Only groups wishing to broadcast a programme service in one or more of these areas can apply for a C-DSP
- Once opened, the windows don't shut!
- Other C-DSP application windows will open as we advertise further multiplex areas





# How to apply for a C-DSP licence

Application forms are available now online

- Part A – public (we will publish)
- Part B – confidential
- Application fee is £250
- Annual licence fee is £100
- Not a 'competitive' licence contest
- Be sure to read the guidance notes!

The image displays two overlapping application form templates for the Community Digital Sound Programme (C-DSP) licence. The left form is titled 'Community Digital Sound Programme (C-DSP) licence Application form – Part A (public)'. It includes the Ofcom logo at the top right, followed by the title and subtitle. Below this, there are four input fields: 'Name of applicant (i.e. the body corporate that will hold the licence):', 'Proposed service name:', 'Radio multiplex service(s) on which the proposed C-DSP service is to be provided:', and 'Public contact details:'. At the bottom, it states 'Publication date: 1 September 2020'. The right form is titled 'Community Digital Sound Programme (C-DSP) licence Application form – Part B (confidential)'. It also features the Ofcom logo and title. It contains three input fields: 'Name of applicant (i.e. the body corporate that will hold the licence):', 'Proposed service name:', and 'Radio multiplex service(s) on which the proposed C-DSP service is to be provided:'. Below these is a section for 'Contact details for Ofcom:' with an input field. It also includes the 'Publication date: 1 September 2020' at the bottom.

## Selection criteria

## Ownership and eligibility restrictions

Ofcom needs to check that applicants are legally eligible to hold a C-DSP licence

- Applicant must be a body corporate.
- Holders of analogue commercial licences and local/national DAB multiplexes can't apply
- Each C-DSP licence can only broadcast one service on one small-scale multiplex
- A C-DSP licence can also be used to broadcast the service on local radio multiplexes
- A licensee can hold more than one C-DSP licence

## Ownership and eligibility restrictions

We also need to consider any issues around disqualified persons and/or fit and proper

- There are disqualified persons who cannot hold a C-DSP licence (or most other broadcasting licences). They include:
  - Bodies that receive more than 50% of their income from public funds
  - Some types of political or religious bodies, such as local authorities
  - Advertising agencies
- Ofcom will also need to assess whether the proposed licensee is ‘fit and proper’ to hold the licence.

## Characteristics of a digital community radio service

In order to be licensed as a 'community' radio service, the proposed C-DSP service must be:

- For people living, working or training in the area
- For people who, in a particular area, have one or more particular interest in common
- 'Community of interest' stations must still be locally-orientated
- The service must deliver 'social gain' for the target community
- This must be delivered within the multiplex licence area



## What is social gain?

The legislation requires that C-DSP services must deliver social gain through:

- The facilitation of discussion and expression of opinion
- Providing education and training to the community
- The better understanding of the particular community and strengthening the links within it

## Statutory selection criteria

In deciding whether to grant a C-DSP licence, Ofcom will consider the extent to which:

- The service would deliver social gain
- Provide members of the community opportunities to participate in the operation and management of the service
- The applicant would be accountable to the relevant community



## Key Commitments

Applicants need to draft their own Key Commitments. If your application is successful, these will form part of your licence (i.e. will become licence conditions)

- Service name
- Multiplex on which the service will be carried
- Description of the 'character of service' including:
  - The target community
  - Location of the target community
  - The main purpose of the service, its primary function and/or activities





## Key Commitments

All C-DSP licences will also contain the following Key Commitments that have standard wording. These are licence conditions that will need to be delivered within all, or part of, the multiplex area:

- The delivery of social gain (as set out in Slide 14)
- Members of the target community contribute to the operation and management of the service
- The service has mechanisms in place to ensure it is accountable to its target community.

Key Commitments will not be enforced if a station is unable to obtain multiplex carriage

## Post-award

## Negotiating carriage on a multiplex

No spectrum is attached to C-DSP licences. So, C-DSP licence holders will need to agree carriage with a multiplex operator.

- C-DSPs can utilise reserved or unreserved capacity on small-scale multiplexes and can also broadcast on local radio multiplexes
- C-DSPs will need to sort with the multiplex licensee delivery of their programme service to the multiplex
- The multiplex operator may require certain technical standards to be met
- Multiplex licensees will need to publish their carriage fees on their website
- They will also have to submit to Ofcom details of actual carriage fees charged to stations



## Funding rules

C-DSPs must be not-for-profit and subject to similar restrictions on commercial revenue to analogue community radio

- Any profits made must be re-invested into the service
- Commercial revenues limited to £15k annually (the 'fixed revenue allowance') plus no more than half of the station's total income beyond the £15k.
  - E.g. if commercial revenues are £25k, the £10k above the fixed revenue allowance must be matched by funding from other sources
- Where a corresponding analogue community radio service exists, the funding rules will count the digital and analogue service as a single entity



# DSP licences

## Digital Sound Programme ('DSP') licences

These are the existing digital licences that can be used to broadcast a radio station on any type of DAB multiplex, including small-scale

- Application fee is £250; annual licence fee is £100. Apply online
- Different services can be broadcast on lots of different multiplexes under one licence
- Applications require 'letter of corroboration' from the multiplex operator
- Programming commitments limited to a short 'character of service'
- No 'Key Commitments' or social gain delivery required
- Cannot access reserved capacity

Questions?