

Small-scale radio multiplex licence award: Lanarkshire

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Lanarkshire to Lanarkshire 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 Lanarkshire.

By the closing-date of 18 July 2024, Ofcom had received one application for Lanarkshire. This was from Lanarkshire DAB Limited ("Lanarkshire 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 Lanarkshire was made by a panel of Ofcom decision makers which convened on 7 February 2025. 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 Lanarkshire DAB are summarised below.

In relation to section 51(2)(a), the applicant proposed using two transmitters to provide its service. Ofcom calculations indicate that this would result in just over 81% 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 Glasgow local radio multiplex, and overspill outside the advertised area was predicted to be 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 interference. Decision makers noted that predicted coverage was very good, including robust coverage of key population centres including East Kilbride, Hamilton, and Motherwell.

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 Lanarkshire DAB had provided only limited evidence of funding availability. The application was a 50/50 joint venture between C.I. Broadcasting Limited and Caledonia TX Limited. The former had previously been awarded the licence to operate a small-scale multiplex in East Fife, and a company it owned had been awarded the Berwickshire & Roxburgh licence, but both awards had been revoked as they had not been able to establish within the 18-month period allowed by legislation. However, the majority shareholder in Caledonia TX Limited was involved in a well-established community radio service, and experienced partners had been engaged for installation of transmission and multiplexing equipment. Moreover, the technical plan provided a good basis for securing funding. Overall, decision makers considered that, notwithstanding some risks, there was a reasonable prospect of the applicant establishing the service within the 18-month period allowed by legislation.

In relation to section 51(2)(ca), neither the applicant itself nor its two participants are proposing to provide a C-DSP service on the multiplex. Under the legislation, involvement of such a person is a desirable feature but not a necessity for applicants.

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. Three prospective C-DSP services and five other DSP services (two connected with the applicant) had expressed an interest. Decision makers noted limited evidence had been provided in relation to contacts with services, indicating discussions were not particularly well advanced. C-DSP interest was reasonable, in the context of a reservation for at least four community services, but decision makers emphasised the importance of further engagement between Lanarkshire DAB and prospective services to support the establishment and ongoing viability of the multiplex service. A technical plan providing robust coverage of important population centres represented a good basis for that further work.

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. However, as noted above, decision makers considered evidence of engagement was limited and it would be important for the applicant to focus on this area between award and launch of the multiplex.

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.

February 2025