



Department for
Digital, Culture
Media & Sport

Small Scale DAB Licensing consultation: Responses received

October 2018

List of respondents

A total of 87 responses were received from members of the public, and individuals and organisations working within a variety of sectors. Of the respondents, **one** has requested anonymity and therefore has not been listed.

- | | |
|---------------------------------------|---|
| 1. Neil Kipling | 46. Muxco |
| 2. Iain Gowers | 47. Tone FM |
| 3. Rodney Maxwell | 48. John Goodman |
| 4. Paul Holmes | 49. Celador |
| 5. Peter Allridge | 50. Global |
| 6. Colin Marks | 51. Mark O'Reilly |
| 7. David Dbs | 52. Niocast Digital |
| 8. Steve Fox | 53. Services Sound and Vision (SSVC) |
| 9. Alec Thomas | 54. Colonel J G Robinson Brigade of Gurkhas |
| 10. Martin James | 55. Buchan Radio |
| 11. Penistone Community Radio | 56. Resonance FM |
| 12. Graham Phillips | 57. Quidem Radio Group |
| 13. Takeover Radio | 58. The Flash |
| 14. Dave Hurford | 59. Bauer Media Group |
| 15. Radio Verulam | 60. Alternative Broadcast Company |
| 16. Phonic FM | 61. KMFM |
| 17. Chris Dawson | 62. Nation Broadcasting |
| 18. Biggles FM | 63. DigiLink Connect |
| 19. Maxxwave | 64. Wireless Group |
| 20. Moss Media | 65. DC Thomson Media |
| 21. Coast Digital Radio | 66. 100% Media Group |
| 22. UKRD | 67. Brighton and Hove Radio Ltd |
| 23. BBC | 68. Radiate ideas |
| 24. Heart of Nation Broadcasting | 69. Radiocentral24 |
| 25. 6 Towns Radio | 70. Daniel Rose |
| 26. The Source FM | 71. UDAB |
| 27. Martin Steers | 72. Future Digital Norfolk |
| 28. Uckfield FM | 73. Radio Reverb |
| 29. Seahaven FM | 74. Radiocentre |
| 30. Marc Webber | 75. Arqiva |
| 31. Kingdom FM | 76. Community Media Association |
| 32. Digital Radio Mondiale Consortium | 77. MKFM |
| 33. Lincs FM Group | 78. Commtronix |
| 34. Radio Woking | 79. Chris Green MP |
| 35. Broadcast Radio Limited | 80. Angel Radio |
| 36. Awaaz FM Southampton | 81. Flame CCR |
| 37. OX4FM | 82. Andrew Hilbert |
| 38. Winchester Radio | 83. Andrew Bush |
| 39. Paul Boon | 84. Dr Paul Groves |
| 40. Toby Perkins MP | 85. Will Jackson |
| 41. Lisa Nandy MP | 86. Brian Lister |
| 42. Cambridge Radio Limited | |
| 43. Hospital Broadcasting Association | |
| 44. Great Yorkshire Radio | |
| 45. Radio Exe | |

1. Neil Kipling



Department for
Digital, Culture,
Media & Sport

Small Scale DAB Consultation Mailbox <smallscaledab@culture.gov.uk>

application enquiry

neil kipling [REDACTED]

4 January 2018 at 12:03

To: "smallscaleDAB@culture.gov.uk" <smallscaleDAB@culture.gov.uk>

Good afternoon,

Should the motion get passed to proceed I would like to know if there are any positions available in the north east?

Regards

Neil Kipling

Station Manager

Nova Radio North East

www.novaradio.co.uk





feedback

Iain Gowers [REDACTED]

4 January 2018 at 13:37

Reply-To: Iain Gowers [REDACTED]

To: "smallscaledab@culture.gov.uk" <smallscaledab@culture.gov.uk>

Hi,

I would just like to say I fully support small-scale DAB. My local small-scale DAB is Brighton. I have had experiences with problems with the transmission (not my reception) and also changes made of which the radio stations do have the staff to be able to respond to these. In one case a radio station was down for 3 days running over a weekend.

Some of the small-scale muxes have website or social media presences (ie <https://twitter.com/niocast?lang=en>), therefore I was wondering if it could be made a requirement that Muxs owner either have a social media presence or website to be contactable or announce changes (ie adding and removing stations, moving to DAB+)? There is no cost to set up a twitter account.

Kind regards

Iain



Small scale DAB

Rodney Maxwell [REDACTED]

5 January 2018 at 08:40

To: "smallscaledab@culture.gov.uk" <smallscaledab@culture.gov.uk>

To whom it may concern,

I am writing to put forward my support for the positive promotion of smaller scale community radio stations on the DAB platform. The access and use of this technology is a resurgent for radio and for local content and communication. And by local I mean people who live in an area - not content being beamed in from a central city to many regions at once.

Local DAB provides a platform for local talk shows that promote community engagements, give local artists a platform to get their music listened to, and provides the host of volunteers a chance to get involved in broadcasting and therefore a first foot in the ladder.

My own involvement in a community radio station in the last 12 months came about because I suffered from a brain tumour and could not return to work. My job had been about connecting with people and I missed that aspect of it, and additionally I worked across Europe so did not feel well connected to the local area.

After 2 months in hospital I stumbled across the opportunity to 'help out' at my local station which then was internet based only. This opportunity provided me with a new lease of life and enthusiasm and I now do my own show a couple of times a week. What I have learned is how people are reconnecting with their community through radio - that the medium is not dead and that young and old use it for different reasons. But it requires local content delivered in a professional and accessible way and going on to a local DAB platform is key to this.

Through communities listening in the car on the way to school or on a DAB radio in a barbershop is how local stations will grow. We can specifically support local musicians and charity groups by giving them more share of voice than the big commercial stations can, and we help enthuse and train people who may well spend their life in radio or the media generally. So small scale local stations are a key part of the eco system - please make sure they get full provision on the local DAB platforms.

Yours sincerely,

Rod Maxwell
[REDACTED]

Sent from my iPhone

Small Scale DAB Consultation

Paul Holmes [REDACTED]

4 January 2018 at 13:17

To: "smallscaledab@culture.gov.uk" <smallscaledab@culture.gov.uk>

Hi

I welcome any expansion of Small Scale DAB wholeheartedly. Prior to ReelWorld, I worked for Global for 7 years so am very aware of the impact of the big players on Digital technology. With the advent of DAB+, it means far more services can enjoy the benefits of Digital broadcasting.

At some point we will lose FM for sure, as Norway have and others are sure to follow suit. We can't have a situation where literally just the big players like Global, Bauer, BBC, Wireless Group etc have DAB because they can afford the high costs, but smaller operators, community stations etc lose out. It's already very clear for commercial stations who can't afford to be on the regional Muxes that they are starting to suffer as Digital listening takes off and listeners are wowed by the choice on Digital.

The cost of being on the Small Scale DAB multiplexes is small, so is perfect for community radio stations and keeps them relevant as Digital grows. As long as the Ofcom rules are such that they can afford to operate (advertising revenue etc) then great. Point 3 might be a bit strange, if they were on Small Scale DAB, then removed if someone else comes along. If they can operate successfully as a community station, and the transmission costs were low enough, then they should be able to afford that to be taken seriously and have longevity. The idea of the C-DSP license makes sense to me. I totally agree that the pricing needs to be right and transparent (I'm aware of costs on one of the licenses and it seems perfectly reasonable and accessible to me) but I definitely think smaller commercial operators should have access to Small Scale DAB as well as community stations, to ensure their survival and more importantly, quality and choice for listeners. As an aside, the recent disappearance of Connect FM from DAB due to large increases in the transmission costs should be a warning.

Question 6, the first point would be OK as long as there is fair pricing and distribution of services and bandwidth.

Question 7, yes it's critical that areas, like Cumbria as mentioned, have this approach to secure Digital's future.

Question 8 is tricky, because it's an arbitrary amount 40%. I appreciate it needs to suit everyone, but is there a way of making it actual population amount based or more on a case by case basis, so that it always made a sensible TSA that covered, a town, a selection of villages etc but didn't cause issues with the regional/local multiplex operators? Eg it would never be the same TSA as a commercial operator

Personally I think a 5 year license is fine, as by nature, some of these stations are likely to be less secure than the bigger operators so it gives more flexibility but enough time for them to know if it'll work out OK. And with question 10, it's the same to my mind, unless a 5 year license is putting people off. It's plenty of time to become established and know if it's going to work, and can easily be extended after that time.

Question 11, if it's part of the broadcasting act then fine, I can't really see a time when they'd need to do it with such strong coverage around the country on local and national multiplexes. Smaller commercial and community services would always take priority.

I agree with the points in Question 12. They should work in harmony, and I've worked at smaller commercial stations as well as the biggest operators, and seen the importance in the community of such services.

I look forward with interest to hopefully seeing a nicely expanding Small Scale DAB roll out in the coming years.

Kind Regards

Paul



Paul Holmes
CLIENT RELATIONS



SSDAB Questions

peter allridge [REDACTED]

13 January 2018 at 21:01

To: "smallscaledab@culture.gov.uk" <smallscaledab@culture.gov.uk>

Dear Ofcom

I am writing to you today on my views on how SSDAB should be ran at the lowest possible costs to the provider so the savings can be passed down to other stations wanting to join the network, You asked if community radio should have a limit set i believe this to be unfair all round as everyone should get equal oppertunity to join altho i do believe if a community station that is on fm aswell should get a small discount as there costs will be higher than a ssdab station only, this is my own personal view on how community stations should be delt with to give them a fair oppertunity to join SSDAB at a lower rate.

As for the coverage area this 40% rule will not work in some parts of the uk currently where i live and what plans i have my coverage i planned out is under that 40% rule your suggesting but if i was to be in say manchester "niocast digital" coverage area compared to the local dab coverage yeah you see it just does not work there, Now where i live "chorley lancashire" i would cover chorley leyland and preston and poss wigan depending which transmitter site i would use the local dab coverage is alot more where i live so i would be at around 35% coverage so this will not effect me but others it might? also you asked about local mux impact? compared to a few hundred watts ran SSDAB to local power levels why would there be any problem at all this is listener choice after all isnt it we cant choose what they listen to on fm, dab or online so in my opinion this does not apply, The uk needs new muxs like this to get alot more music choice back on the air.

I would also like to tell you that I am an ex pirate (dodgyfm) and have been convicted for it back in 2002 along time ago but now there is an option to do radio on a bigger scale and not just 1 station multiple stations and my knowledge of technical stuff would be a perfect match, not to mention I do have illnesses that restrict me doing a lot of stuff but this I can do for sure, mostly keeping an eye on the network make sure it is running smoothly and any problems to be fixed quickly. I do help a few community stations out around me and I recently moved citybeat's transmitter to a cheaper and better location for them. I just hope my previous will not get in the way of me applying as I really would like a chance at this to prove I can do it and get the stations on the network community or not.

Now you asked a list of questions and i know ive answered some but i am going to be rather blunt and short answering these but here goes.

Q1, i do not agree reserving space is the best option i believe a discount would be a much better option as fm community stations have heavier costs and very small signal area for most compared to a ssdab signal.

Q2, No i do not believe a higher limit should be applied to myself as i would discount community stations on fm wanting to join but others might not want to do that so i think some flexibility will be needed here on a mux by mux basis.

Q3, No.

Q4, This is something that would not concern me but i do believe you should make it a simple process if there an fm station already quick form filled license given.

Q5, So long as i can make a wage for myself and pay all costs then the savings can be passed down to stations wanting to be on the network.

Q6, I myself see no issue with this part and agree there should be a limit or 3-4 muxs max per

company.

Q7, limiting size of the mux with the power levels allowed would not be a concern compared to local power levels used but in some areas it would be so some restrictions might apply.

Q8, limiting to 40% for me isnt a problem at all but other areas like manchester trials is not 40% it is more than that in that area covered so some places would have to have some modification to this.

Q9, length of mux license held is something im not 100% sure on i think a 7 year license would be best here all round it secures a slightly longer period for a bigger area in my own view compared to fm 5 year term and local dab length.

Q10, As above 7 years for all seems fair to me.

Q11, My view here is if there is SSDAB coverage with no bbc signal then yes like my area is well covered but there are some parts where there is none so lets be flexible here. cumbria is 1 place with no dab at all and i know someone who wants to apply for that area.

Q12, Impact on locals is not something I would be concerned about this is purely listener choice and the sooner more stations get on air the better radio in the uk will be on SSDAB.

Many thanks for letting me answer these few questions I shall get back to the test signal I have via a cheap hackrf one just for a simple test signal so I can get use to the software and so on. I know there unusable in the real world.

Regards Peter Allridge

www.legacydigital.uk



Consultation

Colin Marks [REDACTED]

5 January 2018 at 08:58

To: smallscaledab@culture.gov.uk

Hi

I find the proposals for licences for the new small scale licences in the construction to be a sensible approach.

The new ownership rules & published price for access is the way forward.

I do feel there should be some sort of licence requirement for the mux operators requiring them to make the maximum use of the mux bandwidth by using AAC+ DAB+ & not MP2

I agree with there being a reserved bandwidth for those community stations only in the local mux coverage area & this reserved capacity should be AAC+ DAB+ . This would free up more valuable space on the mux offering more choice of stations !.

My concern is that we will end up with a few stations filling up the mux with 128kbs Mp2 .

Regards colin marks



feedback

[REDACTED]
To: smallscaledab@culture.gov.uk

14 January 2018 at 10:10

Dear Sir/Madam

I like to give my response to the consultation.
First I don't agree with just anyone running the
the multiplex & not by community radio
stations themselves.

I feel that the multiplex should be run by
Professional company's .

I feel the trial has showed that although good with intentions most groups running the tests as none for profit
organisations were at best amature & unreliable.

I feel the new multiplex need to have a far higher power levels than at present.

I also think that they DAB+ should be deployed only.



feedback

[REDACTED]
To: smallscaledab@culture.gov.uk

24 February 2018 at 11:28

I also like to add to my previous comments to your consultation the following.
In the case of the Birmingham mux .
What Birmingham needs more important is a second
Birmingham mux that covers the hole of Birmingham.
The small scale are cheap but offer very limited coverage & it better to listen via 3g 4g via mobile phone
for most people & this in itself will make the small scale mux soon redundant.
Instead use the 9 a block to offer a full second birmingham mux.
With a proportion on the bandwidth reserved for community radio using DAB+ 24kbs .
Given the investment involved it should be up to the operator the costs it charges to all operators.



consultation

Steve Fox [REDACTED]

16 January 2018 at 18:45

Reply-To: Steve Fox [REDACTED]

To: smallscaledab@culture.gov.uk

Just like to add my thoughts to the consultation.

I feel that in the case of Birmingham multiplex the present multiplex coverage is simply not good enough!.

If would be better that birmingham had a second multiplex covering the whole of Birmingham.

Response to the DCMS Questionnaire

Regarding the regulation of Small Scale DAB.

This response is generated by Alec Thomas, freelance Radio Broadcast Consultant. The views expressed are solely those of Alec Thomas and these responses are not confidential.

Q1. I agree with the principle of reserving capacity for Community radio stations. However it needs to be borne in mind that the demands on the overall multiplex capacity particularly within urban and dense urban areas may mean that there is insufficient capacity available to service all potential users. The economic survival of the multiplex needs also to be considered. Is the economic survival of any given multiplex adversely affected if, for instance, it only carries community stations? Also it is not clear whether it is Government intention, at some stage, to ultimately proscribe the use of the current analogue spectrum, AM and FM, thereby forcing the transition to digital platforms.

Q2. Referring to the response to Q1. Reserving a % of the overall multiplex capacity for community radio use may be a way of ensuring the overall economic survival of the multiplex. However what will happen to those community stations who either fail to get on the multiplex or choose not to apply?

Q3. Yes. As the allocation would be temporary by definition it may be wise to allocate this multiplex capacity for “pop-up” radio stations akin to the current RSL system administered by Ofcom.

Q4. The proposals would appear to be fair and logical.

Q5. This question is at the very centre of the long-term sustainability of the “Third and final Tier” of digital broadcasting in the UK. If there is pressure, perhaps from the existing large scale commercial digital operators, to prevent the small scale operator from generating revenue, by whatever means, this will consign these small operators to raising funds for their continued operation from Local Authorities, local Charities and yes jumble sales! This is not a sustainable business plan. Certainly there needs to be regulation particularly in terms of fair and reasonable access fees (there is a wide spread of such charges amongst the current holders of trial small scale licences) and the multiplex licence holder should be free to raise revenue by, say local advertising, and as a result of this income be able to “subsidise” the local community stations access to the multiplex.

Q6. The approached outlined seems reasonable. There needs to be controls in place that prevent the domination of this final tier of digital broadcasting by the existing players, large or small.

Q7. The two step approach outlined seems reasonable.

Q8. 40% would seem to be a sensible starting point. However I think this figure should be re-examined after say 3 years.

Q9. If this final tier of digital broadcasting is to be viable I think the initial licensing period should not be less than 7 years. This period could be extended, on a multiple basis, if the incumbent operator, is performing satisfactorily and meeting the demands of the local community.

Q10. I don't think there is much rationale for tying license duration to listener/operator demand. If take up is slow in any given area then there are benefits in having a stable operator who has a 7 year license. This assumes of course that there are sufficient funds coming in to maintain the operation of the multiplex. If there isn't Ofcom will withdraw the license or it will be handed back.

Q11. I cannot agree with the conclusion that the BBC should be able to utilise capacity within the small scale multiplexes. If, as you suggest, there are still gaps in the digital coverage of BBC local radio then this should be addressed, by the BBC, in discussion with their commercial hosts. Substantial sums of public money has been spent over the last two years specifically to bring BBC local digital radio coverage to the same level as their existing analogue services. If there are still gaps in coverage these can be addressed by the use of alternative technology such as "active DAB repeaters" These devices are now available from a number of manufacturers across Europe and have a proven performance. The BBC dominates enough of our limited spectrum resources. They should make better use of what they have and not Hoover up still more.

If the BBC really want to have a hand in the development and potential success of small scale DAB perhaps they should consider making some of their programme material freely available to the small scale operators. This will be an approach much closer to their Public Service remit than spectrum squatting!

Q11. Whilst I endorse the approach outlined it is inevitable that the major, and some less major, commercial operators will protest at what they see as a more loosely regulated broadcaster stealing their listeners. Whilst not accepting this would happen perhaps if there was an impact on existing audiences and there was a limited migration to the small scale services amongst existing services audiences this may encourage the established operators to improve their content offering!

Community stations and small-scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

A No, by reserving capacity it could hamper the ability of the multiplex operator to have a viable operation if stations don't take up their option immediately. This is not so much of an issue where say only 1 service is reserved but in other areas if say 5 services qualified for reserved capacity then this could have financial implications for an operator.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

A If it was decided to reserve capacity then it has first to be decided what quality of service is acceptable. Example 128kbps DAB uses 96cu, 64kbps DAB+ uses 48cu both of these represent an acceptable stereo service. Therefore, 48 cu's should be considered as a minimum capacity, this represents approximately 5.5% of capacity. With the assumption that all new services will want to transmit in DAB+

Q3. Do you agree with the principle that small-scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

A Yes, if it is decided to reserve capacity then being able to offer the capacity on a temporary basis is good. It has the potential to help revenue and provide more listener choice. However, if capacity was reserved then there has to be a reasonable notice period given to the temporary service. This would need to be agreed in advance and acceptable to the regulator. I would suggest a period of between 1 and 2 months' notice.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

A This appears to be a sensible approach. Though I question a lower fee, as surely the work for Ofcom is the same for either type of DSP licence. Charging differently would imply commercial DSP's are subsidising C-DSP's.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

A The open transparent fee system has real appeal. It would possibly hold prices down in some areas where there was more than one multiplex in operation.

Q6. We would welcome views on this approach.

A This is a logical approach allowing commercial interest to further the development and take up of multiplex licences.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

A No see comments below.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

A I believe that the 40% rule will need to be set at 40% of coverage or 40% of population whichever is the smaller. The reason for this is in some areas like Cambridge or Plymouth it may be possible to serve less than 40% of the area but serve above 40% of the population. This could also apply to some of the large metropolitan multiplexes where they serve a large rural area as well as a dense city area.

Where there is an overlap of one or more multiplex areas, it would be possible for an operator, under the proposed rules, to site transmissions such that it could cover an area larger than the current local licences. For example, a mux located within the

London multiplexes and at the edge of the Reading & Basingstoke and Herts, Beds and Bucks multiplexes could have a service area equal to up to 40% of the three named multiplex areas. Such an area would be larger than the entire Reading & Basingstoke or Herts, Beds and Bucks multiplex themselves. This rule would therefore need refinement. A possible solution might be no more than 40% of the population of the largest multiplex area spread across all overlapping areas. This could also refer to 40% of area.

It will also be necessary to define coverage. Is it to be 40% of mobile coverage or 40% of indoor coverage and at what % of time. These are important factors when deciding how large an overlap is allowable.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

A A minimum period of 8 years would provide certainty for both the DSPS holders and the multiplex licence holder. The capital expenditure and maintenance costs would be acceptable to the multiplex licensee over this period any shorter period could result in higher carriage costs to offset the possible loss of licence at the end of say 5 years.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small-scale multiplex licence.

A A longer period in more rural areas would be of benefit. As there is likely to be less demand and less ability to pay higher carriage costs (less services, same capital costs = higher charges). The capital expenditure and maintenance costs could be spread over say 10 to 12 years.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

A I welcome this option as it provides for the last 1% of BBC national coverage and the Nation and regional services. If the BBC were allowed to fund or part fund a multiplex for very rural communities currently unserved by either BBC National or Local multiplexes. A licence for a low power multiplex delivering both National and Nation programmes on a DAB+ multiplex with community stations if they exist. This

could be made available as part of a self-help scheme.

No mention of RSL DAB multiplexes has been made in this consultation. It is my belief that this should also be considered, so as to facilitate short term special event DAB services for such as Wimbledon, F1 and Commonwealth Games. Whereby, commentary could be provided for multiple courts/sports and or languages at large events. This could also be extended to large exhibition areas like the NEC or Excel. This would be on a lower power at little or no spectrum cost. I believe there will be demand for such services in the not too distant future.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

Small Scale DAB Licensing Consultation

Response from Penistone FM (Penistone Community Radio Ltd)

1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes, we agree with the principle, this is essential to ensure potential commercial multiplex operators do not ignore community radio.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Setting an upper limit is reasonable as the multiplex operator needs to understand the commitment they are agreeing to in this respect when applying, however a one size fits all approach will not work. In our area for example, which is semi-rural a limit of 1 or 2 community services having reserved capacity would be sufficient, however in a major city then there is likely to be more demand, using the current numbers of community stations in any one area should be a sufficient guide to setting the upper limit.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

In principle yes, but there needs to be a defined period where the temporary nature of a non-community station taking this space is carried or an agreed notice period for them to quit should a community radio service want to take up this reserved capacity, i.e. 3 mths notice and the temporary station has to vacate the multiplex.

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We agree that a licence regime similar to existing community radio is required for a new radio service to obtain status and therefore the reserved capacity, however this should be a formality for existing stations that are not undergoing Ofcom sanctions on their analogue licence, to avoid the unnecessary administration burden on stations which have already proved their community radio service credentials, i.e. existing licences complete a simple form and pay the fee, the process of awarding a C-DSP to an existing CR licence holder should be as simple as applying for a DSR now, you may wish to add a restriction that the fast track approach only applies if the licence is planning to simulcast its service, a different/new service would require a full application.

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We support the CMA's stance that allowing commercial operators to own small scale DAB could lead to no profit stations being priced out of the market. The key here is to define what you describe as "small commercial entrepreneurs". Our concern is the relative nature of "small" for example is the Lincs's group "small" compared to "Global" in our view, no. But how will "small" be defined in legislation. There is a big risk here that the existing monopoly

of DAB will be replicated with the small-scale DAB multiplexes and the really small services like ours will not be able to participate.

Making charges publicly available will not prove to be a barrier to pricing out small stations, as the only people interested in these prices will be industry people, and if the prices are extortionate to what consequence? The community station won't be able to afford it, so the operator gets to fill the reserved space with a commercial operator on a "temporary basis" so it is unlikely to affect their business model, the only losers are the non-profits.

Ofcom should be looking to set a cap on fee's chargeable by the operators for this reserved space, setting this as a percentage of the commercial rate will be the most reasonable way to do it as the commercial rate has to be competitive as they won't get any takers, so if the community rate is mandated at (for example) 60% of the commercial rate, that way it guarantees that a non-profit couldn't be priced out of the market?

6. We would welcome views on this approach.

Existing national multiplex licence holders – We believe strongly that existing National Multiplex licence holders should not be able to hold a small-scale licence at all, even at a reduced percentage, holding even up to 5 licences, will in our view go some way to replicating the monopoly the large corporate licence holders have on the radio industry as it stands. This would be like allowing a large commercial operator to hold 5 analogue community radio licences.

Existing local multiplex licence holders (with no interest in national multiplex licences) – we believe this is acceptable, but they should have a minority stake in the licence, whether that is 49/51% if two companies have a stake or if more companies have a stake, the existing licences should not have a controlling share in their own right. There should also be a restriction of 5, otherwise a national network could be created, which will lead to negative control methods and loss of "local" input.

Individuals/organisations/entities holding no national or local multiplex licence – This is fine, but there should be extra restrictions on existing commercial radio companies holding these licences, by share restriction and by number of multiplexes.

Restrictions on holding multiple licences in the same area – agree

Carriage restriction – agree

The current approach will lead to a monopoly of existing radio groups and analogue commercial licence holders controlling this new tear of radio, which will lead to community/non profit having minority or no involvement.

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Agree

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Agree

9. We would be grateful for views on these options or other options along with reasons for your choice.

We believe that a period of 7 years is the most sensible, however at that point an option for other operators to apply should be given.

10. We would also welcome views on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

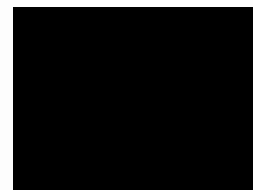
We do not feel that underlying demand should vary the length or the renewal process, just because a single operator applied at the first opportunity does not mean in 7yrs time that another operator would not be a good candidate to take over that licence.

11. We welcome views on this approach.

We believe the BBC should be able to buy commercial space on the multiplex but not own or run the multiplex itself.

12. We would welcome views on the implications of this approach.

Agree with this approach.



Small Scale DAB Consultation
Media Team
Department for Digital, Culture, Media and Sport
4th Floor
100 Parliament Street
London
SW1A 2BQ

16th January 2018

Small Scale DAB Licensing. Consultation.

Dear Sir,

I am pleased to include below my response, as an individual, to the above consultation.

Community stations and small scale radio multiplexes

Question 1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes.

Question 2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Yes, an upper limit seems appropriate. Also, a single figure should help to ensure a level playing field.

Question 3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes.

Digital community radio licences

Question 4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

These proposals seem sensible. In any event, it is important that the social gain requirement for community stations is included in the new approach.

Restrictions on holding small scale radio multiplex licences

Question 5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

I suppose that this is OK, but it would be unhelpful if opportunities for community radio were to be squeezed out by the commercial sector.

Question 6. We would welcome views on this approach.

The proposed approach seems somewhat complicated. In comparison, perhaps a more straightforward way forward would be (as suggested on page 11 by the Community Media Association) to limit ownership to a single licence.

Determining the size of a small scale radio multiplex

Question 7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Yes, this seems reasonable.

Question 8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

No comment

Duration of small scale radio multiplex licences

Question 9. We would be grateful for views on these options or other options along with reasons for your choice.

No comment.

Question 10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

This seems suitable in principle, but may be complicated to administer.

BBC access to small scale DAB

Question 11. We welcome views on this approach.

There does not seem to be a strong case for allowing BBC access to small scale DAB, especially if this was to inadvertently squeeze out opportunities for community radio.

Ofcom duty to consider commercial impacts on local multiplexes

Question 12. We would welcome views on the implications of this approach.

No comment.

Yours faithfully

Graham M. Phillips

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes I believe this is a good way of securing community radios with limited funds can ensure they get onto the DAB multiplexes. I would go further and say within the contract it should say that all community radio stations licensed in the DAB coverage area must be allowed to go on the system as long as they want to.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

No, as mentioned in this document there will be areas of great interest such as city wide systems, plus areas of low or no interest where it is a more rural area and different models may need to be used to ensure all areas are covered. A limit needs to be set but this should be decided on based on the interest and needs in the area. Ofcom should have some discretion to set the figure.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes. No other comment.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Yes I agree any station that is licenced to be on a DAB system should have the same constraints and controls as any other community or commercial radio station. There are many internet radio stations currently operating with no control at all, if they wish to go onto the DAB multiplex they would need to abide by the same rule according to the licence they apply for.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

I think this will only apply in areas of large population, and in these areas there will already be a commercial DAB multiplex available. If commercial companies are able to pick up these licences then they will go for the most lucrative, this may mean the prices are higher. Only not for profit organisations should be allowed to operate the small scale DAB multiplexes.

Q6. We would welcome views on this approach.

I believe it would be best to not allow any company who already operates a multiplex on a commercial basis should not be allowed to buy into or operate a small scale multiplex. Again they will only be interested if they can make money from it and this will push the price up in highly populated areas.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Yes I think the two-step approach seems workable, although I am not technical.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

I think the limit should be set at a figure that ensures good coverage of the area already covered by the existing community or commercial radio station. Therefore set a minimum figure and give Ofcom some digression to work with.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Running a multiplex system is very different from running a Community or Small Commercial Radio Station. The cost is all around setting it up in the first place and administering the paperwork. Once it is all set up I would think it just keeps going with minimum servicing. To ensure we receive the best coverage the not for profit companies have to see that there will be some return on their investment which would be put back into the business. Even in high demand area it is important to have a good service and reliable operators. I would say a 10 year licence would be ideal with a break clause which Ofcom could administer, say after 5 years.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

As you say you may only have one operator in an area of low demand, however they will have the same costs and issues as one in a major city. Extending their time may not make that much difference. Ofcom should be allowed to use a proportion of the Radio Community Fund to help support these organisations to set up, as long as they are not for profit.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

I do not like the idea of allowing the BBC to take spare capacity on the local DAB multiplexes; they already dominated the radio dial and have the means to build their own infrastructure. Any spare capacity should be taken up by new services operating on a small scale biases.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

I agree that Ofcom should not consider commercial impact on local multiplexes. The reason behind this is I strongly believe that the only benefit of DAB is that it allows many more radio services to be heard, which may in time bring a wider range of programming for the listener. It may take time but I would like to hear programming of comedy shows, satire, plays and stories, poems, rather than music being pumped out 24-7. (I acknowledge that we are guilty of this). If commercial operators can use these multiplexes I believe they will just fill the space with what is already available on FM and AM, it will leave no room for more interesting and avant-garde programming.



Views on small scale DAB

Dave Hurford

To: smallscaleDAB@culture.gov.uk

26 January 2018 at 17:24

Dear Sir,

I have read with interest your proposals for small scale dab radio and would like to offer some opinions on the points you have raised.

I was fortunate to attend an invitation to your offices a few years ago just prior to the trials taking place and was able to gain a clear understanding of the system and the technology upon which it was based.

I have both a professional and a personal interest in local and community radio and as such would like you understand that the points I make are based on real experience and many years of working with both industry professionals and local volunteers.

1 the point about whether or not a commercial operator should be allowed to operate a small scale licence is a particularly important one because this will ultimately shape the future of small scale dab radio in the uk.

It is perhaps useful to look at how local tv has emerged over the last few years, the original concept was for people to produce local programmes about their own areas which would allow a rich source of culture and news to reach peoples homes via their tv sets.

However with the introduction of Facebook live and several other platforms audiences dwindled and with subsidies ending it became too expensive to run, and the larger tv production companies soon hoovered up the licences from struggling independents .

A similar pattern has happened with local radio in the uk which is now owned by just a few media giants and the output in most cases is voice tracked simulcasts from a central location .

My own local area is a particularly good example of this as Town and Country own a majority of the local radio licences in Wales and all run from one location with no visible local presence in the areas they serve or any significant local content generated from the townsfolk.

I realise that Commercial operators have assisted in the trials but I think that given the size of many of these large companies the contribution should be seen as giving something back to the many communities of they whom they have robbed of a genuine local radio service;.

If not for profit organisations had to compete against the larger operators two things would happen firstly most NFP's would be discouraged from applying, and secondly commercial operators would just consider it as an extension of existing services just recording a few extra voice tracked links and loaded on to a playout server, this would inevitably become just a platform for them to run cheaper advert breaks.

The schools and colleges that run media and journalism courses are desperately trying to find opportunities for students to hone their skills and to gain practical job experience as presenters or journalists. I volunteer and manage a hospital radio in Llanelli and I am constantly getting asked by schools and colleges and institutions to provide opportunities for youngsters in order for them to put into practice what they have learnt in the classroom, The local authorities have asked me numerous times what would it take to establish a community radio service which would expand on the work we do with volunteers at the hospital, and have I suggested to them that the model of small scale DAB would be just what our town needs, I suspect that we are not alone and that many towns particularly in deprived areas face a similar challenge.

I fear that many hospital radios who have a wealth of talent and passionate about local radio would be dissuaded from expanding into the community as many more people are now receiving hospital treatment at home and possibly finding it harder to survive if they were edged out by greedy large companies who are only interested in the profits and not the programme quality. I feel that excluding commercial operators would in no way restrict the growth of small scale dab but more likely to encourage local groups and societies to embrace it as it would provide a cost effective method of local radio on the DAB platform hence bringing communities and different ethnic backgrounds together to ultimately benefit the area.

2 reserving capacity

I feel that reserving capacity on Mini muxes would be a good idea as it would encourage further growth of hyper local radio and remove the lengthy admin processes the cost of which could discourage interested parties.

There should be an upper limit placed on the amount of capacity as this would be deemed to be unfair to commercial operators who hold the local licenses. perhaps 3 or 4 channels would be the maximum but these should be clearly different in their branding and output from each other. I.e sport talk, Jazz classics, Local news and opinion all talk, . It should also be agreed if a sustaining service was used that it should be a in keeping with their format.

Local operators should be allowed to offer unused capacity reserved for community services . i.e a local summer fair or an outdoor event could have its own radio channel for the days prior and the day advising on parking and

transportation etc.

The cost of holding a c- dsp licence and the implications of Music licence costs must be clearly defined as this will be a deciding factor in many groups wishing to apply at an early stage for consideration this may not necessarily be a deciding factor to a commercial operator.

I hope the above will be of help in determining how this service should be rolled out and I very much hope that it will be in the near future . I look forward to this receiving final approval and wish you all the very best.

Kind regards

David Hurford.

Radio Verulam responses:

Our Comments on the DCMS DAB Small Scale Licensing Consultation dated 4 January 2018

Our strategic view

We believe that SSDAB does offer a viable technical opportunity for smaller stations to move onto a platform which is essential to their survival. However, we have some concerns about the costs involved and the significant effort which would be required for organisations relying primarily on volunteers. We are also sceptical as to whether there is a business case for SSDAB in some areas.

While SSDAB is essential for existing FM and AM community stations, it offers no new revenue opportunity; only the ability to remain relevant to an existing audience. Therefore, versus the current operating model, community stations' costs are going to rise because of technology obsolescence in the long term (FM and AM). In short, this is something we have to do, not something we would choose to do were listening habits not changing.

Many community stations already find it hard to sustain sufficient revenues to service the costs of the technology and general operating costs. We believe that we are better placed than many in terms of reserves, but still find the costs associated with SSDAB hard to justify.

Running an SSDAB MUX seems to us to be significantly more technically complex than a single FM transmitter and may be beyond our capabilities and resources. In addition, we cannot identify many organisations who would want to rent capacity from us were we to do so. Of course, it is also likely that any who did would be to some extent be competing for the same revenues streams as us.

Our comments on DCMS Consultation questions

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

A1. We do not believe that the safeguards offered to community stations regarding ownership of multiplexes, pricing of capacity and reservation of capacity for existing community stations will be effective.

While there is a proposal to publish multiplex operators' pricing, there appears to be no sanction if this pricing is discriminatory or dissuades smaller organisations such as us because they are too high for us to fund. We believe therefore that the reservation of capacity is not really a meaningful safeguard. We would suggest that

some form of review of return on capital employed or a power for Ofcom to intervene where pricing is out of kilter with costs or discriminatory might be appropriate.

While one can argue that the market will decide, the market is a collection of smaller, relatively poorly funded operators (community stations) and relatively well funded operators; competing for capacity based on commercial contracts alone may not be a fair playing field in this situation.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

A2. We do not agree with an upper limit being placed on capacity reserved for community radio services. We believe some flexibility is needed and circumstances will differ across the country. Where there are multiple licensed Community Radio stations operating within a specific SSDAB area then sufficient capacity should be reserved for all of them to offer their existing services on SSDAB at a suitably high bit rate of up to 192 kbs for DAB (less if they want to use DAB+ exclusively) plus, ideally, some extra for “pop-up” services. Other Community radio services – especially those with C-DSP licenses – currently only online within that area should also be given priority by the MUX operators over commercial services.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

A3. We can see that there is a good business argument for MUX operators to be able to offer unused capacity reserved for community radio services on a temporary basis however we would like to see some safeguards including transparency over the terms of the “temporary” arrangements plus a maximum limit on such temporary arrangements which we suggest should be 12 months.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

A4. We support the idea of new C-DSP licences. These will also enable groups currently unable to obtain Community Radio licences because of frequency limitations on FM and AM to become Digital only Community Radio stations.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

Q6. We would welcome views on this approach.

A5. We accept the logic of allowing commercial operators for SSDAB multiplexes as well as not for profit ones. However we remain concerned about the ability of large commercial operators – including those who currently run National and Local multiplexes – to get around the ownership rules by the use of wholly owned subsidiaries with different names and so on as has been the case with other broadcast licences. We are unsure that OFCOM has or will be given the resources to police this satisfactorily. So we would like to see the establishment of a simple and cheap appeal process by OFCOM for failed applicants who feel they have been cheated by such companies.

We would like to see a limit placed on those future operators of multiplexes who are not currently involved in either national or local DAB as you are not proposing any limits on them at all. We suggest the limit of five SSDAB multiplexes should be applied to them as well otherwise there will inevitably be a new oligarchy of such operators within a few years.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

A7. We agree with the principles but are very concerned about the practical implications in local circumstances including in our own area. Your proposals are based on SSDAB areas being defined as a sub-set (below 40% of the area) of the existing “Local” DAB areas which are described as being “County” sized. However our so-called “Local” DAB area covers three Counties – Hertfordshire, Bedfordshire and Buckinghamshire plus Luton, Stevenage and Milton Keynes comprising multiple large cities, towns and villages with a combined population of around 2.7 million. 40% of this area cannot be considered “Small Scale” by any stretch of imagination! It appears that OFCOM's “indicative” frequency plan for our area is based on the “local” commercial radio licence areas and transmitter sites so proposes an SSDAB service area which is called “St Albans” but is in fact a combination of St Albans, Watford and Hemel Hempstead plus many smaller towns and villages. This area includes three distinct large communities, the City of St Albans and two large towns, Watford and Hemel Hempstead (each with populations over 100,000) and dozens of smaller towns and villages so an area with a total population of around 400,000 people. Hardly “Small Scale”. Providing a suitable DAB service for this area is likely to require at least five – and probably more – transmitter sites and so is effectively beyond the financial capability of Community Radio stations such as ourselves to provide.

This large area is already served by two licensed FM Community Radio stations (Radio Verulam and Vibe FM) and a third online only station (Hemel FM) so we believe the SSDAB areas should mirror these areas with three separate SSDAB areas and licences – St Albans, Watford and Hemel Hempstead. We are keen, given the right regulatory and financial conditions, to become the SSDAB MUX

operator for St Albans for which we believe we have the financial and engineering capability and experience and which we believe fits in with our overall “Community radio” ethos and purpose.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

A8. Because of the way this 40% “limit” could operate in practice in areas like ours we think it is too high. Rather than an arbitrary percentage limit we would prefer to see the SSDAB MUX areas being based on the existing Community Radio areas so that the transmission footprints largely match the existing FM/AM areas. This would automatically ensure that all SSDAB transmissions are a subset of the existing “local” DAB areas which is one of your defined objectives.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

A9. We would like to see the duration of SSDAB licences match at least those of existing FM/AM community radio licenses (so 5 years) or preferably longer (7 years?) like those for commercial operators to reflect the extra costs imposed on stations by SSDAB. We would also hope the costs of SSDAB licenses would be set to encourage smaller operators and perhaps where the licensees are existing not for profit Community Radio stations there could be a reduction in the costs of the existing FM/AM licences or an overall reduction in licence costs to reflect the increased costs of operating two parallel transmission systems.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

A10. We recognise the merits of such a system and agree it would encourage the adoption of DAB in areas where it would otherwise not be available.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

A11. We have no objection to the BBC being able to take space on an SSDAB MUX for an existing “local” service on the same commercial terms as any other radio service provider, for example where they will be filling a “hole” in the local DAB MUX coverage. However we would not like them to be able to create more local Community Radio like “opt out” services perhaps aimed at a particular town or city so would want such new services restricted at least or ideally prohibited.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

A12 We see no reason to consider the commercial impacts on local multiplexes as the SSDAB MUX operators will be providing very different scale of services in the same way existing Community Radio stations are on a different scale to “local” commercial stations which as now largely regional or national in practice.

23 January 2018

Clive Glover
Radio Verulam 92.6FM
St Albans



Web: www.radioverulam.com

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Response by Exeter Community Radio Ltd (Trading as Phonic FM) to the DCMS Small Scale DAB consultation.

1. Community Stations and small scale radio multiplexes. It is the view of Phonic FM that without further details of proposals being available, it is difficult to determine whether this proposed means of progressing the spread of a DAB services would be best served by this proposal. For many Community Radio stations the imperative will be an economic decision rather one of availability. Whilst agreeing in principle with this proposal we will reiterate throughout our response that other factors will be determinants in the process rather than issues of availability.
2. Upper limit on availability. We doubt the advisability of settling on a single figure of capacity across all multiplexes. We serve an urban area which is surrounded by a very large rural hinterland and demand for service provision is likely to be far less than in a large urban conurbation (and equally less economically attractive for any provider). It would seem inadvisable to create a 'one size fits all' provision across all areas served.
3. Use of unused capacity on multiplexes. Our difficulty with this question lays not so much with the principle as with the use of the word 'temporary'. As outlined above decisions for a station like ours will be dependent on other factors, and in this case these are mainly economic. As we will outline elsewhere making decisions about adopting services will be questions related to long-term issues of investment, in this case related closely to the length of our licence and the processes that are currently required in order to extend licences for five year periods. In view of this, some definition of "temporary" would be a determining factor.
4. Digital Community Radio Licenses. Whilst the concept of awarding CDSP licenses to Community Stations is in principle attractive, the system would ideally have to be harmonised with the issue of award and re-award of current FM licences where CDSP customers are current holders of such licenses. One of the factors that currently inhibits long-term investment in plant/equipment for Community Radio Stations (and especially 'small' radio stations in areas with low density population) is the relative brevity of the license period. In the case of Phonic FM we would wish to continue to provide a service on FM as long as it is feasible, but ten years into the current licencing system we are apprehensive about making large capital investment in a situation where there is no guarantee of a 'shelf life' longer than five years. This is an issue which, in our view, needs to be examined concurrently with the proposals outlined in the document.
5. Restrictions on holding small-scale radio multiplex. Our concerns with these proposals are to some extent recognised within the consultation document. These focus on the attractiveness of investment in small scale DAB outside areas where there is obvious demand. We do not believe that not-for-profit organisations will be available to provide coverage where there is not a

finance driven motive. Whilst there is an obvious market in large urban centres, the willingness to provide commercially viable services outside these areas appears somewhat debatable. In the case of Phonic FM, even if the multiplex provision were County wide, the potential audience total would be less than in an urban area like Hackney or Wythenshawe. The issue of provision of services is, in our view, a complex one intertwining a large number of variables for which there can be no single nationwide solution.

6. Provision of small scale multiplexes. We think that the options suggested will not bring forward a coherent provision of multiplexes across the whole country. In particular (and thinking of our own situation) we deem it unlikely that any individual, organisation, public or private body or business who is not currently involved in the provision of DAB services would contemplate providing a stand- alone provision. A much more coherent programme needs to be devised if DAB coverage is to be nationwide.
7. Determining the size of small-scale radio multiplex. The reservations that we have outlined in the answers above, specifically about issues of finance and investment also apply to answering this question. However, to some extent it would seem that availability of spectrum will be a factor in determining what is possible in many areas. There is a concern that if provision relies on being a subset of an existing service there is a possibility that without strict regulation there will be a tendency to offer a two tier service where community radio is once again treated as a lesser partner. The use of the phrase is “a signal capable of reasonable reception” will be a key determinant. This matter deserves far greater scrutiny before any legislation is enacted.
8. 40% limit. We do not feel that we have enough information or understanding of what this provision would mean in practice to make a meaningful comment. However it would seem arbitrary to try and enforce a “one size fits all” provision, and whilst appropriate in some locations it might not fit the demographic or topology in others.
9. Duration of small scale radio multiplex licences. We would argue strongly that anything less than a seven year licence would be inappropriate. However we would also urge that OFCOM reconsider their current rolling five year licences for stations currently broadcasting on FM to bring them in line with any provision that is made for DAB broadcasting. We have, elsewhere in this submission, alluded to finances, and with the current regulatory provision it is difficult for many stations to consider large scale financial investment over a five year period. Improved licensing terms would mean that it would be feasible to consider making capital investments and write them off as assets over a workable period. We cannot be the only CR station which has been reluctant to make a significant new investment in plant because of the shortness of the current FM licence period.
10. Linking licence length to demand. Our views are, once again, predicated on finances. We are aware that a City with a population of 130,000 can probably sustain demand for a multiplex, but without more specific information about

what might be possible and what area/region a small scale multiplex might serve we are unable to comment further.

11. BBC access to small scale DAB. We believe that where there is the need for 'in fill' services the BBC should have access to small scale multiplexes. We are sceptical about possible participation through a "100% owned subsidiary".
12. Impact on existing local multiplexes. Our response to this is largely outlined by our response to question 5. We are also concerned about future proofing any investments that we might make in plant and equipment, especially with the possible onset of a DAB+ service. We are apprehensive about the possibility that there could be a two tier service provision for those in the CR sector. We would welcome an opportunity to make a face-to-face contribution to this debate.

Dr David Treharne – Chair Exeter Community Radio

February 2018



Significant Towns without D1 (National DAB)

Chris Dawson [REDACTED]
To: smallscaledab@culture.gov.uk

3 February 2018 at 12:21

Dear Small-scale DAB Consultation,

I have been involved in Hospital Radio and some RSLs in the past. I have noticed the gradual trend towards market dominance by large multi-station providers like Global & Bauer with a middle-of-the road, low variety output. Despite the fairly bland arrangement, some significant areas of the country do not even have access to national commercial stations.

I live in the Farnborough / Aldershot area in NE Hampshire where a BFBS trial exists. I have to say that I appreciate the extra local services and would welcome a roll out over other parts of the country. (It's a shame DAB wasn't structured for 1 station, 1 frequency).

One such area of the country that doesn't have national or local services is the Calder Valley on the western edge of Calderdale in West Yorkshire. There must be over 25, 000 people living in the towns of Sowerby Bridge, Hebden Bridge, Todmorden and surrounding villages who cannot get a reliable Digital 1 signal (and even less likelihood of a local service). I do not understand why they seem to be lower down the list of places to have their TV / FM transmitters upgraded, compared to remote villages in Cornwall or the Scottish borders. Still, at very least, small-scale DAB could offer that opportunity together with a BBC Local Radio output and a Calder Valley community station. The Aldershot trial has at least 2 transmitters so the whole Calder Valley could be covered with a single frequency network of 3 – 5 transmitters.

Best wishes,

Chris Dawson

Electronic Engineering Lecturer.

Small Scale DAB Consultation

From: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

About Me:

Owner, presenter and engineer at BigglesFM 104.8 (Ofcom licensed Community Station) for the past 7 years, before that applicant and operator of RSL BigglesFM for 8 years broadcasting 2 months per year.

Responsible for financing, building and setting up my own SSDAB multiplex running under an Ofcom 6-month test and development licence under the 'Test Beds' call sign until April 2016, gathering feedback and signal reports from various parties. Continuing to develop the system both software and hardware, setting up a website showing some of my tests - www.foreverdab.uk I do get a mention in the Ofcom ssdab final report having offered my facilities for inspection during the on-air test period.

List of questions:

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes I think it is necessary to reserve capacity on a ssmux for Ofcom licensed Community stations, this is not to be confused with stations that just call themselves a Community station.

I don't however agree with a discount for Community stations as removing the burden of transmitters, aerial masts, aerials and transmission sites makes operating a Community station a lot easier and cheaper to run, also a Community station is more likely to get grants than its commercial or semi-commercial counterpart.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

I would think 3 places should be satisfactory for most ssmux with a bit rate of 96k DAB+ being perfect for a quality sound.

However this would also mean a Community station licensed for a particular area could face immediate competition from another Community station perhaps from another area on this ssmux.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Definitely, there is absolutely no point in any capacity being wasted, this could be used for 'RSL' type stations and those who want to try their hand at broadcasting or training such as schools, colleges etc on a short term.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

This is an interesting question and can't really be answered properly until the following is known:

- 1 Will OFCOM continue to licence Community stations on FM when ssdab is launched?
- 2 Will OFCOM licence Community radio stations for areas that have no FM capacity but do have a ssmux available? And if so will these stations be competing with those current FM stations in that same area?
- 3 Will FM be turned off and Community stations only have the ssmux option?

So assuming a current FM/AM Community station wants to go onto a ssmux then they can just purchase a DSP licence and no special licence would be needed as they already have access to the Community fund etc, they could obtain a place reserved for them on the ssmux simply by quoting their CR number.

If condition 2 above is an option then they still only need a DSP licence but I assume OFCOM will want to charge a premium to cover the cost of applying their C/R rules so the C-DSP licence may be necessary.

The current cost of an FM Community licence is £850 per annum and for a 5 year period before an extension needs to be applied for, a DSP licence which is for an indefinite time (as long as the fee is paid) is £100 per annum.

I think most people only apply for a Community licence at the moment because it's the only way of getting a small/any station on the airwaves, this will all change with the launch of the ssmux. I would imagine most people who want to broadcast on a ssmux would just purchase a DSP licence and not be tied to the outdated Community radio rules which include a limit on their income and all the key commitment stuff.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

National and Local multiplex operators should NOT be able to hold any part or interest in a ssdab licence, otherwise we will be back to square one with small stations including community stations priced out of the market. They have had their chance to accommodate small stations that would have saved all this work setting up ssdab.

Q6. We would welcome views on this approach.
All views answered in question 5 regarding this.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

No I don't agree with a two-step approach, ssmux's should be allowed enough power (erp) to cover their local area from one transmitter site, with the option of fill-in relays for difficult reception areas in the locality. The coverage should ideally be the same as would be expected from a local mux. The object here is to cover the UK with this new tier of ssdab, let's encourage those who are willing to make it happen.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

No I don't agree. Why should there be a restriction? The whole point of ssdab is to allow good coverage for smaller stations priced off the local multiplexes. Also if several ssdab multiplexes were licensed around the footprint of a local multiplex area as they could well be, then 100% could be covered anyway. The internet isn't restricted neither should ssdab be.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

I would think a duration of 8 years would be encouraging for interested parties setting up the business with a satisfactory plan and factoring in the purchase of equipment and also replacement / updating which could be within the first 4 years.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

All areas once licensed will be facing the same running costs so it would be pointless having a separate licence length.

It's interesting to note there has been no indication of what the licence for a ssmux will cost and whether it will be economical in all the different and challenging parts of the UK (coverage wise) for those interested in investing in this project.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

There's no need for the BBC to have access to ssdab but if they want to pay operators then I can't see a problem.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

It's time all this protecting of these big boys stopped, and we are all on a level playing field. As I stated earlier they have never worried about small stations being on their multiplexes and soon kick those off who are priced out of their consortiums, to them it's all about maximum profit not what the local listener might benefit from.

I hope this feedback from my own experience has been helpful, it's clear that radio is going to change dramatically with the launch of ssdab as it has over the last few years as more stations have come onto the national and local DAB.

I think it's great that we will be able to listen to stations from other parts of the UK locally on our DAB radios and hopefully stations from all around the world too, I have put some on my test multiplex here and know how good it could be.



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DCMS Small Scale DAB consultation

Maxxwave Response

Introduction to Maxxwave

We feel that we are perhaps one of the most qualified people to respond to this question from a practical implementation perspective.

This is not a bold statement we make lightly. The reason for this is that we have over 30 years experience operating transmitters and networks in the Band III frequency band, including Band III sub-band 2, where it is proposed the bulk of these multiplexes will reside. We have experience through running PAMR (Public Access Mobile Radio) networks, and the reception difficulties on fixed base station installations, mobile vehicle fitted installations and portable reception, including in-building.

Throughout the trial we have provided essential advice and support to Ofcom on technical aspects of the propagation of Band III, as well as filling in some of the history where gaps are missing in the records (Ofcom's predecessor, the Radiocommunications Agency, who were responsible for Band III throughout the 1990's, was blown up by the IRA in approx 1995, and most records were destroyed).

Furthermore today we run the largest Band III radio paging network, which spreads from the South Coast to Tyneside. This is not entirely dissimilar to DAB - it is a digital one-way data network, which is essentially what DAB is.

We have over 100 radio sites around England that are already equipped with the necessary antennas to support small-scale DAB, and can provide 99.9% coverage of major conurbations and over 70% population coverage of England today from our existing resources, without having to install even a single new antenna.

We also work with a number of broadcast stations of all sizes, and our directors have experience with the running and management of radio stations from community level up to medium-sized commercial, having previously been a major shareholder and director of both scales of station.

We have already been approached by most of the large players within the industry who are not currently involved with DAB broadcasting with a view to setting up a partnership, either simply granting them access to our existing sites, or providing site access and engineering services. We are happy to look at such partnerships as and when they occur.



MAXXWAVE

Overview of response

In general we feel that DCMS has a good grasp of the problems associated with Small Scale DAB. Ofcom has already done some excellent preliminary frequency planning work to indicate the potential areas that such a multiplex would cover.

However we are very concerned that certain industry players (some of them quite large) appear to think this is a "license to print money". Furthermore there are several existing licensees who wish to obtain a multiplex to gain a competitive advantage over other licensees in the same area.

We strongly believe safeguards should be put in place to protect the interests of current licensees and ensure any such "Digital Switchover" is successful, not disadvantaging established and experienced existing broadcasters.

It must be remembered that there is technically generally only space for one multiplex in any area due to acute frequency shortages in this band. Therefore it is likely that in main conurbations that stations will have to share.

Our proposal is that existing community stations should pay no more than £600/annum for access to a multiplex, and that existing "Small scale commercial" stations (less than 250,000 MCA) should pay no more than £1200/annum. Additional commercial operators could fill the excess capacity, and £6000/annum would be a reasonable maximum cap on this income.

Key points to be considered

We have prepared a list of 11 key points that we believe must be considered when allocating any small scale DAB license:-

1. Clear recognition is made that in most areas of the country there are only enough frequency resources to support one SSDAB multiplex in any one area, as per the Ofcom report. Therefore there is likely only ever to be one operator in any area, so it must be correct from day 1
2. Maximum population coverage of multiplexes should be 500k-750k population (to keep them "small" and protect larger player's interests). This also prevents oversubscription which only pushes the carriage costs up and quality down.
3. Existing local stations have a great deal of say in who gets the multiplex
4. There should be a "must carry" obligation for all existing "small" AM/FM stations not on DAB - commercial and community
5. We suggest £1200/annum for commercial and £600/annum for community as a "guide price" for the above
6. The spare capacity can be sold by the operator to whoever they feel, suggested guide price £6000/annum
7. We suggest the Ofcom annex 4 to their report ("Frequency planning study") is a good guide for the size, shape, location and suchlike of the SSDAB multiplexes (report at https://www.ofcom.org.uk/data/assets/pdf_file/0026/91376/Annex-4-Freq-plan-feasibility-study-v1.1.pdf). This is such that it will replicate reasonably faithfully the coverage of the existing commercial/community stations, possibly by using the same transmission sites
8. In some cases the proposed coverages by Ofcom at 100W ERP do not provide as much coverage as they currently achieve on FM. In these cases a power increase of the SSDAB multiplex/multiple sites to form a "SFN" network must be offered by Ofcom, such that the DAB coverage is roughly equivalent to the FM.
9. The multiplex operators must have an obligation to carry at least one "local" station carrying local news, information, etc (however that is defined)
10. The audio bitrate made available per "must carry" station must be at least 64kbits/sec for DAB+ and 128kbits/sec for standard DAB. Standard DAB must be offered at no extra charge unless the operator decides to make all services on the multiplex DAB+ only
11. All pricing for the multiplex must be on a published tariff card and all operators charged equally such that no one station is preferred over another



Response to questions

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

We very strongly agree with this. We believe that, at the time of bidding for the "license", the prospective licensee is obliged to reserve capacity for all community and small-scale commercial (MCA population coverage less than 250,000) stations that have not previously been carried on DAB in the previous 5 years on their multiplex.

A suggestion is that this obligation would apply to any existing station whose coverage overlaps the proposed SSDAB coverage by more than 75%.

This should be treated as a "must carry" obligation of any Small Scale DAB multiplex license and is a risk/cost factor that all prospective licensees must consider when making a bid for any prospective license.

The reason for our view is that generally there is only sufficient spectrum for one multiplex in any area, so therefore a "rogue" operator could get the license simply to close the existing stations in an area down. We are aware of THREE companies who are planning to employ exactly this tactic.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

No. We believe that this figure should also apply to small-scale commercial operators in the same area as well. This figure should be defined as "the number of eligible licensees within the coverage area of the multiplex at the time of licensing" and must be a factor that any prospective multiplex operator takes into account within their business model at time of bidding for the multiplex.

We also are very concerned that the operator could abuse this privilege by offering such a low bitrate that the quality is completely unacceptable. We therefore propose that 128kbits/sec bitrate should be reserved per station, unless the multiplex only carried DAB+ AAC stations. In this case 64kbits/sec can be reserved, reflecting the far greater efficiency, but this is only if the station carries no stations in MP3 format. We hope this will incentivise operators to transition to DAB+, with the greatly increased consumer choice that will result.



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Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

We think this is reasonable. Again we underline that this reservation should also apply to small-scale commercial stations in the area also. We suggest that should perhaps be such that the applicable station must give six months notice to the multiplex operator that they intend to take up their reserved capacity.

However any community station that is licensed subsequent to the licensing of the multiplex shall not benefit from reserved capacity upon that multiplex.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We feel that in many areas there are enough licensed community stations and that it would be unfair on any multiplex operator to have to reserve additional capacity after the license has been granted, since this could make a serious change to the proposed business model.

We therefore believe that the reserved capacity should only extend to the community stations licensed at the time of inception, and from the date of the license being granted it should be for the multiplex operator to decide if they are prepared to allocate additional space for more community stations.

This sort of detail we envisage being present in the license application document presented to Ofcom at the time of license application and would be one of the considerations Ofcom would make when differentiating one application over another.



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Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We believe this is a very complicated subject and that whilst no proposal will be infallible, the proposals made are an excellent compromise. We feel that all this information should be made within the application to Ofcom, and Ofcom should take all this information into account when granting any prospective license.

We do wish to point out that we are sadly aware of some community licensees who wish to obtain these multiplex licenses with the intention of barring their existing "competitors" access to DAB. We therefore would like to see a requirement inserted in the license guaranteeing minimum bitrates for the "must carry" stations. If not explicitly specified, it should perhaps read something like "the bitrate and error correction parameters offered must be at least the same as that used by the licensee themselves for their own services"

Q6. We would welcome views on this approach.

As above, we support the proposed route.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

The problem with Small-Scale DAB multiplexes is that there is only limited capacity in most areas. We therefore feel that multiplexes covering an entire large conurbation (M25, Manchester, Birmingham, etc) will quickly become over-subscribed, meaning that a competitive environment will exist that prices small players out of the market.

We believe that instead of looking at square miles or suchlike, population should be used as a controlling factor. We propose that no small-scale DAB multiplex should cover more than 250,000 - 750,000 population. Across the UK this consistently would equate to a "must-carry" obligation (as defined in our answer to Question 2) of around 6 stations, which is sufficient that the objective of the exercise would be achieved whilst leaving space for additional commercial operators that would pay a more "market value" price for access.

It must be remembered that it is possible for a station to be carried on multiple multiplexes and that the DAB standard permits seamless roaming between multiplexes, even ones controlled by different operators. Therefore someone wanting multi-site coverage could easily achieve this without requiring all stations to take on huge coverage, needlessly filling the multiplexes up.



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Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We feel this is one step, but feel limiting the size by population is also important. We suggest a maximum population coverage of 250,000 - 750,000. Lots of smaller multiplexes will give far greater capacity than larger "regional" multiplexes. During the trial both London and Manchester became over-subscribed, which lead to an increase in carriage costs, and we are aware of several existing community and commercial stations in those areas which were unable to afford to take part in the trial. This surely must be considered a failure to achieve the original objective.

We also feel that, when considering potential licensees in an area, great regard must be taken to the quality of the coverage and the ability to be able to cover all "must carry" licensees in an area.

In our home city, Leicester, there are around 6 community stations in the City, all of which cover a relatively small area of around 5km radius from the City Centre. However this is a difficult City to cover, and none of the community stations provide full coverage of this area. Therefore if any of the existing community radio stations existing transmitter sites were used then it would be inadequate for some of the other licensees, thereby potentially barring them access to SSDAB.

We have strong support from all local community and small-scale commercial operators, whom strongly would support our proposal for a single multiplex located on our prime city-centre site. This would provide full good quality coverage of the area, thereby actually improving the coverage for all parties. This model we believe would work well and is similar to the Brighton model.

We feel the existing London multiplex covers too large a population and so community stations have been priced off the multiplex. A similar situation exists for the Manchester multiplex. Our response to Question 1 (ensuring multiplex operators must reserve capacity for all existing community stations within their proposed coverage area) will further encourage wasteful sterilisation of precious frequency resources.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

We agree with the proposals made, but would like Ofcom to carefully consider all applications for renewal, being allowed to give some weight to the application by the incumbent station, particularly where they have demonstrated fairness, good performance and reliability. A strong metric should be the number of existing community/small scale commercial stations who have taken carriage on the multiplex, and any feedback from these stations.



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Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We feel that controlling the maximum population coverage of a multiplex, "must-carry" obligations and price caps for these "must carry" stations would be a far more effective way of ensuring this project achieves the goals that were originally set out.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

We have no thoughts one way or the other on this subject. Within our proposals we suspect that the coverage of these Small-Scale multiplexes will be insufficient for the BBC who would be better placed on the large commercial multiplexes anyway.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach

We feel our proposed cap based on population, "must carry" obligations and price caps for the "must carry" services would protect the other local multiplexes by making the small scale DAB services unattractive to the larger regional stations who typically are the ones taking up carriage on the existing multiplexes.

The whole point of this project initially was to permit a digital radio switchover to take place. DCMS has clearly stated that the DAB technology is the chosen route for UK digital radio (as opposed to DRM, HD Radio or other competing technologies). Therefore if this is to be effective then we need small multiplexes covering limited areas that will replicate the 5km radius that local community and small-scale commercial stations already have.

Trying to provide Small-Scale multiplex coverage of 5-10 million people is simply going to lead to heavy oversubscription which will result in poor audio quality, high carriage costs and fail to deliver an effective digital switchover.

A Response to the Department of Digital, Culture Media and Sport consultation on Small Scale DAB licensing by Moss Media.

Moss Media is a long established Radio Broadcast consultancy, offering station planning, design, development, engineering, and various other broadcast-related services to commercial, community and RSL groups, and established broadcasters.

Further details are available at www.mossmedia.co.uk

Please note: the abbreviation SS has been widely used for "small scale" in this paper.

2.2 Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these

Reserving capacity on small scale DAB multiplexes for community radio stations appears to be a manageable way of providing for their carriage, though we have various concerns noted in responses to Questions 2, 3, and 4 below.

Q2 We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

With no indication to date about any limit in the number of licences OFCOM is minded (or will be allowed) to issue, its difficult to form a view on how far Community Radio licensing demand might progress in future.

Though a general trend towards digital listening is now clear, demand for FM services continues, and we believe there is room for development in the definition of what community radio can and should be, and considerable scope for relaxation of some of the regulations that can and do restrict the financial avenues available to operators for future longer term investment. Such changes could well increase demand. All in all, and with no indication of intended coverage areas, we are unsure of the extent to which SS-DAB multiplex access might be a specific driving force in encouraging new community radio licence applications.

In those urban areas where FM spectrum for community radio has become very limited, demand for SS-DAB access is likely to be high. Much depends on the chosen regulatory framework, but this demand could come from both potential community and non-community licensees: Reserving a specific amount of capacity in such areas might ultimately limit community radio development in those places.

In rural areas, where demand is more modest, distances greater and FM spectrum remains available for new Community radio licensees, it seems likely that costs and coverage of the two alternatives will be key drivers of transmission decisions by new operators - at least until digital switchover is announced and subsequent broadcast spectrum availability is clarified.

Whether a fixed limit on capacity reserved for community radio services will be necessary may well be influenced by any fundamental change in SS-DAB demand following a government decision on an FM cut-off date - and how far ahead that date is. A minimum level would clearly be set by numbers of existing community stations within each proposed SS-multiplex area, while their geographic location, size and population of the areas proposed for coverage will also have relevance in assessing possible demand. However, in licensing flexibility terms, the early setting of a rigidly defined maximum level - inevitably an arbitrary and probably a cautious figure, could prove more of a hindrance than a help in a mainly digital broadcasting future.

We are certainly against the principle of a single maximum capacity figure applicable across all SS multiplexes, since we do not believe one size can possibly fit all in a radio landscape embracing cities, towns, villages, and rural areas.

Q3 Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

We agree that unused capacity could be offered on a temporary basis, with RSL operators an obvious beneficiary of that flexibility. However we wonder quite what other services might be allowed temporary or indeed permanent licences - and on what terms.

We are surprised there is no suggestion regarding the possible merits of a "local area origination first" access policy for small scale DAB. While recognising the several dangers of underutilised small scale multiplexes, we feel this is a missed opportunity to encourage and develop once again the potential available from what will be genuinely local broadcasting. This aspect has been heavily eroded in recent years as quasi-national networks with minimal opt-outs have replaced stations that were originally required to provide locally-centred commercial broadcasting.

We would not support moves to "fill out" underutilised multiplexes with programming from established large operators based "out of area." We particularly feel the simulcasting of existing commercial or BBC services, already carried on local or national multiplexes in the same area, should be avoided as far as possible.

The vagaries of DAB reception in buildings and urban areas are well known. Most Community stations already have a stringent FM power limit, which is a severe disadvantage in "ease of reception" terms against their local commercial and BBC competitors in their licensed area. Replicating this situation on newly available SS-DAB while artificial revenue restrictions remain applicable to Community stations in many cases, is, in our view, likely to raise questions about how Community radio operators can extract value from the investment required to "go digital." There are further questions about adequate ongoing means to support inevitable continuing operational costs.

2.3 Digital community radio licences

Q4 We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

It seems to us there are various tightly inter-related matters of note here.

For existing community radio operators, the C-DSP licence proposed at 2.3 would offer a clear route to Digital transmission with - on the basis of the accompanying text - no further regulatory impact beyond existing regulations in operating their existing community FM or AM licence. We assume continued operation on FM/AM would also not be affected by taking the additional C-DSP licence. On that basis we believe a policy decision by an existing operational community station to go digital alone, add digital while continuing on FM/AM, or remain "as is," would mostly revolve around assessment of (a) impact on costs/finance/revenue, (b) extent of change in available coverage and increased audience prospects, and (c) detailed consideration of the pros and cons of the resulting competitive broadcast environment in which the community operator would find itself.

However 2.3 implies a C-DSP licence could be issued to a group applying to operate only on DAB, so long as they comply with existing Community radio regulations. Alongside this, a much less restrictive standard DSP licence also seems to be suggested as a further alternative, though whether this would be a permanent licence or not is unclear.

If both types are available for SS-DAB multiplexes we rather feel groups seeking new licences are likely (despite higher upfront costs) to much prefer the latter option, simply because of the

reduced bureaucracy and wide operational freedom which it offers, especially in ease of seeking revenue. Against this largesse and potential for increasing financial return in a local area as DAB switchover moves inexorably closer, the benefit of access to the Community Radio Fund, third sector funding and reserved capacity for community stations on SS-multiplexes may not appear especially attractive.

However, much here will rest on the actual licensing structure, licence and access costs, and amount of available coverage. Another unknown is whether the regulatory plan is to allow unlimited standard DSP licence applications for SS-Multiplexes across Britain, or set a percentage target against reserved space for legacy or new digital-only community radio operators - and importantly, how long any "temporary" licence term might be.

On information presented we do not feel the approach suggested is an equitable way of "addressing the gap," and suggest that wider material factors need consideration. We see the possibility of new or established digital-only operators with no demonstrable local connection, or social gain commitment, being able to buy very lightly regulated access to Small Scale DAB multiplexes across the country, simply because they have the cash and "that's the way 'ordinary' digital radio licensing has always been." Side effects such as driving up DSP licence applications - and thus carriage prices - for in-demand SS-multiplexes could be anticipated.

Noting comments about light-touch regulation in the introduction, and the background implied by the text of 2.3, we have pondered at some length why it might be necessary to maintain the onerous set of rules for Community radio operators as outlined on page 9 of the consultation document. This is particularly pertinent as regulations can restrict incoming finance, and insist on a revenue-limiting relationship with nearby commercial stations' FM coverage areas - rules to which community operators will apparently be expected to continue abiding if they choose to move to (or add) SS-DAB. This situation does not sit well with an apparent intention to offer "ordinary" DSP licences on the same multiplex, covering the same area and on a fully commercial basis, since it could further reduce the available local revenue pool.

Our experience is that ongoing funding issues affect many community stations, and we are thus apprehensive about the likelihood of digital-only, commercially funded, competition - local or otherwise - appearing alongside community radio on small scale DAB - especially if the possibility of permanent licensing giving identical coverage was available, while allowing operation under much less stringent general licensing rules. Though it would be reasonable to expect higher licence fees in such cases, temporary or permanent, we wonder how such fees might be scaled in relation to both demand and Community licensing - given the modest but identical broadcast area involved. A similar concern exists over multiplex access. Would community radio licensees - with their inescapable regulatory burden - be expected to pay the same access fees as lightly regulated, fully commercial operators, or would mandatory discount requirements somehow be imposed on all multiplex licensees? .

On licensing in general, we are acutely aware that the existing five-year community licence period and bureaucratic renewal procedure create an artificial and undesirable brake on investment in the future of community stations. We welcome any proposal which provides community radio operators with security of licence tenure for more than 5 years. Our suggestion would be 12 to 15 years, to which an SS-DAB licence could concurrently be added at zero additional cost if required. We believe this would provide a genuine opportunity for operators to make long term investments in equipment, facilities and listenership, but remain wary of the situation outlined in the preceding paragraph.

We are greatly in favour of a relaxed licensing regime. However we do feel "indefinite" is a very long time in the context of SS-DAB digital licences for community stations, where a general licence renewal for very small scale FM transmitters is presently required every five years. We would urge further thought in this area, especially with experience having shown that some community stations have lived financially variable lives - even without the extra cost and responsibility of maintaining a digital service. .

As a footnote, we are also nervous about unspecified "other services" receiving "indefinite" SS-DAB licences. If these were "out of area" services of any kind, and access was granted on an unlimited basis (up to any community licence capacity limit) such licences could restrict forever the prospect of a particular small area gaining any further new non-community services actually relevant to that locality. We recommend again consideration of a "local area first" licensing policy for small scale digital multiplexes.

In summary, without much more information it is difficult to reach a rounded overall view on these various inter-related topics. We believe this entire area needs more detailed thought, and possibly further specific consultation before regulations are drafted.

2.4 Restrictions on holding small scale radio multiplex licences

Q5 We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

Q6 We would welcome views on this approach.

We agree that the temptation to implement high carriage fees on Community stations seeking SS-DAB access must be circumvented or resisted, especially in view of the situation outlined earlier. However we do not see an easy solution to this problem without introducing some form of regulation.

Though we understand the reasoning behind it, we also agree that a "not for profit" model will probably not be appropriate for SS-DAB multiplex platform provision.

We are not entirely convinced that guaranteeing reserved capacity for community stations on such multiplexes would help alleviate high fees in all cases. Occupancy of such capacity would vary by location, and over time. Our view is that the temptation would remain for commercially-driven multiplex operators to attempt to recover standing operational costs of an underutilised multiplex from those programme suppliers which were actually using it, driving up carriage charges for all, with the potential to place a heavy burden on community stations using the multiplex.

Transparent, publicly available pricing is a vital necessity for SS-DAB multiplexes. We wholeheartedly support it, and believe the suggested system of easy access to frequently updated information would work efficiently, and in operators' favour.

We support wide rollout of small scale DAB services. We note the concerns raised by DCMS, and support moves to avoid development of local multiplex monopolies.

As indicated earlier, we are nervous about appearance of national or regional services on what we feel should principally be a multiplex for a very local area. It seems to us that while access to any remaining "non reserved" capacity on any SS multiplex is available to all comers willing to pay licence fees and carriage charges - and stay within licence terms - "quasi-regional content services" cannot effectively be prevented without specific regulation.

We have concerns about the dangers of narrow concentration of multiplex ownership, and believe the consultation document addresses the principal issues by suggesting workable limits on Small Scale multiplex licence holdings.

We were surprised to see the final point listed in proposed limitations to restrict operators from holding numbers of small scale multiplex licences at any one time. (Consultation page 12) The paragraph "carriage restriction" appears to move Community Radio operators into a whole new arena.

- Carriage restriction - no restrictions on DSP licence and new C-DSP licence holders taking carriage of services on different small scale-multiplexes.

If enacted as stated, this would appear to allow community stations taking a small scale digital licence to then appear on any combination of small scale multiplexes across the country as they desire, not just their most local one. Were this general freedom to be made available we would be delighted to support it.

However at face value this paragraph appears to overrule one of the founding principles of community radio: licences are normally granted only for a single transmitter covering small, well defined areas, or a specific local community of interest. The result has usually been coverage up to around 4km radius on FM, with no process available to extend that range.

The implications here for both community radio operators and regulation of the sector thus seem very far-reaching indeed.

Separately, this text also appears to allow any existing national or local DSP licence holder to take carriage on any combination of SS-multiplexes, an aspect which raises various significant issues. Some specific concerns are outlined elsewhere in this paper: our general feeling is that with successful national and local multiplexes operational, such completely open generosity with a local valuable resource is unnecessary. Quite apart from financial implications for smaller broadcasters sharing the multiplex, we believe the proposal would allow takeup of capacity which could greatly restrict the development of locally centred and specialist service opportunities offered by the small scale DAB network in coming years.

2.5 Determining the size of a small scale radio multiplex

Q7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Whilst we agree with the general principle outlined in 2.5, we believe more work will be needed to develop the ideas outlined into a practical and potentially viable system.

We have two principal reservations:

- If a single local multiplex has thus far not been felt to be commercially viable for coverage of a given area by existing operators, we wonder how several small stand-alone, geographically disparate multiplexes, under mixed ownership and with smaller coverage areas, carrying modest numbers of smaller stations, would be more attractive in the same area. Commercially viability questions would seem likely.
- Even assuming that adequate spectrum was available, we have reservations about both the cost and technical level practicalities of realising adequate "regional" services through small scale multiplexes in sparsely populated areas. An important limiting factor seems likely to be the signal strengths needed for consistent indoor reception where the topography is unfavourable, and communities are small and scattered.

We feel unable to comment constructively on a maximum area "cap" without more information about how it might be operated. For instance, would such a cap be higher than, or a near equivalent to, the potential area served by a missing local multiplex? If so, it would surely be more efficient to licence a single local multiplex anyway. If a lower cap was set, given the type of area under discussion, we wonder whether several small scale multiplexes could ever be the most effective solution in coverage, spectrum, cost and efficiency terms. In both cases much would depend on available spectrum and whether the topography lent itself to a "single frequency network" approach, though the local multiplex regulatory framework may also be an important factor.

While the ideas indicated in this section sound promising, we feel much more needs to be done to develop and assess their real-world practicality.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Whilst in principle, where a case can be made, we would not object to a limit in the scale of individual SS-multiplexes, we believe a "one size fits all" regulation would not be realistic, and are wary of unnecessary side effects of such regulation, with little tangible benefit in return.

DAB spectrum is already in short supply and coverage available from remaining unused or interleaved frequencies will be subject to various external factors. Principal technical concerns include interference levels, and delivery of acceptably solid signals in buildings and urban centres, but there are various other important issues. OFCOM have undertaken helpful work in this area, but we feel more detailed research, analysis and planning is required before firm decisions are made on a 40% or any other limit.

At an operational level, we wonder about the real-world benefits of artificial coverage limitation as a general concept in the context of small scale multiplexes. On FM it is possible to define any particular station's coverage quite well by assessing various parameters, and allocating a transmitter power and aerial pattern to suit the required coverage: Though similar parameters need considering, with multiplex-based broadcasting the nature of the medium means all stations carried will achieve very similar coverage.

We feel it vital that small scale broadcasters are not obliged en-masse to suffer a repeat of the inadequate signal strength issues (especially indoors) which plagued the earliest days of DAB broadcasting in Britain. Unnecessarily restrictive overall coverage limits could contribute to such difficulties. Wherever possible we believe spectrum available for small scale multiplexes should be used to its maximum capability and best effect, to provide the most solid signal possible within buildings in the intended coverage area.

In general, coverage offered by "local" multiplexes may easily reach 25km useable radius or more, but often this is achieved by a series of transmitters, and assisted by the additive nature of DAB signals. Even without taking spectrum availability issues into account, setting an arbitrary 40% (or any other limit) on coverage area of a single small scale DAB transmitter relative to a "local" multiplex operating in the same area may thus be fraught with difficulties - before indoor coverage is considered.

Work already undertaken by OFCOM suggests that achievable small scale multiplex coverage could well be most influenced (and possibly limited) by available spectrum than set by a "one size fits all" regulatory approach. That work seems to indicate that finite spectrum availability and a need for solid indoor signals in primary areas covered by each individual licence may well put distinct practical limits on what is reasonably achievable.

We foresee a separate issue. Many smaller commercial stations operate with 100W or more ERP on FM, and have well defined and established coverage areas. Generalising again, these tend to be larger - and in some cases much larger - than might be anticipated for future small scale DAB following the recent trials of 100W ERP small-scale multiplexes (5-7km radius, ref OFCOM, Small scale trials.)

We are not convinced such stations would willingly abandon FM for digital, on the basis of extra cost and a much reduced service area, because of the implications for corresponding revenue reductions - leading ultimately, perhaps, to viability questions. The alternative of maintaining an existing FM service and adding cost to provide a digital service receivable by only some of their existing FM listenership hardly seems more attractive.

However, for many existing Community stations, a broadcast area of 5-7km (or usefully more - or indeed perhaps a 40% limit) are all likely to prove larger than those currently achieved. We feel sure digital on these general terms will be welcomed by these stations and temporary RSL operators. Despite inevitable additional costs, such stations would become equal competitors for listeners with other (local area) stations on their SS-multiplex. Most would

probably see an improvement in reliable coverage and general reception quality over FM in their licensed area.

We have been surprised to see no mention of the benefits of DAB+ in the consultation document. Listener advantages include more channels per multiplex, potentially higher audio quality, more auxiliary service flexibility and more robust signal reception performance. Given the likely timescale to SS-DAB implementation, and fast-growing international moves towards standardising DAB+ broadcasting, we feel that licensees for proposed SS-DAB services should certainly be encouraged (and possibly - dependent on timescale - even mandated) to utilise the newer, more efficient, DAB+ format from the start of the service.

2.6 Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

We see no operational reason why small-scale Multiplex licences should be awarded for less than 7 years, or beyond 12 years without some formal consideration for renewal.

Though not an immediate issue, with the prospect of digital switchover ahead, individual smaller broadcasters may eventually decide to relinquish FM and make SS-DAB their sole broadcast output. Such a move would mean direct responsibility for their transmitter would pass into the hands of others, and thus we wonder whether the concept of a digital transmission "service safety net" should be considered as part of the SS-multiplex licensing process. We are concerned about the impact on community and other smaller broadcasters, and how quickly they might continue broadcasting via an SS-multiplex, if a provider chose to surrender a licence, suffered financial failure, or closed for other reasons during a lengthy licence term.

Closure might put multiple smaller stations completely off air for some time without recourse, an eventuality that would certainly be difficult for them if alternative equipment and transmission site access was not readily available - especially if digital switchover had taken place.

Q10. We would also welcome views on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

The prospect appears to us to potentially add complication to what ought to be a relatively straightforward licensing process, with minimal obvious benefit for those requesting carriage. We also wonder quite how "underlying" demand might be defined and quantified, to inform decisions over suitable licence lengths.

If there is little obvious demand and a shorter multiplex licence is issued as a result, would that not increase the risk of those who had chosen to take carriage being left without a digital service at the end of a term where a multiplex proved uneconomic? If a longer multiplex licence was issued to carry few services, the implication is that sustainability would be a constant issue, and relevant service charges would be higher (and of course continue longer) than those applying on a more popular multiplex. In both cases we feel there would be a constant risk that the multiplex might cease operation before licence expiry.

Other issues

Q11. We welcome views on this approach.

BBC access to small scale DAB multiplexes

We see no great reason to arbitrarily restrict BBC access to small scale multiplexes, though we presently feel a major call for such capacity is unlikely. We agree with DCMS that demand

is most likely for supplementary or fill-in purposes for existing BBC services, and some concerns about this possibility are noted earlier in this paper. We also agree there should be no guaranteed BBC reservations, since this could place an artificial limit on numbers of small users capable of being accommodated across the new network

OFCOM duty to consider commercial impacts on local multiplexes

Q12. We would welcome views on the implications of this approach.

We feel the commercial impact of a new small scale multiplex network on existing local DAB multiplex operators will generally be quite modest. As stated earlier, we also feel that the possible coverage areas for individual small scale multiplexes are likely in many cases to be defined or restricted by spectrum availability, and if so they would be unlikely to form a cohesive, directly competitive alternative proposition for stations operating or seeking a wide-area service through a "local" multiplex. However, again as stated earlier, we nonetheless have reservations over a situation being available where small scale multiplexes might be used indefinitely to try and "fill in" areas of poorer reception in Local or National multiplexes/ Our concern is that this might lead to spectrum not being available for more locally oriented services at some future point.

Overall we agree with the general approach suggested by DCMS.

General Points

We are grateful for this opportunity to comment on Small Scale DAB broadcast licensing, and would be delighted to make further contributions to this important debate, either in writing or in person.

Compiled 16th February 2018.

(Moss Media submission ends)

21. Coast Digital Radio

Questions

1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes. We believe that OFCOM should prioritise licensing areas where there are community / local stations not on a DAB multiplex covering their current TSA. Each new multiplex should reserve capacity for these stations and a minimum bit rate set for each. This would allow for all stations to migrate to DAB – should the Government decide to switch off analogue transmissions

In areas where there are currently no Community or Local services available or they are already on a local multiplex, then we believe at least one channel should be reserved for future stations to be included. This could be for Digital Only Community Stations.

Should a station decide not to take up the reserved capacity then the multiplex owner should be allowed to advertise this to alternative stations.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

There should be no upper limit set other than all analogue stations should have the opportunity to take up reserved capacity. This will be different in each multiplex area, and the OFCOM frequency feasibility study identified that most areas only have between 1 and 3 community / local stations not on DAB (around 164 areas). There are other areas with more than this (around 30 areas) with up to 10 stations in Belfast not currently on DAB.

As can be seen from above no single figure would cover all multiplexes. If DAB+ technology is adopted as the method of transmission, then up to 20 stations could be broadcast on a multiplex using a good stereo bit rate of 48 kbits/s. This would allow all areas to provide coverage for all stations – however the transmission areas may differ to those on AM/ FM appropriately.

Where frequency clearance allows in areas with high demand – OFCOM could consider offering additional licences, however only if there is no capacity spare on the first one.

3. Do you agree with the principle that small-scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

All multiplexes should be allowed to use spare capacity to allow temporary Community or Community of Interest stations to take this up for undefined periods. However, this should not be to the detriment of existing Community stations wishing to secure reserved capacity.

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

The licensing of AM / FM community stations and the current method should continue as is. At this stage we do not believe that OFCOM should look to advertise Digital only Community Stations.

Should there be demand for these then coverage should be negotiated with the multiplex owner as is the case with other stations. However as far as the licencing is concerned then OFCOM could consider it the same as AM / FM community stations and allow it to apply for funding / grants etc.

Should a community station wish to move to a normal DSP service then it should relinquish its appropriate analogue licence.

OFCEM should consult with multiplex licence holders to see if there is spare capacity before advertising for new Digital only services.

We also believe that an existing community station should be allowed to operate a secondary DSP licence in addition to its main service on DAB. This should only be allowed if it is distinctively different to the main station and not community based. This should also be allowed to run as a commercial enterprise and funds used to support its community interests.

For example, a Community Radio station may simulcast on DAB and have a secondary Classic Rock Station broadcasting on a DSP licence.

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We believe that there should be a mixed approach to ownership – however that access to stations should be affordable to all existing stations and new entrants. In most cases multiplexes should be run on a non-profit basis to allow reduced costs. A multiplex could be operated by a third-party, but capacity should be affordable to all stations.

6. We would welcome views on this approach.

Existing national multiplex licence holders

We believe that national multiplex owners should not be allowed to wholly own a mini-dab licence within the scope of this proposal. However, they should be able to use the same technology on offer to allow complete coverage of the UK – only occupying frequency blocks already allocated to it.

National Multiplex licence holders should be allowed to provide third party network services to any mini-mux.

Existing local multiplex licence holders (with no interest in national multiplex licences)

Local multiplex owners should have the 50% limit set as outlined in the OFCEM report. However, in areas where there are no competing bidders for a licence then OFCEM should be allowed to review this on a case by case bases. In areas where there is no local coverage for DAB at all, then existing local multiplex licence holders should be allowed to apply.

There should be no limit on the number of multiplex services they have interest in.

Individuals/organisations/entities holding no national or local multiplex licence

There should be a limit on the number of multiplexes individuals / organisations / entities should have a controlling interest in – especially in neighbouring areas. Safeguards should be put in place to ensure that all multiplexes can be supported for the duration of their licence. For non-controlling

shareholding then OFCOM could consider placing restrictions on the amount of multiplexes or the share of ownership on each.

Restrictions on holding multiple licences in the same area

There should be a restriction of one multiplex per area limit should there be more than one on offer.

Carriage restriction

We actively encourage the networking of stations across various multiplexes to stimulate the growth of new and existing stations. Economies of scale should see the introduction of new formats and choice to listeners – example Country or Soul music etc.

Although we believe a C-DSP station should negotiate coverage with the applicable multiplex owner, we believe that it should be licenced for coverage in the area they serve. Analogue station simulcasting on DAB should be allowed to avail of extended MCA, should the multiplex cover a larger area – example Bro Radio in Barry should be allowed to cover the whole of Barry and the rest of the Vale of Glamorgan. Additionally, there may be cases where there are new or existing community of interest services which may appeal to / and be suitable to a larger audience.

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Generally, we would not like to see licences awarded similar in size to existing local multiplexes. However, in cases such as London / Manchester where there is more demand than current capacity, then this should be considered separately. Conversely, in places such as Cardiff / Newport or Swansea where there is still spare capacity then maybe some limits should be applied. We do believe though that this should not be pre-determined to a set radius and should be considered area by area.

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

As above we do not believe there should be a predetermined limit on coverage. This should be based on demand and spare capacity on existing multiplexes.

There should be the following considerations

- Spare Capacity on existing Networks
- Affordability for stations to join local networks
- Demand for new multiplexes

9. We would be grateful for views on these options or other options along with reasons for your choice.

We believe there should be no minimum licence period offered but a cap on maximum. Instead, we would propose a system whereby an applicant can state how long they wish to broadcast, up to this

maximum figure. This period would need to be clearly stated to all stations carried on the network. It also allows the possibility of short term networks to operate (RSL services) which may want to operate (subject to frequency clearance) to cover special events or to conduct trials before applying for full licences.

Should there be more than one applicant applying to operate a multiplex then the service length along with other criteria should be taken in to account.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence

Licencing for areas which either have strong demand or in areas not currently served by local DAB should be allowed to apply for longer licencing terms. However, maybe the licence fees should be increased should a mux operator wish to apply for licencing longer than five-year periods.

Relicensing should be made automatic unless there is cause or reasons why not, or if there is a more suitable contender.

11. We welcome views on this approach.

2.7 Creating additional local multiplexes

There should be consideration for additional local multiplexes considered where there is spare capacity outside the 6 frequency blocks allocated to small scale DAB or if there are areas where there are no local networks currently broadcasting. We would also like to see the low-cost approach to DAB technology to be extended to local networks. We would also encourage where there is strong demand for services such as London / Manchester that there is a general transition to the more economic DAB+ technology. This would allow for more stations better audio and stereo audio at a good bit rate of 48 kbits/s

2.8 BBC access to small scale DAB multiplexes

In theory there should be no limit on the BBC applying for ownership and / or coverage on a multiplex. However, we would not want to see the BBC extend number of stations as we see it has already gone beyond what some may consider as Public service broadcasting. If there are blanks in coverage for BBC local / regional services then the BBC should be allowed to own a local mux as long as the remaining capacity is allocated to commercial / community services and operated on a not for profit basis.

