

Small-scale DAB stakeholder event: multiplex licences

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29 September 2020

Agenda

- Introduction to small scale DAB and the new licences
- Applying for a licence
- Selection criteria
- Filling in the application form
- How Ofcom will assess and award licences
- Bringing a multiplex on-air - what to do post award
- Q&A

Analogue compared with digital

Analogue

- Each portion of spectrum can carry one programme service
- A Community Radio licence covers content and access to spectrum (transmitter)
 - Can think of it as a small car (FM or AM signal) that can carry one passenger (the radio station)



Digital

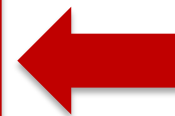
- Each portion of spectrum can carry several (20+) programme services
 - More like a bus (DAB multiplex) capable of carrying several passengers (radio stations)



Different licences for digital and their relationships

- **Multiplex licence**

- Gives access to spectrum and building transmitters (ie the bus)



This session
concentrates on
multiplex licences

- **Digital Sound Programme Service (DSP) licence**

- For radio stations carried on a multiplex (like a permission to travel)

- **Community Digital Sound Programme Service (C-DSP) licence**

- For community radio services: gives access to reserved capacity (permission to use reserved seats)

Holders of DSP and C-DSP licences must agree carriage terms with a multiplex licensee (buy a ticket)

Parties can hold both multiplex and DSP or C-DSP licences

Applying for a multiplex licence

Advertisement and application

We are advertising multiplex licences in a number of rounds

- Round 1 opened on 1 September 2020
- Only the 25 locations detailed in the advertisement can be applied for
- Advertisement sets out location-specific information incl. possible coverage and reserved capacity
- Advertisement, application forms, guidance and supporting data are on Ofcom's website
- Completed applications and application fee (£500) must be received by **5pm on Monday 23 November 2020**



Selection criteria

Selection criteria are set out in law

Ofcom has consulted on how we will interpret these criteria

**Ownership and
eligibility**

**Fair and
effective
competition**

**Ability to establish
the service**

**Extent of the
coverage area**

**Involvement of
C-DSPs and
evidence of demand**

Ownership and eligibility

Ofcom needs to check that applicants are legally eligible to hold a small-scale multiplex licence

- Applicant must be a body corporate.
- Not able to hold a licence:
 - Holders of national multiplexes or analogue national licences (but can have a 30% stake in up to six licences)
 - Holders of a local multiplex licence if there is any overlap at all with the SSDAB licence area (but can have a 30% stake)
- One licensee is limited to owning 20% of all small-scale multiplex licences in issue.
- A company can't hold several small-scale multiplex licences if their combined overlap with a single local multiplex is over 40%.

Ownership and eligibility

We also need to consider any issues around disqualified persons and/or fit and proper

