

Small-scale radio multiplex licence award: South Gloucestershire

Background

Ofcom has decided to award a new small-scale radio multiplex licence for South Gloucestershire to South Glos Digital CIC.

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 14 July 2022, Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in localities including South Gloucestershire.

By the closing-date of 14 October 2022, Ofcom had received one application for South Gloucestershire. This was from South Glos Digital CIC ("South Glos Digital"). A copy of the non-confidential parts of the application was made available for public scrutiny on the Ofcom website, and public comments were invited as required under section 50(7), although no comments were 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 South Gloucestershire was made by a panel of Ofcom decision makers which convened on 24 March 2023. They carefully considered the application and professional advice from Ofcom colleagues, and applied the statutory criteria in reaching their decision on whether to award a licence to the applicant. Reasons for their decision to award the licence to South Glos Digital are summarised below.

In relation to section 51(2)(a), the successful applicant proposed using one transmitter to provide its service. Ofcom calculations indicated that this would result in just over 48% 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 under 40% of the population in the licensed area of any overlapping local radio multiplex services (Gloucestershire and Bristol & Bath), and that overspill outside the advertised area was well under 30% of the population of the advertised area. Therefore, no mitigations would be required to comply with these thresholds. Ofcom carefully considered whether mitigations would be required to address potential hole punching. On balance, it was considered that mitigations would not be needed, and decision makers emphasised that it was important that the final technical plan met the anticipated level of coverage.

Decision makers carefully considered whether it would be appropriate to make a licence award in light of predicted coverage being relatively low. Decision makers noted that part of the reason for low coverage in percentage terms is that the advertised area includes suburbs on the northern edge of Bristol (notably Bradley Stoke and Stoke Gifford) which are in fact covered by the [Clevedon, Avonmouth & Filton small-scale multiplex](#) which has already launched. Since that part of the advertised area already receives coverage from a neighbouring small-scale multiplex, it is understandable that South Glos Digital would see areas not currently covered as a priority. Additionally, decision makers noted that the coverage area of the existing small-scale multiplex is such that it already carries one of the existing analogue community radio services based in the advertised area of South Gloucestershire, Bradley Stoke Radio, as a C-DSP service. South Glos Digital's parent company, Thornbury Media CIC, provides the other existing analogue community radio service in the advertised area, Thornbury Radio. Considering these points and on the basis that the 48% coverage level could be achieved, decision makers considered, on balance, that making an award was appropriate in the specific circumstances of the locality.

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 the applicant's coverage predictions were significantly more optimistic than Ofcom's, meaning the applicant may need to reconsider its business plan. They also noted that, although on balance it did not appear mitigation would be needed, if it was then adjustments may need to be significant to achieve the predicted coverage. Additionally, decision makers noted relatively limited evidence of guaranteed funding in financial plans. As such, there were material risks to establishing the service. However, costs were projected to be low in light of use of the existing Thornbury Radio transmission site (and this also meant site permissions appeared unproblematic), while the involvement of individuals with good technical experience and knowledge of the radio sector in South Gloucestershire was viewed positively. On balance, this provided a sufficient degree of confidence that the applicant was in an adequate position to establish the service proposed within 18 months of the date of award as required by the legislation.

In relation to section 51(2)(ca), as noted above, the applicant's parent company, Thornbury Media CIC, proposes to provide a C-DSP service, Thornbury Radio. Decision makers noted that this is an existing analogue community radio service in South Gloucestershire and as such had a very good prospect of being available on the multiplex from launch.

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 Thornbury Radio as a C-DSP service, expressions of interest from five other prospective DSP service providers had been provided. Decision makers considered that this represented a modest level of demand, which may be further impacted to the extent coverage achieved is significantly short of that predicted by the applicant. However, there was some level of interest and the locally-based directors were reasonably well placed to build interest prior to launch.

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.

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