12. We would welcome views on the implications of this approach.

Ofcom duty to consider commercial impacts on local multiplexes We recognise there are potential commercial impacts on existing local DAB multiplex operators from the launch of small scale radio multiplex services. Our approach is to limit the size of small scale coverage and allow smaller local DAB multiplex operators without national interests to be involved in small scale DAB in areas not

covered by their existing local DAB licence. For these reasons we are not proposing that Ofcom should have a duty to consider the effect of granting a small-scale radio multiplex licence on existing local DAB multiplex licence holders already covering the area that will be served by a prospective small-scale multiplex. This approach would also avoid Ofcom having to make judgements about future financial viability.

We see the potential of small-scale DAB multiplexes as an opportunity to allow all existing stations to have digital coverage of their current services. In addition, we would like to see the growth and introduction of digital only services. This will help with the phasing out of analogue transmission and also allow listeners to experience a wider choice of stations than currently available.

The size of these multiplexes should not be allowed to be as big as existing local networks except in areas such as Manchester / London where there is greater demand than current capacity.

We agree that there should be restrictions placed on ownership and that existing players are not allowed to set pricing that prohibits this growth. The DAB multiplex trials seem to have been successful and have allowed many new and existing stations to transmit on DAB for between £200 to £500 per month. We would like to see the rollout of small-scale DAB across the UK – offering capacity at a similar price for a 48 kbits/s (DAB+)

We would be concerned that existing networks may look to take the higher range figure or exceed this and would like to see new players to the market where available.

Coast Digital Radio is looking at the feasibility of owning / operating one or more mini-mux services across South Wales – should licences become available.

Small Scale DAB licensing Consultation

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Whilst it is not entirely clear from the consultation paper what the overall policy objectives of the roll out of small scale DAB actually are, as well as where this all fits in with policy objectives which may be under consideration in other sector areas, we support the principle that community radio services should have a “reserved route” to small scale DAB multiplexes but we do not believe that this should be unduly prescriptive. Such a “reserved route” should be just that but not an “exclusive right” to such a “reserved route” in any, or all, circumstances.

It is, in our view, critically important at the outset, that any regulatory regime is constructed in such a way as to promote interest, involvement and investment by the widest body of parties possible and for such a regime not to potentially hamper or discourage said interest, involvement and investment.

Too rigid, or onerous, a set of requirements, can only, and inevitably, lead to a likely diminution of potential involvement and a lessening of the chances of a subsequent, successful delivery of the maximum number of services.

Additionally, though not something specifically referenced in the consultation paper, we would urge the department to consider whether, in some areas and instances, such as those potential multiplexes covering intensely populated metropolitan areas, small scale is the appropriate route for DAB expansion, as opposed to releasing more “local” DAB multiplex licences.

Q2. We welcome views of whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Our view is that any “reserved route” for community radio services should be limited to a maximum of 20% of the potential services available on any given small scale multiplex.

Set at this level, it provides both an appropriate degree of security for said services, whilst also ensuring the necessary flexibility and vital commercial stability/viability for the multiplex itself, as well as ensuring the likely wider choice and range of radio services available for the listener.

We would argue that “positive discrimination” of this nature and scale, in favour of the community radio services sector, is a more than adequate and generous spirited regulatory approach.

We believe that placing the upper limit above this level for “reserved route” community radio services, could well create potentially unwarranted and unnecessary limitations and restrictions upon the multiplex operator, particularly regarding said operators desire to successfully manage the responsibilities it has, as well as promote genuine choice and variety for the local listener.

Additionally, we believe that such a “reserved route,” should only apply to any given small scale multiplex where such community radio services already exist within the area covered at the time of launch and, at that point, wish to take space on said multiplex.

“Reserved route” spaces should not apply to any small scale multiplex where there is no “reserved route” service available, or licensed, within the approved MCA in question at the time of multiplex launch.

It clearly makes no sense at all to reserve space for services which do not exist; the consequences of which can only be to limit the ultimate success of the small scale multiplex concerned, by entrenching vacant service spaces through what would then appear to be a somewhat perverse regulatory requirement.

Additionally, we believe that a “peppercorn” service charge should be made to each “community radio service” at no greater than 20% of the average rental applying to other services on the small scale multiplex. This would provide both clarity and confirmation that there is a contractual/commercial relationship in place between the two parties, which requires said services to make a small but nonetheless identifiable contribution to running costs and future necessary investment.

Whilst setting out our position in respect to this issue, we recognise that there will be a varying degree of interest in, and subsequent delivery of, services on each small scale multiplex. This will often be dependent upon the geographical

location of the multiplex concerned, the capacity which it may deliver and the population, or nature of community which it covers.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Whilst we have no objection to temporary services having the opportunity to broadcast on small scale multiplexes and see no reason this should not be facilitated in any event, we are opposed to the proposal in the manner set out and would caution against its introduction.

Whilst well intentioned, it is our view that this could potentially mitigate against the successful operation of small scale multiplexes and limit their ability to deliver a wide variety of services to the listener. We believe that the provision of temporary services should be entirely a matter for the multiplex operator and service provider and should not be regulated in a prescriptive manner.

The proposal, as set out, has the potential unintended consequence of reducing demand for service space and limiting the potential for new entrants to launch new services into a local marketplace, particularly, and hopefully, as the multiplex begins to fill up with such services.

For any local business, group or organisation to back the launch of a service on a small scale multiplex, irrespective of style or expectation, will require capital and resource to do so and then to be told that, at any time, irrespective as to how successful or in demand their service turned out to be, it would have to cease broadcasting to make way for a new service about which nothing was known at the time, or about which success could not be guaranteed, just because it was a come-lately “reserved route” community radio service is, simply, unfair and not a little bizarre!

Such a situation cannot be in the interests of developing successful radio services and encouraging the launch of new entrants into a local market.

Our view is that were a community radio service to be launched after any small scale multiplex had been “fully subscribed” with services operating as required, and in accordance with all appropriate regulation, (assuming the multiplex did not already have its maximum of up to 20% “reserved route” services provided by the community radio sector), any vacancy created subsequent to that,

should be required to go to the community radio service seeking a place on the multiplex (subject to the maximum % requirement referenced in a previous answer, not having already been met).

No service, once operating, should be compulsorily removed to make way for a community radio service launched after the small scale multiplex itself was launched and fully subscribed.

If it is the intention that the community radio sector should have “exclusive rights” that outweigh all other interests, rather than have a “reserved route,” then small scale DAB should be exclusively reserved for that particular component of the radio sector. Otherwise, an appropriate regulatory balance needs to be achieved and, we believe, our proposal in this regard meets such a balance.

The very word “temporary,” in this context, mitigates against the necessary commitment, innovation and investment that a new entrant needs to show, and we do not believe it is an appropriate way to regulate, as it will almost certainly have the unintended consequence of reducing all three.

Why would a service provider bother at all if they had no right to remain in situ on the multiplex and had, quite literally, no idea at all as to the number of months they may be limited to providing said service?

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We support the proposals outlined in the consultation paper regarding the creation of a C-DSP licence.

Restrictions on holding small scale radio multiplex licenses

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We support and endorse the general direction proposed and welcome the intention to permit both commercial and not-for-profit entities to apply for small scale multiplex licences.

Restricting the sector to just one form of ownership model would, in our view, act as a barrier to entry and limit the innovation and investment necessary to make the future success of the initiative more likely.

It seems to us to make eminent sense to facilitate the creation of a multi-faceted ecology for both the process of licence applications, as well as the subsequent operation of the licenses themselves.

We also welcome, and support the proposition, that there should be a good standard of transparency applying to such applications and, more particularly, the licence operations themselves.

Q6. We would welcome views on this approach.

We share the view that it is a perfectly legitimate concern to reference, and address, the inevitable anxieties created resulting from potential undue or inappropriate ownership dominance or control, and, of course, the regulatory regime should seek to address this.

We agree that limiting any interested party to the ownership of a single licence to deal with this issue, is an unnecessary and potentially stifling approach and we support the proposition that this should not be pursued as a regulatory option. It is highly likely that innovation, investment and the development of services would indeed be negatively impacted by such a proposition and we welcome the consultation narrative rejecting this as an option.

However, whilst noting all of the above, having very carefully considered, and worked through the proposal contained within the consultation paper from an operational perspective, we have come to the conclusion that it is not only too complex and unnecessarily limiting in respect to the practical effects of its drafting, but is also, in some respects, likely to lead to perverse, unintended and, to operators as well as laymen, inexplicable consequences.

We therefore have serious reservations about the proposals as set out and, unless some relatively minor, but we believe, crucial amendments are made (which we reference later in our response), we would urge the department to consider an alternative proposition, which we also set out below.

Our proposal is to apply a simpler, more clearly recognised and understood model that does not necessitate the application of complicated ownership formulae relating to areas of dual or multiple party multiplex ownership (often fraught with initial or subsequent issues which may not, at first sight, even be appreciated when licences are awarded).

Further, we do not believe that, in principle, it is either necessary, desirable, or beneficial, to apply linkage to national DAB, local DAB or other licences issued as this, of itself, may add undue and unnecessary complication in constructing, or, more likely, de-constructing corporate structures between non-competing or competing interests. We would argue that to establish a regime which sets out to limit investment potential in this new, and let's be frank, far from risk free platform, cannot be a good thing to do, especially right at its inception.

Having already established, as part of the process, a "reserved route," which almost certainly guarantees access for the vast majority of the community radio services operating, as well as requiring a high level of transparency in terms of the commercial and operational management of said multiplexes, what is to be served, or indeed gained, by creating too restrictive and complicated a level of ownership criteria or involvement, other than to limit the potential success of the platform itself, encourage service operators, and investors, to remove themselves from existing local multiplexes and, additionally, encourage a diminution of interest by those very organisations which are more likely to make a success of this proposition in the first place?

We believe that a more simplistic but "investment-encouraging" approach is both necessary and appropriate.

Such an approach should focus on the level of ownership, as a proportion of the whole (the total number of small scale multiplexes licensed), which may be considered appropriate, as a maximum reasonable percentage of said whole, for any one business, organisation or individual to own and operate. This does not prohibit partnerships and co-operative investments where desired or necessary but does deal with the potential downsides of what might well be considered an overly restrictive and complicated regulatory approach to the

ownership issue; with all the disadvantages such an approach could, and, in our opinion, would produce.

A regulatory regime that focuses upon a simple and readily understood maximum “share” of the total number of multiplexes licensed, rather than the complex, dis-incentivising and potentially excluding regime of “shares within shares” and “multiplex-ownership-linkage to other DAB platforms” approach.

If a person, business or organisation is prepared to risk, commit to, and invest, 100% in a particular small scale multiplex (which would almost certainly be followed by further investment by said party in a service, or services, which the licensee is likely to wish to launch) but already owns an interest (however large or small) in an existing local, or national multiplex, what is the benefit to the sector, or small scale DAB development proposition, by deliberately preventing that from happening? It is difficult to follow the logic of such a proposition. Maximising support and investment commitment must surely be two of the main objectives when launching any new initiative such as this, particularly given the “reserved route” and “transparency” approaches recommended.

It is, in many cases, these very individuals, not for profit organisations or companies, that are most likely to ensure financial security and stability, as well as focus upon the longer-term success of the proposition itself.

Indeed, in many cases, such businesses or organisations have, or are already “taking the DAB risk” in other areas and have a clear interest in the success of the platform more generally as a result.

One very real, concerning, inappropriate and wholly unfair potential unintended consequence inevitably resulting from these particular proposals, is the undertaking of a certain and necessary review by many operators involved within the local multiplex sector, that would follow such an approach (which many of the present radio investors in local DAB would have to undertake), in order to determine whether their interests are best served by remaining engaged within the local DAB marketplace, or whether they should extricate themselves from that marketplace and focus their attention upon the new small scale DAB platform arena instead.

Over several years, many local DAB multiplexes have been initially launched, merged, or extended over areas of geographical size way beyond what was originally intended, as the regulator and radio sector itself has attempted to deliver a multiplex and management approach which gets close to working

successfully. These areas are, in some instances, geographically significant, population rich and editorially inappropriate. These ownership proposals should not be used to force a choice on businesses as to whether to stay involved in a local multiplex or not, merely because they have responded to challenges faced and, having done so, positively engaged in the process of resolving many issues and problems relating to local DAB; often not of their own making.

For many operators, this change may well result in them having to align themselves geographically with existing stations they may own. It is a bizarre and highly perverse approach to regulating ownership, that whilst attempting to manage the dominance of ownership within one part of the DAB ecology, one consequence of such a regulatory regime would be to contribute to, and even incentivise, the withdrawal of investment in, and number of services provided to, another.

Please, do not dis-incentivise such parties from committing to one DAB proposition by forcing them to review commitments to another.

The approach we are recommending would provide simplicity and clarity but would also prevent undue and inappropriate levels of ownership and dominance. At the same time, it would ensure that businesses, not for profit operators and any other organisation, can fully commit to the operation and management of the multiplex licence in question.

This is also, of course, not merely a matter of the successful operation and management of an individual small scale multiplex, but, we would argue in many instances, also the launch, promotion and success of the services being delivered on it; something often not given the importance it deserves when considering these matters. It is often the case that multiplex ownership goes hand in hand with the increase in the provision of radio services delivered by it.

Further, we do not understand why there is a regulatory desire to dilute a commitment to this new platform initiative from some parts of the sector based upon their percentage ownership level in another part of the digital sector, merely, and primarily based upon, particular geographical influence and DAB involvement at a national or local level.

The fact remains that providing the opportunity to operate a small scale multiplex at a 100% ownership level is more likely to deliver wider interest, greater certainty, and resultant successful delivery. Ownership status can, and

we believe, should be addressed in another and more appropriately positive and inclusive way.

Dividing parts of the DAB sector against itself will not produce the positive outcome we all might hope for.

Proposal : Our view is to set the number of multiplexes any one interest may own at a maximum of 20% of those available, when fully rolled out. No single operator should be permitted to extend their ownership, or involvement, over more than that share of the total number of small scale multiplex licences, irrespective of the size of shareholding said organisation/business may have in each of those individual multiplexes in which it has an interest.

If it's "ownership/dominance in market" that is the worry, and we acknowledge that concern, then limit the scale of "ownership/dominance" across the market as a whole.

We believe in, and support, regulating this area of the process but it should be limited, clear and light touch, simple to understand, without complexity and appropriate to the issue in hand; undue levels of control/dominance.

Regulation in this area should not set out to discourage investment in any particular small scale multiplex.

Each individual multiplex should be afforded the maximum opportunity to succeed in delivering its objective and the regulatory regime should focus on supporting and facilitating such an objective, not frustrating it.

In the event that our alternative proposal is to be rejected, (though we genuinely believe it is a preferable and more practical route through this ownership issue than that proposed) we would urge one small amendment to the department's proposition which would, in most instances, significantly overcome the disadvantages we have highlighted whilst, at the same time, run with the grain of the approach the department has set out.

Such a relatively minor amendment would both reduce, if not eliminate, the need for many operators to remove themselves from relevant local DAB multiplexes, whilst at the same time, limit the control/dominance the department seeks within the new small scale DAB sector itself.

Proposal : Where an operator owns 50% or less of a national or local DAB multiplex licence, the proposed restrictions should not apply. Where an

operator owns more than 50% of a national or local DAB multiplex, they should apply.

The critical point here is a reasonably clear one. Where any investor, particularly in a local DAB multiplex, owns more than 50% of said multiplex, there is “effective control” and, further, and for certain, where a local multiplex investor owns 50% or less, there is, in reality, relatively little, or, at even lower percentages, no “effective control” at all.

The holding of a minority, non-controlling stake in a national or local DAB multiplex should NOT, of itself, prohibit that party from investing in small scale DAB in the area in which that party is involved.

Our proposed amendment to the proposal set out in the consultation paper, therefore, is that no limitations or restrictions, as set out, would apply in respect to any present national or local multiplex investor/stakeholder, where such shareholders have an ownership of the relevant national or local DAB multiplex at, or below, 50% of said local multiplex.

Were the department minded to accept the principle of this relatively minor change but felt that an even lower shareholding threshold might be appropriate to re-enforce its effect, we would suggest this be set at 49%, thus establishing, beyond question, no meaningful control would, in practice, apply.

Whilst we would hope that our main proposal be considered and accepted as an alternative to that set out, were the department minded to reject our alternative suggestion, we sincerely hope that the second and relatively minor change to their own proposition be seriously considered.

Determining the size of a small scale radio multiplex

Q7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

We are generally supportive of the direction of travel proposed in the consultation paper and recognise the need for some assessment to be made on a “size” basis.

However, we believe that, in accordance with previous regulatory interventions, this should be based upon the population and not the geographical area.

Population densities can vary wildly, particularly in the more rural areas, and to apply a geographical calculation when considering the necessary comparisons with existing local DAB multiplexes would, in our opinion, be an inappropriate methodology to use.

The determination, and application, of the criteria relating to the establishment of small-scale multiplexes, should run with the existing, and logical, grain of the present regulatory framework; i.e.: population coverage.

***In addressing this question, and whilst recognising this as not being a matter about which a view has been requested or referenced specifically within this document, we are keen to take this opportunity to make brief representations about the necessity of ensuring that signal, power, coverage and, in essence, all appropriate infrastructure issues are effectively and properly addressed at inception.

We would plead with the department to ensure that the mistakes of the past are not repeated and that, whatever plan is ultimately published and proposed by Ofcom, it is infrastructurally sound and well thought through.

Having any service delivered to market without the appropriate level of coverage or signal strength is potentially devastating for any operator or service provider and will do great damage to the public reputation of the platform itself.

Both the launch of all too many of the SALLIE analogue licences of the 1990's and, sadly, DAB as a platform itself, are clear and painfully obvious examples of the failure to think through and address infrastructural issues correctly and comprehensively at the outset.

To fail to recognise this critical issue again would be potentially devastating.

Small Scale DAB will be no different. Infrastructural robustness must come first and then the services will follow, and, successfully so.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Whilst we are generally supportive of the proposal outlined in the consultation paper, subject to our strong view that this threshold should be population

related and not geographical, we have some concern that unless a degree of flexibility is shown regarding small scale multiplexes which might overlap two or more existing local multiplexes, such an approach might produce some inappropriate and unintended consequences in particular geographical areas of the country, which might undermine successful delivery of the multiplexes in question.

Also, and to reiterate, we would also refer you to our previous answer arguing in favour of a population based regulatory framework which would more likely resolve potential issues such as these.

Duration of small scale radio multiplex licenses

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Our view is that this should be kept as clear and simple as possible and should apply universally.

It is our proposition that a small scale multiplex licence should be granted for 10 years. In the scheme of things, this is not a long time but does facilitate a longer-term investment-led approach to be taken.

The truth is, that once a business or investor starts to see a potential loss/renewal of a licence or service appear on the horizon, that very uncertainty means that investment decisions are delayed or changed, pending certainty about the future. Operating a small scale multiplex is no different in that context. If 7 years were the chosen timeframe, the reality is that by year 5, decisions would start to be reviewed or deferred pending such a renewal.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence

We maintain our view that simple, less complicated regulation is appropriate and we do not believe that any flexibility in this area is necessary or desired. It'll either work or it won't. 5 years, or 7 years, or extensions, won't make that much difference and, in any event, as a matter of principle, we believe that all licence holders should operate under the same terms.

BBC access to small scale DAB

Q11. We welcome views on this approach

We are generally supportive of the approach outlined in the consultation document.

Ofcom duty to consider commercial impacts on local multiplexes

Q12. We would welcome views on the implications of this approach

Regrettably, we believe that the proposals set out in the consultation paper, and, most certainly unless changed or amended in relation to ownership regulation, will inevitably lead to a reduction in the number services carried on some local DAB multiplexes and, also, result in a potential reduction in investment in the local DAB sector itself in some areas. It is difficult to envisage a situation in which this consequence will not apply.

Different operators will be unfairly forced to make a choice as to where their interests lie, between local and small scale; a regrettable and somewhat perverse result of, particularly, these ownership proposals. In addition, and whilst deeply regrettable, this may even lead to the commercial failure of some marginal local multiplexes altogether. Additionally, it might also cause commitments to present and future investment plans to be reviewed.

However, whilst referencing at the very start of our response our concerns about what the public policy objectives of this proposition are, the proposal for small scale multiplexes to be licensed has been made and is now a matter of policy. The initiative is to be promoted and launched and will, as a result, and inevitably given the ownership proposals contained in the paper, result in some negative impact upon some local multiplexes, including, very likely, those we have some ownership of.

We would urge the department to consider those alternative proposals we have made to ensure that unplanned and unintended consequences relating to the local DAB sector will not apply.

Notes:

UKRD Group :

- Is privately owned and was established in 1994
- Owns and operates 12 Ofcom licensed analogue local commercial radio stations which operate across several transmitters within each MCA. Of these, 5 broadcast simulcast output on their respective local DAB multiplexes
- Delivers several digital only radio services either on relevant local DAB multiplexes or online or via smartphone apps.
- Has a 50% shareholding in two local DAB multiplexes (Surrey/North Sussex and North Yorkshire)
- Has a 33% shareholding in the Cornwall and Plymouth local DAB multiplexes.
- Was an involved party in the Ofcom initiated small scale DAB trials with operational involvement and experience of the trials based in both Brighton and Cambridge.
- Has a 50% shareholding in “local-station-focussed national sales house and agency” First Radio Sales
- Initiated the annual, and now, nationally supported, award winning “Local Radio Day” in 2016 to celebrate and focus on the merits of locally delivered radio, in whatever capacity and from whatever part of the sector it may be delivered. This initiative was supported last year by 77 stations from across all sectors of the industry; up from the 60 which took part in year one. Of the 77 stations taking part, 26 were from the “Community Radio Services” sector and 4 local BBC stations. The others included hospital, prison and school radio operations.



**BBC response to DCMS consultation on
Small Scale DAB Licensing**

21 February 2018

1. The BBC notes the development effort that Ofcom and DCMS have put into the first tranche of small-scale DAB licensing which has allowed many local and community services to launch on DAB.
2. The BBC also recognises that the existing national and local tiers of DAB licenses do not provide an ideal solution for smaller-scale commercial and for community radio stations, and that the third tier of small-scale DAB multiplexes does address that problem.
3. The current two-tier licensing system for DAB has been in place for around 20 years, and the BBC's current portfolio of radio services has been developed, in part, to take advantage of the coverage and granularity offered by those two tiers.
4. As fixed broadband services in-home increase their reach and capability, wider penetration of user devices will bring the advantages of IP-delivered radio to homes and workplaces across the country.
5. In parallel, we expect mobile broadband technologies, primarily 5G, to bring the same advantages of connected listening to audiences out of the home and to some homes where fixed services are not available. These systems are expected to become ubiquitous in the next decade or so. We would encourage Government to work with the radio sector and beyond on the development and testing of these systems so that the UK has the best chance of shaping future mobile technologies in the interests of UK listeners and its world-class radio sector.
6. The BBC's duty to ensure value for money in its distribution activities sometimes reveals trade-offs. As expressed in its Distribution Strategy¹, the BBC will deprioritise investment in technologies that it is confident will be superseded. The BBC would only expand its DAB operations if and when the costs to the BBC are proportionate to the audience value it delivers.
7. The BBC does not therefore require that capacity on the small-scale DAB multiplexes be reserved for its services; nor does it expect to hold licences for these multiplexes.
8. If DCMS concludes from this consultation that it will give powers to Ofcom to grant further small-scale DAB licences, we would expect that Ofcom will further consult with stakeholders on the detailed technical characteristics and regulatory conditions attached to these licences. In particular, we would argue that the impact of interference to existing DAB services, or on the commercial viability of the existing tier of local DAB licences need to be considered.

¹

http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/accountability/consultations/bbc_distribution_strategy.pdf

HNBT Response to DCMS's consultation on Small-scale DAB Licensing

from

J PETER WILSON

Broadcasting Regulation Consultant

Heart of the Nation Broadcasting Team (HNBT)

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The Heart of the Nation Broadcasting Team's Consultant, Mr. J Peter Wilson, gives our views in answer to DCMS's invitation to comment on its consultation published on 4 January 2018. We give our answers to the list of consultation questions which are posed by DCMS in their document plus some additional comments.

Introductory Comments

Now that the Broadcasting (Radio Multiplex Services) Act 2017 legislation is in place we welcome this consultation as we believe that a priority for licensing Small-scale DAB (or "minimuxes") should be for small towns, and their surrounding areas, in such areas as the Yorkshire Pennines and Scottish Highlands plus small coastal towns in Cornwall and Yorkshire.

Many of these areas are currently only able to receive the BBC's National DAB multiplex and having Small-scale DAB that will allow for a combination of community, commercial and listener-supported services to be broadcast to these under-served areas.

In the Channel Islands, Cumbria and the parts of both Northern Scotland and Wales, there should be a scheme to enable the new Small-scale DAB Multiplexes to be set-up in these areas, as they currently cannot receive BBC Local/Nations Radio on DAB, which is like the scheme that has already brought enhanced Local DAB coverage to most of the United Kingdom.

We will further elucidate these comments in our answers to the following DCMS questions on this matter.

Community stations and Small-scale radio multiplexes

Q 1. We would welcome views on whether reserving capacity on Small-scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on minimuxes. Do you agree with the principle?

Having spoken to some operators of community radio stations in Yorkshire we believe that reserving a limited amount of space on Small-scale DAB multiplexes for community radio stations is a desirable aim, but we also need to have in mind that all these multiplexes need to be able to cover all their operating costs whether they are

operated by a not-for-profit organisation, a limited-liability company or any other company.

Q 2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

We support the idea of there being an upper limit on the amount of capacity reserved for community radio stations. **This should be limited to:**

- **25% on urban minimuxes**, such as Black Country/Glasgow/London/Manchester;
- **20% on rural/small town minimuxes** such as East Yorkshire/Scottish Highlands/Skipton & Yorkshire Pennines.

If we take two Yorkshire examples from the Ofcom *Small-scale DAB: frequency planning feasibility study* document, published August 2015, then we find the following:

East Yorks (Block 9A).

The three stations listed are –

Beverley FM (Beverley-based community radio)

Vixen FM (Market Weighton-based community radio)

West Wolds Radio (NOT ON-AIR – community radio licence returned)

The two East Yorkshire stations not listed but within East Yorkshire –

Greater Driffield Radio (NOT YET ON-AIR – newly-licensed community radio)

Yorkshire Coast Radio (Bridlington commercial station AL-253)

NOTE: Bridlington in East Yorkshire does not receive DAB coverage of Yorkshire Coast Radio as it is only on the North Yorkshire Local DAB multiplex for their Scarborough /Whitby licence AL-158, however the station can be received well outside its combined TSA in Harrogate, Northallerton & York.

West Yorks South (Block 8A).

The four stations listed are –

Branch FM (Dewsbury-based Christian community radio)

Huddersfield Community Radio,

Phoenix FM (Halifax-based community radio)

Ridings FM (Wakefield commercial station AL-242)

In both these examples there are three or four community licences to one existing local commercial radio station, so this shows that if the amount of capacity reserved for community radio stations was based on the existing licensees then any additional services would have to be community radio projects rather than holders of DSP licences offering wider listener choice such as vintage music, country music or music from musical shows. This we do not believe is to the benefit of increasing listener choice and therefore our proposals of between 20-25% capacity reserved for community radio stations, depending on the type of coverage area, is what we would recommend.

Q 3. Do you agree with the principle that Small-scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes, but only for temporary RSL local broadcasts like 'Festival Radio' projects or 'Agricultural Show' stations. BUT any such services should not come at the expense of existing commercial or community radio stations. If there is no unused capacity, then this must only be done if existing stations agree for their bit rates to be reduced for a maximum of 28 days while the temporary service is broadcast.

Digital community radio licences

Q 4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We agree in principle with Ofcom being able to issue C-DSP to community radio projects, whether an existing analogue community radio station or a new DAB-only community station.

We also believe that the period of a C-DSP licence should be infinite, subject to the licensing fees being paid, and that in order to obtain a C-DSP that the same restrictions on funding and access to the Community Radio Fund must apply to a C-DSP licensee, as they do for an analogue community radio licensee, in order that the C-DSP holder have access to 'community radio reserved DAB capacity' on a minimux.

Restrictions on holding Small-scale radio multiplex licences

Q 5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We believe that there should be a variety of ownership models for Small-scale DAB multiplexes but that there must be an overseeing role for Ofcom to make sure that there are no reasons why a DAB multiplex owner acting as a 'gate-keeper' to a multiplex, including Small-scale muxes, should exclude a station from any multiplex, apart from the station's ability to pay the regular access fee to the multiplex.

This role of 'gate-keeper' to a multiplex was high-lighted on Arqiva's Digital 1 national multiplex when a large broadcasting group tried out-bidding a specialist broadcaster for space on the multiplex. In this case *Premier Christian Radio* would have been forced off the national multiplex but for a parliamentary campaign including an Adjournment Debate in February 2015. The campaign helped change the multiplex transmitter company's mind not to replace a Christian format with a 'pop' music format from a large radio group without giving the Christian station a continuing opportunity to broadcast nationally.

Therefore, Ofcom must also be given the powers to intervene in any dispute between a radio station and a multiplex operator prior to any action to remove a radio station from any multiplex – National, Local & Small-scale. We believe that such powers will be a very powerful back-stop causing both multiplex operator and radio station to come to an amicable solution to any dispute.

Without Ofcom having these back-stop powers the only way to stop any abuse of the ‘gate-keeper’ powers by a multiplex operator would appear for there to be a ministerial intervention, as happened in the *Arqiva-Premier Christian Radio* matter when the Minister in the House of Commons during the Adjournment Debate in February 2015 stated in very strong words his views on the matter and how Ofcom might need to be given powers to stop this happening in future.

We believe that these powers, suggested by the Minister in 2015, should be enacted possibly by ministerial order to supplement the existing powers in the 1996, 2003 and 2017 legislation dealing with DAB Digital Radio.

Q 6. We would welcome views on this approach.

The DCMS proposals on the holding of Small-scale DAB multiplex licences by existing national and/or local multiplex owners appear to be aimed at stopping abuse of ‘gate-keeper’ power but they are unduly complex.

We believe that the simple solution would be as follows:

- a. **Any owner of an existing national or local multiplex may be able to own up to a maximum of 40% of any Small-scale multiplex;**
- b. **The operation of the Small-scale multiplex must be controlled within the region of the United Kingdom where the multiplex is based and must be a separate operation of any existing Local multiplex owner that covers the same area as a Small-scale multiplex, even if the Local multiplex owner also owns up to 40% of the Small-scale multiplex.** For example, an East Yorkshire minimux must have the company/organisation running the multiplex based within Yorkshire & Humber and a Black Country minimux must be operated by a company/ organisation based in the West Midlands. **Our reason for this requirement is that Small-scale DAB operators need to have easy access to the small local stations on their multiplex to fully understand the local area;**
- c. **Ofcom must be given the powers covering all National, Local & Small-scale multiplexes to:**
 - **Intervene in any dispute between a radio station and a multiplex operator prior to any action to remove a radio station from the multiplex;**
 - **Make sure that the DAB multiplex owner, acting as a ‘gate-keeper’ to a multiplex, has no valid reason to exclude a station from any multiplex.**

Determining the size of a Small-scale radio multiplex

Q 7. Do you agree with this two-step approach to delineating the size of Small-scale multiplexes?

We believe that the area to be covered by a Small-scale DAB multiplex must be of a size, based on population that will attract enough stations to be economically self-sustaining.

Q 8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We support this proposal. There will be some Small-scale muxes that cross over from one Local multiplex area to another as the Small-scale mux is fitted into the area that enables both small commercial radio stations and community radio projects to give suitable coverage to their audiences.

Duration of Small-scale radio multiplex licences

Q 9. We would be grateful for views on these options or other options along with reasons for your choice.

We believe that the initial period for a Small-scale multiplex licence should be 7 years and that subsequent extensions should also be for 7 years.

Q 10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a Small-scale multiplex licence.

We think all Small-scale DAB multiplex licences should be for 7 years and that subsequent extensions should also be for 7 years.

BBC access to Small-scale DAB

Q 11. We welcome views on this approach.

The BBC should only be given the right to access a Small-scale DAB multiplex in areas of the UK where there is no carriage of the BBC Local/Nations Radio Station on a Local DAB multiplex. Examples of where this would apply are found in Cumbria, Guernsey/Alderney, Jersey, Isle of Skye and the Western Isles.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

We believe that the size of Small-scale muxes, even in rural/small town areas where there will be a need for two/three low-powered transmitter sites, that there will be no impact on a Local multiplex as a Local mux has a far greater coverage than a Small-scale one or there may not be a Local multiplex serving the area.

Closing Comments

We wish to high-light the way that existing Local DAB multiplexes were rolled-out seems to have led to some commercial stations finding that, if they wished to continue to be a local radio station, then their Local DAB multiplex's footprint was not appropriate for them.

This we believe that this is because the footprints of this first group of licensed Local DAB multiplexes was based on the FM coverage area of the 'heritage' commercial radio station such as BRMB, Clyde & Viking. The subsequent DAB muxes appear to have just filled-in the areas in between the initial local muxes or left them un-served, as in the case of Cumbria, and therefore many of these local multiplexes have not been suitable for many other commercial radio stations.

We do not wish to see the same mistake made again and that there needs to be a far greater understanding by Ofcom of what areas these Small-scale DAB multiplexes will cover and if they will be appropriate for both smaller commercial radio stations and community radio operations in each area.

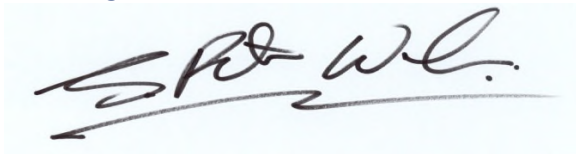
If this does not happen we will find a similar picture to what has happened across great swathes of southern England where most of the stations broadcasting on a Local DAB multiplex are only the BBC local radio station and many music brands whose output originates from London.

I remember that when I was involved in the launching of Stray FM that we announced that we were broadcasting not from London and not from York but from Harrogate. It is that formula and the appropriate FM coverage area that has enabled that station to continue to be a 'real' local radio station for their audience.

We trust that the roll-out of Small-scale DAB will enable such stations to properly cover their areas without excessive cost and have minimuxes that are appropriate for their TSA.

We trust that our response is of help to DCMS.

Kind regards

A handwritten signature in black ink, appearing to read 'J Peter Wilson', with a stylized flourish underneath.

J PETER WILSON

Broadcasting Regulation Consultant - Heart of the Nation Broadcasting Team (HNBT)

Issued – Wednesday 21 February 2018

Small scale DAB consultation

Duncan Newell [REDACTED]
To: smallscaleDAB <smallscaleDAB@culture.gov.uk>

21 February 2018 at 20:44

Please find below our comments regarding the small scale DAB consultation document. This response is from 6 Towns Radio, we are currently a online radio station in Stoke on Trent, established in 2010, we have done FM RSL's and we would be interested in DAB. The overall options for community stations like ourselves needs to be one that is fair regarding cost implications.

1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Totally agree, we should encourage closer communication within our communities and it should not be the preserve of the major media organisations who currently are the only organisations able to afford it, however even some of the larger stations are struggling to meet increasing DAB transmission costs. It needs to be offered at a cost that is suitable for a community radio station.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

No - Why should there be a limit? People should be encouraged to broadcast within a legal framework. The skills to produce great radio are being lost and overtaken by the constantly expanding channels on social media. This content is also becoming easier to access both at home and in vehicles via bluetooth connectivity. We could be asking the question "Vhs or Betamax?" when we have blu ray DVD available.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Very much so. A bit like a FM RSL where potential stations can trial DAB and see if it works for them.

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We as a community station feel that we have been restricted due to the lack of availability on current FM framework and are not currently a recognized FM Community Station. If there had been more availability then we would have been broadcasting on this frequency.

We feel that all new opportunities should be open to all stations that meet the required criteria of a community radio station, without having to be a current FM Community stations.

5. would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We believe that geography should not limit the desire to broadcast and would like to see a fair and equitable model that allows everyone an affordable opportunity to access DAB. We also would like OFCOM to consider areas that do not meet the convention of a circular boundary. e.g. Stoke-on-Trent is a linear city. Areas like this could be operated as an exception to the convention.

6. We would welcome views on this approach.

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

In response to Q 6, 7 & 8 see answer to Q5.

9. We would be grateful for views on these options or other options along with reasons for your choice.

We would agree with (c) 7 years plus an option to renew for a further 5 years for licences covering areas serving less populous areas where there is only a single bidder.

The reasons are that it gives continuity and the operator some confidence and the ability to plan accordingly.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We feel that there should be some sort of tie in to ensure that all areas of the UK should have the opportunity to broadcast on DAB and operators should have to commit and supply that. A survey to establish the total requirement should be undertaken with the tender to supply reflecting the outcome of this.

11. We welcome views on this approach.
We agree with it.

12. We would welcome views on the implications of this approach

We agree, OFCOMs role should be on the suitability to broadcast not the sustainability of the license holder to keep it or the potential impact on other broadcasters, it's a free market economy.

Thanks,

Duncan Newell

Director

6 Towns Radio

Web : www.6towns.co.uk

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Facebook - www.facebook.com/6towns Twitter - @6townsradio

6 Towns Radio is operated by Potteries Media Community Interest Company

Community Radio for Stoke on Trent

Response to the Small Scale DAB consultation
From Falmouth and Penryn Community Radio CIC
(Broadcasting as The Source FM)

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Response - we do agree with the principle subject to some affordability criteria to be agreed as community stations operate on very limited budgets, especially in rural areas such as ours in Cornwall.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

It seems logical that there should be an upper limit in order to allow small scale muxes to make money by offering band width commercially. There may be a need for more than one figure depending on the location of the mux - ie rural vs urban areas - and current analogue demand.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Take up by community stations may not be immediate. Some, and we may be one, would struggle to justify operating FM and DAB services until the FM switch off date is known and imminent unless the costs can be controlled better than it seems they will be in current circumstances or there is some support from Government or Commercial Radio.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

The idea of a C-DSP licence seems to make good sense and will keep the community broadcasting ethos consistent. We would suggest that OFCOM consider such a licence to be an extension of an existing Community Radio Licence and thus make the costs of C-DSP registration minimal - maybe limited to the administrative costs of issuing. Where the C-DSP becomes the only licence held, the costs and requirements should be broadly in line with current community radio licensing.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

A mixed approach of either commercial or not for profit operators makes sense. The requirement on OFCOM to require that carriage costs be minimised and made transparent is sensible. We have some concerns that a mini mux in areas such as our own may not be attractive to either type of entity and would welcome views on how such services can be encouraged. This is a concern once the Government announce a switch off of FM services and we will be forced to migrate to DAB.

Q6. We would welcome views on this approach.

On the face of it, these proposals make sense in terms of ownership of small scale muxes. We would welcome CMA and OFCOM developing a more detailed set of criteria so that we can ensure that the third tier is not swamped by a few large operators.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Yes

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Yes

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

The proposals seem reasonable and we would favour the 7 years period across the board. We believe that it would be helpful to smaller operators for the licence lengths and renewal periods to be agreed at the time that the licence is issued and maintained unless there is a failure to adhere to licence requirements. There may be occasions where an applicant, such as Source FM, has been the sole applicant in a rural area and made a significant investment in the transmission equipment. Then, having worked hard to secure the viability of the service to the extent of demonstrating its commercial potential, it would be unfair to see that licence 'brought to market' because it might attract commercial applicants. There should be some incentive for 'not for profit' operators to feel more confident about the required level of investment.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

The merits are agreed. The detail will need to be agreed. Maybe 7 years with a 7 year extension? See also our response above relating to investment and sustainability for a small scale operator.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

Not sure where or how this requirement would arise unless the BBC is planning to move into community sized stations. However, we can see no obstacle to agreeing this.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

We can see the merit in this proposal.

General comment - as a current FM station, we have investment in the transmission chain for this and for online transmission. We cannot see, at this stage, that we would voluntarily move to DAB or dual transmission. The change would therefore be following a Government decision to remove the access to the FM band and we would welcome Government support in terms of grants, loans or practical support in the form of, for example, workshops and action plans in the event. For now, we do not see any other compelling reason to change.

Consultation Response

Martin Steers [REDACTED]

25 February 2018 at 07:50

Reply-To: [REDACTED]
To: smallscaledab@culture.gov.uk

My response for the SSDAB consultation.

Martin Steers

Individual & Community Radio Consultant

1. DCMS would welcome views on whether reserving capacity on small-scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Answer:

Surely the best way of securing carriage for community radio stations is to make sure that the multiplexes are run by the community or not for profit and finding a way of making sure that the platform is affordable and accessible to community radio stations. However, reserving capacity for community radio stations would be a prudent idea, however maybe consider going stronger and make it a condition of the multiplex operators that they have to carry, and that they can not price the stations out of being on the platform.

2. DCMS welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Answer:

There shouldn't be an upper limit no, because each area may have a different amount of community stations, ideally, Ofcom should see how many community stations or possible community stations (based on their current EOI experience), to set how much capacity should be reserved. Also, that capacity needs to be of a reasonable quality and can not simply be set at the lowest possible. They certainly should define a one size fits all approach.

3. Do you agree with the principle that small-scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Answer:

Yes, I have no issue with operators offering the unused capacity to temporary services, and in fact welcome and encourage this opportunity as a form of digital RSL's, a great opportunity for events, activities or even for communities to trial broadcasting.

4. DCMS would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Answer:

I welcome the consideration for a C-DSP license, however, the following needs to be considered:

The community radio fund is already oversubscribed and is currently not fit for purpose or as designed when it was originally launched, there is simply not enough in the fund for the current 250 Community Radio stations. IF you are proposing that all these extra stations (which no one has any estimate of how many there could be, but we could be looking at hundreds of digital only stations) suddenly has access to the Community Radio Fund then that fund needs to be double as a minimum, and ideally increased even beyond that, also the fund needs to be future proofed, as there is no guarantee that it will exist from general election to general election, and needs to be increased each year in line with inflation but also as the number of eligible stations increase.

Also, you mention access to “lower fees” in the second but last paragraph before this question, but don’t say fees for what, are we to assume Ofcom fees? Multiplex carriage fees? Or music royalty fees? If the answer is yes to all three, then I can see an advantage to this license.

I would welcome an introduction of a C-DSP license as a way to clearly identify community stations over commercial stations, however I do not feel that the benefits (access to reserved capacity, lower undefined fees and access to an already over subscribed community radio fund) outweigh the negatives of restricting the amount of income you can generate from on air advertising and having to deliver key commitments, one point is I think currently CR stations HAVE to have their studio located within the coverage area, there are already CR stations broadcasting on the trial services outside of their studio area, as a way of reaching new audiences and providing them with additional choice and services. Surely the opportunities for SSDAB are for stations to try and do things differently and innovate in a digital age.

I would welcome a C-DSP license that has the criteria that they must be not for profit and as an organisation meet the current criteria for analog licensed stations, maybe introduce some key commitments that provide opportunities, not limitations on what the station can do, and provide access to the positives as listed above. I feel strongly against any restrictions on income generation, as I feel that could be setting these stations up to fail.

5. DCMS would welcome views on this approach and whether it deals with the concerns raised about access to small-scale DAB radio multiplexes by community radio services

Answer:

I feel strongly that the multiplex operators should be not for profit, and was a “non-commercial” element part of the legislation and debate in parliament. I do not feel that this will restrict the growth of this new platform, as it hasn’t restricted the growth of community radio. There is no reason why current community and commercial broadcasters cannot form separate not for profit organisations (ideally in partnership) to hold and operate the multiplex license.

Whilst reserving capacity for community broadcasters is a good step, how does that actually stop them being priced out of the platform? A commercial operator could set the price too high, wait for the community broadcaster to decline to be on the platform and then petition Ofcom to release that capacity as the community broadcaster isn’t using it.

Equally, whilst transparent pricing is a viable option, what will it actually do? Because if there is only one SSDAB multiplex in the area, it won’t do anything for competition or to balance or drive prices down.

What powers or regulation is Ofcom going to have over the pricing of the license?

Equally, I welcome the consideration that pricing could be submitted as part of the license application, however, I do not think that the application process has been discussed at this point. Will the operators that can offer the lowest pricing be a deciding factor in who might receive the license?

6. DCMS would welcome views on this approach.

Answer:

I am not opposed to organisations holding more than one license, and I agree that it can help with growth and sustainability, however I really only hold that view, If the license is held by a not for profit organisation, as this would help to secure the platform for the benefit of the communities and not just for commercial gain or commercial interest. Its an open secret that the current model of local DAB is not really fit for purpose, and that the carriage fees are quite often extremely high, too high for community broadcasters, and even some commercial licenses, in fact, we have recently seen commercial stations maybe under threat of their FM license because they have come off the local DAB license which was used to secure auto-renewal / long FM license award. Currently, local DAB has a license to charge as much as they can, and almost hold the BBC and local commercial stations to ransom because they have to be on their platform. We do not what to develop an environment in which the same activity and behaviour can happen, as this would only see the platform become unsuitable for community stations.

I do not believe that any current national or local DAB license holder should be able to hold any share in an SSDAB license, but if we must compromise than limit them to 25% share, and not for any license for which they have any share of a local DAB license.

7. Do you agree with this two-step approach to delineating the size of small-scale multiplexes?

Answer:

No, I don't agree with the two-step approach, I have no issue with the first point, and actually using SSDAB as an opportunity to provide coverage in areas that are not currently served with a local service is fantastic. However, I have issues with the second step concerning coverage in an existing local service, which is answered in question 8.

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Answer:

No, as I do not believe that an arbitrary 40% coverage as a one size fits all approach will work, we have seen with the trials that some of the coverage is really problematic and people can struggle with the indoor reception in the towns that they are serving. I believe as part of the application process you should outline what target area you want to cover and show why that works as a proposal, if Ofcom agrees with that proposal then they should be allowed the coverage and power to enable them to be received by all households in that intended area.

Without doing an analysis of all the local DAB licenses its hard to fully map out, but what we do not want to happen, is find that a town or area of a large city cannot get the desired reception because it would take them to 41% coverage of the local multiplex.

I believe that on the whole SSDAB should be setup to cover towns / cities & parts of large cities, as well as a section of rural communities (in part as outlined as the first step), and not really designed to provide a regional or large alternative to the local DAB, and do not feel that a 40% rule which can only be seen to serve as protection against the established local DAB actually does anything to support or develop SSDAB

9. DCMS would be grateful for views on these options or other options along with reasons for your choice.

Answer:

I do not see the need to have small license lengths for SSDAB, and in fact feel that short licenses make SSDAB less sustainable or desirable for operators, surely the longer the license the longer the operator has to cover setup/capital costs as well as overheads with the ability to negotiate better terms for transmitter locations and service contracts. Not to mention the length of the multiplex license has an impact on any radio service looking to launch or develop the be on that platform, services will want the ability to be able to broadcast for as long as possible, again to offset setup and capital costs.

I feel that the minimum license should be at least 12 years with the option of continuous renewal in line with current government policy, and how national and local multiplex licenses are operated

10. We would also welcome view on the merits of linking license length with underlying demand in an area for a small scale multiplex license.

If this question addresses the point in the narrative that areas with low demand to have a greater license length to provide stability than yes that is a good idea, however, if you are suggesting that in areas of high demand that the license length should be shortened to maybe enable other operators a chance, that produces far too much uncertainty on service broadcasters to plan for the length of their own services.

11. DCMS welcome views on this approach.

Answer:

I have no issue with allowing the BBC to have coverage on SSDAB, and in fact it might provide a good opportunity for them to provide coverage for existing services and also provide additional services (long-term and temporary) to fit certain needs, I also do not have a problem with the BBC owning or part owning an SSDAB multiplex license, and in fact a partnership between the BBC and local community and maybe even commercial stations might be a great opportunity for all parties.

12. DCMS would welcome views on the implications of this approach.

Answer:

I do not feel that Ofcom should consider the impact SSDAB has on local multiplexes. The worse case is that local license owners might find some services moving off their platform so they can be served by SSDAB as it fits their purpose (and finances) better, or that local licenses find they have to lower their fees to enable them to “compete” with SSDAB services, I think both of these outcomes are actually a benefit to the entire sector, and why I don’t feel Ofcom should consider the impact of an SSDAB license on the local DAB license.



Response to the Department of Digital, Culture, Media & Sport's
Small Scale DAB Licensing Consultation
February 2018

These are the responses from Uckfield Community Radio Limited following the issue of the consultation document at

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/671660/Small_Scale_DAB_Consultation.pdf

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Uckfield FM believes that this is the only way forward for community radio stations to be able to achieve going onto DAB. The cost of going onto larger multiplexes is prohibitive and pointless as why would someone in Worthing want to listen to a community radio station serving an area in the next county.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Uckfield FM believes there needs to be an upper limit for the capacity of the mini-muxes and this should be across all of them and not defined by certain areas.

The discussion document states that "We think Ofcom should have flexibility in setting the amount of reserved capacity, though it should be based on an assessment of analogue community stations that are already licensed in a particular geographic area which might be covered by a small scale radio multiplex licence." In basing the reserved capacity on stations which are already licensed, what flexibility is there for the addition of any new additional future services not already currently licensed?

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Uckfield FM believes that as long as the temporary service coming onto the multiplex isn't going to have a financial effect on the main community radio station then there shouldn't be a problem. We wouldn't for instance want a temporary "competition" station coming onto our multiplex and in turn taking away funding (advertising/grants etc) from our local area.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Uckfield FM is happy with these proposals although believes that larger commercial radio stations should be excluded from obtaining space on the small scale multiplex and only stations that have a certain percentage of its FM MCA already within the proposed SSDAB coverage would be allowed to join. This will stop FM stations increasing its coverage further onto the DAB platform.

We agree in principle to the concept of C-DSP licenses.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

Uckfield FM is happy with OFCOM's proposal here – but again would prefer to only see smaller radio stations / BBC Local coming onto the multiplex rather than commercial radio stations as this might have an effect on revenues to the community stations especially if the coverage of small scale DAB is going to be similar size (hopefully slightly more) than the existing FM community radio coverage areas.

Q6. We would welcome views on this approach.

Uckfield FM is again happy with the approach but would like to ensure that the coverage from SSDAB the same/or greater than that available on FM but at the same time ensure that the signal from DAB doesn't drop out in "hot spots" within the coverage area.

We would technically need to be assured that the allowable power is sufficient to avoid black spot drop out.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Uckfield FM is once again happy with the approach on this.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

"Now Digital" through Arqiva operates the local multiplex serving the south coast serving East and West Sussex which includes Uckfield. OFCOM's coverage map shows that the area extends from Chichester in the West to Heathfield and Hailsham in the East, and North as far as Crawley and Horsham. Flexibility in the 40% limit of an existing local multiplex in the creation of an SSDAB would be necessary in that as far as Uckfield FM is concerned, the station would not require coverage as high as that.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Uckfield FM would like to see the SSDAB and FM licences work in parallel together. We believe that five years is too short and so would like to see both licences increase to at least 7 years. Our current licence

ends in 2020 and so if we were to go on SSDAB in 2020, we would like both of our licences extended to 2027 especially with the investment we'll have to spend on SSDAB equipment.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We are happy with the approach on this and that if longer licences were available we would welcome this.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

Uckfield FM would be very happy to have BBC Sussex on it's local SSDAB service. We would feel this can complement the services we provide and further enables us to work closer with our BBC colleagues.

We do feel though the financial arrangements for the BBC should be the same as any other station.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

Uckfield FM is again happy with the approach on this.

On behalf of the Board and management of Uckfield Community Radio Limited
February 2018



FAO Small scale DAB consultation
Media Team
Department for Digital, Culture, Media and Sport
4th Floor
100 Parliament Street
London
SW1A 2BQ

25 February 2018

Small Scale DAB Consultation

Dear Media Team

I am replying on behalf of Seahaven FM, a well-established community radio station with a broadcast area stretching along the coast from Peacehaven to Seaford, to your recent Small-Scale DAB Licensing Consultation.

Below I have provided our views on the questions you have asked, in the same numerical order, for ease of reference for you, but would like to preface those with some important comments that do not easily fit into your questions.

A. The government no doubt wishes to see a growth in the number of community stations available to listeners and this is something we support. But we caution that the arrival of small scale radio multiplexes risks unsustainably diluting the amount of advertising available in any given area and therefore may actually pose a threat to existing stations, rather than liberating them. We think this issue needs to be factored in to any award by OFCOM, and when access to any local multiplex is decided.

B. Implicit in the government's drive for small scale multiplexes is the overhauling of FM transmission by DAB. While access to DAB is a welcome addition to broadcasting options, it should not replace FM and we would welcome a commitment by the government not to switch FM off.

C. Linked to B above, we are concerned that any small-scale multiplex may generate coverage in a tight urban area and leave other areas only with FM, and therefore at a disadvantage. In our area, for example, we could see a multiplex based in Brighton and one in Eastbourne, with the towns in between which we serve left only with an FM option. We ask that OFCOM ensure this does not happen.

I turn now to the questions in your consultation, and our responses are as follows:

1. Yes, we agree capacity should be reserved.
2. We would suggest there should be a banding approach, perhaps 10% to 30% but always with an irreducible minimum.
3. Yes, assuming this will be an equivalent to a digital RSL?
4. We agree with the direction of travel you suggest.

5. We believe small scale radio multiplexes should initially be awarded only to not-for-profit organisations. It is always possible to extend this to commercial entities at a later date. We believe there is also an argument for ensuring a clear separation between multiplex licence holders and broadcasters, to ensure that such holders do not unfairly advantage themselves as might be the case were such licence holders also broadcasters.

6. We have concerns about the regime you suggest. We have already seen in FM radio of national entities to impose a national feel on what should be local radio, no doubt for sound economic reasons, but this is not in the interests of diversity and local supply. Heart FM, for instance, which purports to be a local radio station, is in effect a national station with a local badge. We are therefore very wary of allowing existing national multiplex licence holders the kind of latitude you propose. Ideally, we see an entirely new set of licence holders come forward, but if the government is minded allowing existing national licence holders to participate, then we think they should be limited to three licences only, that the maximum stake should be set at 25%, and that the areas covered by any local licence should not overlap with any geographical area where a national licence is held.

7/8. We broadly agree here but see also our Point C above.

9/ 10. We think a fixed period of 5 years makes sense at this point, with an option for the government to change this to 7 years for the second licence period.

11. We have no strong views on this point.

12. We agree with the approach suggested.

I hope this is helpful and would ask for us to be kept abreast of any developments or decisions by being added to your database if necessary.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Mallinson', with a long, sweeping horizontal line extending to the right.

Nick Mallinson
Managing Director, Seahaven FM



Dear Sir,

Enclosed is my submission to your inquiry into Small Scale DAB..

It is a subject which I have had a long-standing interest in, from my very first job as a reporter on Cardiff's Red Dragon Radio to my role today as a Senior Lecturer in Multimedia Journalism at the University of Northampton, which operates the NLIVE community radio station in the town.

Born in Bridgend, I co-founded the local radio station, Bridge FM. I worked as a news reporter and producer for radio stations in Manchester, London and Birmingham and have since gone on to hold senior editorial positions at The Sun online and ITV.com. I was part of the launch team of the Press Association's online video service.

More recently, I have been involved in the growth of podcasting as Head of Sport for audioBoom.

As well as working at the University of Northampton. I am a football reporter for BBC TV and Radio Five Live. My views here do not represent company policy on this issue for any of my current employers.

Regards

Marc Webber

Radio is at a crossroads, with challenges from digital technologies such as podcasting and streaming on one side and a danger of a democratic and cultural deficit on the other as commercial radio groups homogenise brands and become less local.

I feel this review allows us to enhance the value of radio by creating a digital third-way for local skills and voices to the benefit of all radio and our economy. The suggestions on how we do that are in the responses to your questions.

Question one

I agree, capacity should be reserved for community radio on Small Scale DAB. It is honestly the only foreseeable access point they have to DAB in the medium term.

Question two

Yes, I feel an upper limit should be placed on the number of community stations allowed on Small Scale DAB.

If there were no upper limit it could lead to the whole multiplex being taken up by community radio stations and this would block profitable commercial concerns from being able to grow in those areas and it would also stop other potential service providers having space (more on that later).

It could also lead to profitable radio concerns with mainstream formats masquerading as community stations to get a lower carriage fee, when they could afford a higher commercial carriage fee which would be charged to a DSP.

However, I think the upper limit should not be the same for all Small Scale DAB multiplexes. It should vary based on the size of population in the area. There will inevitably be more community stations with a variety of voices in an urban area that need to be heard as opposed to rural areas.

I think current FM community licence holders should be given first priority when Small Scale DAB frequencies become available. However, I do not think that more than 50% of the total minimux capacity should be used by community radio.

I would also like to see dedicated minimux space offered to local authorities so that they can stream audio of their council meetings.

I would also suggest capacity is offered to football, rugby and other local sporting clubs in the area for them to stream live commentaries of their games should they so wish on a Small Scale DAB.

In Wales, capacity should be reserved on each Small Scale DAB for at least two stations outside the BBC whose output is primarily in the Welsh language.

These could be all-Wales services or Community Services.

I think similar capacity should be afforded on Small Scale DAB in North and West Scotland for Gaelic services.

Small scale DAB areas should not be used to 'fill in' black spots for established DAB multiplexes.

For example, if Northampton were to have a Small Scale DAB, current community stations NLIVE and Inspiration fm should be given carriage space, but Connect FM based in Kettering should not be allowed on to the Multiplex and should remain on a Northamptonshire wide commercial DAB licence.

Question three

Yes, it is the duty of the minimux owner to maximise revenue potential of the service.

However, if the service provider wishes to rent capacity within that 50% Community Radio limit it can only be on licences of length to the same licensing pattern of community radio, so that a new community licence is not blocked from appearing at a future date.

Question four

If a Small Scale DAB owner wishes to operate a community radio station in the same area, then I think they should be automatically getting a C-DSP licence as it would double the paperwork they would have to undertake if you issued them separately.

In principle I approve of there being a C-DSP licence as outlined. But, community radio is really struggling in many areas to find funding and the concept of barring community stations from selling any advertising is wrong. Community radio needs as flexible a funding model as possible to survive.

I worry a licence that bars commercial potential (as opposed to restricts it to protect commercial local stations) would stop community radio from growing, making these licences irrelevant.

Question five

I wholeheartedly share the DDCMS's enthusiasm to create a new third-tier of DAB multiplex holders and the door to ownership of such minimuxes should not be closed to for-profit companies, entrepreneurs or other social interest groups.

This development presents a real opportunity to strengthen the diversity in the UK radio transmission market. More on that in answer 6.

If my suggestion of how much space is awarded to community radio suggested earlier is agreed, then community radio would have no fear of being held to ransom by these new multiplex operators.

I support the publication of transmission fees, but I do not think they need to be made public. They should be shared with anyone currently running a C-DSP licence and anyone that approaches Ofcom with the intent of applying for one.

Transmission fees should not rise higher than 1% + RPI for C-DSP licence holders and 2.5% + RPI for DSP licence holders using the Minimux.

Ofcom should be the final arbiters of any dispute over fees.

Question six

I have no problems with one company holding a multiple of licences at any one time. I can see how allowing a company to have mass in this area would create economies of scale in an early development stage of this business.

However there are two things we need to consider when allowing a company to hold more than one licence:-

- a) That diversity of programme choice is not affected by the homogenisation of licences.
- b) That we create a platform that allows for growth within the transmission market.

This is a real chance to break the monopoly certain companies have on the UK radio transmission market.

As a result, I disagree on the approach taken on the suggested limitations in your proposal, as they create too much of a chance for current transmission companies to dominate even further in this market.

I would propose: -

- a) Any company (or sister company/subsidiary) with more than a 0.1% stake in a current national DAB multiplex cannot have any stake in any Small Scale DAB multiplex.
- b) Any company with more than a 0.1% stake in a local DAB multiplex cannot hold any stake in a Small Scale DAB Multiplex that operates in the same area.
- c) Any company that owns more than 0.1% stake of a local DAB multiplex in any other area can hold 100% of any small scale multiplex with a maximum of 10 Holdings in England, 6 in Scotland and four in Wales and Northern Ireland and two in each of the Channel Islands or Isle of Man.

I would suggest these rules are kept in place for at least five years for the nascent market to develop, with them being reviewed by Ofcom and competition bodies after to see if any deregulation will not affect competition in this market.

The reasons I make these suggestions are: -

Five years allows the current markets to grow and strengthen without the threat of takeovers and both homogenization of licences to the detriment of choice within the UK transmission industry.

It still allows small to medium sized players in the transmission market to grow and offer and opening to new players.

Arqiva already has what I believed to be a market-restricting monopoly on radio transmission in the UK and should not be allowed to be involved in this process at any time.

Holding 10 licences in Wales, for example, would have a more adverse effect on market plurality than in England.

Question seven

I agree to an extent. Whilst I agree it is an effective way of delivering digital radio to areas with transmission issues, I also think licence development should be encouraged at the earliest opportunity in city areas to meet the increasing community radio demands of those areas.

For example, I believe the significant problem of pirate radio in and around London airports could be resolved by offering small scale DAB multiplexes in the Heathrow and Gatwick areas to pirates to keep them off FM frequencies.

Question eight

I agree with a 40% limit.

Question nine

I think the amount of paperwork in relation to acquiring a licence has to be considered here when considering length. If applying for licence is an onerous task then the length of the licence needs to be longer.

Question 10

I also think that areas where there is less demand would require a licence with a longer term for security. However, I would also say that I think you need to give a longer licence (e.g. 7 years) anyway, as companies will need to develop their business plan over that time.

Question 11

BBC local radio stations absolutely need access to any spare capacity there could be on a Small Scale DAB licence.

The reason being is as their AM transmitters are closed down, they are becoming woefully short of alternative frequencies to provide different football and rugby commentaries for their areas.

For example, when BBC Northampton have Northampton Saints rugby and Northampton Town football games going on simultaneously they used to be able to split frequencies to allow rugby commentary on FM and football commentary on medium wave. They cannot do that anymore.

They need to be given access to transmission to allow the diversity of service that they previously provided in sport.

I would suspect a similar argument could be put up in most urban areas for the BBC and also in big sporting areas such as Devon; the North East and the South.

Question 12

I agree with this approach.

Kingdom FM – Response to Small Scale DAB Licensing Consultation

List of questions

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

A1. Yes. This seems like a fair and reasonable approach to avoid the loss of community stations when digital switchover occurs. It provides an affordable way onto digital for a group of services that would otherwise be financially prohibited.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

A2. No. The upper limit should be dependent upon the number of services which could benefit from inclusion in any one area. This should be determined on a case by case basis.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

A3. Yes. This approach seems fair assuming the multiplex operators are technically equipped to handle the temporary demand.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

A4. Proposal seems fair and reasonable for community stations.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

A5. This approach does address the concerns raised. A high degree of price transparency by operators would be a very positive step for all concerned. Kingdom FM is a successful, market leading, independently owned, commercial radio station seeking to find a cost-effective route to DAB. We would welcome the opportunity to be involved in discussions about becoming a small-scale DAB multiplex operator.

Q6. We would welcome views on this approach.

A6. The possible future concentration of ownership is worrying for Kingdom FM. The proposal put forward does not go far enough to address our concerns. Potentially too much control by national and local multiplex holders.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

A7. Yes. Kingdom FM would almost certainly require more than 40% of the local DAB multiplex area in order to achieve sufficient coverage across Fife.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

A8. No. What was the basis for setting the 40% limit? Seems confusing and arbitrary? Our interest lies specifically with coverage across Fife. Needs to be at least as good as, if not better than, existing FM coverage. The rationale for a limit makes sense as there is not merit in being on a multiplex with massive overspill into other areas which have no real benefit to the station.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

A9. Would opt for 7 years plus option to renew for a further 5 years for licences covering areas serving less populous areas where there is only a single bidder. It's important to consider the commercial risks and rewards for the operators. Longer term option should offer more flexibility.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

A10. Linking licence length with underlying demand in an area for a small scale multiplex licence makes sense.

BBC access to small scale DAB

Q 11. We welcome views on this approach. Ofcom duty to consider commercial impacts on local multiplexes

A11. BBC has sufficient coverage and should not be able to take capacity on a small scale radio multiplex. The BBC should not find itself in a position where it needs to be a party to a small scale DAB licence.

Q 12. We would welcome views on the implications of this approach.

A12. Content with this approach. The existing operators are already well ahead of the curve and aware of the commercial ramifications of this proposal.

Small Scale DAB Licensing Consultation - Response on behalf of Digital Radio Mondiale Consortium

Digital Radio Mondiale Project Office [REDACTED]

26 February 2018 at 11:45

To: smallscaleDAB@culture.gov.uk

Dear Sirs,

Thank you for the public consultation on the best approach for licensing SSDAB radio multiplexes.

We understand the predicament of the government wishing to accommodate the tier of small stations, whether private or community (the lifeblood of communities, touching on the very essence of radio: its localism), within existing multiplexes.

The wish to find a flexible solution within a largely inflexible standard, meant for efficiencies at national and regional level - after only 10 technical trials and with limited spectrum availability in some areas like Northern Ireland, west Wales, south-west Scotland etc.- raises serious questions.

We in the international not-for-profit Digital Radio Mondiale Consortium (www.drm.org) are concerned that a needlessly complex solution (as evidenced by the questions posed in the consultation) might be sought when there is a simple DRM solution, totally compatible with the DAB/DAB+ national roll-out. After all, DRM has been invented by the same engineers that thought of DAB, the two open ITU recognised standards. DRM and DAB/DAB+ share a lot of the technical features and are easy to fit, at almost no extra IP cost whatsoever, into a multi-standard DAB+-DRM receiver.

Therefore, it is disappointing to see that the Consultation only considers DAB as a solution for small scale broadcasting (local and community). A decision to singularly focus on one particular technology for making the transition to digital sound broadcasting runs counter to the principle of technology neutrality embodied in the various EU Directives on spectrum management and electronic communications.

As you know, ITU recommends at least three standards (two open) for covering different broadcasting needs and they should be evaluated fairly and squarely. Tested very successfully in the UK with Ofcom support, DRM for local coverage continues to be ignored for reasons difficult to understand but possibly to do with chipset manufacturing monopoly, entrenched old-fashioned views and perhaps lack of full technical understanding.

The DRM Consortium is an international not-for-profit organisation composed of broadcasters, network providers, transmitter and receiver manufacturers universities, broadcasting unions and research institutes both in the UK and on all other continents. We have pointed out to Parliament and Ministers on several occasions previously that the DRM system is the only global open standard digital sound broadcasting system for transitioning to digital all broadcasting frequency bands: LW, MW and SW (current AM bands), and VHF band I, II (current FM band) and III (current DAB/DAB+ band).

The DRM system presents a truly modern solution for transitioning to digital sound broadcasting on any scale from national to community as demonstrated fully and most successfully during our 2011 Edinburgh DRM+ trial, the St.Petersburg, Russia 2015 trial, our Indonesia DRM+ trial and DRM+ South Africa (community station) trial in 2017/2018. This is in contrast to DAB which was developed over 30 years ago as a spectrum efficient solution for national/regional broadcasters.

The DAB technology was optimised for the country-wide networks of large scale broadcasters, which is both its strength and its weakness. The major weakness is the difficulty to provide a solution that will match the coverage and content objectives of various smaller scale broadcasters like commercial and community stations within the one-size format of DAB multiplexes. Moreover, the use of DAB to provide coverage on a much smaller scale than

originally envisaged loses the gain in spectrum efficiency, which was the major design objective for DAB as a large-scale multiplex solution.

The complexity of the technical and licensing solutions considered in the Consultation demonstrates the difficulty in trying to adapt DAB to a role it was not designed to achieve when there is no need to do so. In contrast, DRM for FM can give a tailored, cheaper solution, re-using much of the existing facilities, or if re-engineering an FM station, and always leaving broadcasters in charge of planning transmissions with the desired coverage (like in FM). The main advantage of DRM is that it is a broadcast-controlled solution allowing multiple broadcasters to plan their services without placing constraints on each other. All licensees, of any character or size, can site or simply upgrade their transmitters and tailor coverage to their specific needs without competing for space on a multiplex or having to negotiate compromises on technical, financial or commercial objectives with other members of a multiplex. The advantage DRM offers is a truly flexible way of satisfying the needs of all small-scale broadcasters, whether purely commercial or community based.

If there is a true consultation, then the transition to digital should at least examine the latest technology. In this, the UK is at risk of being leapfrogged by countries ready to embrace the latest technology, such as India which has 39 transmitters broadcasting in DRM which potentially cover 600 million people, no matter where they are (in cities or rural areas) giving equal access to all. It is difficult to see how this consultation, and the roadmap it points to, helps to preserve radio's strength, its localism, satisfying the needs of communities. This is already being questioned, as demonstrated by a recent (The) Guardian article:

https://www.theguardian.com/society/2018/feb/21/community-radio-stations-digital-future-volunteers?CMP=Share_iOSApp_Other

In conclusion, an important consultation on small scale broadcast should consider ways in which to open up the debate on how best to make this generational switch to digital sound broadcasting, an inevitable process. This should include a proper analysis of what listeners really want and how broadcasters can best respond, rather than being content to rely on "the one size fits all" philosophy of 30 years ago. Your department can and should lead the way. We in the DRM consortium are ready to respond with the best and most objective information on how best to digitise, using in the most efficient way taxpayers' money, for the benefit of communities, listeners first and industry next.

Yours faithfully

On behalf of
DRM Consortium

Site for DRM: www.drm.org



**A RESPONSE FROM THE LINCS FM GROUP TO THE OFCOM
CONSULTATION ON SMALL SCALE DAB LICENSING**

The Lincs FM Group operates nine analogue licenses in Lincolnshire, Rutland, Nottinghamshire and Yorkshire, and is the majority shareholder in the Muxco Lincolnshire and a one-third owner of Muxco Suffolk. Four of its analogue services are carried on DAB and it operates a DAB only service on the Suffolk Multiplex.

Questions

- 1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?**
- 2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?**
- 3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?**

Whilst we agree that it is sensible to reserve capacity for community radio, we suggest that this should only happen if there is also reserved capacity for existing smaller commercial stations that do not have an appropriate route to DAB. Additionally, we recommend that appropriate capacity should be reserved at the time of award and that the operator should be able to re-allocate it if it is not taken up within 12 months of the multiplex launch.

Question

- 4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.**

We agree that it is important that services that have the advantages of being a 'community radio station' should have to adhere strictly to the rules that apply to analogue community stations if the service is carried additionally or exclusively on DAB.

Question

- 5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.**

Capacity should be reserved for both community and smaller scale commercial services. We agree that requiring a high degree of price transparency and the setting of charges in applications is a better approach than mandating only nonprofit making organizations.

Question

6. We would welcome views on this approach.

We broadly agree with the suggestions. However, with the approach suggested in our answer to 5 we do not think it is necessary to restrict ownership by existing local Multiplex holders at all. Existing local Multiplex holders may well be best placed to deliver the most effective operation.

Questions

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Whilst we agree with the approach, we think it is important that when Ofcom assembles its indicative plan it also considers if there are areas where a full scale local Multiplex would be more appropriate. Additionally, where there is significant unused capacity on an existing Multiplex, Ofcom should carefully consider whether using this capacity would be more appropriate than advertising a new small scale Mux.

While it is true that the existing multiplex is likely to be larger than the smaller stations current core analogue area, this is no different to current FM licences - where stations can often be heard, in some cases, quite some distance outside of their editorial and/or measured coverage area.

Questions

9. We would be grateful for views on these options or other options along with reasons for your choice.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We do not agree that the licence term should depend on demand and would suggest a term of at least 7 if not 10 years to allow time to repay the investment.

Question

11. We welcome views on this approach.

We agree that it is not necessary to restrict the BBC from taking capacity on small scale multiplexes however we suggest that the BBC should be excluded from operating a multiplex in line with the exclusion from operating local multiplexes.

Question**12. We would welcome views on the implications of this approach.**

We strongly disagree that Ofcom should be able to ignore the effect of granting a small scale radio licence on existing local multiplex operators. The ultimate success of DAB depends on health of the whole sector. Ofcom should consider the effect firstly before advertising a licence – which should preclude advertisement if there would be a significant negative effect, particularly where there is existing unused capacity – and secondly following applications. In the event that all applications would have a negative effect there should be no award.

Michael Betton

Chief Executive, the Lincs FM Group

February 2018

34. Radio Woking

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

It would be easy for small scale multiplex operators to fill them with commercial stations as these would be able to afford higher rates than true community stations. There is a high risk of small scale radio muxes being filled with higher paying commercial stations at the expense of community stations. Therefore, we agree that reserving capacity for true community radio stations would be the only way to ensure they have access to the multiplexes, and at an affordable rate.

There obviously need to be rules applied to what a community station is, the most important being that the community station exists and broadcasts from within the broadcast area of the small scale radio multiplex, and is not simulcast from another place.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

I don't think an upper limit is relevant. Small scale radio multiplexes are there for providing community stations, and in a perfect world 100% of the stations would be local community stations. The multiplexes need not be too expensive for a group of community stations to manage and operate either.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

I don't see a problem with this, if safeguards are put in place whereby multiplex operators do not try to resist adding new community stations by increasing costs because they have done this.

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

As a community radio station we welcome the C-DSP license. On our small scale DAB trial it has been a good experience and within the bounds of affordability for a station run with just volunteers. The new license would need to keep in mind that stations on the DAB trial, that are not on FM, are already smaller than those that presently reside on their own FM transmitter. The DAB trial has allowed a new more micro level of community station to exist and grow, it would be a shame for a new license to be a trial in itself to gain a license, and it should be easier than going on FM.

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

In our case (a radio station run in a school) the equipment and costs involved with a small scale multiplex do not seem to be large enough to warrant needing commercial operators as we host it on the school roof. Community radio stations have been able to facilitate FM transmitters themselves,

and the DAB multiplex and equipment are seemingly not that different in cost. When shared between 6 or 7 radio stations the cost is even more negligible.

However in our case being on a multiplex with BFBS has meant that their knowledge and expertise is at hand and has kept our radio station up and running without many interruptions.

To conclude I think that it would be helpful to allow commercial entities to provide multiplexes, but maybe there should be a limit to the profit made from providing this.

Q6. We would welcome views on this approach.

The most important part of being a community radio station is not being small but being in the community you are broadcasting to. I think it is only right that reservation of multiplexes to community stations should only be made to those that reside and exist within the boundaries of the transmission area.

Small not for profit radio stations that want to broadcast to other multiplexes outside their area should be allowed to do this, but I see there being no benefit in them taking up reserved community space as this is not providing “local community services”.

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

This seems to be a fair approach to this.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Commenting on our small scale DAB area on the Aldershot trial, this area is sufficient an area for sustaining a local community station. Any smaller and the coverage would be inadequate to sustain an interesting and variable content as the area would be too small. Equally any area larger than this would make it very difficult for our volunteers to liaise with the community in a bigger area. Our present coverage gives us two boroughs – Woking and Rushmoor (Aldershot).

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

I think 7 years would be right for the duration of the license to enable a good relationship between stations and multiplex operator and avoid the upheaval and disruption caused by a change of provider.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

Seems like a good approach, but there could be good reason for this approach in areas already heavily covered by local DAB multiplexes (outside London like our Aldershot Trial) where commercial operators are already on bigger DAB multiplexes and would not require small scale in this area. Although our area is well covered by various radio stations none are local like the small scale Aldershot multiplex.

Q 11. We welcome views on this approach.

Agree with this approach.

Q 12. We would welcome views on the implications of this approach.

Agree with this approach. There is no risk for existing multiplexes on the launch of small scale DAB. If anything having additional mux's enables much needed competition for the overly expensive local DAB mux's that made it impossible for local community stations to even exist on DAB.

Small Scale DAB Licensing Consultation Response

Broadcast Radio Ltd

26/02/2018

Broadcast Radio Ltd Overview

Broadcast Radio Ltd is a software and technology company that services all sectors of the broadcast radio industry. The technology and services we supply include:

- Professional Radio Software (playout, logging, news, signage)
- Studio Installations
- Studio Equipment (inc mixing desks)
- Stream & Podcast Hosting
- Installation, Training & Engineering Services

The sectors that we cover include:

- Commercial Radio
- Community Radio
- Hospital Radio
- Student Radio
- Web Broadcasters
- University & Colleges
- School Radio

Broadcast Radio (previously P Squared Ltd) has been actively supplying the UK broadcast radio industry for more than 20 years. We have supplied equipment, software or technology to more than 2000 stations, organisations or institutions and believe that we are able to offer a fairly unique perspective on the industry as few suppliers have regular access to such a wide and diverse customer base.

For many station, we are a principle technology supplier (as such a large number of stations use our Myriad playout software) and in many cases, the primary source of advice and support. This means that we not only understand the technical challenges facing radio stations but also the commercial and regulatory hurdles they encounter.

We wanted to respond to this consultation as we believe that the Small Scale DAB concept has the potential to positively affect the industry at all levels providing greater opportunities for broadcasters to provide choice to listeners and also offering a path to broadcast to many organisations that currently have no realistic option.

We also believe that unless the radio industry can innovate, there is a real danger that 'over the air' broadcasting will become irrelevant as it is superseded by streamed services. Whilst this may be inevitable, modernising access DAB to open the platform will broaden listener choice and provide a much needed boost to the radio industry.

One area that we would like to draw particular attention to (and was not mentioned in the consultation document) is the potential benefit of Small Scale DAB to the next generation of broadcasters currently involved in School Radio stations.

We have been putting radio studios into Schools for more than a decade and have now helped launch more than 500 School Radio stations. Currently the only 'broadcast' method open to schools and colleges is via traditional speakers or streaming to devices via the web or mobile apps. Whilst this is adequate for most, our research suggests a considerable appetite to expand this to include traditional broadcasting to radios, especially in cars. The Small Scale DAB concept would be ideal as a platform for schools to connect with parents and the local community as they are only interested in a small geographic area (catchment area for the school) and there would be virtually no commercial element such usage which would minimise impact on existing services.

We firmly believe that expanding the current scope of consideration to include this massive potential area will broaden the appeal of the concept to all the principle stakeholders.

If you need more information, please visit our websites.

- www.broadcastradio.com
- www.schoolradio.com
- www.universityradio.com

Consultation Questions

1. *We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?*

The basic premise that the proposed new mini-muxes have a percentage of their capacity reserved for Community Radio is good in principle but it is our belief that the current proposals have a fundamental flaw in that without any type of control over the cost of access to the capacity, the mini-mux operator will still be able to easily control access for community stations by simply pricing them out of contention. This problem may be compounded by the provision to allow reserved capacity to be offered to commercial operators should no community wish to take advantage. It is easy to image a situation where reserved capacity is priced such that no community station is able to afford it, effectively making it permanently available for other operators.

We think that reserved capacity is a good thing, but it should be backed with some price limits or control to ensure that access is realistic for the stations the capacity is intended for.

Clearly this will need to be balanced with the requirement to make running multiplexes attractive for the potential operators.

2. *We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?*

This is fairly dependent on the answer to question 1. In order to make the operation of Small Scale DAB multiplexes, it is clear that the operators will need the ability to sell capacity to broadcasters at market rate. We agree that some capacity should be reserved for community (and as previously stated at a protected rate to make it accessible) with the remainder to be available for commercial services.

We do not think a blanket percentage of capacity should be applied on a national basis as there is clearly going to be higher demand for community access in some areas.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

As addressed in question 1, we think this option should be tempered with some control of community radio access costs to avoid abuse of the basic principle. With adequate protection in place to ensure realistic access for community radio, the resell of unused capacity makes sense.

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

The problem with this proposal is that it is simply extended the fundamental flaw with the current community radio licensing system to the DAB platform which will bring with it the same crippling issues that have caused a large number of community stations to close and for almost all the community stations that we work with to struggle.

The core problem is that the current funding restrictions mean that commercial revenue must be matched by non-commercial revenue. We understand the principle behind this but the fact remains that in the current economic environment, sources for non-commercial funding are extremely restricted. We speak to many stations that could sustain their operations through very localised advertising (that is not appealing to the majority of commercial operators) but the community stations cannot accept the advertising as they cannot raise matched funding through grants or other sources.

Consider the local butcher. He (or she) is only interested in advertising to a very restricted local area. Current DAB & FM stations are likely to cover a much wider area and carry correspondingly higher advertising costs. This is compounded by the increase in group ownership of stations. The majority of all station ownership in the UK is held by 3-4 large radio groups all of which are able to leverage their networks to gain national advertising. This means that is no longer financially viable for most stations to have local sales teams chasing small advertisers. So even if the local butcher wants to advertise on the radio, the current system may well prove too expensive and offer poor returns due to coverage area being much larger than their potential customer base. That is why most radio advertising is for national or regional brands.

Small scale DAB might offer a route to allow local businesses to advertise to their customer base in a more cost effective manner which will provide a sustainable revenue stream for the small scale broadcasters, without affect the revenue of the existing commercial operations who (on the whole) do not service this market.

The retention of this existing funding restrictions mean that regardless of the above, stations are likely to be restricted in the same way as current FM stations which may restrict the amount of successful stations.

For this reason, we suspect that many potential community radio stations would seek to gain a standard DSP license to remove these restrictions. This would exclude them from the reserved capacity (one presumes) but as the current proposals covers capacity only, there is no guarantee that reserved capacity would necessarily lead to a viable route to broadcasting.

5. *We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.*

As already outlined, it is imperative in our opinion that reserved capacity for community radio is coupled with cost control to ensure access is actually viable for community stations. We do not see how making pricing transparent will aid this as it is not like a station in Brighton can choose a multiplex in Hull just because the price is cheaper!

6. *We would welcome views on this approach.*

This is a very difficult equation to balance. We support the effort to restrict ownership by existing commercial multiplex operators although it is doubtful whether such restrictions will present realistic obstruction to organisations that wish to create networks of min-muxes. This has been evident in the current ownership restrictions in commercial radio which can be circumvented with the creation of multiple companies. However, in the absence of a better alternative, this approach at least outlines the intention to restrict ownership to avoid local or national monopolies.

7. *Do you agree with this two-step approach to delineating the size of small scale multiplexes?*

It is important that there is a differential between the new Small Scale DAB and current local licenses and existing local operators should be considered so we agree that this approach seems like a fair one.

8. *Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?*

Our understanding is that the Small Scale DAB license structure is intended to cover a specific community, not just a blanket coverage of a town or city. For this reason it seems fair that there are limits to the broadcast area (as it will still provide adequate potential listenership) but we believe that this will be difficult to apply fairly with a blanket cap. In a large city like Manchester, a local DAB mux might cover the bulk of the city but a Small Scale DAB license should only cover a portion of the city. In small towns, this will be much more difficult to apply as if a local DAB operator covers a town, covering less than half of a town may make running a station non-viable. Maybe a more fluid approach would be more fair to operators in smaller towns or sparsely populated areas.

9. *We would be grateful for views on these options or other options along with reasons for your choice.*

We think that a fixed license period will provide an essential level of stability to allow planning and maintenance and growth throughout the licensed period. That said, there should also be some incentive for Small Scale DAB operators to meet their requirements and provide a competitive service. So a five year initial license with the option to renew for a further 5 years would be fine.

10. *We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.*

This seems like it would place unnecessary burden on the regulator. Why not simply have them 5 years and then you have to re-apply and anyone else can also apply at the same time.

11. *We welcome views on this approach.*

We agree that there should be no restrictions on the BBC gaining access to the platform if doing so is beneficial although it is assumed the BBC would be expected to pay the standard commercial rates (as published by the operator) for access.

12. *We would welcome views on the implications of this approach.*

We agree that the limitations on the scale of coverage should adequately protect the interest of existing operators. In most markets, there are no restrictions on competition, indeed monopolies are not generally encouraged so we think that restricting the scope of Small Sale DAB should offer more than enough protection to the existing operators.

If you would like any further clarifications on these answers, please feel free so contact us.

[REDACTED]

Small scale DAB Licensing Consultation

Response by Awaaz FM Community Radio Southampton

Dear Sirs,

Further to the above consultation, please find below our responses to the questions in DCMS DAB Multiplex consultation paper.

Question		Response
<p>Community stations and small scale radio multiplexes</p> <p>We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?</p>		<p>Yes. We believe that in addition to the FM/AM services provided by community radio stations, it is important for them to be able to reach out to the wider community especially if – like in our region – there are some community members who cannot receive the FM frequency clearly due to topography. In this case, DAB will help them to keep in tune with their local area better. Reserving capacity for community radio stations is welcomed.</p>
<p>We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?</p>		<p>We believe that although an upper limit should NOT be placed on the amount of capacity reserved for community radio services, it SHOULD be reserved for the type of services in any particular area. For example, a station that has relevance in one area but not in another should only be allowed on the multiplex where it has relevance. For example, a London community radio station should NOT be allowed on the Portsmouth multiplex unless it can show that there is relevance in the area i.e. there is clear support or statistical factors that show regular migration from each area. In this way, the audience is only being fed what is relevant to them and not being bombarded with unnecessary stations which clog up the desire for capacity by</p>

		<p>more local broadcasters. We do not believe it necessary for a community station in one area to be broadcasting on FM/AM in their home area and on DAB in a different area unless they can show there is a need for it. Clearly, when we apply for a community radio licence, we have to show that there is a local demand for the service, the same rules should apply here.</p>
<p>Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?</p>		<p>No we do not agree with this. Here there is the risk that small scale multiplex owners will purposely NOT offer to community radios or other local broadcasters if they know they can generate more income from the national or commercial sectors. We are aware that some small scale multiplexes have refused capacity to local broadcasters citing lack of capacity when clearly they had offered the same capacity to commercial stations. Both commercial stations and national broadcasters already have the freedom of commercial and national DAB multiplexes and therefore would have unfair advantage over community stations or local broadcasters if this was implemented. Again, we emphasise that a community station from another area can be placed on a small scale multiplex in a different area if they can show the need or support for it. This would very easily fill up the space of any 'unused' capacity.</p>
<p>Digital community radio licences</p> <p>We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.</p>		<p>We support the concept of the C-DSP licence in principle. The new C-DSP licence will offer more community services but it will come with a cost and in light of this, we would suggest that DCMS consider extending the funding available to the Community Radio Fund because of this.</p>

<p>Restrictions on holding small scale radio multiplex licences</p> <p>We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.</p>	<p>Access to the small scale DAB radio multiplex by some community radio services has been difficult. Whilst we acknowledge that this is partially due to the lack of knowledge of its existence by the community radio, it is nevertheless important to keep the ownership of small scale radio multiplex licences restricted to local entrepreneurs, businesses or community stations. Multiplex operators should retain the right to keep control over whom they contract with so that a broad selection of services is maintained for the local area and that there is not saturation of one particular genre.</p>
<p>We would welcome views on this approach.</p>	<p>We are strongly against the idea of an existing national multiplex licence holder being able to operate a Small Scale DAB multiplex. We believe that it is possible to successfully operate a local DAB multiplex without the resources of the large multinationals.</p> <p>Compared to the existing ‘commercial’ multiplex operators, the Small Scale DAB sector has greatly led the way to introducing new and varied services into the market giving listeners an introduction and flavour to new genres and more targeted news, views and entertainment. As such, local DAB operators have demonstrated that they have been able to work with both new and existing community radio services. Small Scale DAB multiplex operators will show much more innovation and bring forth new ideas. We believe that it is crucial that Small Scale DAB multiplexes can be operated by new entrants.</p>
<p>Determining the size of a small scale radio multiplex</p>	<p>Yes we agree to this approach. However, we believe that the same company should not be able</p>

Do you agree with this two-step approach to delineating the size of small scale multiplexes?		to hold licences for adjoining towns/cities as this will give a lack of competition. Also, the size of the multiplex should not overlap neighbouring areas unless there is a clear need i.e. as explained in document for Cumbria and Scottish regions.
Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?		We support this approach in principle although there should be some flexibility from Ofcom to go above the 40% geographical limit in exceptional circumstances i.e. topography limitations to avoid leaving some areas with no Small Scale DAB at all.
Duration of small scale radio multiplex licences We would be grateful for views on these options or other options along with reasons for your choice.		We believe that in line with community radio licences, the small scale multiplex licences should also be for 5 years with the option to renew. This allows for new bidders to come on board and if a particular licensee is facing difficulties, they should be allowed to transfer the licence to an investor.
We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.		No-one should take on the responsibility of a small scale multiplex if they are unsure about the future costs and sustainability. However, things do change and so long as the licence is transferable to an investor (who should ideally be local rather than commercial or national), there is scope to link the licence length with demand in a particular area.
BBC access to small scale DAB We welcome views on this approach.		The BBC is already privy to its own DAB nationally and services are automatically connected to the regional services when travelling through zones. Therefore, it is NOT necessary or viable for the BBC to be included in small scale DAB multiplexes. Either way, small scale DAB owners will see this as an opportunity to fill capacity. If this happens, it does not serve the purpose of the small scale DAB multiplex service.

<p>Ofcom duty to consider commercial impacts on local multiplexes</p> <p>We would welcome views on the implications of this approach.</p>	<p>We disagree with the arguments put forward here. If existing small DAB licensee's (who do not have a national interest) were allowed to hold small scale DAB licences, it would simply be an extension of their existing service. Whilst this may seem like a sensible approach to better coverage it takes away the variety of new stations and also the costs of joining the small scale DAB is likely to be set at the same rate as their existing DAB service which would make it too expensive for new community stations to join.</p>
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Response to the Small Scale DAB Consultation - OX4 FM Community Interest Company

Jonathan Cohen [REDACTED]

26 February 2018 at 21:51

To: "smallscaleDAB@culture.gov.uk" <smallscaleDAB@culture.gov.uk>

Response to the Small Scale DAB Consultation.