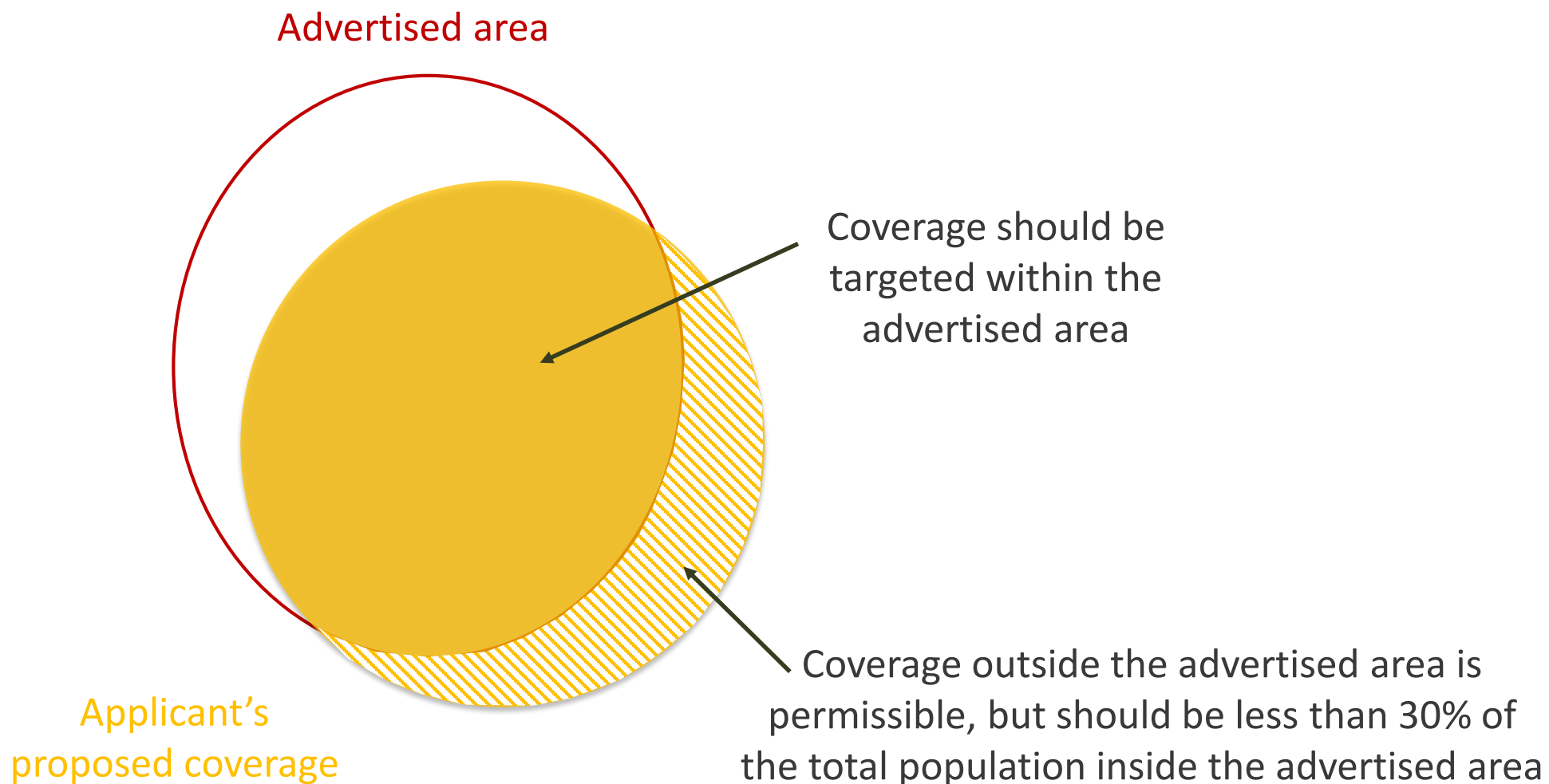
- There are disqualified persons who cannot hold a small-scale multiplex licence (or most other radio licences). They include:
 - Bodies that receive more than 50% of their income from public funds
 - Some types of political or religious bodies, such as local authorities
 - Advertising agencies
- Ofcom will also need to assess whether the proposed licensee is ‘fit and proper’ to hold the licence.

