

Small-scale radio multiplex licence award: Clevedon, Avonmouth & Filton

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Clevedon, Avonmouth & Filton to Severnside Digital Radio CIC ('Severnside Digital Radio').

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.

Assessment of applications

On 1 September 2020, Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in several localities, including in Clevedon, Avonmouth & Filton.

Ofcom received two applications in response to its notice inviting applications for this locality by the closing date of applications, which was 23 November 2020. These were from Like DAB Limited and Severnside Digital Radio. Copies of the non-confidential parts of the applications were 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 the applications, including carrying out assessments of the technical plan required to be submitted as part of all applications. Decisions were made by a panel of Ofcom decision makers which convened on 14 May 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 (Sevenside Digital Radio) proposed using two transmitters which our analysis showed would provide coverage to around 63% of the adult population within the advertised area. Our coverage predictions also showed that the amount of coverage outside the advertised area was relatively high. Ofcom has previously stated that the overspill outside the advertised area should be as limited as reasonably possible and, in any event, should not exceed 30% of the population within the advertised area. We considered that alterations to the technical plan will be required to ensure that the overspill is appropriately limited. We estimated these measures would reduce the coverage of the Clevedon, Avonmouth and Filton small-scale radio multiplex service, although it would remain available to more than 54% of the adult population in the advertised area. On balance, Ofcom considered that this level of coverage, while relatively low within the advertised area, was acceptable in the context of the technical constraints within the advertised area, and resulted in coverage of a substantial population overall.

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. We noted that the successful applicant's shareholders benefited from experience in operating analogue community radio services in the Bristol and surrounding areas, and would be supported in establishing and operating the multiplex by MuxNet UK Limited (a company owned by individuals with extensive experience in DAB multiplex operations, including involvement in management of the Bristol small-scale trial multiplex). We noted that grant funding, none of which has been confirmed, is planned to account for 50% of the proposed capital expenditure for the multiplex, however the applicant's contractor MuxNet UK has confirmed it will (at least) match the grant funding and would ultimately be prepared to provide, via a loan, all the required funding necessary to establish the multiplex if there is any shortfall in the grant funding. Ofcom therefore considered that sufficient evidence had been provided to give a reasonable degree of confidence that the applicant would be in a position to establish the service within 18 months of the date of award as required by the legislation.

In relation to section 51(2)(ca), Ofcom noted that the applicant has as a participant Bradley Stoke Radio, which is proposing to provide a community digital sound programme service in the advertised area. Bradley Stoke Radio is the operator of the analogue community radio service for Bradley Stoke, and holds a majority (60%) of the shares in Sevenside Digital Radio.

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. The decision-makers noted that Sevenside Digital Radio had provided evidence of support from a range of prospective programme service providers, many of which were locally based, in the form of copies of correspondence indicating interest or intent to provide services on the multiplex. In addition to Bradley Stoke Radio, one third-party service provider – the student

radio station Hub Radio – had also stated its intention to operate as a community digital sound programme service on the multiplex.

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.

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.