

Small-scale radio multiplex licence award: Alnwick & Morpeth (re-advertisement)

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Alnwick & Morpeth to Northumberland Community 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 30 March 2023, Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in localities including Alnwick & Morpeth. It is noted that this is the second time a licence for this locality has been advertised, albeit the re-advertised licence covers a slightly reduced area. This is because part of the south of the previously advertised area now has coverage from launched small scale multiplexes (specifically Newcastle & Gateshead and Tynemouth & South Shields). The Alnwick & Morpeth licence had previously been awarded to UK DAB Networks Limited (now UK DAB Networks (Operations) Limited) in July 2021, but the award had been revoked in October 2022 on the basis Ofcom had reasonable grounds for believing the person to whom it had been awarded would not provide the service within 18 months of award.

By the closing-date of 30 June 2023, Ofcom had received one application for Alnwick & Morpeth. This was from Northumberland Community Digital CIC (“NCD”). 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), 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 Alnwick & Morpeth was made by a panel of Ofcom decision makers which convened on 8 September 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 sole applicant. Reasons for their decision to award a licence to NCD 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 66% 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 Tyne & Wear local radio multiplex service, and overspill outside the advertised area was negligible and well under 30% of the population of the advertised area. Therefore, no mitigations would be required to comply with the relevant thresholds relating to overlap and overspill. Ofcom considered mitigation was likely to be needed to address adjacent channel interference, but coverage impact of this would be limited to unpopulated areas. Decision makers noted that 66% represents a good level of coverage in the context of a large geographical area with population spread across several significant towns. The proposals would provide good coverage in and around Morpeth, Alnwick and Ashington, but with patchier coverage towards the far south of the advertised area and no coverage towards the centre of the area (where population is sparse).

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 there were some challenges to establishing the service within the 18 month statutory period. The technical plan involves three transmitters to cover a wide area, with an impact on cost, and grant funding had yet to be confirmed to cover some of the costs. However, the transmitter sites appeared well chosen to limit building work and permissions needed, individuals involved in the application had been involved in successful multiplex launches in nearby areas, and a robust technical plan and good levels of evidenced demand were positive in terms of prospects of

raising the necessary funds. Overall, decision makers considered there was a good prospect of the service launching within the 18 month period allowed.

In relation to section 51(2)(ca), decision makers noted that that three participants in the applicant (Lionheart Radio and Media CIC, Koast Radio Limited, and Radio Northumberland Limited) proposed to provide a C-DSP service. Two are existing analogue community radio services, and one an online service, indicating a good prospect of all three being available from launch. Each holds 20% of voting rights in the applicant community interest company, amounting to a majority interest when combined.

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 the three C-DSP services proposed by participants in the applicant as noted above, an expression of interest had been received in providing a C-DSP service from Northumberland Hospital Radio, and from ten other DSP services. Decision makers considered this represented a good level of demand for a multiplex which will be covering a relatively sparsely populated and primarily rural area, noting that all proposed services existed as analogue community services, online services or DSPs on neighbouring small scale multiplexes, giving all a good prospect of being available on the new multiplex at or shortly after 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. Decision makers noted that positive engagement was evidenced by the good level of demand from a range of prospective 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.

September 2023