Extent of the coverage area

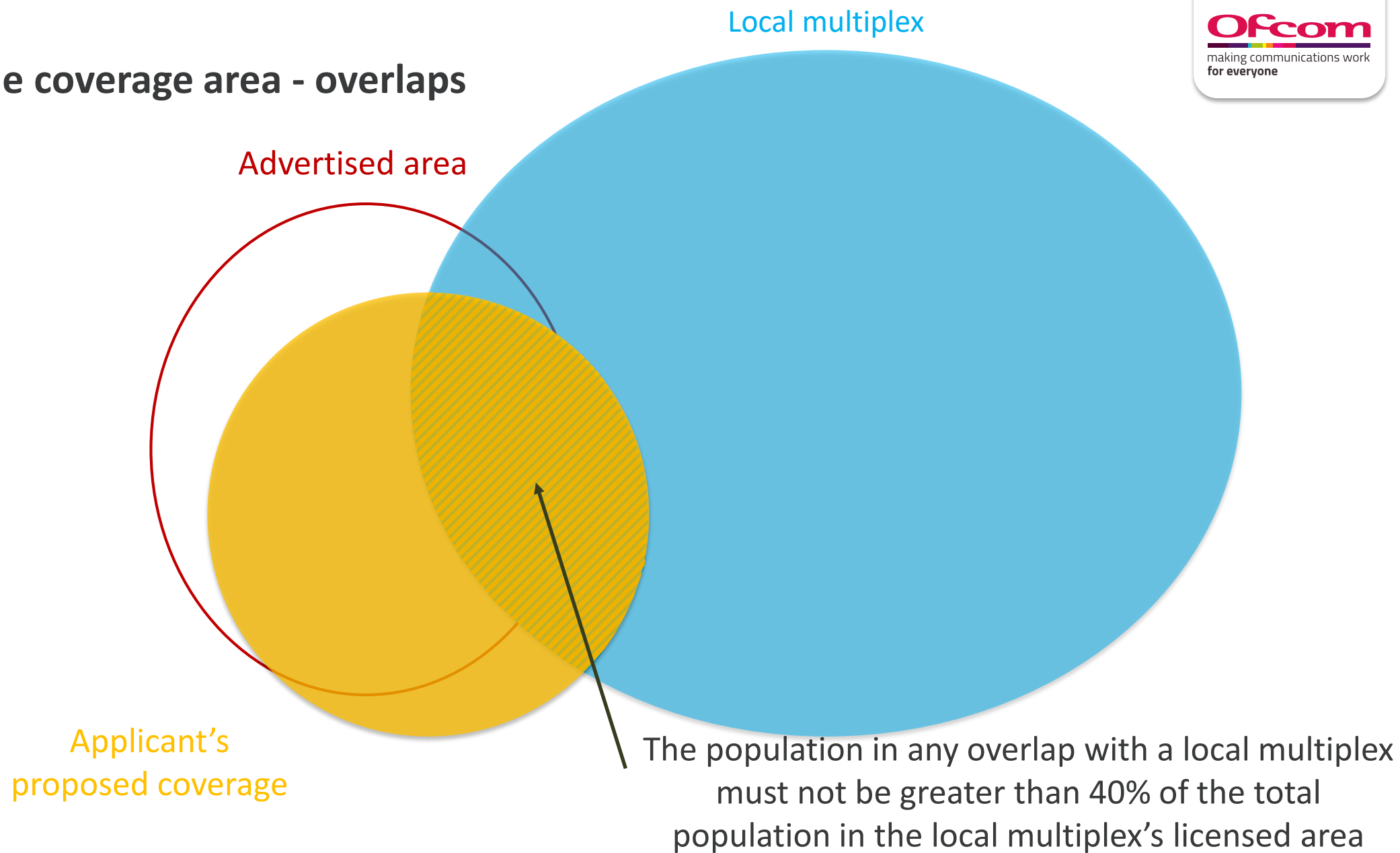
The legislation requires Ofcom to consider the coverage that applicants propose to provide

- Applicants need to provide a prediction of the coverage they expect to achieve within 18 months of award
- Coverage should be targeted to serve areas largely within the advertised area
- Some limited spillage outside that area is permitted (30%)
- Coverage overlaps with any local radio multiplex services is also subject to a limit (40%)
- As frequencies are re-used many times across the UK, interference to other areas using the same frequency needs to be controlled