From:

Jonathan Cohen

Director

OX4FM Community Interest Company (First FM - Oxford)

Dear sir or madam,

Please find our response to the Small Scale DAB consultation below. If there are any issues, just let me know.

Best regards,

Jonathan Cohen

Q1.

We support the proposal to reserve capacity on small scale multiplexes for community radio stations. If existing FM community stations are to be allowed to progress to digital, reserving capacity for them on their local small scale DAB MUX would appear to us to be the most logical way to provide this upgrade path. This goal might also be best served by ensuring that SSDAB licence applications demonstrate the involvement or support of existing local FM licenced community stations.

Q2.

It would be a reasonable expectation of any existing FM licenced community station that a path be available for their transition to digital broadcasting. However the number of FM licenced community stations varies substantially from area to area and a hard limit on the number of such services carried on SSDAB multiplexes would seem inappropriate. Therefore subject to a MUX becoming "full", it would seem reasonable that all existing FM community services in a given area be guaranteed carriage on their local SSDAB MUX. It may also be reasonable to consider reserving additional capacity for a limited number of new or temporary "RSL" services, however this would need to be balanced against the needs of MUX operators to ensure their business is financially viable. For existing FM services, we would propose a minimum MUX capacity be reserved of 128 Kbps for a service in the DAB/MP2 format, or optionally should more than three existing FM community stations require carriage, at 64 Kbps for a DAB+ service. Inevitably, there may be areas where the number of existing or proposed stations exceed the capacity of the available MUX or MUXes. In this case we hope Ofcom would consider licencing additional SSDAB MUXes where practical.

Q3.

Yes. With the move to digital there needs to be a mechanism to replace the current RSL licencing scheme for short term FM broadcasting. There are many cultural activities, festivities and special events throughout the country that currently rely on FM RSL licences and a path to digital for these is essential. It would appear logical that SSDAB multiplex operators should reserve capacity on their MUX for such services.

Since capacity would still be limited, we believe MUX operators would need guidance or instruction from Ofcom on the allocation of this bandwidth. This could be achieved in a similar way to the current RSL scheme, with Ofcom issuing short term digital service RSL licences. Since MUX capacity only has a finite availability in a similar way to the limited availability of FM frequencies, Ofcom could then handle the situation of multiple applicants for a given date or event using their current processes, relieving the MUX operators of any potential conflict of interests and ensuring transparent and fair access to the limited capacity reserved on the MUX.

This does raise the question of what use should be made of the spare "RSL" capacity on the MUX when not in use. We would propose that the minimum protected bandwidth for RSL services on any MUX should be equivalent to a 64 Kbps DAB+ service. This is enough to allow a high quality temporary service using DAB+, but low enough to limit the impact on existing services when not required for RSL use. This would potentially allow MUX operators to come to commercial arrangements with other broadcasters on the MUX to slightly reduce their bitrate during RSL broadcasts, on the understanding this is a regulatory requirement (but not below the minimum bitrates we proposed above for protected CR services). In other cases, the spare capacity could be used, or sold, for temporary additional "extra" services at the commercial discretion of the MUX operator on the understanding such services would have to cease during any period of RSL use.

Q4.

We support the proposal for a C-DSP licence as described in the consultation, which seems an ideal mechanism to transition the existing community radio framework to digital. However, it's unclear how the new C-DSP licences would be allocated capacity on existing SSDAB MUXes once these MUXes are already established. In the case of an existing SSDAB MUX operator with existing commitments and customers, the compulsory addition of a brand new C-DSP station might cause the loss of other services, contractual or financial complications. Therefore the issuing of such a licence should require some form of confirmed carriage "in principle" from a MUX operator, before such a licence is granted. Once granted, the MUX operator's licence should be varied to require carriage of the new C-DSP service on an on-going basis. As existing SSDAB MUX operators may have limited remaining capacity and other commercial considerations, it might be desirable that the commercial negotiations regarding fees and reserved bandwidth for a new C-DSP licensee be left as a matter between the applicant and the MUX holder, however guidance or regulation to MUX holders may be required in this respect.

Q5.

We would have no objection to the licensee of a SSDAB multiplex being a commercial company, however we would expect the licencing process to give preference and priority to organisations that can show the support and/or involvement of existing local FM licenced community radio services, as ultimately these services will become completely dependent on the licence holder. If such preference and priority is given, we agree that the "mixed model" approach is most likely to ensure financial stability for the MUX operator while providing a foundation for carriage of both community and smaller commercial stations. We believe that by ensuring priority is given to applicants demonstrating the firm support and/or involvement of local community radio services, the concerns of a "quasi-regional" or "monopoly" owner of licences should be eliminated. Such a requirement might also encourage cooperation between community and commercial radio services in the same, or neighbouring areas which could help alleviate the risks of launching a multiplex.

While we support the proposal for multiplex operators to be transparent with their fees, we do not feel that this alone is enough to alleviate the concerns regarding high carriage charges. Indeed by effectively having a captive customer base and being forced to publish their fees with no opportunity for individual negotiation, the MUX operators would almost be under an incentive to set the highest fees the market could tolerate. This would not be in the best interests of the MUX operator, the broadcasters or indeed the listeners. While we don't believe in regulated pricing and zero cost carriage for community stations is unlikely to be economically viable, ensuring that existing local community stations are stakeholders in any SSDAB licence application would appear to be the most obvious method of ensuring their interests are respected.

Q6.

We do not support the limiting of ownership to one licence, however we do believe that some upper limit is likely to be required. We would for example be very concerned if more than around 10% of SSDAB licences were held by the same organisation, though we understand that the issues of partial ownership may present other challenges.

We do not believe existing national multiplex holders should be permitted to hold any stake in SSDAB entities. By definition these organisations would already have a licence to broadcast in the area of the SSDAB multiplexes and allowing them to control SSDAB in addition to a national multiplex would exacerbate the exact situation SSDAB is attempting to solve.

We do not believe existing local multiplex holders should be involved in SSDAB services within the coverage of their existing DAB multiplex, as this would not only reduce competition but create a substantial conflict of interest and again exacerbate the exact situation SSDAB is attempting to solve.

We believe individuals/organisations/entities holding no national or local multiplex licences should be allowed to hold multiple SSDAB licences, but that an upper limit on the number of such licences should be considered to ensure competition.

Regarding restrictions on holding multiple licences in the same area, we believe that a licence holder should only be able to hold one licence in any area where the coverage would be substantially the same. However this should not prohibit for example the situation where adjacent community stations wish a single entity to licence the coverage of two or more areas that intersect.

We agree there should be no restrictions on DSP and new C-DSP licence holders taking carriage of their services on different small scale-multiplexes, however in the case of new C-DSP services, where this carriage is outside their official service area, such carriage would have to be on commercial terms unless they are granted an additional C-DSP licence for the new area.

Q7.

We agree that Ofcom should have the flexibility to issue licences to cover an area up to a maximum cap in square kilometres in areas where there is no current local multiplex licensee.

Q8.

We do not agree that there should be restrictions on SSDAB coverage in areas already covered by existing local DAB multiplexes. While it may be appropriate for a SSDAB MUX to cover a smaller area, this should not be made an artificial limitation by regulation and should be assessed on a case by case basis as part of the licencing process.

Q9.

We believe that shorter licencing periods may make it more challenging for MUX operators to become economically viable and will not provide stability for the carried services. In particular, a 5 year licence period matching but not synchronised with an existing community station's own five year licence, might mean the station loses or has disruption to their DAB carriage in the middle of their licensing term. We therefore believe that 7 years should be the minimum considered.

Q10.

We do not see any obvious merit in linking the licence length to underlying demand, with the exception of offering longer licences in remote locations which require an unusually large coverage area for a small number of potential listeners. In that particular case, a longer licence might allow a MUX operator to recoup their initial costs over a longer period reducing the cost of carriage and making the MUX more financially viable.

Q11.

We believe that there should be no artificial limits on the number of SSDAB licences made available in any given area. If there is excess demand for carriage and the frequencies exist to support additional multiplexes, then licences should be granted for these.

We believe the BBC should be able to take carriage on SSDAB multiplexes, however this should be on normal commercial terms and no special access, priority or rates should be given.

We do not believe the BBC should normally be involved in the ownership of SSDAB licences. However, should this be allowed we believe it is essential this does not prevent (for example by use of limited available frequencies) other groups from being licenced to operate a SSDAB MUX in the same area. The BBC already have their own national DAB multiplex and have demonstrated it is practical and economically viable for them to negotiate commercial terms with local DAB MUX operators, so there would need to be some requirement on the BBC to demonstrate that there are no existing local or SSDAB MUXes available or proposed in a given area on which they could rent capacity, before they should be granted any such licence themselves.

Q12.

We do not believe that the commercial impact of a new multiplex on other operators should be considered or is in any way relevant to the licencing process. Indeed, to take such an impact in to account is effectively to state that you believe one company deserves a monopoly over another. This is not in the interests of any of the stakeholders and ultimately can only drive up costs for broadcasters due to lack of competition, limit choice for listeners and potentially lead to more serious issues such as reduced capital expenditure and coverage by the local MUX operator.

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Jonathan Cohen

[REDACTED]

Response to the Small Scale DAB Licensing Consultation

Winchester Radio welcomes this opportunity to help define the future licensing regime for Small Scale DAB, which we think is incredibly important for the future of community radio in the UK.

About Winchester Radio

Winchester Radio is a Charitable Incorporated Organisation (number 1160752) formed as the incorporated successor to the unincorporated charity Winchester Hospital Radio. For over 30 years, we have provided the hospital radio broadcasting and ward visiting service for patients at the Royal Hampshire County Hospital in Winchester.

Following a strategic review of the future of the charity, and responding to changes within the NHS focusing on reducing hospital admissions, we concluded that we could best serve our beneficiaries by helping and encouraging Wintonians to live a healthy, active, engaged life for longer, with the aim of keeping them out of hospital and/or needing social care, rather than solely entertaining people when they are in hospital. Having consulted widely with stakeholders, we successfully applied to Ofcom for an FM analogue community radio licence, and are now working towards a service launch in mid-2018.

When Small Scale DAB licences are offered, we would be very interested in having Winchester Radio carried on a local multiplex, subject to the cost of doing so not being prohibitive.

Consultation questions

Structure of new licensing requirements

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Community radio is playing an increasing role in the local broadcasting landscape. The organisations behind community radio stations are required to be for social, rather than private financial, gain; they are run largely, and often entirely, by volunteers. Income from on-air advertising and sponsorship is limited by legislation to protect commercial radio, and funds are extremely tight for these organisations. Expecting them to compete with commercial radio for carriage on SS-DAB multiplexes would not, therefore, be a level playing field. The only way that DAB community radio is going to become widespread in the UK whilst funding restrictions are in place is if capacity is reserved for this use.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Ofcom should have the flexibility to set the amount of capacity reserved for community radio. This amount should be set on a per-multiplex basis, taking into account factors such as:

- the cost of running the multiplex (different geographies might require different technical solutions, meaning that the cost of providing satisfactory coverage varies; this might mean that certain multiplexes require a greater commercial revenue than others to be sustainable);

- an assessment of the demand for community radio;
- the number of other DAB multiplexes in the area on which commercial stations can seek carriage; and
- the number of community radio stations the area might economically sustain.

We disagree with the suggestion in the consultation that the assessment of demand for community radio should be based solely on the number of analogue community stations in the area. Whilst this would be one useful metric to consider, it appears to restrict the opportunities for new community radio stations to launch on DAB-only.

As explained above, Winchester Radio has over 30 years' experience of providing a hospital radio service, but has only relatively recently decided to launch a community radio service. There are around 200 other hospital radio services, only a handful of which are licensed community radio stations, or are awaiting to see if they will be awarded a licence. With changes to the way that the NHS treats patients meaning that fewer people are admitted into hospital, and with those that are admitted spending less time in hospital, hospital radio is also evolving. Many hospital radio stations already broadcast on the internet, and following discussions between the Hospital Broadcasting Association and the charity regulators, widened model charitable objects that include public health promotion as well as entertaining those in hospital will facilitate these charities legitimately launching health & wellbeing community radio stations with similar aims to those of Winchester Radio.

The assessment that Ofcom makes as to the amount of SS-DAB multiplex capacity to be reserved for community radio in an area must take into account the demand for capacity in total, not just from existing analogue licensees. Recently, as part of its analogue community radio licensing regime, Ofcom has been inviting Expressions of Interest prior to undertaking a formal licensing round. We would suggest that a similar regime might be used to ascertain likely demand for SS-DAB community radio services.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes. The notice period in which the multiplex operator would need to release reserved capacity from its temporary use would need to be specified, and to appropriately balance the legitimate interests of all parties involved.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We largely agree with the proposed introduction of the concept of a C-DSP licence and the associated licensing regime. However, it is likely that in the case of some SS-DAB multiplexes, even if a large proportion of the capacity is reserved for community radio, demand will outstrip supply. In this case, it does not seem appropriate that the multiplex operator has the final say in which community radio stations are awarded capacity and which are not. As community radio is, by definition, for the public benefit, it should be a public authority which determines which stations are awarded the right to use the available reserved capacity. Awarding C-DSP licenses, therefore, will need to include (at least where demand exceeds supply) a public benefit assessment similar to that undertaken by Ofcom today when awarding analogue licences.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We are not convinced that the proposed imposed transparency of SS-DAB multiplex operators just having to publish their C-DSP carriage fees is sufficient; in any one area, the licensed multiplex operator is likely to be a monopoly, so publishing prices is no real incentive to them being set at the lowest economically-sustainable level.

It is enshrined in legislation that community radio must be not-for-profit. It seems eminently reasonable, therefore, that SS-DAB capacity must be made available to C-DSP licensees on a not-for-profit basis. To do otherwise risks commercial gain by monopoly providers from the not-for-profit sector, risking the public benefit provided by community radio.

That said, as long as Ofcom ensures that:

- an appropriate amount of each SS-DAB multiplex is reserved for community radio use, as outlined in our answer to Q2; and
- that the cost of access to that reserved capacity by C-DSP licensees is regulated so as to ensure that it is made available on a not-for-profit basis;

then there would appear to be no legitimate reason for the multiplex operator to be restricted to a not-for-profit business model.

Our proposal that C-DSP licensees be carried on SS-DAB on a not-for-profit basis does not mean that the SS-DAB operators should not be allowed to set community radio carriage fees on a “full-cost recovery” basis, allowing them to run a sustainable business model, just that they should not be able to make any net financial gain from their not-for-profit clients. Any SS-DAB operator, be they running on a commercial or not-for-profit basis, ought to be free to charge the commercial stations whatever the local market will sustain for carriage.

Q6. We would welcome views on this approach.

We are largely content with the proposed restrictions on SS-DAB multiplex ownership.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Whilst we can understand the rationale behind the proposed development of an indicative frequency plan, and the alignment of the service areas of SS-DAB multiplex licences with existing local DAB multiplexes, this feels overly restrictive. There might, for example, be legitimate communities, at sub-county scale, that bridge existing local DAB boundaries.

For this third-tier of DAB, we wonder whether allowing potential multiplex operators to propose service areas, and then doing the frequency planning based on these proposals, would not be a more appropriate way forward – similar to how analogue community radio frequency planning is conducted.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We agree that an upper limit on the service area for an SS-DAB licence of around 40% of the local DAB licence(s) in the area make sense, so as to ensure that SS-DAB is distinct from local DAB. There needs to be some flexibility in this limit, however, depending on the specific circumstances.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Licence duration for the SS-DAB operators is a balance between having a stable platform with known, predictable, costs, and the opportunities that a new licensing round brings. On balance, we feel that, for community radio stations such as Winchester Radio, having a stable platform with known, predictable costs is more important. We would, therefore, favour relatively longer licence durations, with a presumption of renewal unless the C-DSP licensees with capacity on the multiplex wished the licence to be re-advertised.

Q10. We would also welcome views on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We are not convinced that the potential advantages of having different licence durations in different locations outweighs the complexities of managing such a regime.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

We are content that the BBC should have access to the unreserved, commercial capacity on an SS-DAB multiplex to provide better coverage of existing BBC services. The BBC should not be able to launch additional hyper-local services, nor should the BBC or any subsidiary company be eligible to hold an SS-DAB licence.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

We agree with the view that the extent of Ofcom's duty to consider the commercial impacts of SS-DAB licences on local DAB multiplexes should be limited to the consideration of relative geographic size, so as to retain the distinction between the two licensing regimes.

If the consultation team would like further information or clarification regarding any of our answers provide above, the trustees of Winchester Radio would be more than happy to assist. In the first instance please contact us by email via [REDACTED]

Paul Boon



27 February, 2018

Media Team
DCMS
4th Floor
100 Parliament Street
London
SW1A 2BQ

Sent by email

Small scale DAB consultation

Please find attached a response to your current open consultation. The consultation document sets out twelve questions, these are answered in order within the attached document.

By way of brief personal background, I have been instrumental in the deregulation and development of commercial radio since 1986 and working closely with key individuals initiated new policy proposals acting as an intermediary between the government (the Home Office) and the regulator (the Independent Broadcasting Authority). I later worked on and helped establish several smaller scale local commercial and community of interest radio entities before becoming managing editor of the industry's newsweekly the Radio Magazine. In 2008 I joined Ofcom playing a prominent role in broadcast radio policy, commercial radio, community radio and DAB licensing. I left the regulator last year.

Finally, one point of note on a matter relating to small scale DAB. Existing local commercial radio analogue licensees can benefit from an automatic licence extension provided that their service is carried on a 'relevant local DAB mux'. It would seem wholly appropriate going forward for Ofcom to be allowed to consider and accept the small scale multiplexes as 'relevant multiplexes'. This I believe would benefit the new small scale mux operators as well as the analogue radio licensees who have yet to make the step to DAB broadcasting.

Naturally I would be happy to discuss any points, my contact details are above.

Yours faithfully,

A handwritten signature in black ink that reads "Paul Boon".

Paul Boon

Small scale DAB consultation response – P. Boon

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Reserving capacity is an agreeable principle which empowers Ofcom to approach this aspect of licensing in a flexible manner. However the term 'capacity' as set out in the consultation could perhaps be more specific in order to achieve the desired policy objectives, because in practice there is no correlation between the number of services carried on a multiplex and a pre-determined amount of capacity.

Capacity in this context may be viewed as being two-dimensional. It is possible to have a few radio services delivering reasonable audio quality, but using the same capacity it is possible to cram three or four times the number of radio stations into the same space – the result very poor audio quality¹. As an example, there are already a large number of DAB services being allowed to broadcast an inadequate audio signal to listeners – a root cause of the many complaints made of DAB sound quality.

Whilst an Ofcom audio quality specification is applied to FM licensed services, generally the same is not the case for DAB licensed services at the local level. This has resulted in a race to the bottom in audio quality in a large number of circumstances.

Given that audio quality is a consumer pre-requisite for listening, DCMS is encouraged to give this matter further consideration. One option could be to prescribe a number of services each with a pre-determined amount or minimum amount of capacity appropriate for DAB. For example 112 kilobits per second (Kbps) in mono, might be a suitable minimum.

However it is important to bear in mind that in many cases the greater the capacity, the higher the cost charged by the Mux operator to the broadcaster, so a balance will need to be struck between the minimum quality of the signal a listener might reasonably expect, and cost.

Returning to the central issue, the principle of ring fencing capacity to enable community radio access to small scale multiplex operations, represents the most effective way to bring these types of services to air provided an affordable cost prevailed.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

An upper limit of mandated capacity (notwithstanding the point made above) should be applied. This should be subject to variation by the regulator on a case-by-case, locality-by-locality basis but in any event should always allow for a mix of services community and commercial, existing licensed analogue services and **most importantly commercial and community new entrants**.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes. This principle makes best use of what still remains a finite national resource. However, in order

¹ While it could be argued that these effects may be mitigated to some extent through the use of DAB+ it should be noted that there are very few DAB+ receivers in the market. As a result, at this stage of digital radio development reserved capacity should apply to the main transmission medium – DAB (rather than DAB+) to avoid a mux operator ghettoising community services.

to apply essential safeguards for community radio broadcasters, this principle would be conditional upon adequate reserves of capacity for each service applying (bearing in mind the point above regarding audio quality) and that this capacity is offered in the context of the answer given below (Question 5 – Carriage fees and fixed pricing).

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

A C-DSP licence seems to be a workable licensing tool to reach the desired objective.

However, regarding fees, the proposal set out in the consultation document suggests “lower fees” prevailing between C-DSP and DSP licensees. Given that the whole ‘third-tier’ is small scale in nature, any commercial radio service operating at this level under a DSP licence is already going to be severely constrained in terms of scale (i.e. serving a comparatively small sized population). It follows that this would impact heavily on the licensee’s ability to generate revenues. This would be the case in particular for broadcasters operating from beyond all but the largest cities in the UK.

It does not seem right to have in place a system where a small scale community licensee and small scale commercial licensee pay different fees given that they both face similar burdens in terms of financial and operating challenges at this small scale local level. The economics of running any kind of small scale entity, radio or otherwise, dictates that financial resources will be in short supply, therefore to have two-tier charging in this new third-tier medium seems bizarre and not a little unfair.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

It is a reasonable assumption that a mixed model approach to ownership would facilitate the widespread development of this third-tier. A mixed model approach is welcomed because as identified in this consultation, there is likely to be variance in each locality in terms of numbers of commercial and community analogue broadcasters that may express interest, and the numbers of prospective new entrants both community and commercial. The mixed model approach can go some way towards accommodating these differences.

Regarding carriage fees, expecting mux operators to complete returns setting out running costs and pricing structure in order for Ofcom to adjudicate, represents an imposition on small operators that will be in all probability, facing severe resource constraints. Furthermore, it is likely that this process would gather largely unreliable data and in any event become largely unworkable. Even relying on licence applications to set out “indicative charges” is not, in law, enforceable and would leave in all probability the licensing award system compromised.

That given, should any small scale mux operator make provision for adequate capacity to accommodate a minimum number community radio services, as discussed above in this document, then this would have some effect of providing a window of opportunity for community radio stations to access their local small scale mux without the need for additional burdensome regulation. But it is essential to note that more structure is needed if the aim of guaranteed access by community radio services to small scale multiplexes is to be achieved, and this is set out below.

The nature of multiplexing the signals of different broadcasters operating through different economic and ideological models still requires a gatekeeper in the form of the multiplex licensee. However the gatekeeper system as used in local DAB mux licensing is flawed and in a number of instances can be open to abuse. With this abuse comes disagreements over costs and access. To overcome this the

CMA not-for-profit mux operator model would provide the transparency and in all likelihood the fair access required by community radio operators. No doubt this was the reasoning behind powers set out in the Broadcasting (Radio Multiplex Services) Act 2017.

It is clear that DCMS do not wish to adopt the not-for-profit model.

There is a third way – Fixed pricing.

In this model community radio licensees between them could access up to, say, 25% of total capacity for a fixed annual fee linked to RPI.

An example might be c. £3,000 per annum for 52 weeks transmission at 112 kbps.

This would leave the mux operator to earn income from the remaining 75% capacity. While larger area mux operators may in practice be discounting heavily to meet the level of £3,000 they would still have scope to make much more revenue from the setting and selling of other capacity at the market rate to other users. On the other hand while smaller area mux operators would be charging the same (c. £3,000) this level would be more likely to be nearer the actual cost of provision.

The actual level of the fixed price could be drawn from the small scale DAB trial data and is something Ofcom may wish to consult on.

Q6. We would welcome views on this approach.

DCMS has stated that it aims to see widespread development of small scale DAB multiplexes. The consultation narrative highlights the CMA's important concern regarding "quasi-regional content services across multiplexes" to the detriment of local content production and access. Further, in this section DCMS proposes under the sub heading 'carriage restriction' that "no restrictions on DSP licence and new C-DSP licence holders taking carriage on different small scale multiplexes".

It is very difficult to see how this DCMS proposal would prevent quasi-regional content being broadcast on small scale multiplexes at the expense of local content. Given that this consultation is focused on 'small scale multiplexes' with small scale being, one would assume, a proxy for local radio, then by definition this objective is diametrically opposed to the 'no restriction' DCMS proposal. This proposal would leave the door open for extensive networking of quasi-regional radio services at the expense of local content providers.

In an attempt to square this circle while the need for widespread development is noted, the following proposal might be worthy of consideration:

That no more than 'x' services (say, three) with a maximum bit rate (of say, 112 Kbps each) should be networked on any small scale multiplex.

Separately, with regard to widespread development and the inclusion of the existing national mux licensees, this can best be achieved by initially setting the limit to three rather than five new small scale mux operator licences as proposed in the consultation document. Such a move would allow for greater diversity among applicants in the early years of development of this tier by giving them a head start. Such a move would also allow the lower limit to be increased to five at a later stage if necessary and once the small scale mux tier has become established.

However, with regard to the "step-aside rule" at the point of award of a new licence, there does not appear in this proposal any mechanism to prevent the successful entity from selling-on the newly acquired licence possibly to a national operator. In a free market this is an often-accepted fact of life. However, DCMS may take the view that in cases where there are services provided for the benefit of the community or there is a licensing regime for broadcasters where social or other duties such as broadening choice are placed upon them, then government too has a responsibility if not a duty to ensure that actions taken are in the interests of the citizens and consumers they serve, rather than

allowing a free market of selling licences.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

The two step approach of tackling DAB coverage in more remote areas as well as licensing subsets of existing DAB areas seems appropriate.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

The term “40% limit” by area lacks being specific. It implies a geographic term, which would represent a convoluted and unnecessarily complex way of measuring a subset of a multiplex. A 40% limit by area, as set out in the consultation would be as meaningless as it would be unworkable. For example due to differences in population density it would be practically impossible to compare with any meaning 40% of the London local mux area with 40% of the Norfolk local mux area, not only for policy purposes but for licensing and regulatory purposes.

A measure based on adult population receiving a measured strength of signal, as applied to existing mux operators and used in both analogue radio and local TV licensing, would appear much more suitable.

This consultation relates to small scale DAB multiplexes and if one was to assume that the 40% rule relates to adult population rather than area, it would seem realistic to apply a 40% population threshold to only the larger multiplexes, say, those currently serving in excess of 600,000 adults.

The reason this level has been identified is that as 40% of 600,000 is 240,000 - the imposition of regulation at this micro level would be disproportionate, as it would become such a constraint so as to make almost any operation of this scale largely uneconomic in most parts of the UK². The low numbers would not add up to make a service sustainable, not in the short, medium or longer term. Applying the 40% rule to smaller multiplexes would lead to an uncomfortable parallel being drawn with the less than stellar financial viability in some parts of the UK of the development of Local TV licensing.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

It's a misconception that small is easier. It is understood that the set-up costs for small scale multiplex operations will be much lower than that for a local DAB mux, and it appears that the intention is for these operations to be smaller in scale also (i.e. up to 40% of existing operations). Given this latter point, logic dictates that access to potential revenue will also be lower, leading to lower levels of resource. Therefore the ability to repay the set up costs will be downscaled and as a result would be more challenging for an operator to reconcile. The consultation does not appear to recognise this underpinning economic reality. It follows that to fix shorter-term licence durations to this new tier is adding another unnecessary burden as smaller operators would in most cases require a longer period of time to settle the set up costs. To help an entity operate effectively in this new third-tier environment and to prevent it becoming unsustainable economically, the same twelve-years duration should be considered.

² NB: This assumes 100% take up in the number of DAB receivers in homes and cars. In practice this figure is much lower and therefore potential adult audience would also be substantially lower as well.

Taking the consistent approach further, it is noted that Local TV (L-DTPS licences) are granted for a maximum period of up to 12 years.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

It is, in all probability, not wise to add another aspect of inconsistency between small scale multiplex areas which display differing and arbitrary features, as regulating and adjudicating disputes between different licensed areas could present a substantial regulatory challenge with possibly inconsistent and unclear outcomes.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

No views on this approach

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

Agreed, Ofcom should not have a duty in this regard. Such an approach would represent an unwanted (by nearly all parties) and unnecessary burden on small scale mux operators, their radio service providers and quite possibly the regulator. This is for two reasons. Firstly the scale of these small scale mux operators would represent enough of a constraint and this alone prevents these services inflicting material economic damage to the existing radio ecology. Secondly, it is invariably the case that it is not possible to make reliable or meaningful assessments of smaller entities due to there being often sharp fluctuations in trading patterns and there being too many variables and intangible elements on which reliable commercial assumptions can be made. This type of regulatory box ticking should be avoided as it serves little purpose.



TOBY PERKINS

Member of Parliament for Chesterfield

113 Saltergate
Chesterfield
S40 1NF



The Rt Hon Matt Hancock MP
Secretary of State
Department for Digital, Culture, Media and Sport
100 Parliament Street
City of Westminster
London
SW1A 2BQ

Our Ref: FIEL01007/01170018

19 February 2018

Dear Matt

Re: Small scale DAB licensing consultation

I have recently been contacted by Ms Sam Fielding, Station Director for Peak FM based in Chesterfield, regarding the ongoing small scale DAB licensing consultation, which is due to end on Wednesday 28th February. I have attached a copy of Ms Fielding's correspondence.

I am pleased that the Government is setting out a strategy to include community radio stations and local commercial stations on the DAB platform and Peak FM are keen to take advantage of the opportunity and ensure that North Derbyshire listeners have a commercial DAB option.

One of the aims of the consultation is to "ensure these stations will not be left behind by a future shift of radio from FM and AM to digital" and I am very concerned that the proposed ownership restrictions could result in Peak FM, which is an established and important part of the Chesterfield community, being barred from bidding.

Whilst I entirely appreciate that your department wants to broaden the number of providers of digital radio, it is important that a station like Peak FM, which is a very local station, is not debarred simply because they have been bought by a larger group. The Wireless Group have given considerable autonomy to stations like Peak FM and so they are providing a genuinely local offering, but continuing to be unable to broadcast on DAB devices will restrict Peak FM's ability to grow their listenership which would be most disappointing for North Derbyshire.

Toby Perkins, Member of Parliament for Chesterfield

🌐 www.tobyperkins.org.uk ☎ 01246 386 286 📧 toby.perkins.mp@parliament.uk

I would urge DCMS to reconsider the proposals set out in section 2.4 of the consultation document and ensure that the new licensing regime does not have an unfair impact on Peak FM and other local radio stations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Toby Perkins'.

Toby Perkins MP
Member of Parliament for Chesterfield

Toby Perkins MP
Unity House
113 Saltergate
Chesterfield
S40 1NF

Dear Toby Perkins MP,

Please support Peak FM in response to DCMS's Small Scale DAB Licensing Consultation

I am writing to thank you for your ongoing support for the valued local radio service provided by Peak FM, and to ask whether you would write to DCMS in response to their current **Small scale DAB licensing** consultation prior to the deadline of **28th February**.

Your backing could play a significant part in securing the future of local radio in Chesterfield and North Derbyshire.

DCMS is currently finalising plans to roll out so-called "small scale" digital radio multiplex licences. Peak FM has previously led calls for local FM stations like ours to have this option to 'go digital', as it will allow us to future-proof our offering to listeners who are increasingly moving to digital devices. Peak FM is excited about the coming opportunity to apply for one of these new licences, and we envisage working in close partnership with other local community groups in doing so.

Whilst we welcome of the overall direction of travel set out in the consultation, we are concerned that DCMS appears to be proposing ownership restrictions defining who can apply for these new digital licences (section 2.4 of the consultation). This could result in Peak FM being barred from leading a bid to bring the benefits of local digital radio services to Chesterfield and North Derbyshire, on account of our parent company Wireless Group's separate commitments to investing in digital radio elsewhere in the UK.

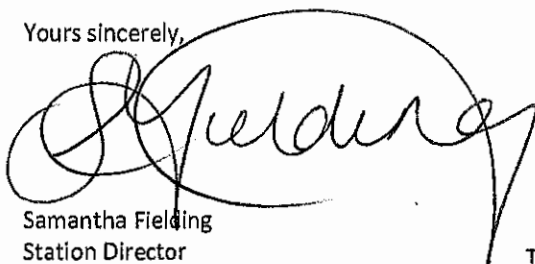
Peak FM is fully committed to providing genuinely local radio, with local news, programming, events and community initiatives all at the fore of our output. Securing a digital licence will help us to ensure the future of this provision for the long-term. However, we are concerned that the suggested restrictions could lead to listeners in Chesterfield and North Derbyshire missing out on the benefits of this new wave of digital radio expansion, and unfairly penalise Peak FM's future growth and viability.

Your support could make all the difference and we here at Peak FM would be hugely appreciative if you were able to contact DCMS about this issue before 28th February.

The consultation document can be found on DCMS's website and responses should be sent smallscaleDAB@culture.gov.uk or by hard copy to Media Team, Department for Digital, Culture, Media and Sport, 4th Floor, 100 Parliament Street London, SW1A 2BQ.

Thank you for your support for Peak FM.

Yours sincerely,



Samantha Fielding
Station Director



Radio House, Foxwood Rd, Chesterfield, S41 9RF
Telephone: 01246 269 107 Web: peakfm.co.uk Part of Wireless Group



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Matthew Hancock MP
Secretary of State for Digital and Culture
Department for Culture, Media and Sport
100 Parliament Street
London
SW1A 2BQ

14 February 2018

De Secretary of State

Re: DCMS Small Scale DAB Licensing Consultation

I was recently contacted by Steve South, the Station Director of Wish FM an independent local radio station serving my constituency of Wigan regarding concerns about proposals set out in the above consultation.

Wish FM has led calls for local FM radio stations to have the option to "go digital" and are incredibly positive about DCMS's commitment to roll out small scale digital radio multiplex licenses in the near future.

Local FM stations like Wish FM feel that the option to apply for a digital license will allow them to future proof their offering to listeners who are increasingly moving to digital devices. Wish FM are excited about the coming possibility to apply for one of these new licences and they envisage working in close partnership with other local community groups in doing so.

Whilst Wish FM welcome the overall direction of travel set out in the consultation document, they do hold concerns regarding the proposed ownership restrictions defining who can apply for new digital licences (Section 2.4). Wish FM fear that such restrictions could result in them being barred from leading a bid to bring the benefits of local digital radio services to Wigan and the St Helens area on account of their parent company Wireless Group's separate commitments in investing in digital.

I know from my work with Wish FM that they are fully committed to providing genuinely local radio, with local news and sport, programming, events and community initiatives at the heart of their output. Wish FM believe that securing a digital license will help them to ensure the provision of these services to my

Lisa Nandy
Member of Parliament for Wigan

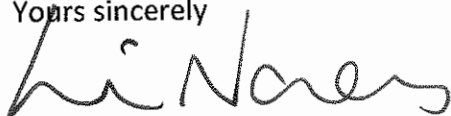
Tel: 01942 242047 Fax: 01942 239451

Email: lisa.nandy.mp@parliament.uk Website: www.lisanandy.co.uk

Constituents continues in the long term. However, they have concerns that the suggested restrictions could lead listeners in my constituency missing out on the benefits of this new wave of digital radio expansion and unfairly penalise Wish FM's future growth and viability.

I have now written to the consultation team to ask that they take the concerns expressed to me by Wish FM into account as part of the consultation process on the roll out of Small Scale DAB Licensing. I would also be grateful for your comments on the proposed restrictions on ownership set out in the consultation document and your consideration of the points raised by Wish FM.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lisa Nandy', written in a cursive style.

Lisa Nandy MP



The Broadcast Centre
20 Mercers Row
Cambridge CB5 8HY

Tel 01223 305107
Web starradioonline.com

Small-Scale DAB consultation
Media Team,
Department for Digital, Culture, Media and Sport
via email: smallscaleDAB@culture.gov.uk

Dear Sir,

Cambridge Radio Limited: Response to the Small-Scale DAB Licensing Consultation

Cambridge Radio Limited operates the trial SSDAB multiplex for Cambridge city along with the small-scale local radio licence for Cambridge and Ely, broadcasting as Star Radio.

Our practical experience of running a SSDAB multiplex has informed our response to this consultation and we welcome the Minister's stated aim to move this process on quickly to put existing trial services on a proper long-term footing.

- There is a clear demand for SSDAB capacity. Even in a smaller market like Cambridge –with a digital Measured Coverage Area of 78,155 - there is sufficient demand for seven full-time services, of which five are not available on analogue. Furthermore, we typically receive one expression of interest from a prospective radio station per month (the most recent addition, Zack FM, was added last month)
- We believe it is vital that the coverage area is large enough to be sustainable and power levels sufficient to give reliable indoor coverage in build-up areas. Adding in additional on-channel repeaters is, in our view, not economically viable for SSAB muxes as each additional site incurs additional site rental fees, equipment costs and maintenance.
- We have noted reports suggesting that Ofcom will not be in a position to licence services much before 2020; this would be disappointing as there is a clear demand from broadcasters and prospective mux operators and the trials have been deemed to be a success.

We respond to the specific questions as follows.

Community stations and small-scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

We agree. To do otherwise risks mini-muxes in highly populated towns and cities becoming de facto second tier local commercial multiplexes, defeating one of the key objectives of the project. We would suggest that every licenced community radio station be entitled to carriage with a time limit to commit to adoption of that capacity – we think a six-month limit would be appropriate to ensure that capacity does not lie vacant for extended periods.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

We suggest that the upper limit of 50% of the mini-mux's capacity be introduced. Whilst in practice in many markets this would be significantly over that required to allow every community licence to be housed it would allow mini-muxes in larger, more demanded cities sufficient capacity for the operator to generate enough income to sustain the business.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes – we agree – we have seen evidence of demand for temporary DAB services for specific events, religious occasions and even hobbyists.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We believe proposed C-DSPS licence would help maintain the distinctive characteristics of community radio by ensuring that access to the Community Radio Fund, lower fees and reserved capacity would disappear if they chose to migrate to a full DSPS licence – at the same time this would help small scale commercial stations by ensuring they do not face sudden competition for revenues from former community stations that have suddenly become overly commercial.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We agree with the Government's desire for the development of a third tier of multiplexes development. We believe a mixed approach, with a variety of models, is appropriate given the vast differences in circumstances.

Q6. We would welcome views on this approach [to ownership restrictions].

We currently operate the SSDAB trial for Cambridge but we have already had informal conversations with prospective operators of neighbouring mini-muxes.

We would like the flexibility to partner with other operators perhaps with sensible sharing of technical expertise, management knowledge and common shareholders. A limit of one licence per body would, in our view, act as a drag on the growth and innovation within the mini-mux ecology.

Determining the size of a small-scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We believe than the 40% figure is not helpful for some smaller ILR stations – including Star Radio – as 40% of the Cambridge Multiplex PPA is a smaller population than our existing FM Measured Figure and could result in people losing reception of their favourite station if it was to migrate from FM to DAB.

- Cambridge local (Arqiva) multiplex - PPA: 345,939
- Star Radio Cambridge Analogue MCA - 173,019 = 50% of the PPA of the Cambridge local mux.

Rather than apply an arbitrary 40% limit, we believe that Ofcom should be given the freedom to flex its approach to licensing to ensure that no commercial radio licence is left with a smaller coverage area on digital than it enjoys on FM.

In practice this would mean that some SSDAB licences would cover an area greater than 40% of the main local multiplex.

However, we do acknowledge that the SSDAB initiative is not designed to create a direct replica of the first tier local DAB multiplexes, so we would suggest that in instances where these have a PPA of less than 600,000 the limit should be set at 50%, or 200,000, whichever figure is higher. We believe that a PPA figure of 150,000 is an adequate level to have a sustainable SSDAB business. This would provide SSDAB with critical mass to secure their financial viability, offering second tier FM stations a cost-effective path to digital without damaging the business model of the countywide muxes.

We believe it is vital that power levels sufficient to give reliable indoor coverage in build-up areas. In practice, we think a maximum power level of up to 500 watts in urban areas and up to 1kw in rural areas would be required. Whilst the maxim 'height is might' was all-important in the analogue era, our experience operating the Cambridge trial mux tells us that signal density is equally as important in the DAB environment where our 100 watts is not sufficient to penetrate buildings in the city centre.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small-scale multiplex licence.

We agree with an initial licence period of seven years as we believe this represents a reasonable period over which to recover the initial capital cost which represents a substantial investment for smaller operators like ourselves. Where there is a sole bidder we support the option to extend by a further five years.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

Whilst we do not envisage this being required on the Cambridge mini-mux, we see no reason why the BBC should not be able to take capacity subject to paying a fair rate for it.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

We welcome the consideration being given to advertising further larger muxes (para 2.7) as such a move would increase listener choice and introduce fresh competition into the DAB radio marketplace.

We are happy for our responses to be published in part or in full.

Yours sincerely,

Tony Sayer
Cambridge Radio Limited



Response to: Small Scale DAB Licencing Consultation

Submitted on: 27th February 2018

The Hospital Broadcasting Association (HBA) welcomes the opportunity to respond to the Department for Digital, Culture, Media and Sport's consultation on small scale DAB licencing.

About the HBA

HBA is a membership organisation incorporated as a company limited by guarantee and registered as a charity. It supports and promotes hospital broadcasting within the UK. HBA is a "virtual" organisation, with no offices, and staffed entirely by volunteers.

HBA currently has nearly 200 member hospital broadcasting organisations based throughout the United Kingdom providing services to patients in over 350 hospitals and other healthcare facilities, as well as a number of residential homes. Our work is all about helping to address the psycho-social needs (identified by the British Medical Association (BMA): see "The psychological and social needs of patients", BMA, Jan 2011 www.bmj.com/content/342/bmj.d172) and as recently as last year the HBA commissioned an independent study on the impact of hospital broadcasting, (see www.hbauk.com/impact for a summary and link to the full report).

Hospital radio has proved that it can adapt to its circumstances and reacting to changes in the way the NHS treats patients, hospital radio stations are moving away from the traditional closed circuit that hospital radio began with, though this continues today and most are on systems that are supplied and managed by commercial organisations, which is already proving volatile, by broadcasting on induction loop and LPAM and some have won community radio licences.

As hospital radio continues to adapt and with the NHS focussing on treatment outside of the hospital, hospital radio stations are now serving, or are looking to serve, patients receiving care and treatment in the community, and to promote health and well-being and the benefits of living a healthier lifestyle to the wider community. And with many of our members that have already adopted, or considering to adopt the new form of Charitable Incorporated Organisation (CIO). The HBA sees this as the future for hospital broadcasting (see the charitable objects below).

(1) the relief of sickness, poor health and old age amongst people living in [stipulated area] by providing a local broadcasting service for hospitals, residential homes and similar institutions, and for patients receiving community care; and

(2) the advancement of health and prevention or relief of sickness for the public benefit through the promotion of the benefits of living a healthy lifestyle, and the importance of maintaining good personal mental and physical health by (mainly, but not exclusively) the means of broadcasting health education messages to people living in [stipulated area].

Answers to your consultation questions

Community stations and small scale radio multiplexes

HBA - supporting Hospital Broadcasting in the UK

For more information see www.hbauk.com, e-mail info@hbauk.com, or call 0300 121 0500.

HBA is the operating name of the National Association of Hospital Broadcasting Organisations.
Registered in England and Wales as a company limited by guarantee (No. 2750147) and a charity (No. 1015501).
Registered Office: Avebury House, St Peter Street, Winchester, SO23 8BN

HBA Response to: Small Scale DAB Licensing Consultation

- 1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?**

The HBA is disappointed that on these SS-DAB multiplexes space not is reserved for hospital radio, despite mentioning in the first paragraph of the consultation overview “not-for-profit radio”. Hospital broadcasting is the original community radio, having existed for over 90 years making truly local radio and HBA believe that hospital radio has proved it can adapt and is deserving to use SS-DAB as a platform to continue to support the NHS to promote the benefits of living a healthier lifestyle.

Currently, hospital radio is delivered hard-wired, free of charge to the bedside by equipment owned and operated by a commercial operator, this goes very well, except that in some hospitals the commercial operator faces challenges which results in the contract not being renewed and the operator pulling out. If the hospital radio station is unable to broadcast directly to the hospital through the existing hard-wired system and they haven't got a analogue community radio licence because they are in an area where there is no space available on the spectrum in their area for one, and with analogue community radio licensing coming to an end, the station has little option. That is why the HBA sees that SS-DAB is an ideal way forward for those hospital radio stations who are adapting to the changes in the NHS and wishing to develop a health and well-being service either in addition to, or instead of, their existing hospital radio service. We would agree that space is reserved for community radio and urge the DCMS to please ensure that space is reserved for hospital radio services on these mini-muxes.

Also, how would Ofcom know there is demand in an area for SS-DAB? Hospital radio services are not assessed by Ofcom and few hospital radio stations have taken the opportunity to provide a community radio service, we fail to see how would Ofcom know that there is true demand based on their assessment.

- 2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?**

We don't believe a single figure should be applicable across all multiplexes and think Ofcom should have the discretion to determine the amount or capacity reserved depending on the demand for C-DSP licences in the particular area.

- 3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?**

Yes – as long as it is only temporary, priority should be offered to C-DSP licence holders.

Digital community radio licences

- 4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.**

Hospital radio is not licensed with Ofcom, unless they are one of the few hospital radio stations who have an community radio licence so we are unsure how this would interact with the current licensing regime though we do encourage our members to follow the Ofcom Code of Conduct as best practice.

HBA - supporting Hospital Broadcasting in the UK

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HBA Response to: Small Scale DAB Licensing Consultation

Your proposals exclude hospital radio as they must be an existing analogue licensed community radio station, or be applying for one. What if they are in an area where there is no room on the FM spectrum? If you wish to include our sector for C-DSP licensing, this requirement must change.

The fees involved must be proportionate, and that the organisation must be a CIO, a hospital radio station was persuaded by an operator to apply for a licence for one of the trial multi-muxes and after the hospital radio station applied and paid the fees they were told by Ofcom that because they were an unincorporated association they couldn't apply, the consequence was they lost the money, which is a lot to raise for a small charity and they can't apply to the Community Radio Fund, because they don't have a analogue community radio licence. The process could have been made a lot easier if they were made aware of these requirements in advance. The HBA has agreed a fast-track process of converting to a CIO with the Charity Commission with many of our members already converted or are in the process of doing so. As it has already been stated earlier in this response for hospital radio to be included for a C-DSP licence the requirement that they need to apply for, or already hold an analogue community radio licence to apply for a C-DSP licence must change.

Restrictions on holding small scale radio multiplex licences

5 We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

You say in this section that you think there is scope for a mixed model approach and talk about individuals and groups motivated by social benefit, this doesn't make sense. Hospital radio isn't included in any Ofcom assessment so they wouldn't know of the demand for hospital radio services wanting to broadcast on SS-DAB whether this is in sparsely populated rural areas or a large geographic area.

On the risks that operators of SS-DAB to set unreasonably high carriage fees, while we welcome openness and transparency for carriage fees, we don't believe this will work, as a broadcaster especially, a hospital broadcaster can't move to another SS-DAB operator with lower fees in another area. The fees should be proportionate to include the carriage cost for the broadcaster plus some of the initial the capital investment for the operator spread equally over all the C-DAB licensees on the multiplex which would be recouped over the operators life of the mini-mux licence.

6. We would welcome views on this approach.

The proposals don't include hospital broadcasting services and as mentioned earlier hospital radio is excluded. On restrictions on holding multiple licences in the Ofcom's view substantially the same area, presumably if two community stations want a licence that covers the same area only one will win. HBA believe it should be two C-DAB licences as coverage areas would be large enough to cope with the different services.

Determining the size of the small scale radio multiplex

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

HBA - supporting Hospital Broadcasting in the UK

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HBA Response to: Small Scale DAB Licensing Consultation

HBA generally agree on this two-step approach

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

HBA generally agree on the up to the 40% limit

Duration of small scale radio licences

9. We would be grateful for views on these options or other options along with reasons for your choice.

Should hospital radio services be allowed to hold a C-DSP licence, hospital radio stations would prefer the security and stability of costs with a known operator and longer licence periods. Automatic renewal is fine, unless all SS-DAB licence holders on the service agree for the licence to be re-advertised.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We would prefer (c)

BBC access to local DAB multiplexes

11. We welcome views on this approach.

The HBA has no objection to the BBC having access to small scale DAB multiplexes, but only using spare capacity on a temporary basis only.

12. We welcome views on the implications of this approach.

We can't see that there are any significant commercial impacts to existing local DAB multiplex operators with small scale radio multiplex services.

This response was prepared and submitted on behalf of the Hospital Broadcasting Association by: Darran Huish, one of the Trustees who may be contacted for further information by email darran.huish@hbauk.com

HBA - supporting Hospital Broadcasting in the UK

For more information see www.hbauk.com, e-mail info@hbauk.com, or call 0300 121 0500.

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RESPONSE TO DCMS CONSULTATION ON SMALL SCALE DAB RADIO

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

We do agree with this principle – it should only be reserved for OFCOM licenced FM community radio stations and not be available to internet radio stations.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

The amount of capacity should be limited to the number of OFCOM licenced FM community radio stations located in the transmission area of each multiplex.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We believe that the Community Radio Fund should continue to be only available to holders of FM Community Radio Licences. A fairer approach would be for a separate fund to be made available to digital only community radio stations, possibly through some diversion of the BBC licence fee, as happens with local digital TV stations.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We believe that there should be no restrictions on who owns a small scale multiplex – if space is made available by an operator to accommodate all community radio stations in its broadcast area this should work well. A bigger issue is how OFCOM will decide who will own a small scale DAB multiplex and what criteria will be used to offer a licence to one group over another.

Q6. We would welcome views on this approach.

We believe there should be no restrictions on the number of small scale DAB licences are held by a particular body.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

We agree with this approach.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We agree with this.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

We believe the duration of these licences should match the licence length of FM community radio – five years with options to renew every five years.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We do not see any merit in doing this.

BBC access to small scale DAB

Q 11. We welcome views on this approach. Ofcom duty to consider commercial impacts on local multiplexes

We do not believe the BBC should have direct access to any small scale DAB multiplex. However we do think that consideration should be giving to financial support from the BBC from the licence fee to help fund existing FM community radio stations and new or existing digital radio stations, similar to the current local digital TV services in exchange for varying degrees of content being offered to the BBC.

Q 12. We would welcome views on the implications of this approach.

We do not think OFCOM should take any consideration of existing multiplex provision when considering where small scale DAB multiplex licences should be offered.

John Harding

February 2018



**Radio Exe's response to DCMS's *Small Scale DAB Licensing Consultation*
February 2018**

Community stations and small scale radio multiplexes

1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

We agree that capacity should be reserved for community radio stations. However, as a small-scale commercial licensee, holding just one FM licence, we are concerned that the legislation favours community stations at one end, and larger commercial groups at the other who can afford broader DAB transmission, with prices dictated by monopoly providers in each area. We therefore would strongly recommend access should also be guaranteed for small commercial radio stations. We believe this should be enshrined in legislation so that mini-muxes are obliged to carry any small local commercial station in its area (say of an FM TSA of under 300,000 adults). This would avoid the potential difficulty of small commercial stations remaining only on FM, if access to DAB is denied by the mini-mux operator. It would also add to the attractiveness of the local DAB mini-mux offer.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Previously Ofcom has recognised that small, independent commercial stations are on the fringes of financial viability. Current policy favours large groups at one end and community stations at the other. Many community stations compete for commercial revenues on much-reduced cost bases, and often exhibit little, if any, social gain, and are frequently an outlet for mainstream popular music services competing with the commercial sector. Ofcom either has little inclination or insufficient resources to regulate the sector adequately, so we would be concerned if large numbers of community services on subsidised costs bases (much lower royalty payment schedules, for example), with access to large grants denied to commercial operators, had access to cheap distribution on a platform to which there is no guaranteed access at reasonable prices for small commercial stations.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

We see no reason why temporary community services should not be offered on spare capacity based around specific social gain aims. We would like to see a fixed length for such 'temporary' stations – perhaps based around existing RSL periods of 28 days.

Digital community radio licences

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

To ensure plurality of ownership and control of reserved capacity, we suggest that companies should be limited to holding only one C-DSP and analogue licence. Directors of companies should be limited serving on the board of one such company.

Restrictions on holding small scale radio multiplex licences

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We agree that the mixed model approach could be a way forward, but note DCMS has acknowledged the CMA's concern about possible high fees being imposed on community stations, but not that high transmission fees are also an issue for small commercial stations that have neither the benefit of reduced fees for community stations, nor the bulk-buying power of larger commercial groups. Transparency of a pricing structure may not be sufficient to address this issue. When space on a multiplex is limited, and guaranteed slots are given to community stations, it doesn't matter that an indicative price has been published on Ofcom's website if it is unaffordable to small stations that do not enjoy the subsidies on offer to community stations.

Q6. We would welcome views on this approach.

We have no comment to make on this question, other than to restate our concern that small commercial stations, with, say, an FM TSA of under 300,000, should be able to gain guaranteed access at reasonable rates.

Q7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Yes.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

In our opinion, 40 per cent of a DAB multiplex area is too large. For example, the Exeter and Torbay multiplex area operated by Now Digital covers a population of 532,000. Forty per cent of this area is 212,800: a larger population than the current Radio Exe TSA. Such a large area could give rise to heavily subsidised community services, with little if any social gain, competing for commercial revenues. Whilst Radio Exe will compete hard, a large area for subsidised services fundamentally changes the economics for high fixed-cost commercial services which do not enjoy the benefits of grant aid or preferential transmission costs.

DCMS has previously recognised the issues faced by small commercial stations, notably in changes to the funding of community radio stations in 2014. In our experience, the market for small commercial stations has not changed significantly since then. Although existing policy is that community stations should broadcast to an area of roughly 5km, in our experience Ofcom has paid scant regard to this. To propose that subsidised services can then broadcast to areas larger than current commercial areas seems somewhat incongruous. We would suggest that small-scale DAB services should never be larger than existing commercial areas, and to keep the present balance between small commercial and community stations, should preferably be somewhat smaller. We would propose a propose a maximum coverage area of no more than 25 per cent of the local DAB area. In the Exeter and Torbay multiplex area, this would give a population of 133,000, which is roughly the same as the Radio Exe MCA of 132,000 adults 15+. The Ofcom licence covers Exeter and surrounding area. Exeter's 15+ population is around 110,000. A small-scale DAB area of 25% of the existing multiplex would still be considerably larger than, say, Exeter's Phonic FM community service, being nominally based on a 5km area around the city, or the Bay FM community station in Exmouth, which also overlaps with Radio Exe, and serves a town of about 28,000 adults. A small-scale DAB area of 25 per cent of the existing multiplex area would still give these stations a considerable geographic boost (about four-fold in the latter case), and would be a similar match to the existing small commercial station area.

Q9 to 12

We have no comment on these questions.



MuxCo Ltd
 Greenworks
 Dog and Duck Yard
 Princeton Street
 London WC1R 4BH

Small Scale DAB Consultation
 Media Team
 Department for Digital, Culture, Media and Sport
 4th Floor, 100 Parliament Street
 London SW1A 2BQ

28th February 2018

Dear Sirs,

Small Scale DAB Licensing Consultation

MuxCo has a strong commitment to the development of digital radio and the opportunities that it creates for radio to serve a wide range of audiences. We have invested significantly in our multiplexes to ensure they deliver a high level of service and robustness to our service providers, building out coverage (alongside Government and the BBC) to help achieve Government policy of digital switch-over and will play a significant role in a future analogue switch-off.

We welcome the small-scale DAB consultation and support the introduction of small-scale as part of a mixed local and small-scale DAB ecology. We are also pleased to note that Ofcom is planning to review the opportunities for new local multiplexes alongside small-scale as part of a spectrum review.

Small-scale will create opportunities for smaller-local analogue services, such as KLFM and Radio Wave, who currently either do not have a relevant local multiplex on which to broadcast or are unable to secure carriage on an existing local multiplex due to either a lack of capacity or financial viability of being on a multi-transmitter network. Small-scale will also provide options for existing and new community radio stations that provide social gain and for new commercial focused services to develop.

However, over the last few years as the small-scale trials have developed, we have regularly raised our concerns with DCMS and Ofcom that we need to ensure that the development of small-scale multiplexes does not undermine the local multiplex layer, especially in smaller and more rural areas. It is unfair on the one hand to make local multiplexes more expensive by having to build additional transmitters to meet Government policy aims, and then undermining their ability to attract new service providers by licensing small-scale multiplexes broadcasting to their main population centres.

We support small-scale DAB to meet the needs of smaller-local commercial and community radio stations, namely services who cover or want to cover audiences significantly smaller than those offered by the current relevant local multiplex, to have a path to DAB.

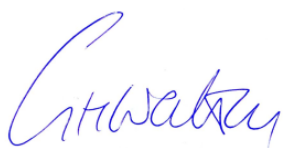
We have concerns though that Ofcom's focus on DAB development will purely be on small scale DAB and not a mix of local commercial and small-scale DAB that would more suitably meet consumer demands.

Whilst in the main we agree with the DCMS's proposals, we have a number of areas of concern:

- Coverage – we agree that there should be coverage restrictions on small-scale multiplexes, but believe that this should be population based rather than on geographical coverage to ensure that small-scale multiplexes achieve the objectives presented by Parliament that *“the geographic area covered... is [not] too large compared to their own ‘core’ analogue transmission areas”*.
- Ownership – we do not believe there should be any restriction on local multiplex licensees on holding small-scale multiplex licences. We believe this restriction is unnecessary and could lead to weaker development of small-scale DAB in rural areas.
- Ownership – whilst we agree that licensees should be able to hold more than one small scale multiplex, we believe there should be an ownership limit on either a county basis (say no more than one small-scale multiplex within an existing local multiplex PPA) or a restriction on owning contiguous small-scale multiplexes. Without such a control, there will be opportunities for licensees to easily replicate a local multiplex's coverage under a reduced regulatory environment.
- Commercial impact on local multiplexes – we believe that Ofcom has a duty to consider the effect of granting small-scale multiplexes on existing local multiplex operators. This is especially important for local multiplexes operating in more rural areas of the UK where existing demand for capacity is low and local multiplexes operate on a more break-even basis. Under the proposals, small-scale multiplexes would be able to attract services from local multiplexes undermining their financial viability at a time when Government plans to place additional obligations on them in relation to content and digital switch-off.
- Regulation of DAB+ - we believe the current rules that require Ofcom to consider each proposal for services to switch to DAB+ on a case by case basis should be removed, and that multiplex operators should be able to contract both DAB and DAB+ services without a need to seek approval. This would remove unnecessary regulation and enable local multiplexes to operate on par with small-scale multiplexes.
- Technical – we are aware of a number of technical issues which the consultation does not consider. These include a potential need for spectrum to be required to achieve analogue switchover and also Adjacent Channel Interference.

Our responses to the specific questions are contained in the attached document.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "G. Watson".

Gregory Watson

MuxCo

MuxCo is a network of ten local multiplexes that provides local DAB to 14m people across England and Wales.

Each multiplex is co-owned with local analogue operators – Nation Broadcasting, Dee 106, Lincs FM Group, UKRD Group, Murfin Media and 100% Media. This is a unique model that provides real incentive for smaller analogue operators to be involved in DAB.

Our business model creates opportunities for any operator, regardless of size, to broadcast. The largest sector currently broadcasting through MuxCo are new commercial/community services (e.g. Eagle 80s, Radio Newark, Cyber Hot Hits and Scarborough Radio) representing 48% of the 75 services carried; 35% are commercial analogue simulcast services and 17% are BBC.

MuxCo was the first and is the only multiplex network offering DAB+ as a broadcast platform, creating cheaper solutions for service providers. Four of our multiplexes are currently DAB+ enabled, carrying 8 DAB+ services. We are reviewing options to commit the additional financial resources to convert our other multiplexes in order to break down barriers of entry and create opportunities for a wider range of operators to broadcast on our multiplexes.

Creating additional local multiplexes

We welcome the commitment for Ofcom to undertake a full DAB spectrum review and evaluate the opportunities for additional local DAB multiplexes in major metropolitan areas where there is existing evidence of excess demand over supply for carriage.

Whilst we recognise that small-scale multiplexes will deliver public value benefits, we believe that it will be commercially focused services on local multiplexes that will help drive DAB uptake quicker and thereby help achieve an earlier conclusion to Government policy of analogue switch-off.

RAJAR clearly demonstrates that having multiple local multiplexes in an area is better at driving DAB uptake than by having say one local multiplexes and a small-scale multiplex. In Q4 2017, RAJAR reported DAB market share across the UK of 36.3%. By comparison:

- In London, where 3 local multiplexes operate, DAB share was higher at 38.6%.
- In Berkshire, which is covered by the Berkshire, Surrey and the 3 London multiplexes, DAB share was a high 44.3%
- In Liverpool, which is covered by the Liverpool and the NE Wales & W Cheshire multiplexes, DAB share was strong at 35.3%.
- By comparison, Birmingham and Manchester, covered by only one local multiplex each alongside a small-scale trail multiplex, DAB share was only 33.5% and 34.0% respectively.

We understand that there are some opportunities for new local multiplexes to be licensed within the existing DAB frequency blocks, and we urge Ofcom to advertise these as soon as possible to help maintain the momentum for DAB development and uptake.

Advertising a second tier of local multiplexes is not a new idea. It is an opportunity that Ofcom identified in its 'Future Licensing of DAB Digital Radio' statement published in July 2006. In that statement, Ofcom identified that "once [spectrum] has been used to support the further national radio multiplex and all of the planned local radio multiplexes set out in this document, the available spectrum in VHF Band III, sub-band 3, may be able to be used for further local or regional multiplexes in some areas that already have a local or regional multiplex, where there is evidence of demand and where this is likely to be financially viable", including further licences in North West England, North East England, Tyne & Wear, Edinburgh and Glasgow.

Regulation of DAB+

Ofcom's Broadcast Digital Radio Technical Codes and Guidance (July 2014) enabled local multiplexes to broadcast services using DAB+. Local multiplex operators though need to seek Ofcom approval for each proposed DAB+ service on a case by case basis, and Ofcom needs "to take account of the impact of the change on listeners and ... consider matters such as the uptake of compatible receivers, whether the service is an existing service or is new to the multiplex, the range of services available on the multiplex and any other relevant factors at the time".

There has been no similar level of approval required for DAB+ on the small-scale trials. We believe that these rules should be removed, and that multiplex operators can contract both DAB and DAB+ services without a need to seek approval. This would remove unnecessary regulation and enable local multiplexes to operate on par with small-scale multiplexes.

Community stations and small-scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Q3. Do you agree with the principle that small-scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

We agree with the proposal that Ofcom should have the ability to reserve capacity on each small-scale multiplex for existing and new community radio stations, and that this should be based on an assessment of analogue community stations that are already licensed in a particular geographic area at the time of advertisement of a small-scale multiplex.

We also believe that where small-scale multiplexes are advertised in areas where smaller-local commercial services operate, capacity should also be reserved for these services.

We agree with the principle that small-scale multiplex operators should be able to offer unused capacity reserved for community radio services to other broadcasters. In most cases, the amount of reserved capacity is likely to be a low percentage and therefore there would be sufficient unreserved capacity to enable commercial focused services to establish an audience and develop their services.

However, on multiplexes where a high percentage may need to be reserved, the ability of such commercial services to launch and develop may be restricted if reserved capacity had to be offered on a temporary basis indefinitely. We suggest that there should be a period of say 24 months after launch in which community services have to 'use or lose' their right to the reserved capacity. It could be a licence requirement that after this 24 month period, every time a service ceases to operate on the multiplex, community services that had not taken up their reserved capacity had another opportunity to secure carriage.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We believe that the proposal to create C-DSP licences is sensible, helping digital community radio services to be able to access the Community Radio Fund, lower fees and reserved capacity.

We assume that a C-DSP licensee will not be restricted to operating on a small-scale multiplex but will be able to secure carriage on a relevant local multiplex if that created a better long-term proposal or if a local multiplex was the only option to secure DAB carriage. MuxCo already carries a number of community radio services on its multiplexes.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

Q6. We would welcome views on this approach.

We agree with the proposal that small-scale multiplexes could be held by commercial and not for profit entities.

We do **not** agree with the proposed ownership restrictions. We do not believe that they are required given the "strict requirements set by Ofcom which guarantee reserved capacity for community radio stations on small scale radio multiplexes" and the "requirements on small scale multiplex operators to be fully transparent in the pricing of their carriage fees" with Ofcom collating and publishing information on charges on their website.

Looking at the specific proposals:

Existing national multiplex licence holders – the proposal is unclear as to whether such licenses or the companies who are shareholders in these licences can hold minority interests in local multiplex companies which may have an interest in small-scale multiplexes. For example, Arqiva is a 25% shareholder in MuxCo Ltd which holds investments in a number of local multiplexes. The proposal is unclear whether the involvement of Arqiva as a minority 25% shareholder will restrict the ability of MuxCo to be involved in small-scale multiplexes. We believe that this should not be the case.

Existing local multiplex licence holders – we do not believe that there should be any restriction on local multiplex licence holders owning small-scale multiplexes. These operators may be the best people to operate small-scale multiplexes, providing management and technical expertise as well as financial support. Common ownership would also create greater flexibility for digital services to start on a small-scale multiplex and then migrate to the local multiplex once established and financially secure, and wishing to broadcast to a big geographical area.

There are numerous examples where this proposed restriction would limit the development of DAB, for example Nation Broadcasting owns MuxCo Wales Ltd which holds the Mid & West Wales local multiplex covering Pembrokeshire, Carmarthenshire, Ceredigion and parts of Powys. The multiplex provides DAB to Pembrokeshire and Carmarthenshire but not Ceredigion as there is currently no financially viable option to provide coverage apart from through small-scale DAB. Under the proposal, MuxCo Wales would not be able to develop its coverage, enabling a cost-effective solution for BBC and commercial services in this area.

Restrictions on holding multiple licences in the same area – we agree that there should be a restriction to a licensee holding only one small scale licence covering substantially the same area.

We believe the restriction should go further and that it should cover intersecting small-scale coverage areas and that there should be a restriction on the number of contiguous small-scale multiplexes that a licensee can hold within a local multiplex PPA. Under the current proposals, a small-scale licensee could hold two or more small-scale multiplexes serving different conurbations within the same local multiplex area, effectively replicating the local multiplex's higher population base albeit under a lighter regulatory environment. If the small-scale licensee decided to network and required community and commercial services to broadcast across all its small-scale multiplexes within the area, this would go against Parliament's aim that *"the geographic area covered... is [not] too large"*. We believe that no operator should own more than one small-scale multiplex within the PPA of a local multiplex, or alternatively that total coverage delivered by all small-scale multiplexes should not exceed 40% of the population coverage of any existing local multiplex.

We also believe that there should be an overall limit on the number of small-scale multiplexes that any operator can own. This will help restrict market power and avoid the creation of significant local or regional operators which would again be against the spirit of what Parliament wanted.

"Let me be clear that the Bill also makes sure that protections are in place for those who operate existing multiplexes. As has been said, this is not about creating a new competitor for them." **Kevin Foster MP**

We suggest a limit of 15 small-scale multiplexes that any operator should be able to own.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

In the debates that led to the Broadcasting (Radio Multiplex Services) Act 2017, MPs spoke about legislation that would meet the needs of smaller-local commercial and community radio stations (namely services who cover or want to cover less than 40% of the current relevant local multiplex) to have a path to DAB.

“My intention is that such multiplexes will mainly focus on community radio... It is possible to provide very small-scale services through such multiplexes but, fundamentally, we are looking at non-commercial services.” **Kevin Foster MP**

“There is an important balance to be struck in the consultation, which is that, ultimately, small-scale digital radio is about enabling communities and community support.” **Matt Hancock MP**

We support the view that small-scale should be that – small-scale, operating with a minimal number of transmitters to serve the needs of the existing audience rather than create larger or new county-wide multiplexes.

In preparing our response, we analysed the MCA data for smaller-analogue commercial scale comparing that with population coverage information previously released by Ofcom for local multiplexes (households upweighted to adults 15+). We identified 24 commercial radio services that do not currently have a relevant local multiplex, and 74 commercial radio services that broadcast in areas with a local multiplex but do not currently broadcast on DAB (see Annex 1). 4 of these 74 services have analogue coverage areas which represent a significant percentage of the local multiplex area and would serve their audiences well through the existing local multiplexes. Across the other 70 services, on average their MCAs represent just 11.9% of the population of the relevant local multiplex. Most community services serve even smaller areas.

When advertising and awarding small-scale multiplexes, we believe that Ofcom should take into account the existing MCAs of these services and replicate that on DAB, rather than licensing small-scale multiplexes that are serving areas that do not meet the needs of smaller-local commercial and community radio stations.

We support 40% as maximum coverage but note that there is uncertainty as to “40% of what”. Ever since “40% of the local DAB multiplex” was first mooted over by Ofcom, it has been widely held that this was a reference to population rather than geography. Given that in the consultation DCMS refers to covering an area “up to a maximum cap in square kilometres” when talking about areas where there is no current local multiplex licensees, we can assume that “a given percentage of the surrounding local multiplex area” when talking about areas served by an existing local multiplex also refers to geography than population.

We have identified examples where 40% of geographical area would equate to over 80% of the adult 15+ population of the existing local DAB multiplex. As such, the lighter-regulated small-scale multiplexes could replicate the core area of existing local multiplexes and potentially destabilise them. We do not believe that this is what Kevin Foster MP was anticipating when talking referring to small-scale DAB *“as being for smaller-local commercial and community radio stations to have a path to DAB”*.

And referring back to our concern that there should be a restriction on the number of contiguous small-scale multiplexes that a licensee can hold within a local multiplex area, under the proposal, a licensee holding two or more small-scale multiplexes and broadcasting the same mix of stations could replicate the existing local multiplex whilst benefitting from reduced regulation and with access to the community radio fund.

We believe that the coverage restriction should be based on population rather than geographical area. To date, all coverage measurements have always been stated in population (by Radio Authority and Ofcom, either as adults 15+ or households), and this enables comparison between platforms and services.

There is a need for small-scale multiplexes not to be too large. The larger they are the more transmitters that will need, pushing up cost and therefore carriage fees, and making them less attractive to the very community services that seek to serve their communities.

There is also a risk that the larger a small-scale multiplex is, because of the lighter regulatory environment they will operate under and with lower technical obligation, their costs will be lower than local multiplexes and as such could attract services to move from local to small-scale multiplexes thereby destabilising existing local multiplexes, especially those in rural areas.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small-scale multiplex licence.

We support seven years, and do not believe there is a case for linking licence length with underlying demand in an area for a small-scale multiplex licence.

BBC access to small scale DAB

Q11. We welcome views on this approach.

We note that there may be areas in the UK where the BBC will have to rely upon small-scale multiplexes to cover white area gaps in coverage for its Nation and Region services, and therefore rely on small-scale multiplexes for primary coverage as well as supplementary coverage in other areas.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach

“Let me be clear that the Bill also makes sure that protections are in place for those who operate existing multiplexes. As has been said, this is not about creating a new competitor for them”. **Kevin Foster MP**

We believe that Ofcom has a significant duty to consider the effect of granting small-scale radio multiplexes on existing local DAB multiplexes. This is especially important for local multiplexes operating in more rural areas of the UK where existing demand for capacity is low and where local multiplexes operate on a more break-even basis.

Local multiplexes have always had significant regulatory commitments. These have subsequently been increased as part of a Government policy to build-out local coverage and may be further increased with content regulation. We think it would be unfair for Ofcom to award small-scale licences where they would de-stabilise local multiplex viability.

In awarding analogue community licences, *“Ofcom must have regard to the need to ensure that any community radio service does not prejudice unduly the economic viability of any other local (commercial) radio service”*. We believe that Ofcom should have a similar duty when advertising and licensing small-scale multiplexes.

We recognise that the proposed small-scale DAB technology can help bring local DAB to areas where conventional local DAB multiplexes would be unviable (e.g. serving specific towns or areas within cities), helping smaller-small services to broadcast digitally in areas that are relevant to them and where they do not wish to take up the opportunity of reaching a wider and larger possible audience through local multiplexes.

However, Ofcom needs to recognise that not all local multiplexes are full or generate 'significant' profits. Many multiplexes serving rural areas, like those operated by MuxCo and Now Digital, have considerable spare capacity and are very open to contracting with small commercial and community radio operators. Our concern is that if Ofcom adopt the wrong advertisement and licensing model, it could weaken the local multiplex layer rather than strengthen it.

We are not seeking Ofcom to undertake detailed market impact assessments for each multiplex, but to focus initial small-scale development to areas that would enable smaller-local commercial services with no clear path to DAB to secure DAB carriage, followed by areas where the existing local multiplex has contracted more than 60% of its available capacity to non-BBC services.

We urge Ofcom **not** to award more than one small-scale multiplex in each local multiplex area at a time, with a 12 month gap between subsequent licence awards. This would also help ensure that each small-scale multiplex can establish itself prior to additional small-scale multiplexes launching, and would enable new applicants to prepare their applications on knowledge of the complete multiplex picture in each market.

We also believe that Ofcom should undertake an over-arching check to ensure that excessive local capacity is not being created for the sake of it. Many rural multiplexes, like ones operated by MuxCo, are not currently full or near full. Creating too much additional capacity in such markets too quickly could destabilise local DAB for everyone.

Annex - Commercial analogue services not on DAB

Station	Area	MCA	Relevant Mux	Mux PPA (Households)	Mux PPA (Adults)	MCA as % PPA
Original 106	Aberdeen	291,872	Aberdeen	214,570	472,054	61.8%
Radio Plymouth	Plymouth	248,076	Plymouth	193,826	426,417	58.2%
Sam FM	Bristol	539,064	Bristol & Bath	479,112	1,054,046	51.1%
Silk 106.9 FM	Macclesfield	567,108	Stoke	529,426	1,164,737	48.7%
Sam FM	Swindon	139,722	West & South Wiltshire	183,212	403,066	34.7%
Star Radio	Cambridge	173,019	Cambridge	230,539	507,186	34.1%
The Breeze (Bristol)	Bristol	339,325	Bristol & Bath	479,112	1,054,046	32.2%
Ridings FM	Wakefield	385,235	Leeds	637,774	1,403,103	27.5%
The Breeze (South Devon)	Torbay	180,841	Devon	315,203	693,447	26.1%
The Breeze (Yeovil)	Yeovil	129,441	Somerset	245,821	540,806	23.9%
Rother FM	Rotherham	385,235	South Yorkshire	754,754	1,660,459	23.2%
Town FM	Ipswich	154,993	Suffolk	329,089	723,996	21.4%
Wave 102	Dundee	110,451	Dundee	234,671	516,276	21.4%
Signal 107	Wolverhampton	329,122	Wolverhampton & Shropshire	706,174	1,553,583	21.2%
The Breeze (Portsmouth)	Portsmouth	300,485	South Hampshire	651,005	1,432,211	21.0%
The Revolution	Oldham	673,539	Manchester	1,476,067	3,247,347	20.7%
The Breeze (Reading)	Reading	213,772	Berkshire & North Hants	476,138	1,047,504	20.4%
Sun FM	Sunderland	352,530	Tyne & Wear	816,484	1,796,265	19.6%
Spirit FM	Chichester	271,387	South Hampshire	651,005	1,432,211	18.9%
The Breeze (Cheltenham)	Cheltenham	111,730	Gloucester	274,761	604,474	18.5%
Wish FM	Wigan	511,113	Manchester	1,476,067	3,247,347	15.7%
Radio Ceredigion	Ceredigion	72,088	Mid & West Wales	214,845	472,659	15.3%
Radio Wave	Blackpool	227,322	Lancashire	719,164	1,582,161	14.4%
The Breeze (North Somerset)	Weston-super-Mare/North Somerset	73,478	Somerset	245,821	540,806	13.6%
Wessex FM	Weymouth and Dorchester	106,779	Dorset	366,518	806,340	13.2%
Heart (Herts)	St Albans & Watford	293,347	Herts, Beds & Bucks	1,063,784	2,340,325	12.5%
KMFM West Kent	Tunbridge Wells/ Sevenoaks	206,277	Kent	756,604	1,664,529	12.4%
Imagine FM	Stockport	398,120	Manchester	1,476,067	3,247,347	12.3%
Touch FM (Warwick)	Warwick	103,967	Coventry	404,549	890,008	11.7%
Mansfield 103.2	Mansfield	137,739	Nottingham	551,559	1,213,430	11.4%
The Breeze (Bridgwater)	Bridgwater and West Somerset	58,125	Somerset	245,821	540,806	10.7%
Dearne FM	Barnsley	173,022	South Yorkshire	754,754	1,660,459	10.4%
Banbury Sound	Banbury	60,770	Oxford	275,262	605,576	10.0%
The Breeze (Basingstoke)	Basingstoke	99,745	Berkshire & North Hants	476,138	1,047,504	9.5%
London Greek Radio	Haringey	1,012,200	London	5,000,000	11,000,000	9.2%
Touch FM (Tamworth)	South-East Staffordshire	207,582	Birmingham	1,064,113	2,341,049	8.9%
High Peak Radio	Buxton	67,792	Derby	355,203	781,447	8.7%
Fosse 107 (Loughborough)	Loughborough	80,499	Leicester	432,864	952,301	8.5%
More Radio	Eastbourne	130,359	Sussex	731,318	1,608,900	8.1%
The Breeze (Bath)	Bath	82,433	Bristol & Bath	479,112	1,054,046	7.8%
Isle of Wight Radio	Isle of Wight	103,792	South Hampshire	651,005	1,432,211	7.2%
More Radio	Worthing	113,487	Sussex	731,318	1,608,900	7.1%
Signal 107	Shrewsbury	106,721	Wolverhampton & Shropshire	706,174	1,553,583	6.9%
Fosse 107 (Hinkley)	Hinkley	59,809	Coventry	404,549	890,008	6.7%
More Radio	Burgess Hill and Haywards Heath	107,975	Sussex	731,318	1,608,900	6.7%
The Breeze (North Dorset)	Shaftesbury	53,710	Bournemouth	366,518	806,340	6.7%
Rugby FM	Rugby	58,763	Coventry	404,549	890,008	6.6%
KMFM Folkestone/Dover	Dover/Folkestone	107,209	Kent	756,604	1,664,529	6.4%
The Breeze (Newbury)	Newbury	67,103	Berkshire & North Hants	476,138	1,047,504	6.4%
Wire FM	Warrington	207,411	Manchester	1,476,067	3,247,347	6.4%
Radio Jackie	Kingston-upon-Thames	657,346	London	5,000,000	11,000,000	6.0%
Bridge FM	Bridgend	80,939	Cardiff	624,271	1,373,396	5.9%
The Breeze (E.Hants/ SW Surrey)	Alton/Haslemere	73,032	Surrey	594,201	1,307,242	5.6%
Peak FM	Chesterfield	177,509	Manchester	1,476,067	3,247,347	5.5%
KMFM Maidstone	Maidstone	90,329	Kent	756,604	1,664,529	5.4%
More Radio	Hastings	86,353	Sussex	731,318	1,608,900	5.4%
Dream 100	Tendring	79,247	Essex	756,945	1,665,279	4.8%
Q101.2 FM	Omagh and Enniskillen	81,247	Northern Ireland	797,166	1,753,765	4.6%
The Breeze (Frome & W. Wilts)	Warminster	18,410	West & South Wiltshire	183,212	403,066	4.6%
Q106/7 FM	Mid Ulster	74,471	Northern Ireland	797,166	1,753,765	4.2%
KMFM Canterbury	Canterbury	65,624	Kent	756,604	1,664,529	3.9%
Mix 96	Aylesbury	91,765	Herts, Beds & Bucks	1,063,784	2,340,325	3.9%
The Breeze (Andover)	Andover	39,624	Berkshire & North Hants	476,138	1,047,504	3.8%
The Breeze (Winchester)	Winchester	50,343	South Hampshire	651,005	1,432,211	3.5%
Rutland Radio	Rutland	32,012	Leicester	432,864	952,301	3.4%
Q100.5 FM	Newry	51,702	Northern Ireland	797,166	1,753,765	2.9%
Q97.2 FM	Coleraine	44,948	Northern Ireland	797,166	1,753,765	2.6%

Station	Area	MCA	Relevant Mux	Mux PPA (Households)	Mux PPA (Adults)	MCA as % PPA
The Breeze (Southampton)	Southampton	No data	South Hampshire	651,005	1,432,211	
KMFM Ashford	Ashford	No data	Kent	756,604	1,664,529	
KMFM Thanet	Thanet	No data	Kent	756,604	1,664,529	
Q107 FM	Ballymena	No data	Northern Ireland	797,166	1,753,765	
Tower FM	Bolton and Bury	No data	Manchester	1,476,067	3,247,347	
Signal 107	Kidderminster	No data	Wolverhampton & Shropshire	706,174	1,553,583	
Signal 107	Telford	No data	Wolverhampton & Shropshire	706,174	1,553,583	
Radio Borders	The Borders		No Relevant Multiplex			
CFM	Carlisle		No Relevant Multiplex			
CFM	West Cumbria		No Relevant Multiplex			
North Norfolk Radio	North Norfolk		No Relevant Multiplex			
The Beach	Great Yarmouth & Lowestoft		No Relevant Multiplex			
Lakeland Radio (Smooth)	Kendal/Windermere		No Relevant Multiplex			
The Bay (Heart)	Morecambe		No Relevant Multiplex			
Argyll FM	Kintyre, Islay and Jura		No Relevant Multiplex			
Cuillin FM	Skye		No Relevant Multiplex			
Heartland FM (Pitlochry)	Pitlochry & Aberfeldy		No Relevant Multiplex			
Isles FM	Western Isles		No Relevant Multiplex			
Kingdom FM	Fife		No Relevant Multiplex			
Lochbroom FM	Ullapool		No Relevant Multiplex			
Oban FM	Oban		No Relevant Multiplex			
RNA FM	Arbroath		No Relevant Multiplex			
SIBC	Shetland Islands		No Relevant Multiplex			
Two Lochs Radio	Gairloch & Loch Ewe		No Relevant Multiplex			
Touch FM	Stratford-upon-Avon		No Relevant Multiplex			
Channel 103	Jersey		No Relevant Multiplex			
Island FM	Guernsey		No Relevant Multiplex			
KLFM	King's Lynn		No Relevant Multiplex			
Spire FM	Salisbury		No Relevant Multiplex			
Your Radio	Helensburgh		No Relevant Multiplex			
Your Radio	Fife		No Relevant Multiplex			

MCA taken from Ofcom station formats (where available)

PPA Households taken from JPRG Technical Switchover Plan data released 23rd July 2013, using a 2.2 multiplier to calculate adult population



Small Scale DAB consultation feedback from Tone FM

Darren Cullum

To: smallscaleDAB@culture.gov.uk

28 February 2018 at 10:43

To whom it may concern, please find enclosed some feedback on the consultation process from Tone FM, a community station based in the heart of Somerset (Taunton).

We have been looking into the possibility of getting on the DAB platform for some time, however the current pricing structure offered up by the existing MUX owners is prohibitive, combined by the transmission costs from Arqiva.

We would be very interested in both being involved in the small scale/community DAB idea but would also looking into "owning" a Multiplex, allowing others in the area to benefit from this technology at an affordable rate. P

Please find some answers to the questions below - these are given with good faith without a full understanding of what the process might be and how they might operate. We don't pretend to comprehend all of the proposals in full but we are very interested in the process and becoming involved at some stage.

Best wishes, Darren Cullum, station manager Tone FM.

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes we feel this would be a constructive approach – but we feel that there should be monitored as closely as they are on FM. There is a considerable inconsistency in the quality of some of these services and we feel these stations should hit a number of thresholds set out by OFCOM and that they adhere to, otherwise the danger is that the offering on the small scale MUX could be poor and a) put off listeners from giving it a try and b) putting off credible stations and therefore advertisers from getting involved.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Yes there should be a limit per MUX, we would suggest no more than say three on a bouquet offering 12 stations.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes but we also feel this should be offered up to existing members of the MUX too - offering them the ability to split services. For instance Tone FM could continue their normal service but also up a "Taunton Flower Show" radio type idea with bespoke coverage for instance. If the temporary space is offered up - it should again be subject to quality control checks mentioned above (whatever they may be).

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Yes - just like stations had their FM licences extended automatically when getting involved with DAB - this should happen automatically for existing Community stations who have fought long and hard to get on air on FM and they should most definitely be at the front of the queue. Otherwise there's a danger of other groups leap-frogging others who have put a huge amount of time, effort and money to get this far.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services. Yes this should be carefully controlled and monitored.

Q6. We would welcome views on this approach.

We probably feel that this stage that an individual/group can only own one license - or there should be a framework in place which allows operators to prove their worth and that they are capable of running similar services elsewhere.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

This seems to depend on a number of factors to do with availability of frequencies and so on which I don't feel we are able to comment on.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

No, we're not sure any form of restriction should be imposed, the should be granted wherever there is demand regardless of existing local multiplexes.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

We think you need to realistic with this – yes it's fine to have the license period shorter as this allows a greater degree of flexibility for operators – if's going well or if a station needs to hand a licence back. HOWEVER, it's critical that the renewal process is very simple – a check box exercise as the current process is clunky and difficult.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We don't feel demand is relevant here – there should be a one-size fits all approach that is open to any community anywhere in the UK. This should not be strangled by bigger commercial groups claiming territory and so on. This should be a genuine third tier of DAB – where you are in Birmingham or Burnham-on-Sea.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

We think that the BBC should be given the opportunity to have access to small scale multiplexes where there are gaps in their existing coverage on existing commercially operated Multiplexes who won't cover certain areas due (understandable) economic constraints.

An example here in Somerset would be West Somerset where local DAB coverage is terrible.

We'd expect them to contribute to this financially.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

As mentioned above – This should be considered as a totally separate venture and we strongly feel that commercial impacts on existing local multiplexes should not feature in this proposal. This should be a unique opportunity for community groups and smaller operators to get on the platform in a fair way.

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Kind regards

Darren Cullum
Station Manager





Answers to Small Scale DAB Consultation

JOHN GOODMAN [REDACTED]

To: "smallscaleDAB@culture.gov.uk" <smallscaleDAB@culture.gov.uk>

4. List of questions

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes I agree with the principle of reserving capacity for community stations is the best way of securing carriage, but think stations such as Hospital Radio that broadcast on LPAM Low Powered AM should also be included.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Yes I think there should be an Upper Limit but I think it should be based on an assessment of analogue community/LPAM stations already licenced in the area and allowing for space for additional new Community stations. I don't think a single figure should be applicable across all multiplexes.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes I agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for Community stations on a temporary basis to other services.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

I think the proposals to offer a new license called a C-DSP and that licenses follow similar guidelines to the existing analogue community radio licenses is the way to proceed.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

I think that the mixed model approach being proposed, where by small scale radio multiplex licences can be awarded to commercial as well as not for profit entities is the correct approach. And the approach deals with the concerns raised about access to small scale DAB radio multiplexes by community stations because of the requirements

set by Ofcom which guarantees reserved capacity for community radio. I also believe that a fully transparent pricing of carriage fees is the way to go. One concern I would have is if a license holder has to set prices in their application would these prices then be fixed for the duration of license and not be able to be changed to take account of any rising costs. I believe that the proposal to publish pricing on Ofcom's website and keep it updated is a good idea.

Q6. We would welcome views on this approach.

I believe the approach that is being proposed re Existing national multiplex licence holders, Existing local multiplex licence holders (with no interest in national multiplex licences) Individuals/organisations/entities holding no national or local multiplex licence is the correct thing to do.

I also believe the approach regarding Restrictions on holding multiple licences in the same area & The Carriage restrictions detailed are the best way forward.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

I agree with this two-step approach to delineating the size of small scale multiplexes

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

I agree with the up to 40% limit in areas already served by a local multiplex

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

I think the Duration of small scale licences should be 5 Years as it will provide a good incentive for the license holder to needs the needs of the stations carried on the multiplex.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

I think Ofcom should be able to award longer licences in areas where there is less demand for licences

BBC access to small scale DAB

Q 11. We welcome views on this approach

I have no issues with the BBC having access to small scale DAB & think the approach proposed is the correct one in regards to not having guaranteed reservations or requirements. I also don't see the need to place a restriction on the BBC being a party to a small scale DAB Licence.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

I agree with the approach that is being proposed that smaller local DAB operators without national interests can be involved in small scale DAB in areas not covered by their existing licence. And don't see any implications/impacts on local multiplexes.

Regards

John Goodman
Chairman
Nuneaton Area Hospital Broadcasting Service.

Small Scale DAB Licensing Consultation

Response from Celador Radio

Background

1. Celador Radio is one of the UK's major operators of small-scale local commercial radio stations. We own and operate 26 FM radio stations across southern England and East Anglia. All but two of these stations have a Measured Coverage Area (MCA) of under 340,000 adults. Twelve of our stations have MCAs of under 100,000 adults – including three stations with MCAs of under 50,000 adults. Our stations have a combined Total Survey Area (TSA) of just over 5.4 million adults, with a weekly reach of 774,000 adults (14%). Two of our services are carried on DAB multiplexes – Sam FM in Berkshire & North Hampshire and Fire FM in Bournemouth. In addition, we operate the small-small trial DAB multiplex in Bristol (on which our service, The Breeze, is carried) and we are a service provider on three other trial multiplexes – with The Breeze in Aldershot; The Breeze and Sam FM in Portsmouth; and Radio Norwich in Norwich. Celador Radio is wholly owned by Celador Entertainment whose sole shareholder, and executive chairman, is Paul Smith CBE.
2. We are the only major commercial radio group that has no shareholding or other interest in any company holding a DAB multiplex licence or providing DAB multiplex services. As such, ours is likely to be the only significant industry response to this consultation whose purpose is not to promote the interests of multiplex operators nor to be more positive about the state of DAB than is justified by the available evidence.

