

Small-scale radio multiplex licence award: Yorkshire Coast

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Yorkshire Coast to East Coast Digital Radio 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 of application

On 25 January 2022, Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in localities including Yorkshire Coast.

By the closing-date of 25 April 2022, Ofcom received one application for Yorkshire Coast. This was from East Coast Digital Radio Limited (“ECDR”). A copy of the non-confidential parts of the application was made available for public scrutiny on the Ofcom website, and public comment was invited as required under section 50(7).

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 Yorkshire Coast was made by a panel of Ofcom decision makers which convened on 3 November 2022. They carefully considered the application, public comments, and professional advice from Ofcom colleagues, and applied the statutory criteria in reaching their decision on whether to award a licence. Reasons for their decision to award the licence to ECDR are summarised below.

In relation to section 51(2)(a), the successful applicant proposed using three transmitters to provide its service. Ofcom calculations indicate that this would result in approximately 77% 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 each of the overlapping local radio multiplex services (North Yorkshire, Humberside, and Teesside). No signal overspill was predicted into populated land outside the advertised area. Therefore, no mitigations would be required to comply with the relevant thresholds. Nor did Ofcom consider mitigations were likely to be required that would impact on coverage to address any interference issues. Decision makers considered this represented a very good level of coverage, with sites that appeared well chosen to ensure good coverage of key population centres, particularly in the context of the large geographical area that was advertised.

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 confidence in the applicant’s ability to establish the service was provided by the applicant’s robust technical proposals, and by the levels of relevant expertise and experience evident in the application. The three-transmitter site plan, whilst providing very good coverage in a challenging area as noted above, also meant costs were projected as being relatively high, entailing a degree of risk to establishing the service. Overall, however, decision makers considered there was a good prospect of ECDR being able to establish the service with the predicted level of coverage within the 18 month period as set out in the legislation.

In relation to section 51(2)(ca), Ofcom noted that no prospective C-DSP services were participants in the applicant company. 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. Expressions of interest were provided in relation to two prospective C-DSP services which are an existing in-area community analogue service (Coast and

County Radio) and a current online service (Bridlington Gold). Heads of terms were provided from eight other DSP services, including two services focusing on the Yorkshire Coast provided by ECDR (This Is The Coast and This Is The Coast Extra). Decision makers considered this to represent a reasonably healthy level of demand in the context of the locality and of a fairly low reservation of capacity for four C-DSP services.

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 that the applicant had provided evidence of having made efforts to engage with a range of potential service providers.

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.

November 2022