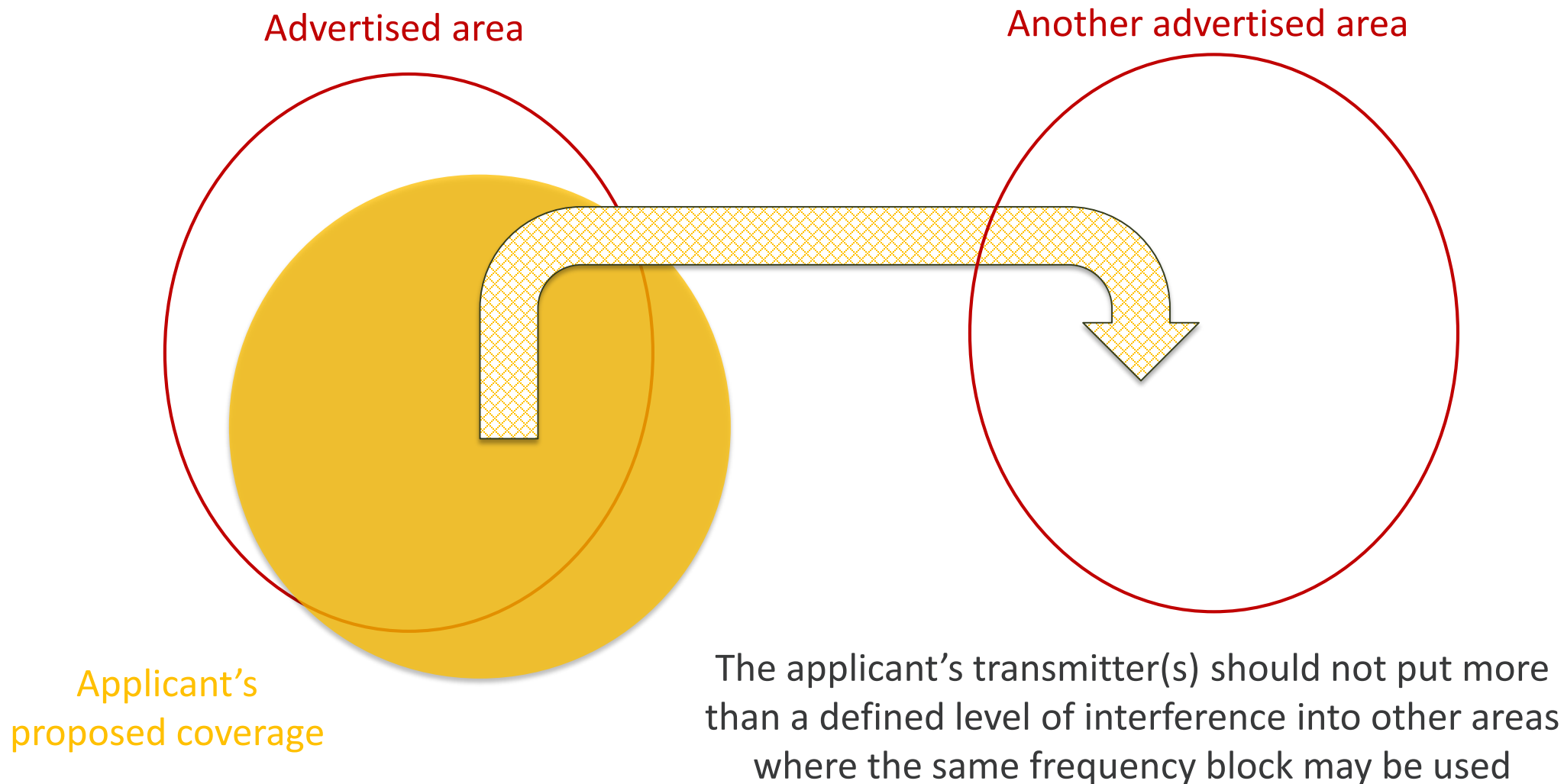
Extent of the coverage area - example



Extent of the coverage area - overlaps



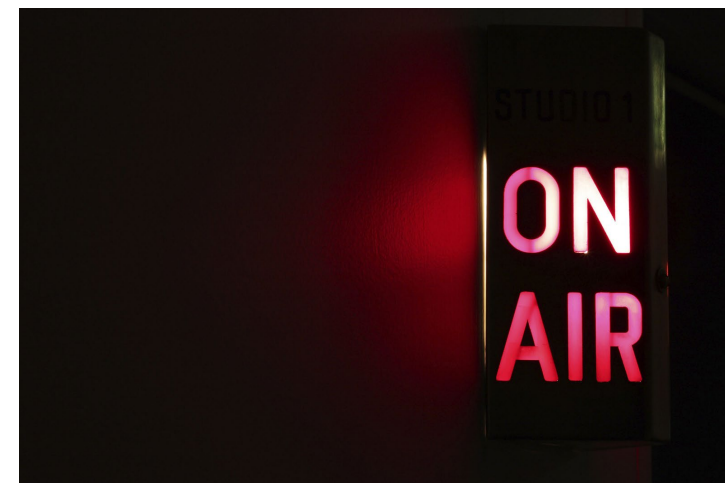
Extent of the coverage area - interference



Ability to establish the service

Small-scale multiplexes must be able to launch within 18 months of licence award. Ofcom needs to assess how likely applicants are to be able to do this. We will assess:

- **Financial resources** – the projected costs and available funding
- **Expertise and experience** of people working with and for the applicant
- **Timetable** – the plan for how the multiplex will be built
- **Establishment of the transmitters and multiplex** – status of applicant's plans and how feasible they are to implement



Involvement of C-DSP providers

The legislation requires Ofcom to take into account the desirability of awarding the licence to a body that will provide a C-DSP service

- This 'desired characteristic' can be achieved by:
 - The applicant providing (or planning to provide) its own C-DSP service on the multiplex
 - The involvement of a C-DSP provider (or a body that is planning to provide a C-DSP service) as a participant in the company which will hold the multiplex licence.
- This is not a compulsory requirement
- The window for C-DSP applications opens the same day the multiplex licence is advertised



Demand or support from programme providers

The legislation requires Ofcom to take into account of the demand and support for the multiplex service among programme service providers

- The evidence we can consider for this criterion can come from:
 - Existing or planned C-DSP licence holders who will provide a community radio service from within the multiplex licence area.
 - Existing (or planned) DSP licence holders. These may or may not be 'local' services.
- Details of support from programme providers needs to be contained in the public part of the application.