Policy context: DAB switchover

3. We are, and have long been, opposed to the policy objective of government-imposed compulsory DAB switchover. In our view, switchover is a misguided and harmful policy because:
 - DAB has not succeeded to anywhere near the extent envisaged when it was launched, and there is little evidence that consumers want to abandon FM to switch to a DAB-only future;
 - Mandatory switchover would force many radio businesses to make a commercially irrational decision that would make their businesses unsustainable;
 - Switchover represents government intervention in the market for a consumer electronics product where there is no legitimate state interest.
4. The policy of commitment to switchover has led to a number of interim policy decisions that are harming our business. In particular, the policy of 'incentivising' broadcasters to adopt DAB by guaranteeing analogue licence renewal to those that do, has become a policy of blackmail and coercion. Ofcom refuses to allow broadcasters to sacrifice their renewal guarantee in order to come off DAB, forcing them to stay on a platform that jeopardises the financial sustainability of their stations. We ask that government intervene to require or encourage Ofcom to permit stations to withdraw from local multiplexes – and face the full, competitive re-advertisement of their previously renewed analogue licence – so that fundamental decisions about the nature of our businesses are made by operators, not the regulator.

DAB is not a success

5. Data on listening by platform are highly unreliable given the significant levels of misattribution by RAJAR respondents (of which we have evidence from our own survey areas). Nonetheless,

even if we accept the RAJAR data as accurate, they do not indicate that DAB has been a success. Listening via DAB is still at only 36.3% of total radio listening¹. Growth in DAB listening has been glacially slow, particularly by today's standards of digital media technology. Bear in mind that the first DAB services launched in 1999 – before Freeview (2002), Facebook (2003), Twitter (2006), the iPhone (2007) or Spotify (2008). It has taken 18 years to achieve just over a third of UK radio listening to DAB. The impact of switchover is even more stark when we look at weekly reach data – i.e. how many people listen to the radio on any given platform for at least 15 minutes a week. What we see is that 71.0% of listeners still tune in to radio on FM and AM – down just nine percentage points in ten years. Less than half of all listeners (49.2%) listen at any time to DAB. Just 12% of radio listeners listen exclusively on DAB. Nearly three times as many (31%) still listen exclusively on FM and AM. Importantly for the long-term future of radio listening, younger listeners are significantly less interested in DAB than older listeners. Among under-35s, DAB accounts for just 30.5% of listening – against a 37.9% share figure for over-35s. Under-35s are twice as likely as over-35s to be listening to the radio online (14.3% vs 6.8%). To date, the only broadcast radio platform to achieve the ubiquity of internet-enabled devices, both mobile and home-based, is FM.

6. The future success of DAB is far from assured. The spread of high speed broadband in homes, and of high bandwidth mobile telephony, is likely to shift music and radio listening away from broadcast platforms and onto Internet Protocol (IP) enabled distribution methods. Receiver manufacturers may well respond to DAB switchover by bypassing broadcast reception altogether and moving on to wifi- and Bluetooth-enabled devices in home (including smart speakers), and mobile-enabled devices for cars and portable devices. Analogue radio endures, we believe, because it is already ubiquitous and it is low-cost – for broadcasters, manufacturers and consumers. These are not true of DAB.

DAB is a commercially irrational choice

7. For broadcasters, FM is cheap and effective. DAB is expensive and yet delivers no increase in audience or revenue. As the then-Minister (now Secretary of State) noted in his introduction to this consultation, DAB is “off limits to many small commercial radio stations and to community radio”. For a typical small-scale radio station, the cost of current DAB carriage can conservatively be anything between four and ten times (and in some cases even in excess of twenty times) more expensive than FM transmission. As well as being technically more expensive, the presence of multiplex operators as an intermediary between the station and its transmission further increases costs and also places those costs outside the broadcaster's control. Stations carried on a multiplex must support the multiplex operator's marketing and administration costs and are also obliged to meet the cost of transmission over a far wider geographical area than they necessarily want to cover. The monopoly position of the multiplex operator (everywhere other than in London) means that the service provider – particularly one compelled by regulatory intervention to be on DAB – has no negotiating power and no option but to accept the pricing and terms laid down by the multiplex provider.
8. There is no realistic prospect, for many broadcasters, of seeing a return on our (increasingly involuntary) investment in DAB. FM radios are ubiquitous. DAB radios are not. Where we are on both platforms, we have seen limited migration of listening from FM to DAB, and no increase in listening. Given that our revenues (from the sale of advertising) naturally follow the volume of listening, DAB is, at best, revenue-neutral – but all the while incurring substantial additional cost.

¹ All audience data in this paper are from RAJAR, Q4 2017, and relate to all adults aged 15+.

9. For manufacturers (and, consequently, retailers and consumers) DAB is a far more costly option than FM. DAB chipsets are more expensive to manufacture and install than FM receiver technology, as well as being bulkier and requiring more energy. (This is why many smartphones include FM radios, but only one – launched in 2016 – has DAB). In the event of switchover, consumers would be forced to go to the considerable expense of replacing all their existing radios with new, more expensive, less energy-efficient DAB radios. We imagine that many will switch away from broadcast radio altogether and opt for IP-enabled devices.

There is no legitimate state interest in building a market for DAB

10. Advocates of DAB claim that switchover would provide ‘certainty’ for manufacturers and retailers, thereby nudging them into withdrawing analogue radio products and replacing them with DAB products. Put another way, they are asking the government to create a market for a consumer electronics product where no viable market currently exists – the radio industry having failed in 18 years to build one. There would seem to be no compelling economic or public interest argument that would give the state a legitimate interest in intervening in this market.
11. Where the state does have an interest is in the efficient allocation of radio spectrum in the public interest. However, all switchover plans to date have included the proposal that the FM band continue to be reserved for radio broadcasting – primarily for community radio but also for those commercial stations too small to find a viable route to DAB. In other words, the FM band will not be made available for any use other than radio broadcasting. While there is arguably an increase in efficiency resulting from the forced migration of services to DAB spectrum (where more services can be broadcast on a given quantity of spectrum than is the case for FM) and the overall increase in the total number of services possible, we question if this gain is sufficiently compelling to be a driver of a policy that imposes such a significant economic cost on both broadcasters and consumers.
12. The existing pattern of DAB multiplex licensing has also resulted in real harm to the ability of radio stations to deliver genuinely local news, information and content. For almost all of our stations, being on DAB would (and has) entailed either carriage on a multiplex that covers a much larger area than our station wants (or is licensed) to cover, or a multiplex that covers more than one of our local services. We are hopeful that small-scale multiplexes will offer a solution to this issue, but it is important to acknowledge that this is yet another reason why DAB has not only offered no benefit to many local commercial radio stations, it has actually been detrimental to them.
13. Supporters of switchover point to digital TV switchover as an example of government policy acceding to the wishes of the broadcasting industry in a way that manipulated consumer behaviour. There are a number of reasons why digital TV switchover is not comparable with DAB switchover:
 - First and foremost, consumer uptake of digital TV at the time the switchover date was announced was significantly ahead of DAB uptake now. It took a little over five years from the launch of digital TV (in 1998) for more than 50% of UK households to have some sort of digital TV receiver – it would take 16 years from launch for DAB to achieve 50% household

penetration². In 2005, when the DTV switchover timetable was announced and only 7 years after the launch of digital TV services, only a third of UK households had no digital TV receiver³. Today, 18 years after the launch of digital radio services, 39% of households still have no DAB receiver⁴. All aspects of the TV market – broadcaster, manufacturer, retailer, consumer – were willing to be switched. This is not true of radio. An Ofcom report in 2004⁵ predicted that, without switchover, DTV penetration would peak at 80% of households in 2012. DTV switchover was designed to finish a job largely accomplished by the TV industry on its own. DAB switchover is intended to do a job that the radio industry has failed to do.

- The economic and public interest benefits of digital TV switchover were substantial, obvious and immediate. Analogue TV could only accommodate five channels, from just four providers. Digital TV increased the number of channels by several orders of magnitude greater than the equivalent increase in radio services enabled by DAB. As well as ensuring an explosion in consumer choice, DTV switchover allowed for the establishment (for the first time), and rapid expansion of, a functioning, competitive TV market. DAB switchover would have a much more limited effect on consumer choice and almost no positive effect at all on what is already a diverse, competitive commercial radio industry. Digital TV also offered significant technological advances that were previously unavailable and are attractive to consumers, such as 16x9 wide screen, stereo audio, high definition picture quality, and ‘red button’ interactivity. By contrast, DAB offers a noticeable improvement to audio quality only in contrast to AM radio (and, arguably, a low-bitrate, mono DAB service is inferior in audio quality to a strong FM stereo service), whilst being more vulnerable to signal degradation in built-up areas. What few technical advances DAB offers – additional data services, advanced EPGs, ‘rewind’ radio – either lack consumer appeal or have failed to be exploited effectively by the radio industry.
- There was an additional state interest in DTV switchover resulting from the ‘digital dividend’ – the sale of UHF spectrum released by the closure of analogue TV broadcasting (raising just over £2.3bn for HM Treasury⁶). No such dividend will be reaped from DAB switchover, in part because there are no plans to re-allocate FM spectrum to other non-broadcast users, but also because the spectrum lies outside the technical ‘sweet spot’ where its characteristics make it attractive, and therefore valuable, to other users.

A new basis for DAB policy

14. While we oppose a mandatory DAB switchover, we have no desire to see DAB fail or to deny the opportunity to build DAB businesses for those companies that wish to do so. Every other industry is free to make its own decisions about the technology and the methods of distribution it adopts, without unnecessary government intervention, and we believe radio should be treated no differently. We believe that being on DAB should be a business decision,

² ‘The Communications Market: Digital Radio Report – Ofcom’s sixth annual digital progress report’, Ofcom, 19 November 2015, https://www.ofcom.org.uk/__data/assets/pdf_file/0025/68371/2015_digital_radio_report-slides.pdf

³ ‘Digital TV Switchover 2008-2012: Final Report’, Digital UK, November 2012, http://www.digitaluk.co.uk/__data/assets/pdf_file/0019/82324/DigitalUK_Switchoverfinal_report_Nov2012.pdf

⁴ ‘The Communications Market: Digital Radio Report – Ofcom’s eighth annual digital progress report’, Ofcom, 30 November 2017, https://www.ofcom.org.uk/__data/assets/pdf_file/0014/108311/Digital-Radio-Report-2017.pdf

⁵ ‘Driving Digital Switchover – a report to the Secretary of State’, Ofcom, 5 April 2004, https://www.ofcom.org.uk/__data/assets/pdf_file/0017/16055/dso1.pdf

⁶ <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2013/winners-of-the-4g-mobile-auction>

left to each operator to make for themselves, and that it should be for the DAB industry to build the consumer market for DAB receivers and services without what amounts to state aid. Let DAB stand, or fall, on its own merits and the work of those with a willing stake in it – and not be propped up by a government policy that benefits few and harms others. Ours is a wholly market-led, opportunity-based proposal.

15. Businesses should have the same opportunities to broadcast on DAB as at present – we propose no change to the spectrum allocation or the licensing regime for DAB.
16. The BBC should be able to formulate its own distribution strategy and continue to be given the spectrum, funding and legal powers to operate whatever DAB services conform to its Charter obligations and agreed strategy.
17. There should be no obstacles to any broadcaster – BBC or commercial – choosing to switch off its own analogue signal if it wishes. Voluntarily surrendering an analogue licence should be swift, unbureaucratic and without risk of regulatory penalty. Broadcasters should be allowed to co-ordinate their switch-off plans with each other, without fear of the charge of collusion.
18. As now, any business with an interest in DAB would be free to spend their own money marketing and promoting DAB as a platform and their own services on it, including marketing DAB to receiver manufacturers and retailers. However, this is a commercial enterprise and there should be no involvement by government or Ofcom in the promotion of DAB.
19. Greater attention should be paid to the position of multiplex operators as monopoly gatekeepers to DAB. Ofcom should be asked to routinely monitor and review the contractual arrangements between multiplex operators and service providers in order to identify and penalise any abuse of multiplex providers' monopoly powers.
20. The 'incentive' of guaranteed analogue licence renewal for broadcasters who opt for DAB carriage should either be removed, or there should be a clear and straightforward process for broadcasters to sacrifice their renewal guarantee in order to withdraw from DAB.

Small scale DAB

21. We support the work that has been done on providing an opportunity for small-scale local radio stations to secure affordable access to DAB, and continue to provide genuinely local radio services to the communities we currently serve well on FM. We fully intend to continue to engage positively with this process. This is the industry's best hope of realising the spectrum efficiency gains of moving from analogue to DAB, and of introducing competition in the provision of both DAB multiplex services and transmission services. We welcome this consultation and we support the licensing and roll-out of small scale DAB multiplexes as swiftly as possible.
22. We note, with some surprise, that the consultation is silent on the question of licence award criteria. The consultation has made neither proposals nor explicit assumptions about licence award criteria for mini-muxes and so it is not clear if this is an oversight, or if DCMS considers these to be outside the scope of the proposed statutory instrument and, thus, the criteria for local multiplexes set out in section 51 of the 1996 Act (and, indeed, the licence advertisement process set out in section 50) will inevitably apply. For the purposes of this response, we have assumed that the s51 criteria will apply to mini-muxes, but this would seem to be a question requiring further scrutiny and consultation.

23. The consultation is also silent on whether or not a small-scale multiplex would be considered a “relevant multiplex” under section 104A(4)(b) of the 1990 Act (as amended by s94 of the 1996 Act) for the purposes of securing guaranteed renewal of an analogue radio licence by virtue of carriage on a relevant DAB multiplex. We assume that it is DCMS’s intention that mini-muxes should be considered “relevant” for the purposes of this section, and we would ask that this be made explicit in the statutory instrument.

Community radio

24. The two principal objectives of the small-scale DAB multiplexes are to provide affordable access to DAB for small-scale commercial radio services; and to provide affordable access to DAB for community radio services. We consider both of these objectives to be equally valid although, of course, it is access for commercial radio services that is of paramount importance to us. We note, however, that the consultation places much greater emphasis on the needs and expectations of the community radio sector and gives significant attention to the demands of the Community Media Association (CMA), with which DCMS appears to have consulted extensively and privately prior to this public consultation in a way that it has not with the commercial radio sector. Given the importance of small-scale DAB to both sectors of the industry, we would have preferred a consultation, and pre-consultation process, that gave equal priority to both community and commercial radio.

Consultation questions

Community stations and small-scale radio multiplexes

1. **We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?**
25. While we do not object to the principle of reserving capacity on mini-muxes for community radio we note that, along with the reservation of capacity on standard muxes for BBC local radio, the only sector that does not get any reserved DAB capacity is commercial radio. Given that one of the key objectives of mini-muxes is to provide a viable route to DAB for small scale commercial stations, this would seem to be an oversight. There would seem to be three risks in not reserving capacity for small scale commercial stations. The first is that, in areas of high demand for community radio licences, commercial stations could effectively be crowded out of their local mini-muxes. The second is that a mini-mux licence might be awarded to a community radio operator who might feel that accommodating a commercial station would be contrary to its principles, or its non-profit objectives. The third concern is that a mini-mux licensee might choose to exclude a local analogue radio operator because it wanted to establish its own local radio service in that market or, for some other reason, shut out competition from the existing FM service. We propose, therefore, that in addition to reserved capacity for community radio stations, Ofcom be empowered, when advertising a mini-mux licence, to reserve further capacity for relevant small scale commercial radio stations (defined as those with an analogue MCA of less than 500,000 adults) in the mini-mux’s licensed area – which may include services already carried on existing local multiplexes but which are likely to prefer to transfer to the mini-mux once it is available. It would not be mandatory for the named local commercial service to take up the capacity reserved for it, and mini-mux licence applicants would be free to re-allocate to any other service provider any capacity reserved but

not taken up, as long as the applicant can demonstrate that it offered the reserved capacity to the relevant service provider on fair and reasonable terms.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

26. In principle, we believe that Ofcom should be given considerable flexibility to determine, on a licence-by-licence basis, how much capacity on any given mini-mux should be reserved for community radio. However, in order to ensure continuing opportunities for commercial radio operators (and, potentially, the BBC) it would seem to be sensible for there to be a maximum upper limit on how much community radio capacity can be reserved. We have assumed (although it is not explicitly stated anywhere in the consultation) that (i) community radio stations would be offered capacity on more favourable terms than other service providers, in recognition of their reduced funding ability; and (ii) that the long-term financial viability of the mini-mux will be a licence award criterion for mini-mux licences. We would be concerned about the long-term financial viability of a mini-mux that were overly reliant on carriage fees from community radio service providers.

27. Given the potential for digital-only community radio services to become established, there is a potential risk of mini-muxes becoming over-crowded with more community radio services than the local market can sustain, or that the proliferation of community services begins to undermine the viability of small-scale local commercial stations. This would also suggest that an upper limit on capacity reserved for community radio would be a sensible approach.

28. We propose that the capacity reserved by Ofcom for community radio services on mini-muxes should not be permitted to exceed 40% on any multiplex.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

29. We would have no objection to this proposal.

Digital community radio licence

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

30. We support the proposals for a community digital sound programme service (C-DSP) licence, as outlined in the consultation document. It is important that the community radio sector exists as a very separate and distinct sector from commercial radio, so we would welcome a DSP licensing regime that continues the analogue licensing principles that community radio services be run on a non-profit basis, with the objective of delivering social gain. Existing analogue community radio operators would be required to obtain a C-DSP licence in order to secure carriage on a mini-mux, as would any new service provider that was owned by a non-for-profit organisation. Community radio service providers who sought to run a digital-only service on a commercial basis would continue to have the option of a 'standard' DSP licence, but this would deprive them access to support from the Community Radio Fund, to the mini-mux capacity reserved for community radio, and to any preferential terms from the mini-mux licensee for their carriage.

Restrictions on holding small-scale radio multiplex licences

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

31. We would strongly oppose any requirement that a mini-mux licensee operate on a non-profit basis. It is vital for the provision of both community radio and small-scale commercial radio services on DAB that there is stability in the provision of small-scale multiplexes, and that mini-muxes are run on a sustainable basis. We do not believe this can be achieved if mini-muxes are not permitted to operate on a commercial basis. Thus, we agree with the consultation that a variety of funding models should be available to mini-mux operators. As noted above, we would support the long-term financial viability of the mini-mux being a licence award criterion for small-scale multiplexes.
32. We agree that the reservation of capacity on mini-muxes for community radio services should do much to alleviate concerns that community radio services might effectively be priced out of DAB carriage. If the price of carriage were set out of reach of community radio services, that reserved capacity would be unfilled, which would clearly not be in the multiplex operator's interests.
33. We recognise that price transparency will also do much to constrain unreasonable pricing expectations by multiplex operators. We would additionally not object to multiplex operators being permitted to offer a community radio rate for capacity lower than the price charged to commercial radio service providers. While this would entail commercial radio effectively subsidising community radio carriage to some extent, it would at least facilitate access to DAB for community radio services and be advantageous to the long-term viability of the mini-mux as a whole.
34. The concerns that community radio has about access to mini-muxes are very similar to the concerns that small-scale commercial stations have long had about access to local multiplexes. The technical necessity of multiplexing on DAB makes it unavoidable that there is a monopoly gatekeeper – the multiplex operator – controlling access for service providers to the DAB platform. This would seem to necessitate some careful regulatory oversight to ensure each multiplex operator treats each service provider in a fair, reasonable and non-discriminatory way. This duty of regulatory care should cover existing local multiplexes and future small-scale multiplexes equally. While mini-muxes will introduce a small element of competition in the provision of multiplex services in some areas, they will, for the most part, operate in different and separate markets from larger local multiplexes and, therefore, exert little competitive pressure on them. In particular, local muxes and mini-muxes will not be substitutable for each other in most instances, primarily due to the different scales of coverage that each offers. Consequently, we ask that Ofcom is given, and required to use, significant powers over both local multiplexes and mini-muxes to ensure not only price transparency but also to review contractual terms for carriage and to enforce measures – including punitive measures – to ensure fair access on reasonable terms for all current and prospective service providers.

6. We would welcome views on this approach.

35. In our view, one of the principal factors holding back the growth and development of DAB in the UK has been the dominant position of Arqiva as the monopoly provider of local multiplex services in large areas of the country; effectively the monopoly provider of national multiplex services, as the owner of Digital One and the largest shareholder in Sound Digital; and the

monopoly provider of transmission services. Without incentive – or effective regulatory constraint – to control costs or show restraint in pricing, Arqiva’s monopoly position has helped to ensure that DAB is prohibitively expensive for all but the largest radio operators and that the bulk of the industry’s investment in DAB has gone into distribution and transmission, rather than programming and marketing. We believe that it would be careless not to learn from this mistake. In our opinion, the proposals outlined in the consultation do not go far enough in preventing the potential extension of Arqiva’s monopoly power into small-scale multiplex provision, or the emergence of other potentially damaging local DAB monopolies.

36. We propose that any company holding 40% or more of a national multiplex licence should not be allowed to hold more than 30% of a small-scale multiplex.
37. We propose that any company holding 40% or more of a local multiplex licence should not be allowed to hold more than 30% of a small-scale multiplex within the coverage of the larger local multiplex.
38. We agree with the proposal that there should be no limit on how many mini-mux licences any one entity can hold, save that no one should be permitted to hold more than one licence covering substantially the same area.
39. We agree that there should be no limit on the number of mini-muxes on which a single service provider can be carried. However, we propose that there should be a cap on how much capacity a single provider can occupy on any one multiplex. By defining this limit as a proportion of the multiplex capacity, rather than a proportion of the number of services, it remains possible for a broadcaster to be the sole provider of services on a multiplex where there is little demand for carriage, while preventing one provider from blocking other providers from obtaining capacity in areas where this is significant demand for carriage. We propose that no one provider be permitted to occupy more than 40% of the total available capacity on any single multiplex.

Determining the size of a small-scale radio multiplex

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

40. We recognise, for the reasons set out in the consultation, that there needs to be a different approach in defining the size of mini-muxes in areas with no current local multiplex from areas already served by a local multiplex. We have no strong views on how the maximum size of a mini-mux should be determined in areas unserved by a local multiplex and we would not object to the method proposed in the consultation.
41. However, we see no merit, whether in areas served or unserved by existing multiplexes, in defining coverage in terms of geographical area, measured in square kilometres. This is not a definition of coverage that has any meaning to the radio industry – commercial or community. We measure our coverage in terms of population – or potential audience. As well as being the only meaningful way for us to define coverage, measurement by population has the additional benefit of transparency. There are, at present, no publicly available data sets showing the geographical area, in square kilometres, of any existing radio station or multiplex, so we have no way of predicting what the actual impact would be of any policy that defined coverage in this way.

8. Do you agree with the up to 40% limit in areas already served by a local multiplex? If not, why not and what alternative do you propose?

42. Assuming that we are considering the size of small-scale multiplexes, relative to local multiplexes, in population coverage terms, an upper limit of 40% feels overly restrictive. In particular, there will be small and medium-sized cities where the existing local multiplex will also cover neighbouring settlements and surrounding rural areas but where adequate coverage of the main city itself might mean crossing the 40% threshold. In order to be financially viable, good coverage of the principal population centre is likely to be essential, so a 40% cap would seem unduly limiting. We would suggest setting the maximum permissible coverage of a mini-mux at 60% of the local multiplex (defined by adult population) but giving Ofcom wide powers of discretion within that limit, so that 60% would not be expected to be the default coverage nor necessarily ever achieved by a mini-mux.
43. Small-scale multiplexes cannot fulfil their objective of being a viable route to DAB for small-scale commercial radio stations if they cannot match the FM coverage of those stations. This is fundamental to the success of DAB as a platform and small-scale multiplexes as a policy initiative. If we cannot achieve matching, or at least equivalent, coverage for our FM stations on DAB, then DAB carriage is no more feasible or attractive for us on small-scale multiplexes than it is on conventional local multiplexes. DAB can only possibly be a replacement platform for FM if it guarantees us the same potential audience – and, thus, the same revenue potential – as FM.
44. We therefore propose that Ofcom be required to define, at the point of multiplex licence advertisement, a minimum permissible coverage area (MPCA) for each multiplex licence, defined in terms of both the total number of adults covered and the geographical areas that must be covered (defined by local authority boundaries and/or postcode sectors). Achieving coverage of this MPCA from launch would be a licence condition, creating an enforceable obligation on the multiplex licensee. Ofcom would be required to ensure that the MPCA matched the adult population coverage of the largest of the existing analogue services for which capacity was being reserved by Ofcom – which, under our proposal in paragraph 25 above, would include both small-scale commercial services as well as community stations.

Duration of small-scale radio multiplex licences

9. We would be grateful for views on these options or other options along with reasons for your choice.

10. We would also welcome views on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

45. We do not see any connection between multiplex licence length and either the prevalence of disputes between service providers and multiplex operators, or the level of demand for local DAB capacity. Nor do we see how shorter multiplex licences would incentivise multiplex operators to better meet the needs of smaller stations. The problems experienced by service providers on existing multiplexes were more likely the result of monopolistic behaviour by multiplex operators. We suspect that this was compounded by the implicit understanding of the industry that the regulator (first the Radio Authority, then Ofcom) would consider s51(c) of the multiplex licence award criteria to be best met by having carriage agreements whose duration matched that of the multiplex licence. As a consequence, service providers found themselves locked into contractual arrangements that they could neither break nor re-

negotiate for 12 years. The solution to this is not to issue shorter licences, but to not incentivise (or even actively discourage) long-term contracts for carriage that offer no opportunity to re-negotiate terms.

46. We would oppose short licence periods for mini-muxes. It is important for service providers – commercial, community or BBC – that there is long-term stability and security in the provision of multiplex services. This will be particularly true for any operator investing in launching new, digital-only services – and it would become absolutely critical if digital switchover were ever to happen and DAB would become everyone’s primary broadcast platform. If we, as a service provider, are to invest and commit to DAB, we cannot run the risk of losing carriage, or having to re-negotiate carriage with a new mux licensee, every five years.

47. We propose, therefore, that small-scale multiplex licences have the same 12-year licence period as existing multiplex licences.

BBC access to small-scale DAB

11. We welcome views on this approach.

48. We have no objection to Ofcom licensing additional full-size multiplexes in areas of high demand, nor to the involvement of the BBC on mini-muxes, either as service provider or multiplex operator.

Ofcom duty to consider commercial impacts on local multiplexes

12. We would welcome views on the implications of this approach.

49. For the reasons we outline in paragraph 34 above, we believe that mini-muxes will, for the most part, have very limited commercial impact on local multiplexes. The different scales of coverage between local muxes and mini-muxes will mean that neither is easily substitutable for the other and, effectively, each category of multiplex will operate in its own distinctive market, separate from the other. While some mini-muxes will clearly impose a modicum of competitive pressure on some local muxes, this should not be allowed to stifle the opportunities for the development of small-scale DAB, and the access to DAB now being afforded to community and small-scale commercial radio operators. If existing multiplex licensees find they have to re-visit their current business models and pricing structures, this would be hugely positive for the industry as a whole and, particularly, for the future prospects of DAB. We therefore agree with the proposal that Ofcom should not have a duty to consider the effect of a new mini-mux on existing local multiplex operators covering the same locality.

Celador Radio Broadcasting Ltd
28 February 2018

DCMS Small Scale DAB Licensing Consultation

Response from Global



28 February 2018

Introduction

1. Global is one of the world's leading media and entertainment groups with a portfolio of some of the most respected media brands, events and festivals. We are home to some of the UK's best-loved radio stations such as Heart, Capital, Classic FM, Smooth, LBC, Radio X, Capital XTRA and Gold. 24.8 million listeners tune in to our stations each week. We also operate Heart TV and Capital TV and are one of the biggest festival companies in the UK, selling more than a million tickets a year.
2. Global has made a very significant investment in DAB over many years. We operate services on almost all local DAB multiplexes as well as 8 services on national DAB. Global's strategy has been to focus on content and we are not a major multiplex operator, though we retain shareholdings in DRG London Ltd and CE Digital Ltd, which operate local DAB multiplexes in London, Birmingham and Manchester.
3. Global supported the small scale DAB trial as we recognised that the existing local DAB network is not always an attractive or viable option for small commercial and community radio stations. Wherever possible, our stations are broadcast on DAB as well as FM or AM and we support the ambition of other broadcasters to have this option as well. We do not currently operate any services on small scale DAB but as a strong supporter of DAB we welcome the opportunity to contribute to DCMS' consultation and set out our responses below.

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

4. We are sympathetic to the calls for capacity on small scale multiplexes to be reserved for community stations but we also recognise that smaller commercial radio stations, for whom the existing local DAB network is not a viable option, are also looking for capacity to be reserved.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

5. We believe that there is a trade-off between ensuring that capacity is available for community and small commercial radios and also providing multiplex licensees with sufficient flexibility to make operation of mini-muxes viable. We therefore think it is important that a significant proportion of capacity should be available to the market and not reserved on all mini-muxes. We therefore support the principle of an upper limit being set on reserved capacity.

6. We are open-minded about the upper limit on the percentage of capacity which is reserved on mini-muxes, and it is likely to be appropriate to vary the amount of reserved capacity depending on local market conditions. However, in no circumstances do we think more than 50% in total of the available capacity should be reserved for community and small local commercial stations.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

7. We would prefer to see a “use it or lose it model” whereby mini-mux operators are able to offer reserved capacity to the market after a reasonable period of time if community and small local commercial stations in the market have not taken up the reserved capacity.
8. We do not think offering unused capacity on a temporary basis will be workable. It takes time and investment to make new stations viable and offering capacity for a short term only is unlikely to be attractive. Given the limited duration of mini-mux licences) we do not think limiting the sale of unused reserved capacity in this way is necessary.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

9. We support the proposal for consistent licensing of community stations on DAB. It is important that community stations on DAB benefitting from reserved capacity or access to the Community Radio Fund should be subject to the same set of rules as community stations broadcasting on analogue.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

10. It is recognised that small scale DAB will be an important platform for small local commercial stations as well as community radio and therefore it does not seem appropriate to require that all operators be not-for-profit.
11. We would support steps to ensure greater pricing transparency. This should include more than just a commitment to publish a rate card.

Q6. We would welcome views on this approach (ownership restrictions).

12. Our view is that it in general would be preferable for operators of mini-muxes not to be significant operators of existing local DAB multiplexes, and we see little benefit in companies with shareholdings in either national multiplex being granted small scale DAB licences.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

13. We think it is very important that Ofcom conduct a thorough spectrum review which looks at all DAB networks, before commencing small scale DAB licensing.
14. The consultation document explicitly refers to Cumbria as an area without an existing local DAB multiplex because of a lack of commercial viability. Global recently acquired two stations in Cumbria and we would like to re-assess the commercial potential for launching a local DAB multiplex in the area and are already in discussion with industry partners about this.
15. We are also concerned about coverage issues with the local DAB layer, particularly in relation to road coverage which is significantly lower than that of FM. It is therefore important that spectrum planning is addressed in the round by Ofcom.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

16. We assume that the 40% limit refers to population rather than area.
17. We do not think a 40% limit will be appropriate across all parts of the country. A multiplex covering 40% of Greater London, or 40% of the area served by the Manchester local multiplex would not, in our view, necessarily meet the needs of community stations.
18. We are also concerned about potential interference issues if small scale DAB multiplexes cover larger areas. The original vision behind small scale DAB was that the use of single transmitter networks and open source software could significantly reduce DAB transmission costs for small areas. Covering larger areas will require either higher transmitter powers, which risks causing interference, or multi-transmitter networks which increases cost and complexity.
19. The existing local DAB network is a critical component of UK broadcasting infrastructure and we are concerned that a blanket 40% rule could result in interference and other issues.

20. We therefore urge DCMS to request Ofcom do more work on this issue before a decision is made.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

21. An initial licence period of 5-7 years seems reasonable to us.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

22. We are not convinced of the merits of linking licence length to underlying demand. There is a risk that such a policy would end up reducing the licence periods of operators who have done a better job of fostering demand for capacity.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

23. The BBC plays an important role in maintaining the economic viability of the local DAB layer. While we are not opposed to the BBC also contracting for capacity on small scale DAB multiplexes we would not support the launch by the BBC of new local services and we would be very concerned if the BBC were to “crowd out” local community and commercial services from capacity.
24. There should therefore be a limit on the BBC operating only 1 service on each small scale DAB service in England and 2 in Scotland, Wales and Northern Ireland, with this access only available if spare capacity is available.
25. We cannot foresee any circumstances in which it would ever be appropriate for the BBC to be the operator of these multiplexes or take a shareholding in a the operator of the multiplex. This should be ruled out.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

26. The local DAB network plays a crucial role in the UK’s broadcasting infrastructure, and as discussed above, we are very concerned that a blanket 40% coverage rule will not be an appropriate limit on the size of small scale DAB in all areas.

27. We think it is very important that Ofcom be required to take into account the potential impact on local DAB multiplexes in their decision making on granting small scale DAB multiplexes. A requirement for Ofcom to have regard to the effect of awarding a small scale DAB licence on local radio multiplex operators was explicitly included in the legislation and we think this is an important principle to retain. Requiring Ofcom to “have regard” to this effect does not limit Ofcom’s discretion if the impact is very low, and should not be overly burdensome.



Small scale dab

mark o'reilly [REDACTED]

28 February 2018 at 12:08

To: "smallscaledab@culture.gov.uk" <smallscaledab@culture.gov.uk>

Dear Sir, Maddam

There is no question that the 10 minimux trails have largely been a success & offers midsize, community stations a chance to get onto Dab.

The problem with the current radio scene is two operators contral the multiplexes either national or countywide with basily offer the same services.

Small scale Dab will of course very from area to area but there must be room for community radio stations & even online stations who may broadcast in a perticlar area.

We must encourage choice but also different outlets. Of course the more local services the better.

Also I feel the 50% ownership of a multiplex ruling is fine but the other 50% should not be held by another local radio group broadcasting on FM whether in the same area or outside the coverage area.

DAB+ which has happened because of these trials must also be encouraged.

Thank You

Jack Love

Sent from my Sony Xperia™ smartphone



Small Scale DAB Licensing Consultation Response

28th February 2018

FOREWARD

Niocast Digital

Niocast welcomes this DCMS consultation and the focus from Government on the introduction of small scale DAB/DAB+ multiplex licences. The current DCMS trial has successfully demonstrated the viability of small scale DAB/DAB+ technology as well as the platform's ability to deliver a stable and sustainable service and attract small commercial and community radio stations as well as new entrants broadcasting on terrestrial DAB/DAB+ for the first time.

Small scale DAB/DAB+ provides an incentive for broadcasters to continue to invest in digital radio content and coverage, and it is crucial that this continues. Small scale DAB/DAB+ has also enabled the introduction of hundreds of new services, broadening listener choice and stimulating interest in radio amongst previously unserved groups.

Niocast Digital Ltd operates the Manchester small scale DAB/DAB+ multiplex which is one of 10 field trials across the UK (Aldershot, Birmingham, Brighton, Bristol, Cambridge, Manchester, Norwich, Glasgow, London and Portsmouth).

Niocast identified the city of Manchester as a prime location in terms of meeting many of the technical criteria set out by Ofcom. It is densely populated, with a built-up centre falling within a relatively small geographical area, neatly confined within the M60 orbital motorway.

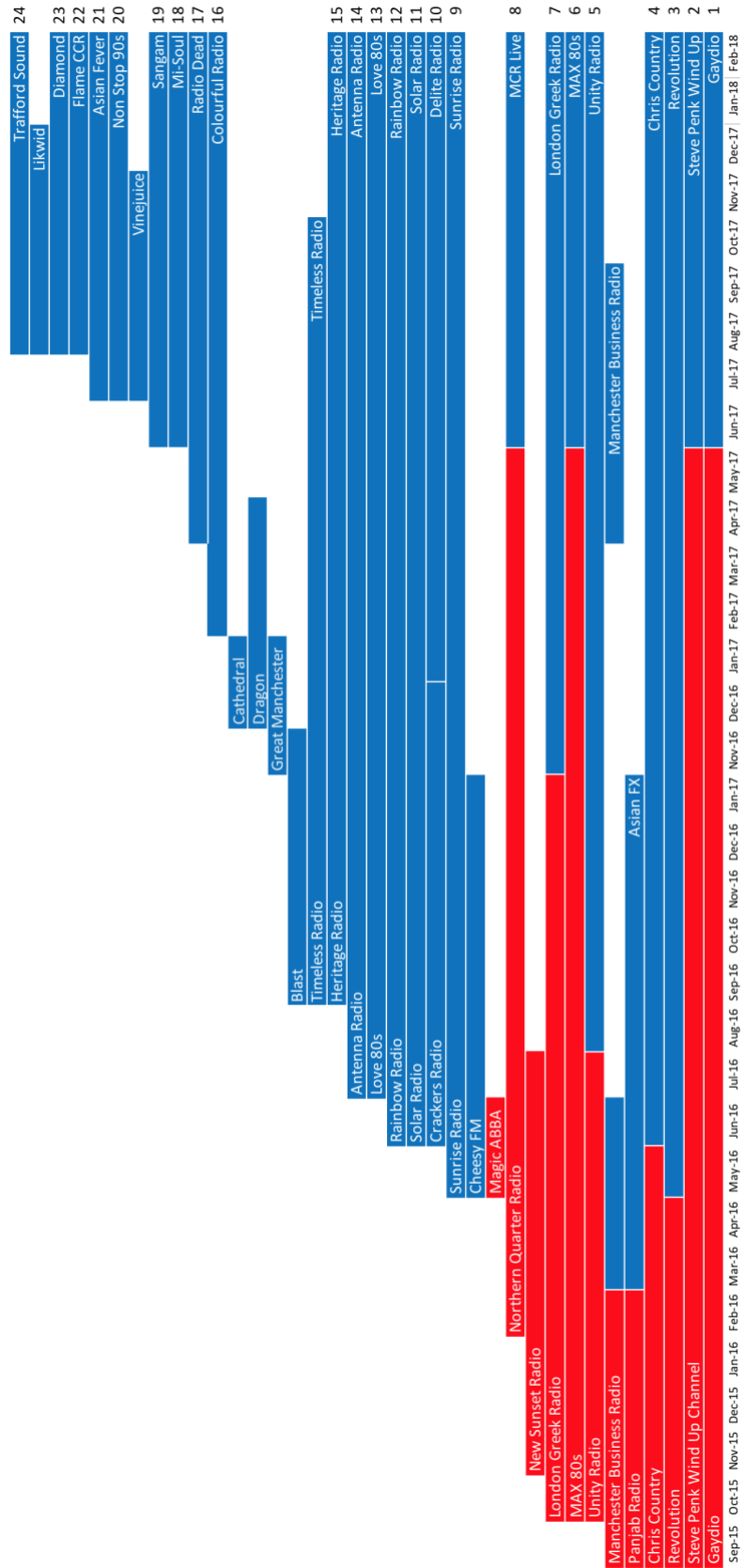
The multiplex was launched on Friday 28th August 2015 with just six services. Today the multiplex hosts twenty-five service providers. In the intervening time, Niocast nurtured an 'ecosystem' of services to provide Manchester with an eclectic mix of ethnic, lifestyle and specialised formats to appeal to a wide range of communities.

Over the two-and-a-half years that the Trial has been running, Niocast has constantly sought to develop the multiplex using experience, feedback and technological opportunity:

- Empirical evidence showed that previously unserved groups were investing in DAB+ receivers in order to receive their new, niche services. Accordingly, we set out to attract additional service providers to enrich our evolving ecosystem;
- After successfully trialling DAB+, we took the decision to migrate all our services to DAB+ in June 2017;

One of the success stories of the small scale trials is how enthusiastically DAB+ has been adopted. So, we were surprised that there was no reference whatsoever to DAB+ in the Consultation document. More advanced AAC+ audio encoding technology has allowed the small scale trials to use DAB+ to deliver significantly greater multiplex capacity which, we believe, is essential to meet the considerable demand from prospective service providers. We have, therefore, based all our responses on the assumption that the DCMS and Ofcom are open to both DAB and DAB+ equally.

Niocal Manchester – Multiplex Timeline (August 2015 – February 2018)



CONSULTATION RESPONSE

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

DCMS has stated that it favours reserving some capacity on small scale multiplexes for community radio stations; that the responsibility should be delegated to Ofcom; and that Ofcom should have *flexibility* in setting the amount of reserved capacity.

Niocast agrees with the principle of reserving capacity on small scale multiplexes for community radio stations. However, it is essential that reserving capacity doesn't lead to a potential under-utilisation of the available spectrum. We believe the risk of this happening isn't mitigated by making capacity available on a temporary basis.

With the exception of one-off events and religious festivals, we found there is little appetite amongst service providers for temporary allocation of multiplex capacity. Any take-up by short term RSL-type services will inevitably leave substantial periods when reserved capacity would remain unused. Apart from these short-term pop-ups, other broadcasters are highly unlikely to invest in a service with the possibility of being summarily removed from the multiplex with little notice. Let's not forget the Listener. Radio listeners will not understand why a service they have been listening to for a few months has suddenly disappeared from the multiplex.

Niocast believes that the financial viability of small scale DAB/DAB+ will be put at risk by operators having to rely on allocating reserved capacity on a temporary basis to compensate for any lack of take-up by the community radio sector. On paper, allocating capacity temporarily might seem like an attractive idea but in practice it is unworkable.

Whilst agreeing in principle that capacity should be reserved for community radio, Niocast recognises that there are a number of challenges in bringing this about, successfully. A fundamental step is to clarify what is meant by 'community radio':

- a. Existing Ofcom-licensed analogue community stations¹;
- b. Existing & future Ofcom-licensed analogue community stations²; or
- c. Existing & future Ofcom-licensed analogue community stations and holders of the new (proposed) C-DSP licence³.

1. Niocast supports the principle of reserving capacity on small scale multiplexes for existing Ofcom-licensed analogue community radio stations as a pathway to a digital future. We propose that this reserved capacity is made exclusively available to existing analogue community radio stations where the studio and most a station's Measured Coverage Area (MCA) falls within the MCA of the small scale radio multiplex.

2. Niocast does not consider it practical to reserve additional multiplex capacity for 'future' community radio stations. Not knowing when (or even whether) such stations will ever be licenced would lead to economic uncertainty. This will adversely affect the viability of individual multiplex licences; it also under-utilises the digital spectrum and; reduces the capacity available to other licensees.
3. Niocast does not believe that reserved capacity should be used for the new (proposed) C-DSP licenced stations. We see this as a sensitive issue particularly as the C-DSP licence has yet to be clearly specified:
 - a. Some C-DSP licence holders will be existing analogue community radio stations from within the MCA of the small scale multiplex. Niocast believes these should have full access to the reserved capacity on the multiplex.
 - b. Some C-DSP licence holders will be existing analogue community radio stations from outside the MCA of the small scale multiplex. Niocast believes these stations, should compete on merit for the unreserved capacity on the multiplex.
 - c. Some C-DSP licence holders will not be existing analogue community radio stations yet may be based within the MCA of the small scale multiplex. If these licensees were guaranteed access to the capacity reserved for community radio it could lead to some stations attempting to license their service as C-DSP to take advantage of that reserved capacity.
 - d. Some C-DSP licence holders will not be existing analogue community radio stations and will be based outside the MCA of the small scale multiplex. As mentioned in paragraph (b) above, Niocast believes these stations, should compete on merit for the unreserved capacity on the multiplex.

The DCMS has proposed that reserved capacity should be based on an assessment of analogue community stations that are *already licensed* in a particular geographic area which is covered by a small scale radio multiplex licence. Niocast agrees.

Niocast believes that Ofcom should set the amount of reserved capacity prior to offering small scale radio multiplex licences. We also believe that Ofcom should be able to relax the amount of reserved capacity if there is insufficient demand from community stations. As mentioned previously, we consider community stations to refer to existing analogue (not C-DSP services) community radio stations broadcasting from within the MCA of the small scale multiplex.

Niocast is a passionate supporter of well-run community radio. We believe the sector needs to be encouraged – perhaps even incentivised – to transition to DAB/DAB+. Currently six of the services broadcasting on Niocast's small scale DAB+ multiplex in Manchester are Ofcom-licensed analogue community radio stations and we enjoy an excellent working relationship with all of them.

Before the launch of the Manchester multiplex, we reached out to every community radio station within the M60. Of the stations that responded, some elected to join the Trial, others chose not to participate. A number of stations indicated that their prime focus was on delivering their content via mobile and internet and, for them, DAB/DAB+ was, and remains, a lower priority.

Our concern is that any enthusiastic allocation of reserved capacity for community radio could be met with ambivalence from some in the sector. This would leave small scale DAB/DAB+ multiplex operators having to ring-fence capacity for stations that may have no interest or intent to join the multiplex.

The Community Media Association (CMA), which represents community broadcasting, has been very active since the publication of this consultation. It has propagated fear stories about the ramifications of small scale DAB/DAB+ falling into the hands of commercial organisations. In a recent Guardian article CMA Chair, Lucinda Guy was quoted as saying: *'Unless SSDAB is in the ownership and control of communities... we fear that small-scale local radio will deliver profit, not social benefit.'*

The Guardian 21/02/2018

We believe that this concern is unfounded and has certainly not been borne out by the Trials. We question whether the CMA has ever expressed the same concerns about stations being 'priced out of the market' when it comes to other operational costs such as electricity, software, royalties, property, etc.

Small scale DAB/DAB+ can operate at a fraction of the cost of large scale DAB and, as such, will provide an affordable pathway for community radio stations towards a digital future.

Community stations and small scale radio multiplexes

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Niocast agrees that there should be an upper limit placed on the amount of capacity (units) reserved for community radio services. That is not to say that there should be an upper limit placed on the number of community radio services that may be carried on any individual multiplex.

Placing an upper limit on reserved capacity ensures that there is sufficient space available (albeit not reserved) for non-community radio services. This allows each individual multiplex operator a level of autonomy to ensure there is a healthy balance of

both commercial and not-for-profit services represented on their ensemble. This can only aid the economic viability of the multiplex and ensure the long-term sustainability of small scale DAB/DAB+ as a broadcasting platform.

Niicast recognises that there will be a range of implementations of small scale DAB/DAB+ across the country which will reflect local circumstances. Consequently, we do not believe the upper limit for reserved capacity should be constrained to a fixed number of channels. Niicast proposes that an upper limit should be expressed as a percentage of the total number of capacity (units) available on a multiplex. This allows individual multiplex operators the freedom to accommodate as many community radio stations as possible within the reserved space, subject to local demand. This is illustrated by looking at typical rural and metropolitan implementations:

- A typical rural multiplex may only have one or two community radio stations in the MCA. An upper limit based on a fixed number of channels (say 5) and applied arbitrarily across all multiplexes in the country will leave it with reserved capacity which they are unable to allocate. However, by making the upper limit 25% (of available capacity units) the multiplex operator will have the freedom to use the reserved capacity and available bandwidth to increase the bit rate of services to the benefit of the listener.
- A typical metropolitan multiplex may have seven or eight community radio stations in the MCA. An upper limit based on a fixed number of channels (again, say 5) and applied arbitrarily across all multiplexes in the country will result in reserved capacity being exhausted quite quickly leaving some community stations unable to join the multiplex. However, by making the upper limit 25% (of available capacity units) it will allow the multiplex operator to have the freedom to use the reserved capacity and the available bandwidth to accommodate more services.

Niicast proposes, therefore, that an upper limit is placed on the amount of reserved capacity and that the limit should be set at 25% of the total number of capacity units.

Niicast believes that in deciding licence-specific allocation of reserved capacity (below the upper limit):

- (a) a condition is included in a small scale multiplex licence requiring it to reserve of an amount of digital capacity for any existing Ofcom-licensed analogue community broadcasters,
- (b) the overall amount of capacity to be reserved for community stations is expressed by reference to a percentage of the total number of capacity units available on a multiplex,
- (c) and that the amount of capacity is sufficient for the broadcast of up to a maximum of nine DAB+ community radio services at 32kbps each.

Community stations and small scale radio multiplexes

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Niocast believes that small scale multiplex operators should be able to offer reserved capacity on a temporary basis. However, we expect the demand for this to be minimal and seasonal, and cannot be relied upon..

We do not believe that small scale multiplex operators should have to bank on the uncertainty of selling unused capacity, that has been exclusively reserved for community radio services, to subsidise any lack of take-up by community stations.

As mentioned previously, with the exception of broadcasting specific events and religious festivals, experience has shown that there is little appetite amongst service providers to invest in an on-air service without any guarantee of longevity.

The short-term and temporary use of reserved capacity renders it extremely difficult for service providers to generate sufficient public awareness of their service to attract a viable audience and, therefore, secure advertising and sponsorship revenue to fund the station. That is why most digital 'pop-ups' are created by broadcasters who can leverage their existing analogue or digital channels to cross promote the pop-up service – driving audience take-up and mining revenue from their extant advertising base.

Whilst some RSL-type services may wish to take advantage of short-term (6-week) availability on the multiplex it will inevitably leave operators with substantial intervening periods when reserved capacity remains unused. This is not a good utilisation of the available spectrum and leaves operators with little in the way of financial compensation for holding back reserved capacity for community radio.

Apart from these short-term pop-ups, service providers will be highly unwilling to commit to temporary use of reserved capacity without the certainty of a fixed-duration carriage agreement. Most broadcasters will not invest in a service that could be summarily removed from the multiplex with almost no notice. And, most importantly, listeners will not understand why a service they have been listening to for months has suddenly disappeared from the multiplex.

Niocast believes that the financial viability of small scale DAB/DAB+ will be put at risk by inviting operators to allocate reserved capacity on a temporary basis to compensate them for any lack of take-up by the community radio sector.

Short term licences are likely, quite simply, to force multiplex operators to load the capital cost into the carriage fees in the early years of operation. This is incompatible with the expressed intention that this should be a low cost pathway to a digital future for small scale radio.

In reserving capacity for community radio, it will be necessary for small scale DAB/DAB+ multiplex licences to contain such conditions as OFCOM considers appropriate for ensuring that the multiplex licence holder does not, without OFCOM's prior consent, use any of the reserved capacity other than for the broadcasting of services provided by community stations – or temporary services.

Therefore, it will be necessary to have a process, similar to the current variation request, to govern the addition, removal or amendment of a service on the multiplex. This variation to the multiplex licence will be required every time a multiplex operator wants to add an RSL-type service; remove an RSL-type service; add a temporary service; remove a temporary service; add a 'permanent' service; remove a 'permanent' station.

During the Trial, small scale DAB/DAB+ multiplex operators expressed their concerns to Ofcom regarding the amount of time taken by the regulator to process variation requests – often far-exceeding their 15-day commitment to the process. We remain concerned that Ofcom will be unable to process the extra workload created by the rollout of small scale DAB/DAB+ licences let alone the volume of variation requests that will result from any dependence by operators on the short-term/temporary allocation of reserved capacity.

Accordingly, Niocast concludes that making multiplex operations financially dependent on the sale, albeit on a temporary basis, of reserved capacity is not a viable economic formula for launching small scale DAB/DAB+.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Unlike existing analogue community radio licences, there are no specific conditions set out in a Digital Sound Programme (DSP) licence such as the requirement for community stations to be operated for social gain or any limits on the amount of commercial advertising or sponsorship that can be taken.

In principle, we believe that Ofcom should have the flexibility to be able to offer a new DSP licence for community radio stations called 'C-DSP' licences for stations that, whilst broadcasting in digital, choose to operate in all other respects as a community radio station.

However, we are concerned that the introduction of C-DSP licences may become a regulatory and administrative burden for Ofcom. It already takes 4-6 weeks to approve a standard DSP licence application. For these new digital community radio services, Ofcom will need to be satisfied that each is properly constituted as 'not for profit'; seek

evidence that they are operating for social gain and; monitor that they are operating within the same statutory limits on commercial fundraising as existing analogue community radio stations. It is inevitable that the C-DSP application process will be more detailed and the vetting procedure more onerous and time consuming than that for the current DSP licence. Furthermore, each C-DSP licence holder will be required to submit an annual report to Ofcom which will, of course, have to be assessed.

We also note that C-DSP licence holders will be able to access the Community Radio Fund. The sector has long-campaigned that the fund hasn't been increased to keep pace with the number of community radio stations which has grown exponentially. To now open this fund to C-DSP licence holders will be seriously detrimental to existing analogue community radio stations. Cynically, some small scale DAB/DAB+ service providers may opt to constitute themselves as not-for-profit entities in order to obtain a C-DSP licence so that they can access the fund.

Conversely, there is no prohibition on existing analogue community radio stations applying for a standard DSP licence to circumvent the reporting requirements placed on C-DSP licence holders. This also allows them to sidestep any restriction on the amount of commercial advertising or sponsorship that can be taken on the digital service. So, whilst their standard DSP licence wouldn't provide them with an entitlement to access capacity reserved for community stations, they would be free from constraints in terms of income and social gain delivery and, by virtue of their analogue licence, would still have access to the Community Radio Fund.

Niicast believes that a fund should be created specifically to support community radio's take-up of small scale DAB/DAB+. It would:

- Address the challenges associated with multiplex operators having to hold back capacity reserved for community radio when there is little or slow take-up;
- Compensates multiplex operators for the long periods when that reserved space is not being used on a temporary basis;
- Finally, and most importantly, drive the rapid adoption of small scale DAB/DAB+ amongst community radio stations and support them through their first year.

This one-time small scale DAB/DAB+ 'Kickstarter' fund would be approximately £500,000 and guarantee the cost of carriage for the first year for each of the existing 255 Ofcom-licensed analogue community radio stations. At just £165 per month per station (c£2,000 per annum) it will guarantee that capacity is reserved and available for a full 12 months on each multiplex and ensure that there is no financial barrier to entry for community stations to join as soon as a multiplex is available in their area.

We agree the duration of C-DSP licences should be consistent with existing DSP licences.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB/DAB+ radio multiplexes by community radio services.

Niicast agrees with the DCMS that ownership restrictions limit the innovation, investment and the development of small scale radio multiplex services. A restriction on ownership could have excluded many of the existing operators from the successful small scale DAB/DAB+ trials.

We believe that the widespread rollout of small scale DAB/DAB+ radio multiplexes across the country, requires a light-touch mixed ownership approach - where there is a role for small commercial entrepreneurs as well as individuals and groups delivering social benefit. A mixed ownership model recognises that no two areas are the same and that different approaches to licensing ensures the financial viability of small scale radio.

In recognising that there is an element of risk involved in launching and operating a small scale radio multiplex business, restricting operators exclusively to the not-for-profit ownership model would undoubtedly constrain the ability of the sector to attract investment and have the effect of acting as an impediment to the growth and development of small scale DAB/DAB+ by limiting the total number of small scale multiplexes eventually launched.

It is also essential that small scale radio multiplex licences can be awarded to both commercial and not-for-profit entities with no preference being expressed by Ofcom in its application criteria for awarding licences.

Niicast does not accept arguments made by the CMA that there is a risk of '*unreasonably high carriage fees*' if a multiplex is in not in the ownership of a not-for-profit organisation. High fees are not mitigated by having ownership restricted to not-for-profit organisations. Any community broadcaster that becomes a multiplex licensee will be able to set and levy a carriage fee in the same way that a commercial organisation can. So type of ownership is not an effective mechanism that can be used to manage carriage fees.

We agree with the DCMS that a much better means of ensuring access to the digital platform is guaranteeing reserved capacity for community radio stations on a small scale radio multiplex – regardless of ownership.

Niicast also supports a requirement on small scale multiplex operators to be fully transparent in the pricing of their carriage fees. Niicast already publishes indicative charges on its website. We believe that requiring a high degree of price transparency by all operators is also attractive from a regulatory perspective and consistent with the objective to create a light touch regime.

We believe it would be inappropriate and discriminatory to unilaterally impose this requirement on small scale multiplex operators alone. Transparency can only be fully achieved if the wider radio industry is fully engaged. The equivalent transparency must be expected of existing tier one and two multiplex operators – who must be required to publish their indicative pricing.

Restrictions on holding small scale radio multiplex licences

Q6. We would welcome views on this approach.

Niocast does not agree with the CMA's request to limit ownership to a single licence. Their main concerns seem to be that allowing ownership of multiple licences would:

- result in quasi-regional content services across multiplexes;
- discourage local content production;
- price small community broadcasters out of access to the service.

The experience of the Trial, which was operated by ten independent organisations, revealed that:

- some service providers actively sought multi-location coverage. This was not influenced in any way by the multiplex operators but entirely driven by the ambition of the service providers themselves;
- there is no evidence to suggest that the production of local content would be discouraged or inhibited by multiple licence ownership. All the evidence points to these two things being unrelated;
- community broadcasters were not priced out of participating in the trial. If anything, multiple licence ownership could deliver greater economies of scale which are likely to benefit community radio broadcasters.

Niocast agrees with the DCMS that applying a limit of just one licence per multiplex operating organisation would be restrictive and not aid innovation, investment and the development of small scale radio multiplex services.

Restrictions on ownership would also require Ofcom to capture partial ownership and deal with questions of control. This would undoubtedly add to the complexity of licensing and regulation. Nevertheless, we share DCMS's recognition that some restrictions on ownership are necessary to avoid the development of monopolies, in particular from existing operators of other tiers of multiplex.

In terms of licence ownership restrictions:

- Niocast accepts the DCMS recommendation that there should be no restriction on the number of licences that an individual, organisation or entity (not holding a national or local multiplex licence) can hold or have an interest in.
- Niocast agrees that there should be a restriction on the ownership of a licence where the licences substantially cover the same area.
- Niocast also agrees that there should be no restrictions on DSP licence and new C-DSP licence holders taking carriage of services on multiple multiplexes (small scale, local or national multiplexes).

However, Niocast is concerned that there is insufficient protection and prohibition in the proposed limitations to restrict existing operators of local and national multiplexes (**and their respective shareholders**) from holding small scale radio multiplex licences at any one time.

Niocast believes that the success of the small scale DAB/DAB+ trial is largely attributable to progressive operators. In contrast to legacy tier one and tier two operators who have been operating in this space for decades, small scale DAB/DAB+ operators have delivered a much more extensive and varied range of programme genres in less than 3 years of operation. In terms of technical innovation, small scale is now leading the way. The small scale DAB/DAB+ trial embraced DAB+, slideshow and stereo broadcasting.

We believe that, whilst allowing for the participation of existing tier one and tier two operators (as set out below), their involvement must be limited and that none should have a controlling interest in a small scale DAB/DAB+ multiplex.

Niocast believes the following exclusions should be made with respect to ownership of small scale multiplexes.

Existing national multiplex licence holders:

Niocast believes that existing national multiplex licence holders (**and their shareholders with more than 5% holding**) should be excluded from:

- (a) an area where they hold or have an interest in the overlapping local DAB licence;
- (b) an area where another bidder (with no interest in a national or local multiplex) has applied for that small scale radio multiplex licence.

We support the 'Step-Aside' Rule where if any other groups or consortia bid they will be automatically dropped from consideration for the licence.

Furthermore, where an existing national multiplex licence holder (and their shareholders with more than 5% holding) are eligible to apply for and hold a small scale DAB/DAB+ licence they should be allowed to hold no more than a 49% stake in the entity that holds that small scale radio multiplex licence. This makes it clear as to who has control of the licence and avoids the need, expressed by the DCMS in this consultation, for Ofcom to capture partial ownership and deal with questions of control.

Niocast believes that existing national multiplex licence holders (and their shareholders with more than 5% holding) should be limited to holding a maximum of 3 licences (not 5, as proposed by DCMS)

Existing local multiplex licence holders:

Niocast believes that existing local multiplex licence holders (and their shareholders with more than 5% holding) should be excluded from:

- (a) an area where they hold or have an interest in the wholly or partially overlapping local DAB licence;
- (b) an area where another bidder (with no interest in a national or local multiplex) has applied for that small scale radio multiplex licence.

We believe the 'Step-Aside' Rule should apply where if any other groups or consortia bids they will automatically cease to be considered for the licence

Where existing local multiplex licence holders (and their shareholders with more than 5% holding) are eligible to apply for and hold a small scale DAB/DAB+ licence they should be allowed to hold no more than a 49% stake in the entity that holds a small scale radio multiplex licence. Again, this makes it clear as to who has control of the licence and avoids the need, already expressed by DCMS in this consultation, for Ofcom to capture partial ownership and deal with questions of control.

Niocast believes that existing local multiplex licence holders (and their shareholders with more than 5% holding) should be limited to holding a maximum of 7 licences (not unlimited, as proposed by DCMS)

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

We agree that where there are no current local multiplex licensees in an area, Ofcom should have the flexibility to issue small scale multiplex licences to cover an area up to a maximum cap in square kilometres.

With regard to the delineation of small scale radio multiplexes from local multiplexes, Niocast is concerned with the statement 'small scale multiplexes must only be capable of broadcasting a signal capable of *reasonable reception* for a given percentage of the surrounding local multiplex area'.

We consider the expression '*reasonable reception*' is prejudicial and disadvantages small scale DAB/DAB+. A small scale multiplex needs an equivalence of signal strength and listener experience anywhere within the MCA that is equal in all respects to that of local and national multiplexes.

Niocast welcomes Ofcom's future consultation on the indicative frequency plan particularly as it will be a key factor in determining the size of small scale multiplex areas. Whilst it is accepted that licensed small scale radio multiplexes will be a geographical subset of existing local multiplexes we remain concerned that the areas need to have equivalence of indoor signal strength.

Determining the size of a small scale radio multiplex

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Niocast broadly agrees with the DCMS proposal to implement the 'up to 40%' limit in areas already served by a local multiplex.

As mentioned in Q7, it is essential that in delineating that small scale area the listeners on the periphery are able to receive good indoor reception. We suggest this should be set at no less than delivering a measured outdoor field strength of 65 dB μ V/m.

Niocast agrees that where a proposed small scale radio multiplex licence area spans more than one existing local DAB multiplex area, a percentage will be applied to the cumulative total of the local multiplex areas covered.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Niocast does not accept that '*the licence period for operating a small scale radio multiplex could be set for a shorter period than the existing 12 year term for national and local DAB multiplex licences*'. Niocast believes that the duration for small scale DAB/DAB+ multiplex licences should be 12 years.

The requirement in s.58 of the 1996 Act for licences to be offered for a fixed 12-year period were set to reflect the level of capital investment needed to build and operate local multiplex networks and produce a return on investment for the network operator.

Whilst it's true that one of the benefits of small scale DAB/DAB+ is that the initial capital setup and operating costs are lower than local DAB so too are the carriage fees. Small scale DAB/DAB+ operations levy significantly lower carriage fees – typically one fifteenth of those levied by local multiplex operators. So, the actual time to obtain a return on capital invested will be the same as that for local DAB.

Therefore, to encourage capital investment and ensure that carriage fees remain low and accessible to community radio and not-for-profit organisations, Niocast believes that it is only appropriate that a 12-year licence [or 7 years plus automatic 5 year renewal] should be offered to small scale licensees to establish a strong and stable third tier of DAB/DAB+ broadcasting.

In addition to the concession of granting a 12-year licence to local DAB operators, Government also provided funding in excess of £7.75 million to subsidise the buildout of DAB. Therefore, we are asking the DCMS to grant 12-year licences for small scale DAB/DAB+ and establish a one-time small scale DAB 'Kickstarter' fund of £500,000.

Duration of small scale radio multiplex licences

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

Niocast can see no merit in linking the length of a small scale DAB/DAB+ multiplex licence with an '*underlying*' demand in an area for a small scale licence. Underlying demand is difficult to assess and, even if it's identified, there remains no guarantee that it represents a viable alternative to an incumbent.

With regard to licence duration and service providers, Niocast firmly rejects the DCMS suggestion that having a shorter licensing period for a small scale radio multiplex will ensure '*that operators meet the needs of stations carried on the network*'. If that was the case then all operators, including tier one and tier two operators, should be subject to shorter licensing periods.

The suggestion that '*this would also reduce the likelihood of Ofcom having to get involved in disputes between stations and multiplex operators over matters such as charges or the quality of service*' has not been evidenced in the Trial. We are unaware of any disputes that were not processes outside of a standard Ofcom variation request. We believe the issue is not one of licence duration but of Ofcom's capacity to process the increased volume of additions, removals and alternations of services via their variation request procedures.

We recommend that Ofcom seriously considers a review and consultation on the variation request process and how this will operate more efficiently and effectively with the widespread rollout of small scale DAB/DAB+

BBC access to small scale DAB/DAB+

Q11. We welcome views on this approach.

In principle, we think the BBC should be able to take capacity on a small scale radio multiplex but without any guaranteed or reserved capacity and only where it will provide supplementary coverage to its existing national DAB network and the local DAB multiplexes.

Ofcom duty to consider commercial impacts on local multiplexes

Q12. We would welcome views on the implications of this approach.

Subject to the ownership restrictions that we have laid out in this consultation response, we agree in principle with the DCMS approach to allow smaller local DAB multiplex operators (without national interests) to be involved in small scale DAB/DAB+ in areas not covered by their existing local DAB licence.

Consequently, there would be no need for Ofcom to have a duty to consider the effect of granting a small scale radio multiplex licence on existing local DAB multiplex licence holders who already cover the area that will be served by a prospective small scale multiplex. This also avoids Ofcom having to make judgements about future financial viability.



Responses to Department for Culture, Media and Sport's consultation on Small Scale DAB licensing



About SSVc

Services Sound and Vision Corporation (SSVC) is the charity that provides (among other services) under contract to the Ministry of Defence (MOD) welfare broadcasting to armed forces personnel and their families wherever they serve worldwide. These services are broadcast under the British Forces Broadcasting Service (BFBS) and Forces Radio BFBS brands.

SSVC operate AM, FM and DAB services in the UK. The DAB services include a national service as well as a regional service in Oxfordshire. SSVC is also one of the ten SSDAB trial operators licenced by OFCOM in 2015 and provides a single frequency network (SFN) trial service with transmitters in Aldershot and Woking.

As well as English language services we also produce a dedicated Nepali language service for the British Gurkha soldiers and their families.

The consultation

We believe that the overall proposal contained within the consultation is a good one. We believe it has been well considered and a balanced and a pragmatic set of options and terms presented. We present our responses to each question as requested below but would also make the following observations and comments.

- We note the theme within the consultation of reducing the burden on OFCOM which is something we fully support but we wonder how the initial licencing process for new SSDAB applications will be handled given that there is likely to be a surge.
- We believe that there is a requirement for the OFCOM technical code to be reviewed in line with the refreshing approach taken in the consultation which aims to simplify access. Our experience in setting up our second transmitter in Aldershot was that OFCOM simply pursued the “normal” DAB clearance process and were unprepared for any alternative and proportionate approach for SSDAB and that during this process the BBC were swift and co-operative in confirming our service was causing no interference the commercial operator Arqiva took considerably longer and expressed concerns that were ultimately dropped. If this were repeated on a national scale then the roll out of SSDAB services could be considerably delayed or compromised.
- We have highlighted the consultation document to various of our stakeholders, explained our views and invited their thoughts. They support the principle of the SSDAB platform and the themes in the consultation. Attached to this response is a letter from Col James Robinson, Colonel, Brigade of Gurkhas who would potentially benefit tremendously from an expansion of SSDAB.



Responses to specific questions

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes we agree with the principle.

We further believe that in addition to established FM/AM services, it is important to recognise there are existing groups, that may also be considered to be community broadcasters whether broadcasting online, through RSLs (something recognised in a subsequent question in the consultation) or other outlets. The selection of services on our trial multiplex in Aldershot and Woking along with the interest from other stations indicates that this is not simply a platform for established stations already on AM or FM. Therefore, we encourage a wide interpretation is given to what can be considered a community radio station.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

No. There should not be an upper limit and the quota if applied should not necessarily be uniform across all licences as circumstances are likely to be quite different in different environments: rural versus metropolitan for example. Our experience has been that we have not needed to apply a quota to ensure that everyone who wanted to broadcast on our multiplex has been able to.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes. As long as there is an acknowledgement of the set up costs.

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

SSVC supports the concept of the C-DSP licence.

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

SSVC supports the concept of a published rate card for multiplex capacity and believes that the processes outlined would provide adequate protection of access to SSDAB multiplexes for community broadcasters.

Q6. We would welcome views on this approach.

SSVC does not see any benefit in allowing existing national multiplex owners/operators to have a stake in any SSDAB licence. The trial has demonstrated that it is not necessary and indeed that the trial licence holders/operators have co-operated, innovated and produced a third tier of DAB broadcasting on a truly local and community level.

We support all other proposals in this section.



Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Yes

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Yes

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice. And Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence

SSVC would prefer to see longer licence periods than the 5 year proposed in order to allow for investment both in set up costs but also innovation and to allow access costs to be minimised. We recognise the caution noted in offering longer term licences as regards operator performance. However, our preference would be for 7+5 years.

BBC access to small scale DAB

Q 11. We welcome views on this approach. Ofcom duty to consider commercial impacts on local multiplexes

We support the BBC being able to participate in Small Scale DAB multiplexes but not at the expense of community stations being barred access. The proposals in the consultation would seem to allow for this.

Q 12. We would welcome views on the implications of this approach.

SSVC agrees that the elements listed provide sufficient protection for commercial impact. As noted in our general point above, there should also be consideration given as to the ability of commercial operators to delay or impact the commencement of SSDAB services unnecessarily courtesy of OFCOM's technical code which is in place to rightly ensure a technically compliant service.





From Colonel J G Robinson

Colonel Brigade of Gurkhas

Headquarters Brigade of Gurkhas

Robertson House (FASC), CAMBERLEY
Surrey GU15 4PQ

Telephone: 01276 412669 (Civilian), 94261 2669 (Military)

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E-mail: gurkhasbde-col@mod.uk



FAO Small Scale DAB Radio Consultation,
Media Team,
Department for Digital, Culture, Media and Sport, 4th Floor,
100 Parliament Street,
London
SW1A 2BQ

12 February 2018

Dear Sir/Madam

I have considered the DCMS consultation document on Small Scale DAB radio licencing and would like to state my support on behalf of the Brigade of Gurkhas for the provision of SSDAB licences and services which I see as a key method to deliver welfare radio services from Gurkha Radio BFBS to Gurkha personnel.

The Brigade of Gurkhas are currently served by a number of low power AM transmitters throughout the UK which provide a highly valuable Nepali language service to our community who are far from their home and culture. SSDAB would allow us to provide a wider range of services, more reliably and in better quality thus improving their welfare.

The proposed licencing model would also simplify the process of providing a service which in the past has been an obstacle in certain of our locations.

Yours sincerely

55. Buchan Radio

Buchan Radio is a community radio station broadcasting to the Buchan area in the North East of Scotland. Below are our answers and responses to the consultation on a potential small scale DAB multiplex.

1. We feel that reserving capacity for community stations is something that will be necessary. The principle is fair to community stations as it may otherwise lead to commercial stations being financially able to claim the space on the mux long before community stations can. As a community station it is a reassuring concept that there will be space which only community stations can claim.
2. A single figure across all multiplexes would have to be very carefully considered. Some areas may be at a disadvantage due to demand in their area. A different figure for different areas would be able to take in to account the demand for space in each area, which would allow for fairer allocation of space.
3. Offering unused space on a temporary basis would be fair as long as spaces on a permanent basis were also available. A temporary space would allow a station to trial broadcasting on DAB and decide if it is something that will work for them or be of benefit to the community. If it works out, it would be reassuring to know that there is space on the multiplex for permanent broadcasting.
4. This proposal seems the fair way to go. Stations applying for a C-DSP should face the same restrictions as an analogue community station, as the content should be relevant to the community, regardless of which platform it is broadcasting on. An indefinite license is also a big coup for community stations. It is reassurance that their place on the DAB multiplex is safe and stops them from having to concentrate on retaining the license, allowing their focus to be on the likes of broadcasting and management.
5. It is fair to allow space for commercial and not for profit entities on the multiplex. If Ofcom were to adhere to a high degree of price transparency, stations would always be aware of the costs needed. Community stations will have to work much harder than commercial stations in raising funds for a space on the multiplex, so Ofcom making prices publicly available will help stations know what they need to do and what they need to raise to reach their goal.
6. This approach is reasonable. Without restrictions, smaller stations will struggle as bigger commercial stations would easily take up more space on the multiplex.
7. While the first step seems fine, the second step could potentially restrict the service provided by community stations.
8. The 40% limit seems too much of a restriction. That is over half of the area not receiving the service. At least 50% of the area should be covered to ensure a better community service although a higher percentage would be ideal if possible.
9. Option C would be ideal as it would give stations more time to develop than Option A, and the option of a renewal at the end of the period is an incentive for stations to broadcast in the first place, knowing that they have the chance to continue for longer.
10. Linking license length with underlying demand in an area would ensure that areas in which there is a high demand will be served well with a longer term. Areas with less demand could be awarded a shorter term to test DAB out and see if it is worth applying for a long-term license.
11. As long as there is a set amount of space reserved for community stations, there should be no issue with the BBC using space on the multiplex. Here in Scotland, the BBC only operates two local radio services so this would be a non-issue.

12. While it is fair to allow existing smaller commercial stations to use the small scale multiplex, Ofcom probably should still make a judgement. If Ofcom has a duty to consider stations on other DAB multiplexes and analogue broadcasting outputs, they should consider stations, both commercial and community, on the small scale multiplex.



144 Borough High Street London SE1 1LB England UK www.resonancefm.com tel 020 7407 1210

26 February 2018

Answers to the questions raised in “Small Scale DAB licensing Consultation” (4 January 2018)

1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes. I agree with the principle.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services.

No.

Should this be a single figure applicable across all multiplexes?

No. Flexibility is key.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes, for RSL-style broadcast initiatives.

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Why not look at the reality of the case and radically extend the principle incarnate in the *current* DSP licence whereby “no specific conditions [are] set out”? The consultation addresses a perceived gap but does not address the self-evident fact that there are stations that are neither CR nor commercial (seemingly referred to in passing in the document as “new entrant services”).

Just as straightforward, perhaps more straightforward, would be to have a new licence to which CR, Commercial and (for want of a better term) not-for-profit and/or cultural broadcasters could equally apply. The terms of eligibility are immediately and pointlessly curtailed in the consultation document, under the guise of protecting CR stations. This is either culturally and socially speaking a sleight of hand; or is simply muddled in its attempt to address the concerns of CMA. The licence held by multiplex operators offers a useful corrective: “licences can only be held by an operator adopting a not-for-profit model”. That should be what is required of the broadcasters likewise. The technical possibilities of DAB also distort notions of a geographically precisely defined “community”. This distortion will only become amplified as we progress deeper into the realms of digital culture. It is not forward-looking to apply old-fashioned notions and terminology to the essentially new context offered by DAB.

“Access to the Community Radio Fund” meantime is only meaningful if this fund were remotely in proportion to the number of CR stations who apply to it; to the demand for support; and to the variety of types of support needed. In practice, hardly any CR station can successfully apply to the Fund. So offering this as a benefit is beside the point. The Fund does not work: there is not enough money to go round and what little there is is necessarily reserved largely for seed funding of new initiatives.

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

The provision for established CR broadcasters is broadly addressed. The possibility of a service specific to small scale DAB as a new form and a new context is not addressed. This lack of vision at a critical moment in broadcast provision in the UK is to be regretted and the narrowness of the frames of reference – commercial versus community, with commercial forever having the upper hand – goes against the forward-looking tone of the minister’s Foreword. Understandably there is a pragmatic impulse at the heart of this, but there is nothing resembling the radical and momentous shift that ushered in community radio 16 years ago.

6. We would welcome views on this approach.

The support of “the radio industry” comes, as usual, late in the day and in this instance is in truth compromised by its more or less complete lack of support for community radio over more than a decade. In fact, the industry has shied away from CR, seeing it as a threat and trying to ghettoise it in every

possible way, while paying lip service in a patronising manner to the efforts of CR broadcasters. In short, the cultural value of the “industry” is wildly overestimated and its significance is entirely incidental to the likely success or failure of small scale DAB.

The initiative taken by the small scale DAB pioneer developers means that *their* engagement alone provides the yardstick for future, as for present, development. The “industry” is concerned only with making money and most of the time it may as well be voicing an opinion about aluminium window frames or microwaved popcorn for all the bearing it has on mass media and access to it. These are important issues for DDCMS, touching on “Digital,” on “Culture” and on “Media.” They deserve more intelligent scrutiny and commentary than that offered by, say, the representatives of the Radio Academy. The consultation document puts the cart before the horse when it comes to reservations for CR broadcasters. What is the purpose of small scale DAB? It should be neither a reservation nor a ghetto; nor should it be a corral attached to the open market.

The consultation document wants to “help innovation, investment and [...] development” by having no restrictions among commercial broadcasters while seemingly painting community broadcasters into a corner. The document adopts the position of the commercial sector as its base, with deviations to placate the CMA. It should, in the interests of balance or as perhaps a mere intellectual exercise, try the opposite instead: grasp small scale DAB by its “cultural” as well as its “media” handle.

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?
No.

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

No. What is the rationale behind this percentage? Again, flexibility is necessary – certainly at this stage of the consultation.

9. We would be grateful for views on these options or other options along with reasons for your choice.
A moot point on which I can offer no really pertinent comment.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

That seems logical and reasonable, particularly in the context of (e.g.) minority language stations which might shift quite rapidly from area to area (as they certainly do in London).

Question 11. We welcome views on this approach.

I can offer no pertinent comment on the needs of the BBC, which at local level appears over-subsidised and offers largely inane content.

Question 12. We would welcome views on the implications of this approach.

The issue of potential commercial impacts appears to be a red herring and is something that arises entirely from those organisations seeking special protection for their profits on one hand while singing the virtues of the free market on the other. A case of having one's cake and eating it. Ofcom has seemingly been forced on the defensive by such vested interests and it is surely important at this stage of the development of small scale DAB that it resists such pressure from those purely commercial enterprises which dominate (and in doing so largely determine the content of) mass media in the UK. The dead hand of these institutions is a weight that should emphatically be shrugged off.

Thanks for the opportunity to contribute in some small way to this exciting development.

Sincerely



Dr Edmund Baxter
CEO Resonance FM
BASCA Composer of the Year 2013
As featured in the Independent on Sunday's Happy List 2009

Resonance FM: a project of London Musicians' Collective Ltd,
VAT reg number 714 3579 33, reg charity number 290236.
Registered office: 144 Borough High Street, London SE1 1LB UK

Quidem response to DCMS small-scale licensing consultation

Summary

- Not-for-profit community radio stations and the tier of radio once referred to as “Sallies” are constrained from migrating to DAB platforms by the same two factors: carriage costs which are disproportionately high relative to their potential revenue and b) a mis-match in geographic coverage of the existing local DAB network
- Super-local commercial radio stations are purpose-driven businesses which perform many important functions, vital to both the radio broadcasting ecosystem and the local communities they serve
- The growth of listening on the DAB platform is impairing the potential growth of super-local commercial radio stations (SLCR)
- Without guaranteed low-cost access to the digital transmission platform the future viability of the SLCR tier is under threat
- Any restrictions on MPX ownership and licensing framework should have as its prime purpose guaranteed low-cost access for both not-for-profit radio stations and super-local commercial radio stations
- The inclusion of super-local commercial stations will offer more certainty of quality, robustness and viability which will benefit not-for-profit stations

Quidem’s General Response to the Consultation

1. Quidem welcomes the opportunity to participate in the DCMS consultation on Small-scale DAB. We have participated in the small-scale trials, broadcasting one of our station’s output on the North Birmingham small-scale mp3 operated by Switch Radio, a not-for-profit station.
2. Quidem operates six radio stations with TSA’s in the range of 306,000 to 80,000 adults.
3. We believe that the traditional distinction between community radio stations and commercial radio stations is somewhat misleading. We propose a better categorisation is “not-for-profit radio” on the one hand, and “Super-local Commercial Radio” or SLCR, on the other. Our stations are community stations. These purpose-driven businesses carry local news, extended news specials and documentaries, and they organise high-profile community awards.
4. 85% of our turnover is generated from businesses with a base within our FM footprint. This tier of the radio sector is the only effective broadcast medium available to local enterprises wanting to grow their businesses.
5. 100% of our staff live in the patch. This tier of the radio sector provides a pathway for local people to start and develop a career in broadcast media.
6. The defining characteristic of all commercial radio stations in this tier of the industry is local content.
7. Each of our stations broadcasts high-quality local news. This tier of the radio sector provides a well-regarded and highly sought-after service, helping citizens engage with their local community.
8. The consultation document focuses on the importance of providing a DAB solution for not-for-profit stations. We believe that the fundamental problems of high price and too wide a coverage area are constraints to both not-for-profit stations and the “super-local” commercial stations.

9. Furthermore, we believe that the experience, professionalism and business experience of super-local commercial stations are going to be necessary in helping not-for-profit radio migrate to DAB platforms.
10. Super-local commercial stations operating within smaller TSAs face a challenge to viability as advertising choices proliferate in the digital age. Meanwhile, traditional broadcast carriage on FM is becoming more expensive, due to an absence of effective competition in the transmission market. Add to this “double whammy” the lack of a suitable small-scale DAB network for smaller TSAs (which is in practice removing half of the listening available to an analogue-only station in any market), and it is clear that small-scale DAB is not simply an “add-on” or a “nice-to-have” it is an essential part of ensuring the viability of this tier of super-local commercial radio.
11. We withdrew one of the Quidem stations (96.2 Touch FM) from the Coventry & Warwickshire local mp3 because the high cost relative to the station’s revenue potential was prohibitive and b) the county-wide DAB platform meant our Coventry station was broadcast to our other geographic areas, where different local versions of Touch FM were available on local FM transmitters. This was confusing for listeners and advertisers alike.
12. The prohibitive costs and mis-match of footprint apply to each of the six Quidem stations.
13. Given the necessity of participation in SSDAB for the viability of Super Local Commercial stations, it is imperative that access is guaranteed for this tier of commercial radio and that prices are regulated at a low level.
14. In our view any restriction on ownership structure is simply a proxy measure to deliver low-price and guaranteed access

Quidem’s response to specific questions in the consultation

Question 1 – We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

15. In Quidem’s view there is not enough emphasis placed on the tier of Super-local Commercial Radio in the consultation document.
16. We believe that capacity should be reserved for both not-for-profit and super-local commercial radio stations.
17. It is super-local commercial radio rather than community radio that will ensure the quality, robustness, and ultimate viability of small-scale DAB.
18. We further propose that 128kbts/sec bitrate should be reserved per station, unless the multiplex only carried DAB+ AAC stations. In this case 64kbts/sec could be reserved.

Question 2 – We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

19. We believe that setting an arbitrary limit on how much capacity is set aside, is likely to prove problematic because demand for space is likely to vary significantly from area to area.
20. In our view it is essential that capacity for super-local commercial radio stations is guaranteed and that prices are regulated to ensure low-cost

Question 3 – Do you agree with the principle that small-scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

21. We believe that the super-local commercial station(s) in the patch should have access guaranteed for as long as they require it.
22. If not-for-profit or SLCR operators see the opportunity for short-term “pop-up” services these could be made available on a case-by-case basis with terms of varying duration.

DIGITAL COMMUNITY RADIO LICENCES

Question 4 – We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

23. Quidem supports the aligning of digital sound programming licences and analogue community radio licences for not-for-profit stations.
24. Any loosening of the funding restrictions of not-for-profit stations operating in the digital sphere would be unfairly disadvantageous to the local commercial sector.

RESTRICTIONS ON HOLDING SMALL SCALE RADIO MULTIPLEX LICENCES

Question 5 – We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

25. Quidem believes that restricting mpx ownership to a not-for-profit model would prove counterproductive – potentially holding back the development of a robust small-scale MPX strata. However, in our view it is imperative that the price of access to the “must-carry” stations is regulated to a low, affordable level.

Question 6 – Ownership Restrictions

26. In our view any restriction on ownership structure is simply a proxy measure to deliver low-price and guaranteed access. It is of paramount importance that any ownership framework should include provisions to ensure low-cost access for must carry stations.
27. Specifically, there should be safeguards against concentration of ownership and the development of monopoly pricing which has been a feature of the analogue transmission network.

Question 7 – Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Question 8 – Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

- 28. Quidem welcomes the opportunity to participate in the proposed consultation on the Ofcom frequency plan, once developed.
- 29. We believe it is appropriate to allow new small-scale MPXs to cover 40% of the MCA area of existing local MPXs.
- 30. In larger conurbations the coverage of a small-scale MPX should be sufficient to duplicate coverage of the relevant SLCR station's FM footprint. For example, in the city of Coventry the mpx should serve the whole MCA covered by the analogue licence on 96.2 FM.

DURATION OF SMALL SCALE RADIO MULTIPLEX LICENCES

Question 9 – We would be grateful for views on these options or other options along with reasons for your choice.

Question 10 – We would also welcome view on the merits of linking licence length with underlying demand in an area for a small-scale multiplex licence.

- 31. Long-term planning and security of licence tenure are important considerations for super-local commercial radio stations migrating to the DAB platform. We therefore believe that digital licences should be broadly linked to analogue licence lengths. Specifically, these should be for a minimum 7 years with the option to renew for a further 5 years.
- 32. We believe there are many potential pitfalls with linking licence duration with demand for services and we do not support this notion.

Question 11 – We welcome views on BBC access

- 33. Quidem supports the inclusion of existing BBC services on the small-scale DAB platform. We believe BBC participation will strengthen both the consumer proposition and the robustness of the small-scale DAB business model.
- 34. We believe that access should be restricted to existing BBC services.

OFCOM DUTY TO CONSIDER COMMERCIAL IMPACTS ON LOCAL MULTIPLEXES

Question 12 – We would welcome views on the implications of this approach.

- 35. It is Quidem's belief that the urgency of the need to create a viable pathway to DAB for super-local commercial radio stations is driven by the necessity of economic viability. From our perspective it is difficult to believe that small-scale DAB will be a threat to the continuing robust profitability of local DAB multiplexes. Whilst we accept it is reasonable to evaluate the commercial impact on local mpx businesses this should be done quickly and pragmatically.

36. Given how important the super-local commercial sector is, to both the radio ecosystem and the communities served by this tier of radio, it is beholden on all parties to start the roll-out of small-scale DAB as quickly and as efficiently as possible.

About Quidem

Quidem owns six commercial radio licences in the Midlands.

	MCA	Area	FM	DAB
Rugby FM	58,763	Rugby Borough	✓	×
Banbury Sound	60,770	North Oxon	✓	×
107 Touch FM	103,967	Warwick, Leamington, Kenilworth	✓	×
101 Touch FM	207,582	SE Staffs, Burton-on-Trent	✓	×
102 Touch FM	190,454	Stratford, Cotswolds, The Vale	✓	×
96.2 Touch FM	247,275	City of Coventry	✓	×

The company's directors and senior management are amongst the longest serving commercial radio operators in the UK. Wendy Pallot (Chairman), Ralph Bernard CBE (Director) and Steve Orchard (Chief Executive) played leading roles in the inception and development of Digital Audio Broadcasting and launched the first digital multiplex and the original DAB stations in 1999. Ralph Bernard was the Chairman of the cross-industry body "The Digital Radio Development Bureau" for 7 years.

As well as the directors' heritage in the field of DAB development other notable achievements include the creation and launch of the UK's first national commercial radio station Classic FM and the UK's first national purely digital radio station Planet Rock.

The company owns and produces many high-profile events in our patch including the Coventry & Warwickshire Tourism and Culture Awards, The Coventry & Warwickshire Apprentice of the Year Awards, Pride of Stratford, Pride of Rugby, and Pride of Warwick.

Quidem is a member of The Radio Centre and a patron member of The Radio Academy.

Ralph Bernard and Steve Orchard are Fellows of the Radio Academy.

28th February 2018



The Flash - Response to DCMS Small Scale Consultation (4th January 2018)

Martin Kirby - The Flash [REDACTED]

28 February 2018 at 13:55

To: smallscaledab@culture.gov.uk

Cc: Ash Elford [REDACTED]

The Flash – Response to DCMS Small Scale Consultation (4th January 2018)

I have answered as many of these questions as possible below. The Flash is a community radio station broadcasting via the Portsmouth trial DAB multiplex (Ofcom licence number DP101071BA/1).

01 – A majority of broadcasters on DAB tend to focus on music alone and without any form of community programming, although on a positive note many of these in Portsmouth focus on specialist music formats so creating healthy choice . For this reason I believe that each small scale DAB Multiplex should reserve space for at least 1 community station and encourage such an addition. This could either be a station serving a local community in general or a ‘community of interest’ station with features involving and including a specific area.

02 – At least one broadcasting space for each multiplex.

03 – Yes I do agree that small scale multiplex operators should be able to use capacity reserved for community radio on a temporary basis, but for experimental services and these should include announcements encouraging possible community to come forward and make use of such spaces for either a permanent or temporary basis.

04 – The introduction of small scale affordable DAB multiplex licences has opened up the airwaves for new ideas and formats, and this can only be positive for the future of sound broadcasting in the UK.

Kind Regards

Martin Kirby
The Flash
[REDACTED]



MEDIA GROUP

Small Scale DAB Radio Consultation
Media Team
Department for Digital, Culture, Media and Sport
4th Floor
100 Parliament Street
London
SW1A 2BQ

BAUER RADIO

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T 0161 288 5182
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dee.ford@bauermedia.co.uk

28th February 2018

BY EMAIL to: smallscaledab@culture.gov.uk

Dear Sir

Bauer Media welcomes the opportunity to respond to the consultation on the future licensing of small-scale DAB.

We very much welcome the advent of small-scale DAB, which will be a vital component in helping the UK to achieve Digital Switchover, which will ensure that all consumers have access to the wide range of digital stations on offer and confirms the position of the UK at the forefront of digital radio development.

