

Small-scale radio multiplex licence award: Sheffield & Rotherham

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Sheffield & Rotherham to Shefcast Digital Limited ('Shefcast').

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 ("the 1996 Act") 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 Sheffield & Rotherham.

Ofcom received three applications in response to its notice inviting applications for this locality by the closing date of applications which was 23 November 2020, which were from Media Arts and Culture Limited, Shefcast Digital Limited and Sheffield & Rotherham DAB Limited. A copy of the con-

confidential parts of the applications was made available for public scrutiny on the Ofcom website, and public comment was invited as required under section 50(7) of the 1996 Act.

Ofcom colleagues assessed the detail of applications, including carrying out assessments of the technical plans required to be submitted as part of all applications. Decisions were made by a panel of Ofcom decision makers which convened on 11 March 2021. They carefully considered the applications, 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), the applicant proposed two transmitters to provide a service to the area that was advertised. Ofcom calculations indicate that this would result in around 92% of the adult population in the advertised area being able to receive the service. According to Ofcom's coverage predictions, we noted that the amount of coverage outside the advertised area was high, representing 26% of the population within the advertised area. Ofcom has previously stated that overspill outside the advertised area should be as limited as reasonably possible and, in any event, should not exceed 30% by population. In this case the overspill, while high, did not exceed 30% and was on a par with other applications received. It did not appear to reflect an attempt to target other areas, but was instead a by-product of seeking to maximise coverage within the advertised area in the context of high population densities just outside that area. We noted that the overspill meant relatively minor alterations to the technical plan may be required to ensure the overlap with the coverage of the South Yorkshire local radio multiplex service remains below 40%, but we estimated these would only reduce the coverage of the Sheffield & Rotherham small-scale radio multiplex service slightly, from around 92% of the adult population in the advertised area to around 88%.

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. We considered the applicant benefited from locally-based directors possessing considerable relevant experience, had sufficient confirmed financial resources to establish the service, and would be in a position to establish the service within 18 months of the date of award as required by the legislation.

In relation to section 51(2)(ca), Ofcom noted that three of the companies which are participants in Shefcast are each proposing to provide one or more community digital sound programme services (C-DSPs) in the advertised area (five in total). These are: Commedia Sheffield (the licensee for analogue community radio service Sheffield Live), The Pakistan Muslim Centre (Sheffield) Limited (the licensee for analogue community radio service Link FM) and Redroad FM Limited (the licensee for analogue community radio service Redroad FM). These companies are each members and guarantors having a right to appoint a director on Shefcast's board. The decision-makers considered that Shefcast therefore had significant involvement from persons providing or proposing to provide a C-DSP service on the Sheffield & Rotherham multiplex. Under the legislation, involvement of such persons is a desirable feature 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 in the advertised area. We concluded that there was sufficient evidence of support to justify the award of a licence in light of Ofcom's duties, which include amongst other things, to secure in carrying out our functions the optimal use of electro-magnetic spectrum, and to secure the availability throughout

the UK of a range of radio services. Shefcast has 21 confirmed programme services, of which 11 plan to be C-DSP services. Shefcast provided evidence that 14 programme services have signed 'Heads of Agreement' for the multiplex (many of which are for locally-based services). Of these, six are for C-DSP services. In addition, there are five C-DSPs being provided by the three participants in Shefcast referred to above (plus one local digital sound programme service). The list of confirmed programme providers includes a dozen radio services already broadcasting on analogue and/or online platforms.

In relation to section 51(2)(g) and based on the evidence received, Ofcom was satisfied that Shefcast 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.

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 require amendments to the technical plan between award and licence grant.