

Local commercial radio licence award: Telford area

11 Nov 2015

The re-advertised FM local commercial radio licence for the Telford area was re-awarded on 3 November 2015 to the incumbent licensee, talkSPORT Limited (broadcasting as Signal 107). Two applications were received:

- Fusion Radio Telford Limited (Fusion Radio Telford), and;
- talkSPORT Limited (Signal 107), the current licence holder.

Telford licence award decision

In considering the ability of the applicants to maintain their proposed services, Ofcom's Broadcast Licensing Committee (BLC) noted that the licence is for a service designed to provide coverage of a relatively small-sized area (the adult population within the measured coverage area is estimated to be 117,083), and that the area is one in which a significant number of other local commercial radio services are available. The Committee considered that this combination of factors does, and will continue to, represent a challenge to providing a financially viable local commercial service for the Telford area.

The BLC considered that while both proposed services would draw on financial and operational support from their respective parent companies, Signal 107's audience and revenue forecasts were based on the company's experience in operating the service, and were considerably more conservative. In light of the characteristics of the market noted above, the BLC considered that Signal 107's forecasts were more likely to be achievable, and that this enhanced the robustness of Signal 107's business plan overall.

In considering the extent to which the Signal 107 service (which is not proposed to change in the new licence period) caters for the tastes and interests of those living in the licensed area, and the evidence of local demand or support for the service, the BLC noted that the station's audience has increased significantly over the last year (although recognising that Signal's audience is measured across a much wider area covered by three other licences as well as this Telford one), and also noted some evidence from Signal's own consumer research of support for the local news and information it provides.

The Committee considered that the Signal programme proposal was a realistic one in light of the competitive and other factors noted above, and was satisfied that the service would be able to continue to cater for local tastes and interests in the new licence period.

The following pages set out the statutory requirements relating to analogue commercial radio licensing, and details of the licensing process. Further information about these, and detailed information relating to the applications for the re-advertised Telford licence, can be found at:

<http://licensing.ofcom.org.uk/radio-broadcast-licensing/analogue-radio/apply-for-licence/re-advertisement/applications/telford/>

Statutory requirements relating to radio licensing

In carrying out all of its functions, Ofcom is required to have regard to the general duties set out in section 3 of the Communications Act 2003. In addition, under section 85(2)(b) of the Broadcasting Act 1990, it is the duty of Ofcom to do all that it can to secure the provision within the UK of a range and diversity of local radio services.

'Localness'

Section 314(1) of the Communications Act 2003 requires Ofcom to carry out its functions in relation to local sound broadcasting services in the manner that it considers is best calculated to secure:

- that programmes consisting of or including local material are included in such services but, in the case of each such service, only if and to the extent (if any) that Ofcom considers appropriate in that case; and
- that, where such programmes are included in such a service, what appears to Ofcom to be a suitable proportion of them consists of locally-made programmes.

The advertisement for the Telford licence invited applicants to set out in the 'Format' section of their application the amount of local material and the proportion of locally-made programmes that they intend to provide, and to support their proposals with evidence of demand and/or support. Ofcom considered on the basis of each application whether the amount of local material included was appropriate, and whether the proportion of locally-made programmes was suitable, for that particular service proposal. Our published localness guidance (<http://stakeholders.ofcom.org.uk/broadcasting/radio/localness/>) provides advice on how we consider that these statutory requirements should be met, although any applicant is free to submit proposals offering more or less 'localness' as they regard as appropriate. We encouraged those who might apply for this licence to submit proposals which include realistic, appropriate and deliverable amounts of locally-made programming and local material. It should be noted that "locally-made programmes" in this context refers to programmes produced and presented from within the licensed area of a station, from within an 'approved area', or from a location that has already been approved as part of an existing agreed co-location arrangement (see the localness guidance for further information).

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.