For the first time the proposals in the consultation offer community radio stations and small commercial stations the opportunity to broadcast on DAB to the smaller coverage areas they desire and at a price they can afford. With the 50% digital listening threshold for a Government decision on Digital Switchover about to be met, it is vital that this small-scale sector has a route to broadcast on DAB, the digital radio platform that accounts for the majority of listening. It is important to set the right framework for small-scale DAB which will support the long-term switchover to digital in the interests of consumers.

With that goal in mind we do have some concerns that the proposals set out in the current DCMS consultation, while having the right intent, will not deliver their desired outcome. This is particularly the case as regards limits on ownership and coverage of the new small-scale multiplexes.



MEDIA GROUP

2/2

In summary we believe that there should be additional restrictions on owning more than one small-scale multiplex in an existing multiplex area to prevent them mimicking the existing local multiplex. The proposal to limit the coverage to a proportion of an existing multiplex area is we believe, unworkable as the size of existing areas varies widely and the proposal to deal with a small-scale multiplex covering adjacent existing multiplex areas could result in the small-scale multiplex being larger than either of the existing multiplexes. Instead we propose limits based on square kilometres. We also do not believe that the constraint on a national multiplex operator being involved in small-scale multiplexes is required as this is adequately addressed by the constraint on existing local multiplex operators. Our detailed thoughts are included in our attached response.

[Redacted text block]

Yours faithfully

A handwritten signature in blue ink, appearing to read "Dee Ford".

Dee Ford
Group Managing Director, Radio

Enc

**WE THINK
POPULAR.**

Small-scale DAB Licensing Consultation

**A response to the DCMS consultation by Bauer Media
Group**



MEDIA GROUP

February 2018

Introduction

Bauer Media UK welcomes this opportunity to comment on DCMS's consultation on the approach to licensing small-scale DAB radio multiplexes.

We very much welcome the advent of small-scale DAB, which will be a vital component in helping the UK to achieve Digital Switchover, which will ensure that all consumers have access the wide range of digital stations on offer and confirms the position of the UK at the forefront of digital radio development.

For the first time the proposals in the consultation offer community radio stations and small commercial stations the opportunity to broadcast on DAB to the smaller coverage areas they desire and at a price they can afford. With the 50% digital listening threshold for a Government decision on Digital Switchover about to be met, it is vital that this small-scale sector has a route to broadcast on DAB, the digital radio platform that accounts for the majority of listening. It is important to set the right framework for small-scale DAB which will support the long-term switchover to digital in the interests of consumers.

With that goal in mind we do have some concerns that the proposals set out in the current DCMS consultation, while having the right intent, will not deliver their desired outcome. This is particularly the case as regards limits on ownership and coverage of the new small-scale multiplexes. In summary we believe that there should be additional restrictions on owning more than one small-scale multiplex in an existing multiplex area to prevent them mimicking the existing local multiplex. The proposal to limit the coverage to a proportion of an existing multiplex area is we believe, unworkable as the size of existing areas varies widely and the proposal to deal with a small-scale multiplex covering adjacent existing multiplex areas could result in the small-scale multiplex being larger than either of the existing multiplexes. Instead we propose limits based on square kilometres.

We also do not believe that the constraint on a national multiplex operator being involved in small-scale multiplexes is required as this is adequately addressed by the constraint on existing local multiplex operators.

We set out our comments in our responses to the consultation questions below. *Our responses are shown in italics.*

About Bauer Media UK

Bauer Media UK is an entertainment network of high-quality, high-profile, multi-platform brands. The business became part of the Bauer Media Group, Europe's largest privately-owned media group, in 2008. Founded in Hamburg in 1875 and now in its fifth generation of family ownership, the Bauer Media Group operates in 19 countries including the UK, Germany, Poland, Australia, New Zealand and the USA and has 11,000 employees worldwide.

In the UK we reach over 25 million consumers. Our radio portfolio includes national stations such as Kiss, Magic and Absolute Radio alongside 22 strong heritage local radio stations around the UK such as Radio Clyde, Radio City, Metro FM and Key 103, while our magazine brands include heat, Grazia, Empire, Motor Cycle News, TV Choice and Take a Break. Our scale, coupled with the breadth of our portfolio, gives us an advantage over pure play magazine or radio competitors.

In an era where audiences are ever harder to categorise, we build strong cultural connections, drawing people together with the things that they really care about. Our brands become the lens through which our audiences see the world.

Our radio services reach almost 18 million listeners every week and account for 32% of total commercial radio listening. Within that total, our local services, operating from 22 bases around the UK, reach almost 7 million listeners a week.

They are attracted to our services not just by the range of music we play but by the strong line-up of presenter talent, both locally and nationally, and our commitment to local news and information. In an era of fake news and unverified stories on social media, listeners value and trust the news we provide, which is required to be accurate, balanced and truthful.

Our stations employ 80 journalists who live and breathe the areas they cover. We break stories, and we undertake investigative local journalism e.g. “Scratching the Surface” which looked into plastic surgeons and cut price procedures which left some victims in the North East of England mutilated, and the “Hidden Homes” where we found people living in wheelie bins in Sheffield. We provide lots of local news and will continue to do so, regardless of any regulatory requirement. Indeed, we are happy to accept new regulation to protect provision by the industry in this important area.

We have invested heavily in DAB digital radio, operating 12 local multiplexes with a share in three more, and becoming a major shareholder in the second national multiplex, operating ten national DAB radio services and expanding the output of our local services to provide spin-off services, each of which provides local news and information.

We also make an important contribution to the local and national economy, not only by providing employment but also by supporting local businesses with for example a “million pounds of work” working with local business and jobseekers to our work with independent producers and the broader creative industry. And we support the UK economy by paying our company and all relevant taxes here in the UK.

Our stations employ well over 1100 people across the UK and we are committed to developing our talent through training and to reflecting the diversity of the UK, bringing new people into radio.

In 2014 we launched the Bauer Academy, a government registered training provider with the Skills Funding Agency and is recognised as a Centre to deliver AIM Award qualifications, providing multimedia training at 22 sites across the UK. Our team of leading academics work alongside media professionals to design and deliver training programmes that make a remarkable difference to individuals, communities, and businesses. Our training is immersed inside one of the biggest media companies in the world, providing exciting and meaningful work based learning. Our approach is refreshing, and it works.

As well as training we also seek to provide support to the communities we serve. Cash for Kids is Bauer Radio’s network of local charities, which operate across 21 areas around the UK. Our mission is to respond to the needs of children in our communities, and we aspire to enable all children to live life to the full and achieve their individual potential. In 2016 we raised over £21m. We support national appeals, such as the recent DEC appeal for East Africa.

We do all of this as a company which is a morally robust commercial enterprise, seeking to grow its business.

Response to consultation questions

Community stations and small scale radio multiplexes

The consultation proposes that in exercising their power to grant small scale radio multiplex licences, Ofcom should have the ability to reserve capacity on a small scale radio multiplex for existing and new community radio stations. Ofcom would have flexibility in setting the amount of reserved capacity, based on an assessment of analogue community stations that are already licensed in a particular geographic area which might be covered by a small scale radio multiplex licence. The reservations would be set prior to offering small scale radio multiplex licences and Ofcom would be able to vary the figure if there was insufficient demand from community stations. Small scale radio multiplex operators would be able to offer unused capacity reserved for the community radio services for temporary services, but would be required to make this reserved capacity available to a community radio service(s) at a future point during the licence term, if needed to do so.

- 1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?**

We agree with this principle. Community radio stations offer a valuable addition to the services offered by commercial radio stations, but by their nature (being not-for-profit, with limits on commercial fundraising and a requirement to provide social gain), there is a risk that they could be crowded-out by commercial operators. Reserving capacity for community services ensures that they will have the opportunity to be carried on DAB should they desire it.

- 2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?**

We do not believe there should be an upper limit placed on the amount of capacity reserved for community radio services. This would appear to be unnecessary and arbitrary. The number of existing community radio services in a proposed small-scale DAB multiplex licence area will vary significantly and any arbitrary limit risks being set at the wrong level to allow all existing stations in an area to be reserved capacity. Equally, it is highly unlikely that the number of community services in an area would take-up anywhere near the capacity of the multiplex, so there should be plenty of room left for small-scale commercial services. It is important in this context to remember that the primary purpose of these multiplexes is to provide for small-scale services, whether community or commercial, and not for the creation of quasi-national commercial networks.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

We agree with the principle that small-scale radio multiplex operators should be able to offer unused capacity reserved for community services on a temporary basis. However, as noted above, we question whether that reservation should be maintained for the whole of the DAB licence period. This may be unnecessarily restrictive on the multiplex operator who would be unable to offer the reserved capacity to other operators other than for a temporary period.

Digital community radio licences

The consultation proposes that Ofcom should be able to offer a new DSP licence for community radio stations called C-DSP licences for community radio stations on DAB. Like existing community radio stations, these services would need to be constituted as a not for profit entity operated for social gain and would be subject to the same limits on commercial fundraising as existing AM/FM community radio stations. C-DSP licence holders would have to submit an annual report to Ofcom and would benefit from being able to access the Community Radio Fund and other social/third sector funding and the reserved capacity for community radio stations on small scale radio multiplexes.

In order to be eligible for a C-DSP licence, stations would either be an existing licensed analogue community radio station, or if launching as a new service would elect to be a community radio station (with all the above obligations). The duration of C-DSP licences would be consistent with existing DSP licences.

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We agree with this principle. Community radio stations offer a valuable addition to the services offered by commercial radio stations, being not-for-profit, with limits on commercial fundraising and a requirement to provide social gain. They should be regulated differently from commercial radio stations and the most appropriate way to secure this is via a separate class of DSP licence.

Restrictions on holding small scale radio multiplex licences

The consultation proposes that small-scale radio multiplex licences can be awarded to both commercial and not for profit entities. It argues that strict requirements set by Ofcom which guarantee reserved capacity for community radio stations on small scale radio multiplexes would help to address the concern about “unreasonably” high carriage fees. It also proposes that Ofcom should collate and publish information on carriage charges on their website and update it regularly. It also suggests that a high degree of price transparency by operators is also attractive from a regulatory perspective and consistent with the objective to create a light touch regime.

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

The rationale for these new multiplexes is to create a small-scale alternative to the existing larger-scale local multiplexes, which are required to be technically highly-resilient, with coverage guarantees and so have relatively high carriage charges. The small-scale approach has to be affordable for small-scale community and commercial services if it is to be a success. This could be undermined by operators wishing to make significant profits by charging high prices, even though this may not maximise the use of the spectrum.

The approach suggested in the consultation is one way of achieving this, although collecting and publishing cost data for a large number of multiplexes could become onerous.

An alternative approach might be to allow operators only to charge community radio stations on a cost plus basis, with the “plus” percentage being set by Ofcom. This would allow operators freedom to charge market rates for commercial stations, while supporting the community sector, which can least afford the charges. Operators would know when applying for a licence how much capacity they would have to reserve for community stations and could plan accordingly. It would relieve Ofcom of having to collate and publish information and update it regularly.

The consultation suggests that the wider industry needs to be involved in the creation of this “third-tier” of small-scale DAB multiplexes but notes concern about the possible future concentration of ownership. To address this concern it proposes the following restrictions:

- Existing national multiplex licence holders – will be able to hold an up to 50% stake in the entity that holds a small scale radio multiplex licence up to a maximum of 5 licences. This will not include
 - a. an area where the national licensee holds the overlapping local DAB licence or has an interest in the local DAB licence;
 - b. an area where another bidder (with no interest in a national or local multiplex) has applied for that small scale radio multiplex licence from Ofcom.

This means if any other group or consortia bids and Ofcom believes they meet the requirements to award the licence, that they will secure the licence (the “Step-Aside” Rule);

- Existing local multiplex licence holders (with no interest in national multiplex licences) - will be able to hold an up to 50% stake in a small scale radio multiplex licence with no upper limits on the number of licences in which they can have an interest. But this will not include areas where a local multiplex licensee [or has an interest in the local DAB licence] already covers wholly or in part which would be served by the small scale DAB multiplex;
- Individuals/organisations/entities holding no national or local multiplex licence - no restrictions;

- Restrictions on holding multiple licences in the same area - restricted to only one small scale licence covering - in Ofcom's view - substantially the same area. This does not cover intersecting coverage areas; and
- Carriage restriction - no restrictions on DSP licence and new C-DSP licence holders taking carriage of services on different small scale-multiplexes.

6. We would welcome views on this approach.

We understand the concerns about concentration of ownership.

It is also important to remember that the aim of these new multiplex is to create a "third-tier" "Small-scale" radio regime. We have a concern that, as the restrictions are currently set out, it would be possible for a single operator to own all of the small-scale multiplex licences in the UK, provided they did not substantially overlap. This does not seem to be in keeping with the spirit of the new regime. Even at a more local level, there would be nothing to stop, for example, a single operator being licensed for all of the small-scale multiplexes in Greater Manchester, so effectively creating rival for the existing "large local" tier, albeit with some of the capacity reserved for community stations on each individual small-scale multiplex. The operator could then market Greater Manchester-wide coverage for commercial stations. Taken together with the lack of restrictions on DSP licensees being carried on any number of multiplexes could recreate the existing local layer, or even a quasi-national layer. We do not believe it would be appropriate to create rivals for the existing local layer in this way, operating under a less onerous regulatory regime.

To avoid this we strongly suggest there should be a restriction such that a small-scale multiplex operator can only hold one licence in each existing large-local multiplex area.

We also disagree with the proposed restriction on national multiplex owners as we believe it is unnecessary. It is not completely clear what is meant by "operator of a national multiplex" but we assume it means anyone owning a stake in the multiplex licensee. The current multiplexes are held, either wholly or partly, by Arqiva, Wireless Group and Bauer Media. These are the same companies which also operate the majority of the local multiplexes and so which would be caught by the local multiplex restrictions. The largest radio company in the UK is Global Radio, which does not have an interest in a national multiplex, but does currently have an interest in local multiplexes. Global would therefore have fewer restrictions on operating small-scale multiplexes than would Bauer Media or Wireless Group. This could potentially serve to strengthen Global's share of the commercial radio market still further. Consequently we believe that the proposed restriction on national multiplex operators should be dropped and that the proposed restriction on existing local multiplex operators is more than adequate to safeguard against concentration of ownership.

Determining the size of a small scale radio multiplex

The consultation proposes rules to determine the maximum size of small-scale local multiplexes:

- Where there is no current local multiplex licensees in an area, Ofcom would have the flexibility to issue small scale multiplex licences instead to cover an area up to a maximum cap in square kilometres; and
- In areas already served by a local DAB multiplex, small scale multiplexes must only be capable of broadcasting a signal capable of reasonable reception up to a maximum of 40% of the local DAB multiplex area. Where a proposed small scale radio multiplex licence area spans more than one existing local DAB multiplex area, the percentage will be applied to the cumulative total of the local multiplex areas covered.

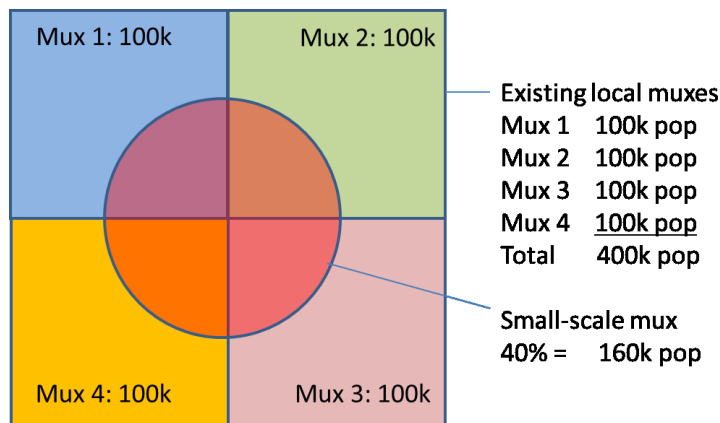
7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We do not agree with the approach set out in the consultation.

Firstly we do not believe the proposed 40% limit is appropriate for a number of reasons:

- a. The size of multiplexes in the existing local layer varies enormously, from 11.8m people in the case of London to just 300,000 people in the case of Inverness. In London, therefore under this proposal a small-scale multiplex could cover up to 4.7m people. This is hardly small-scale. The result would be to restrict the size of small-scale licences far more in the rural areas where they should probably be allowed to be larger, versus urban areas, where they should probably be more restricted.*
- b. The proposal to apply a cumulative limit as regards small-scale multiplex which overlap two or more existing local multiplexes does not work, as the following theoretical case demonstrates. In this example, a small-scale multiplex, shown as a circle, overlaps with four existing local multiplexes, shown as coloured squares. Each existing local multiplex in this case covers 100,000 people. The “small-scale” multiplex would be allowed to cover up to 40% of the cumulative total of the existing multiplexes – i.e. 40% of 400,000 or 160,000 people. This would make it larger than any of the individual local multiplexes it was overlapping.*



Secondly, we do not believe it appropriate to distinguish between those areas which are currently served by local multiplexes and those very few areas which are not. This seems to be unnecessarily complicated and takes no account of any possible future commercial interest in those areas not currently served.

Instead we suggest an alternative approach, which would apply across the UK and would be tailored much more to likely demand and the economics of offering a service. The aim should be to maximise the opportunities for small-scale stations to gain DAB carriage. Community stations and small commercial stations in urban areas tend to be much smaller than those in rural areas. Consequently our suggestion is that the proposed approach of applying a limit of a cap in square kilometres of coverage should be applied but that the limit should be different in urban areas and rural areas.

In major urban areas we suggest a cap of around 80 sq.km or an average radius of about 5km. This should apply in Greater London, Greater Manchester, Liverpool City Region, Tyne & Wear, West Midlands, West Yorkshire, South Yorkshire, Glasgow, Edinburgh, Bristol, Cardiff, and Southampton/Portsmouth. In these areas there is likely to be higher demand for community stations and so a need for a greater number of small-scale multiplexes more tailored to specific parts of those urban areas.

In rural areas we suggest a higher cap of around 300 sq.km, or an average radius of 10km. Ofcom should have the discretion to increase this limit in particularly remote areas, such as the Highlands and Islands of Scotland or mid-Wales.

Duration of small scale radio multiplex licences

The consultation weighs the advantage of small-scale multiplexes having a shorter licensing period in that it would provide a strong incentive for operators to meet the needs of the small stations carried on the network, reducing the likelihood of Ofcom having to get involved in disputes between stations and multiplex operators over matters such as charges or the quality of service. However, it notes that longer periods may be appropriate in areas where there is no other demand and in allowing services for less populated areas to have greater security from the outset.

It sets out possible options including whether licences should last for (a) 5 years (b) 7 years (c) 7 years plus an option to renew for a further 5 years for licences covering areas serving less populous areas where there is only a single bidder (d) some other period.

9. We would be grateful for views on these options or other options along with reasons for your choice.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

The proposal that licence length should depend upon likely demand seems to us to be unworkable. It is not possible to be certain of the level of demand before a licence is advertised and the level of demand may vary over time. Equally if there is no other demand in an area then it should be easy for the multiplex licence to be renewed.

It seems to us that the best approach might be one similar to that used over many years for analogue commercial radio licences. The initial licence should be set for 5 or 7 years (we have no strong view on which is preferable) and thereafter Ofcom should have the ability to renew licences for a further term.

Other issues:

Creating additional local multiplexes

As there is evidence of excess demand for carriage on some local DAB multiplexes (for example Manchester and south Yorkshire) we understand that Ofcom is planning to consider the question of new local multiplexes when they consult on the detailed spectrum plan for small scale DAB multiplex services. Ofcom will publish this after this consultation has been concluded.

BBC access to small scale DAB multiplexes

In principle we think the BBC should be able to take capacity on a small scale radio multiplex but without any guaranteed reservations or requirements. The ability of the BBC to do this would only be for supplementary coverage to its existing national DAB network and the local DAB multiplexes. We expect that the majority of BBC services will remain on the existing local level DAB networks and not on small scale multiplexes.

We do not currently foresee a situation where the BBC will need to be a party to a small scale DAB licence; but do not believe placing a restriction on them doing this - for example through a 100% owned subsidiary - is necessary in case this is a practical means of extending the coverage of BBC local services on DAB.

11. We welcome views on this approach.

As regards further large-local commercial multiplexes in existing areas, we believe that the needs of the small-scale sector should be serviced first and only then should any additional large-local multiplexes be advertised. We recognise that this will be the subject of an Ofcom consultation in due course.

As regards BBC access to small-scale multiplexes we agree that there should not be a blanket restriction on the BBC seeking carriage on a small-scale multiplex, although perhaps there should be a restriction on the BBC doing so in areas that are already within the licensed area of an existing local multiplex. In these cases the BBC can come to an arrangement with the existing local multiplex operator to enhance coverage if it is deemed to be inadequate currently.

Ofcom duty to consider commercial impacts on local multiplexes

The consultation recognises there are potential commercial impacts on existing local DAB multiplex operators from the launch of small scale radio multiplex services and so seeks to limit the size of small scale coverage and allow smaller local DAB multiplex operators without national interests to be involved in small scale DAB in areas not covered by their existing local DAB licence. So it does not propose that Ofcom should have a duty to consider the effect of granting a small scale radio multiplex licence on existing local DAB multiplex licence holders already covering the area that will be served by a prospective small scale multiplex. This approach would also avoid Ofcom having to make judgements about future financial viability.

12. We would welcome views on the implications of this approach.

We agree that small-scale multiplexes could impact on the financial viability of some existing local multiplexes. For that reason we have made suggestions to ensure that small-scale multiplexes are just that –

- That capacity should be reserved for existing community radio stations (see our answer to Q2)*
- That a new category of licence should be introduced to ensure community radio remains distinct from commercial radio (see our answer to Q4)*
- That a single operator cannot seek to cover the whole of an existing licensed local area by operating all of the multiplexes in that area (see our answer to Q6)*
- That their coverage is capped in terms of square kilometres rather than by a percentage coverage (see our answer to Q8)*

If our proposals in these areas are adopted then we believe the commercial impact on existing local multiplexes can be managed without recourse to further intervention by Ofcom.

Technical Issues

Finally there is one point that the consultation does not raise and that is one of technical issues.

From our experience of operating local and national multiplexes we are aware of potential interference issues between multiplexes. The technical issue of Adjacent Channel Interference 'ACI' (and blocking more generally) whereby the transmitters of one multiplex, can punch coverage holes in another multiplex will need to be carefully managed as part of any roll-out of small scale DAB if consumer confidence in DAB is not to be undermined. Management of ACI between existing local and national multiplexes has required significant industry cooperation and technical planning around changes and expansion to avoid interference to listeners of established multiplexes.

Small scale DAB has a significant potential to cause ACI to existing local and national multiplexes, as in many cases, small scale transmitters will be located in densely populated, built-up areas and will not be co-sited with existing transmitters.

It has become clear in the course of the small scale trial that it is necessary to manage ACI to protect existing DAB listeners and that some small scale operators are better equipped than others to manage this issue.

We suggest that Ofcom will need to regulate to minimise this problem.

Alternative Broadcast Company

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A Company limited by guarantee, No 10369182

Response to the Small Scale DAB Licensing Consultation

Date: 28th Feb 2018

About Us

The *Alternative Broadcast Company* is a non-profit entity that has been set up by local community broadcasters in the North Staffordshire area with a few to setting up a *Small Scale DAB* multiplex in the area when a permanent licence regime is in place. As one of the applicants for the original trial *SSDAB* licences (under the name *A1 Broadcasting Company*) we have been stake-holders in the process for quite some time.

Having the support of 6 local community stations who all wish to broadcast on *SSDAB* in the future we have decided to respond on their behalf with a number of observations about the proposals.

Our responses are set out below alongside the titles/questions from the original consultation document.

Consultation Response

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

1. Our view is that any reservations should be set, on a case-by-case basis, in consultation with each successful applicant as part of the application process rather than pre-determined by the regulator on a national or local basis. Whilst there should

not be a free-for-all in regards to access to *SSDAB* multiplexes we have a number of concerns about the restrictions proposed in the report.

- 1.1. Firstly, we think that the guiding force behind the development of *SSDAB* should be the interests of community based stations. Whilst we understand that there are some existing commercial FM stations that are not on DAB, these appear to be in a significant minority.
 - 1.2. Furthermore, commercial stations don't necessarily need *SSDAB* to access digital terrestrial radio. Such stations could potentially engage with the existing *DAB* system and fund this through the resulting additional advertising revenue. Funding restrictions in place for FM community stations would make this very difficult to do.
 - 1.3. Whilst we believe that it will be possible to accommodate these small commercial stations within the *SSDAB* regime, there has to be one point of focus in mind in setting it up. There is a real danger that if *DCMS* tries to please too many different groups at once it will end up pleasing no one. For this reason, it should be modelled around the needs of the community radio scene, first and foremost.
2. That is not to say that commercial interest should not be involved at all. Looking at the examples of the existing pilot licences, a common denominator is the mix of commercial and community services, and this appears to be functioning well.
 - 2.1. The commercial operators provide a regular "backbone" of income for the multiplex, allowing the operators some sense of security without relying on the much more financially vulnerable community stations.
 - 2.2. In many cases, the commercial stations are effectively subsidising the community stations.
 - 2.3. So, whilst the system should be modelled around community interests, clearly, the option a mix of commercial and community is desirable.
3. However, we think that there should not be any predetermined reservation on "Community" stations that can access the multiplex for a number of reasons.
 - 3.1. Firstly, the difficulty of defining what a "community radio station" is, in a digital context, is problematic. It would appear that the report is suggesting that holding a "C-DSP" licence would be a defining factor. However, we have a number of concerns about the proposal for a new "C-DSP" licence, too. (These are best shared in question 4, below which deals specifically with this. In this question we have also proposed our own definition of what a "community radio station" should be defined as.)

3.2. Secondly, there doesn't seem to be any appropriate method for determining how many reservations for community stations should be made. The proposals suggest that it should be "*based on an assessment of analogue community stations that are already licensed in a particular geographic area*".

3.2.1. However, from our experience, the number of FM licences may have no bearing at all on the number of community stations that could be broadcast in an area. Some areas have many stations waiting to get on air but are restricted by the availability of FM frequencies, for example.

3.2.2. Other areas have no such FM availability problems, but there is little interest/demand in starting numerous community radio stations.

3.2.3. Thirdly, the bandwidth required for each station is also difficult to determine. e.g. If it is deemed that 2 slots should be reserved for community stations, should they be high quality for music stations or minimal bandwidth for speech purposes?

4. It is our opinion, therefore, that *Ofcom* should have an entirely different approach to *SSDAB*, based on a "case by case" analysis of each application that negates the need for any limits of this nature. Our proposal is based on the principle that the people with the best knowledge of what should be the composition of a multiplex in a particular locality are those involved in community radio in that area, themselves.

4.1. Therefore, it is our proposal that, rather than setting national/regional quotas or limits, *Ofcom* should simply ask applicants to demonstrate which stations they are proposing to air on their multiplex and their proposed mix of commercial/non-commercial providers. This will allow a tailor-made solution that fits the current scenario in each area but also allows for future growth in the community. From the responses received it will be clear if one application is much better than the others in terms of its support of local community radio stations.

4.2. Once an application is approved, permission should be required from *Ofcom* if a significant reduction is proposed to the number of non-commercial stations. Additionally, *Ofcom* could rule on whether this change can be made permanently or has to be reviewed at some point.

4.3. This scenario ensures a mix of commercial/non-commercial providers appropriate to each area but also allows flexibility should there be major change in circumstances. (e.g. a number of the community stations in an area ceasing to operate.)

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

1. Again, our view is that any limits should be set on a case-by-case basis, in consultation with each successful applicant as part of the application process rather than pre-determined by the regulator on a national or local basis.
2. The reasoning behind this has been outlined in the response to Q1 above so we will not repeat it here. Suffice it to say that we believe that the licensing regime has to have a different approach based on local needs.
3. Once such an application has been approved, we think an operator should have to justify replacing a community station with a commercial provider before receiving permission from *Ofcom* to do this. However, requests to replace a commercial service with a community/non-profit operator should be accepted as a matter of course. I.e. There should be no upper limits in the amount of capacity approved for community stations.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

1. Whilst we don't agree with reserving capacity in the way that the proposals outline, our view is that such unused capacity should not be offered on a temporary basis, without prior approval from *Ofcom*. Again, much of the reasoning behind this has been alluded to in Q1. Other reasons for this are referred to in Q5. with concerns about commercial stations "hogging" spare capacity on a temporary basis that is perpetually renewed. Bearing this in mind, we think any increase in the ratio of commercial channels to community channels specified in the initial application should require approval from *Ofcom*.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

1. We have a number of concerns about the proposals in the consultation document.

2. We think it is generally accepted that commercial, digital-only, stations have benefitted from the way that the existing *DAB* licensing scheme works. Such stations have had a much smaller regulatory burden than their FM counterparts.
 - 2.1. The justification for this “relaxation” has always been the increase in spectrum capacity available with *DAB*.
 - 2.2. The scarce number of frequencies/capacity available under the analogue system meant that the regulator had more pressure to justify that they were being used in the best way.
 - 2.3. As capacity is much greater under the *DAB* system, a ‘lighter touch’ regime has been in operation.
3. However, for the non-profit stations that are only on *SSDAB* what is being proposed in the *C-DSP* licence arrangement is that they have exactly the same regime as their FM counterparts. (Having to honour Key Commitments, send an annual report, keep to restrictions on funding etc.)
4. Of course, where there is a ‘stick’ one hopes for a ‘carrot’ to make it all worthwhile. However, the only sweeteners offered in the proposals are “access to the Community Radio Fund, lower fees and reserved capacity.” This is a disappointing carrot for a number of reasons:-
 - 4.1. It’s not clear what is meant by “lower fees”. If this is *Ofcom DSP* licence fees, these are relatively small anyway. Put against any potential revenue that might be lost by adhering to the community radio regulations for funding they are insignificant.
 - 4.2. Again, the prospect of “reserved capacity” again provides little hope given that this may be just one or two slots occupied by existing community FM stations anyway. The proposal offers no recommendation of reduced carriage fees for community stations.
 - 4.3. Access to the “community radio fund” is similarly disappointing as an incentive. The fund only awarded just over £200k last year for the whole of the UK. Unless *Ofcom* is going to significantly beef up the fund in preparation for the hundreds of new *C-DSP* licences, chances are that the fund will be come so diluted as to be of little value. This, again, is compounded by lost revenue caused by being required to adhere to the community radio funding regulations.
 - 4.4. Added to this is that *SSDAB* only community stations will have the same obligations as their FM counterparts, without the ‘luxury’ of broadcasting on FM, reducing their audience and therefore revenue raising capacity .
5. Bearing all this in mind, we are not sure that any community broadcaster thinking of broadcasting on *SSDAB* only would bother applying for a *C-DSP* in preference to a

DSP, particularly when this would severely restrict their ability to generate revenue from commercial income.

6. We do see some value in having a separate license for community and non-profit broadcasters. In a sense a kind of “accreditation” that broadcasters qualify as “community” or “non-profit” stations. This will allow potential mux operators, like ourselves, to easily identify non-commercial broadcasters for the purposes of pricing and discounts.
 - 6.1. However, the proposed way of *Ofcom* administering this to ensure applicants achieve “social gain” is the wrong approach, particularly when many applicants will already be regulated in this respect by either the *Charities Commission* and the *CIC Regulator*.
 - 6.2. Additionally, in trying to apply the FM Community radio regulations to all stations who may want to apply for a *C-DSP* may not work. E.g The community radio regulations assume a geographic area, even for community of interest stations, which may not apply to a potential *C-DSP* applicant that wants to have a national focus.
7. Instead we would propose a licensing regime with the following principles:-
 - 7.1. That *C-DSP* and *DSP* licences have the broadly same simple application process and regulatory obligations as each other so that *SSDAB/DAB* only broadcasters enjoy a similar ‘lighter touch’ approach to their FM counterparts as the commercial, *DAB* only, stations.
 - 7.2. That *Ofcom* assume that registered *CIC*’s and *Charities* who apply for a *C-DSP* licence operate for “social gain” and exempt them from any annual reporting.
 - 7.3. Whilst we understand that *Ofcom* may need additional information from unregulated ‘Not for Profit’ companies, annual reporting should be simple and not place them at a disadvantage to commercial *DAB* only broadcasters.
8. In summary, the proposed disparity between the commercial (*DSP*) and community (*C-DSP*) licence holders in the report seems grossly unfair. The consultation document proposes making it easier for commercial companies to own multiplexes at the same time as making it harder for non-profits to be *SSDAB* only stations in comparison to their commercial counterparts. *DCMS* needs to look at this again in order to avoid giving the impression that it has favoured commercial broadcasters in this consultation document.
9. One additional point which is not mentioned explicitly in the report but seems to fit best into this section, is the ownership of *SSDAB* muxes by existing community stations. It’s our view that one of the weakness of the current *DAB* system is the

conflict of interest of local muxes being owned by the same group that operates the local ILR station. Many have questioned whether it is in the interests of the mux provider to facilitate access to their network when this could damage listenership/ revenue to their existing services. *DCMS* needs to be ensure that the *SSDAB* regime does not suffer from the same problem.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

Part 1 - Commercial Ownership

1. It is our view that commercial companies should not be allowed to hold *SSDAB* multiplex licences for a number of reasons.
2. There are many issues related to the commercial nature of the current *DAB* licensing scheme which has made it difficult for community stations to access it. This has been a driving force behind creating *SSDAB* in the first place. Bearing this in mind, it is our view that opening ownership unto commercial organisations on a universal basis would be extremely unwise.
3. While the proposals state that not involving commercial companies “could limit the extent of the future roll out of small scale radio multiplexes” it is our view that involving them could, ultimately, have entirely the opposite effect and restrict entry to *SSDAB* in the similar way that has happened to normal *DAB*.
4. Our concern is that commercial companies, driven by generating profit rather than serving the community, would inevitably charge higher fees than non-profit owners. This might be in the form of higher carriage fees or other barriers such as large “set up charges” or by requiring expensive equipment to be purchased to facilitate transmission. These practices would have the result of excluding some community stations from accessing the multiplex.
 - 4.1. Whilst, this would result in fewer community stations accessing the system, this is of little concern to commercial companies. As long as profits were maximised there would be little reason for a company to reduce its fees.
 - 4.2. Even if profits for the multiplex were not maximised by setting such unpalatable fees, other commercial interests may mean that it suits a commercial outfit to do this, or even run the multiplex at a loss as this may increase profits elsewhere in it’s business. For example, at another commercial

station owned by the group who sees its advertising income protected by lack of station choice in the area.

5. The safeguards offered by the consultation proposals offer little protection against these scenarios and still allow a huge amount of leeway for the scenarios mentioned above to happen.

- 5.1. Leaving aside our reservations about reserving capacity for community stations, stated in Q1-3. above, space reserved for such groups based on the current level of FM stations might only provide one or two slots per multiplex. Given that there might be up to 20 stations on each mux, there would still be a lot of space and the potential for commercial interest to take over.

- 5.2. Even with more space reserved for community stations, there is still the possibility that a community station could be priced out by a commercial station given a perpetually renewing contract on a temporary basis.

- 5.3. Even if this was not the case, it might be financially beneficial for a commercial operator to price everyone out of the market. As mentioned above, even if the multiplex runs at a loss, if it benefits the group other business interests then this could happen. No matter how much capacity is reserved, if it is not affordable, it is of little use.

6. Of course the report points to the current commercial operators or trial multiplexes that appear to be working well.:-

- 6.1. However, how these organisations behave under the spotlight of the *SSDAB* pilot scheme which could end at any time is no indication as to how they might behave in the future when less attention is turned to them.

- 6.2. Additionally, being commercial outfits they can, of course, be sold. Whilst the current owners may behave well, once they have been awarded a permanent licence and the companies soar in value, the temptation to sell them will increase. Any new owners may not be like-minded in their approach to community radio.

- 6.3. This, of course, is true of any commercial group that successfully applies for a multiplex licence. In the event of a sale, a multiplex that was initially warm to community stations might, in time, become nothing more than an annexe of an existing *DAB* multiplex owner.

7. We acknowledge that a requirement to be non-commercial presents some problems to the trial licence holders who operate on a commercial basis. However, these issues can hardly be described as unforeseen and are not insurmountable.

- 7.1. All the existing providers were all told that their trial would only last 12 months anyway, so the continuity of their licence was never guaranteed.
- 7.2. It would not be difficult for the current commercial licence holders to form a new, non-profit, company for the purposes of reapplying. Given that the new company is likely to have the same directors (and potential clients) *Ofcom* could take their trial experience into account in considering the award of a new 'permanent' licence.
8. Finally, we don't accept the consultation documents inference that excluding commercial organisations "could limit the extent of the future roll out of small scale radio multiplexes." Given that the existing tier of FM community radio roll-out across the UK was entirely driven by non-profit entities, we don't believe that there is a much evidence that the third sector lacks the capacity to perform a similar roll-out with *SSDAB*.
9. In summary then, it is our view that the approach specified in the proposal does not "deal with the concerns raised about access to small scale DAB radio multiplexes by community radio services." Ensuring that multiplexes are operated on a non-profit basis would do this as providers would be required to act in the interests of community radio stations rather than profit. Whilst, we recognise the concerns of trial licence holders who operate on a commercial basis, these are not insurmountable. It would be unwise to try and accommodate a commercial aspect into the process simply to make up for a aspect of the trial that was perhaps somewhat rushed through without enough thought on its implications.

Restrictions on holding small scale radio multiplex licences

Part 2 - Ownership Of More than One DAB Platform

Q6. We would welcome views on this approach.

1. We agree with the view expressed in the consultation document that a "one licence" restriction probably would slow down the development of *SSDAB* services. Even though a permanent licence has yet to be awarded we have already received request to make applications in several areas of the UK, because of our technical experience. It seems strange that such experience and know-how can be accumulated and then not be used in other areas of the country, where local broadcasters don't want to get involved in the mechanics of *SSDAB* transmission.
2. However, there are a couple of provisos to that view:-

- 2.1. Again, as stated above, commercial organisations should not be involved. There is already enough experience available within the non-profit sector to enable groups like ourselves to facilitate other stations around the UK.
- 2.2. We do have similar concerns about the potential for problems with “quasi-regional content services”. However, to a certain extent, this is already happening with the trial projects with certain, well funded, broadcasters appearing on multiple muxes.
3. For this reason, once again we feel that the consultation needs to adopt an entirely different approach to this solution.
 - 3.1. As suggested above, applicants need to demonstrate their commitment to local programming by giving details of the services that to proposes to carry on the multiplex in their application.
 - 3.2. Again, it will quickly become obvious which applicant has the best range of local services proposed.
 - 3.3. Similarly, any changes post licence award to the ratio of local to non-local services should have to be justified to *Ofcom* before a change is agreed.
4. For the sake of clarity and completeness we have included the ownership options stated in the consultation and given our view on them below.
 - 4.1. Existing national multiplex licence holders** - Ownership should not be allowed as they are commercial entities.
 - 4.2. Existing local multiplex licence holders (with no interest in national multiplex licences)** - Ownership should not be allowed as they are commercial entities.
 - 4.3. Individuals/organisations/entities holding no national or local multiplex licence** - Providing they operate on a non-profit basis , no restrictions on the number of licences that an organisation or entity can hold or have an interest in if they have demonstrated a commitment to local content.
 - 4.4. Restrictions on holding multiple licences in the same area:-** A second multiplex in an area should only be awarded if there is evidence of demand. (E.g. First one at high capacity.) In this case there should be no restrictions to non-commercial organisations.
 - 4.5. Carriage restriction** - As stated above, permission from *Ofcom* should be required if the number of local services drops below the level stated in the application.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

1. We do not agree with the “two-step approach to delineating the size of small scale multiplexes”. We think that no such general rule is needed. Deciding the size of mux coverage should be done on a case-by-case basis whereby applicants are invited to propose an area based on factors such as populations bases and the geography of each area.
2. It makes logical sense that coverage areas should, in general, be smaller than any existing local *DAB* mux. However, limits beyond that assertion should be proposed by the applicant. The vast majority of applicants will have a specific area in mind that they want to cover but this will vary widely according to the nature of the area being covered. Rural applicants will want to cover larger areas to ensure that audiences are large enough for the mux to be viable. Applicants in urban areas will probably want to cover smaller areas of a clearly defined population base.
3. Only, where spectrum availability is a problem, should restrictions on the size of a coverage area be prescribed. For example, London, being served by 3 regional Muxes in addition to the National DAB networks is likely to have less spectrum availability and so some restrictions may be needed for Mux size.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

1. We do not agree with this proposal at 40% as no reason has been given for it's choice. It appears to be an arbitrary number that will adversely effect some areas more than others according to the size of local *DAB* muxes.
2. However, we suspect that it is mostly driven by commercial concerns i.e. trying to avoid creating issues for the commercial companies already running multiplexes in the area. stated above, permission from *Ofcom* should be required if the number of local services drops below the level stated in the application.
3. We don't believe such commercial considerations to be an issue as, with the proposals we have made in this document, all *SSDAB* muxes would be run by non-profits whose main focus would be to help other non-profits organisations community groups. If this is the case, it is unlikely that there will be a commercial threat.

4. Our proposal is simply that, unless spectrum availability issues apply in a region, *Ofcom* simply judges each application on a case-by-case basis with applicants expected to justify why they need the coverage area that they have specified.
5. By definition, when trying to cover a defined population area, applications are almost certain to be a lot smaller than the local *DAB* coverage area anyway. So setting an arbitrary limit of 40% seems unnecessary.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

1. Our view on licence length is based on our preference that multiplexes should be owned by non-profit organisations rather than the commercial considerations of operators getting a return on investment which is implied in the consultation document.
2. However, even from a non-profit perspective we think the figure of 5 years is a good starting point.
 - 2.1. Many non-profits and charities work on a 5 years period for planning and a similar period used in Community Radio licensing has worked well.
 - 2.2. There is an occasional tendency in non-profits for things to get bogged down over a a long period of time. A 5 year cycle would be short enough to ensure this would not happen.
3. However, from an administrative perspective, 5 years is also pretty much the minimum period too. For example, landowners that we are dealing with regarding renting space for a transmitter/mast would want at least a five year commitment for the lease of the land. Funders, also often use 5 years as a standard period for funding for larger projects.
4. However, when setting up a multiplex, chances are that there will be a an initial set-up and consolidation period whilst the multiplex gets established, and this needs to be taken into account.
5. Our proposal is there for that all initial licences should be awarded for 7 years and renewed thereafter for periods of 5 years.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

1. Whilst we can understand the need to enforced competitive application processes for commercial licences, from a non-profit perspective this can be deeply unhelpful. Given that such organisations are, by definition, operating for public benefit, an unnecessary competitive process for licence renewal could be a waste of resources that otherwise would have benefitted social gain.
2. However, we also understand that if things are clearly not working, there may be a need for another organisation to make a case for doing a better job than the incumbent. Nevertheless, as the saying goes, “If it ain’t broken, don’t fix it.”
3. For this reason we would welcome an approach that if an applicant is meeting the obligations promised in its initial application and no expression of interest is received in competing for the licence, then the licence should be renewed for a further 5 years as a matter of course.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

1. We welcome the *BBC*’s potential involvement in taking capacity on *SSDAB* muxes. We can see great merit in the *BBC* being able to provide services in smaller areas than are provided by the current local *DAB* muxes, for example a pop-up service to cover a particular area of a city for an event or festival.
2. However, we think *BBC* being allowed to own an *SSDAB* multiplex is problematic. As mentioned above, it is our view that applicants need to demonstrate that its focus is on facilitating local content providers to broadcast on *DAB*.
3. Given that the *BBC* is governed by its own charter rather than this aim, there is a real danger that the focus of running such a mix becomes bogged down by the *BBC*’s vision, aims and priorities.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach

1. For the reasons mentioned above, in Q8, we agree that there is little need for *Ofcom* to “have a duty to consider the effect of granting a small scale radio multiplex licence on existing local *DAB* multiplex licence holders.” Particularly, with the changes we have proposed restricting ownership to non-commercial bodies and applicants being encouraged to focus on community broadcasters.



Small-scale DAB consultation

Geraldine Allinson

To: smallscaledab@culture.gov.uk

28 February 2018 at 14:18

Dear Sir/Madam,

Please accept this email as our response to your small scale DAB licencing consultation.

kmfm is a network of 8 local radio stations based in Kent. 7 FM licences serving local communities in Kent and 1 DAB licence on the Kent Local DAB Multiplex - we have 206,000 listeners in Kent. kmfm is part of KM Media Group Ltd a local multimedia company which serves the Kent community with highly trusted newspapers, radio, tv and online services, we can trace our history back over 300 years and we are now part of the Iliffe Media Group.

We are a member of the Radicentre, I attach the Radio Centre's response to this consultation and at kmfm we agree with a majority of its contents, so much so that it would have been daft to repeat it all to you in another document. With this in mind we thought the best way to respond to this consultation was to highlight our views to you and point out where they may vary from the attached Radio Centre response.

We believe that as independent local traditional media comes under more and more pressure from the internet giants (like Facebook, Google and Amazon) and from the larger players in the traditional local media industries (the companies that have grown through consolidation like Bauer, Global, Trinity Mirror and Newsquest) we have to differentiate ourselves through innovation, high quality news and commercial services that nurture engagement with our customers and audiences, all delivered with a tight control on costs. We would urge the DCMS to recognise the diverse nature of the local media industry in the UK and ensure that its policies nurture and encourage that diversity (where it is delivering good quality services) and not let future legislation favour one business model over another.

In our efforts to compete with our larger competitors we recognise that there will be a need for us to have as much flexibility as possible in the future and again we would urge the DCMS to ensure that commercial radio licence holders are given as much flexibility as possible under the new Small Scale DAB licence regime. We also recognise there will be a need to reduce costs over coming years and again we would urge the DCMS to do what it can to ensure, where the quality of service to a majority of the audience is not affected, radio licence holders are able to do this.

We welcome the introduction of Small Scale DAB for commercial radio operators, indeed at kmfm we feel it is possibly the method we can use to offer all our listeners access to our services through DAB. We will not know this for sure until further work is conducted by OFCOM and the DCMS on the proposed areas for Small Scale DAB coverage and strength of signal. However, we are somewhat concerned about adopting yet another method of transmission - although stated to be more cost effective than other methods of transmission Small Scale DAB has not yet been completely proven - it would mean that kmfm would be dealing with three different methods of transmission (ignoring for the moment any online activity) which we see could be cumbersome and expensive. We would urge the DCMS to consider this point and ensure that choices to 'take on' or 'leave' certain methods of transmission (FM, local DAB and small scale DAB) can be made easily and quickly for economic reasons.

Finally on question 12 our opinion differs from that of the Radiocentre. We agree with the DCMS that when introducing Small Scale DAB OFCOM should not need to consider the commercial impacts on local DAB multiplexes. As I have stated earlier kmfm has a DAB licence on the Kent local DAB multiplex. This has cost a huge amount of money over the years and we would argue that the charging regime has been opaque. We have stuck with it because our Medway kmfm FM licence was linked to our undertaking of this service. Whilst we understand that local DAB Mux owners will want to see their businesses sustained we would argue that kmfm has in effect been forced to use this service when it hasn't actually been cost effective to do so. We do not want to see any argument made that we should continue with this service IF we find that Small Scale DAB is a better solution for our business model - especially if that argument is based on the commercial viability of the local DAB multiplex.

Clearly, as yet, it is not known whether Small Scale DAB is viable for kmfm or indeed a solution that would best fit our business model. However, we have high hopes that it may be and we look forward to seeing the results of this consultation. If there is anything in this email that is not clear or you would like further information on please do not hesitate to contact me.

With best wishes and thanks

Geraldine

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Geraldine Allinson

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 Radiocentre small scale consultation response - Annex 2 circ v2.xlsx
21K

28 February 2018



Small Scale DAB Radio Consultation
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Department for Digital, Culture, Media and Sport
4th Floor,
100 Parliament Street
London
SW1A 2BQ

Nation Broadcasting
St Hilary Transmitter
nr St Hilary
Cowbridge
CF71 7DP

Tel: 029 2141 4100

Dear Sirs

Small scale DAB licensing consultation

Nation Broadcasting welcomes the opportunity to respond to this consultation.

Nation Broadcasting has a number of commercial interests in the development of DAB in the UK. As a station operator we contract for space across a number of local DAB multiplexes and trial multiplexes with our radio stations including:

DAB only services: Chris Country Radio, Thames Radio and Dragon Radio.

Analogue FM services also broadcasting on DAB: Nation Radio, Bridge FM Radio, Swansea Bay Radio, Radio Carmarthenshire and Radio Pembrokeshire.

Nation Broadcasting also holds equity in a number of local DAB multiplexes including Muxco North East Wales and West Cheshire Ltd, Muxco Suffolk Limited and is the owner of Muxco Wales Ltd and Muxco North Wales Limited.

Nation Broadcasting is also the lead shareholder in Radioscape Ltd which provides DAB encoding and multiplexing to broadcasters around the globe.

1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

We agree that Ofcom should provide reserved capacity for Community Radio and that this benefit should be for any relevant 'in area' community services identified by Ofcom. However, we also believe that capacity should be reserved for relevant 'in area' small scale commercial services.

The current proposals are silent on whether a local commercial service will be able to roll its analogue licence by virtue of carriage on a small scale DAB Multiplex. We believe this should only be possible where the mux covers a significant amount of the MCA of the local service concerned.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

We believe the reserved capacity should vary by area as each area has a different number of stations and market characteristics. We note that several community services are on their local multiplex or trial mux already, without the need for any regulatory intervention. Ofcom should publish the 'relevant' analogue community stations in a particular geographic area at the time of advertisement of a small scale multiplex.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

We strongly disagree with this principle. Community stations should either take up their available position as part of the reserved capacity within 12 months (or an agreed period after the launch of the mux) or they should lose that right.

Stations with reserved capacity which do not adhere to their commercial obligations to the mux operator should also lose their right to capacity.

To reserve capacity on a contingent basis is neither fair nor workable – it may mean that services that have entered the multiplex in good faith have to move on just because a community service changes its mind.

The regime also needs to be 'future-proofed' as the mux operator requires certainty, therefore in the event that a small scale DAB mux is full, and further C-DSP licenses are issued relevant to that small scale mux, we believe that these licensees should be required to wait until capacity becomes available.

Finally, for avoidance of doubt, C-DSP licensees should also be able to contract for space on a local or UK wide Mux – albeit without the capacity on those multiplexes being reserved for them.

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We support the proposals as stated.

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We support the concept of a published rate card for multiplex capacity. However, during the life of a business, improvements need to be made and paid for so pricing must remain both flexible and transparent.

6. We would welcome views on this approach.

We do not believe there should be any restrictions on ownership. Ofcom should encourage the best operators to apply for licences and make the award of each licence on merit on a similar basis to the criteria for the award of an analogue radio license.

In some rural areas, it is conceivable that there would be no applications if existing operators are unable to apply, meaning listeners could lose out.

In general, we submit that new operators are often the most innovative and we believe that a new raft of local operators will emerge with new ideas in content for programme services and also on the technical side of the multiplex such as contribution, encoding, multiplexing and distribution.

We do not believe stations should be restricted to the number of small scale multiplexes that they can broadcast on.

However, we believe that Ofcom needs to ensure in the award of small scale multiplexes that the overall coverage of multiple small scale multiplexes does not allow stations to create coverage equivalence to an existing local DAB (or indeed a UK wide) multiplex.

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

We broadly support this approach.

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We agree that 40% of geography is a relevant and measurable restriction on the size of small scale multiplexes in most rural markets, as long as this would not compromise the viability of an existing multiplex.

We propose that no small scale multiplexes are awarded in areas where there is more than 30% of local multiplex capacity unused.

Business plans and contracts with third parties for existing local DAB operators have been made based on known/perceived demand in times when there was no prospect of a new layer of small scale DAB multiplexes.

Any significant change to demand, particularly outside major conurbations could render some multiplexes unviable, putting at risk two decades of existing digital radio policy.

However, in city areas where demand is strong and where there is no space on a local multiplex, Ofcom should retain the ability to 'flex' upwards the 40% geographical limit, in exceptional circumstances and if spectrum planning allows.

This would allow for greater innovation, more competition and strengthen the overall demand and appeal of DAB.

Alternatively, if spectrum allows and there is proven market demand, it might be an option to 'upgrade' a small scale multiplex into a second main/commercial multiplex for a given area.

Finally, Ofcom should also provide some safeguard that an existing Local DAB operator will not be undercut by a lattice of smaller operators (each being below the 40% threshold). With the possibility that an entire existing local DAB area could be served by say, three small scale DAB operators this creates the conditions where the local DAB operator could collapse as stations substitute coverage using multiple small scale multiplexes.

9. We would be grateful for views on these options or other options along with reasons for your choice.

We believe that multiplex licences offered should be for as long as possible, ideally 12 years. Licence certainty is important to enable the recovery of capital costs in establishing the multiplex and keep costs as low as possible for programme services.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We do not believe this is appropriate. Any small scale licence operator should be free to make their own commercial decisions based on demand for capacity.

11. We welcome views on this approach.

We are happy for the BBC able to participate in any small scale DAB multiplexes but do not believe space should be reserved or that the BBC should be able to substitute any existing local DAB multiplex for a combination of small scale multiplexes covering a similar area.

12. We would welcome views on the implications of this approach

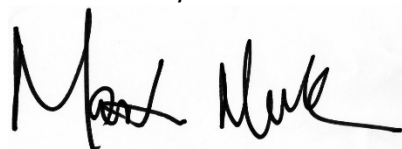
Ofcom has a duty to consider the effect of granting small scale radio multiplexes on existing local DAB multiplexes which should not be set aside.

This is particularly the case outside of major conurbations where demand is relatively low and transmission costs are high.

It is less true in large city markets where there will always be innovation and no shortage of new operators.

In particular, Ofcom should pay due regard to the potential cumulative effect of multiple small scale DAB multiplexes being licensed within or close to a single Local DAB multiplex to the point where the two options (ie several small scale multiplexes or the single local mux) might become substitutable.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Martin Mumford', written over a light grey rectangular background.

Martin Mumford
Managing Director
Nation Broadcasting



Small Scale DAB Consultation Submission - DigiLink Connect LLP

Dan Guest [REDACTED]
To: "smallscaledab@culture.gov.uk" <smallscaledab@culture.gov.uk>
Cc: James Martin [REDACTED]

28 February 2018 at 14:36

Good Afternoon,

Please find below our submission for the Small Scale DAB consultation:

-START-

Here at DigiLink Connect we are looking forward to the exciting future of Small Scale DAB here in the UK. The team at DigiLink Connect are focussed on providing all technical aspects for Small Scale DAB multiplex holders and broadcasters. After months of technical research into product options, our selected primary partners are currently successfully delivering significant mainstream DAB transmission in many countries around the world. This has enabled us to develop a highly stable and cost effective model & solution with total technical support, suitable for both small community broadcasters through to large commercial radio groups.

We feel strongly that the proposed guidelines of transparent pricing and small-scale radio multiplex licences being awarded to both commercial and not for profit entities, with no restrictions on the number of licences that an organisation or entity can hold, are very positive and is a step in the right direction for a fair & competitive licensing structure. This should invigorate the sector, driving greater choice than ever before and providing a much needed digital future for the smaller, successful analogue broadcasters of today.

Here at DigiLink Connect we have a 24/7/365 support network ready for the rollout of the SSDAB project and we feel that greater attention should be paid to technical provision for the new services in this tier, ensuring technical and quality standards are kept suitably high at all stages.

To summarise, the team at DigiLink Connect are looking forward to helping facilitate the next step for DAB digital broadcasting here in the United Kingdom.

Dan Guest & James Martin
DigiLink Connect LLP

[REDACTED]
www.digilinkconnect.co.uk
www.smallscaledab.com

-END-

Regards,

Dan

--
Dan Guest | Partner
DigiLink Connect LLP

digilinkconnect.co.uk | [REDACTED]

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Small Scale DAB Licensing Consultation

Wireless Group response – February 2018

Introduction

1. Wireless Group is a leading commercial radio broadcaster operating services across the United Kingdom and Republic of Ireland. Our portfolio is diverse, distinctive, focused on digital growth and committed to providing innovative content relevant to audiences. As well as highly localised radio stations such as Blackpool's Radio Wave, we operate the national radio brands talkSPORT, talkRADIO and Virgin Radio, complementary digital services and infrastructure divisions Tibus and Zesty, and DAB multiplex networks under our Switchdigital division.
2. Wireless has drawn on the broad range of its radio expertise in formulating this consultation response. We have sought to support solutions that carefully balance the broad interests of the radio industry as a whole. At its heart is an emphasis on protecting the interests of radio consumers by securing a digital migration pathway for smaller local commercial radio and community services that can demonstrate: (i) provision of an analogue service which is highly valued by its local community; and (ii) that their distribution requirements cannot be met by the existing tier of local DAB multiplexes.

Response to consultation questions

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

3. Wireless warmly welcomes DCMS's publication of a consultation on small-scale DAB licensing. Dating back to 2009's Digital Britain review, and the subsequent passage into legislation of the Digital Economy Act 2010, our group has been at the forefront of calls to safeguard the future of smaller local commercial stations, such as Blackpool's Radio Wave and Chesterfield's Peak FM, by ensuring that a viable digital migration pathway was made available to such stations.
4. Wireless believes that the primary focus of small-scale DAB licensing should be to secure a digital future for existing local FM commercial and community services which can demonstrate: (i) provision of a local FM service which is highly valued by its target/licensed community; and (ii) that their distribution requirements cannot be met by the existing tier of local DAB multiplexes.
5. Evidence presented in our response to question 4 reveals that an enforced absence of DAB prominence is already causing material harm to the commercial viability of many such local FM services – which otherwise remain highly valued within their local areas. We advocate

such areas – for example, North East Derbyshire, Blackpool and the Fylde Coast, Wigan and St Helens – being at the vanguard of a phased small-scale licensing rollout by Ofcom.

6. Alongside meeting the needs of important community orientated commercial services such as our own Wire FM in Warrington, we also support a policy framework which recognises the contribution that community licensed services provide in many areas across the UK.
7. Whilst we therefore agree that Ofcom should have the ability to reserve capacity for relevant community radio stations (providing they are subject to the financial conditions that we propose in question 5), this must also be extended to any relevant commercial FM services in the relevant small-scale DAB licensed area.
8. In the North West of England, Wish FM, Wire FM and Tower FM all provide distinctive local FM commercial services which complement the regional and metropolitan output of services for cities such as Manchester and Liverpool. To ensure that these stations do not wither on a backwater of FM-only distribution, without prominence on the digital station lists used by an increasing majority of consumers, Ofcom's DAB spectrum and licensing plan should identify specific digital migration paths for these services and reserve relevant capacity.
9. Whilst supporting this principle of reserved capacity for community and – crucially – commercial services, we do not agree that capacity should be reserved indefinitely. If a particular operator declines to take up its reserved allocation, small-scale DAB multiplex operators should be able to offer the reserved capacity to other services on either a permanent or temporary basis. We also suggest that if capacity does become available due to a service leaving then the organisations on the reserved list should be granted another time period to get back on the service.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

10. Wireless supports the introduction of an upper limit on reserved capacity, to be determined by how many local FM commercial and / or community services are licensed by Ofcom in the area covered by the small-scale DAB multiplex in question. As noted above, we do not agree that the availability of reserved capacity should be restricted to community licensed broadcasters.
11. For a commercial and/or community service to qualify for reserved capacity on a given small-scale network, the FM coverage enjoyed by such services should be broadly equivalent to, or a significant subset of, the small-scale DAB multiplex coverage.
12. We suggest that each service (commercial or community) should be explicitly identified in the relevant multiplex licence, with their allocation of reserved capacity equating to a DAB channel of up to 128kbps for each such service. For the avoidance of doubt, there should be no obligation for the service to take all of its reserved capacity.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

13. As noted in our response to question 1, we do not agree that capacity should be reserved indefinitely for commercial and/or community radio stations. If a particular commercial/community operator declines to take up its reserved allocation, the relevant small-scale DAB multiplex operator should be able to offer the reserved capacity to other services on either a permanent or temporary basis. Reserving capacity on an indefinite basis risks not realising the optimum and efficient use of spectrum.

Digital Community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

14. Overall, we agree with the proposed implementation of the C-DSP licences for community radio stations, with the requirements that they are for social gain and not for profit.
15. We recommend that these services still be required to pay pro rata for the capacity they do take. We have recommended a pricing mechanism in the next question that should also be applied to community radio stations.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

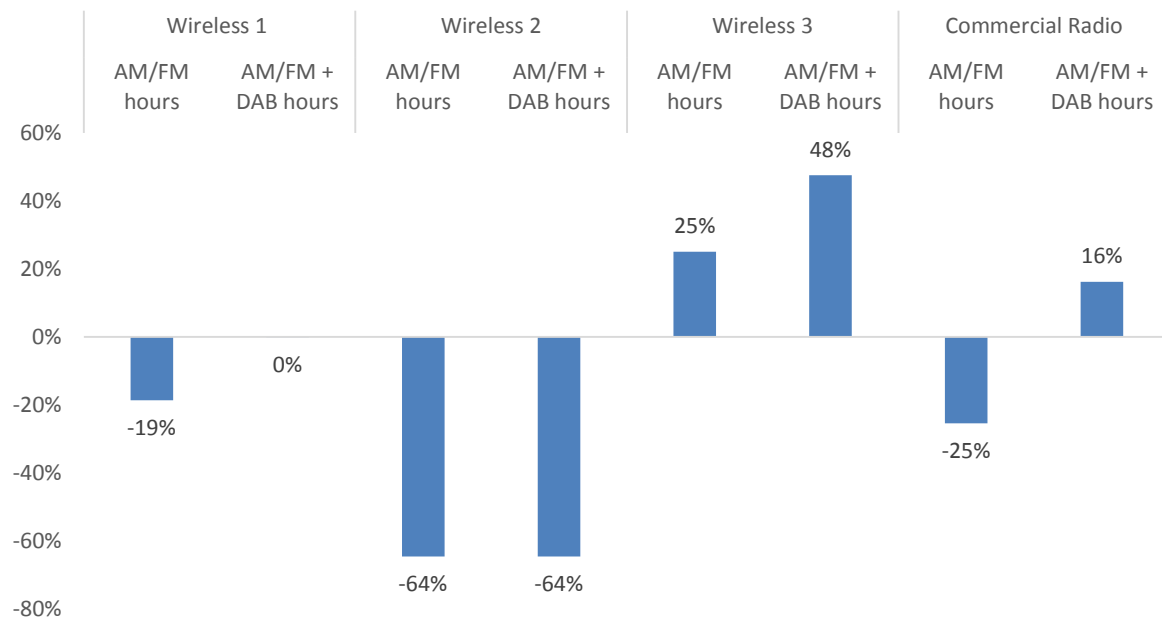
16. Wireless recognises the intention that small-scale DAB should be a distinct third tier of digital broadcasting, focused on ensuring the viable delivery of locally orientated commercial and community services in a digital media landscape.
17. We agree that price transparency could support this objective; however we are not convinced that simply requiring multiplex operators to publish prices will (on its own) achieve the policy aims intended.
18. In addition to pricing transparency, we agree with the consultation's suggestion that to ensure fair carriage fees operators could be required to submit indicative charges in their licence applications. Whilst acknowledging the potential merits of this approach, we note that such charges can only be indicative in advance of the operator having built out its network and finalised definitive legal documentation regarding site access fees, final engineering solution, network redundancy, network monitoring and other critical variables.
19. Accordingly we suggest that the price submitted in a prospective licensee's application should remain confidential to Ofcom and the applicant, with finalised pricing only published following the awarding of a licence and conclusion of network operating arrangements.

20. Ofcom should be given the flexibility to consider a range of pricing models in licence applications, based on which application is best calculated to deliver on behalf of local listeners and licensed FM broadcasters. Emphasis could be placed on charging approaches that are formulated on a reasonable cost-plus basis, and which do not include excessive margin assumptions, management overheads or financial methodologies designed to lift the price paid by service providers and enhance profit at the multiplex operator level.
21. It is Wireless' view, based on our experience in operating local DAB multiplexes in areas such as Staffordshire and South West Wales, that demand for small-scale DAB multiplex capacity is likely to be limited above a particular pricing level. Ofcom should be encouraged to be sceptical of small-scale DAB licence applications that assume an ability to generate material carriage fees (and in turn profits), since such plans are likely to be based on unrealistic commercial assumptions and may not be consistent with the policy aims of small-scale DAB licensing.

Q6. We would welcome views on this approach.

22. Wireless Group firmly disagrees with the proposed introduction of ownership restrictions in relation to small-scale DAB licences. Such restrictions contradict established government policy which has abolished radio-specific ownership rules relating to commercial FM licences as well as the existing local and national DAB multiplex tiers. They would also be inconsistent with the deregulatory direction of travel for larger local and regional FM commercial services, unfairly penalising services such as Radio Wave that have a wholehearted commitment to local news, information, events and community orientated programming.
23. Moreover, Wireless Group believes that ownership restrictions risk undermining what should be the primary objective of small-scale DAB licensing. As already stated in our response to question 1, this should be to secure a digital future for existing local FM commercial and community services which can demonstrate (i) provision of a local FM service which is highly valued by its licensed community; and (ii) that their distribution requirements cannot be met by the existing tier of local DAB multiplexes.
24. As shown in Figure 1, an absence of DAB prominence is already harming the viability of highly valued local services such as Radio Wave, Peak FM, Wire FM, Wish FM, Signal 107 and Tower FM (grouped as "Wireless 2" in this analysis) with a marked drop in listening hours over the last decade.
25. In contrast, Wireless local FM stations with access to DAB ("Wireless 1"), as well as Wireless AM stations with access to DAB ("Wireless 3"), have either broadly maintained total listening hours in line with the wider commercial radio market or have increased their total listening hours. The decline in listening hours for our FM only stations ("Wireless 2") is indicative of their decreasing prominence on radio sets and restricted growth opportunities in the context of an increasingly competitive FM radio marketplace.

Figure 1. Change in total AM / FM / DAB listening hours for Wireless stations between Q4 2007 - Q4 2017



Source: RAJAR / Ipsos Mori

26. Despite the handicap provided by an absence of DAB prominence, Wireless FM-only local stations continue to provide considerable value to their respective communities. Their work was most recently recognised in the 2018 IRN News Award Nominations with Radio Wave, Wire FM, The Wave and Peak FM each receiving a nomination for the quality of their local output. For example, Radio Wave's work with the charity AgeUK has seen them in the running for the Campaigning Journalism Award. This is to say nothing of the annual local events our stations run and support including Local Heroes Awards, recruitment fairs as well as numerous sport and charity events.
27. This valued contribution is also echoed in recent offers of support to Wireless local FM stations without DAB migration pathways by local MPs to Radio Wave, Wire FM, Wish FM, Tower FM and Peak FM. MPs Helen Jones, Toby Perkins, Paul Maynard, Cat Smith and Lisa Nandy are amongst those to have informed us that they plan to contact DCMS in response to this consultation in order to outline their support for these stations' digital aspirations.
28. Further support for Wireless local FM stations was also extended by the Leader of the Opposition, Jeremy Corbyn, during a visit to Radio Wave in August 2017. As reported by Radio Today, Mr Corbyn addressed the upcoming opportunity for local stations such as Radio Wave to apply for a digital licence, citing the "great job" provided by such services and noting that "at their best, local radio services [such as Radio Wave] do help to provide that sense of local identity and local community"¹.
29. Given the acknowledged public value delivered by services like Radio Wave, Wireless Group contends that **there should be no impediment to such services' ability to participate as**

¹ Radio Today, 'Corbyn backs local radio on Radio Wave visit', 21 August 2017
<https://radiotoday.co.uk/2017/08/corbyn-backs-local-radio-on-radio-wave-visit/>

shareholders in small-scale DAB licence applications based on their parent groups' existing DAB multiplex investments.

30. Indeed in many instances the local standing and financial stability of broadcasters such as Radio Wave or Peak FM means that they are uniquely well placed to help bring the benefits of digital radio to local audiences through their active participation in a small-scale DAB licence. In turn, the deployment of such services' financial capital and group expertise will lead to the creation of stable DAB platforms which would be made available to the area's community broadcasters.
31. In 2015, Radio Wave's efforts to formulate an application for a trial small-scale DAB multiplex licence in Blackpool were impeded by the station's inability to sign up a local community broadcaster to participate in a joint application. At that point in time, a suitable broadcaster could not be identified which would be in a position to commit to collaborating in an application. This circumstance was entirely owing to factors outside of Radio Wave's control. As a consequence, Radio Wave took the decision not to apply for a trial licence, considering that a full-time licensing regime was likely to follow swiftly afterwards. With hindsight, the station's management considers this decision to have been a mistake.
32. Based on this experience, Wireless Group believes it would be a mistake for such independent/community broadcaster involvement, and shareholder participation, to be a prerequisite of any successful multiplex licence application. Whilst our stations would each seek as a starting point to foster collaboration with other local community broadcasters in any future small-scale DAB ventures, it is not possible to guarantee that we would be successful in these efforts in all cases.
33. Instead, we suggest that the proposed shareholder composition of prospective small-scale licensees would be best assessed by Ofcom at the application stage, taking into account existing licensing criteria such as the prospective licensee's ability to establish and sustain the service, the level of local support, the impact on fair and effective competition, and the quality and diversity of services proposed.
34. As currently constituted, and depending on how the ambiguously worded phrases "Existing national multiplex licence holders" and "Existing local multiplex licence holders" are interpreted, services such as Radio Wave risk being barred from full participation in small-scale DAB licensing. This would be through no other fault than their parent group's separate investments in (and laudable commitment to) investing in digital radio services at the local and national tiers, as well as Wireless Group's participation in DAB investment programmes such as DCMS's local DAB coverage build-out project. We do not believe that this is the policy intention. We also understand that it is not the intention of Parliament, as indicated by the statements of support which have been received by Wireless Group services from both local and national politicians.
35. Finally, whilst we agree that in some cases it may be beneficial for a small-scale multiplex to be operated independently of an overlapping local multiplex operator (just as in Glasgow and Edinburgh, where Wireless Group's Switchdigital network provides effective competition for Bauer's local DAB multiplex networks), there are also cases in which we can envisage common ownership providing positive policy outcomes.
36. For instance, in the absence of an appropriate proposal from a suitable independent applicant, the creation of a complementary small-scale platform under common ownership

with an overlapping local DAB network could offer a path to unlocking the benefits of small-scale DAB for local listeners. We therefore disagree that there should be a blanket restriction on such common ownership, and that Ofcom should be afforded discretion to make appropriate objective judgements when assessing applications.

Determining the size of small scale radio multiplex

Q7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

37. Wireless Group's primary concern in relation to this pair of related questions is the need to ensure an appropriate delineation between the local and small-scale DAB multiplex tiers, and to ensure that the viability of the existing local DAB layer is not undermined.
38. Having assessed the 40% threshold against the existing line-up of licensed FM and DAB services in the UK, we have concluded that it provides more headroom than is necessary for the vast majority of relevant local FM stations to enable DAB migration pathways. For instance, a small-scale solution in Blackpool for Radio Wave would certainly be comfortably less than 40% coverage of the overlapping local DAB multiplex for Lancashire – as would prospective small-scale solutions for Peak FM in Chesterfield, Wire FM in Warrington, Wish FM in Wigan and St Helens and Tower FM in Bolton and Bury.
39. We have also identified a risk that this 40% threshold is unlikely to provide adequate delineation between the small-scale and local DAB multiplex tiers in all cases. For instance, it would not guard against introduction of competing small-scale DAB multiplexes in the primary licensed population centres covered by local DAB multiplexes such as our Bradford and Huddersfield, Stoke-on-Trent and Swansea networks.
40. The operating model for such networks, and their recent ability to participate in DCMS's recent local DAB coverage build-out programme, is founded on an assumption that the multiplexes are able to maintain their current occupancy levels, which whilst not resulting in 100% capacity utilisation, allow them to be operated on a commercially viable basis. This is due to the significant backing of Wireless Group in providing a number of its own services on these networks, combined with parallel involvement of independent local broadcasters as well as the BBC.
41. This sustainability would be undermined if these multiplexes were to face direct competition from (for example) a commercially constituted Bradford DAB multiplex which is not subject to the same stipulations for FM equivalent coverage. The 40% threshold proposal would not guard against this threat – nor is it likely to do so in the case of towns and cities such as Swansea, Bradford and Stoke-on-Trent - seriously infringing upon the commercial viability of the existing local multiplexes licensed to cover these towns.
42. For this reason, we propose a lower population threshold of 25% which should only be varied in exceptional circumstances.

43. In addition, we suggest that Ofcom should be required to apply a third test, which is to determine whether a proposed small-scale DAB multiplex includes coverage of a conurbation that constitutes a primary population centre which that local DAB multiplex is licensed to cover. Where it does so, the application should be automatically barred. Under this approach, it is envisaged that small-scale DAB multiplexes could not be licensed in towns and cities such as Swansea, Bradford and Stoke-on-Trent.
44. A different approach should apply to conurbations covered by local DAB multiplexes which can be shown to be subject to excess demand for capacity (for example Manchester) and where this demand is incapable of being addressed through short to medium term capacity reconfigurations by the existing multiplex operator. In such areas, we would advocate the licensing of an additional local commercial DAB multiplex licence (not a small-scale licence).
45. We also advocate specific restrictions to guard against the creation of patchwork replicas of local DAB multiplex licences across multiple areas. To this end, the sum of all small-scale multiplex licences should not exceed 40% of the population coverage of any single existing local DAB multiplex.
46. We agree that where there is no current local multiplex licensee in an area, Ofcom should be able to issue a maximum cap of coverage.
47. We also suggest a possible need for restrictions on permissible power levels afforded to small-scale multiplexes.
48. Finally, we would also note some ambiguity concerning the wording of the phrase “40% of the local DAB multiplex area”. Specifically, it is unclear as to whether size would be established based on geographic area, or population covered. We suggest that population coverage is the most relevant measure of a multiplex’s coverage area, and assume that this metric is intended by DCMS.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

49. Wireless Group supports Option C for all licences, with the 5 year extension to be subject to the satisfaction of appropriate performance criteria. We disagree that the previous existence of a rival bid should result in a renewal application being automatically declined, since this will not necessarily be indicative of continuing competitive demand. We also support Ofcom having the flexibility to take account of the duration of a relevant local FM licence associated with an application, and to extend the term of the awarded small-scale DAB licence in order to align the expiry dates accordingly.

Creating additional local multiplexes; and BBC access to small scale DAB multiplexes

Q11. We welcome views on this approach.

50. Wireless Group strongly supports the development by Ofcom of a holistic local DAB spectrum plan, which seeks to identify the optimum utilisation of spectrum between the small-scale and local DAB multiplex tiers. We also agree that this exercise should seek to establish the scope for additional local DAB multiplex licensing in locations where the existing local DAB multiplex is fully occupied such as Manchester, Northern Ireland, Birmingham and South Yorkshire.
51. We do not believe that small-scale DAB licensing is a coherent or appropriate solution in non “small-scale” towns and cities and propose the licensing of additional local DAB multiplexes in such areas, provided that it can be shown that there is excessive demand for capacity that the existing local DAB multiplex operator will be unable to satisfy in the medium term.
52. We agree that the BBC should be able to operate services on small scale multiplexes in white space provided that they adhere to the agreed transparent pricing regime.

Ofcom duty to consider commercial impacts on local multiplexes

Q12. We would welcome views on the implications of this approach.

53. As set out in our response to questions 7 and 8, Wireless Group supports an appropriate delineation between the local and small-scale DAB multiplex tiers, and to ensure that the viability of existing DAB services is not undermined.
54. In the case of local DAB multiplex areas such as Bradford and Huddersfield, the introduction of competing small-scale DAB multiplexes in the region’s key population centres risks undermining the existing multiplex’s commercial viability and the operating assumptions which informed its ability to participate in DCMS’s recent local DAB coverage build-out programme.
55. We therefore agree that Ofcom should have a duty to consider the commercial impact of a proposed small-scale DAB multiplex on the existing local DAB multiplex operator. In the process of creating additional multiplexes, Ofcom needs to understand the risk of small scale multiplexes cannibalizing the existing local multiplexes, as well as the scale of pent up demand in key metropolitan areas.
56. As outlined in our response to questions 7 and 8, in addition to a 40% cumulative population limit for small-scale licences within a given local DAB multiplex area and the proposed two-step test, small-scale multiplex licences should be barred from towns or cities which constitute the primary population centre of an existing local DAB multiplex.
57. Where such primary population centres can be shown to be subject to excess demand for capacity (for example Manchester), we would advocate the licensing of an additional local commercial multiplex licence as opposed to a small-scale licence. This is on the basis that it can be shown that this demand is incapable of being addressed through short to medium term capacity reconfigurations by the existing multiplex operator. An example of where this

would not be the case is Glasgow and Edinburgh, where the overlapping regional multiplex has available capacity.

ENDS

Wireless Group, February 2018



**D.C. THOMSON RESPONSE TO DCMS
'SMALL SCALE DAB LICENSING CONSULTATION'**

SUMMARY

1. D.C. Thomson Ltd is a Scottish based international media organisation who's principle interests centre around publishing, international licensing, newspapers, magazines, events and increasingly a number of fast growing digital brands. DCT have recently entered the commercial radio arena by way of acquisition of the Dundee and Perth licences formally held by Wave 102 FM Ltd. DCT have two FM licences and three sub-branded digital stations broadcasting on the web.
2. As new comers to the Radio broadcasting landscape we have invested some considerable time getting to grips with the past, current and future broadcasting platforms across analogue, DAB and the web.
3. We were surprised to learn that a number of large scale radio operators have been awarded the DAB multiplex licences making them gate keepers as well as operators in a variety of local and regional markets. We feel this may have played a role in hindering the path to DAB for smaller ILR radio operators principally by way of the MUX owner maintaining high carriage rates.

For example : In Tayside the local DAB mux is controlled by Bauer media who also own Radio Tay. We note that of the twelve services currently broadcasting on the mux, nine are Bauer owned stations two are public broadcasting services and one access channel is made available to one community service and two smaller ILR radio stations.

(Absolute classic rock, absolute 60's, absolute 90's, absolute 00's, Kiss fresh, magic soul, Tay 1, Tay 2, The hits, BBC Scotland, BBC nangaidehal and access Chanel)

In effect there is one paying external entity, the BBC and several internal sovereign stations creating a 'market' rate.

4. We also observed the woefully slow pace of DAB take up by listeners over the last twenty or so years which has clearly added to the frustrations across the industry and Government.
5. We are keen to see small scale DAB as an additional access point for small scale ILR's to enter DAB transmission alongside existing choices already available. However, we are concerned that limits or capping around these sizes could adversely or in some cases totally mitigate their desired effect.
6. The consultation provides no explanation on the method that Ofcom would use when it comes to awarding licences to run small scale DAB multiplexes. We would suggest that **new applicants** be given a priority right of passage in the first instance in any first round applications and that this would be defined as simply : *any organisation who is not currently an existing DAB mux owner in the area being advertised.*
That this then be relaxed in any second round consideration.
We feel this is very important as it would allow small scale DAB to address the current market issues affecting those operators at risk of no clear commercial path to a DAB future.
7. The licence rollovers benefits currently afforded to existing operators simulcasting on DAB and analogue are equally granted for any small scale ILR operator also simulcasting on small scale DAB. We note there is no mention of this in the consultation.
8. That the current proposals are at risk of creating a second class DAB solution which fails to address the current barriers to smaller FM commercial radio stations. That the rules with which they would be expected to operate could be unfair compared to existing DAB operators, specifically around limits in areas such as the 40% suggestion and transparency around rates.

COMMUNITY STATIONS AND SMALL SCALE RADIO MULTIPLEXES

Question 1 – We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

We believe that mini muxes should in the first instance address the challenges faced by the hundred or so small commercial FM services whose future viability may depend on small scale DAB. By that we mean that the areas to be served should be planned around the most populated locations of any smaller FM ILR's. Secondly that those mini muxes are able to include as many community broadcasters as possible meaning that the area to be served not limited to the majority population enabling community stations fair and access.

For example : In Perthshire the majority of the population live in or around the city of Perth, however a small scale mux should be considered to encompass not for profit or community radio stations operating on the peripheral of the core area giving fair and relevant coverage on a more meaningful footing than the restricted shared access channels currently afforded to them on existing larger DAB muxes. In this instance the small scale mux could cater for Perth and North Perthshire enabling Heartland radio better access on a more permanent basis using a small scale DAB solution as opposed the shared access part time set up on a larger mux broadcasting into irrelevant areas.

Question 2 – We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

We feel that due to the wide variation of demands, pressure and needs across the UK a one size that fits all rule could create more problems than it is attempting to solve. Therefore, we would not welcome any upper limit in one category of operator whether that be community radio, small scale ILR, FM or DAB services with the obvious exception of existing mux owners.

Question 3 – Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

We believe that this should be left to the sole discretion of the mux owner.

Question 4 – We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We support the introduction of a new category of digital sound programme (DSP) licence for community stations – aligned with the current requirements for analogue community radio licences – that would be known as a C-DSP licence.

With regard to the existing community radio licensing regime, we believe that the current arrangements provide too much uncertainty. At present services are able to exploit a loophole where a single service can enjoy the benefits of community radio (on FM/ AM), but can also act in a fully commercial way at the same time by virtue of holding a DAB licence.

We would propose that as part of implementing these changes any DAB licence that is a simulcast of a community radio station on FM should be compelled to move to a C-DSP licence. This would effectively close the loophole above and provide a greater level of certainty within the industry.

Question 5 – We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

D.C Thomson are concerned that the overall theme of small scale DAB solution seems to be skewed towards finding a solution for community radio stations and fails to address the challenges of smaller FM ILR's who are not currently broadcasting on DAB. Of which there are around one hundred or so. We would be very concerned if the only model for operating a small scale DAB multiplex was on a non-commercial basis and that the areas to be served so limited they extinguish any commercial viability. That such a set could limit the viability of individual multiplexes and present a barrier to growth of the platform overall and fail to address the long standing access issue for independent FM stations unable to find DAB solutions. Therefore, we reiterate our earlier point about some sort of priority process aimed towards the smaller FM stations unable to reach current DAB solutions alongside community radio and that those areas are fairly portioned to a size of viability.

Question 6 – We would welcome views on this approach (to ownership restrictions).

We agree with the assessment made by DCMS that a limit of just one licence per organisation would be overly restrictive. However, it is critical to consider steps to prevent an undue concentration of ownership and that any such restrictions will obviously need to be proportionate and must take into account the principal aims of the ownership restrictions. In particular high transmission costs and restricted access for smaller FM stations not least community stations.

We support a restriction being applied to the national multiplex licence holding companies (Digital One and Sound Digital) or any organisation with a share in more than one of these companies. We would extend this to existing local mux owners on a 'first round basis' and that smaller ILR FM stations and community stations are given a priority path given the principle purpose is to provide them with a DAB solution. If for any reason there was insufficient interest or take up from this sector to become a small scale mux operator but likely to be interest on station operators taking up carriage then we feel it is sensible to enable the existing DAB mux owner take up small scale DAB provision.

Excluding experienced local commercial operators from any involvement in these areas and relying upon volunteers or lesser reliable smaller commercial ventures exclusively would prohibit the development and roll out in the longer term.

D. C. Thomson strongly feel that if there is any requirement to publish or make public the rates or indeed any costs associated with carriage on small scale DAB that these same rules should apply to existing DAB mux owners.

Any such discrepancy between existing DAB Mux owners and new smaller DAB owners around the transparency of rates would be grossly unfair.

We also feel that where an operator is citing excessive DAB charges or carriage costs that the existing mux owners and any new comers by way of small scale DAB make public the charges across the service providers to evidence fair trading.

Question 7 – Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Question 8 – Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We believe that small scale DAB muxes could be licenced for shorter periods however that this should not become a hard and fast rule for all and the upper limit be set at the same bar as existing DAB Mux lengths. We also feel it should be a given that the incumbent of any future relicensing should be given an automatic renewal if they have met and delivered on all aspects of the mux ownership. Of the options set out in the consultation we favour (b) with a further roll on period as an option.

Regards the BBC, we are unclear from the document as to whether this refers to Small Scale DAB mux ownership or small scale DAB service provision. If it does refer to the former we do feel strongly that Small Scale DAB mux ownership should be restricted by any public body. However, that service provision by a public body should be consistently available on the same terms as any other commercial or community service provider.

On the subject of size and scale - we feel that the proposals set out in the consultation document could result in creating more problems than it aims to solve. Looking at how small scale FM stations have been disadvantaged by restrictions on size, scale and signal strength we feel the risk to repeat this presents itself again around small scale DAB. Looking to the future landscape that this DAB solution must sit and compete in, any restriction that results in the signal being compromised or limited could create a third class solution (when the web is included) and ultimately a meaningless long term outcome.

In Scotland and Wales where there a variety of granite, stone, brick and thick masonry buildings any reduction in signal strength designed to curb or restrict an area by population or geography presents a very high risk of failing to provide a meaningful DAB, in particular to most of these two countries urban and rural populations. With a higher than ever work from home and increasingly lengthier commuter journeys this DAB solution needs to recognise work and leisure trends and future proof itself against that evolving landscape. Therefore, we are proposing that there is a consideration for the nations and regions around any restrictions whether this is measured by population or geography.

We are aware that our colleagues in the south are considering various caps and restrictions around sizes, areas and conurbations. We do not feel that any of these measures as currently proposed would be suitable for Scotland.

Specifically, around size and scale we are concerned that small scale DAB could be fundamentally wrongfooted by considering it's roll out on smaller scale basis rather than its principle purpose of providing a DAB solution for smaller ILR's and community radio operators. One small DAB solution attempting to provide a DAB solution for a variety of small operators could result in many or most service providers, on that one small scale mux, being unable to meaningfully deliver a DAB solution into their respective areas.

For example – the only trial area in Scotland was Glasgow which has been deemed a success from a technological perspective. However, we are aware that in many parts of Glasgow and the surrounding area it was supposedly serving it simply did not have the power wattage to penetrate many of the buildings and outskirts of Glasgow where community radio services mostly exist. The small scale mux was intended to provide a solution for a mix of community stations and small scale FM operators many of which were spread across a vast area. Due to the restrictive size and scale of the DAB signal this failed to serve fully across many of these stations areas.

Therefore, we would strongly advise against any capping of any kind and conversely suggest that any small scale DAB muxes are geared towards delivering the maximum possible signal strength in any given area the proposed service providers are aiming to serve.

Questions 9 and 10

We agree that Ofcom should in areas of high demand consider further DAB Muxes being licenced and that diversity of ownership and parity of coverage be given key consideration on an area by area basis

Question 11 .

If small scale DAB is to be given a lesser status and a more onerous operating procedure by way of having to comply with various restrictions and an open rates system we believe there is little likelihood of any commercial impact to existing DAB mux providers. If the restrictive nature of the trial areas is

rolled out they are unlikely to attract commercial interest and therefore we agree with Ofcom that there is unlikely to be any need for commercial impact assessments.

Question 12

We feel that this paper generally fails to address a number of the DAB obstacles in the path of smaller FM commercial operators and that this paper appears to have been predominantly designed around providing a solution for non-commercial community stations.

We would also suggest that as part of the process in considering DAB Solutions for small scale FM stations that existing carriage charges be given an urgent review in areas where there is significant variances in DAB charges comparable to that of analogue charges. Further to this, there be consideration given towards protecting and safe guarding against excessive or onerous carriage costs masqueraded as a commercial or market rates when clearly this is not the case. That such areas could be considered to qualify for this level of scrutiny where there is a monopoly supplier to DAB carriage in a defined area whose own services most populate the DAB mux.

Ends



Small Scale DAB Consultation Response from 100% Media group

About

100% Media group are a unique local media content and platform business. We own both the UK's only Independent DAB commercial multiplex - Triple MuxCo Somerset - and the independent Freeview DTT multiplex developed in the Cardiff GI spectrum; for this we commission and run small scale broadcast transmission.

Our content businesses run digital exclusive radio stations - 100% Dragon Hits & 100% Whatever Radio and make 100's of hours of broadcast TV for our clients each year

Overview

- 100% Media support the principle of a third tier of local DAB multiplexes. It's vital that a diverse range of services from a diverse range providers exists in the radio market.
- The development through the trial period by Ofcom & the DCMS has been an example of good practice regulation that has enabled this project with real public benefit to grow into a viable addition to the media ecology.
- Turning the trial into a full time licensing model clearly has challenges. Broadcasters are used to a 'closed shop' of FM spectrum where access to audiences is limited, frequency to be hoarded, and competition excluded. Behavior is not always logical in the market and by nature services crowd to dense areas to the exclusion of rural and economically deprived areas - It's important to avoid licensing structures that reward this.
- 100% Media support the overall direction of the proposed regulation. We make a number of suggestions based on our direct experience of market behaviors and urge the right balance in rural areas - with countywide commercial multiplexes providing valuable services to the whole community
- We look forward to being part of the sector, by continuing broadcast on the SSAB service in Portsmouth; supporting potential multiplex operators and running SSDAB services ourselves where permitted.

List of questions Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Capacity reservation is essential to ensure access for local analogue community stations to ensure carriage regardless of the type of SSDAB multiplex operator Ofcom chooses to appoint. This will allow the aims of the legislation to be met - primarily access to digital for existing small local services - without hampering choice and innovation that may prevail from an operator with broader abilities and listener offer providing the SSDAB multiplex.



This reservation should be set to the number of local analogue services in a proposed SSDAB license area plus one channel for C-DSP (reserved for 24 months to encourage the new C-DSP sector to grow in areas they know capacity is available.)