Fair and effective competition

Ofcom needs confidence that the applicant has acted in a way calculated to ensure 'fair and effective competition' when negotiating with programme service providers

- Evidence that the multiplex applicant has approached a wide range of potential service providers:
 - Particular interest in dealings with service providers who hold a licence for a local service already broadcasting to the multiplex area.
- Supporting documentation, including any proposed carriage contracts, required as evidence
- Negotiations need to have been fairly conducted, and the terms of any carriage contract must be fair and non-discriminatory.



Filling in the application form

Filling in the application form

- There are two parts to the application form
 - Part A will be published on our website
 - Part B will be kept confidential
- Make sure you read the Guidance Notes fully
- Please fill out each part of the form
- Provide the additional information requested – there’s a checklist in Part B
- If you have any questions, please email broadcast.licensing@ofcom.org.uk

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Small-scale radio multiplex licence

Application form – Part A (public)

Name of applicant (i.e. the body corporate that will hold the licence):

Multiplex licence area being applied for (note this must be a small-scale multiplex area currently being advertised by Ofcom):

Public contact details:

Publication date: 1 September 2020

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Small-scale radio multiplex licence

Application form – Part B (confidential)

Name of applicant (i.e. the body corporate that will hold the licence):

Multiplex licence area being applied for (note this must be a small-scale multiplex area currently being advertised by Ofcom):

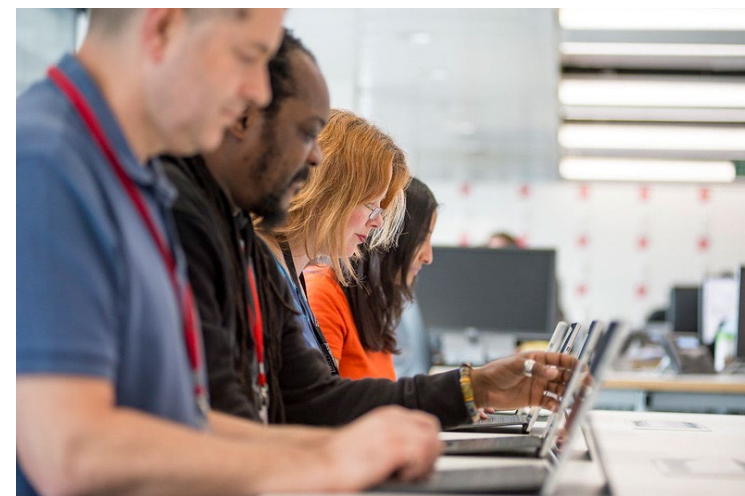
Contact details for Ofcom:

