

Small-scale radio multiplex licence award: Halifax

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Halifax to the sole applicant, Halifax DAB Limited.

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

On 19 April 2024, Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in localities including Halifax.

By the closing-date of 18 July 2024, Ofcom had received one application for Halifax. This was from Halifax DAB Limited ("Halifax DAB"). Copies of the non-confidential parts of the application were

made available for public scrutiny on the Ofcom website, and public comment was invited as required under section 50(7) although none was received.

Ofcom colleagues assessed the detail of the application, including carrying out an assessment of the technical plan required to be submitted as part of all applications. The decision in relation to Halifax was made by a panel of Ofcom decision makers which convened on 15 November 2024. They carefully considered the application and professional advice from Ofcom colleagues. They applied the statutory criteria in reaching their decision on whether to award a licence to the sole applicant. Reasons for their decision to award a licence to Halifax DAB are summarised below.

In relation to section 51(2)(a), the applicant proposed using one transmitter to provide its service. Ofcom calculations indicate that this would result in just over 33% of the adult population in the advertised licence area being able to receive the service. Ofcom's coverage predictions indicated that the proposed small-scale radio multiplex service would be available to well under 40% of the population in the licensed area of the overlapping Bradford & Huddersfield local radio multiplex, and overspill outside the advertised area was predicted to be well under 30% of the population of the advertised area. Ofcom therefore considered no mitigations were required to comply with these thresholds. Ofcom also considered that mitigations were unlikely to be necessary to address hole punching or co-channel interference. Decision makers recognised that the coverage was relatively low, with very limited coverage in the main population centres outside of Halifax itself. Nevertheless, the plan provided robust coverage of the town of Halifax, and was predicted to reach an adult population of nearly 60,000. On the basis of providing a good level of service to the principal town in the advertised area, decision makers considered coverage sufficient to justify an award to the sole applicant.

In relation to section 51(2)(c), Ofcom considered the applicant's financial and business plan, technical plan, the timetable for coverage roll-out, and evidence of relevant expertise and experience. Decision makers noted that Halifax DAB's use of a single transmitter site, whilst limiting predicted coverage as noted above, had advantages in terms of reducing complexity and cost. Participants in the applicant have a track record in establishing small-scale multiplexes, and had a good mix of commercial and community radio experience in the local area. Overall, decision makers had a good level of confidence in the applicant's ability to establish the service within the 18-month period allowed by legislation.

In relation to section 51(2)(ca), one participant in the applicant, Phoenix Radio Limited, proposed to provide a C-DSP service on the multiplex. Decision makers noted that Phoenix Radio is an existing analogue community radio service in Halifax, with therefore a good prospect of being available on the multiplex from launch. Its level of participation (a 5% shareholding) was modest, but its involvement was nonetheless viewed as a positive aspect of the application.

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 (C-DSP and DSP services) in the advertised area. As well as the C-DSP service mentioned above, three other prospective C-DSP services had expressed an interest. Whilst these were proposed new services rather than already-established services, decision makers noted this represented a good level of interest in the context of the reserved capacity for four services. There was also evidence of demand and support from 11 proposed providers of DSPs, which was healthy in the context of an area with a relatively small population.

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. Decision makers noted the good level of demand as noted above reflected a proactive approach to outreach by the applicant.

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.

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