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Capacity reserved should be equal to 128 Kbps per community station (in the SSDAB licensed area) to broadcast in standard DAB format; with an option for Ofcom to vary that to 48 kbps DAB+ at a future point it determines the majority of consumer devices can access DAB+ and/or changing the reserved spectrum will not unduly restrict the availability of radio services for listeners

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

If a station chooses not to use its allocation within a timeframe from launch - 12 to 18 months - OR its contracts for less capacity for cost or desirability reasons then that capacity should be available for commercial use on a permanent basis. This provision is reasonable and proportionate to trade the needs of individual community stations and the wider public benefit of a diverse range of services

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Enhancing choice of broadcasting platform for community focused broadcasters in a welcome move.

We would argue that all community radio stations appearing on DAB should be licensed under the C-DSP scheme proposed. This avoids conflicts between commercial operations under a DSP license and the services community license obligations. Community stations should only appear on the multiplex that covers their analogue coverage area and remain true to that geographical commitment. Stations should not appear on multiple small scale multiplexes in the same commercial multiplex area - Keep community radio, not promote county radio.

Nothing would prevent a community station setting up a separate (including content) and transparently funded commercial DSP service to utilize other DAB or DTT capacity, without cross subsidy, access to public funds or reserved capacity.

Restrictions on holding small scale radio multiplex licences:

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

Provision by a wide range of multiplex operators will ensure a robust third tier of access to DAB. Diverse participation by smaller commercial transmission, community and local radio operators will build-in structural protections against exclusion of certain types of broadcasters or business models without complex regulatory intervention.

Reviewing both commercial DAB and Trial services, we note that those multiplexes with a limited range and type of service providers were generally owned by the local FM commercial operator.



We would draw attention to Stoke on Trent & Swansea commercial services (Wireless Group) and the Bristol (Celador) Brighton (Juice) and Cambridge (at launch, UKRD) Trial services.

The common feature is they all appear to deprive the public of mainstream potential rival stations that could impact their private commercial interests. Compare these to the excellent Portsmouth Trial DAB service with a wide range of operators and services - with genuine enhancement to consumer choice

In the case of Brighton, the multiplex company shockingly even put the local community station 'Radio Reverb' onto DAB+ depriving the distinctive service a significant subsection of audience. Given their early participation and promotion of Small Scale DAB we would express our disappointment in such conduct and hope these flaws in the licensing model are ironed out in the next stage.

Neutral multiplex operators or consortia have an incentive to fill capacity effectively from a wide range of service providers. Operators privileged to broadcast on FM have incentive to restrict access to protect existing interests.

It may be desirable to ensure no one SSDAB multiplex operator controls all the licensees in a single Commercial DAB area to ensure plurality of access at a structural level without complex regulatory intervention. We advance this position despite the disadvantage for us as a potential SSDAB multiplex partner.

Q6. We would welcome views on this approach.

This is the area that causes the most concern for us. Both directly in our professional and commercial interest and the wider consistency and fairness of the regulation.

Effectively - as worded - the UK's biggest commercial radio group and operator of a national analogue license, Global Radio would be allowed to own 50% of an SSDAB service. Bauer Media, a smaller business by market share would be barred totally; as would the smallest national license holder, the Wireless Group.

Nation Broadcasting and UKRD - operators of top 15 analog local stations (by market share) would be restricted to 50% of an SSDAB, whilst Celador Radio - a bottom 15 operator (by Market Share) would be free to own 100%.

Looking at that in a real word situation: Wiltshire

- UKRD, who operate a market leading and entirely local station Spire FM in Salisbury - including a full local newsroom and valuable local content - would only be able to own 50% of the local SSDAB Mux.

- Celador Radio, who operate a bottom of the market brand 'The Breeze' in West Wilts, which has local content that spans three Ofcom approved local areas, the maximum allowed national networking and a very limited value local news service would be free to control 100% of an SSDAB

It's clearly an unintended side effect - a perverse one - that the UK's smallest radio operators who's made a commitment to partner on local commercial DAB, often a great cost, are disadvantaged in favor of groups who have made no commitment, spent no cash, shared no burden.



100% Media proposes that all restriction on existing participants of DAB multiplex are removed. Instead Ofcom make a judgment using their Communication Act 2003 Section 3 General Powers on the desirability of an applicant in the award process; this can also remedy with competition concerns with local analogue license operators.

AND..

Given the issues with access and cost are primarily an transmission infrastructure issue rather than multiplex ownership participation, we propose the any limit is instead placed on any dominant transmission services provider with a market share of over 50% (the Competition undertakings over Arqiva for broadcast services may offer some preexisting formulation of this market and the mechanic to measure)

Carriage Restrictions:

Issues surrounding the ability of a Service Provider to go on multiple SSDAB in a single commercial local area having an unfair competition advantage are covered later in this response.

Two other undesirable outcomes arise from the same station appearing on multiple SSDAB in one commercial area: The impact of community stations defined service areas and consumer degradation of the experience.

1 - Community Radio is managed by 'soft' regulation to focus on a specific location or community as the very core of its function in the UK media landscape; control is via low power allocations for coverage. Allowing analogue community stations to expand out of that by appearing on multiple SSDAB services risk breaking the very foundation of the sector. Hyper local radio becomes regional radio without the opportunity for Parliament to consider the act underpinning the core community radio function itself.

2 - The majority of consumer devices pick up and list services with reception above 40 dB (Digital Radio Receiver sensitivity testing ERA Technology May 2011 for Ofcom (Annex J)) Combined with the lower TX power and higher count of stations per mux on SSDAB trials of 12-20+ services it risks leaving consumers with an overwhelming flood of partially receivable/unstable audio stations and multiple copies of stations listed. Add in the very simple alpha numeric up/down interface the majority of home devices exhibit and we end up with a perfect storm of damaging issues that would undermine hard won consumer confidence.

Ofcom should be best placed to consider the impact of overlapping a near-overlapping potential SSDAB multiplexes and providers at the point of award, rather than the anything goes 'on-demand license' approach proposed - without due regard, study or testing the impact on consumers.

100% Media are fully supportive of a wide range of services and the exciting opportunity a third tier of digital radio opens up. Such consultation as this allows these foreseeable problems to be resolved and better legislative outcomes.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

We view a multiple tier approach is desirable for the range of scenarios likely to arise in the UK in the foreseeable future.



Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

No. For a number of reasons.

First, we must note that a number of stakeholders have expressed the view that the 40% limit applies to the TOTAL coverage achieved by ALL SSDAB multiplexes in a single Commercial DAB area combined. Our response is not based on this interpretation.

Many others view the wording as 40% PER SSDAB MULTIPLEX which would for example would mean that our Somerset multiplex would face competition over 84% of our coverage area, with the ability to offer overlapping coverage and 'networked' Service Providers as a low cost rival to us - without the obligations and penalties that go with the full commercial DAB licensing scheme.

For example Ofcom's Frequency Plan Feasibility Study v1.1 proposes FIVE SSDAB services for our area of under 500,000 people in a predominantly rural county. This is unreasonably high, and without a more balanced approach to what services are carried, what SSDAB multiplexes are prioritized for launch, how they are staggered in any one Commercial DAB area, and how many in total in one area , it risks significant negative outcomes to many participants in Multiplexes - who've done everything asked for in developing the platform and funding the rollout if the restriction is not 40% (or thereabouts) in total rather than per SSDAB

We strongly urge further consideration on the impact on the smaller existing multiplex areas, those under 500,000 (in the 2015 DAB roll-out planning calculations) are most at risk of detrimental impact.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

We note that the Capex on equipment is far lower that existing DAB license holders; the broadcast sites and leases are far less likely to be major masts with complex engineering installations. It also also a fact that the all the Trial services secured TX sites for a 9 month then 2 year test license without significant issues.

Shorter licenses also provide for a means of structural control without complex regulatory intervention. Therefore we view 5 year licensees as reasonable, with a 'must launch' window of 1 year.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

In non competitive award areas, extending licenses to 7 years may be a pragmatic outcome to the proportionate division of regulatory action.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

The BBC should have access to spectrum solely for the provision of existing broadcast services in undeserved areas.



Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

Please see our comments in Question 8

Without constraints on DSP holders appearing on multiple SSDAB in a single Commercial area, then it creates without doubt a low cost, low obligation, economic rival to existing operators. When a chain of SSDAB can transmit a single radio station to 60, 70, 80, 90% of the population of commercial Mux service, when does it become an unacceptable commercial impact? It must be noted that most multiplex operators have fixed, long term contracts with Arqiva and are unable to adjust pricing to compete with low cost entrants for the duration of the Mux initial license terms.

In considering impacts, Ofcom should also use its Communications Act 2003 General Powers to view the effect on audiences as well as the market in the widest sense. For example, there is still benefit from FM spectrum for smaller local commercial operators; giving them extra free spectrum for an SSDAB multiplex whilst allowing them to benefit from national networking and regional local content rules distorts the market economy and prevents new services launching.

In the real world, let's look at Somerset: Celador's bottom of the market 'The Breeze' services run a single 'local' editorial programme service from Bristol for 7 hours a day, within the rest of the content nationally networked. It may run over multiple FM local licenses but in reality its the UK's least local radio service as it spans three Ofcom areas. 71% of the Somerset commercial DAB multiplex is a RAJAR survey area for 'The Breeze'. Why give such licenses multiple free spectrum allocations for SSDAB to squat on where the best place for the audience to receive the licensed service is via commercial DAB. It is perverse to reward failure to engage with the rest of the commercial radio sector with free spectrum.

Gareth Cottier-Jansen
For 100% Media Ltd
February 2018

Brighton & Hove Radio Ltd

- response to the DCMS Small Scale DAB Licensing Consultation 04 Jan 2018 - Daniel Nathan 28 Feb 2018

Since launching the first recognised UK trial multiplex in Brighton in July 2015, we've seen clear demand across the country for DAB as an incremental platform for new entry level broadcasters, but also as an add on for FM broadcasters at a proportionate price point - in marked contrast with unfilled legacy 'local' or regional layer multiplexes built out with ⅔ state aid in the form of direct government subsidy and BBC licence fees.

The trial multiplexes have blazed a trail with distinctive programming, new formats, DAB+, Slide-Show as well as improved stereo sound quality and reception when compared with the legacy multiplexes. The technology is on the whole reliable considering the modest cost. DAB+ coding has been shown to offer a more robust and efficient performance set against legacy DAB and copes better with the erratic sensitivity of DAB only receivers. The trial has further, not caused any issue with adjacent channel interference to legacy services as previously advised by legacy service providers.

From the start of the process, I have advocated for a 'not for profit' route forward with single multiplex ownership following conclusion of the trial. Low cost does not require scale and diversity encourages innovation. There should also be a reserved capacity provision for locally originated Ofcom licensed commercial and community services not available on another broadcast platform. However, radio service providers should not control multiplexes - with the temptation to deny or frustrate 'rival' or alternative community or commercial radio operators from carriage. Cost oriented fees would attract long term commitment from broadcasters who may otherwise view IP delivery a more cost efficient means of distribution.

In almost every case, there can only be a single MUX operator per area. I'd therefore propose transparent and open pricing of what is in effect a public resource. This does not mean price fixing as one size and cost does not match every situation. All participating and competing broadcast services would invest in and benefit from stable multiplex development rather than allowing the multiplex gatekeeper to opt for short term value extraction with no incentive to innovate or provide public service. None of this would stifle competition. The competitive market would be in engineering firms innovating with kit and technical services, and commercial and community radio stations attracting listeners.

As we move to formal licensing, the new local multiplex operators ought to be able to have as many transmitters as required to deliver robust reception within a defined geographical area. Carriage on this new generation of local multiplex carriage should automatically become a qualifying digital commitment in terms of analogue rollover. If not, why not? Otherwise the damaging monopoly continues and we solve nothing.

The trial has been liberating and allows us to throw off the monopolist's yoke. It would be a shame if the market abused turned market abuser. We don't need more gatekeepers in the shape of a hundred mini Arqivas and profit extracting multiplex operators - I have the experience now of operating a multiplex, and there really is little involved, beyond paying the handful of bills, filling in forms and checking that service providers have paid their contribution of the very modest operational costs.

I'm really grateful for the the time and energy shown by successive Ministers and Civil Servants at DCMS in their backing for the radical experiment we began in Brighton almost six years ago. Our brief answers to the questions outlined in that 'Small Scale DAB Licensing Consultation' 4 January 2018 follow.

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1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

There should be reserved capacity for locally originated Ofcom licensed community services on FM / AM or those operating under the proposed C-DSP licence services and targeting communities of place and specialist interest or focused on minority communities and languages and also genuinely locally originated commercial services not available on another digital terrestrial broadcast platform.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

There is no reason for an arbitrary limit, rather that the multiplex should support as many genuinely local but sustainable services as there is demand for. Sustainability is key, in that low barrier to entry will allow communities of interest, schools, and start up enterprises to experiment and fail as often as they succeed. Some 'churn' will be inevitable, and should not be seen as a disincentive to restrict access to this scarce public resource. Once operational, the multiplex provider could make available any surplus capacity to new or emerging community groups on a 'first refusal' before throwing the net open to networked or commercial services. If a 'step-aside' rule were to be applied to capacity throughout the licence period, a commercial programme provider should be given a reasonable notice period of at least 12 months. It often takes far longer than that to establish a new service.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Rather than leaving capacity underused, as is the case with the majority of existing regional Multiplexes, it is reasonable that capacity should be made available for full time commercial operators on a viable term length - up to twelve months - and also for shorter terms 'pop up' events with reasonable notice to 'step-aside' as in the example given in the previous answer..

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

It makes sense for there to be a digital equivalent to existing FM / AM community radio licensing. It would of course be necessary to increase the community radio fund to meet increased demand. There should be additional scope to run very short term 'pop up' RSLs around specific events or as trials before the full launch of a new service, though this could be achieved using the existing DSP licensing framework.

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

There should be transparent and open pricing of what is in effect a public resource with cost rather than profit oriented pricing - available in a public ratecard. A strictly non profit maximising model will be clearly differentiated from the existing local multiplex model. All participating and competing broadcast services would invest in and benefit from stable multiplex development rather than allowing the multiplex gatekeeper to opt for short term value extraction with no incentive to innovate or provide public service. The size and scope of future multiplex areas will vary and so fixed pricing would not be appropriate. This does not run counter to providing opportunities for entrepreneurs with engineering firms innovating with kit and technical services and commercial and community radio stations attracting listeners. In Brighton, we have operated differential pricing for locally originated vs networked or syndicated services. We have always made our nominal rate card public, but have been flexible about pricing on a case by case basis. As a public service, operating independently of any single

service provider, multiplex operators should aim to provide the broadest range of services rather than accepting duplicate services on the basis of their ability to pay.

6. We would welcome views on this approach.

The reason that we created the original small scale DAB experiment in Brighton was to counter the legacy multiplex provider abusing their market position. The linked renewal of FM licences to carriage either enshrined in the Broadcasting Act 1996 and enforced on their behalf by Ofcom as regulator, had the unintended consequence of ensuring that as a monopoly gatekeeper, there was no need to innovate either in terms of business model or rapidly evolving technology.

The idea of breaking out from this stranglehold - using freely available open source software solution was developed by Ofcom senior engineer Rashid Mustapha as an extracurricular activity and then subsequently an Ofcom sanctioned experiment in Brighton six years ago. When I first suggested its use at a radio industry Digital Stakeholders meeting, the idea was roundly dismissed. I was told: 'we've looked at software based DAB but it's too unstable and will never work'. Thankfully, the assertion was false and the subsequent trial has been a widely recognised success.

In the light of this experience, it would be a travesty to allow legacy providers to play a controlling role in this new generation of multiplex provision. We consider neither national nor existing larger local multiplex operators should be allowed to have any commercial interest in any of the new tier of multiplexes. Their track record in the provision of DAB radio transmission over two decades has principally been the business of sweating regulator protected assets with an unfettered extraction of profits from the broadcast value chain and the consequent diminution of public value and damage to the sector. The 3rd tier is not competition for the incumbents. The trials have shown demand for carriage is primarily from the small stations that have been largely overlooked by them. It has already been seen that incumbents can gain new business from formats graduating from incubation on the trial Small Scale multiplexes.

By contrast, Small Scale DAB has seen a flourishing of new radio stations, formats and an opening to a new wave of radio professionals and volunteers. Technical innovation includes the first continuous UK implementations of DAB+ codecs with improved sound quality and listener experience, Slide-Show as well as innovation in IP contribution feeds, encoding, multiplexing, monitoring and distribution.

The most important thing to divine from the trial is that ten completely independent small scale trial projects have been able to operate independently and deliver way beyond the mainstream radio industry's expectation. Being stand alone has not compromised their ability to perform, rather it has encouraged innovation. The way forward must be to extend this approach with single multiplex ownership - the surest way to keep this nascent utility in the control of the communities it is intended to serve. Broadcast multiplexes as infrastructure even at this small scale tend to be natural monopolies. However, while the legacy local and national multiplex businesses are created on a scale where they cannot be allowed to fail, this new wave will be built to allow for bold experiment and even the occasional failure.

The scale required to deliver a network of dozens of lightweight low maintenance installations would be borne by an already emerging supply industry competing with one another rather than by a monolithic and inflexible and demotivated single vertical provider.

It would not be appropriate for multiplexes to be majority controlled by a single programme service provider because of the obvious conflict of interest. In our experience, an established community radio service voiced objections to another aspiring (and subsequently awarded) new community radio service in joining the Brighton

Multiplex. This example is the perfect illustration of why Multiplex and Radio service providers should be separate entities. A secondary concern is pairing multiplex licenses with carriage for a significant number of services and related businesses with a single community radio station due to their relative volatility.

Determining the size of a small scale radio multiplex

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

At first glance an arbitrary 40% limit is clearly protectionist in intent. However, smaller more tightly defined geographic areas are going to be more affordable and suitable for community and hyper-local services. These areas should be as numerous as spectrum access permits. Naturally there would need to be some flexibility in the modelling to allow variations - particularly with remote rural communities.

Duration of small scale radio multiplex licences

9. We would be grateful for views on these options or other options along with reasons for your choice.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence

There is no reason not to have parity on licence terms with the legacy local DAB multiplexes, particularly if these new local multiplexes are non-profit maximising. Twelve years gives sufficient time to develop deep relationships with programme providers and to realise long-term innovation plans. This needs to be the target in order to ensure the relatively lower costs of provision are matched with proportionate low cost fees to new and smaller broadcasters for the duration of the licence.

BBC access to small scale DAB

11. We welcome views on this approach. Ofcom duty to consider commercial impacts on local multiplexes

12. We would welcome views on the implications of this approach.

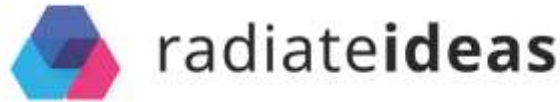
We would welcome the opportunity of allowing BBC access to the new tier of multiplex provision, encouraging the sharing of the BBC's editorial and technical expertise with a diverse range of new voices and the next generation of programme makers, engineers and technologists. The competition would likely have the benefit of driving innovation in terms of pricing and technology from legacy DAB multiplex providers and provide a seedbed for new formats ready to grow across the regions.

Finally a one line summary of our answers for ease of reference:

1. Priority for locally originated and genuinely sustainable services
2. No arbitrary capacity limit for qualifying services. 'Step-aside' rule for those that don't on reasonable notice.
3. Every effort should be made to use 'fallow' space with reasonable notice to 'step-aside'.
4. C-DSP proposal offers AM/FM equivalence and should offer access to a increased community radio fund.
5. Transparent nominal ratecard with flexibility to charge on case by case basis to encourage community access.
6. Single ownership - not for profit - independent of service providers. No involvement for legacy MUX operators*
7. & 8. 40% rule is protectionist - but with flexibility in rural areas not problematic.
9. Twelve years gives parity with legacy sector. Allows cost oriented model to recover investment with low fees.
- 11.&12. BBC share publicly owned expertise. New tier seedbed for talent and formats to wider legacy industry.

* If the recommended single ownership - not for profit model is not adopted, then Brighton & Hove Radio Ltd may consider applying for additional multiplex licences when they are made available.

Daniel Nathan
Founder, Brighton’s Juice 107.2, Director, Brighton & Hove Radio Ltd



thinking about listening

FAO Small Scale DAB Consultation
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28th February 2018

Response to DAB Licensing Consultation

I am pleased to have the opportunity to respond to this consultation and would like to applaud DCMS' and OFCOM's commitment to investigating new ways of digitalising all tiers of radio.

I have been involved with the development of DAB Digital Radio since 1996, from the initial field trials and demonstrations, through the establishment of DigitalOne and the UK's first commercial digital radio stations, and the rollout of local digital radio. I've been an active member of the global DAB community through organisations like WorldDAB and the Open Digital Radio (ODR) project, whose work has overturned presumptions about the costs of DAB.

My involvement with ODR began when I was at GCap Media (now Global Radio), where my team built a multiplex to demonstrate the capabilities of DAB, capabilities that we believed to be crucial in enabling new revenues from enhancing radio but were finding impossibly difficult to deliver through the existing DAB multiplexes. I am currently project managing two of the trials and have used the Bristol trial to demonstrate how easy it is to deliver innovation on the ODR platform.

I believe the radio industry thrives when it can deliver innovation to its listeners. DAB has allowed an expansion of choice and modest experiential benefits which have been well received by growing audiences, but the current licensing environment has prevented DAB fully reflecting the richness of the UK radio market, inhibited digital listeners' access to local radio services, and prevented innovation that could keep radio prominent in environments like the connected car.

The proposed licensing process is ambitious, seeking to enable digitalisation for radio stations in very diverse parts of the country, and with very diverse economic environments. I hope that the outcome enables every station to broadcast digitally if they so choose.

A handwritten signature in black ink that reads "Nick Piggott".

Nick Piggott
radiateideas

Responses to Questions

1. Reserving capacity for community radio

Reserving capacity does not guarantee the carriage of community and local commercial broadcasters if that capacity is unaffordable.

OFCOM should indicate, not stipulate, how much capacity should be reserved for community services, explaining their conclusion based on existing and expected community service count and assumptions of capacity per service.

Applicants should commit to how much capacity they will reserve for community services and indicate with which community services and local commercial services they have carriage agreements in place for launch. OFCOM should be prepared not to award the licence if none of the applicants have such agreements.

There should be flexibility for a community service and the multiplex operator to mutually agree a different per-service capacity allocation than assumed by OFCOM, but within the overall reserved capacity.

DAB+ should be considered as the best way to maximise the number of community radio services in the available capacity. Whilst the industry does not have an official measurement of the extent of DAB+ accessibility by listeners, many of the trials operated with DAB+ services and anecdotally did not receive many complaints. All DAB radios sold with the “Digital Tick” must meet the Minimum Specifications for DAB and DAB+ Radio devices, published as part of the Digital Radio Action Plan in 2013, and en-route to becoming a European standard.

However, each service provider should be free to make their own cost-benefit assessment of coding technology and capacity cost, and it's possible that services will change from DAB to DAB+ as the receiver market continues to evolve.

2. Upper limit of reserved capacity

There should not be an upper limit on reserved capacity.

Although some cities may have a large number of potentially eligible community services, it should be for applicants to justify a different limit from OFCOM's indicative figure, on grounds of affordability of community capacity and sustainability of the licence.

3. Offering unused reserved community capacity on a temporary basis

Short-term, RSL and “pop-up” services happen very infrequently on existing local multiplexes, despite them being popular in the analogue domain, indicating that process and cost are too obstructive.

Unused community capacity should be available for commercial use as it enables digitalisation of RSL services, is spectrally efficient and financially positive.

The applicant should commit to a published pre-emption period for community stations wishing to join the multiplex using unused reserved community capacity, which should not be longer than 12 months.

4. Proposed C-DSP licence

OFCOM is proposing to have a continuing role in defining “community radio” in the digital domain. This removes the burden from individual multiplex operators to do so and prevents any potentially inconsistent definitions of “community radio” across different multiplex operators.

Similarly, community radio stations may find that OFCOM validation of their status helps with issues like music rights licensing, which have proven to be painful to negotiate for services participating in the trials. The proposed indefinite length of a C-DSP licence is entirely appropriate.

OFCOM may want to consider the implications of “community of interest” stations, which have no specific geographic community target, and how demand for capacity from these services might outweigh that from existing locality-based community services.

The proposal to issue C-DSP licences is desirable, but the implications of “community of interest” stations should be considered.

5. Commercially operated multiplexes

Applicants should be free to propose either a not-for-profit or commercial structure for their business.

There are benefits to each approach, dependent on circumstances. A not-for-profit organisation may be able to attract grant funding for large capital items such as transmitters, and use surpluses generated from commercial activities to provide protection against fluctuating revenues, or to distribute to other not-for-profit organisations (including the community radio services they are carrying). This model might be appropriate in areas where the community service is the only local radio service and will be funding the whole operation with little likelihood of income from other service providers.

Commercial companies can provide investment for capital and operations, may provide more stability than a not-for-profit, may be more motivated to maximise spectrum efficiency and can offer profit-share to their service providers. Stability of operation is important for the shared resource of a multiplex, to protect all service providers. This model might be more appropriate in areas where there is likely to be multiple service providers with an expectation of reasonable coverage and reliability, but the revenues from commercial service providers will help decrease the cost for community services.

Commercial and not-for-profit organisations could work collaboratively to operate multiplexes, allowing service providers to have a strategic input but relying on a commercial organisation to monetise spare capacity and provide technology operations.

Regardless of the profit-status of the multiplex licensee, the assessment should be on accessibility for community and local commercial services, and sustainability.

The proposal that applicants publish a rate card for protected community capacity, which is a binding licence commitment, will provide effective protection for community services.

Similarly, applicants may commit to a maximum capacity allocation and rate card for existing in-area small analogue commercial services. The capacity allocation would not be protected. This provides transparency for existing small commercial radio services, but more commercial flexibility for the multiplex operator.

Remaining capacity should be available to any DSP holder. This would allow the multiplex operator to offer protected “community” capacity and “local” capacity at a rate lower than they might otherwise be able to. The trials have shown that there is reasonable demand for such commercial capacity.

OFCOM’s Frequency Planning Feasibility Study showed that 130 out of the 192 identified multiplex areas would only have 1 or 2 services on them. The ability of the multiplex operator to sell surplus capacity is both spectrally efficient and important to supporting a funding model that enables reliable operations, and sustainable and affordable access for community radio.

6. Limits on licence holding

Plurality of multiplex provision should be paramount in the licensing approach, and the proposals are broadly good.

Care must be taken to clearly define who “licence holders” are. It may be more precise to apply the restriction to any company or individual who has a significant interest in a multiplex licence.

The limit of 5 licences to be held by a company/individual with a significant interest in a national multiplex seems to be of the right scale but may need to be revised once the shape and scale of new multiplex areas are clearer. It would be disappointing to have to prioritise 5 communities from potentially 10 or so that would benefit from this mixed-economy approach to DAB coverage. The “Step-Aside” proposal is suitable protection, if OFCOM believes the other application(s) is/are sustainable.

Allowing applicants to hold multiple licences enables them to invest in and support a portfolio which is more financially robust, but the prevention of monopoly of provision in an area is paramount. If each multiplex licensee has made binding commitments to community and small commercial capacity reservations and prices, there seems to be no risk in allowing multiple licence ownership as proposed, but benefits from stability, investment and skilled support.

The current approach of allowing DSP / C-DSP licence holders to secure carriage as they see fit is consistent and fair. Any other approach would have to be retrospectively applied to existing DSP licences, which would unacceptably weaken the range and quality of services available to listeners.

7. Delineation of multiplex size &

8. Upper coverage limit

Establishing appropriate coverage is essential for the viability of these licences.

In areas where no local multiplex exists after 18 years of DAB licensing, it could be reasonably assumed that there is no interest from the existing providers in establishing one. Therefore, it’s unclear why OFCOM should be subject to an arbitrary cap of scale on those areas. If a cap is required, it should be sufficiently high to allow the remaining white space to be covered with a relatively small number of large coverage multiplexes. (for example, locations like Cumbria and the Scottish Isles would fit within a cap of 10,000sqkm).

If a community service is the only service in a proposed area, they may plan to pay entirely for a very cost-effective replication of their analogue coverage and discount the possibility of revenue from out-of-area services.

However, in areas where there are local commercial services and interest from new service providers, these multiplexes provide an affordable route to local audiences now listening to digital radio, and they can provide valuable and reliable revenue streams to offset the costs of operation, assuming that coverage is attractive. For a local commercial service, that may mean coverage that broadly replicates their existing analogue coverage, and which is likely to be larger than each of the individual community services in the same area.

As an example, in the Feasibility Study, the Bristol urban area was planned with two separate multiplexes (City of Bristol, with 3 services; South Gloucestershire with 1 service) which together provide approximately 80% coverage of the 107.2 MHz licence. These two separate areas might not be optimal for spectrum efficiency and sustainability, and unattractive as coverage to the existing small commercial service.

Referring to the response to Q12, there may be no need or benefit to impose a coverage cap relative to the existing local multiplex, as the impact of new multiplexes at any scale seems unlikely to be material on the existing local multiplexes.

When constructing the indicative frequency plan, OFCOM should not be restricted by an arbitrary coverage limit relative to the existing local multiplexes, but instead guided by efficient coverage of both existing community and small commercial services.

In nearly all cases, this coverage will be below 40% of the existing local multiplex(es). At advertisement, applicants should be allowed to propose a coverage approach that may differ from OFCOM's guidance, justified by balancing accessibility for community radio and stability based on revenues from local commercial services and new service providers. In certain circumstances, coverage may be non-contiguous within the multiplex area.

Listeners should not notice any difference in experience listening to services on these multiplexes (within the intended coverage area) to those services on existing local and national multiplexes. Coverage should be planned to identical standards as currently operating multiplexes, and the applicant should be free to establish their coverage within the agreed contour in any way that they see fit. As noted in the briefing notes and Feasibility Study, multiplex operators may find that using non-traditional sites is the most cost-effective way of delivering robust coverage into cities, and this approach must be supported, including a review of OFCOM's Technical Criteria as they apply to low power transmissions, and the process for other multiplex operators to consent to new transmission sites.

If it is clearly established that the primary licensing criterion is an applicant's capability to sustainably and affordably carry community radio services, that will drive applicants to consider the optimum coverage of an area to balance costs and revenues.

9. Licence Duration &

10. Linking licence duration to demand

Multiplex licence durations should long enough to enable capital costs to be recouped at a realistic rate and for contracts for transmission sites to be attractive to site owners. Whilst much of the equipment that can now be used to reliably transmit DAB is far lower cost than historically, some elements remain expensive to commit to.

7 years seems a minimum acceptable period. Varying this licence period according to demand seems difficult to achieve in practice. The automatic renewal attached to the original DAB

multiplex licences has delayed potentially positive changes and does not seem warranted in this situation. If a multiplex operator is doing a good job and has the exclusive support of their service providers, it makes mounting a challenge unattractive. Similarly, if licences can be handed back without penalty, it is easier for a failing multiplex operator to be replaced.

OFCOM should consider standardising multiplex licence durations for these licences and renewals of existing local and national multiplex licences. There does not seem a great deal of justification for preserving a differentiation.

11. BBC Access to Multiplexes

The proposals to allow the BBC to engage with these new multiplexes are positive and allow the BBC to continue to support the development of DAB.

12. Commercial Impact on Local Multiplexes

OFCOM should not assess the commercial impact on local multiplexes.

The existing local multiplexes all have “core” service providers (including the BBC, except on London I and London III) on carriage contracts that it is reasonable to assume have terms that cover the multiplex operating costs for the remaining licence periods (most greater than 6 years).

Forty-one of the local multiplexes have been on-air for more than a decade (and fourteen for about 4-5 years), and this seems to be ample time for these predominately monopoly suppliers to have established affordable carriage agreements with existing analogue broadcasters.

It may be that the establishment of this licensing process encourages a local multiplex operator to reassess their rate card, enabling community and small commercial services to get onto their multiplex, and remove the demand for new multiplexes in their area.

The establishment of new multiplexes seems to pose little existential risk to existing local multiplexes.

DAB Conultation

Radio Central <anjum@radiocentral24.com>
To: smallscaledab@culture.gov.uk

28 February 2018 at 16:42

Dear Sir/madam,

We are an internet radio station that have taken part in the small scale DAB mini mux in Birmingham, Manchester and Glasgow.

I act for Heritage Radio Manchester which is a community radio station. I also act in a personal capacity for Radio Central which has been transmitting on DAB (Small Scale) in Birmingham and Glasgow.

The following are the answers in the number order, they appear in your PDF.

1. Yes
2. I think there should be an upper limit set on all small scale multiplexes, and should be the same across all areas except london beacuse there is a larger population density.
3. I think small scale Multiplex operators should provide space on an annual contract basis to all participants. I think it is unprofessional to allow small operators to use the platform on a temporary basis. It does not serve the end purpose, which is to provide a sustainable service to the listener.
4. I think it is good to create a new C-DSP licence for small scale as currently, there is only one DSP licence which falls under the commercial category and is treated as a commercial licence in terms of PPL/PRS. We have been treated like a commercial radio station as the DSP licence we hold does not make provisions for a small scale internet based radio station. We are currently negotiating with PRS and PPL for a blanket licence as we are struggling to pay royalties as currently there is no provision.
5. I would agree with this approach. I think it would be important for operators of small scale DAB to give preference to community radio stations, and charge appropriate fees to commercial radio stations. Furthermore, the fee structure should be transparent, and operators should treat everyone fairly. I would be concerned that commercial operators who have more money than not for profit community radio stations working on social gain are able to hijack the platform in future. In this case, there should be a system put in place which looks at such future complaints and deals with them in a fair and proper manner from Ofcom.
6. Agree.
7. I agree with the two step approach.
8. I do not agree with the 40% limit. I think the commercial operators have an unfair advantage over the coverage. We have discovered that the trials cover a very small area and although are a fantastic medium, the coverage is limited. I think the local minimuxes should be allowed more power to cover 65% of the area that is currently covered by existing local operators. I have two radio stations operating on three mini muxes. We have not made any impact on any platform and have paid thousands of pounds in fees from our pockets. This is because we are limited to a very small coverage area.
I would argue for 65% limit, and I would argue for better transmission height especially in Birmingham where the local trial multiplex has failed to meet the minimum requirements.
9. I think there should be a five year cap placed on all licence holders. A preference should be given to the licence holders, but it is important that at the end of the 5 years, the licence holders would have to bid for their licence to be renewed, and other prospective bidders should be allowed to come in and bid for the same licence. At the moment, we see a monopoly with the big radio groups operating large multiplexes, and I would not want that for the small scale DAB.
10. The licence length should remain the same, and licence operators should demonstrate a business model and have necessary funding in place prior to applying for a particular area for the duration of the licence award. I think its pointless having different limits on licences in areas which will have less demand. It should be the same across the board.
11. The BBC has its own platforms and should remain outside of the small scale DAB spectrum completely. I believe some operators such as the once in Birmingham could've done a far better job in their transmission, henceforth, there has been little demand in Birmingham. The Manchester minimux has been running as a commercial entity constantly expanding to host more services on DAB+ hence, there has been a large demand.
12. I disagree that small scale DAB operators have had any financial impact on local DAB operators. I don't think the local DAB operators should be applying for and being awarded small scale DAB licences. I think, this should be awarded to new operators who would run this for the benefit of not-for profit radio stations working on social gain. I have been monitoring the progress of some of the current mini-mux operators and have been disappointed with the way their system was set up, and the service they provided.

I think there should be more checks in place if Ofcom decides to offer or renew licences held by current operators. I must stress that as the second city (Birmingham), we have suffered the most in terms of our DAB coverage during the trial. I would like Ofcom to re-advertise the Small Scale DAB to allow another operator to come in and install an effective service.

Kindest regards,

Anjum Rafiq



Anjum Rafiq | Head of Operations



www.radiocentral24.com

**DCMS
SMALL SCALE DAB LICENSING CONSULTATION
4 JANUARY 2018**

RESPONSE BY DANIEL ROSE, MEDIA CONSULTANT

This Consultation is welcomed as it will give the opportunity for many small stations both existing and new entrants, to have access to the digital radio platform where previously they have been unable to do so because of the high cost, lack of capacity or inappropriate broadcast coverage areas.

Appetite for radio continues to grow – digital listening figures, commercial radio revenues and new station licence applications remain buoyant. The Foreward to the Consultation mentions that the 10 trial areas now carry around 140 different services on DAB and DAB+ and at least 60 new unique services.

However the Consultation does not cover some areas which are relevant to the licensing of small scale DAB multiplexes:

- 1) What criteria will be used for the awarding of small scale multiplexes? – currently Section 51 of the Broadcasting Act 1996 applies

Is it intended that this legislation will apply to the awarding of small scale multiplexes or will some other mechanism be used?

- 2) Future provision for analogue licence rollovers resulting from simulcasting or providing an alternative digital service

Will current legislation apply to the provision of services on small scale multiplexes? Will services currently providing digital services on local multiplexes be able to switch these services to relevant small scale multiplexes to conform with existing or amended legislation? This may well alter demand for capacity on small scale multiplexes.

- 3) The percentage of DAB+ services allowed on any multiplex

I do believe that it is not necessary to restrict the capacity allowed for DAB+ services on small scale multiplexes. The main burden for many stations broadcasting on DAB or wanting to broadcast on digital is cost so any opportunity to keep costs lower would be welcomed. It would seem somewhat arbitrarily to allow founder stations on small scale multiplexes to broadcast on DAB+ but subsequent additions be only allowed to broadcast on DAB if some DAB+ limit has been reached.

Further clarity will be required on these issues so that informed decisions on licensing can be made.

COMMUNITY STATIONS AND SMALL SCALE RADIO MULTIPLEXES

Question 1 – We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Whilst the principle of reserving capacity for community stations is sensible to enable for them to have access to small scale multiplexes there are a number of local commercial stations who may wish to acquire digital capacity on a small scale multiplex where they have been unable to do so in the past due to either lack of capacity, no available multiplex or too-large a coverage area. Capacity should be reserved for them also. That said, new entrants should also be able to gain access to small scale multiplex to increase listener choice. The number of new stations launching on the 10 multiplexes has been a feature of the trial and given the opportunity, more would launch also.

Question 2 – We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

An upper limit should be placed on the amount of capacity reserved but it will be difficult to set a single figure across all multiplexes as demand will vary from region to region. If an average of 2-3 community services per multiplex is used, then an upper limit of 25%-35% could be applied with a similar amount reserved for local commercial services. Flexibility should be built in however to enable case-by-case determination.

Question 3 – Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Capacity should not be offered on a temporary basis as this does not allow any future certainty for stations wishing to launch existing or new stations. Temporary capacity could be offered for relatively short-based events such as Ramadan or local music festivals.

DIGITAL COMMUNITY RADIO LICENCES

Question 4 – We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

The new C-DSP licence should be introduced for community services taking capacity on small scale multiplexes as this will align the obligations of their analogue licences with their digital service. Also it is agreed that new community services on small scale multiplexes should only apply for a C-DSP licence with the associated terms and conditions.

RESTRICTIONS ON HOLDING SMALL SCALE RADIO MULTIPLEX LICENCES

Question 5 – We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

Provision should be made to allow both commercial and non-for-profit entities to hold small scale multiplex licences as long as there is full transparency on ownership, pricing and inter-company pricing where capacity is taken by shareholders.

OWNERSHIP RESTRICTIONS

Question 6 – We would welcome views on this approach

Entities to hold a single licence – this would be too restrictive and would not allow for the development and growth of the small scale multiplex platform

Existing national multiplex licence holders – the proposals would seem reasonable although the number of licences may need to be discussed further. Clarity is required as to which entities are ‘caught’ in this section being national licence holders and/or their shareholders where further ownership restrictions should apply.

Existing local multiplex licence holders (with no interest in national multiplex licences) – the proposals are too onerous and will prevent the growth of the small scale multiplex platform

Individuals/organisations/entities holding no national or local multiplex licence – the proposal is agreed with transparency as to who the applicant is

Restrictions on holding multiple licences in the same area – the proposal is agreed but again with transparency as to who the applicant is

Carriage restriction – the proposal is agreed

DETERMINING THE SIZE OF A SMALL SCALE RADIO MULTIPLEX

Question 7 – Do you agree with this two-step approach to delineating the size of small scale multiplexes?

The two-step approach would appear sensible

Question 8 – Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

To agree a single limit for each area will be very difficult due to urban concentration and topography – service providers on the small scale multiplexes would be seeking listeners so population covered is more relevant than area covered. The multiplexes will need to be considered on a case-by-case basis.

DURATION OF SMALL SCALE RADIO MULTIPLEX LICENCES

Question 9 – We would be grateful for views on these options or other options along with reasons for your choice.

For multiplex planning and station development, 7-year licences with 5-year options to renew (with no area restrictions) would seem the most appropriate.

As previously mentioned, the Foreward to the Consultation details the trial areas now carry around 140 services with 60 of these unique to the small scale multiplexes. The Foreward also states that the DCMS will ask Ofcom to extend the existing 10 trial licences for a further period until the new arrangements come into place.

Whilst the consultation does not specify how the new small scale multiplexes will be awarded, I would propose that the existing 10 trial multiplex licences be given the option of an automatic roll-over when the new licensing regime is introduced or existing services are given guarantee of carriage. This will give future certainty of capacity for services currently on the trial multiplexes and will fulfil the DCMS wishes to put the existing trial area services on a proper long-term footing.

This would be analogous with the roll-overs given to the national and local multiplexes.

Question 10 – We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

This should not be adopted

CREATING ADDITIONAL LOCAL MULTIPLEXES

A review on the possibility of additional local multiplexes where there is demand would be welcomed as long as this does not undermine the development of small scale multiplexes in the same area.

BBC ACCESS TO SMALL SCALE DAB MULTIPLEXES

Restrictions should not be placed on the BBC taking capacity on small scale multiplexes as long as it is only supplementary to existing coverage. Capacity should not be reserved for them.

Question 11 – We welcome views on this approach.

DANIEL ROSE
28 FEBRUARY 2018

DCMS Small-Scale DAB licensing Consultation (closing 28/2/2018)**Response from U.DAB (London SSDAB Trial Licensee)**

Q1 (Reserving capacity for Community Radio). Yes, we agree with the principle that Reserved Capacity seems the most sensible way to ensure access to SSDAB for Community Radio.

In our Trial case we have run recently with seven Community Radio services out of a total of twelve on the Multiplex i.e. just short of 60% Community (the seven CR include two that are non profit distributing but do not currently hold analogue CR licence). For the future we have high levels of demand from both sectors with a similar split.

There could be a problem defining Community Radio, although the proposed new C-DSP license will go a long way towards solving this eventually. Won't some decisions, such as the Reserved Capacity on a given SS Multiplex, have to be made well before the C-DSP licence will have captured the interest already present?

We have had numerous requests for carriage from prospective Community Radio groups who do not have current Community Radio licences. Some of these were not considered sufficiently experienced to make an ideal partner during the busy Trial phase, but may be entirely suitable Programme Providers when we as multiplex operator have more time available for evaluation and customer support. One of these, Zone 1 Radio (Central London), has since successfully launched on UDAB.

In general it would seem perverse if community stations' claims for access to DAB were devalued, or they were even denied access to DAB altogether, merely because there were no analogue frequencies available for them in the past.

A better indicator might be previous licence applications and expressions of general interest to ofcom? Another possibility might be for ofcom to open a general window for registration of interest in the proposed new C-DSP licences at an early date and use these registrations alongside existing CR licences as the best guide to demand.

Reserved Capacity could be of limited effect without some price cap or similar power at ofcom (we don't agree that public price transparency would be a good adjunct to Reserved Capacity, see Q4). Unscrupulous SSDAB Multiplex Operators could stick to unfairly high fees to price out Community Radio and sell the capacity to Temporary services (one can foresee a lot of pressure on the definition of 'Temporary'). At UDAB we operate a percentage discount for Community Radios (which we define simply as non-profit distributing in the interim before the C-DSP license arrives). However we don't make the details of such discounts readily available; having to negotiate with multiple partners is a tricky balancing act and considerable burden as it is, anything that encourages applicants to worry about the business models of others rather than concentrating on their own is distinctly unhelpful).

One option would be for ofcom to have the power to specify a price differential (percentage of the commercial rate) for Community Radio as a 'log-jam breaking' measure where there is a dispute over the rates for the Reserved Capacity.

DCMS Small-Scale DAB licensing Consultation (closing 28/2/2018)

Response from U.DAB (London SSDAB Trial Licensee)

Q2 (Upper limit for Reserved Capacity). Yes an upper limit, especially for now, since existing Community Radio licensees are not the only game in town, as mentioned in Q1.

Q2b (Should limit on Reserved Capacity be the same everywhere?). There is considerable merit in a single universal limit (saving everyone's time, and it would be much more robust against future misuse). However in view of the very diverse circumstances likely to apply in different environments, especially thinking in terms of the extremes of Metropolitan centres versus remote rural areas, we feel it may be best to allow different limits to be set, but perhaps within an overall ceiling, which could be set quite high (60% does not seem unreasonable in the context of the busiest environments, especially once C-DSP licences are available).

Q3 (Unused CR capacity availability for Temporary use). There are obvious advantages of efficient use of the spectrum and economic common sense if multiplex operators being able to offer unused SSDAB reserved capacity to temporary services. However this could exacerbate the problem with Q1 & Q4 if there isn't a satisfactory log-jam breaking power somewhere to prevent multiplex operators overcharging for CR access. Having unused capacity is a deterrent to overpricing, although judging by current practice elsewhere, not a very strong one. We have little confidence in our ability to determine which is best, maybe a compromise is best whereby half of any unused capacity could be used for Temporary? Or a sliding limit based on how long capacity has been unused for? (In general programming it is a point of good practice that abrupt limits can cause perverse outcomes and gradual limits are better in that respect).

Q4 C-DSP licensing to bring Community Radio style licensing to DAB. This seems entirely sensible and we fully support it.

In our Trial we also already have several broadcasters clearly providing useful social gain and community service but from a commercial structure. LGR London Greek Radio and Rainbow Radio (West African) provide radio services for immigrant communities with many programming elements that would be familiar to Community Radio. Solar Radio provides a valuable service to a broad church of genuine soul music enthusiasts. Once the C-DSP licence is available such groups will have a clear choice to remain commercial or transition to Community status if they feel that would better suit their objectives.

DCMS Small-Scale DAB licensing Consultation (closing 28/2/2018)

Response from U.DAB (London SSDAB Trial Licensee)

Q5 SSDAB Licensing Restrictions - New Entrants

What types of entity should be eligible to hold SSDAB multiplex licences:

We fully support the mentioned goals and the proposal for a mixed model approach, due to very diverse circumstances across the UK.

There is the possibility of a new paradigm here which includes new entrants as well as existing small-scale and Community Radio broadcasters.

New entrants (both broadcasters and multiplex operators) have proved throughout the Trial that a model based on small commercial entrepreneurs can work to the benefit of all. It will be necessary to safeguard such examples to make sure they don't lapse into (or get taken over by) purely profit-maximising larger entities. It is likely that, if community radio stations didn't have suitable technical expertise in house at the outset and had to pay market rates for expert services, in many cases SSDAB multiplexes would never get off the ground due to lack of incentive to take on the considerable costs and risks of establishing the multiplexes.

Pricing Transparency Requirement: Although both attractive and correct in principle, we believe if this is introduced it will not work well in practice. A./ Price transparency will only encourage a type of interpretation which bears no resemblance to the realities of an individual broadcaster or their long-term best interest, and less still to the best operation of the multiplex as a whole. We have already experienced this in the Trial where broadcasters have no idea of the technical requirements (see following paragraph) or the cost of expert manpower, and have wasted huge amounts of time negotiating something they clearly did not understand. B./ It might have the unintended effect of pushing prices up to the highest of those first disclosed. C./ It would be highly inequitable cf the incumbent (Arqiva) which operates with highly secretive price policies. Any duty to disclose should apply equitably to every entity, or will be open to legal challenge. D./ Comparison between areas based solely on a list price would be fantastically misleading and unrealistic, since circumstances are so diverse (eg London SSDAB has three sites already & needs one or two more, far higher costs than most).

An ofcom power to demand price information in specific cases of alleged abuse & adjudicate would be much better. For this to be effective, ofcom would need to consult on and agree a fair price per Capacity Unit per Site installed, and which might need to specifically allow for such variables as transmitter size (power) and site rental (again, there is vast disparity between locations). Also, costs that few will have currently even have considered such as the cost of finding suitable sites and optimising their coverage with real antennas, negotiating access & safety issues, mandatory industry consultation regarding so-called ACI & its mitigation, and so on, all have substantial costs that it would be completely unrealistic to expect the average community radio or small commercial radio manager to understand. (It is bad enough going from simple "chuck 'em on" RSLs to small-scale FM, but DAB

DCMS Small-Scale DAB licensing Consultation (closing 28/2/2018)

Response from U.DAB (London SSDAB Trial Licensee)

introduces a higher level of complexity altogether). In some cases their view has proved to be that all these matters should be swept under the carpet and that they are certainly not going to pay for them. An industry agreed rate table curated by ofcom might capture and highlight some at least of the major factors and prevent the technical provision of SSDAB falling into chaos and recriminations due to sharp practice by new service provider bidders who may not have any care for the long term consequences.

Q6 Ownership Limits - Wider Radio Industry. Agreed that a limit of one licence per organisation would probably be too restrictive. However, what is proposed is opening the flood-gates to massive co-option of the entire scheme by the existing radio industry. I don't think the industry's track-record to date on the introduction of DAB transmission (or for that matter on provision of transmission for AM & FM radio services) can be cited as any model for future success. In fact the virtual monopoly provider Arqiva is loss-making, even whilst obtaining massive support from the taxpayer via the BBC must-carry obligations on the Local layer and being the only entity (because of its inheritance of all the legacy BBC and IBA transmitter sites, which give it an exclusive monopoly on high power transmission) possibly able to provide the National layer.

Existing National – Five licences is far too many, what justification is there for any at all? ... Maybe one, for experimentation. Haven't they got enough of an economic monopoly already? If they are to have any licences more than one, the percentage cap should be 33% at most to discourage seeking overall dominance / control. Better they should be kept away until the new paradigm has a chance to develop independently.

Existing Local, unlimited. No argument against in principle. But allowing any entity unlimited ownership is undesirable, at least in this early stage. Diversity of provision will foster innovation and competition. Hard limits are unfortunate but perhaps a points-based limit of full ownership of three SSDAB multiplex licences or 50% of up to six SSDAB muxs FOR ANY ENTITY (including newcomers) would help avoid stifling innovation for the first licence period. This can be kept under observation and less restrictive limits adopted in later years.

DCMS Small-Scale DAB licensing Consultation (closing 28/2/2018)

Response from U.DAB (London SSDAB Trial Licensee)

Q7 & Q8 Determining size of SSDAB multiplexes and the 40% limit re Local muxes covering same area. We are in full agreement with the two-step approach. A limit of 40% of the area of an existing local multiplex is sufficient, along with the Reserved Capacity proposals, to distinguish SSDAB from the Local layer.

“Capable of reasonable reception” is quite correct in its goal but WIDE open to misuse (of which there is, unfortunately, a history; details can be provided). Coverage definitions within the agreed target coverage area must be the same for all players. This is very basic economic equity!

For us, the biggest problem to date in the entire Trial Scheme is ofcom misapplication of clear industry / ITU / EBU norms for defining coverage. They've used 63dBuV for SSDAB / Indoor / City, whilst allowing the incumbents to install additional transmitters in the same area that producing over 81dBuV, and where that same area was already blanket covered by the incumbent (local multiplex) to above 75dBuV prior to the addition. This is blatantly inequitable and by a very large margin. SSDAB operators should be free to develop their services to the full extent economically worthwhile within the agreed coverage area, enabling reasonable indoor reception (certainly could not be less than 71dBuV in a major metropolitan area), subject only to provisions to protect other spectrum users.

A defined polygon adjacent area protection approach will definitely maximise efficient use of the spectrum.

We surveyed our customers for this Consultation and the responses showed the following:

UDAB's nominal coverage area matches the station's coverage needs: 81% overall.
Overall satisfaction with coverage actually achieved: 55% overall.

We have been keen to improve our coverage, especially after the two-year Trial licence extension, but have been thoroughly held back by ofcom.

We are keen to provide further detail information to support the above statements.

Q9 & Q10 Duration of multiplex licences. Amortising capex, and overall risk of loss (which also includes other equally significant costs such as the manpower required to plan, apply, and set up) means shorter durations will push up carriage fees. Also, the administrative burden on ofcom increases with sort licences. Re-advertising of licenses should tend to inhibit price abuses by mux licence holders / service providers, but only weakly. About 8 to 10 years duration seems sensible for our case from our point of view, but in more rural areas, longer should be a possibility and 12 years seems only fair. There are a lot of diverse circumstances. Short licences would be unduly onerous on smaller providers without the opportunity to redeploy equipment if a multiplex licence is lost, which the incumbent provider does enjoy.

DCMS Small-Scale DAB licensing Consultation (closing 28/2/2018)

Response from U.DAB (London SSDAB Trial Licensee)

Q11 BBC access to SS Mux licences. We agree with principle stated here.

BBC holding multiplex licence could result in spectrum blocking and / or higher costs for Community Radio operators of such services. Agreed they should not be excluded as that could be helpful in certain remote regions. However ofcom should have a duty to ensure BBC holding any such licences would not prejudice the possibility of Community operators also obtaining a license (a 'no-block' obligation).

General points not covered by specific questions

The scheme is a major opportunity to solve some of the problems of the mooted transition from Analogue to Digital broadcasting. It would be sensible to avoid measures which allow the old failed DAB model to replicate itself and stifle innovation. This can be a new paradigm with new opportunities, but only if innovation is encouraged and some competition with the old model allowed.

Many of our broadcasters employ innovative & diverse funding models for both (nominally) commercial & community stations: for example Repräsent bases itself upon inclusion and training for the youth, Rinse has music production & live events, Solar Radio funds itself partly through promotion of its Soul Cruises. These business models are orthogonal to conventional radio funding and thus not a commercial threat.

Coverage equality within the defined coverage areas is **essential** if DAB is to offer any realistic benefit to smaller broadcasters who already have FM and AM allocations.

Historical FM coverage due to what was available at a moment in time on FM should not stifle coverage improvements nor new entrants.

The technical conditions surrounding small-scale DAB are also going to drive how well it performs its stated purpose. Ofcom's attitude to various issues as diverse as ACI liaison & mitigation, DSP licensing, and technical characteristics of the transmission (mask filtering) have already deteriorated from the early "can-do" approach of the initial Trial, where now even simple administrative changes routinely take many weeks or even several months to action. Specific examples can be provided. Hopefully the transition from a Trial to a full roll-out will allow this to be resolved whatever the cause.

[ends]./

**For the Attention of:
Small-Scale DAB Consultation
Media Team,
Department for Culture, Media and Sport
4th Floor,
100, Parliament Street,
London,
SW1A 2BQ.**



28th February 2018.

Dear Sir / Ms,

As current operators of the Ofcom licensed trial localised (small-scale) DAB multiplex for the Greater Norwich area, seeking to operate this multiplex on a long-term basis in future, please find below our response to the above consultation.

Future Digital Norfolk Limited welcomes the Government's commitment to the introduction of additional digital audio broadcasting opportunities for community radio services and smaller-scale commercial stations across the United Kingdom.

We are pleased that the proposals put forward are predicated on a desire to ***"create a streamlined and light touch regulatory structure for small scale DAB"*** as well as ***"to put the existing trial area services on a proper long-term footing"***.

We believe that the introduction of a new tier of localised DAB multiplexes provides an ideal opportunity for Government to facilitate local media in the face of increasing conglomeration within wider radio broadcasting.

We support:

- Prioritising access to DAB for community radio services and smaller local commercial radio stations.
- The creation of new category of digital Community Radio licences, supported by a realistically expanded Community Radio Fund.
- A preference for the operation of new DAB multiplexes owned by non-profit-maximising incorporated organisations.
- Coverage areas for the new multiplexes defined in terms of recognisable geographical communities.
- Licence terms for multiplex operators of no fewer than twelve years duration.
- The provision of access to such multiplexes by the BBC.
- The creation of a new and separate tier of smaller DAB multiplexes which is complimentary to, rather than in competition with, pre-existing larger DAB operations.

However, in light of the above underlying objectives, as set out by the Minister in the foreword to this Consultation Document, we were somewhat surprised to discover that the document includes some proposals, which, in our view, run counter to the stated aim of creating a light-touch regulatory regime for the new tier of localised DAB multiplexes.

We note, for example, that the consultation suggests the provision of multiplex licences of a far shorter duration than has hitherto been the norm across the industry. We do not understand how this can be considered a “*light touch*” approach. Short-duration licences would create additional bureaucratic burdens, not only for new localised multiplex operators themselves, but also for the sector regulator, Ofcom. In addition, the resultant lack of long-term operational certainty would limit technical innovation and investment by operators and reduce opportunities to develop cost effective multi-year operating contracts with individual community radio services and smaller commercial stations.

We are also concerned that such an approach would create an unfair playing field in relation to existing local DAB operators, who typically enjoy much longer licence durations. In some instances, such an approach risks deterring new entrants to the field, put off by the lack of long-term operational certainty that would inevitably result. Innovation and profitability require operational stability and neither can be maximised within a short-term, and therefore intrinsically insecure, licensing environment.

We are also concerned about the degree to which the consultation suggests that existing commercial radio operators might be able to expand into this new tier of digital radio broadcasting. Existing local commercial operators should indeed be given opportunities to innovate within DAB, however not at the expense of preventing diversification of ownership across the sector as a whole. The consultation, sensibly in our view, suggests a ‘step aside’ rule in relation to operators involved in national DAB, we believe that this approach should be taken in relation to those involved in existing local DAB multiplexes as well.

The 2017 enabling legislation (The Broadcasting (Radio Multiplex Services) Act 2017) modified The Communications Act, 2003, such that it would be possible to disqualify “**persons who have an interest in a national or local radio multiplex service**” (Section 258A: 4(b)) and to “**require small-scale radio multiplex services to be provided on a non-commercial basis**” (Section 258A: 4(c)).

Although we choose to operate our current trial multiplex licence on a not-for-profit basis, and would prefer to see non-profit-maximising organisations prioritised in the running such multiplexes for the benefit of local people, we feel this should be a decision for individual multiplex operators. We welcome fair competition, however in relation to the involvement of existing multiplex operators, we take the view that the Government’s proposals risk creating conditions which would lead to the creation of quasi-national networks of smaller DAB multiplexes. If local ownership is not prioritised, past mistakes in

relation to the creation and delivery of locally relevant content risk being repeated.

More broadly, we subscribe to the principle that regulatory burdens should be applied proportionally and in light of the relative risks and impacts associated with the operations of the organisation(s) being regulated. Given the small-scale nature of the proposed new sector of DAB broadcasting, as well as the localised nature of its individual operations, lower regulatory burdens than those that are applied to larger established multiplex operators should be appropriate.

We set out below our more detailed responses to the specific questions asked as part of the consultation and, despite our various concerns, we reiterate our broad support for much of what is being proposed. We trust that when responding to the consultation, the DCMS will prioritise the long-term stability of a distinctly separate new tier of DAB broadcasting that, from a position of independence, will strengthen the wider broadcast radio sector as a whole through the provision of complimentary services to those provided by existing operators and a plurality ownership at the local level.

Responses to specific Consultation questions:

2.2 Community stations and small scale radio multiplexes

1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

We agree that a priority for this new tier of DAB should be for the provision of carriage opportunities for community radio services, and indeed for smaller commercial broadcasters. One way of achieving this for community based services would be to reserve some capacity for their use.

More specifically, we feel that if reserved capacity is to be defined, it should be made available to local services that seek to serve geographical communities of place or local minority language groups within the service area of the multiplex concerned. Other “community of interest” stations (for example specialist music services) that do not originate locally should be prioritised in terms of access to carriage, but we feel it would be very difficult to estimate in advance the level of demand from such stations.

This issue is complex in that the amount of capacity required for community services and the overall level of demand for carriage from all types of broadcaster will vary according to location. Multiplexes in large conurbations are likely to be over-subscribed, whereas in rural areas it may prove very challenging to fill a complete multiplex. For areas such as

ours (a relatively small county city) it has taken over two years to reach a point where our multiplex is operating at near maximum capacity.

The process by which the amount of capacity to be reserved is decided, is, we feel, a critical element of any reservation provision scheme. Under the terms of the Communications Act (2003) Ofcom is required to maximise the efficient use of spectrum and, therefore, we suggest that any scheme should be constructed so as to maximise capacity use over time. We further suggest that, regardless of any reserved capacity allocations, multiplex operators should be required to prioritise the carriage of community based and locally originated commercial services.

A balance needs to be struck between the needs of community radio stations and the economic viability of the multiplex operators. We suggest that, at the time when a multiplex licence is offered, or when applications are invited from a geographical region, Ofcom should also invite expressions of interest from community services wishing to obtain DAB carriage. In the knowledge of the particular level of local demand, the regulator would then be able to allocate an adequate percentage of multiplex capacity for use by such services.

Once a multiplex is operational, community services should be given a period of, say twelve months to make use of their share of the reserved capacity. If at the end of this period some capacity is still lying fallow, it should then be made available for use by other broadcasters. If at a later date the situation changes and a community services does then wish to obtain DAB carriage, multiplex licences should include a clause which requires multiplex operators to give such stations “first refusal” when any spare capacity becomes available.

We note that the Consultation Document does not substantively address the issue of carriage costs. Many community radio services operate on small budgets and may not be able to afford expensive carriage deals with multiplex operators. Although we choose to zero rate the carriage fees due from our local community station on our multiplex, and to discount fees paid by others, we do not believe that any special discounted carriage rates should be mandated for community radio services.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

As per our previous answer to Q1 (above) we believe that reserved capacity should be available to community radio services seeking to serve geographical community of place or local minority language group within the service area of the multiplex concerned. In most locations, this is likely to involve a very small number of community radio services. However, where a multiplex covers an area served by a higher number

of community radio stations we feel that these should normally be prioritised.

3. Do you agree with the principle that small-scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Given Ofcom's statutory duty to make best use of spectrum resources, we feel that such a policy should be instigated, so as to ensure that capacity is not wasted "lying fallow". A clause in any contract making use of such spectrum might include fixed term breaks to provide opportunities for transfer to a community radio operator, for example on an annual basis.

Short-term carriage agreements are however by no means ideal (for either the multiplex operator or any broadcaster(s) using them). Our preference therefore would be to suggest that after a given length of time any reserved capacity that has not been taken up by an appropriate community radio services should then revert to being available for use by any broadcaster. (see also paragraphs. (5) & (6) of our answer to Question 1 (above)).

2.3 Digital community radio licences

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Given the light-touch nature of the existing DSP licensing scheme, we are of the opinion that interest in any new C-DSP licensing category with additional operational restrictions is likely to be minimal. As currently envisaged the benefits accruing from the holding of any such new licence appear insignificant and would be insufficient to offset the additional bureaucracy associated with it.

There might be increased interest in such a scheme were Government to provide a properly scaled Community Radio Fund to which such operators would have access for the provision of core funding on a guaranteed basis. Given the current political climate, we doubt the likelihood of such a system gaining sufficient traction to be implemented, but we urge the Government to recognise the benefits provided by community radio through the provision of an expanded Community Radio Fund.

2.4 Restrictions on holding small scale radio multiplex licences

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We believe that the success of UK community radio since its introduction in the early years of this century has, in no small part, been due to the ownership rules that the sector operates under. In particular, the requirement to operate on a non-profit-maximising basis has focused stations on their core objective of serving members of their particular target community. We believe that a new tier of localised multiplexes should operate in a similar way, prioritising the delivery of locally relevant services over the drive for commercial profit. Commercial players should be permitted to own a multiplex licence, but only in instances where a non-profit maximising bid of sufficient quality has not been forthcoming.

Whilst we welcome the suggestion that new multiplex operators should be transparent in relation to their carriage tariff structures, we do not believe that any such requirement should apply to the new sector alone. If the smallest DAB transmission providers should be required to operate in this way, it is only reasonable that the same level of transparency should apply to larger operators as well.

Although we would be (and indeed, as a trial multiplex operator, are already) happy to make our nominal carriage tariff scheme public, we firmly believe that there should always be flexibility in the implementation of such a tariff on a case-by-case, station-by-station basis.

At present we choose to discount carriage fees for particular stations in light of their particular financial circumstances and in relation to the development of a diverse bouquet of stations that we believe to be of relevance to listeners within our local community.

Furthermore we do not believe that multiplex operators should be required to publish details of actual carriage fees paid, as this would inevitably break commercial confidentiality requirements of stations being carried.

6. We would welcome views on this approach [*involvement of existing multiplex operators*].

Our starting point in relation to the ownership of new smaller localised DAB multiplexes is that neither national nor existing larger local multiplexes should be allowed to have any commercial interest in any of the new tier of multiplexes. Over recent years we have seen the provision of analogue and digital transmission services become the profit extraction point in the broadcasting chain, moving commercial benefits away from broadcasters themselves and towards the transmission provider instead.

The new tier of localised multiplexes should be implemented as a way of introducing new players into local broadcasting – it most certainly should not be implemented as a way for established commercial operators to

extract profit from the value chains of other broadcasters wishing to operate new services.

Dealing with various specific points raised in the Consultation Document:

- We disagree with the suggestion that those with a financial interest in a national multiplex should be allowed to take any financial stake in the new tier of multiplexes. However, if such involvement is to be allowed it should always be for a maximum of 25% of ownership, which should be an absolute limit that is not be allowed to increase under any circumstances, for example in the event of subsequent financial restructuring. The proposed 'Step-aside' Rule should be strictly enforced in all cases.
- We disagree with the suggestion that those with a financial interest in an existing local multiplex should be allowed to take any financial stake in the new tier of multiplexes. However, if such involvement is to be allowed it should always be for a maximum of 25% of ownership, which should be an absolute limit that is not be allowed to increase under any circumstances, for example in the event of subsequent financial restructuring. We believe a similar "Step-aside" Rule to that proposed in relation to national multiplex operators should also be rigorously enforced in all cases.
- In relation to the two points above, if national and local multiplex licence holders are to be allowed to take a financial stake in the new tier of multiplexes they should not be allowed to act in consort. The involvement of any existing multiplex operators, taken together, should always be limited to a maximum of 25% and there should be no possibility of this percentage increasing at a later date, for example in the event of any subsequent financial restructuring.
- We agree that bodies corporate who are not involved in the ownership of national or larger local multiplexes should be allowed to own a number of smaller localised multiplexes. However, we do not feel that this number should be unlimited as this runs the risk of the sector developing into a quasi-national network via the back door. We feel that it would be reasonable to set a limit in terms of population coverage and we suggest that any operator should be limited to providing services that would be available to a maximum of 5% of the countries population.
- Just as in the case of analogue broadcasting licences, we believe that individuals should not be allowed to own or part-own (as an individual) any such multiplexes.
- We agree with the proposals limiting ownership of "substantially overlapping" multiplexes.

- We firmly agree with the proposal that there should be no restrictions on DSP and C-DSP licence holders obtaining carriage of their service(s) on an unlimited number of new multiplexes. Community licence holders, and indeed specialist commercial stations that seek to serve a “community of interest” should be allowed to serve their potential listeners in any locations that they feel to be appropriate. In areas such as Norwich, where we currently operate a trial multiplex, only two of our current services originate from within the coverage area. Without the additional services we carry (currently at least 15) it would not be economically possible to operate the multiplex as an on-going concern.

2.5 Determining the size of a small scale radio multiplex

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

We broadly support this approach.

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We agree that the 40% limit in terms of geographical area served is a reasonable typical maximum scale for the new multiplexes. However, the 40% figure should very much be seen as a typical coverage limit rather than a specific coverage goal. We would expect many new localised multiplexes to serve much smaller geographical percentages of existing local multiplex coverage areas. Coverage should be defined in terms of recognisable geographical communities.

For example, in our own case, we seek to serve the “Greater Norwich” area, which, in local government terms, includes the City of Norwich and parts of adjacent local authority areas of Broadland and South Norfolk District Councils, which both abut the city boundaries. Such coverage is for a geographical area that includes well below 40% of the geographical coverage of the existing local multiplex.

Although we intend to seek to extend our coverage somewhat in future, we have no interest in serving the county as a whole as we feel this provision is already adequately delivered by the existing Norfolk local multiplex. Our primary objective, in terms of seeking to add further DAB transmitters, and / or increase radiated power levels, is not to expand out coverage to parts of rural Norfolk, but rather it is in relation to improving the robustness of reception across the Greater Norwich area.

On a case-by-case basis, for example in very rural areas, there may be an argument for allowing greater percentage of geographical coverage – we note that such an approach would be broadly similar to that currently taken in relation to Community Radio licensing where in exceptional

circumstances greater than typical coverage is permitted. We also stress that the 40% geographical coverage figure is provided as a limit and that, in perhaps the majority of cases, the actual coverage achieved by any new multiplex could well serve a lower percentage figure.

We recognise that in some areas, for example within the area served by the Herts / Beds / Bucks '3-Counties' multiplex, this could potentially lead to the creation of a multiplex of some considerable size. However, we suggest that Ofcom's approach to such areas should be "demand lead" and on the basis of prioritising proposals that seek to deliver services that would be complimentary to (rather than competing with) those already available from existing operators.

2.6 Duration of small scale radio multiplex licences

9. We would be grateful for views on these options or other options along with reasons for your choice.

We note that the Consultation Document states that: ***"One of the main advantages in having a shorter licensing period for a small scale radio multiplex is that it will provide a strong incentive for operators to meet the needs of the small stations carried on the network."***

However, no evidence is provided in the consultation as to why this should be the case. If it is indeed the case that shorter licence durations improve the performance of multiplex operators, the question then arises as to why a similar approach has not previously been applied to the owners of the various existing multiplexes? Many of these have enjoyed not only longer-term initial licence durations but also subsequent automatic licence renewals.

We do not see the proposals as put forward in the Consultation Document as being in any way "light touch". We do not believe that a seven-year multiplex licence term is anywhere near sufficient and we see no reason why such an additional regulatory burden should be placed upon the smallest transmission service operators within DAB.

Our experience of being involved in the five year licensing cycle currently implemented in relation to Community Radio is that this duration is far too short to provide operational stability. Short-term licenses create financial and operational instability; they constrain long-term investment and place additional administrative burdens upon the licence-holder. Moreover, they also create uncertainty as to the longer-term future of any licensed operations and limit opportunities for long term planning and business development, for example in relation to financial borrowing.

We believe a more sensible, and viable, multiplex licence duration would be a minimum of twelve years. This would provide greater economic certainty for the operators and allow for cost effective long-term carriage

deals to be developed with individual broadcasters, thereby providing them with greater operational stability.

Given the limited resources available to Ofcom we also feel that the regulator itself would benefit from the operation of a longer-term licensing framework, one that would be more in line with that operated for other established forms of local commercial broadcasting.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We see no particular merit in this proposal. However, we could envisage situations in which, for example, in very rural areas where there might be limited interest in a new DAB multiplex, an increased licence duration of, say, 15 years might encourage the uptake of a particular licence. For the reasons stated above, we do not believe any multiplex licence should be offered for less than a minimum period of 12 years.

2.8 BBC access to small scale DAB multiplexes

11. We welcome views on this approach.

We agree with the Government's proposals in relation to this issue.

2.9 Ofcom duty to consider commercial impacts on local multiplexes

12. We would welcome views on the implications of this approach

We agree with the views of Government in relation to this issue. Localised DAB multiplexes are, by their very nature, designed to serve a different scale of broadcaster to the vast majority of those carried on existing larger multiplexes. By limiting the *geographical* size of such multiplexes and the degree of combined ownership, this differentiation should, generally, be maintained. However, as previously stated, we remain concerned about the involvement of existing larger scale multiplex operators in the proposed new tier of DAB multiplexes.

Based on our experience of operating a trial small-scale DAB multiplex since the summer of 2015, we are confident that there is a great deal of potential in the creation of an expanded tier of localised DAB multiplexes. By creating a clearly separate ownership tier for Community Radio services, the Government successfully created a vibrant range of new services that complimented rather than competed with pre-existing BBC and commercial local stations. The opportunity to repeat such success through the creation of a clearly separate ownership tier for small scale DAB multiplexes should not be missed.

We hope the above contributions to the debate about the future of new localised DAB services will be of use and we remain available to provide further information or answer any questions that may arise.

Yours faithfully,

Dr. Lawrie Hallett.
[Technical Director,
Future Digital
Norwich, Limited].



Brighton DAB and the DCMS small-scale DAB Consultation

**from: RadioReverb - 97.2 FM – online
at RadioReverb.com & on DAB+**

28 February2018

List of questions Community stations and small scale radio multiplexes.

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes it is essential to making sure that community radio has fair open access to digital listeners at very low cost and in some cases free.

When setting the costs for the DAB bandwidth on these new multiplexes we feel the future framework should allow a distinct financial differentiation between the prices paid for capacity between commercial broadcasters and community radio broadcasters,

The regulatory environment currently restricts community radio income through the 50% rule, Therefore we feel there should be a community radio price that takes into consideration these income limits.

As a community radio station (despite constricted funding streams) that voluntarily over delivers on producing programming of social gain, we feel stations like us should be rewarded with heavily discounted or free DAB carriage on these new multiplexes.

We consistently produce exceptional distinctive content of community gain unseen anywhere else in the UK. We broadcast shows about living with HIV, local support for refugee's, LGBTQi, conversations about mental health, disability and important local political issues, to name just a few areas we cover.

For other community radio broadcasters around the country we feel this will incentivise these stations to strive further to produce the amount of distinctive programming of social gain and use

the money they would have spent on DAB carriage on making better programmes for the community they are targeting.

In effect commercial broadcasters (who are free of any social gain programming obligations and commercial limits) who have carriage on the local multiplex would indirectly fund the essential social gain content provided by community broadcasters like us.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

An upper limit of data should not be set to community stations as a group. In areas where there are a high number of analogue community stations that are already licensed in a particular geographic area (for example in Brighton) we shouldn't share the total community DAB bandwidth.

Each community radio station currently licenced on FM it should be allocated 128kbs at standard DAB.

A third of the space multiplex should be set aside for community radio or the required amount of space to fit in all the community radio stations licenced in the market (whichever is greater).

If licenced community stations don't take up the option of their allocated capacity after 2 years it should be released into the marketplace to be used by other stations.

Even though we appreciate bandwidth is finite we also believe that there should not be a degradation in quality or ability to receive (the DAB+ issue) for the sake of a desire for getting as many stations on air in a multiplex which is what we have seen in reality happen on the Brighton trial.

If capacity is an issue then priority for allocation of bandwidth should be based on the station's original air date and amount of social gain content broadcast by the service.

Community stations should be able to choose how they wish to use the DAB bandwidth they have been allocated, Either use the full bandwidth for one high quality stereo audio channel or slice up the data to use on an extra pop up niche channel, for example in future we'd like to consider running an extra pop up channel for special community events e.g Black history month, Brighton pride, etc.

This could create an exciting opportunity for broadcasters to try new things and further promote the benefits of DAB to their listeners and promote general DAB take-up.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes capacity should be available to be taken up by a Community Broadcaster within a timeframe of up to 2 years, if the broadcaster chooses not to use their allocated bandwidth within the timeframe then the space should be released to be used by other broadcasters.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We welcome the proposal for the C-DSP licence for community broadcasters, We currently provide the reporting required by Ofcom for our community FM licence that we trust will simply integrate with this proposed licence.

We hope that this new scheme would allow music rights societies making a clear differentiation between commercial and community broadcasters on DAB which we hope would lead to more economical fees the recognise the not for profit status of these new licences and regulations for community radio income.

With the prospect of potentially more C-DSP stations launching, we hope that the community fund will be further strengthened to continue to reward the essential grants much needed by existing and new C-DSP community broadcasters.

We have benefitted from the community fund and despite potential increased competition we would like a chance to receive further funding in the future.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

No, we feel community broadcasters need more legislative protection against commercial broadcasters / individuals having control over a public asset like DAB bandwidth, transparency in pricing is welcome and limits should be set to what community broadcasters can be charged.

We believe commercial FM broadcasters control no more than 50% of a SSDAB multiplex.

This was demonstrated during the Brighton SSDAB trial, In January 2016 our transmission standard was changed from standard DAB to DAB+ without any communication, consultation or any notice period. Therefore without any ability to inform our listeners that we were set to disappear from some of the older radios in our Community. This Inevitably harmed RadioReverb's listenership as a result.

We felt these important decisions regarding our DAB transmission being switched without our knowledge was a) wrong b) very concerning to us as we broadcast to various disadvantaged communities in the area. Our worry was (and still is) depriving the listeners in our community who rely on our social gain programming and who don't have the ability to afford a new radio that is able to pick up DAB+.

It could be argued that RadioReverb falling silent on standard DAB sets without explanation would cause consumers to question the reliability of DAB Radio and make listeners revert back to using FM, which is unhelpful for the shared aim of promoting the benefits of digital broadcasting.

This demonstrates the conflict of interests that can occur when a sole broadcaster/individual or shareholder has unilateral control over a multiplex without any accountability or transparency. this in turn can constructively suppress competition in the marketplace using financial or technical means leaving community stations vulnerable.

Therefore we strongly believe that legislation should protect community radio so that it operates on standard DAB, so that it can reach the widest audience until a time DAB+ has been more widely accepted by the industry and DCMS for compatibility.

Community stations must have a guaranteed seat at the table at the board of a small scale local multiplex and should have a mechanism to inform Ofcom of irregular decisions (as detailed above).

We are pleased that this trial gave us an opportunity to provide feedback on these issues in the consultation, and hopefully influence legislation that can protect us and the enjoyment of our listeners in the future.

Q6. We would welcome views on this approach.

We agree

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Yes

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

n/a

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

n/a

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

n/a

BBC access to small scale DAB

Q 11. We welcome views on this approach.

Yes, If a BBC service is not served in an area where there is a SSDAB multiplex.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

n/a

Kind regards,

Tracey Allen
Director RadioReverb
28.02.2018

Ali Rezakhani
Director of RadioReverb
28.02.2018

RADIOCENTRE RESPONSE TO DCMS 'SMALL SCALE DAB LICENSING CONSULTATION'

INTRODUCTION

1. Radiocentre welcomes this consultation, which paves the way for a new licensing framework for small scale DAB and provides the prospect of affordable access to digital radio for smaller commercial and community services. With digital listening continuing to grow it is increasingly important that radio stations have the opportunity to broadcast on DAB, ultimately boosting the range of choice and content for listeners.
2. To date, many smaller analogue radio stations (broadcasting on FM or AM frequencies) have been unable to broadcast digitally on the DAB platform. This is typically due to transmission costs that reflect multi-transmitter networks which can make it unaffordable for some operators and the fact that existing local DAB multiplexes often cover much larger geographical areas than smaller stations wish to serve.
3. The evolution of small scale DAB, often based around a single, low-powered transmitter and 'open-source' software multiplex, gives a lower-cost way for smaller stations to broadcast on DAB to smaller areas. The initial assessment of this technology by Ofcom in September 2016 was that the initial trials had been a success, notwithstanding some concerns regarding the power levels and signal strength. Therefore Radiocentre was pleased that an appropriate legislative vehicle was secured to outline the licensing regime.
4. The Private Members' Bill sponsored by Kevin Foster MP in 2017 – the Broadcasting (Radio Multiplex Services) Act 2017 – provided a useful solution to revising the existing legislation in this area (most notably Broadcasting Act 1996). While Radiocentre was supportive of the new legislation, during the passage of the Bill it did raise concerns with parliamentarians about specific elements of the new licensing framework. A number of these concerns remain and are highlighted in this response.
5. Radiocentre has consulted widely with its members and welcomes the opportunity to comment on the key elements that will make up the new legislative order. However, particular concerns have been raised about the overall focus and emphasis that the consultation places on community radio services, potentially to the exclusion of small local commercial operators in some places. We address these concerns in more detail below, but given that a number of commercial radio operators may need to rely on this new technology to secure DAB transmission of their services in future it is imperative that access is not unduly restrictive.

ISSUES NOT COVERED IN THE CONSULTATION

6. Overall the consultation provides helpful clarification on the structure of the proposed licensing framework. Yet there are a number of areas where a lack of detail leaves the industry unclear of the implications of the proposals. Most notably these include the awarding criteria for these multiplexes; the future arrangements for analogue (FM/AM) licence rollovers; and the approach to regulating the proportion of DAB+ services permitted.
7. With regard to awarding criteria, the consultation provides no explanation on the method that Ofcom proposes to apply when it comes to allocate licences to run small scale DAB multiplexes. In the absence of any guidance we can only assume that Section 51 of the Broadcasting Act 1996¹ would be the relevant legislation. This is currently used to determine the award of local radio multiplex licences and will presumably apply in this area unless there are further changes or

¹ <https://www.legislation.gov.uk/ukpga/1996/55/section/51>

amendments to the existing legislation. It will obviously be important for DCMS to clarify this point prior to the small scale multiplexes being advertised by Ofcom.

8. On licence rollovers, DCMS will be aware that local commercial radio stations that simulcast their analogue (FM/ AM) service on a relevant DAB multiplex currently benefit from an automatic renewal of their licence term. This incentive has been in place to support the development of digital radio in the UK, using powers from Part 2 of the 1990 Broadcasting Act (as amended).
9. There is no reference to such an arrangement being in place for local commercial radio stations on small scale DAB. Failure to consider this important factor would seem to be a significant omission, given that it is likely to be an important consideration for some broadcasters in planning the most appropriate method of digital radio distribution in future. Therefore clear guidance on this point would also be extremely helpful.
10. The consultation document is also silent on threshold limits with regard to the number of services broadcasting on DAB+ on a multiplex. DAB+ services on local DAB multiplexes are currently considered on a case-by-case basis by Ofcom (and specifically limited on the second national multiplex). However, in future we believe that local and small scale multiplexes should not be required to secure Ofcom approval in order to carry DAB+ services.

COMMUNITY STATIONS AND SMALL SCALE RADIO MULTIPLEXES

Question 1 – We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

11. The small scale DAB trials, licenced by Ofcom since June 2015, have demonstrated the demand for this new and relatively low cost broadcast technology. Since the launch of the trials in ten locations around the country a range commercial and community services have enjoyed the opportunity to broadcast on DAB and DAB+.
12. It was clear during the passage of the Broadcasting (Radio Multiplex Services) Act 2017 that parliamentarians supported the widespread use of this new low cost transmission technology for small radio stations of all kinds. Proposals for Ofcom to have the ability to reserve capacity for community radio stations would ensure that a limited number of these not-for-profit services are guaranteed carriage on a small scale DAB multiplex.
13. Given the importance that is being attached to ensuring carriage for small radio stations overall, Radiocentre suggests that DCMS should also prioritise reserving capacity for small commercial operators (licensed, analogue broadcasters) that may not otherwise have a viable route to DAB. Without doing so there is a similar risk that valuable local radio services and their listeners could miss out.
14. Annex 1 (attached) lists 99 commercial radio stations that currently only broadcast on analogue frequencies (FM/ AM). Bar a small number of exceptions, the operators of these stations will likely view small scale multiplexes as the only viable path to DAB broadcast platform. Therefore we propose that all such operators should have guaranteed access to carriage on a relevant new small scale DAB multiplex. This offer should be limited to a specific time period only and withdrawn if they do not take it up (in the same way as we propose for community services, below).
15. To be clear, the list of stations within Annex 1 is purely to highlight those not currently on DAB. Individual stations may or may not wish to broadcast on small scale DAB multiplexes and this will ultimately be an operator-based decision.

Question 2 – We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

16. We can see the attraction of restricting the amount of capacity that is reserved on small scale multiplexes by putting an upper limit in place, as it could help avoid the scenario of other services being prevented from accessing the benefits of this technology.
17. Introducing a universal figure across multiplexes nationwide may be challenging, as demand for access will inevitably vary across the UK. However, some Radiocentre members have argued for an upper limit on reserved capacity for community radio services (set at around 40%) in order to prevent other services being crowded out.
18. Capacity should also be reserved for small commercial operators (such as those listed in Annex 1) with a similar upper limit being applied, in order to ensure that small scale DAB is accessible for all those services that require it the most.

Question 3 – Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

19. New small scale multiplex operators will wish to run their new services as efficiently as possible, so making the most of capacity taken up by unused reserved spaces for community radio is a sensible approach. However we do not agree that any such unused capacity should be offered only on a temporary basis.
20. It would be unreasonable to expect a broadcaster to use capacity on a small scale multiplex to provide a service and build an audience, but then face the prospect of being forced off air by an operator with a claim to the capacity or spectrum that is being used.
21. Therefore Radiocentre would go further than the recommendations made by DCMS in the consultation and suggests that the right to reserved capacity ought to be forfeited if a radio service does not utilise it during an initial licencing stage. This 'use it or lose it' approach should apply to equally to community radio and small commercial radio services.
22. If capacity was later released on a small scale multiplex (for example from a station ceasing or reducing the capacity it uses) those on the reserved list could then be offered first-refusal at the going rate price.

DIGITAL COMMUNITY RADIO LICENCES

Question 4 – We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

23. Radiocentre supports the introduction of a new category of digital sound programme (DSP) licence for community stations – aligned with the current requirements for analogue community radio licences – that would be known as a C-DSP licence.
24. With regard to the existing community radio licensing regime, we believe that the current arrangements provide too much uncertainty. At present services are able to exploit a loophole where a single service can enjoy the benefits of community radio (on FM/ AM), but can also act in a fully commercial way at the same time by virtue of holding a DAB licence.
25. Consequently, Radiocentre proposes that as part of implementing these changes any DAB licence that is a simulcast of a community radio station on FM should be compelled to move to a C-DSP

licence. This would effectively close the loophole above and provide a greater level of certainty within the industry. Community-based broadcasters could, of course, request to broadcast as a regular DSP licence for a new or different service, but would not benefit from reserved capacity or access the community fund. We look forward to reviewing proposals in more detail when Ofcom consults on C-DSP licences in the near future.

RESTRICTIONS ON HOLDING SMALL SCALE RADIO MULTIPLEX LICENCES

Question 5 – We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

26. Throughout the passage of the Broadcasting (Radio Multiplex Services) Act 2017, Radiocentre emphasised to parliamentarians the importance of allowing small scale DAB multiplexes to have the option of operating with the support and involvement of commercial partners. Providing the flexibility for these multiplexes to operate in a commercial way is consistent with the approach in a number of the trial areas, and will ensure the engagement of the broadest possible range of stakeholders.
27. If DCMS designed a framework where the only model for operating a small scale DAB multiplex was on a non-commercial basis this could limit the viability of individual multiplexes and present a barrier to growth of the platform overall. Therefore it is right to draw on the lessons from the small scale DAB trials and for future licences to be awarded to both commercial and not for profit entities in a mixed model approach.
28. That said, Radiocentre recognises the genuine concerns about avoiding unreasonably high carriage fees in future. The legislation included specific provisions on this topic and created powers to safeguard access for smaller stations by keeping the costs of carriage as low as possible on small scale multiplexes. That is why we support the proposal to require multiplex operators to provide a high degree of price transparency up front as part of the initial licence applications. These measures alongside the requirements on reserved capacity should be sufficient to address the concerns on pricing and access that have been raised.

Question 6 – We would welcome views on this approach (to ownership restrictions).

29. With regard to the ownership of small scale multiplex licences, Radiocentre agrees with the assessment made by DCMS that a limit of just one licence per organisation would be overly restrictive.
30. However it is also appropriate to consider steps to prevent an undue concentration of ownership. Any such restrictions will obviously need to be proportionate and must take into account the fact the principal protective objectives of the ownership restrictions (namely mitigating against high transmission costs and restricted access for non-profit services), will be achieved largely by the separate measures reserving capacity and introducing a transparent pricing structure.
31. We have discussed the implications of these proposals with our members, taking all of these factors into account. As a result we do have some concerns that aspects of the licensing structure risk being overly complex and unnecessarily restrictive. Our comments on the licence holder proposals are set out individually below.

Existing national multiplex licence holders

32. On the face it seems reasonable to limit the ability of national multiplex licence holders to hold a majority share in the entity that holds a small scale radio multiplex licence up to a maximum of 5

licences. However, due to the lack of detail within the consultation, it is not entirely clear to us what companies or entities would be limited by this provision.

33. There are two existing national commercial radio multiplex licence holders Digital One (owned by Arqiva) and Sound Digital (a joint venture between Arqiva, Bauer and Wireless Group). From the information provided in the consultation document it is unclear whether the restriction being proposed is for these licence holding entities or their constituent shareholders.
34. One of the reasons for this lack of clarity is the inconsistent use of language in the proposals. For example, there is no specific reference to companies with 'an interest' in one of these national multiplex licences (yet there is a specific reference to this in the following section relating to local multiplexes, below). We urge DCMS to clarify and expand on this point.
35. Our starting point would be to support a restriction being applied to the national multiplex licence holding companies (Digital One and Sound Digital) or any company with a significant interest in more than one of these licences. Where these companies hold a minority interest in other organisations, such organisations should not be restricted from holding small scale licences.

