

Small-scale radio multiplex licence award: East Bristol, Mangotsfield and Keynsham

Background

Ofcom has decided to award a new small-scale radio multiplex licence for East Bristol, Mangotsfield and Keynsham to Bristol Digital Radio CIC ('Bristol 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 East Bristol, Mangotsfield and Keynsham.

Ofcom received one application in response to its notice inviting applications for this locality by the closing date of applications which was 23 November 2020, from Bristol Digital Radio CIC ('Bristol Digital Radio'). A copy of the con-confidential parts of the application 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 the application, 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 application, 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), Bristol Digital Radio proposed using three transmitters to provide coverage for just under 93% of the adult population in the licence area advertised, according to Ofcom's analysis. Ofcom has previously stated that proposed coverage should not overlap more than 40% of the population within any local radio multiplex service's licensed area. We have also stated that overspill outside the advertised area should be as limited as reasonably as possible and, in any event, should not generally exceed 30% by population. Our coverage predictions showed that mitigations would be required to ensure that the overlap between the population covered by the small scale multiplex and that covered by the Bristol & Bath local radio multiplex service remains below 40%, and that overspill is within acceptable levels. We considered that this would entail relatively minor alterations to the technical plan, and estimated these measures would reduce the coverage of the East Bristol, Mangotsfield and Keynsham small-scale radio multiplex service. However, we estimated it would remain available to more than 80% of the adult population in the advertised area.

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. Some of the participants in the applicant company have been involved in the Bristol trial small-scale multiplex and will therefore be aware of the costs and risks associated with the launch and operation of a multiplex in this particular area. Ofcom noted that the applicant plans to contract-out the management of the multiplex to MuxNet UK Limited, whose directors have substantial practical experience in the digital radio field.

The projected set-up costs for this multiplex appeared, in Ofcom's view, to be higher than we would have anticipated. We noted that grant funding, none of which has been confirmed, is planned to account for 50% of the proposed capital expenditure. 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 of the required funding necessary to establish the multiplex should this prove to be necessary. On balance, the technical expertise and funding provisions provided sufficient confidence that Bristol Digital Radio would be able to establish the service within 18 months of the date of award, as required by the legislation.

In relation to section 51(2)(ca), it was noted that two proposed C-DSP services – BCFM and Ujima Radio – were participants in the applicant company. Both are already analogue community radio services which broadcast in Bristol, and each had a significant (40%) interest in the applicant.

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. We noted that there were healthy levels of support and, whilst this was demonstrated mainly through e-mails from prospective programme service providers rather than evidence of more advanced discussions, it is noted that some of these are already providing a

programme service on the Bristol trial multiplex, providing confidence that these would translate into inclusion on the multiplex when launched. There were also expressions of interest from a number of new prospective DSP and C-DSP service providers.

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.