

Commercial radio licence award: Ipswich

Statement

Summary

The fully re-advertised FM local commercial radio licence for Ipswich has been awarded to MuxCo Suffolk Radio Ltd. Two applications were received:

- Celador Radio Limited ('Town 102', the incumbent licensee)
- MuxCo Suffolk Radio Ltd ('Ipswich FM')

Ipswich licence award decision

Ofcom¹ considered the two licence applications against the four statutory local commercial radio licence award criteria specified in section 105 of the Broadcasting Act 1990, which are set out in full in the second part of this statement.

The decision makers noted that, with an existing Measured Coverage Area of around 155,000 adults (aged 15+), Ipswich is a relatively small licence. With this in mind, Ofcom considered that section 105(a) – the ability of the applicant to maintain the service – was particularly important when considering the characteristics of the licence to be awarded and the applications for it.

In assessing the ability of the applicants to maintain their proposed services, Ofcom noted that two of Ipswich FM's shareholders (Lincs FM Group Ltd and Nation Broadcasting Ltd) were well-established local radio groups that are cash generative, and that all three shareholders (the other being digital radio multiplex operator MuxCo Ltd) are currently profitable and have positive shareholder funds, thereby providing – between them – a solid foundation for the business. In addition, Ipswich FM's board of directors has considerable combined experience of running similarly-sized local radio stations elsewhere in the UK. The decision makers considered that the audience and revenue figures projected by Ipswich FM were realistic and achievable, given that the existing Town 102 service has, in the past, obtained higher audience reach figures than those it is currently achieving and those projected by Ipswich FM. In this context, Ipswich FM's commitment to broadcasting on the Suffolk DAB multiplex means it would have access to a greater number of potential listeners than the incumbent licensee, which does not, and did not indicate any plans to, broadcast on DAB. The decision-makers also considered it relevant that stations owned by the Lincs FM Group in areas such as Doncaster, Hull and Barnsley are achieving relatively high audience figures while facing similar or in some cases greater levels of competition from other local commercial radio services than will be the case in Ipswich.

In assessing the extent to which Ipswich FM would cater for local tastes and interests and broaden audience choice, the decision-makers considered that Ipswich FM's proposal for a station targeted at those aged over 35 reflected the fact that the Ipswich area has an older population than the national average. The service will be distinctive by being less contemporary than Kiss and, to a lesser extent, Heart, and by offering a more local editorial focus specifically on Ipswich.

In considering the extent to which there was evidence of demand or support for the applicant's proposals, as noted above Ipswich FM had identified a core potential audience of Ipswich listeners aged 35 and over, which it has reflected in its proposed Format. The applicant's quantitative research also demonstrated the importance of a local Ipswich service being available on DAB digital

¹ This decision was taken by Ofcom executives under delegated authority from the Ofcom Board. They are referred to in this statement as the "decision makers".

radio, and that there was strong audience demand for “a broad variety of popular music” and local news, weather and traffic information, all of which has been reflected in Ipswich’s FM’s programming proposals.

Statutory requirements

The section below sets out the statutory requirements relating to analogue commercial radio licensing. The public versions of the two applications can be found at:

<https://www.ofcom.org.uk/manage-your-licence/radio-broadcast-licensing/radio-licence-awards-process>

Statutory requirements relating to the specific local licence award criteria

In considering the applications it receives for local commercial radio licences, Ofcom is required to have regard to each of the statutory criteria set out in section 105 of the Broadcasting Act 1990.

These are as follows:

- a) the ability of each of the applicants for the licence to maintain, throughout the period for which the licence would be in force, the service which he proposes to provide;
- b) the extent to which any such proposed service would cater for the tastes and interests of persons living in the area or locality for which the service would be provided, and, where it is proposed to cater for any particular tastes and interests of such persons, the extent to which the service would cater for those tastes and interests;
- c) the extent to which any such proposed service would broaden the range of programmes available by way of local services to persons living in the area or locality for which it would be provided, and, in particular, the extent to which the service would cater for tastes and interests different from those already catered for by local services provided for that area or locality; and
- d) 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.

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.