Existing local multiplex licence holders (with no interest in national multiplex licences)

36. Radiocentre has serious concerns with this element of the proposal. This approach is overly restrictive and, if implemented in its current form, would exclude numerous local operators from developing this pioneering new broadcast technology in parts of the country where there is likely to be genuine demand.
37. Firstly, limiting a stake for this group to 50% appears to be needlessly arbitrary. At a minimum, Ofcom should be given scope to review the threshold and have the ability to vary it where necessary, particularly in areas where demand is limited or where a multiplex may not otherwise be viable.
38. Secondly, the proposal to prevent those with *any* interest in a local DAB multiplex from being able to hold a small scale multiplex licence (in a local area that is likely to be most relevant to them) is unduly restrictive. For example, there are a number of small commercial broadcasters that have an interest in their local DAB multiplex. Under the current proposals it seems they will automatically be prevented from having any interest in a small scale DAB multiplex licence in an overlapping local area.
39. The following list provides an illustration of where local commercial broadcasters also have an interest in their local DAB multiplex. The size of these shareholdings will vary and are often held as part of a joint venture with the multiplex company or other operators.

Examples of local DAB multiplexes with local commercial radio shareholders:

- Derbyshire (Now Digital East Midlands Ltd) – Sabras Sound
- Gloucestershire (MuxCo South Midlands Ltd) – Murfin Media (Sunshine Radio)
- Herefordshire & Worcestershire (MuxCo South Midlands Ltd) – Murfin Media (Sunshine Radio)
- Lincolnshire (MuxCo Lincolnshire Ltd) – Lincs FM
- North Yorkshire (MuxCo North Yorkshire Ltd) – UKRD Group
- Surrey and South London (MuxCo Surrey Ltd) – UKRD Group
- West & Mid Wales (MuxCo Wales Ltd) – Nation Broadcasting Ltd
- North West Wales (MuxCo North Wales Ltd) – Nation Broadcasting Ltd
- Wrexham, Chester & Liverpool (MuxCo NE Wales & West Cheshire Ltd) – Dee 106.3, Nation Broadcasting Ltd

37. A blanket rule that prevents such operators from having any interest in a small scale DAB licence in these areas could have significant negative consequences for the growth of the technology, particularly as a partnership with commercial operators is likely to be required in many such areas in order to develop a viable small scale licence application.
38. For example, the proposed restriction would mean that the development of a small scale multiplexes in towns in West Wales such as Aberystwyth would need to take place without any involvement Nation Broadcasting, the owner local commercial radio station Radio Ceredigion (a crucial local stakeholder with relevant knowledge, expertise and experience). Similarly the Lincs FM Group, owner of local stations such as Compass FM, would be prevented from being involved as part of any small scale DAB licence across an area of Eastern England, from Grimsby and Scunthorpe down to Boston and Grantham.
39. There will be numerous other examples in the areas listed above where such local operators will be excluded from any involvement. As a result there is a risk that small scale DAB multiplexes in these areas will either not get launched at all or will be reliant on local community operators or volunteers.
40. This is unlikely to be a satisfactory outcome for most local commercial operators. New small scale multiplexes need to be robust enough for commercial and community services to have confidence in their reliability and security. Excluding experienced local commercial operators from any involvement in these areas and relying upon volunteers to both launch and operate a multiplex could present significant and unnecessary risks.
41. It is also worth noting that for some small commercial operators this restriction could force them to consider a choice between continued support for and involvement in local DAB multiplexes in their area or alternatively supporting small scale DAB multiplexes. We do not believe that operators should be required to make a binary choice, as their involvement in both tiers may be necessary depending on the local circumstances. In addition, it would be unfortunate if the progress that has been made on expanding local DAB coverage in recent years was undermined in some areas, by existing commercial operators being forced to choose and deciding to only pursue small scale DAB.
42. We understand the desire to prevent high carriage costs, which could result from an undue concentration of ownership. However, we would repeat our view that the measures designed at reserving capacity and introducing a transparent pricing structure should be sufficient to address these concerns. Therefore DCMS should withdraw the proposal for a blanket restriction on commercial radio shareholders with an interest in local DAB multiplexes.
43. Similarly we do not believe that the shareholdings in local DAB multiplexes held by Bauer, Wireless Group or Global should preclude them from any involvement in small scale DAB multiplex licence. However, as noted above, the application of a 'Step-Aside' rule for such applications would probably be appropriate.

Individuals/organisations/entities holding no national or local multiplex licence

44. This proposal – that there are no restrictions on the number of licences that an organisation or entity can hold or have an interest in – appears to be appropriate for this group. However, it should be made clear whether this restriction would apply in the case of minority shareholders in current local DAB multiplexes.

Restrictions on holding multiple licences in the same area

45. We have no objections to the proposed restrictions on holding multiple licences in the same area, essentially limited to only one small scale licence covering (in Ofcom's view) substantially the

same area. We would also suggest that Ofcom takes into account the ownership of multiple and adjoining small scale multiplexes, to ensure that this does not develop in a way that replicates the local DAB layer.

Carriage restriction

46. It is a logical approach not to place any restrictions on DSP licence and new C-DSP licence holders taking carriage of services on different small scale multiplexes.

DETERMINING THE SIZE OF A SMALL SCALE RADIO MULTIPLEX

Question 7 – Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Question 8 – Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

47. Determining the size of a small scale multiplex is an important consideration. Radiocentre therefore welcomes the indication that Ofcom will develop an outline frequency plan and consult on it over the coming months. We would also expect this to cover the question of appropriate power levels if small scale DAB is to be a realistic solution for commercial operators.
48. With respect to the two-step approach suggested by DCMS, the first step – granting Ofcom increased flexibility where there are no current local multiplex licenses in an area – appears appropriate. However, Radiocentre has a number of concerns with the second stage.
49. Unfortunately the consultation is not clear on proposals that, in areas already served by a local DAB multiplex, a new small scale DAB multiplex could cover an area up to a maximum of 40 % of the existing local DAB multiplex area. Crucially, it is not detailed whether the ‘area’ that will be considered refers to a *geographical* area or an area delineated by *population*.
50. A maximum of 40 % of the existing local DAB multiplex area geographically is potentially a very high threshold. In an urban area, for example, 40 % of a geographical area could quite conceivably cover around 90 % of a local population. A threshold of 40 % of the population would provide a very different outcome, but could also vary depending on exactly how population is assessed.
51. In reviewing the proposed approach we analysed the Measured Coverage Area (MCA) population of analogue-only commercial stations as percentage of the total Primary Protected Area (PPA) population (at [Annex 2](#), attached). This method highlights that a 40 % of population coverage would provide a useful guide for the majority of small FM/ AM commercial stations. However, we suggest that more work is done in this area with Ofcom to understand properly what is being proposed and the implications, especially for these operators. In the meantime DCMS should prioritise a flexible approach that enables it to accommodate all licensed commercial radio stations not currently on DAB.

DURATION OF SMALL SCALE RADIO MULTIPLEX LICENCES

Question 9 – We would be grateful for views on these options or other options along with reasons for your choice.

Question 10 – We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

52. In order to provide a high level of certainty for multiplex operators, Radiocentre takes the view that small scale radio multiplex licences should run for at least 7 years, with the option to renew for a further 5 years. This period should provide a reasonable opportunity for the licence holders

to become established and is broadly in line with the statutory approach to analogue radio licence terms and extensions. It will also mean that Ofcom will be able to deal with the relicensing of local DAB multiplexes (which are due to expire in 2030) ahead of small scale DAB.

53. We do not agree with merits of linking licence length with underlying demand as this could effectively penalise the most popular and successful multiplexes by awarding them shorter terms than those operating in areas with lower demand.

CREATING ADDITIONAL LOCAL MULTIPLEXES

54. Radiocentre recognises the demand for additional local DAB multiplexes in certain areas around the UK. We look forward to reviewing Ofcom's consultation in the near future.
55. One consideration that we wish to highlight is specific to large urban areas where demand is high, such as Birmingham, Manchester or South Yorkshire. In these cases appropriate consideration should be given to the benefits of a new local multiplex over a number of small scale multiplexes, or a combination approach which factors in the possibility of both a new local and small scale multiplexes being operated alongside one another.
56. In addition we note that there are parts of the country that are not currently covered at all by local DAB at present (e.g. Cumbria, parts of Scotland), due to previous concerns about viability cost of transmitter build out. As part of its review of spectrum Ofcom should also take into account the fact that this situation may have changed in some cases, leading to unmet demand for local DAB as well as small scale multiplexes.

BBC ACCESS TO SMALL SCALE DAB

Question 11 – We welcome views on this approach.

57. Radiocentre would support the BBC taking capacity on a small scale radio multiplex assuming this is limited to supplementary coverage to its existing national DAB network and local DAB multiplexes. Additional requirements should require a further review by DCMS/Ofcom.

OFCOM DUTY TO CONSIDER COMMERCIAL IMPACTS ON LOCAL MULTIPLEXES

Question 12 – We would welcome views on the implications of this approach.

58. Parliamentarians were clearly conscious of the impact of the new small scale multiplex as provisions were made available within the Broadcasting (Radio Multiplex Services) Act 2017 1 (4) (d) for Ofcom to "have regard to the effect of awarding a small-scale radio multiplex licence on holders of local radio multiplex licences".
59. This does not mean that full impact assessments are required whenever a small scale multiplex is licensed. This would risk being too onerous and could slow down the licensing timetable. However, it is appropriate for the licensing of new small scale multiplexes to be phased in gradually, with the possibility of licensing rounds in order to give Ofcom the opportunity to consider any impact that there might be on local DAB or the market overall.
60. It will be especially important to tread carefully in rural markets that have existing local DAB multiplexes with spare capacity, as these are likely to be particularly vulnerable to changes in demand.

ABOUT RADIOCENTRE

Radiocentre is the industry body for commercial radio. We work on behalf of over 50 stakeholders who represent 90% of commercial radio in terms of listening and revenue.

We perform three main functions on behalf of our members:

- Drive industry revenue by promoting the benefits of radio to advertisers and agencies through a combination of marketing activity (e.g. events, advertising, PR, and direct mail), research, and training
- Provide UK commercial radio with a collective voice on issues that affect the way that radio stations operate, working with government, politicians, policy makers and regulators to secure the best environment for growth and development of the medium
- Ensure advertising messages on commercial radio stations comply with the necessary content rules and standards laid out in the BCAP Code of Broadcast Advertising and the Ofcom Broadcasting Code.

www.radiocentre.org

28 February 2018

ANNEX 1 – ANALOGUE ONLY COMMERCIAL RADIO STATIONS (FM/ AM)

Name/ brand	Area	Group
Heart (Herts)	St Albans & Watford	Adventure Radio
Radio Borders	The Borders	Bauer Media
CFM	Carlisle	Bauer Media
CFM	West Cumbria	Bauer Media
Town FM	Ipswich	Celador
North Norfolk Radio	North Norfolk	Celador
Dream 100	Tendring	Celador
The Beach	Great Yarmouth & Lowestoft	Celador
Radio Norwich	Norwich	Celador
Sam FM	Swindon	Celador
Sam FM	Bristol	Celador
The Breeze (Andover)	Andover	Celador
The Breeze (Basingstoke)	Basingstoke	Celador
The Breeze (Bath)	Bath	Celador
The Breeze (Bridgwater)	Bridgwater and West Somerset	Celador
The Breeze (Bristol)	Bristol	Celador
The Breeze (Cheltenham)	Cheltenham	Celador
The Breeze (E.Hants/ SW Surrey)	Alton/Haslemere	Celador
The Breeze (Frome & W. Wilts)	Warminster	Celador
The Breeze (Newbury)	Newbury	Celador
The Breeze (North Dorset)	Shaftesbury	Celador
The Breeze (North Somerset)	Weston-super-Mare/North Somerset	Celador
The Breeze (Portsmouth)	Portsmouth	Celador
The Breeze (Reading)	Reading	Celador
The Breeze (South Devon)	Torbay	Celador
The Breeze (Southampton)	Southampton	Celador
The Breeze (Winchester)	Winchester	Celador
The Breeze (Yeovil)	Yeovil	Celador
Silk 106.9 FM	Macclesfield	Dee 106.3 Ltd
Lakeland Radio (Smooth)	Kendal/Windermere	Global
The Bay (Heart)	Morecambe	Global
Argyll FM	Kintyre, Islay and Jura	Independent
Cuillin FM	Skye	Independent
Fosse 107 (Hinkley)	Hinckley	Independent
Fosse 107 (Loughborough)	Loughborough	Independent
Heartland FM (Pitlochry)	Pitlochry & Aberfeldy	Independent
High Peak Radio	Buxton	Independent
Imagine FM	Stockport	Independent
Isles FM	Western Isles	Independent
Kingdom FM	Fife	Independent
Lochbroom FM	Ullapool	Independent
London Greek Radio	Haringey	Independent
Mansfield 103.2	Mansfield	Independent
Oban FM	Oban	Independent
Original 106	Aberdeen	Independent/ New Wave
Radio Jackie	Kingston-upon-Thames	Independent

Radio Plymouth	Plymouth	Independent
RNA FM	Arbroath	Independent
SIBC	Shetland Islands	Independent
Star Radio	Cambridge	Independent
The Revolution	Oldham	Independent
Two Lochs Radio	Gairloch & Loch Ewe	Independent
Wave 102	Dundee	Independent/ DCT
KMFM Ashford	Ashford	KMFM
KMFM Canterbury	Canterbury	KMFM
KMFM Folkestone/Dover	Dover/Folkestone	KMFM
KMFM Maidstone	Maidstone	KMFM
KMFM Thanet	Thanet	KMFM
KMFM West Kent	Tunbridge Wells/ Sevenoaks	KMFM
Dearne FM	Barnsley	Lincs FM
Ridings FM	Wakefield	Lincs FM
Rother FM	Rotherham	Lincs FM
Rutland Radio	Rutland	Lincs FM
More Radio	Hastings	Media sound holdings
More Radio	Burgess Hill and Haywards Heath	Media sound holdings
More Radio	Eastbourne	Media sound holdings
More Radio	Worthing	Media sound holdings
Isle of Wight Radio	Isle of Wight	Media sound holdings
Radio Ceredigion	Ceredigion	Nation Broadcasting
Q100.5 FM	Newry	Northern Media Group
Q101.2 FM	Omagh and Enniskillen	Northern Media group
Q106/7 FM	Mid Ulster	Northern Media Group
Q107 FM	Ballymena	Northern Media Group
Q97.2 FM	Coleraine	Northern Media Group
Banbury Sound	Banbury	Quidem
Rugby FM	Rugby	Quidem
Touch FM (Tamworth)	South-East Staffordshire	Quidem
Touch FM	Stratford-upon-Avon	Quidem
Touch FM (Coventry)	Coventry	Quidem
Touch FM (Warwick)	Warwick	Quidem
Channel 103	Jersey	Tindle Radio
Island FM	Guernsey	Tindle Radio
KLFM	King's Lynn	UKRD
Mix 96	Aylesbury	UKRD
Spire FM	Salisbury	UKRD
Spirit FM	Chichester	UKRD
Sun FM	Sunderland	UKRD
Wessex FM	Weymouth and Dorchester	UKRD
Radio Wave	Blackpool	Wireless
Wish FM	Wigan	Wireless
Wire FM	Warrington	Wireless
Peak FM	Chesterfield	Wireless
Tower FM	Bolton and Bury	Wireless
Signal 107	Kidderminster	Wireless

Signal 107
Signal 107
Signal 107
Your Radio
Your Radio

Shrewsbury
Telford
Wolverhampton
Helensburgh
Dumbarton

Wireless
Wireless
Wireless
Your
Your

ANNEX 2: Analogue commercial radio stations (MCA and estimated Mux population)

Name/ brand	Area	Group	MCA	Relevant Mux	Mux PPA (Households)	Mux PPA (Adults)	MCA as % ppa
Heart (Herts)	St Albans & Watford	Adventure Radio	293,347	Herts, Beds & Bucks	1,063,784	2,340,325	12.5%
Radio Borders	The Borders	Bauer Media	0	n/a	0	0	n/a
CFM	Carlisle	Bauer Media	0	n/a	0	0	n/a
CFM	West Cumbria	Bauer Media	0	n/a	0	0	n/a
Town FM	Ipswich	Celador	154,993	Suffolk	329,089	723,996	21.4%
North Norfolk Radio	North Norfolk	Celador	0	n/a	0	0	n/a
Dream 100	Tendring	Celador	79,247	Essex	756,945	1,665,279	4.8%
The Beach	Great Yarmouth & Lowestoft	Celador	0	n/a	0	0	n/a
Radio Norwich	Norwich	Celador	290,131	Norfolk	453,197	997,033	29.1%
Sam FM	Swindon	Celador	139,722	West & South Wiltshire	183,212	403,066	34.7%
Sam FM	Bristol	Celador	539,064	Bristol & Bath	479,112	1,054,046	51.1%
The Breeze (Andover)	Andover	Celador	39,624	Berkshire & North Hants	476,138	1,047,504	3.8%
The Breeze (Basingstoke)	Basingstoke	Celador	99,745	Berkshire & North Hants	476,138	1,047,504	9.5%
The Breeze (Bath)	Bath	Celador	82,433	Bristol & Bath	479,112	1,054,046	7.8%
The Breeze (Bridgwater)	Bridgwater and West Somerset	Celador	58,125	Somerset	245,821	540,806	10.7%
The Breeze (Bristol)	Bristol	Celador	339,325	Bristol & Bath	479,112	1,054,046	32.2%
The Breeze (Cheltenham)	Cheltenham	Celador	111,730	Gloucester	274,761	604,474	18.5%
The Breeze (E.Hants/ SW Surrey)	Alton/Haslemere	Celador	73,032	Surrey	594,201	1,307,242	5.6%
The Breeze (Frome & W. Wilts)	Warminster	Celador	18,410	West & South Wiltshire	183,212	403,066	4.6%
The Breeze (Newbury)	Newbury	Celador	67,103	Berkshire & North Hants	476,138	1,047,504	6.4%
The Breeze (North Dorset)	Shaftesbury	Celador	53,710	Bournemouth	366,518	806,340	6.7%
The Breeze (North Somerset)	Weston-super-Mare/North Somerset	Celador	73,478	Somerset	245,821	540,806	13.6%
The Breeze (Portsmouth)	Portsmouth	Celador	300,485	South Hampshire	651,005	1,432,211	21.0%
The Breeze (Reading)	Reading	Celador	213,772	Berkshire & North Hants	476,138	1,047,504	20.4%
The Breeze (South Devon)	Torbay	Celador	180,841	Devon	315,203	693,447	26.1%
The Breeze (Southampton)	Southampton	Celador	0	South Hampshire	651,005	1,432,211	0.0%
The Breeze (Winchester)	Winchester	Celador	50,343	South Hampshire	651,005	1,432,211	3.5%
The Breeze (Yeovil)	Yeovil	Celador	129,441	Somerset	245,821	540,806	23.9%
Silk 106.9 FM	Macclesfield	Dee 106.3 Ltd	567,108	Stoke	529,426	1,164,737	48.7%
Lakeland Radio (Smooth)	Kendal/Windermere	Global	0	n/a	0	0	n/a
The Bay (Heart)	Morecambe	Global	0	n/a	0	0	n/a
Argyll FM	Kintyre, Islay and Jura	Independent	0	n/a	0	0	n/a
Cuillin FM	Skye	Independent	0	n/a	0	0	n/a
Fosse 107 (Hinkley)	Hinckley	Independent	59,809	Coventry	404,549	890,008	6.7%
Fosse 107 (Loughborough)	Loughborough	Independent	80,499	Leicester	432,864	952,301	8.5%
Heartland FM (Pitlochry)	Pitlochry & Aberfeldy	Independent	0	n/a	0	0	n/a
High Peak Radio	Buxton	Independent	67,792	Derby	355,203	781,447	8.7%
Imagine FM	Stockport	Independent	398,120	Manchester	1,476,067	3,247,347	12.3%
Isles FM	Western Isles	Independent	0	n/a	0	0	n/a
Kingdom FM	Fife	Independent	0	n/a	0	0	n/a
Lochbroom FM	Ullapool	Independent	0	n/a	0	0	n/a
London Greek Radio	Haringey	Independent	1,012,200	London	5,000,000	11,000,000	9.2%
Mansfield 103.2	Mansfield	Independent	137,739	Nottingham	551,559	1,213,430	11.4%
Oban FM	Oban	Independent	0	n/a	0	0	n/a
Original 106	Aberdeen	Independent/ New Wave	291,872	Aberdeen	214,570	472,054	61.8%
Radio Jackie	Kingston-upon-Thames	Independent	657,346	London	5,000,000	11,000,000	6.0%
Radio Plymouth	Plymouth	Independent	248,076	Plymouth	193,826	426,417	58.2%
RNA FM	Arbroath	Independent	0	n/a	0	0	n/a
SIBC	Shetland Islands	Independent	0	n/a	0	0	n/a
Star Radio	Cambridge	Independent	173,019	Cambridge	230,539	507,186	34.1%

ANNEX 2: Analogue commercial radio stations (MCA and estimated Mux population)

The Revolution	Oldham	Independent	673,539	Manchester	1,476,067	3,247,347	20.7%
Two Lochs Radio	Gairloch & Loch Ewe	Independent	0	n/a	0	0	n/a
Wave 102	Dundee	Independent/ DCT Media	110,451	Dundee	234,671	516,276	21.4%
KMFM Ashford	Ashford	KMFM	0	Kent	756,604	1,664,529	0.0%
KMFM Canterbury	Canterbury	KMFM	65,624	Kent	756,604	1,664,529	3.9%
KMFM Folkestone/Dover	Dover/Folkestone	KMFM	107,209	Kent	756,604	1,664,529	6.4%
KMFM Maidstone	Maidstone	KMFM	90,329	Kent	756,604	1,664,529	5.4%
KMFM Thanet	Thanet	KMFM	0	Kent	756,604	1,664,529	0.0%
KMFM West Kent	Tunbridge Wells/ Sevenoaks	KMFM	206,277	Kent	756,604	1,664,529	12.4%
Dearne FM	Barnsley	Lincs FM	173,022	South Yorkshire	754,754	1,660,459	10.4%
Ridings FM	Wakefield	Lincs FM	385,235	Leeds	637,774	1,403,103	27.5%
Rother FM	Rotherham	Lincs FM	385,235	South Yorkshire	754,754	1,660,459	23.2%
Rutland Radio	Rutland	Lincs FM	32,012	Leicester	432,864	952,301	3.4%
More Radio	Hastings	Media sound holdings	86,353	Sussex	731,318	1,608,900	5.4%
More Radio	Burgess Hill and Haywards Heath	Media sound holdings	107,975	Sussex	731,318	1,608,900	6.7%
More Radio	Eastbourne	Media sound holdings	130,359	Sussex	731,318	1,608,900	8.1%
More Radio	Worthing	Media sound holdings	113,487	Sussex	731,318	1,608,900	7.1%
Isle of Wight Radio	Isle of Wight	Media sound holdings	103,792	South Hampshire	651,005	1,432,211	7.2%
Radio Ceredigion	Ceredigion	Nation Broadcasting	72,088	Mid & West Wales	214,845	472,659	15.3%
Q100.5 FM	Newry	Northern Media Group	51,702	Northern Ireland	797,166	1,753,765	2.9%
Q101.2 FM	Omagh and Enniskillen	Northern Media group	81,247	Northern Ireland	797,166	1,753,765	4.6%
Q106/7 FM	Mid Ulster	Northern Media Group	74,471	Northern Ireland	797,166	1,753,765	4.2%
Q107 FM	Ballymena	Northern Media Group	0	Northern Ireland	797,166	1,753,765	0.0%
Q97.2 FM	Coleraine	Northern Media Group	44,948	Northern Ireland	797,166	1,753,765	2.6%
Banbury Sound	Banbury	Quidem	60,770	Oxford	275,262	605,576	10.0%
Rugby FM	Rugby	Quidem	58,763	Coventry	404,549	890,008	6.6%
Touch FM (Tamworth)	South-East Staffordshire	Quidem	207,582	Birmingham	1,064,113	2,341,049	8.9%
Touch FM	Stratford-upon-Avon	Quidem	190,454	n/a	0	0	n/a
Touch FM (Coventry)	Coventry	Quidem	247,275	Coventry	404,549	890,008	27.8%
Touch FM (Warwick)	Warwick	Quidem	103,967	Coventry	404,549	890,008	11.7%
Channel 103	Jersey	Tindle Radio	0	n/a	0	0	n/a
Island FM	Guernsey	Tindle Radio	0	n/a	0	0	n/a
KLFM	King's Lynn	UKRD	0	n/a	0	0	n/a
Mix 96	Aylesbury	UKRD	91,765	Herts, Beds & Bucks	1,063,784	2,340,325	3.9%
Spire FM	Salisbury	UKRD	0		0	0	n/a
Spirit FM	Chichester	UKRD	271,387	South Hampshire	651,005	1,432,211	18.9%
Sun FM	Sunderland	UKRD	352,530	Tyne & Wear	816,484	1,796,265	19.6%
Wessex FM	Weymouth and Dorchester	UKRD	106,779	Dorset	366,518	806,340	13.2%
Radio Wave	Blackpool	Wireless	227,322	Lancashire	719,164	1,582,161	14.4%
Wish FM	Wigan	Wireless	511,113	Manchester	1,476,067	3,247,347	15.7%
Wire FM	Warrington	Wireless	207,411	Manchester	1,476,067	3,247,347	6.4%
Peak FM	Chesterfield	Wireless	177,509	Manchester	1,476,067	3,247,347	5.5%
Tower FM	Bolton and Bury	Wireless	0	Manchester	1,476,067	3,247,347	0.0%
Signal 107	Kidderminster	Wireless	0	Wolverhampton & Shropshire	706,174	1,553,583	0.0%
Signal 107	Shrewsbury	Wireless	106,721	Wolverhampton & Shropshire	706,174	1,553,583	6.9%
Signal 107	Telford	Wireless	0	Wolverhampton & Shropshire	706,174	1,553,583	0.0%
Signal 107	Wolverhampton	Wireless	329,122	Wolverhampton & Shropshire	706,174	1,553,583	21.2%
Your Radio	Helensburgh	Your	0	n/a	0	0	n/a
Your Radio	Dumbarton	Your	0	n/a	0	0	n/a

Arqiva submission to DCMS's consultation, *Small Scale DAB Licensing*

Arqiva supports the introduction of Small Scale DAB radio in the UK as expressed in the Parliamentary debate ahead of the 2017 Primary legislation. Small Scale in that context offers a potentially crucial route to DAB for community and smaller commercial stations.

DCMS's proposals here, however, could introduce risks of unintended consequences and will need to be resolved both within the secondary legislation and Ofcom's consultation process later this year. In particular:

- **Listeners could lose some, or potentially all, of the radio services** that they currently receive at the local multiplex level as stations are incentivised to migrate to Small Scale;
- There are likely to be **reduced opportunities for community or smaller commercial stations to access DAB** because of the likely increased costs that they would need to incur;
- **Listeners could lose out on potential enhancements to national and local multiplexes** because of the proposed approach to spectrum allocation; and
- There is no assessment of the **potential impact on the demand for capacity on the local multiplex layer and what this could mean for listeners** if this was materially reduced.

More broadly, there is no recognition of the imminent review of the terrestrial radio platform as it relates to digital radio switchover and therefore how these proposals might affect the conclusions of that review.

We set out these concerns in more detail in this submission. Our view is that DCMS should preserve the ambitions of the Small Scale DAB initiative as they were originally presented in the Primary legislation and avoid damaging the important local DAB multiplex layer. DCMS should ensure that it delivers the clear will of Parliament as stated during the progress of the Primary legislation to ensure that Small Scale DAB is primarily a community initiative rather than a commercial opportunity (including on a larger scale). As a result, we urge the following:

- 1) Ensure the coverage areas of Small Scale multiplexes are initially focussed on the coverage areas of FM Community Radio stations;
- 2) Direct Ofcom to undertake a thorough assessment of Small Scale licence applications, taking into account the impact on existing multiplexes and, by extension, the interests of listeners;
- 3) Introduce more restrictive ownership restrictions to prevent the emergence of new local, national or sub-national multiplex operators;

- 4) Assess all alternative spectrum requirements for radio before making frequencies available for Small Scale. This should include new and existing national or local multiplexes; future requirements to enable an orderly digital radio switchover, and any wider DAB coverage enhancements;
- 5) Clearly define what is meant by a “smaller commercial station” and limit commercial access to the Small Scale multiplexes to these commercial stations to avoid larger stations abandoning significant number of listeners
- 6) Ensure that any commercial stations which launch under the proposed terms of this consultation are subject to equivalent regulatory obligations as local multiplex stations; and
- 7) Conclude the imminent digital radio switchover review before finalising any proposals for Small Scale licensing

Finally, the risks for listeners that we identify as a result of these Small Scale DAB proposals are magnified by the current intention (set out within DCMS's Commercial Radio Deregulation policy) to allow analogue stations to hand back licences without Ofcom re-advertising the spare capacity. DCMS and Ofcom will need to agree a policy that ensures that listeners cannot lose access to both analogue and digital stations – even if that means revisiting the approach to the handing back of analogue licences.

About Arqiva

Arqiva is a communications infrastructure and media services company, operating at the heart of the broadcast and mobile communications industry. Arqiva provides much of the infrastructure behind television, radio, mobile and other wireless communications in the UK and we are at the forefront of network solutions and services in an increasingly digital world.

Arqiva operates more than 1,450 transmission sites for radio, providing coverage to 90% of the population for terrestrial broadcasting in the UK. We are a shareholder and operator for both commercial national DAB radio multiplexes and service provider for the BBC national DAB radio multiplex. We also work with independent radio groups, such as Bauer Media and Global Radio.

Our wholly owned subsidiaries, Now Digital Ltd and Now Digital (Southern) Ltd, operate 23 DAB digital radio multiplexes. These multiplexes cover a number of regions of the UK, predominantly in the Midlands, South West and the south of England.

Arqiva is a founder member and shareholder of DRUK, Freeview, YouView and Digital UK. Freeview is the largest TV platform in the UK delivering over 60 digital TV channels, including 15 HD channels, and 24 radio stations free to the UK public. Arqiva owns and operates the networks for all of the Freeview multiplex licence holders and is the licence holder for four of the DTT multiplexes,

Our major customers include the BBC, Bauer Media, Global Radio, ITV, Channel 4, Five, BSkyB, UKTV, Sony, AMC, Ideal World, QVC, Russia Today, Al Jazeera Networks, BT and the four UK mobile operators.

Arqiva is owned by a consortium of infrastructure investors and has its headquarters in Hampshire, with major UK offices in London, Buckinghamshire and Yorkshire and operational centres in Greater Manchester, West Midlands and Scotland.

General comments

Timing of these proposals

In our submission to the 2017 DCMS consultation on Commercial Radio Deregulation, we made the specific point that tactical decisions on future licensing of radio services should be informed by an agreed approach to any switchover. The risk of making those tactical decisions before the review is that decisions could be made which conflict with any plans for a digital radio switchover. In the worst case, those decisions could frustrate the ability for industry to move toward a DAB only terrestrial network in the most orderly way.

The broader argument on securing the right sequencing between radio strategy and individual radio policies applies equally here. This consultation is seeking to conclude on the details of a policy that could have a profound impact on the UK terrestrial radio network. It seems illogical to us that these decisions should be made in isolation and at a point where a direction of travel is soon to be set on the long-term future of the network.

One example of how these proposals could cause further future difficulties is with regards to spectrum allocations. It is possible that using all (or part) of the currently available spectrum across the country for Small Scale multiplexes may block some options needed to deliver an eventual radio switchover. The switchover process might itself require access to additional frequencies and those could be denied to it where frequencies have been allocated to Small Scale.

Equally, investment decisions by industry players will be better informed when there is a clearer sight of where the industry is likely to be in the medium to long term.

We note that the latest RAJAR figures (Q4 2017) shows that total digital listening in the UK is now at 49.9% and continues to be on an upward trajectory. It is our expectation that the next set of figures in May 2018 will see us crossing the 50% threshold which will initiate the review of a digital radio switchover.

With that in mind we would strongly urge DCMS to wait until that review has concluded before making policy decisions such as those relating to Small Scale DAB. This will ensure that Small Scale DAB sits within the more comprehensive longer-term plan for the UK radio network and minimise potential conflict with the longer-term direction which is set for the radio platform. This would also ensure that secondary legislation is not passed now which could require further legislation to amend.

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Responses to questions

Question 1. We would welcome views on whether reserving capacity on Small Scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-multiplexes. Do you agree with the principle?

To ensure an effective way of securing sufficient capacity on Small Scale multiplexes for community use there must be a mechanism for assessing community station demand. A prerequisite to starting a licensing process is that Ofcom should reflect the intention of Parliament that community radio will be the main focus of Ofcom licensing. For example, this should ensure that coverage areas proposed for a Small Scale multiplex are appropriate for existing community stations. This should also ensure that the area is not so extensive as to force the community station to incur unnecessary costs. As part of the licensing process, Ofcom should have a duty to consult widely to determine that level of demand in each area and in advance of issuing any Small Scale multiplex licences.

Question 2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

We recognise and strongly support the key objective of promoting Small Scale multiplexes as an enabler for both community and smaller commercial stations to share in the benefits of DAB radio. However, we consider that it would be against the spirit of the legislation in the extreme to put any limits on the access to these multiplexes by not-for-profit stations where there was a verified demand. This reflects our broader view that this consultation needs to rebalance the focus of its approach from commercial to community. We are mindful in that regard to the passage of the Private Members Bill through Parliament:

“My intention is that such multiplexes will mainly focus on community radio and will be the main focus of Ofcom licensing, although I emphasise that if the Bill were to become law there would need to be detailed consultation with the industry on its operation. It is possible to provide very Small Scale services through such multiplexes but, fundamentally, we are looking at non-commercial services.” **Kevin Foster, Second Reading Debate, 13 January 2017**

“The Bill is not restricted to community stations—Small Scale commercial operators would be able to go on to this system—but its purpose and intention is mostly to target the community sector.” **Kevin Foster, Committee Debate, 31 January 2017**

“However, there is an important balance to be struck in the consultation, which is that, ultimately, Small Scale digital radio is about enabling communities and community support.” **Matt Hancock, Committee Debate, 31 January 2017**

Any access to small scale multiplexes by commercial stations should observe two important principles, namely:

- 1) That community radio capacity is reserved where there is a clear demand for not-for-profit stations; and

- 2) That capacity reserved for commercial stations is for *smaller* commercial stations who would otherwise not have a route to DAB. Capacity should not be reserved for larger commercial stations (either existing or new) who are responding to commercial incentives to choose Small Scale over the local multiplex layer. This would deprive listeners of access to their content. On this point, DCMS should clearly define what is meant by a “smaller commercial station” to avoid larger stations abandoning significant number of listeners

We would also add that from a public policy perspective, it would also be desirable to promote or prioritise those stations which already have a connection with the local community. This would be very much in keeping with the principles of this initiative as set out in Parliament during the passage of the Primary legislation.

Our view, however, and as we expand upon in our response to Questions 7 and 8, is that these proposals, as they stand, create a very real risk that Small Scale DAB will become a multiplex layer of choice for many larger stations which would otherwise be served by the local multiplex layer.

Question 3. Do you agree with the principle that Small Scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

We broadly agree with this proposal although DCMS should provide clarity on what a “temporary basis” means in practice and, specifically, what would need to happen to end the temporary arrangement.

Question 4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We broadly agree with this proposal.

Question 5. We would welcome views on this approach [restrictions on holding Small Scale radio multiplex licences] and whether it deals with the concerns raised about access to Small Scale DAB radio multiplexes by community radio services

As stated above, we consider that there has been a material shift in balance in these proposals from Parliament's original purpose of creating a route to DAB for not-for-profit community stations. The risk is now that these multiplexes could serve the interests of larger commercial stations who would otherwise be served on the local multiplex layer. There are likely to be more significant opportunities for commercial stations to dominate and dictate the terms of Small Scale DAB than Parliament had intended.

From our perspective, the principal benefit of the Small Scale DAB proposals as set out during the Primary legislation process was to enable a path to DAB for community and smaller commercial stations. It is our understanding that this remains the firm goal of government. However, the proposals from the 4 January consultation create three potential and unwelcome departures from this ambition, namely:

- Allowing Small Scale to become effectively “sub-local” commercial multiplexes with a coverage area of up to 40% of the local service area would increase distribution costs for stations. To cover large geographic areas would require not one but several 100W transmitters. For example, to cover 40% of a typical local service area might need 10 to 15 transmitters. If a Small Scale multiplex were to cover a small area with one or two 100W transmitters rather than 10 to 15, the multiplex would be able to offer *much* lower prices to community stations;
- In allowing Small Scale to serve up to 40% of the local multiplex coverage area, new multiplexes could target the larger urban components of the local multiplex layers. Small Scale would operate with reduced costs while capturing a disproportionate and significant population level. In doing so they would have an incentive to appeal to larger local radio stations who would then leave the local layer. This could undermine the viability of the local layer and result on the loss of services in those areas (up to 60% of that population); and
- Larger commercial Small Scale stations (as enabled by these proposals) would be competing directly with local multiplex stations. This should require them to have equivalent content obligations as the local layer which would, in turn, lead to increased costs related to their ensuring regulatory compliance.

To expand on the latter point, any commercial station which operates on a Small Scale multiplex at the coverage level suggested by this consultation would, in our view, be in direct competition for both listeners and advertisers with stations on the local multiplex layer. Accordingly, we would argue that that all such stations should attract equivalent regulatory obligations to ensure that there is a level playing field as they compete for listeners and advertisers. Those obligations are in place to protect the interests of listeners and deliver the public policy goals behind the government's involvement in radio. Regulatory obligations would include, for example, a minimum significant daily threshold for locally made bespoke content as is expected from local multiplex stations.

We would also expect that any moves to reduce the burden of these obligations would require the stations in question to follow the formal procedure as set out in Section 106 of the Broadcasting Act 1990 (as amended). Ofcom would only be able to consent to those changes under specified circumstances.

All of this would, inevitably, lead to further increased costs for the Small Scale stations and undermine the whole rationale for Small Scale as set out during the Parliamentary passage of the Primary legislation.

We note that these outcomes have not been considered by this consultation and we would, therefore, urge DCMS to pause to undertake an analysis of the possible impacts of its proposals as they currently stand.

In the meantime, we consider it appropriate for Ofcom, under these circumstances, to have a key role in assessing the impacts of each licence application. Ofcom should retain the option of assessing the impact of an application from a station which is currently on the related local multiplex. We would strongly urge, in particular, that any attempt by an existing

station to move off the local multiplex layer and on to Small Scale be seriously scrutinised in the interests both of listeners and with regards to the viability of the local multiplex layer.

Such an assessment would require Ofcom to have regard to its statutory duties as they relate to radio, namely:

- that a wide range of TV and radio services of high quality and wide appeal are available throughout the UK; and
- that sufficient plurality in the providers of different television and radio services is maintained.

Question 6. We would welcome views on this approach [rules on ownership of Small Scale DAB multiplex licences]

This consultation is clearly seeking to ensure that existing multiplex operators within a specific area cannot leverage their theoretical market power by preventing them from owning a Small Scale multiplex. This, to us, misses a more likely risk; namely that an eligible operator could accumulate any number of Small Scale multiplexes and emerge as a competitive local, national or sub-national operator. Reflecting on the Parliamentary debate leading up to the Primary legislation, this appears to be against the explicit assurances given by Parliament during the passage of the Primary legislation.

“Let me be clear that the Bill also makes sure that protections are in place for those who operate existing multiplexes. As has been said, this is not about creating a new competitor for them.” **Kevin Foster, Second Reading Debate, 13 January 2017**

The current DCMS proposals have an explicit objective to “restrict new...operators from holding a large number of small scale radio multiplex licences.” However, the proposals then go on to state that if a new operator does not hold any national or local multiplex licence there will be “no restrictions on the number of licences [they] can hold or have an interest in.” This opens the possibility of a new operator emerging that thwarts the objectives of both DCMS and Parliament.

Accordingly, we consider that more focussed restrictions on ownership need to be put in place. For example, DCMS may wish to consider establishing a maximum number of Small Scale multiplexes either in absolute numbers (e.g. five) or as a proportion of the total that any operator would be allowed to own. This would strike a balance of allowing operators to achieve some scale and reduce their costs while preventing the emergence of a powerful new commercial multiplex operator and delivering on Parliament's assurances.

Additionally, limiting ownership in this way would increase the likelihood that the owners of the Small Scale multiplex would be direct stakeholders in the community for which they provide a service.

Question 7. Do you agree with this two-step approach to delineating the size of the Small Scale multiplexes?

Question 8. Do you agree with the up to 40% limit in areas already served by local multiplex; if not why not and what alternative do you propose?

We answer questions 7 and 8 together.

This approach taken together with the proposed approach to coverage is likely to be problematic. In Ofcom's original technical analysis on the viability of Small Scale in 2016, it approached the issue of coverage issues with realistic assumptions on maximum power levels. The implicit reason for this was that a maximum 100W power level would enable genuine local coverage while minimising the risk of interference between transmitting sites. This approach focussed on increasing the number of sites which could benefit from availability of Small Scale (thereby supporting community radio directly and increasing the number of new entrants) compared with larger coverage areas and fewer sites.

The proposed approach here is very much toward the latter scenario by adopting a coverage area of up to 40% of the relevant local multiplex service area. This will inevitably involve the use of higher maximum power levels or more expensive networks of multiple 100W transmitters.

The policy approach being proposed creates opportunities for commercial stations which would be allowed to capture high population concentrations. This challenges a fragile radio eco-system at the local level delivering against key public policy objectives, providing varied content of a local nature to larger numbers of listeners at a county level.

This is another area where Parliament was very clear about its intentions stating:

"An operator would not be able to have multiple small-scale licenses to avoid going through the current Ofcom licensing procedure for clearly large-scale commercial operations" **Kevin Foster, Second Reading Debate, 13 January 2017**

However, the proposals as set out could lead to a scenario whereby stations which would otherwise be served by the local multiplex layer opt for the Small Scale DAB option. Aside from the unknown effect this would have on the local multiplex layer as incentives become distorted, this could well serve listeners interests very poorly indeed as stations are offered to less than 40% of an area which would otherwise have provided all listeners access to the content. Effectively, the proposal for Small Scale commercial DAB to cover up to 40% of the geographic area of the existing relevant local multiplex service area means that an existing local multiplex station could move to Small Scale and listeners who comprise up to 60% of that geographical area would lose access to valued and cherished services.

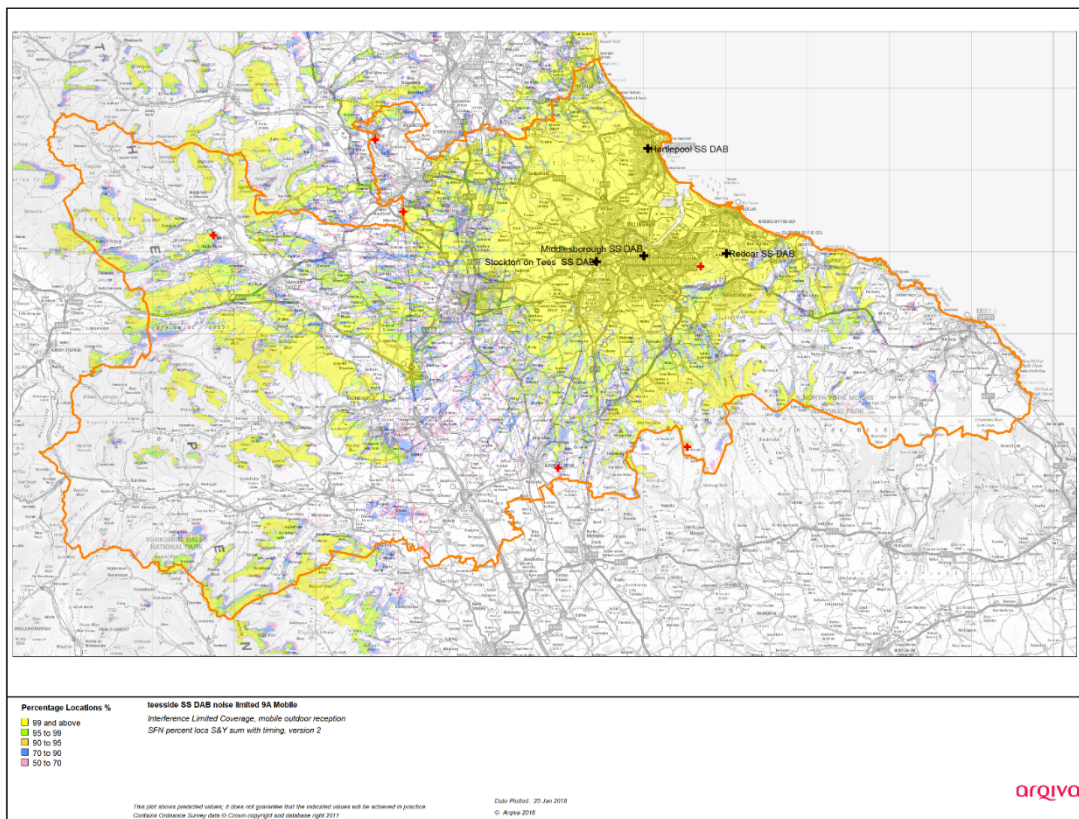
To assess the extent of this risk, we undertook a high level analysis of the possible attraction for stations of making such a move. The UK population is, in many cases, concentrated in urban areas which constitute a low percentage of the surrounding local or regional land mass. As a result, a carefully chosen 40% of any significant area (such a local

multiplex service area) could likely represent a very high proportion of population (and by extension advertising revenue) of that area.

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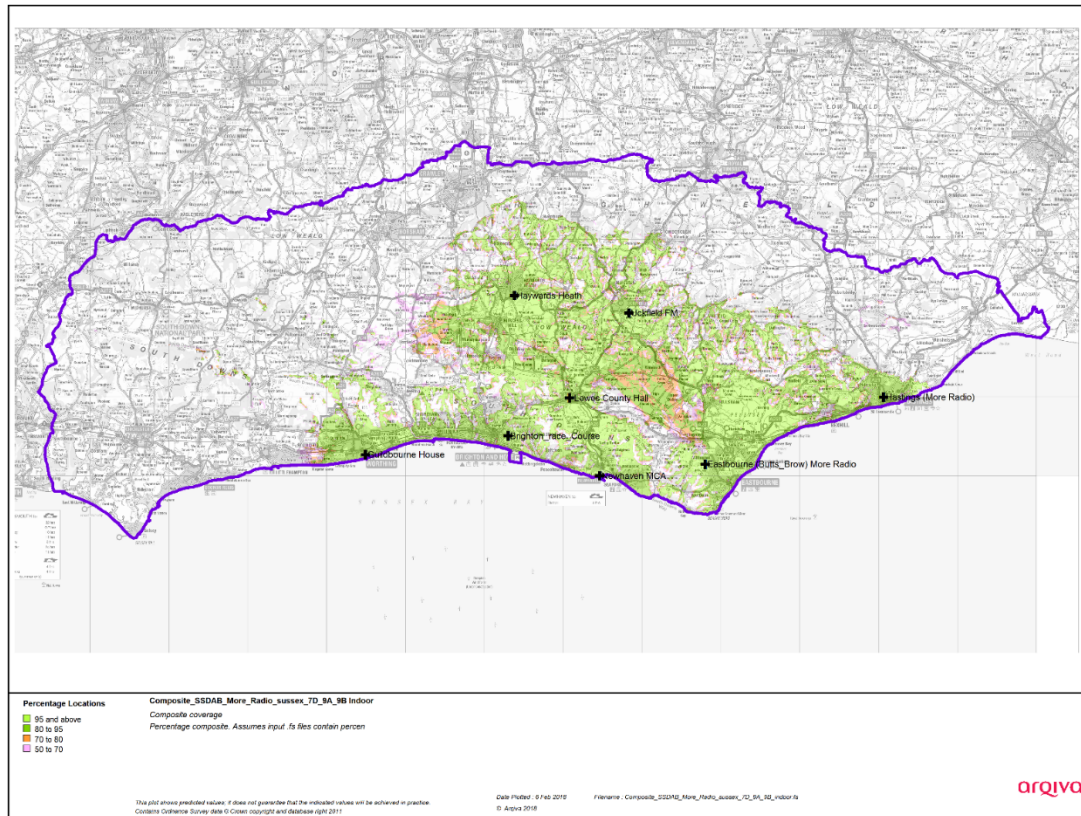
In Teesside, for example it is possible to cover 27.6% (mobile coverage) of the geographic area and achieve indoor coverage to close to 50% of households (which is only 9% of the geographic area concentrated in Middlesbrough and Hartlepool) within the total service area of the relevant local multiplex.

Scope for reaching mobile coverage in the Teesside area



In East Sussex it is possible to cover 24% of the geographic area and achieve a significant coverage level of 50.75% of households within the total service area of the relevant local multiplex. This is also illustrated below with, again, the coloured area on the map outlining the extent of indoor coverage:

Scope for reaching households in the East Sussex area



A commercial station on the local multiplex layer or a station which would otherwise choose to use the local multiplex would be faced, in these circumstances, with a strong incentive to move toward the Small Scale layer. While this might serve the narrower commercial interests of the station well it would clearly not be in the interests of:

- Listeners, particular those in more rural areas, who lose access to stations they would otherwise have access to; and
- Local multiplex operators who had invested in good faith and have expanded coverage areas as part of the coordinated commercial multiplex DAB expansion with a view to the long-term future of their networks.

The potential loss of valued DAB services for listeners would be a poor outcome on its own merits. However, combined with the policy to allow analogue licences to be handed back without capacity being re-advertised, the potential impact on listeners could be particularly negative. On current policy (both confirmed and proposed) there is no obstacle to a station, that is currently providing services to listeners by transmitting in both analogue and DAB to 1) hand back their analogue licence in the knowledge that it will not be re-advertised, and 2) move from the local DAB multiplex to Small Scale DAB.

While the station in question would be allowed to increase their profits, this would be hugely disruptive for listeners – a good number of whom (likely concentrated in rural areas) could lose access to both analogue and digital stations.

In contrast, we consider that the coverage areas should be defined by Ofcom to follow the localities served by community and small commercial stations who would otherwise be locked out of DAB. In the first instance, Ofcom should focus on the existing community FM stations where there is a clear and demonstrable demand for capacity.

Thereafter, Ofcom could pre-advertise the possibility of a Small Scale licence guided by its assessment of spectrum availability. It could then define the area to be covered based on expressions of interest from stations serving local communities – either not-for-profit or commercial. This would enable efficient reuse of spectrum across the UK and maximise the public policy benefits and availability of truly local stations to the communities they serve.

The approach above would, moreover, be more fully aligned with that set out during the Primary legislations bill through Parliament:

“if a community station wanted to cover Torbay, which is perfectly reasonable under an FM licence, it would have to broadcast over a much wider area, leading to problems with sponsorship and rendering local discussions and contributions from local groups meaningless to much of the theoretical audience. That is why the Bill seeks to create smaller multiplexes that can cover defined areas in the same way as a community FM licence.” **Kevin Foster, Second reading debate, 13 January 2017**

Question 9. We would be grateful for your views on these options [licence lengths] or other options along with reasons for your choice.

Question 10. We would also welcome views on the merit of linking licence length with underlying demand in an area for a Small Scale multiplex licence

With regards to questions 9 and 10, we are not best placed to give an opinion on the duration of Small Scale DAB licences.

Question 11. We welcome views on this approach [creating new multiplexes and BBC access to Small Scale multiplexes]

Spectrum suitable for wireless services is a finite asset. When spectrum is available, it can often be used for different purposes and Ofcom's duties give it a key role in assessing the optimal use of spectrum while having regard to a number of public policy objectives for the delivery of radio services.

In its 2016 report on the Small Scale trial, Ofcom modelled how blocks of spectrum could be used for these new multiplexes. This DCMS consultation proposes that, in starting to develop a fixed plan for licensing Small Scale multiplexes, Ofcom should consider the benefits of using some of the available spectrum for further local multiplexes. This suggestion is in part a response to requests from the radio industry, and stakeholders who believe that additional local multiplexes are viable commercially and would increase listening choice for consumers.

As a general point of process, the 1996 Broadcasting Act sets out that when spectrum is made available for both TV and Radio services a process of determining demand for that spectrum must be undertaken by Ofcom before a competitive process takes place. Under normal circumstances this would seem the sensible way forward and where spectrum could be used effectively by either the national, local or Small Scale layer we see no reason as to why all tiers of radio – both potential new opportunities and developments to existing uses – should not be considered for having that spectrum allocated to it.

DCMS must ensure that Ofcom's consultation on spectrum planning for Small Scale multiplexes should be as wide as possible, taking into account the needs not just of new commercial multiplexes but of existing commercial and BBC services. It is unclear from the current consultation whether this is explicitly the policy intention. Therefore, we would welcome confirmation that Ofcom's consultation later this year will assess the requirements of the radio network as broadly as possible.

In particular, we note:

- 1) From the most recent Ofcom plan for local multiplexes, Cumbria is the only part of England where a multiplex is still to be licensed. With digital listening almost at 50%, the commercial viability of a local multiplex for the county should be kept under review. A local multiplex remains the most appropriate way for BBC and commercial local radio stations to be made available for listeners in Cumbria. The consultation alludes to the fact that there are other parts of the UK where one day there may be demand for an additional local multiplex (alongside an existing local multiplex). There is commercial interest today for areas such as:
 - a. Manchester, Birmingham and London.
 - b. As digital listening continues to grow, other areas may have comparable demand such as Tyneside, Teesside, Leeds/Bradford, South Yorkshire, Liverpool, Nottingham/Leicester, Bristol/Bath.
- 2) Under the terms of its current Operating Licence the BBC retains an obligation to "serve and reach the **widest possible audiences** with this content via its mainstream television channels, **radio stations** and online platforms." In England, local radio multiplexes are planned and licensed in a way which already comes close to the requirements of the BBC local radio services. There are, however, a number of gaps in this coverage in the Nations with various options available on how to extend coverage where those gaps exist. There are also areas in the UK where BBC local radio is not available.

Community FM stations

We note the lack of clarity over the future of the Community FM network, which continues to be licensed. For example, on 1 February 2017 Ofcom announced its intention to license six community FM stations in the four UK Nations¹. There is no information in the consultation to clarify the position of the existing community radio licensed services that will be in place while the Small Scale DAB proposition is being developed. More than 250 community radio

¹ https://www.ofcom.org.uk/_data/assets/pdf_file/0019/110674/Community-radio-awards-Jan-18.pdf

stations are currently on air today and it is unlikely that any network plan for community DAB will cover the same areas that are served by FM community radio.

Question 12. We would welcome views on the implications of this approach [assessing the potential impacts on existing local multiplexes]

In the Second Reading debate for the Primary legislation, Kevin Foster said the following:

“My understanding is that, yes it would be possible for very Small Scale commercial operations to take advantage, but there would be processes in place to ensure that the rights of existing multiplexes were not affected unduly.”

We strongly agree with this approach because of the potentially serious impact for listeners from any adverse impact on local multiplexes. It is, therefore, regrettable, that this consultation is neither informed by an Impact Assessment for its proposals nor explains which processes will be put in place to ensure the assurances given by Parliament would be honoured. In order to deliver this, Ofcom must be given a duty to assess the likely impact on the relevant local multiplexes and those licence holders of any Small Scale licence application. It should ensure that the risk of any such adverse impact is minimised.

As Parliament (and DCMS) were aware when the Broadcasting (Radio Multiplex Services) Act 2017 was passed, even without this new legislation Ofcom would be expected to carry out a general impact assessment when it decides whether to award a new small scale licence. However, Parliament chose to put this *particular* power into the legislation² to ensure that Ofcom would be required to explicitly consider a specific issue in a way that goes beyond what it may, or may not, do as part of its existing duties. Namely:

*An order under this section may in particular—
provide for OFCOM to have regard to the effect of awarding a small-scale radio multiplex licence on holders of local radio multiplex licences*

It is important to ensure that the detail of what Parliament required is observed. The legislation specifically requires that Ofcom takes into account the impact on multiplex licence *holders* and not just the multiplex licences themselves. This requires Ofcom to look more broadly than it would otherwise do and consider the impact on businesses and not just citizens and consumers. This goes beyond simply considering whether or not a multiplex will continue to be viable, but also to consider whether the multiplex licence holder will continue to make the returns that it would have based its investment on. Accordingly, the secondary legislation should reflect the will of Parliament to ensure the responsibility to consider the effect on local radio multiplex licence holders should explicitly be given to Ofcom in this context.

While the legislation is written to state that the order “may” rather than “shall”, it was clear during the debates that this was done in order to allow some flexibility on how this was implemented. It was certainly not written in that way that anticipated the power would be

² Section 4 (d)

disregarded. Parliament gave explicit assurances around the need to protect the existing radio ecosystem.

We recognise that the primary role of government is radio policy generally to secure the best long-term outcomes for listeners and not necessarily to promote industrial or commercial interests. This was, by way of example, why we objected to the proposal in DCMS's Commercial Radio Deregulation consultation to allow stations to hand back analogue licences without the consequent capacity being re-advertised. However, by including this power in the legislation, Parliament explicitly wanted Ofcom to consider multiplex licences interests as it understood the benefits from listeners from ensuring the protection of local multiplex ecosystem.

As a result, Parliament included this power in primary legislation to ensure that, in this case, Ofcom had the legislative requirement to consider equally the impact on businesses, citizens and consumers.

To achieve the best interests of listeners in this case requires a recognition of where the industry currently is and how it operates. Parliament was very clear that there was no intention to damage or disrupt the existing ecosystem.

Radio services are currently delivered over a complex ecology³ of national and local, BBC and commercial multiplexes. Multiplex operators make fine judgements on long term investments in their networks based on similarly long-term contractual agreements with customers. To underpin those agreements, a significant degree of regulatory certainty is required. This is reflected in the relatively long multiplex and licence durations and in a clear legislative framework. However, it also requires the promotion of a stable commercial landscape so that all elements of the radio value chain can rationally make those long-term investment decisions. While increased competition is to be welcomed in principle, it needs to be introduced in a way which realistically allows providers of existing services to respond.

Our concern is that the Small Scale DAB proposals, in their current form, run counter to those principles. Stations which otherwise use the local multiplex will be faced with incentives to provide services to high population concentrations within the wider local service area. The impact of not assessing that risk to the local multiplex layer go beyond the interests of local operators themselves and to the provision of services to listeners.

According to Ofcom's 2017 Communications Market Report, there are 55 commercial local DAB multiplexes carrying 394 stations to listeners who place significant value on receiving those services. Any precipitate introduction of a new layer of competition to the radio market, against the explicit direction of Parliament, could have an impact on local commercial multiplexes, on the activities of stations and on the ability for listeners to access stations that they have come to cherish. In the absence of any risk assessment, the magnitude of those impacts is unclear.

³ The fact that MXR opted not to renew several of the regional multiplex licences that it had been awarded demonstrates the fragility of the ecology.



Small Scale DAB Licensing Consultation

The Community Media Association (CMA) is the UK representative body for the community media sector. It supports and represents community-based radio stations, local and community TV operators, and community-based Internet groups. The CMA has been instrumental in the development and recognition of the community radio sector and represents the needs of both full time community radio licensed stations and aspirant stations.

Our vision is a society that understands and appreciates the value of community media. We believe all people should have access to community media, both as audiences and practitioners. We want to see community media that is consistently relevant, diverse and offers creative opportunities for all.

We welcome the opportunity for SSDAB licensing, which we envisage will enable many more people to access community broadcasting in supportive environments, leading to improvements in democratic engagement, media literacy, and social cohesion.

There are two key trends that we feel should influence legislation. Firstly, community media, now more widely understood than ever, will increase in response to the opportunities afforded by SSDAB, and we expect to see many new stations launched, particularly in areas currently underserved by community radio. SSDAB licensing should make provision for an increasing number of projects, some of whom will have a niche focus such as arts, heritage, education or minority languages.

Secondly, business models for media are in flux, with a rising understanding of social enterprise. The Big Lottery social enterprise funder, [Power to Change](#) says:

“We believe that when local people come together to tackle local problems, and choose to do so through a commercial model built around trading, the results are both more powerful and more sustainable than traditional approaches taken by the public, private or third sector.”

This attitude is also found in many community radio stations, as well as community owned newspapers, hyperlocal news sites and TV channels. We see small-scale DAB as an important business opportunity for small, locally-focused organisations. Our case for

non-profit, single ownership of multiplexes will ensure sustainable income, empowering them to achieve their aims and for community media to grow and thrive.

The CMA welcomes this consultation to begin to set in place a route to digital broadcasting for community radio and small commercial radio broadcasters that will shape the future of radio broadcasting for some decades to come.

The Broadcasting (Radio Multiplex Services) Bill was a Private Member's Bill presented by Kevin Foster MP which, following agreement by both Houses on the text of the proposed legislation, received Royal Assent on 27 April 2017 becoming the Broadcasting (Radio Multiplex Services) Act.

The Broadcasting (Radio Multiplex Services) Act provides for the regulation of small-scale radio multiplex services by modifying the Communications Act 2003. The Act enables a digital radio broadcasting platform for a range of content including smaller commercial and community radio stations mainly transmitting on FM and MW analogue frequencies to be established in localised areas. For reasons of cost and capacity many of these services have hitherto been unable to broadcast as digital services.

The Act draws on the experience of a two-year field trial funded by DCMS and managed by Ofcom which tested 10 small-scale digital radio multiplexes and which enabled more than 100 small radio stations to broadcast on digital terrestrial radio (DAB/DAB+) for the first time. The trial used a low cost software-based approach to broadcasting on DAB. The Act intended to enable these trial services to be sustained and rolled out more widely within an appropriate regulatory framework.

The Act was a welcome initiative to create opportunities for existing and new small commercial and community radio services to gain affordable access to digital terrestrial broadcasting capacity - and we hope that the outcomes of this DCMS consultation will reflect the original spirit and letter of the enabling legislation.

To quote some pertinent clauses of the Act:

An order under this section may in particular -

- (a) provide for the duration of a small-scale radio multiplex licence to be determined by OFCOM, within limits specified in the order;
- (b) make provision as to eligibility to hold a small-scale radio multiplex licence, including provision disqualifying persons who have an interest in a national or local radio multiplex service;
- (c) require small-scale radio multiplex services to be provided on a non-commercial basis;
- (d) provide for OFCOM to have regard to the effect of awarding a small-scale radio multiplex licence on holders of local radio multiplex licences;
- (e) provide for capacity on a small-scale radio multiplex service to be reserved for broadcasting services of a description set out in an order under section 262;

- (f) make provision about the amount of capacity that may be so reserved;
- (g) make provision about the services broadcast by means of a small-scale radio multiplex service, including provision about broadcasting services licensed by local digital sound programme licences or services of a description set out in an order under section 262.

Section 262 above refers to the Communications Act 2003 which set out “to make special provision for radio services broadcast mainly for the benefit of the public (or members of a particular community) rather than for commercial reasons”.

In lobbying Parliament on the enabling legislation, the CMA felt that provision within the Act - that the services may be required to operate on a non-commercial basis - was too ambiguous and required strengthening to provide a more explicit formulation that such services should operate primarily for public or community benefit rather than for commercial reasons.

Furthermore, the Act does not limit the number of small-scale radio multiplex service licences that any one entity could hold. This risks a high level of concentration in the supply of the multiplex services and the possibility that new and existing services of public and community benefit could be unable to gain affordable access to the new platform.

The CMA has always maintained the view that it would be preferable for no entity to be permitted to hold more than one small-scale radio multiplex service licence and to encourage the emergence of local non-commercial consortia or local non-commercial operators (such as a community radio service provider) to become small-scale radio multiplex service providers, who would then be free to purchase appropriate technical services from a range of potential providers. This would better contribute to the sustainability of existing small commercial and community radio services, through the sale of spare multiplex capacity, and would also encourage competition in the supply of technical services.

The CMA has consulted with its members and other stakeholders in radio broadcasting - quoted as ‘sector view’ below. The CMA’s response to the DCMS consultation will reflect our members’ views, our experience in the community media landscape, and the work of academics and researchers.

The CMA’s position is supported by the Community Media Forum Europe:

"We as CMFE want to express our support to CMA: we want to highlight the role of community media as spaces of exchange and inclusion and bring the achievements of local non-profit broadcasters all over the UK to the spotlight. Future decisions regarding broadcasting have to make sure that the community media sector can effectively participate in digital broadcasting and benefit its public and communities. CMFE welcomes community radio participation in any digital radio, being DAB or DRM or online project. However, this should not be carried out at the expense of support for the local FM listening platform.

Broadcasting technologies are crucial infrastructure to secure access of community media to the public. The idea of multiplexes to be run as non-profit community enterprises takes the shared responsibility for media infrastructure into account - UK could take up a leading role and set an example for other European countries."

The abbreviations mux and mini-mux may be used as shorthand for multiplex and mini-multiplex below.

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Sector view:

SSDAB is the only route to digital, [other than Internet radio], available to most community operators and therefore the multiplexes should be licensed with this in mind. Not only should space be reserved, but it should be a principle that this access is at an affordable level. Multiplex licence holders should be required not only to allocate space to community broadcasters but to make reasonable provisions for local licence holders to take up that capacity. Whilst SSDAB should not be the sole preserve of the not-for-profit sector, it should not exclude community radio on the basis of the ability to pay. Therefore, an open and transparent system of fees should also form part of the licensing process.

Sector view:

Yes . . . but. Reserving space is one thing, it being affordable is quite another. Commercial operators can still price community stations off their SSDAB, if they don't want them there, leaving the space empty. It is a significant concern, especially if the SSDAB is operated by a major radio group, who only want their own brands broadcast. It would cost them nothing to block a community station by price, taking out one, local, station as competition. Consideration, however, must be given to how reserved capacity for CR is defined - is this defined as a fixed number of stations per multiplex, or a fixed amount of reserved bandwidth; or might this be defined as certain number of reserved capacity units.

Sector view:

Surely the best way of securing carriage for community radio stations is to make sure that the multiplexes are run by the community or not for profit, and finding a way of making sure that the platform is affordable and accessible to community radio stations. However, reserving capacity for community radio stations would be a prudent idea, however maybe consider going stronger and make it a condition of the multiplex operators that they have to carry, and that they can not price the stations out of being on the platform.

The CMA does not agree that reserving capacity on small-scale radio multiplexes is necessarily “the best way” of securing carriage for community radio services on the proposed new mini-multiplexes.

The CMA proposes that the best method to guarantee carriage for community radio services is if those muxes are operated by not-for-profit consortia that publish key commitments as to how those muxes should be run and, additionally, are regulated by Ofcom to ensure adherence to those key commitments.

Muxes run by not-for-profit consortia - comprising of third sector, commercial, academic, and other organisations - will not be incentivised to run the broadcast platforms solely as profit-making concerns therefore ensuring that both not-for-profit community radio and commercial radio services can access the platform at low rates of carriage to cover the costs of operating the multiplex. Surpluses made by the mux will be covenanted back into the local consortium in order to cover ongoing operational costs, maintenance and repair, and future innovation. Operational surpluses made by the mux operator will also be used to support incumbent community radio stations and develop further community radio activity in that locality.

A distinction has to be made between the services carried on the multiplexes and the operation of the broadcast infrastructure carrying those services. The CMA encourages private companies and not-for-profit organisations to take joint responsibility for investing in the broadcast infrastructure of a locality. Broadcast services, both commercial and not-for-profit, carried by a multiplex would then have free rein to make as much surplus as possible supported by a well-managed digital platform supplied at the lowest possible cost, without profit being extracted from the provision of service.

The CMA proposes that when aspirant operators bid to run a multiplex, licence applicants submit with their application a list of ‘key commitments’ as to how they intend to serve the broadcast service area. In the case of competing bids for an area, a ‘beauty contest’ will evaluate between potentially competing bids and the mux operators licence will be awarded to the application which is best deemed to serve the community with regard to a number of criteria including but not limited to: business model, range of services carried, and the support and development of community radio in that area.

Lastly, the CMA would agree that reserving capacity for community radio is but one method, out of a range of possible measures, that will contribute to securing guaranteed carriage for community radio on the new digital platform.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

Sector view:

As bandwidth on an SSDAB is the same on all of them, then, yes the same number appears to make sense. However, consider a city SSDAB, or one in an urban area, where there are potentially several CR stations in its footprint. Fixing at say, two, would restrict others. Is a better answer, that the number of slots reserved for CR should match the current number of CR stations (on FM) in the proposed SSDAB footprint?

Sector view:

The figure should be based on the current number of community radio services in the service area of the proposed multiplex. Ofcom should determine the number of 'reserved spaces' prior to advertising the multiplex licence, this should include current holders of FM/AM community licences as well as groups who have indicated their intention to apply for the appropriate CDSP licence. A hard limit is not a useful method of management.

Sector view:

We do not agree with an upper limit being placed on capacity reserved for community radio services. We believe some flexibility is needed and circumstances will differ across the country. Where there are multiple licensed Community Radio stations operating within a specific SSDAB area then sufficient capacity should be reserved for all of them to offer their existing services on SSDAB at a suitably high bit rate of up to 192 kbps for DAB (less if they want to use DAB+ exclusively) plus, ideally, some extra for "pop-up" services. Other Community radio services – especially those with C-DSP licenses - currently only online within that area should also be given priority by the MUX operators over commercial services.

Sector view:

There shouldn't be an upper limit no, because each area may have a different amount of community stations, ideally Ofcom should see how many community stations or possible community stations (based on their current EOI experience), to set how much capacity should be reserved. Also, that capacity needs to be of a reasonable quality and can not simply be set at the lowest possible. They certainly should define a one size fits all approach.

The CMA agrees with the principle that Ofcom should have the ability to reserve capacity on a small-scale multiplex for existing and new community radio stations, regardless of the terms of ownership of the multiplex in question.

Looking at historical precedents, community radio has tended to fare better in those countries where broadcast capacity has been reserved for the sector. One can look at the

precedent set in the USA in which 20% of VHF Band II was set aside, since 1945, for not-for-profit community and educational use.

Ofcom should have some flexibility in setting the amount of reserved capacity based on an assessment of existing analogue community stations already licensed in a particular geographic area. However consideration must also be given to future growth of digital community radio in a locality and for that reason the CMA argues that reserving capacity for community radio stations based solely on the number of extant community services in an area is potentially flawed and does not account for future expansion of the sector.

The CMA believes that it is problematic to talk of an 'upper limit' which which would lead to the situation where viable community radio services are not permitted to broadcast in their locality due to an upper limit on community radio services being reached. We would like to see a fair lower limit set across all multiplexes to allow for sufficient capacity for carriage of all local community radio services.

The CMA would argue that consideration must also be given to the number of capacity units reserved on each mini-multiplex for community radio services as, for example, a raw number of services carried would not require that community radio services would be carried at a guaranteed level of quality.

From Future Digital Norfolk (FDN) ¹[1]:

A standard DAB MUX (multiplex) provides a maximum of 864 Capacity Units (CU). Each audio programme service uses some CUs to deliver audio and additional CUs for error-correction (information to help the receiver decode the audio information provided). Tests have shown that some DAB receivers (in particular some early designs) do not always function properly when receiving DAB programmes using more than a total of 140 CU. FDN DAB services are therefore limited to bit rates which do not require additional CU above this 140 limit.

Future Digital Norfolk allocates bitrates and capacity units for carried services as follows:

Stereo Music-Based Audio Services ("good quality stereo):

- 128 kbps requires 96 capacity units per service (DAB/MP2)
- 64 kbps requires 48 capacity units per service (DAB+/aacPlus)

Mono Music-Based Audio Services ("good quality"):

- 96 kbps needs 70 capacity units per service (DAB / MP2)
- 48 kbps needs 36 capacity units per service (DAB+ / aacPlus)

Public Service Announcements (e.g. weather, travel etc):

- 48 kbps needs 35 capacity units per service (DAB / MP2)
- 24 kbps needs 18 capacity units per service (DAB+ / aacPlus)

¹ [1] <http://www.futuredigital.info/index.php/tech/a-guide-to-dab-mux-capacity/>

Community radio services would need to be broadcast at the minimum bitrates and capacity units suggested in the examples above otherwise there could be the danger that an unscrupulous mux operator might be able to fulfill the licence requirements of providing carriage to community radio services by offering the bare minimum of service to those stations.

Multiplexes should be balanced to reflect the local broadcasting ecology of incumbent community radio and small commercial broadcasters. And it is recommended that there should be more reserved capacity in urban areas to reflect a higher current and future demand of community radio stations in cities.

The CMA would therefore argue for a lower minimum limit of reserved capacity with the caveats listed above as to how capacity is measured.

Statistical time division multiplexing ('statmux') technology will allow more channels to be carried on a multiplex and the future deployment of 'statmuxing' on small-scale multiplexes will enable more services to be carried per locality. This supports the CMA's position that carriage for community radio is defined in terms of capacity units and not a hard limit of a fixed number of stations.

However a commitment to reserve capacity for local community radio services in itself might not be sufficient to guarantee access for those stations since the Consultation makes no mention of the fees a mux operator might charge for carriage. Again, this issue supports the notion that if muxes were operated on a not-for-profit basis then this indeed would be the best way to guarantee access to the platform for community radio services.

Section 2.3 on Page 10 of the Consultation document alludes to C-DSP licence holders having access to "the Community Radio Fund, lower fees and reserved capacity" but no prior mention is made of carriage fees and it is noted that this is the first time in the Consultation that any notion of lower differential pricing for community radio services might be considered by DCMS. This point needs to be greatly expanded, clarified, and made much more explicit. Current digital radio operators have to offer access to their platforms on a fair, reasonable, and non-discriminatory basis yet the Consultation from DCMS appears to contradict this principle.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Sector view:

This temporary period needs to be clearly defined and only allocated when no community services are operational in the area, or they decline the opportunity to take-up their statutory allocation. To ensure fairness, these temporary allocations

should be a fixed term allowing both financial security but also opportunities to join the multiplex at a defined dates or windows. It should be clear that any use of allocated space is on a temporary basis and that community operators should be able to join the multiplex within a (relatively short) period defined in the licensing framework. This should not be seen as a way to bypass the community radio allocation for those able to pay more.

Sector view:

We can see that there is a good business argument for MUX operators to be able to offer unused capacity reserved for community radio services on a temporary basis however we would like to see some safeguards including transparency over the terms of the “temporary” arrangements plus a maximum limit on such temporary arrangements which we suggest should be 12 months.

The CMA agrees that small-scale multiplex operators should be able to offer unused capacity that has been reserved for community radio services to other radio services on a temporary basis in order that that the mux capacity is utilised effectively and does not lie ‘fallow’.

The mux operator should be required to make this reserved capacity available to any locally-based aspirant community radio service (or locally-based aspirant community radio services) at a future point during the licence term. A working definition of locally-based could mean that a proposed service is located within the broadcast service area of the multiplex. However there would need to be clarity and transparency over the terms and the basis that temporary commercial radio services were given carriage instead of new community radio entrants to the platform.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Sector view:

This is a complex question. In principle, the introduction of a CDSP licence defines the nature of the service for multiplex management purposes and provides a route to broadcast for stations unable to gain an analogue frequency. However, I would suggest that a slightly lighter regime is appropriate here, allowing stations to broadcast fewer hours with less original output to account for the smaller audiences on DAB. I agree that holders should be established as not-for-profit organisations, including educational establishments and that the annual report is a good measure of this. I am concerned about the ability to change licences and would suggest that whilst the ability to migrate a community service into a commercial model might advantageous, an operator should not be able to revert to a CDSP licence at a later date. Equally, a CDSP licence should not be available as a shortcut to remaining on

DAB for a service that does not share the ethos of community radio. In other words, CDSP licence holders should be community radio services in their truest sense and not radio services that do not make a profit. The CMA may wish to suggest that membership of the CMA should be seen as a good indicator as to whether the applicant is dedicated to providing community media.

Sector view:

Makes sense. They would have to be under the same rules as for an existing station; social gain and so on. However, it would be cheaper for a non-profit CR style station to simply apply for a standard DAB programme licence.

Sector view:

A C-DSP is welcome and should certainly interact with the CR regime so that new licence holders can incorporate the digital plans into future funding strategy. Cross promotion on analogue and an eventual switch to digital only within the initial five year analogue licence term.

Sector view:

This is a good idea as C-DSP licence holders would benefit from this service, being able to use the reserved capacity on small scale multiplexes as more of the community switch to digital radio away from FM. Existing licensed Community Radio stations can simulcast their FM broadcasts on ssDAB, as the digital technology reaches a wider audience.

Sector view:

If you have a community FM or AM licence you should be given a C-DSP automatically.

Sector view:

I welcome the consideration for a C-DSP licence, however the following needs to be considered:

The Community Radio Fund is already over subscribed and is currently not fit for purpose or as designed when it was originally launched, there is simply not enough in the fund for the current 250 Community Radio stations. If [DCMS is] proposing that all these extra stations (which no one has any estimate of how many there could be, but we could be looking at hundreds of digital only stations) suddenly have access to the Community Radio Fund then that fund needs to be double as a minimum, and ideally increased even beyond that, also the fund needs to be future proofed, as there are no guarantee that it will exist from general election to general election, and

needs to be increased each year in line with inflation but also as the number of eligible stations increase.

Also, [the Consultation] mentions access to “lower fees” in the second but last paragraph before this question, but don’t say fees for what, are we to assume Ofcom fees? Multiplex carriage fees? Or music royalty fees? If the answer is yes to all three, then I can see an advantage to this licence.

I would welcome an introduction of a C-DSP licence as a way to clearly identify community stations over commercial stations, however I do not feel that the benefits (access to reserved capacity, lower undefined fees and access to an already over subscribed community radio fund) outweigh the negatives of restricting the amount of income you can generate from on air advertising and having to deliver key commitments, one point is I think currently CR stations HAVE to have their studio located within the coverage area, there are already CR stations broadcasting on the trial services outside of their studio area, as a way of reaching new audiences and providing them with additional choice and services. Surely the opportunities for SSDAB are for stations to try and do things differently and innovate in a digital age.

I would welcome a C-DSP license that has the criteria that they must be not for profit and as an organisation meet the current criteria for analogue licensed stations, maybe introduce some key commitments that provide opportunities not limitations on what the station can do, and provide access to the positives as listed above. I feel strongly against any restrictions on income generation, as I feel that could be setting these stations up to fail.

The CMA supports a new digital generation of community radio. It should be as easy to listen to community radio as it is to access state-run and commercially-run radio services. For this reason, community radio needs to be on a digital platform. It is the CMA’s vision that every person in the UK should have convenient access to community radio both as audience and participants.

However, currently existing community radio stations that wish to broadcast (simulcast) on DAB, and community groups that wish to operate as a digital-only service, are able to apply for a standard DSP licence unencumbered by the exacting restrictions of a community radio licence. There are no equivalent conditions set out in a DSP licence such as the requirement for community stations to be operated for social gain or any limits on the amount of commercial advertising or sponsorship that can be taken.

It is therefore very difficult to see what incentives there could be for a community radio station or a not-for-profit community-based group to take up a community digital sound programme (C-DSP) licence. The Consultation document explains that C-DSP licence holders would benefit from being able to access the Community Radio Fund and other social and third sector funding and capacity that has been reserved on the small-scale muxes for community radio.

Unfortunately, Ofcom's Community Radio Fund End of Year Report 2016/17 shows that DCMS allocated £392,500 to the Fund for the financial year 1 April 2016 to 31 March 2017. Over the two funding rounds in the year, 116 applications were considered asking for a total of £1,922,046 (£927,815 in the first round and £994,231 in the second round). There were 25 applicants who applied in both rounds, eight of whom were successful (one in the first round, and seven in the second round). Grants over the course of the year ranged from £3,000 to £33,897, with an average payment of £15,700. The Community Radio Fund is therefore hugely oversubscribed and woefully underfunded. For access to the Community Radio Fund to be of any incentive to any aspiring community radio station there would have to be a substantial and significant increase to the Fund in order to adequately service existing and incoming stations.

From Ofcom's Communications Market Report 2017, the majority of community radio stations continue to have annual income of less than £50,000. As in previous years, most community radio stations' nominal income was less than £50,000 in 2016 (69% of all stations). Average income for community radio stations has decreased every year since 2008 (apart from a minor bounce in 2014) when figures were first published. In 2008, average station income was £84,000 which, when adjusted for inflation, would currently amount to around £103,000 - and, on average, community radio stations are struggling to manage on approximately half of that sum today. Therefore it is highly unlikely that "access to the Community Radio Fund and other social/third sector funding" would offer any incentivised take-up of the C-DSP licence without considerable expansion of grant support for community radio services. The CMA would welcome discussing the plans that the Government has considered to enhance support for the community radio sector.

The Consultation document presents a scenario in a station chooses not to continue to operate as a community radio station in order to become a commercial station. In this case the station would have to surrender the C-DSP licence and then apply for a DSP licence. In this case, the Consultation outlines, "a station would continue to be able to broadcast as a DAB service, but it would lose access to the Community Radio Fund, lower fees and reserved capacity". As shown above access to the Community Radio Fund in its present form is little motivation for many stations to take up a C-DSP, reserved capacity is of questionable benefit without price controls, and reduced carriage fees requires further explanation from DCMS.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

Sector view:

No single company, or associated companies, should be able to own more than five SSDAB services. This is to prevent the SSDAB sector being completely taken over by an existing commercial group, or dominated by just a few companies. Ownership

of the SSDAB [muxes] should be carefully monitored by Ofcom, so ownerships are not manipulated through subsidiary, associated or jointly owned businesses. This is a significant danger.

Sector view:

The legislation made clear the intent for this tier of DAB to be operated in the public interest, which in most should be that the service should operate in a not-for-profit mode. Whilst I acknowledge the argument that for-profit businesses might wish to avoid SSDAB for this reason and so risk the viability and sustainability of individual multiplexes; it should be made clear that the intent here is to offer new services to listeners on DAB. It is important that costs of carriage on SSDAB remain affordable for all, as this will be important for the development of the tier. If local multiplexes emulate regional multiplexes, then listeners are less likely to engage with them; however if new entrants (both commercial and community) are encouraged to launch on DAB through an affordable platform then this will benefit the industry as a whole. I agree that Ofcom should be responsible for ensuring that operators are transparent on costs and these costs are appropriate for the service that the radio station receives. It is logical that a rural multiplex requiring multiple locations and new infrastructure might charge more than an urban operator utilising a single location. Pricing should therefore be linked to delivery costs, rather than the numbers of potential listeners reached. Ofcom may wish to use a system of banded costs, which might permit lower fees for CDSP licence holders and small commercial operators.

Sector view:

If there was a shortage of capacity that could prohibit the nearest CR licence holder, restricting the number of licences held by operators on an individual small scale multiplex is essential.

Sector view:

Yes, absolutely, to stop the ssDAB system being abused. It is small scale in coverage, and should also be small scale in ownership. Personally I think it would stop the system being taken complete advantage of. In my opinion only stations with Community Radio licences should be the main operators of the multiplex. I think Community Radio operators can be entrepreneurial enough to take on ownership. I have run [an online station] for nearly ten years, and accumulated a healthy bank balance for the station.

Sector view:

Limit to one per operator.

Sector view:

I feel strongly that the multiplex operators should be not for profit, and was a “non commercial” element part of the legislation and debate in parliament? I do not feel that this will restrict the growth of this new platform, as it hasn’t restricted the growth of community radio. There is no reason why current community and commercial broadcasters cannot form separate not for profit organisations (ideally in partnership) to hold and operate the multiplex licence.

Whilst reserving capacity for community broadcasters is a good step, how does that actually stop them being priced out of the platform? A commercial operator could set the price too high, wait for the community broadcaster to decline to be on the platform and then petition Ofcom to release that capacity as the community broadcaster isn’t using it.

Equally, whilst transparent pricing is a viable option, what will it actually do? Because if there is only one SSDAB multiplex in the area, it won’t do anything for competition or to balance or drive prices down.

What powers or regulation are Ofcom going to have over the pricing of the licence? Equally I welcome the consideration that pricing could be submitted as part of the licence application, however I do not think that the application process has been discussed at this point. Will the operators that can offer the lowest pricing be a deciding factor in who might receive the licence?

The CMA supports the provision in the Broadcasting (Radio Multiplex Services) Act 2017 to allow for ownership restrictions to be placed on small scale DAB radio multiplex operators and in particular that licences can only be held by an operator adopting a not-for profit model. The CMA proposes a non-profit model of multiplex ownership. This approach would not necessarily exclude many of the existing operators of the small scale DAB trials as existing commercial operators on the small-scale platform would be encouraged to form consortia consisting of two or more business entities, preferably including a community radio operator, to manage the mux on a not-for-profit basis ensuring that carriage for both commercial and not-for-profit broadcasters alike is kept as low as possible and that any surplus made by the mux is retained for the advancement of community-based broadcasting in that locality. Broadcast services carried by the multiplex would be at liberty to make as much surplus as possible, unencumbered by the not-for-profit status of the multiplex on which they are carried.

It is possible that the future roll-out of small-scale multiplexes might not be as rapid under this approach compared to a ‘light touch’ deregulated expansion of the network. However, it is thought that the CMA’s suggested approach will be organic, community-focused, commerce-friendly, and is designed to deliver long-lasting benefits for broadcasters and audiences alike.

There is a significant risk that commercial operators of small scale radio multiplexes will set unreasonably high fees as to maximise profit is, by definition, the *raison d'être* of any commercial entity. Also, as there will only be only one small-scale multiplex operating in any one locality, that operator will therefore enjoy a *de facto* monopoly and so transparency of carriage pricing will be completely irrelevant in this scenario. A broadcaster dealing with a particularly avaricious mux operator will have no choice but to dutifully pay the fee that has been openly and transparently published on the operator's website.

The Consultation document suggests that mux operators would have to “set indicative charges in their applications and make charges publically available”. This is the first occasion where the Consultation document refers to an application process to operate a multiplex. The CMA proposes that aspirant operators bidding to run a multiplex submit with their application a list of ‘key commitments’ to address how they intend to serve the proposed broadcast service area. In the case of competing bids for an area, a ‘beauty contest’ will evaluate between potentially competing bids and the mux operators licence will be awarded to the application which is deemed to best serve the community with respect to a number of criteria including but not limited to: business model, range of services carried, and the support and growth of community radio in that area.

It is the view of the the CMA, and many others in the industry with whom we have consulted, that price transparency is ineffective without price controls and the regulator must have the power to impose fair and reasonable pricing models on the multiplex operators, and must also be empowered to act as an arbiter in the event of inevitable disputes over carriage costs. Ofcom's resources are not infinite and currently are sufficiently stretched dealing with over 500 community radio and small commercial broadcasters. Adding potentially hundreds more radio stations to the current mix is unlikely to be sustainable by Ofcom in the short to medium-term. Therefore the not-for-profit multiplex ownership model proposed by the CMA efficiently deals with the problems around carriage pricing that will inevitably arise when the profit motive is driving mux ownership.

DCMS proposes a ‘light touch’ licensing regime without ever clearly defining what is meant by the phrase. However, by proposing that small scale multiplex operators are required to “collate and publish information on charges on their website and [to] update it regularly” places a heavy administrative burden on those operators greater than that of regional and national DAB operators and this is wholly incommensurate with the notion of creating a ‘light touch regime’. It is suggested that if price transparency is demanded of small-scale operators then there should be industry-wide transparency which should apply to all DAB operators.

There is an explicit precedent regarding carriage costs that exists with the arrangements in place for local television whereby Comux, which operates the digital transmission infrastructure for local television, is not permitted to charge local television channels more than the net operating costs of carriage. National television streams can be charged at a market rate but local operators may only be charged the net costs of transmission in proportion to their use. Carriage fees should therefore never exceed net operating costs for

local TV operators. And in this example, Ofcom does have the power to intervene on pricing and is able to be able to exert price controls.

Q6. We would welcome views on this approach.

Sector view:

We accept the logic of allowing commercial operators for SSDAB multiplexes as well as not for profit ones. However we remain concerned about the ability of large commercial operators – including those who currently run National and Local multiplexes – to get around the ownership rules by the use of wholly owned subsidiaries with different names and so on as has been the case with other broadcast licences. We are unsure that OFCOM has or will be given the resources to police this satisfactorily. So we would like to see the establishment of a simple and cheap appeal process by OFCOM for failed applicants who feel they have been cheated by such companies.

We would like to see a limit placed on those future operators of multiplexes who are not currently involved in either national or local DAB as you are not proposing any limits on them at all. We suggest the limit of five SSDAB multiplexes should be applied to them as well otherwise there will inevitably be a new oligarchy of such operators within a few years.

Sector view:

No single entity should hold more than 50% of the number of services broadcast, irrespective of the individual bandwidth used by those services.

Sector view:

I do not feel that 50% limit for holders of national DAB multiplex owners goes far enough, whilst both operators carry significant sector experience I feel that their participation does limit the opportunities for sector growth. Where local operators have no local interest, I can see no reason for not permitting them to hold SSDAB licences provided they have at least one local partner – such as a community radio station. Overall, there should be controls in the number of licences that any one person or organisation can hold a stake in. I do not feel that a situation where a single body held controlling stakes in a significant number of multiplexes is in any way conducive to the development of the sector. Ofcom should limit owners with a controlling interest to 5 multiplexes, or a percentage of the whole system. I agree that operators should be restricted to holding one licence in the same area. I do think that stronger controls are needed on how many licences an operator holds; SSADB should be seen as a way to grow the radio sector, to generate new formats, and – most importantly – to offer a route to DAB for small-scale broadcasters. It should not be seen as a way to build quasi-networks through the back-door. A CDSP licence

should only be granted where the licence holder can demonstrate that their target community exists in the area, even if they hold an FM licence elsewhere. Services such as Resonance or Angel clearly demonstrate this.

Sector view:

There are reciprocal arrangements between current small scale multiplex operators and broadcasters such as Services Sound And Vision Corporation and Celador who both operate multi-platform profit-based commercial radio or television companies such as Sam FM, The Breeze and (SSVC) Forces TV . This shouldn't prohibit the nearest analogue CR licence holder that operates on a charitable or not for profit basis.