Publication date: 1 September 2020

How Ofcom will assess and award the licences

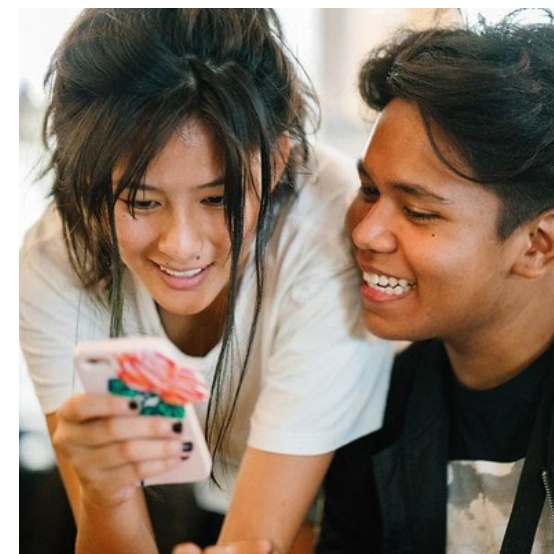
Assessment of applications

- Once the closing date arrives, we will check applications for completeness and payment
- We will then publish the public (Part A) on our website and invite comments from the public
- We will first check that applicants are eligible and 'fit and proper' to hold a mux licence
- We will then commence assessment of applications against the specific small-scale DAB criteria
- Applicants are not permitted to re-submit applications once the closing date has passed
- Ofcom may seek clarification from an applicant on a limited number of points if necessary.



Licence award

- We expect assessment of each round of applications to take up to six months
- Licence awards will be made in batches
- Post-award statements will be published by Ofcom



Post-award

Launching a multiplex

LICENCE NO. [NUMBER]

OFFICE OF COMMUNICATIONS SMALL-SCALE RADIO MULTIPLEX LICENCE

LICENCE GRANTED TO [LICENSEE] TO PROVIDE A SMALL-SCALE RADIO MULTIPLEX SERVICE FOR [LICENCE AREA NAME] UNDER PART II OF THE BROADCASTING ACT 1996 ON AN APPLICATION COMPLYING WITH SECTION 50 OF THE BROADCASTING ACT 1996 (AS MODIFIED BY THE SMALL-SCALE RADIO MULTIPLEX AND COMMUNITY DIGITAL RADIO ORDER 2019)

THE LICENCE

1. The Office of Communications ("Ofcom") in exercise of the powers conferred upon it by Part II of the Broadcasting Act 1996 as amended by the Communications Act 2003 and as modified by the Small-scale Radio Multiplex and Community Digital Radio Order 2019 hereby grants to [LEGAL NAME OF BODY CORPORATE WHICH IS THE LICENCE HOLDER] (the "Licensee") a licence (the "Licence") subject to the conditions set out in the Schedule and the Annex (the "Conditions") to provide the small-scale radio multiplex service specified in the Annex (the "Licensed Service").

- Multiplex and transmitters must be on air within 18 months of Ofcom announcing the licence **award**
- Licences are **granted** shortly before the service launches, once the licensee has confirmed a firm launch date – this will become the **commencement** date for the licence.
- The initial seven year licence period begins on the **commencement** date
- Section 5 of the Notes of Guidance deal with what successful applicants need to do once they have been awarded a licence to bring their service on-air
- Licensees are responsible for building and commissioning their multiplex and transmitter systems
 - Ofcom may carry out limited checks to ensure compliance with licence conditions

Questions?