

Small-scale radio multiplex licence award: Stirling & Falkirk

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Stirling & Falkirk to Central FM 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 14 July 2022, Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in localities including Stirling & Falkirk.

By the closing-date of 14 October 2022, Ofcom had received two applications for Stirling & Falkirk. These were from Dabstream Limited and Central FM Limited (“Central FM”). Copies of the non-confidential parts of the applications were 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 applications, including carrying out an assessment of the technical plans required to be submitted as part of all applications. The decision in relation to Stirling & Falkirk was made by a panel of Ofcom decision makers which convened on 24 March 2023. They carefully considered the applications 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 to award the licence to Central FM are summarised below.

In relation to section 51(2)(a), the successful applicant proposed using one transmitter to provide its service. Ofcom calculations indicate that this would result in just over 85% 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 the overlapping Edinburgh and Glasgow local radio multiplex services, but that overspill outside the advertised area was very slightly over 30% of the population of the advertised area. Therefore, no mitigations would be required to comply with the 40% thresholds, but mitigation would be considered to reduce overspill. Ofcom considered that limited mitigation would be required to address potential co-channel interference, and that the same mitigation would also bring overspill under 30%. Ofcom anticipated mitigation would reduce predicted coverage to just under 85%. Decision makers considered the predicted level of coverage was very good, including providing robust coverage in most of the main population centres including Stirling, Falkirk, Alloa, Dunblane, Grangemouth and Bo’ness. They further noted that it was important the final technical plan reflected both the predicted level of coverage overall but also the spread of coverage across the aforementioned population centres.

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 itself operates a long-standing independent local commercial radio station in the area, and has a clear commitment and incentive to ensure the timely establishment of the service. This was supported by a robust technical plan with a single site with existing permissions in place, and a reasonable business plan. Overall, decision makers had a reasonably high 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), it was 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. There were five expressions of interest from prospective C-DSPs including proposed hospital and student radio services, two existing online services, and an analogue community radio service based in Glasgow. There were also four expressions of interest from other DSPs (including the applicant itself). Decision makers considered it was particularly encouraging to see support from prospective new community services in an area with limited history of such services, albeit these varied in prospect of being carried on the new multiplex from launch. Decision makers noted that demonstrated support from other DSPs was more limited, and work would be required to build on that support prior to launch. However, the applicant was reasonably well placed to do this as a well-established local commercial radio service provider.

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 active engagement with a range of prospective 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.

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