Sector view:

I am sure the DCMS would not desire any abuse of this great opportunity for local communities. I think there should be a restriction in place of the number of licences that broadcasters may hold. This is the reason why I think a Community Radio station should be the main operator, but allow local commercial operators on the Multiplex in local area. In most areas there will be other Multiplexes available to national commercial stations. The only exception to the rule should be in areas where there are no Community Radio stations operating.

The CMA does not agree with the proposition that “creating a third tier of digital radio multiplexes across the whole country can only be achieved successfully if the wider radio industry is engaged in the development of small scale DAB”. The community radio sector has flourished, in terms of the number of stations and the social benefits delivered, in spite of an unprecedented downturn in the macro economy and the regulatory burdens on earning advertising revenue imposed by a less than supportive commercial environment. The community radio sector has grown without significant assistance from the wider radio industry and, it might be said, in spite of the wider radio industry. However, the CMA would encourage small commercial organisations to join forces with community radio operators, using not-for-profit investment vehicles, to roll-out a variety of high quality, sustainable multiplexes across the country that entertain, educate, and inform local communities.

It would be a much riskier alternative for DCMS to oversee a rapid expansion of identikit multiplexes owned by handful of commercial operators seeking to maximise short-term profits by carrying networked quasi-national stations prepared to pay high carriage costs on which community radio services are carried only as a token gesture.

The CMA recommends that the principles of best practice which have made community radio sector an enduring and resilient model of success should be carried over to multiplex ownership, namely:

- a single ownership model
- not for profit consortia running the mini-multiplexes

- accountability to Ofcom via published key commitments as to how the mux is to be run.

With regard to the limitations in the proposed new legislation:

- **Existing national multiplex licence holders** - the CMA opposes existing and future national multiplex licence holders having a stake in a small scale radio mux as this goes against the spirit, if not the the letter, of the original legislation and the reasons for which it was brought to Parliament to support small commercial and community radio broadcasters. If, however, national mux licence holders are permitted to engage with the new platform then the CMA proposes that such operators should only be able to hold up to a 25% stake in a multiplex up to a maximum of 3 licences with a maximum 50% holding by national and regional multiplex licence holders in any one mux. We agree with the “Step-Aside” Rule if national multiplex licence holders are permitted to have a stake in the new platform.
- **Existing local multiplex licence holders (with no interest in national multiplex licences)** - the CMA opposes this category of existing and future multiplex licence holders having a stake in a small scale radio mux for the same reasons given above - that this would go against the spirit, if not the the letter, of the enabling legislation. If, however, local mux licence holders are permitted to have a stake in the new platform then the CMA proposes that such operators should only be able to hold up to a 25% stake in a multiplex up to a maximum of 3 licences with a maximum 50% holding by national and regional multiplex licence holders in any one mux. We agree with the “Step-Aside” Rule if local multiplex licence holders are permitted to have a stake in the new platform.
- **Individuals/organisations/entities holding no national or local multiplex licence** - the CMA proposes that ownership of small-scale multiplex licences should be limited to single not-for-profit organisations established for the management and curation of that resource. Multiplex operators would be accountable to Ofcom via a set of published ‘key commitments’ as to how the multiplex would be run.
- **Restrictions on holding multiple licence in the same area** - the CMA proposes a single ownership model for small-scale multiplex licences.
- **Carriage restriction** - the CMA agrees that there should be no restrictions on DSP and C-DSP licence holders taking carriage of services on different small-scale multiplexes. However where access to a multiplex might be contended in a particular locality, then must-carry priority should be given to community and small commercial broadcasters based locally within the broadcast service area. Curation of broadcast services would be the responsibility of the operator who, the CMA suggests, would be working to a set of published and transparent key commitments advertising the balance of services that the multiplex would carry to reflect local tastes and to foster small-scale broadcasting initiatives.

If there was no limit on the number of operator licences held by individuals, organisations, and other entities holding no national or local multiplex licence this would permit the establishment of national, quasi-national, or regional networks of multiplexes and create near monopolies in many areas which could price community radio and smaller commercial radio services off the new digital platform. The only protection that the Consultation proposes to mitigate against this possibility is the publishing of carriage pricing which the CMA believes to be wholly inadequate to guarantee low-cost access for small broadcasters to the small-scale digital platform.

There is a high risk that where a small-scale radio multiplex service is run on a commercial basis, charges to smaller broadcasters will not be a true reflection of the costs of carriage and that the opportunity to minimise the costs for both small commercial and community radio operators will not be pursued.

A commercially operated small-scale radio multiplex operator may be inclined to populate available capacity with content from those providers prepared to pay the highest rate, rather than content of the greatest public value. For example, content providers that have very low fixed costs such as those providing semi-automated predominantly music services may be better placed to afford high costs of transmission, than content providers who invest in original local content including speech and local journalism.

The CMA believes that small-scale radio multiplex services should be required to operate for public and community benefit rather than for commercial reasons in order to favour existing community radio providers or consortia of small-scale local and community media to come together to operate the multiplex.

This would not exclude a small-scale local commercial radio service from playing a lead role in establishing a not-for-profit vehicle to hold the multiplex licence and to operate it on such a basis that local radio services, including small-scale commercial radio services, are provided with free or low cost carriage, and that any surpluses generated are invested in local content production.

Determining the size of a small scale radio multiplex

Q7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Sector view:

We agree with the principles but are very concerned about the practical implications in local circumstances including in our own area. Your proposals are based on SSDAB areas being defined as a sub-set (below 40% of the area) of the existing “Local” DAB areas which are described as being “County” sized. However our so-called “Local” DAB area covers three Counties – Hertfordshire, Bedfordshire and Buckinghamshire plus Luton, Stevenage and Milton Keynes comprising multiple large cities, towns and villages with a combined population of around 2.7 million. 40% of

this area cannot be considered “Small Scale” by any stretch of imagination! It appears that OFCOM's “indicative” frequency plan for our area is based on the “local” commercial radio licence areas and transmitter sites so proposes an SSDAB service area which is called “St Albans” but is in fact a combination of St Albans, Watford and Hemel Hempstead plus many smaller towns and villages. This area includes three distinct large communities, the City of St Albans and two large towns, Watford and Hemel Hempstead (each with populations over 100,000) and dozens of smaller towns and villages so an area with a total population of around 400,000 people. Hardly “Small Scale”. Providing a suitable DAB service for this area is likely to require at least five – and probably more – transmitter sites and so is effectively beyond the financial capability of Community Radio stations such as ourselves to provide.

This large area is already served by two licensed FM Community Radio stations (Radio Verulam and Vibe FM) and a third online only station (Hemel FM) so we believe the SSDAB areas should mirror these areas with three separate SSDAB areas and licences – St Albans, Watford and Hemel Hempstead. We are keen, given the right regulatory and financial conditions, to become the SSDAB MUX operator for St Albans for which we believe we have the financial and engineering capability and experience and which we believe fits in with our overall “community radio” ethos and purpose.

Sector view:

In principle, a two-step approach can work. However, Ofcom should determine whether county-wide or semi-regional multiplexes offer the best solution, especially in areas where small-scale services operate in only part of the proposed area. For example, would a regional service for Cumbria be expected to carry all community services in the county? I would suggest that Ofcom advertise their intent to licence services in a given area and then seek proposals on how best to cover the area. Ofcom should ensure that the both the needs of the digital listener and the local services are adequately met.

Sector view:

In principle, a two-step approach can work. However, Ofcom should determine whether county-wide or semi-regional multiplexes offer the best solution, especially in areas where small-scale services operate in only part of the proposed area. For example, would a regional service for Cumbria be expected to carry all community services in the county? I would suggest that Ofcom advertise their intent to licence services in a given area and then seek proposals on how best to cover the area. Ofcom should ensure that the both the needs of the digital listener and the local services are adequately met.

Sector view:

Cumbria (where I currently live) is a case in point. 83 of the highest 100 points in England, are in the Lake District. Send DAB (or FM) through that ! Cumbria is also one of the most sparsely populated counties in England. This is why a countywide DAB is technically impossible and prohibitively expensive. What should therefore be allowed in such areas, are much higher powered SSDAB licences, designed to cover significant square km. A single SSDAB licence in Cumbria (and Scotland as indicated in the question) may require several higher power SSDAB services, than elsewhere in the UK. Don't make it a "maximum cap" in such rural areas, but design them to fit the population and the terrain. If that isn't allowed, then Cumbria will remain without local or regional DAB. (Cumbria lacks national digital two as well, by the way). Whitehaven in Cumbria was the very first town to be switched over to digital TV - it now risks being the last to have local or regional DAB. Ironical really.

The CMA is not opposed to the two-step approach to delineating the size of the small-scale multiplexes.

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

Sector view:

Because of the way this 40% "limit" could operate in practice in areas like ours we think it is too high. Rather than an arbitrary percentage limit we would prefer to see the SSDAB MUX areas being based on the existing Community Radio areas so that the transmission footprints largely match the existing FM/AM areas. This would automatically ensure that all SSDAB transmissions are a subset of the existing "local" DAB areas which is one of your defined objectives.

Sector view:

I agree that limits should be placed on size of multiplex area, where this is practical. A limit of 40% might not always prove practical, as in some cases this might limit the size of a multiplex. Whilst Ofcom might operate a guideline it should have the capacity to vary this depending on coverage data. I would suggest that just as local commercial multiplexes follow the footprints of local or regional FM services, SSDAB muxes could follow the general coverage areas of the relevant community or small-scale commercial radio station – whichever is the larger.

The CMA is not opposed to an arbitrary 40% limit in areas already served by a local multiplex. The CMA does not envisage a significant number of multiplexes to be licensed at this level and we expect the vast majority of small-scale broadcast service areas, for reasons of scale and cost, to operate in tightly delineated communities and towns. Running multiple transmission sites to service a large geographic area could be prohibitively expensive for smaller operators. However, a 40% limit in terms of size of geographical area served might require a certain degree of flexibility to be increased in order to adequately address rural areas such as Cumbria which do not currently have a local multiplex licensed service.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Sector view:

Ofcom needs to ensure that DAB operators enjoy a level of parity. Whilst shorter licences might encourage customer focus, it might deter some investment. Ofcom may wish to require the establishment of a trade body, or a co-regulator for this tier to assist Ofcom with disputes and the development of good practice.

Sector view:

Eight to ten years, to allow for development of the services and for both CR and commercial operators to see a return on their investment. Five years would be too restrictive.

Sector view:

We would like to see the duration of SSDAB licences match at least those of existing FM/AM community radio licenses (so 5 years) or preferably longer (7 years?) like those for commercial operators to reflect the extra costs imposed on stations by SSDAB. We would also hope the costs of SSDAB licenses would be set to encourage smaller operators and perhaps where the licensees are existing not for profit Community Radio stations there could be a reduction in the costs of the existing FM/AM licences or an overall reduction in licence costs to reflect the increased costs of operating two parallel transmission systems.

Sector view:

Eight to ten years, to allow for development of the services and for both CR and commercial operators to see a return on their investment. Five years would be too restrictive.

Sector view:

I think the term of the licence should depend on demand for the service and whether the holder fulfills the key commitments during the initial term set by Ofcom.

The CMA proposes that in order for DCMS to genuinely commit to a 'light touch' regime, the length of small-scale DAB licences should be identical, at 12 years, with those of national and local DAB multiplexes. The experience of community radio broadcasters informs the CMA that five-year licence periods are too short and provide too much uncertainty for sufficient development of a range of broadcast radio services in a locality. A longer licence

length enables small-scale multiplex investors to recoup their initial investments, charge lower fees (as the period in which to recover investment is longer), and then reinvest surpluses back into the local broadcast economy to further radio broadcast initiatives in the area.

With regard to reducing “the likelihood of Ofcom having to get involved in disputes between stations and multiplex operators over matters such as charges or the quality of service” - the CMA’s solution as stated elsewhere is for multiplex operators to be regulated by adhering to a published set of ‘key commitments’ as to how a multiplex is intended to be run. Ofcom therefore has established procedures and processes in place to deal with any alleged breach of ‘key commitments’ and the CMA suggests that existing regulatory precedents are repurposed in order to manage the new platform.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

Sector view:

We recognise the merits of such a system and agree it would encourage the adoption of DAB in areas where it would otherwise not be available

Sector view:

Licences should be of a fixed length and whilst Ofcom may wish to offer longer licences in rural areas, where the investment in infrastructure may take longer to recoup (due to the need for more transmitters, or fewer clients) the process should be open and transparent from the outset. Licences should be subject to a fast-track process when the licence is due to expire, as with commercial radio licences. In each case likely investors would require surety of tenure.

Sector view:

There are current licence holders and small scale trial operators (with reciprocal arrangements) broadcasting local programming on only one service for a maximum of 16 hours during any seven day period. This is on a small scale multiplex that carries nine other services with no local individuality. The licence terms of 90 percent of these small scale simulcasts should be looked at.

The CMA does not believe that any DAB multiplex licence - small-scale, regional, or national - should be offered for a period of less than 12 years, especially if small-scale multiplexes are operating on a not-for-profit basis. To create differential licence lengths for small-scale digital radio introduces additional and unnecessary complexity which is incompatible with the notion of a ‘light touch’ regime.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

Sector view:

The motivation behind SSDAB is to develop the growth of DAB and to offer a clear 'path to digital' for analogue broadcasters. This may mean that in some locations demand is such that a 2nd SSDAB mux is required. Where this is feasible, Ofcom should be able to offer multiple licences on the condition that there is no cross-ownership and that all community services have the opportunity for carriage, should they wish to take it up.

As above, I see no reason why the BBC should participate in this sector as either a broadcaster or a partner in a local multiplex. However, it should only do so where there is clear public purpose and where the BBC holds less than 50% of the multiplex.

Sector view:

We have no objection to the BBC being able to take space on an SSDAB MUX for an existing "local" service on the same commercial terms as any other radio service provider, for example where they will be filling a "hole" in the local DAB MUX coverage. However we would not like them to be able to create more local Community Radio like "opt out" services perhaps aimed at a particular town or city so would want such new services restricted at least or ideally prohibited

The CMA does not oppose the BBC taking carriage on a small-scale radio multiplex. Under the not-for-profit consortium model of ownership proposed by the CMA, the BBC could be a consortium partner bringing in a wealth of expertise and access to resources that would not usually be available to a mini-multiplex operator.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

Sector view:

We see no reason to consider the commercial impacts on local multiplexes as the SSDAB MUX operators will be providing very different scale of services in the same way existing Community Radio stations are on a different scale to "local" commercial stations which are now largely regional or national in practice.

The CMA proposes that small-scale multiplexes are operated on a not-for-profit single ownership model and governed by an Ofcom-regulated key commitments process. We believe that the merits of this model inherently provide sufficient safeguards to protect the interests of incumbent local DAB operators. Therefore Ofcom need not be required to have a duty to consider the effect of granting a small scale radio multiplex licence on existing local

DAB multiplex licence holders that already cover the area to be served by a prospective small scale multiplex. This is likely to lead to a much swifter licensing process with rapid roll-out of the new small-scale broadcasting platform.



MKFM Limited
Thebeat Limited

Small Scale DAB Licensing Consultation

Joint Response

February 2018

About MKFM Limited

MKFM Limited is a company limited by guarantee (not for profit) based in Milton Keynes. The company holds an FM community radio licence for the Milton Keynes area and has been broadcasting the MKFM service on 106.3FM since September 2015.

MKFM is a proudly local and mainstream community radio station with local news, travel, weather and information provided throughout the day. The radio station has strong support from the local community, with over 40,000 followers on Facebook and healthy local advertising revenue.

MKFM Limited unsuccessfully applied for one of the initial ten trial DAB multiplexes during the first round they were made available.

About Thebeat Limited

Thebeat Limited is also based in Milton Keynes and currently operates two DAB Digital Radio services.

MKFM Digital broadcasts on Arqiva's Herts, Beds and Bucks multiplex and is currently a simulcast of the MKFM community radio service.

The Beat broadcasts on Arqiva's Herts, Beds and Bucks multiplex as well as on three of the current small-scale DAB multiplexes around the UK (Norwich, Birmingham and Brighton). The Beat is a semi-national service which provides a mix of 90s, 00s and Now music alongside nationally known names like Pat Sharp and Chris Brooks.

Community stations and small-scale radio multiplexes

1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

MKFM and Thebeat support the principle of reserved capacity for community radio services on small-scale multiplexes. However, we would urge caution and suggest that capacity is only reserved for stations which are specifically licenced as FM community stations and not, for example, other non-profit stations which may currently be broadcasting on DAB Only or Online.

We would also suggest that community radio stations which are eligible for reserved capacity are charged a carriage fee which is affordable for them. This could be a reduced fee which simply covers the costs of providing the service or which is set by Ofcom nationally.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

We do not believe the figure should be set nationally. Instead, the number of slots reserved on each multiplex should be based on the number of Ofcom-licensed FM community radio stations in the area the multiplex covers.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

We do agree with this principle; however caution would be required with the approach. If no limits on carriage pricing were placed on community radio slots, there could be situation where the community radio station is 'priced out' of their reserved capacity and therefore it is awarded to a commercial provider who is able to pay the fee.

Digital community radio licences

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Whilst it is clear that a different regulatory approach would be needed in order to maintain community radio integrity, we believe there are a number of issues with the proposed C-DSP licences.

As a community station which is currently simulcast on a commercial DSP licence by another company (ie. Thebeat Ltd broadcasting the MKFM Ltd community radio service), we would be hesitant to change this simulcast to a new 'community' based digital licence and would instead wish to retain the current arrangement of broadcasting on a DSP licence.

However, as a community radio service, MKFM should be able to allocate its reserved capacity on any small-scale multiplex to this commercial simulcast operated by another provider. This would be on the condition that the actual service broadcast was identical in output to that of the FM community service for a majority of the day (ie. at least 12 hours per day), with the only difference during these hours being the advertising broadcast by the DAB service.

This would benefit community stations in a number of ways:

- Community stations who are unable to afford carriage on a DAB multiplex could instead approach another limited company (either for-profit or non-profit) and, using the community stations reserved space, ask the commercial company to simulcast the community service in return for a portion of the advertising airtime on the DAB service
- Community stations would be able to achieve additional advertising revenue, free of the 50% rule, on their DAB service whilst securing the high-quality community content on a digital platform. The FM service licence holder would retain the existing rules and regulations including the 50% rule, key commitments and 'not for profit status'
- Community stations which already hold a valid DSP licence would have a considerably lower administrative burden by having to apply for a C-DSP licence

We also believe that only existing Ofcom-licensed community stations should be eligible for any reserved capacity. New stations which wish to join the DAB multiplex only (ie. not launch as an FM community service first) should be required to do so in the commercial section of the multiplex.

This would prevent a small scale multiplex being filled by purely community services, rather than the possibility of a number of other services being offered to listeners.

An 'unlimited' number of community licences on DAB multiplexes would also reduce the viability of existing community stations in an area by 'splitting the pot' of grants and funding available to them.

In summary:

- Existing FM community stations should be able to choose whether to operate with an existing DSP licence or a new C-DSP licence. Under either licence, the station should be able to use its reserved capacity.
- Existing FM community stations should be able to elect another company to operate their DAB service, which could be for-profit or non-profit.
- New 'community' services would be treated in the same way as new commercial services and not be eligible for any reserved capacity or access to the Community Radio Fund

Restrictions on holding small-scale radio multiplex licences

- 5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.**

We broadly agree with the approach outlined in the proposals, with a number of small safeguards made to ensure that existing community radio services are protected on any multiplex.

The first would be that if a community radio operator (or their nominated digital multiplex 'holding' company) applied to operate a multiplex in their area then this application should be given priority. Whilst success cannot be guaranteed for the community radio operator due to other application quality and technical quality metrics, it would make sense that a company close to existing community radio stations should be given 'first refusal' on any new multiplex covering their area.

Where multiple community radio stations exist in a particular area, the multiple bids by community radio operators (or their nominated multiplex 'holding' company) should be considered in full before any secondary bids.

If community radio operators are heavily involved in the operation of multiplexes then it will guarantee capacity for these services. It will also ensure that a large number of multiplexes are not awarded to a single 'national' operator who then seeks to bring a number of national services with little provision for any other stations.

The idea of a nominated 'holding' company is simply to allow a community radio licence holder to nominate another limited company to run the multiplex on their behalf. This holding company could be for-profit or non-profit and would have to be nominated by the community radio station during the application process.

6. We would welcome views on this approach.

We agree with the carriage restriction and restrictions on holding multiple licences in the same area restrictions which are proposed.

However, it is our view that any holder of a national or local multiplex should not be able to own any part of any small-scale DAB multiplex.

The primary reason which these multiplexes have been created is because the carriage fees charged by existing national and local multiplexes is simply too high for the majority of community and small-scale radio stations.

Just as a commercial radio station licence holder is unable to hold a community radio licence, it should be the case that any company with an interest in any existing national or local multiplex should be forbidden from having any shareholding in a small-scale multiplex.

We also believe that any holder of an FM commercial radio licence should be forbidden from holding a small-scale multiplex licence, except in an area in which they operate an existing FM radio service.

Whilst it is understandable that smaller local commercial station operators would wish to own a multiplex in their current FM coverage area, a situation where a quasi-national commercial radio company was able to own and operate a large number of

the multiplexes would, in our view, mean that they would simply prioritise the roll-out of their existing commercial radio stations over genuine local services.

This would create two primary issues. One of which would be a restriction on listener choice, with existing FM commercial radio stations simply cementing their position rather than a range of brand new services being offered. The second would be the impact on the current local and national multiplex operators. Some commercial radio groups may choose to move services off these expensive multiplexes and onto their newly-owned small scale multiplexes instead. This could affect the viability of the larger multiplexes.

To summarise:

- Existing national multiplex licence holders and existing local multiplex licence holders (with no interest in national multiplex licences) should not be allowed to own any part of a small scale DAB multiplex
- Existing FM commercial radio stations and their parent companies should not be allowed to own any part of a small scale DAB multiplex, except in an area where they currently operate an FM radio service
- The proposed restrictions on holding multiple licences in the same area and carriage restrictions should apply
- There should be no other restrictions on individuals or companies not covered by the above

2.5 Determining the size of a small scale radio multiplex

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

We agree broadly with these principles.

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We do not agree with this limit and believe that instead Ofcom should use their discretion based on each individual application.

There are a number of reasons for this. Firstly, existing local multiplexes range widely in size. This would mean that, in some cases, a small scale DAB multiplex in one area could actually end up being larger in coverage area than a commercial multiplex in another area of the country.

Instead, Ofcom should consider each application based on its own merit. For example, MKFM would probably wish to cover the whole of North Buckinghamshire with a small-scale multiplex as this matches our area of editorial focus. However, another operator may wish to focus only on a particular city.

Listener choice should be paramount and the 40% rule could risk rural areas losing out from the expanded services because small scale operators are restricted to covering core urban areas only.

It is also our view that the 40% rule could create a situation where a community radio services ends up 'in the middle' of two or even three overlapping multiplexes. This would mean increased carriage costs as they attempt to cover their entire area of editorial focus.

Instead, Ofcom should exercise judgement based on listener choice and there is no reason why a small scale multiplex couldn't, with good justification, cover more than 40% of an area currently served by a local multiplex.

2.6 Duration of small scale radio multiplex licences

9. We would be grateful for views on these options or other options along with reasons for your choice.

We would support option C, as we believe there needs to be a degree of certainty to enable a suitable 'return on investment' in the small-scale multiplexes. A shorter time span may deter applicants from operating a service.

We also believe that, subject to satisfying the necessary conditions, operators should have a continuous renewal of their licence. This is currently the case with some community and commercial radio licences, and we believe there is no advantage in a competitive process every few years if the service currently being provided is satisfactory to the regulator.

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We do not support this proposal. The licence lengths should be the same irrespective of the number of bidders.

2.8 BBC access to small scale DAB multiplexes

11. We welcome views on this approach.

We agree with this approach.

2.9 Ofcom duty to consider commercial impacts on local multiplexes


12. We would welcome views on the implications of this approach.

We fully agree with this approach.

Response by Commtronix Ltd to the DCMS Consultation on Small Scale DAB

Submitted 28th February 2018.

Written by Alan Beech, Director of Commtronix Ltd.


www.commtronix.co.uk

Background to Commtronix.

Commtronix Ltd was formed in 2008 by two ex-Arqiva employees and aims to provide technical services to the broadcast and telecomms industry.

In early 2015 Commtronix Ltd was delighted to have been approached by Angel Radio of Havant who were seeking a technical partner for their Small Scale DAB Licence application. With a knowledge and involvement of DAB dating back to the early experimental “ntl London” multiplex in 1998 (which later became the London 1 commercial multiplex) Commtronix directors believed they could offer substantial benefits to Angel Radio.

Angel Radio were subsequently awarded the SSDAB trial licence for Portsmouth and with our technical expertise we helped them launch well within the permitted timeframe, and indeed Portsmouth was the second of the trial services to take to the air back in August 2015.

With the experience gained from providing technical partnership to the Portsmouth operation Commtronix has subsequently provided support and advice to 7 of the 10 current SSDAB trials.

We believe Commtronix is currently the only UK participant of the OpenSource DAB project software to subscribe to the AAC+ patent licencing platform. An AAC+ patent licence is required as an integral component of the DAB+ encoding process.

In conjunction with Angel Radio we built the source encoders for and launched the UK's first permanent DAB+ services in February 2016 (just 5 months after the trial licence went on air). Even to this day the established multiplex operators are very reluctant to offer the newer and more advanced DAB+ transmission for some reason preferring to support the somewhat obsolete 20+ year old legacy DAB layer 2 transmission.

With Commtronix development the Portsmouth trial multiplex was also one of the first multiplexes in the UK to offer slideshow graphics transmission to radios with suitable displays - something again which the established commercial multiplexes have been very reticent to implement.

Portsmouth Multiplex was also the first multiplex in the UK to offer more than 20 separate services, all in stereo.

Question 1: We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

We believe the term “Community Radio” is not as relevant on DAB as it is in the analogue domain – where it, for example, defined a certain geographical area and the particular community within it. An analogue community licence sets some very specific requirements on the operator, which may not be significant on a DAB platform where a “community of interest” may be geographically dispersed and may be interested in programming aimed at them but not originating in the local area. A DAB platform offers the same coverage and technical parameters to all participant stations, be they commercial or community. As analogue frequencies become more scarce and DAB rises in popularity the default place for new station launches will be DAB and it may not be necessary to strictly differentiate between community, not for profit commercial and fully commercial services. Indeed, the adoption of DAB could well be the means of a successful “community” station to morph into a larger “commercial” organisation – something which is very difficult to accomplish within the existing analogue regime.

We do believe that any existing community analogue licences within an area where a small scale application is made should be offered the opportunity to be part of the operation when it launches, and that they should be offered that access on open and non-discriminatory terms. It is not inconceivable that an SSDAB application may be managed by one community station in an area where several community stations may exist but not necessarily on the most co-operative terms with each other. The legislation must make sure that all existing stations within the coverage area are offered equal access and that if necessary a suitable independent adjudicator/ombudsman (eg. OFCOM) can intervene where a station feels it is not being treated fairly.

Should an existing station not wish to be part of the SSDAB operation at launch then we do not see any reason why capacity should be kept reserved and potentially empty for them. DAB has been around for more than 20 years and is a well publicised and understood technology. If a station cannot see the advantages of adopting the platform when it becomes available then they should not have any preferential access should they decide to adopt it at later date. With capacity on SSDAB multiplexes in excess of 20 stations, there is always likely to be a background churn of stations so capacity will likely become available at some future point for “late arrival” community stations.

Question 2: We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

We do not believe that any capacity reservation or upper limit is required or appropriate. If a multiplex can fill all its capacity with community stations and be commercially viable (ie. transmission and operating costs can be covered by the participating stations) then it should be allowed to do so. Similarly, where no community stations currently exist, but small scale commercial analogue stations do, the commercial stations should be able to operate the multiplex without any community stations. The extra capacity on such a multiplex could of course be offered to other stations such as the “out of area community of interest” stations, rather than sitting empty. Again, suitable legislation and adjudication may be required to ensure that a small commercial station operating a multiplex does not attempt to block other stations from accessing the capacity.

Question 3: Do you agree with the principle that small scale radio multiplex operators should be

able to offer unused capacity reserved for community radio services on a temporary basis?

As per previous answers we do not believe that capacity should be reserved for a station that fails to take advantage of a new DAB platform nor that any capacity should be held “in trust” should they later decide to launch and require an established station to be “bumped” from the multiplex.

Question 4: We would welcome views on these (C-DSP) proposals and on the interaction with the existing community radio licensing regime.

We believe the current analogue regime does not allow an easy path for a successful community station to grow into a small commercial operation, and that any future DAB regime must allow this to be achievable. A C-DSP licence which allows access to the funding and status of analogue CR stations is to be welcomed, but we believe that any such station should not be unnecessarily burdened with licensing requirements. There are plenty of examples of small scale community stations operating solely in an online environment which are currently completely free of any licensing burden. These stations should be encouraged to move onto, or establish their own SSDAB platforms with a minimum of fuss, but obviously within the terms of accepted broadcasting rules. There are also many examples of existing community stations which as far as their listeners are concerned operate in the same environment as commercial stations, and most listeners would not be aware of any differences in structure or licensing thereof.

Question 5: We would welcome views on this (licensing models) approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We believe SSDAB multiplexes should be operated as non-profits, or more accurately as limited-profits and that charges should be made public wherever practicable. A multiplex should not exist to maximise its income by selling capacity to the highest bidders regardless as to whether that bidder offer additional choice within the listening area. As well as offering a platform to existing small stations, SSDAB should be used to increase listener choice and be attractive to new entrants to innovate and experiment with programming.

It would be easy to see how a fully commercial approach could be easily abused by some to force smaller new entrants out of the market.

Question 6: We would welcome views on this (ownership) approach.

We do not believe that existing multiplex operators should be able to own/operate SSDAB multiplexes or have a financial interest in them, but an organisation (principally a content provider) who are a part owner of or have an interest in one or a very small number of existing local/regional multiplexes should not be barred from operating or owning SSDAB. The trials have shown that the SSDAB operators are much more willing to experiment, be flexible, encourage new entrants and push new technologies much more than the larger established operators and this is to be encouraged. We believe in some areas (principally larger cities) there may be a need for OFCOM to find frequencies to offer more than one SSDAB which may then have a considerable overlap. A community station looking for coverage in, for example, West London, may not be interested in coverage in the east, north and south of the city, and would prefer a multiplex covering just the western side. Conversely a station may want to cover north and west london, so look for coverage on two multiplexes and expect significant overlap and seamless handover between the multiplex frequencies on mobile receivers with suitable decoding and handover capabilities. We do not have any strong views on whether overlapping or adjacent area multiplex operations should be managed/owned by the same or different operators.

Question 7: Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Yes, we believe this is a reasonable approach, and that areas which have no existing commercial multiplex and probably could not support such a service should not have undue restrictions on

coverage of SSDAB service. A locally operated not-for-profit group may be able to offer suitable geographical coverage which a commercial operator could not. The OFCOM examples of Cumbria and Scottish Borders could easily be extended to many rural parts of Scotland, Wales and parts of England to which no commercial operator would be attracted.

Where an SSDAB is granted to cover, for example a city, we believe that coverage should be sufficient to cover the major commuter routes into the city and possibly outlying “dormitory towns”

Question 8: Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We believe this would need to be flexible and not set in stone. For example, where an existing local mux covers a mainly rural “county” area, with just one or two major conurbations, 40% of area coverage could well cover 90+% of the population. We believe this would create an unfair burden on a commercial operator who have to maintain many transmitters to cover rural and sparsely populated areas, whereas an SSDAB operator with only one or two transmitters could cover almost the same population.

Question 9: We would be grateful for views on these options or other options along with reasons for your choice.

We do not have any particular opinion on licence duration.

Question 10: We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We do not have any particular opinion on linking licence duration on underlying demand.

Other Issues: BBC Access

We very much believe the BBC should be able to provide programming or other contributions to SSDAB. In areas of the country where a commercial multiplex is not viable there would be no other way for local BBC services to be carried on DAB. Examples have already been made in the consultation of Cumbria and Scottish Borders, and many parts of Wales and western Scotland will likely never be able to support a local commercial multiplex. In these areas the relevant BBC service is a national station but has to be carried on local commercial muxes and with no local mux there is very little possibility of the BBC national service being available. Not only would the BBC programming be a major contribution to the programming lineup of these SSDAB services, but any carriage costs, whilst being rather insignificant in BBC terms could cover a major part of the SSDAB operating costs. Similarly, the SSDAB operators should not be prohibited from carrying out-of-area commercial services which would not normally be heard within the area. For example an SSDAB operator in rural mid-wales, as well as carrying BBC Wales and BBC Cymru may wish to carry commercial services such as Swansea Sound to give an extra choice of listening, and an operator on a Scottish Island may wish to carry, for example, Moray Firth Radio in addition to BBC Scotland and BBC Nan Gael.



HOUSE OF COMMONS
LONDON SW1A 0AA

Media Team
Department for Digital, Culture, Media and
Sport
4th Floor
100 Parliament Street
London
SW1A 2BQ

26 February 2018
Our Ref: LS

To whom it may concern,

I am writing to you with regards to the consultation on Small Scale DAB Licensing and would like to add my support to these proposals.

I feel that the roll out of digital radio multiplex licences would be hugely beneficial to radio service providers and would help to secure their services to listeners who are increasingly moving to digital services.

However, I do have reservations about the proposed ownership restrictions and the effect this may have on smaller stations and would urge you to reconsider this part of the consultation to allow for future growth and viability.

I would be most grateful if you could give full consideration to this consultation.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Chris Green'.

Chris Green
Member of Parliament for Bolton West

Re: Small Scale DAB Licensing Consultation

27th February 2018

Angel Radio Ltd welcomes the opportunity to respond to the DCMS Consultation about the Small Scale DAB Licensing.

Angel Radio is a radio station based in Havant, licenced as a Community FM station to broadcast to Havant and Portsmouth. We have been broadcasting since February 1999, with a strong focus in providing entertaining, informing and uplifting radio programming to persons over the age of 60.

Our Portsmouth DAB multiplex launched on 19th August 2015 as part of the DCMS Ofcom Small Scale DAB trial. We have demonstrated that DAB can be easy. We were the second of the ten multiplexes to launch, doing so within 69 days. We have significantly expanded our line-up from our original 6 services, to 19 at the time of this submission, with a 20th service expected to launch soon. We have been continually transmitting DAB+ services longer than any other broadcaster in the UK, and we strongly support any innovation that improves listener experience, such as DAB Slideshow for example.

Angel Radio has also made use of Small Scale DAB to expand its coverage to new locations where it would not have been financially viable to do so previously. Our programmes can now be heard in Aldershot/Woking, Birmingham, Brighton, Bristol, Cambridge, Central London and Norwich at minimal expense compared to being on the relevant established local commercial multiplexes.

We welcome the opportunity to participate in the DCMS Small Scale DAB consultation. Despite having operated the Portsmouth DAB multiplex for 30 months, we have had very little discussion with Ofcom about the realities of operating a Small Scale DAB multiplex. In 2017, Ofcom told Angel Radio submitting monthly progress reports was no longer necessary. Angel Radio would welcome a more open dialogue between the Small Scale DAB multiplex operators, Ofcom and DCMS. Small Scale DAB operators have been for the most part approachable, and have made efforts to attend and speak at most digital radio events in the UK, and even some internationally, during the course of the Small Scale DAB trial.

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Angel Radio was broadcasting on FM at the time the Radio Authority advertised a DAB multiplex for the South Hampshire area in late 2001. We were part of the unsuccessful Solent Digital Radio Ltd application. We have been very enthusiastic about DAB digital radio for a long time.

As a community station, we have been broadcasting on DAB digital radio since 2010 on the Now Digital (Southern) Ltd South Hampshire multiplex. This was as a result of negotiations spanning several years between us and the multiplex operator.

We welcome the principle of reserving capacity for community radio stations on small scale DAB multiplexes. We believe that DAB digital radio has a significant benefit to enable community stations to reach new audiences, as well as retaining existing audiences as they migrate from analogue to digital platforms.



There appears to be a presumption that reserved capacity might be kept for broadcasters already holding an Ofcom FM/AM Community Radio Licence. We believe that it is important to recognise there are existing groups that may be considered to be community broadcasters too, be they broadcasting online, through RSLs or other outlets. Therefore, we strongly suggest that a wide interpretation is given to what can be considered a community radio station.

In the Small Scale DAB consultation, the DCMS have proposed a new type of DSPS licence, a C-DSP licence. We suggest that reserved capacity be open to any organisation that would be eligible to hold a C-DSP licence.

Finally, while beyond the scope of this consultation, we believe it should be noted that the largest barrier for some stations joining DAB is not always access to a multiplex per-se, but the relatively high fees charged by the Music Royalty organisations.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

On our Portsmouth DAB multiplex, without any regulatory intervention at all, we are broadcasting services from the two Ofcom licenced analogue community radio broadcasters in the Portsmouth area. We are broadcasting two services from broadcasters that have recently been awarded licences by Ofcom, and are broadcasting a service that has an application being considered by Ofcom for a Community Radio Licence. Furthermore, we also carry services from established community radio broadcasters in Manchester and Suffolk, and a service that applied for a community radio service in London, but was unsuccessful.

In short, without any fixed quota we have been able to accommodate every established community broadcaster in the Portsmouth area, in addition to new community broadcasters, as well as out of area broadcasters that provide programming relevant to a community of interest.

Angel Radio believes that it would be inappropriate to set an arbitrary limit (be it number of stations or Capacity Units) on the amount of capacity reserved for community radio broadcasters. It is likely that metropolitan areas will be able to support more community radio broadcasters, and provincial areas will be able to support fewer community radio broadcasters. Some locations of the UK do not have an Ofcom licenced community radio station on FM or AM at all, and it is likely these multiplexes may not be able to sustain as many community radio broadcasters.

It does not seem to be an efficient use of spectrum, nor beneficial to listeners to have a DAB multiplex with empty capacity as a result of an arbitrary quota that requires capacity to be 'set aside'.

Angel Radio strongly encourages DCMS and Ofcom to allow applicants for a multiplex to determine the amount of capacity to be set aside for community broadcasters at application stage. If a criterion of considering an application was the proposed amount of reserved capacity it would have at least two benefits.

Firstly, it would incentivise multiplex applicants to do more than a 'bare minimum' approach. It is likely that in many areas there will be competing applications. The amount of reserved capacity proposed by an applicant should become one of the criterion considered by Ofcom when considering competing licence applications.

Secondly, allowing applicants to submit their own proposal for an amount of reserved capacity will ensure the financial viability of DAB multiplexes in areas that may not be able to sustain many community radio services, be this due to lack of interest from community radio broadcasters or low population coverage.

Setting an arbitrary limit on the number of community radio services may encourage some potential operators to do the bare minimum in terms of accommodating community radio broadcasters.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Angel Radio believes that offering capacity to commercial services on a temporary basis is not a long term sustainable model for the operation of the second tier of local DAB multiplexes. Our suggested approach is that if after a predetermined period of time, for example 12 months, if a significant amount of capacity remains available, a multiplex operator should be allowed to apply to Ofcom to enable a commercial radio station, or stations, occupy the capacity permanently. Multiplex operators should demonstrate to Ofcom that they have exhausted all avenues to fill the capacity with community radio broadcasters before offering the space to commercial radio stations.

Offering capacity to many commercial broadcasters on a temporary basis is unattractive. Commercial broadcasters historically have preferred certainty. If DCMS or Ofcom is concerned about the loss of capacity reserved for community radio broadcasters permanently, then it could be a licence condition if at a later date a commercial service is removed from the multiplex, the space then be reserved again from a community radio service.

There is a precedent for reserved capacity for a service being removed from a multiplex licence. When advertising the West Midlands DAB multiplex, the Radio Authority reserved 128kbps for the BBC Asian Network. The BBC did not take up the capacity, because they subsequently launched BBC Asian Network on their own national DAB multiplex. MXR, the licence holder of the West Midlands DAB multiplex successfully applied to the regulator to permanently have the reserved capacity requirement removed from the multiplex licence.

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

Angel Radio supports the concept of the C-DSP licence. We would suggest that DCMS consider extending the funding available to the Community Radio Fund, because of the likely increase in community radio services.

On our Portsmouth multiplex, we consider that at least half of our services would be eligible to hold a C-DSP licence. If this success in Portsmouth is to be replicated around the country, then the existing Community Radio Fund will face considerable pressure. We urge DCMS to make a significant increase to the amount of funding available to the Community Radio Fund.

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services. (Question relating to restrictions on holding licences.)

Angel Radio supports the concept of a rate card for multiplex capacity. When we applied to Ofcom to participate in the existing Small Scale DAB trial, we disclosed the fees each of our services was paying, in public, within our application. Angel Radio is a transparent operator.

During the course of the trial, we have become more ambitious with our multiplex, including purchasing new equipment, as well as facing an increase in third party costs such as rent and telecoms. It has been necessary to revise our ratecard from time to time, and we would expect that if we had to publish our ratecard on our website, that we could maintain the flexibility to review the fees from time to time, but at least once per year.



Angel Radio would also suggest that publishing a ratecard should not mean an automatic right to capacity on a multiplex if a provider is willing to pay. Multiplex operators should retain the right to maintain control over whom they contract with. For example, multiplex operators may feel that it is in the interest of listeners to maintain a broad selection of services, as opposed to many services that focus on one genre simply because of the ability to pay the ratecard.

We would also suggest that even though we would be happy to publish a ratecard, we would suggest that multiplex operators can retain the right to vary the fee they charge. Multiplex operators may take a strategic view that for some services it is worth offering a reduction on the ratecard, or in some cases free carriage. Multiplex operators should not be penalised for offering 'deals'.

Further more, while we support the principle of publishing a ratecard for capacity, we would want to charge other fees, such as equipment costs, based on a case by case basis.

Q6. We would welcome views on this approach. (Question relating to ownership of multiplexes and stations.)

Angel Radio is strongly against the idea of an existing national multiplex licence holder being able to operate a Small Scale DAB multiplex. The Small Scale DAB trial has demonstrated over the last two and a half years that it is possible to successfully operate a local DAB multiplex without the resources of a large conglomerate.

Compared to the existing 'commercial' multiplex operators, the Small Scale DAB sector has led the way in terms of range of services available. In a short period of time, the new entrants to DAB multiplex operation, have demonstrated that they have been able to work with both new and existing community and commercial radio services. Small Scale DAB multiplex operators have a much more varied range of operators and programme genres carried compared to the commercial operators.

In terms of technical innovation, the small scale DAB multiplex operators have again been leading the way. Angel Radio has been continuously broadcasting DAB+ services longer than any other multiplex operator. The Small Scale DAB sector has embraced DAB+, slideshow and stereo, as well as technical innovation in contribution, encoding, multiplexing and distribution.

To build on the success of the Small Scale DAB trial, we believe that it is crucial that Small Scale DAB multiplexes can be operated by new entrants.

We support the proposal to not restrict the number of multiplexes that DSPS or C-DSP licence holders can obtain carriage on. Angel Radio is a 'community of interest' community radio service. To date, we have obtained capacity on 7 Small Scale DAB multiplexes. We intend to further build out our DAB footprint where we believe there is demand for our service.

Our Portsmouth DAB multiplex contains a number of services, both commercial and community, that broadcast on multiple multiplexes. Angel Radio believes that if there were restrictions on the number of multiplexes a service could obtain capacity on, it would undermine the financial viability of many Small Scale DAB multiplexes. It would also unnecessarily limit the availability of services which could be of great benefit to many listeners that would not be able to afford capacity on existing commercial DAB multiplexes.



Q7. Do you agree with this two-step approach to delineating the size of small scale multiplexes? Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose? (Questions related to the size of a small scale radio multiplex.)

Angel Radio broadly supports the approach of the DCMS. We believe that it is reasonable to set a 40% geographical limit, however we would suggest that Ofcom should retain the right to 'flex' upwards the 40% geographical coverage limit in exceptional circumstances where due to shortage of spectrum, the limit might otherwise leave towns/cities with no Small Scale DAB multiplex at all.

Q9. We would be grateful for views on these options or other options along with reasons for your choice. Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence (Questions related to the duration of small scale radio multiplex licences.)

We strongly believe that multiplex licences offered should be for as long as possible, 12 years needs to be the minimum period of time. A long licence period is important to enable the recovery of capital costs in establishing the multiplex. Although relative to established commercial multiplexes, Small Scale DAB is low cost to operate, so are the capacity fees received. To expect operators to pay back the capital cost, in addition to operating expenses, within a five year timescale is not compatible with being able to offer realistic capacity fees for smaller broadcasters.

Angel Radio's experience of the Small Scale DAB trail to date has seen caution from some broadcasters wanting to become involved with our multiplex, citing concerns over licence length. For stations and listeners it is important to have the stability and certainty that a long licence length provides.

The first generation of commercial local DAB multiplexes have already seen licence extensions that will see them operating for up to 24 years, it is not unreasonable to expect them to be further extended, along with extensions for the second generation of commercial local DAB multiplex licences. Even with a 12 year licence term for Small Scale DAB multiplexes, commercial multiplex operators will ultimately have an advantageous position through further licence extensions themselves.

A further factor that supports licences of 12 years is that Ofcom does not simply have the resources to be regularly relicensing potentially up to 100 multiplexes every 5 years. At the time of writing, our Portsmouth DAB multiplex has been in operation for around 30 months. We believe that as things stand, Ofcom does not have sufficient resources to even meet it's own deadlines for processing day to day multiplex licence variations, issuing new DSPS licences and other DAB related activities. We believe that having to relicense every five to seven years will further divert Ofcom resources away from day to day activities, and stifle the development of Small Scale DAB.

Multiplex operators should always be compliant with the terms of their licence. Badly operated multiplexes should suffer appropriate sanctions based on poor performance. To suggest well run multiplexes should get a licence extension as a reward is absurd as it implies that badly run multiplexes could potential broadcast for years before their licence expires!

Q 11. We welcome views on this approach. (Question related to BBC access to small scale DAB.)

We support the BBC being able to participate in Small Scale DAB multiplexes.

Due to frequency availability issues we would ask Ofcom to take in to account the needs of Small Scale DAB multiplexes, future commercial DAB multiplexes and constraints imposed by foreign multiplexes at the same time, to ensure that

frequency allocations can be made fair and effectively. As long as the roll out of Small Scale DAB multiplexes across the United Kingdom is not hindered or delayed, we do not object to further commercial DAB multiplexes.

Q 12. We would welcome views on the implications of this approach. (Question related to Ofcom duty to consider commercial impacts on local multiplexes.)

We strongly support the approach suggested by the DCMS. If anything, Small Scale DAB multiplexes can be helpful in growing services to a point where they can migrate to commercial local multiplexes, such as Chris Country for example. We expect to see more services migrate to commercial local, and potentially even national multiplexes from Small Scale DAB multiplexes in the coming years.

In addition to the financial considerations, Ofcom must also take a relaxed approach to the technical impact of Small Scale DAB on existing multiplexes. We recently applied to Ofcom for permission to install a small, 5W ERP, DAB transmitter to improve reception in Leigh Park, an area with variable coverage of our Portsmouth DAB multiplex. Under existing rules, we must consult with our multiplex operators about our proposed transmitter to ensure there is no or little interference. We found the BBC quickly responded to us and gave their support to our proposed 5W ERP transmitter. However, Arqiva did not quickly respond to us. When Arqiva did respond to us they raised an objection, and it was only after negotiation that they provided conditional agreement for our small filler transmitter.

Angel Radio does not object to the principles behind the Ofcom DAB Technical Code, however we are concerned that based on our experiences so far, that existing commercial multiplex operators with significant resources will be in a position to lobby Ofcom to force Small Scale DAB multiplexes to launch with compromised transmission parameters on technical grounds to protect the incumbent multiplexes. We are concerned that commercial multiplex operators may be vexatious in limiting the growth of Small Scale DAB on technical grounds.

To date, Angel Radio is not aware of any issues where a Small Scale DAB transmitter has caused a significant impact on an existing commercial DAB multiplex. We would urge that at the same time a licencing regime is developed for Small Scale DAB multiplexes that a review of the Ofcom DAB Technical Code takes place.

DCMS also needs to ensure that Ofcom does more to involve Small Scale DAB operators in DAB technical matters, for example, Small Scale DAB operators are not routinely invited to the long running DAB Technical Planning Standard meetings.

On behalf of Angel Radio Ltd,

A J Elford

Ash Elford

Digital Development Manager



COMMENTS ON “SMALL SCALE DAB LICENSING CONSULTATION, 4/1/18

from Flame CCR (Christian and Community Radio), CR155 ... 27/2/18

FLAME CCR BACKGROUND TO THESE COMMENTS

- Flame CCR started in April 2000 with its first RSL as “Flame FM on Wirral”. We did 14 RSLs up to 2007.
- Flame CCR failed to gain the one FM frequency offered to Wirral by Ofcom in 2004 (it went to “7Waves radio”).
- In the second licensing round, with no FM frequencies available to Wirral, Flame CCR accepted Ofcom’s offer of an AM (medium wave) licence for its Community of Interest. Since December 2009 Flame CCR has been broadcasting using a novel “wires in trees” medium wave antenna and Ofcom’s power allocation and has achieved a coverage from Willaston (Wirral) of 10 miles radius “reasonable” in homes, 20 miles in cars and to some enthusiasts 30 miles of listenable audio. We have a significant audience on medium wave. “Wirral and beyond” is a blend of urban and rural with high usage travelling routes criss-crossing it and our audience is an interesting mix of static and on the move over a wide area.
- In 2012 Flame CCR started simulcasting on internet portals and has built up a significant North West audience on internet radios, laptops and mobile phones.
- In July 2017 Flame CCR took the opportunity of a DAB+ channel on the Nioplex Manchester minimux and hence now also broadcasts to the City of Manchester. Our listenership is building up but we get many adverse comments from listeners within this area due to the difficulties with high buildings. We also have created a wave of disappointed listeners in Greater Manchester who are outside of the limited coverage.
- Hence these comments are written from the perspective of a well-established Community of Interest radio station with the aspiration of digital transition to cover, as we say, “Wirral and beyond” and the desire eventually of moving away from AM (medium wave). We are seriously looking at SSDAB and asking the question “can we do this without disappointing our established listeners” and would the digital transition give us growth rather than decline.
- Flame CCR operates purely with volunteers in a low cost mode in an area of high deprivation and proudly states that our broadcast costs are less than £5 per hour. Our funding comes completely from local supporters. To maintain the low costs through the digital transition to a situation where we would have to be on a number of minimuxes to maintain our existing coverage, is of great concern to us.

Flame CCR’s comments are in bold against the words in the consultation paper (in italics) for each question in the consultation paper.

2. Consultation Options

Structure of new licensing requirements

2.1 Background

2.2 Community stations and small scale radio multiplexes

Question 1. *We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?* **Yes, we agree**

Question 2. *We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?* **It should be flexible according to situation but at least 50% of the channels should be available for community radio services.**

Question 3. *Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?* **Yes because it would be revenue for the SSDAB operators and would hence contribute towards keeping the cost to community radio services low.**

2.3 Digital community radio licences

Question 4. *We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.*

“Ofcom should have the flexibility be able to offer a new DSP licence for community radio stations called C-DSP licences and these will be for stations that whilst broadcasting in digital, choose to operate in all other respects as a community radio station”. **Yes, we agree.**

“Aligning with the current requirement for analogue community radio licences, C-DSP licence holders would have to submit an annual report to Ofcom. C-DSP licence holders would benefit from being able to access the Community Radio Fund and other social/third sector funding” **Yes, we agree.**

2.4 Restrictions on holding small scale radio multiplex licences

Question 5. *We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.*

“a mixed model approach - where there is a role for small commercial entrepreneurs as well as individuals/groups motivated by social benefit - in delivering this goal”. **Yes, practicality says that for long term provision there would have to be a commercial element to support fluctuations and changes in social benefit situations. Operating on a charity funding / social benefit manner in an area of high deprivation is something we are struggling to continue to do.**

“Therefore we are proposing that small scale radio multiplex licences can be awarded to both commercial and not for profit entities” **Yes, we agree.**

“We believe another effective mechanism for dealing with this issue would be to place requirements on small scale multiplex operators to be fully transparent in the pricing of their carriage fees – for example in having to set indicative charges in their applications and make charges publically available. Therefore our proposal is to place a requirement on Ofcom to collate and publish information on charges on their website and update it regularly. We believe that requiring a high degree of price transparency by operators is also attractive from a regulatory perspective and consistent with the objective to create a light touch regime.” **Our view is that to be realistic a SSDAB operator has costs that cannot be avoided and even with high numbers of channels the shared cost is finite. Our experience is that the Niocast (Manchester) channel and installation cost is reasonable (compared with the cost of operating medium wave for example and compared with the FM costs we experienced during our short-term FM licences). Hence we agree that full price transparency is vital, just as it would be for any commercial product in a commercial world. Certainly a centralised price list on the Ofcom website would be welcome.**

Question 6. *We would welcome views on this approach.*

“As result of the success of the technical trials there is a strong level of support in the radio industry for small scale DAB services to be rolled out more widely.” ... **We query your statement on “the success of the technical trials”. We attended the CMA organised presentation in Luton in April 2017 by all of the trial operators. The underlying message echoed by most trial operators was “coverage problems”. Even in Brighton, where the idea came from, it was acknowledged that “coverage was not as good as the local community radio FM coverage”. Portsmouth had problems. Topography, in areas with hills and valleys is a challenge to the higher frequencies of SSDAB. That was stated to be true for a good proportion of the trial sites. Cambridge was held as a shining example of good signal but that has easy topography. High buildings within towns also create shadows. It was said that people find either they live with a “good signal” or an impossible signal (whereas good old analogue creeps everywhere). It was said that people on the move and in cars experience severe blackspots to the point of annoyance. Some**

minimux operators talked of the need of dual or multiple transmitter needs but few examples were given. Our own radio consultant, with many year's experience of medium wave and FM, said "100 watts transmit power is rubbish, Ofcom need to allow operation at 1,000 watts".

Please understand that, to a radio station manager, whilst stability and cost are important, **GOOD COVERAGE** is vital. The SSDAB conference did not give us confidence in the coverage that we would get on a future minimux in Merseyside where Flame CCR operates.

At that conference we realised the possibility of putting Flame CCR onto a DAB+ channel on the Manchester Niocast minimux so we asked, got the Ofcom licence and started broadcasting on DAB+ in Manchester in June 2017 as a precursor to using SSDAB when it comes to Merseyside.

We were immediately welcomed by Manchester Cathedral Radio (Mike Shaft, a BBC broadcaster) who offered to provide 2 hours programmes per week which we delightfully accepted (and repeat each week). However Mike did say that their previous short term broadcasts on that minimux had been highly successful and he had built up a large following on social media. But Mike Shaft also said that he and his listeners were deeply disappointed by the coverage and he had actually written to Ofcom on the subject.

We are progressing with DAB in Manchester courtesy of Niocast. Firstly we have found it immensely reliable, compared with the horrors of keeping medium wave on air. BUT we too have had a mixed experience in Manchester with reception. Some people are very happy with it – in particular one member of the Flame team who lives in Gatley 7 miles from the Manchester transmitter is delighted with the signal, another team member drove through Manchester and commented on the blackspots but was delighted to have good reception at Manchester Airport 8 miles away. You of course know the characteristic of digital is that is either there and good or lost, whereas the good old days of analogue meant one could always hear something as we travel through an area although it varied between clear and noisy.

Overall **WE ARE NOT VERY HAPPY** with Manchester coverage and our experience. But that is a trial to see what SSDAB will do. Whether we continue the trial until SSDAB comes to Wirral, or whether we do not renew our one year licence because of poor coverage and cost is a matter for current team debate.

Now what about "Wirral and beyond" (our community of interest). Our experience of short term licenses with FM (both as FM on Wirral, as Vintage radio and as Carers FM) is that "Wirral is very difficult". A church tower on the Bidston Ridge was a good solution, but SSDAB on a church building is something Ofcom does not envisage. The Storeton Tower (local broadcasting infill point) was excellent but very very costly and technical access to the unattended site was difficult. Bidston observatory is another option and like the Storeton Tower gets well across to West Wirral and also in an eastward direction through Birkenhead into Central Liverpool. Up and down the Wirral is a ridge (Bidston Ridge) that is a problem (either New Brighton suffers or Bromborough does). We have tried a FM antenna on the top on a 5 storey building in central Birkenhead but while the signal got up and down both sides of the Mersey, and over into Central Liverpool, it failed to get over the Bidston Ridge to West Kirby.

What happens from a high building in central Liverpool is unknown although Radio City seems to do well from St John's Tower in Liverpool (10 miles to West Kirby).

And what about Chester, Wrexham, and Deeside which we also seem to cover well. Would there be a minimux in the Chester area ... relatively flat with few high buildings so a good spot for coverage to include up to Ellesmere Port and Neston.

And what about Warrington and Wides where we also have listeners ? It would need a minimux in the Warrington area and that would infill nicely towards Wigan and up and down the M6, M62 and M56 major motorways.

Our team's conclusion is to accept that Flame would need to be on at least three minimuxes (Birkenhead, Chester and Warrington) and possibly also on a West Kirby infill. That would be expensive ... doubling our existing transmission costs (assuming we stop doing medium wave).

A personal observation ... since 2000, my entry point into the fascinating world of Community Radio, many times people from CMA, and many technical contacts, have said "why is UK so intent on DAB ? The future is internet". To my mind that is still a valid point. European contacts seem to be happily going along the internet route. However we want to progress with whatever the UK government wisdom says, even if it seems against my "Chartered Engineer, 50 years in telecoms" experience.

Another personal observation is about what the Anthony Everitt Report of 2003 expected on digital transition. This report was commissioned by Ofcom in the early days of Community Radio. That report expected that as the digital changeover happened, the BBC would free up FM frequencies which community radio stations could then use. **THIS HAS NOT HAPPENED YET.**

"Indeed we think creating a third tier of digital radio multiplexes across the whole country can only be achieved successfully if the wider radio industry is engaged in the development of small scale DAB. Nevertheless, there is a concern about the number of small scale radio multiplex licences that licence holders may hold at any one time and the possible future concentration of ownership. We understand this concern." Firstly we happily note that the radio manufacturers have branded their DAB+ radios with the "digital ready" tick. As explained above it could well be that to match our medium wave "community of interest" coverage we would need to be on at least three minimuxes, perhaps four. So whilst limits on concentration of ownership are understandable (because many small independent commercial radio stations are becoming part of a small handful of national commercial operators (e.g. Heart) any limits on concentration on ownership should not preclude small community of interest community radio stations from holding a number of small scale radio multiplex licences to achieve local coverage.

"We believe that applying a limit of just one licence per organisation would be too restrictive and it would not help innovation, investment and the development of small scale radio multiplex services. We are also concerned that restrictions would need to capture partial ownership and deal with questions of control adding to the complexity of arrangements. But we recognise that some restrictions on ownership are necessary to avoid the development of local monopolies, in particular where there is interest from an existing operator of a local multiplex." We agree that one licence per organisation would be too restrictive because a community of interest radio station would want more than one licence to achieve coverage (as we have stated above). However somehow avoidance of local monopolies is important.

● **Existing national multiplex licence holders** – will be able to hold an up to 50% stake in the entity that holds a small scale radio multiplex licence up to a maximum of 5 licences This will not include (a) an area where the national licensee holds the overlapping local DAB licence or has an interest in the local DAB licence; (b) an area where another bidder (with no interest in a national or local multiplex) has applied for that small scale radio multiplex licence from Ofcom. This means if any other group or consortia bids and Ofcom believes they meet the requirements to award the licence, that they will secure the licence (the "Step-Aside" Rule); **existing national multiplex licence holders should be able to have a stake in a minimux only if they allow local community radio stations to have channels on the minimux and do not block them in favour of their own services (i.e. do not throttle out small local community radio stations). Yes, bidding preference should be given to local groups or consortia for bids.**

● **Existing local multiplex licence holders (with no interest in national multiplex licences)** - will be able to hold an up to 50% stake in a small scale radio multiplex licence with no upper limits on the number of licences in which they can have an interest. But this will not include areas where a local multiplex licensee [or has an interest in the local DAB licence] already covers wholly or in part which would be served by the small scale DAB multiplex **existing local multiplex licence holders should only be able to have a stake in a minimux only if they allow local community radio**

stations to have channels on the minimux and do not block them in favour of their own services (i.e. do not throttle out small local community radio stations).

- **Individuals/organisations/entities holding no national or local multiplex licence** – no restrictions on the number of licences that an organisation or entity can hold or have an interest in; there is a danger here that a nationwide organisation could dominate the local minimux marketplace and represent the interests of national or local multiple licence holders. Some form of limit in the number of licences held is essential, perhaps on a regional basis.

- **Restrictions on holding multiple licences in the same area** - restricted to only one small scale licence covering - in Ofcom's view - substantially the same area. This does not cover intersecting coverage areas; no opinion

and

- **Carriage restriction** - no restrictions on DSP licence and new C-DSP licence holders taking carriage of services on different small scale-multiplexes. no opinion

2.5 Determining the size of a small scale radio multiplex

Question 7. Do you agree with this two-step approach to delineating the size of small scale multiplexes? ... **yes, we agree.**

Question 8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We are proposing that when awarding licences Ofcom has flexibility to apply a two-step test for setting out the delineation of small scale radio multiplexes from local multiplexes:

- *Where there is no current local multiplex licensees in an area, Ofcom would have the flexibility to issue small scale multiplex licences instead to cover an area up to a maximum cap in square kilometres. This approach has certain key benefits. It would for example enable digital radio multiplex broadcasting within certain areas, such as Cumbria, which do not currently have a local multiplex licensed service because of a lack of commercial viability for operators. It would also enable the development of regional multiplex services for areas such as the Scottish Borders; and*
- *In areas already served by a local DAB multiplex, small scale multiplexes must only be capable of broadcasting a signal capable of reasonable reception for a given percentage of the surrounding local multiplex area. We are proposing that this could be up to a maximum of 40% of the local DAB multiplex area. Where a proposed small scale radio multiplex licence area spans more than one existing local DAB multiplex area, the percentage will be applied to the cumulative total of the local multiplex areas covered ... **our local Merseyside situation is that there are two local DAB multiplexes – Liverpool and NE Wales / W Cheshire. Looking at the published Ofcom DAB Coverage Plan for each of them we would be content for a minimux operator to be limited to covering 40% of the local DAB multiplex area.***

2.6 Duration of small scale radio multiplex licences

Question 9. We would be grateful for views on these options or other options along with reasons for your choice.

Question 10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

“One of the main advantages in having a shorter licensing period for a small scale radio multiplex is that it will provide a strong incentive for operators to meet the needs of the small stations carried on the network. This should reduce the likelihood of Ofcom having to get involved in disputes between stations and multiplex operators over matters such as charges or the quality of service. However, longer periods may be appropriate in areas where there is no other demand and in allowing services for less populated areas to have greater security from the outset. At this stage, we have an open mind on what the durations of small scale radio multiplex licences should be and in particular whether licences should last for (a) 5 years (b) 7 years (c) 7 years plus an option to renew for a further 5 years for licences covering areas serving less populous areas where there is only a single bidder (d) some

other period.” we are very used to the regime of 5 year licences as a Community Radio station and have been through the re-application process which was relatively painless, just a bit bureaucratic. Hence we would vote for “5 years with option to renew for 5 years”. We understand and accept Ofcom’s need to ensure that “ownership” of the Community Radio station has not changed. Part of the licence renewal process is the question “are the key commitments being met”. That raises to us the question as to whether Community Radio stations will still have “key commitments” when they apply for a digital licence and if so then to be fair every channel on a multiplex, including commercial channels, should have the same regime of “key commitments”. And incidentally should also have to submit to Ofcom the same Annual Report that Community Radio stations have to complete.

There does not seem to be any point in linking licence length with underlying demand.

Other issues

2.7 Creating additional local multiplexes

2.8 BBC access to small scale DAB multiplexes

Question 11. We welcome views on this approach.

In principle we think the BBC should be able to take capacity on a small scale radio multiplex but without any guaranteed reservations or requirements. The ability of the BBC to do this would only be for supplementary coverage to its existing national DAB network and the local DAB multiplexes. We expect that the majority of BBC services will remain on the existing local level DAB networks and not on small scale multiplexes. ... we do not agree with this. Currently the BBC hogs the FM band including reserved frequencies they are not using. That has been a major difficulty to Ofcom in allocating FM Community Radio licences.

We said in our views on question 6 that the initial Community Radio study report (Anthony Everitt “New Voices” Report) in 2003 said that as digital happened the BBC would be freeing up FM frequencies which would be available for Community Radio stations. The whole idea of Community Radio was predicated on this happening. If the BBC had moved off of FM onto DAB, as was hoped then, then there would be far more spare FM frequencies around for Community stations. Flame would have asked for three FM frequencies to cover our Community of Interest (Birkenhead, Chester and Widnes) and would not be struggling with medium wave. FM is far more popular with listeners than medium wave, it carries station identity, all cars have it, and it is far better music quality.

However that has not happened, The BBC still selfishly dominates the FM band 18 years later and continues to do so. Because of that Community Radio is driven in a SSDAB future that most Community Radio practitioners I talk to do NOT want to be driven into. And as I said earlier, SSDAB does NOT have the coverage of FM and is also more expensive on transmitter equipment.

We would be concerned that the BBC would grab blocks of channels on a minimux “just in case” because they would be cheap to the BBC. The BBC can afford to go onto local DAB multiplexes. The BBC or any subsidiary of the BBC should not be allowed to use minimuxes.

The BBC would not sign up to the key commitments that Ofcom impose on Community Radio stations because the BBC are not under Ofcom control. The BBC would not provide the type of Annual Report that Community Radio stations are required to provide. It would be most unfair to make Community Radio stations sit alongside BBC channels with a different reporting regime ... “a law for the rich and a law for the poor”.

We do not currently foresee a situation where the BBC will need to be a party to a small scale DAB licence; but do not believe placing a restriction on them doing this – for example through a 100% owned subsidiary - is necessary in case this is a practical means of extending the coverage of BBC local services on DAB. ... if Ofcom do not foresee a situation where the BBC needs to have a minimux licence then they should not be allowed to do so. Reference 3 refers to capacity on

local DAB multiplexes but does not refer to SSDAB. In addition, despite attending endless conferences where the BBC make the right noises about wanting to help Community Radio stations, the reality is that we have not experienced such in eight years of full time Community Radio broadcasting.

2.9 Ofcom duty to consider commercial impacts on local multiplexes

Question 12. We would welcome views on the implications of this approach.

*“We recognise there are potential commercial impacts on existing local DAB multiplex operators from the launch of small scale radio multiplex services. Our approach is to limit the size of small scale coverage and allow smaller local DAB multiplex operators without national interests to be involved in small scale DAB in areas not covered by their existing local DAB licence. For these reasons we are not proposing that Ofcom should have a duty to consider the effect of granting a small scale radio multiplex licence on existing local DAB multiplex licence holders already covering the area that will be served by a prospective small scale multiplex. This approach would also avoid Ofcom having to make judgements about future financial viability”. ... the practicality is that **Community Radio has proved over the years to be no threat to small commercial radio stations. Minimuxes can live with commercial radio in the same area. We worry that the trial SSDAB coverage has huge problems with topography and needs higher power and infills, NOT “an approach to limit the size of small scale coverage” because of commercial competition.***

Norman Polden, station manager, Flame CCR, 27 February 2018



Small scale DAB licensing consultation

Andrew Hilbert [REDACTED]
Reply-To: Andrew Hilbert [REDACTED]
To: "smallscaledab@culture.gov.uk" <smallscaledab@culture.gov.uk>

15 January 2018 at 15:08

Dear Sir / Madam

As a current DSPS licence holder (Sandgrounder Radio) which is a local radio service for Southport, Sefton and The Liverpool City Region, broadcasting purely on DAB Digital Radio and Online, i welcome the introduction of Small Scale DAB and would give serious consideration for proposing to apply to run a multiplex for the town of Southport.

This would not only strengthen our signal in our direct catchment area, but also allow us to form a number of services, which could run alongside the current station, which would provide a variety of choice to the people of the town.

Best wishes

Andrew Hilbert
Director - Sandgrounder Radio
[REDACTED]

<http://www.sandgrounderradio.co.uk/>

consultation.

Andrew Bush [REDACTED]
To: "smallscaledab@culture.gov.uk" <smallscaledab@culture.gov.uk>

18 January 2018 at 15:17

Dear Sirs,

As a keen follower of the community radio act becoming law, I welcome the contribution on digital radio of the small scale DAB multiplexes and I hope that these will continue into the longer term.

Community radio is a breath of fresh air, in theory, but I fear that the media landscape is too much in the loop of London-led management. Whilst I do welcome the roll out of London licenses to the UK, it has had I fear a detrimental affect on local programme - Magic 0 hours, Capital 0 hours, Heart limited and Kiss 0 hours despite holding local or regional licenses. In theory, the infrastructure should be national carries regional carries local carries community, or put another way, community takes the pressure off of local, local takes the pressure off of regional, and regional takes the pressure off of national.

The ultimate problem is that for the community licenses legislated by New Labour to work we need people with skills who can maximise the potential of the output and broadcast, and I fear that where leftie elites don't tend to care a two penny half penny for anyone but themselves, the people who could really benefit from community radio are ill-equipped, unskilled and as such precluded from community radio. In theory, community radio should be an opportunity to put a specific community on the map locally, to raise awareness of issues, but in so many affluent communities where people are working middle class jobs, good salary and in 2.4 family units. The leftie groups that have taken over community radio in some cities, have laid a good foundation but I fear that there's no one who can a) make them more relevant, and b) put the effort, funds and whatever else into them as is required.

Therefore, though community radio is valid and there are some on air that are very good, there are others on air that are by and large so irrelevant that I don't have to listen to them as it's just inane chimpanzees messing around. It raises the question, I think, do we need or want community radio, or do we just want to utilize 1 major local station and nothing else. To coin the publicity, community radio reaches the parts that other networks fail to reach, but without the people coming together, without the communication and unity there simply is no community and no surprise that people are in affluence and are either denied or not interested in the community, or have we

progressed and wiped it out? To say community in the UK, you're essentially saying underfunded men's and women's groups (and others) of unflappable people coming together once a week or month. Progression may well have killed community spirit, and thus the validity of community media, which is a shame if that's true, whether it can be revived or rekindled I'm not in a position to know, because it seems to me, we've progressed in this country but I have to wonder sometimes without community infrastructure, there's no foundation and thus have we really progressed at all.

Is there a need for community radio, a tip of the hat to those well done, and without digital we'd only have irrelevant ones in Bristol - because although Ujima Radio may be valid for the black community as 1Xtra is as a black voice, it shouldn't be instead of or in place of the indigenous white community, but without the skills to produce community radio what can I or anyone do?

I thank you for your acknowledgement of this email, and I hope this will be forwarded to the consultation on the small-scale community radio licenses that's due to close Feb 28th.

Yours sincerely,

Andrew Bush.

Response to DCMS Consultation on Small Scale DAB

Dr Paul D Groves, University College London

February 2018

Introduction

I don't have any comments on the 12 questions; the proposals seem reasonable. Instead, my response concerns the scope of the Ofcom DAB spectrum consultation that is to follow. I think there is a need to review all aspects of DAB spectrum planning and multiplex coverage over the period from now until an eventual digital switchover (DSO). Thus, in addition to small-scale DAB and a potential second tier of larger scale local multiplexes, the consultation should also cover:

- Licencing of a potential third national commercial DAB multiplex.
- Provision of local DAB for those parts of the country that do not currently have it.
- Short-to-medium term coverage improvements for the current larger scale local DAB multiplexes, with a particular focus on matching coverage of AM services, some of which could be decommissioned in the next few years.

I will explain my reasoning on each topic below.

National Commercial Multiplexes

With both the Digital One and Sound Digital multiplexes currently full (counting the two services preparing to launch on the Sound Digital multiplex), there is clearly potential demand for further national DAB capacity in the medium term. Although more services can be accommodated by using DAB+, the slow adoption of compatible receivers is an obstacle to this. Thus, the advertisement of a third national commercial DAB multiplex should be considered. Although, this would not launch for several years, a decision needs to be made now so that suitable spectrum can be made available when it is needed.

Currently, there is insufficient capacity within channels 10B to 12D for an additional national multiplex, while channels 7D, 8A, 8B, 9A, 9B and 9C are unsuitable due to the need to minimise outgoing interference to other countries. Neighbouring countries might, however, agree to the use of a channel somewhere between 5A and 7B as there is little use of these channels close to UK-facing coasts under the GE06 agreement. However, whichever channel is selected would have to be cleared of non-broadcast users within the UK, which would take a number of years.

Areas Unserved by Local DAB

Currently, many large areas of the UK, including Cumbria, West Norfolk, South Wiltshire and many parts of Scotland and Wales are unserved by local DAB. Some of the areas that were not viable for larger scale local multiplex coverage 4 years ago may be viable now, given the greater uptake of DAB and forthcoming changes in commercial regulation. However, whether or not large scale local DAB is provided for these areas will clearly impact the viability of small-scale DAB there. Thus, it needs to be considered before the small-scale DAB licencing process begins. Specific areas to consider include the following:

- Cumbria: Transmitters for a county-wide multiplex on channel 11B have been registered with the ITU. However, the north and south of the county are served by completely separate commercial radio services on FM, with the southern service also covering north Lancashire. Thus, separate multiplexes for North Cumbria and for South Cumbria plus North Lancashire might make more sense. If channel 11B was allocated to the southern multiplex it would also remove the problem of the Sandale transmitter interfering with the neighbouring Teeside multiplex. The northern multiplex could also

serve parts of Dumfriesshire in Scotland as the service area of the Sandale transmitter straddles the border.

- West Norfolk is within the licensed area of the current Norfolk DAB multiplex, but is currently unserved. East and West Norfolk are also served by completely separate commercial radio services on FM. The options are thus (a) to extend coverage of the current Norfolk multiplex, (b) to licence a separate large-scale multiplex for West Norfolk, or (c) to serve West Norfolk with small-scale DAB only.
- South Wiltshire is within the licensed area of the current West Wiltshire DAB multiplex, but is currently unserved. South and West Wiltshire are also served by completely separate commercial radio services on FM. The options are thus (a) to extend coverage of the current West Wiltshire multiplex, (b) to licence a separate large-scale multiplex for South Wiltshire, or (c) to serve South Wiltshire with small-scale DAB only.
- Alton, Haslemere and Petersfield area. Currently, this area is served by a single local commercial service on FM, The Breeze. There is no BBC local radio on FM, but Petersfield is served by BBC Radio Solent on AM; it can also receive Smooth on AM. Alton and Haslemere are within the licensed area of the Surrey multiplex, but unserved, while Petersfield is within the licensed area of the South Hampshire multiplex and also unserved. Thus, there are a number of different ways of serving this area.
- Ceredigion is within the licensed area of the West and Mid Wales DAB multiplex. It was supposed to be served during the 2015-2017 local DAB coverage expansion, but was not. Other options are serving it with small-scale DAB only or reallocating it to the North West Wales multiplex, noting that Ceredigion is served by the North Wales version of Heart on FM.

Coverage of Current Large-scale DAB multiplexes

Many gaps in the coverage of the current large-scale DAB multiplexes remain since the 2015-2017 coverage expansion. Several hundred additional transmitters have been proposed by Ofcom in its 2011 coverage consultation and/or registered with the ITU in 2015-16. However, there is currently no timetable for introducing them and many may not be economically viable.

The 2015-2017 local DAB coverage expansion nominally matched DAB coverage to that of local commercial FM stations. However, this has left several places where local AM services are not available on DAB. This affects the BBC as well as commercial broadcasters as there are many places where FM reception of BBC local and regional services is inadequate, but they are receivable on AM. The immediate problem is that an increasing numbers of radios do not receive AM, so cannot be used to receive these services.

In the medium term, many AM transmitters will no longer be economically viable, particularly where equipment needs replacing or site leases are due to expire. 13 AM transmitters closed in January 2018 with another 12 scheduled to close in May; more are likely to follow over the next few years. Closures also increase the operating costs of the remaining transmitters at the same sites, effectively creating a domino effect. Commercial broadcasters will close AM transmitters once their costs exceed the advertising revenue they bring in. Ensuring that DAB coverage matches AM, where practicable, minimises the loss of service once AM is closed.

The BBC would like to close all of its local radio AM transmitters to save money, but cannot due to inadequate FM and DAB coverage. Although the BBC could invest in additional FM coverage, as it is doing in Wales, there are not always frequencies available and there is little point in investing in new FM transmitters for areas where DAB coverage is planned. Conversely, there are places where improving FM coverage is the cheaper option, particularly where this can be done by increasing the power of an existing transmitter or switching a transmitter from Radio 3 to a local service (as planned for some parts of Wales).

The issue of DAB coverage for local commercial and BBC AM services thus needs resolving soon so that the affected broadcasters can plan their analogue transmission provision; it cannot be left until a DSO that may be 10 years away. The affected areas are listed in the Appendix.

About the Author

Dr Paul D Groves is a Senior Lecturer in Engineering at University College London. He is an internationally-recognised expert in navigation and positioning technology, including radio-based techniques, such as GPS. He has a side interest in radio broadcasting and his 2014 proposal to use VHF channels 7D, 8A, 8B, 9A, 9B and 9C for small-scale DAB was adopted by Ofcom the following year.

Contact details:

Dr Paul D Groves



Appendix: Local AM services not available on DAB

The following table lists areas where local AM services are not available on DAB due to gaps in multiplex coverage. BBC local and regional services are only listed where FM coverage is inadequate. It is assumed that BBC Radio Wales FM transmitters will be added to all remaining sites that broadcast Radio Cymru during 2018. Commercial services are not listed in areas where a similar service is available from a neighbouring multiplex.

Multiplex area	Location(s)	AM Service(s)
London 1	SE Hertfordshire	Gold (London)
London 2	SE Hertfordshire	LBC News
South Hampshire	Petersfield	Smooth (Portsmouth), BBC Solent (Hampshire)
Dorset	Fordingbridge area	Smooth (Bournemouth), BBC Solent (Bournemouth)
Somerset	Vale of Taunton, Chard ^a	BBC Somerset
South East Devon	Multiple areas of relatively low population ^b	BBC Devon (Exeter)
North Devon	Multiple areas of low population ^c	BBC Devon (Barnstaple)
Cornwall	Boscastle, Port Isaac	BBC Cornwall (Bodmin)
Gloucestershire	Winchcombe, Andoversford area	Smooth (Gloucestershire), BBC Gloucestershire (East)
Gloucestershire	Cinderford area, Chalford, Nailsworth	Smooth (Gloucestershire), BBC Gloucestershire (West)
Gloucestershire	Dursley area, Coleford area	BBC Gloucestershire (West)
Hereford & Worcester	N Herefordshire & NE Worcestershire	BBC Hereford and Worcester (Tenbury Wells)
Hereford & Worcester	Evesham & East Worcestershire	BBC Hereford and Worcester (Worcester)
Stoke-on-Trent	Cheadle area	Signal 2, BBC Stoke-on-Trent

Multiplex area	Location(s)	AM Service(s)
Derbyshire	Ashbourne, Dove Dale	Gold (Derby), BBC Derby
Herts, Beds and Bucks	Chesham area, Great Missenden area	BBC Three Counties (main)
Essex	Harwich	BBC Essex (Manningtree)
Essex	West Essex, including Stansted	Smooth (Chelmsford), BBC Essex (Main)
Essex	South West Essex	BBC Essex (Main)
Essex	North West Essex ^d	BBC Essex (Main)
Suffolk	Haverhill, North West Suffolk	Smooth (Bury St Edmunds)
Suffolk	Woodbridge, Aldeburgh	Smooth (Ipswich)
Norfolk	Wells	BBC Norfolk (East)
South Yorkshire	Beighton, Eckington and Waterthorpe, Tinsley	Hallam 2, BBC Sheffield
South Yorkshire	Stocksbridge and Penistone	Hallam 2
Leeds	Wetherby	Radio Aire 2
Bradford & Huddersfield	Todmorden ^e , Hebden Bridge ^e	Pulse 2, BBC Leeds
Greater Manchester	Parts of Warrington, Glossop, New Mills, Whitworth, Rossendale	Gold (Manchester), Key 2, Asian Sound
Lancashire	Whalley, Lancaster and Morecambe	Rock FM 2
Lancashire	Barnoldswick area	BBC Lancashire
North Yorkshire	Ravenscar area	BBC York (Scarborough)
North Yorkshire	Pateley Bridge area	BBC York (Main)
South East Wales	Monmouth area, Chepstow area	Smooth (Newport), BBC Wales (South Wales)
Swansea	Swansea Valley, Vale of Neath, Cwmafan area	Swansea Sound
Ayrshire	Patna and Dalmellington	West Sound
Tayside	Tay Bridge area, Montrose	Tay 2
Inverness	Wick, Banff, Fraserburgh	MFR 2
Inverness	Multiple areas of low population	BBC Scotland
Northern Ireland	Cookstown, Whitehead	Downtown Radio
Northern Ireland	Multiple areas of low population	BBC Ulster

Notes:

a Chard could be served by transferring the Radio 3 FM transmitter to BBC Somerset. Radio 3 is available on DAB in this area.

b FM may be a more economic solution for many of the coverage gaps. The Radio 3 FM transmitters at Axe Valley and Gogwell could potentially be transferred to Radio Devon.

c FM may be a more economic solution for many of the coverage gaps. The power of Radio Devon's Huntshaw Cross FM transmitter could be increased to match the Heart transmitter, while it may be possible to serve the north coast on FM using fewer transmitters than required for DAB.

d NW Essex is served by the Cambridge multiplex, so BBC Essex could simply be added to that multiplex.

e BBC Leeds could be served by transferring the Radio 3 FM transmitters at Hebden Bridge and Todmorden

FAO: Small scale DAB consultation
Media Team, Department for Digital, Culture, Media and Sport
via email: smallscaleDAB@culture.gov.uk

28 February 2018

Dear Sir/Madam,

Re: Small Scale DAB Licensing Consultation

I write on behalf of an organisation seeking to operate one or more small-scale DAB (SSDAB) multiplexes in East Anglia. The consortium includes members with extensive experience of management of community and commercial radio stations, DAB multiplex operation, and radio engineering and transmission.

The group has already been in discussion with local community and commercial stations, identified transmitter sites, and is confident that immediate demand exists for SSDAB multiplexes in this area. We therefore urge DCMS and Ofcom to work together to fully licence new SSDAB multiplexes as quickly as possible. Given the success of the trial multiplexes and the clear demand for more, it would be disappointing if, as reported, new multiplexes were unable to launch until 2019-20.

Additionally, we believe the critical concern is for SSDAB multiplexes to be licensed for appropriate coverage areas and be given sufficient transmitter power to cover them with a robust indoor signal. This would allow more community and commercial services to make the transition to DAB, alongside exciting new digital services, benefiting both broadcasters and listeners. We will address this more fully below.

We respond to the specific questions as follows:

Community stations and small scale radio multiplexes

Q1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

We broadly agree with the principle that Ofcom should have the ability to reserve capacity on a small-scale radio multiplex for existing community radio stations, and that Ofcom should have flexibility in setting the amount of reserved capacity.

However, we do not agree that this capacity should be kept available throughout the licence term if not taken up and would suggest that this opportunity should be restricted to an initial six-month period. This would prevent potentially significant amounts of DAB capacity (likely to be in areas with large numbers of community stations, such as major towns and cities) being under-utilised, should community stations choose not to take up reserved capacity. It would also encourage community stations to move to DAB at the earliest opportunity. After this initial period, carriage for community stations should simply be subject to the availability of capacity.

Q2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

We suggest that an upper limit of 50% of the multiplex's capacity be introduced; this would balance the principle of access to the multiplex for community stations with allowing operators in larger cities to generate the income necessary to sustain the business. As noted above the reserved capacity should be for an initial period only.

Q3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes, this principle allows maximum flexibility for operators and, for example, for temporary 'pop-up' services to be accommodated.

Digital community radio licences

Q4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

We agree with the proposed C-DSP licence, to maintain the distinctive characteristics of community radio on the new platform. We would ask DCMS to encourage Ofcom to advertise and award C-DSP licences at the earliest opportunity, to ensure new licensees are ready to take up carriage on new small-scale multiplexes when they launch.

Restrictions on holding small scale radio multiplex licences

Q5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

We strongly support the Government's aim "to see the widespread development of a 'third tier' of terrestrial small-scale DAB radio multiplexes across the country", and agree that a mixed approach, permitting as much flexibility as possible in the models adopted in different circumstances, is best placed to deliver this.

Q6. We would welcome views on this approach [to ownership restrictions].

While at this stage we only expect to operate one SSDAB multiplex, we may wish to partner with existing operators of existing neighbouring local multiplexes or trial SSDAB multiplexes, to bring further experience and knowledge to the organisation.

In due course, we may also seek to identify other nearby SSDAB opportunities where economies of scale can be found, for example through sharing of spares for redundancy, provision of services on more than one multiplex, or sharing back-office functions.

We therefore agree that applying a limit of just one licence per organisation would be too restrictive and it would not help innovation, investment and the development of small scale radio multiplex services. We welcome the flexibility the Government's proposed approach offers.

Determining the size of a small scale radio multiplex

Q.7 Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Q8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

We agree that where there are no current local multiplex licensees in an area, Ofcom should be able to react flexibly to maximise benefit to broadcasters and listeners.

We further believe that SSDAB multiplexes should be able to cover areas broadly in line with the second tier of FM commercial radio licences, for example for Chelmsford (Radio Essex 107.7FM), Norwich (Radio Norwich) or Cambridge (Star Radio).

At present, many of these stations remain in limbo – unable to afford the countywide local DAB multiplexes, and not seeking the extensive coverage they offer; while equally not able to mirror current FM transmission through SSDAB multiplexes that offer very limited coverage.

While still broadly only licensed for a single city or town, these stations offer greater coverage than the trial SSDAB licences, or analogue community stations. We believe the ability to mirror this slightly larger analogue coverage area would make the SSDAB multiplexes more viable and would offer a route for these smaller commercial FM stations to transition to DAB.

Equally, it is important to state that we agree with the principle that SSDAB multiplexes should not seek to replicate the full coverage of the existing local multiplexes, which offer a valuable county-wide service, including carriage of BBC local radio stations.

We note that how the proposed 40% limit would be measured in practice has not been specified; we have assumed that this would be by population coverage. In the examples below have used Ofcom's Primary Protected Area (PPA) population for the local multiplex, and the method used by Ofcom for measuring coverage of the SSDAB trials, based on its indoor coverage standard.

While the proposed 40% limit is effective and appropriate for the majority of local multiplexes, this would be too restrictive to accommodate the some of the smaller stations in a number of existing local multiplex areas. We would therefore recommend a flexible approach to this restriction.

Additionally, while primarily a matter for Ofcom, we note that for existing trial services, the 100W power allocated appears to offer between just 30% and 50% of the population coverage of the smaller commercial station's TSA in each market.

Cambridge SSDAB multiplex: 78,155*

Star Radio Cambridge MCA: 173,019

Heart Cambridgeshire MCA: 293,849

Norwich SSDB multiplex: 86,422*

Radio Norwich MCA: 290,313

Heart Norfolk MCA: 563,200

**Predicted population figures, based on indoor coverage
(Source: Ofcom)*

This is backed up by our own anecdotal experience from travelling in these areas, where it was found that reception, both in-vehicle and indoor, is patchy and does not cover beyond the immediate city. Even in parts of the city centre, the signal is not sufficient to give robust indoor coverage. It clearly does not extend to match the full area covered by the analogue transmissions of the smaller commercial radio station.

Indicative transmission plots at 100W from a proposed city centre transmission site in Chelmsford, Essex, for example, suggest only coverage of the city and immediate suburbs – around a 1.5-mile radius. It does not suggest the DAB signal at this power would reach any other areas where the smaller local FM commercial service is audible; or key towns such as Maldon or Braintree/Coggeshall, that might additionally allow the multiplex to offer carriage to other nearby community stations. To add further transmitters for these areas, more than doubling capital costs and increasing complexity, could render the multiplex unviable.

We therefore believe that the coverage resulting from the 100W transmission power allocated to the trial SSDAB multiplexes is not sufficient to maximise the benefit to listeners and broadcasters. We would argue that, as well as relaxing the proposed licence restriction above, DCMS should encourage Ofcom to be flexible in agreeing appropriate transmission power levels to cover slightly larger areas than the trials with a robust indoor signal, in order to mirror the analogue coverage of smaller commercial stations and additional community licensees.

We do not believe that approach this would materially increase transmission costs for SSDAB operators; and/or deter community radio stations from joining a SSDAB multiplex. Indeed, we believe many community operators would welcome a limited increase to their coverage area via DAB.

Duration of small scale radio multiplex licences

Q9. We would be grateful for views on these options or other options along with reasons for your choice.

Q10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

We support the option for an initial licence period of seven years, plus an option to renew for a further five years where there is only a single bidder. For smaller community operators, there is still a significant capital investment relative to their income, and there should be the maximum opportunity to recoup this initial investment. We do not however believe this ability to renew should be restricted to licenses covering less populous areas. This additional flexibility would reduce the administrative burden on Ofcom in all areas where there is no competition for licences.

BBC access to small scale DAB

Q 11. We welcome views on this approach.

We agree that there should be the flexibility for the BBC to take capacity on a small-scale radio, subject obviously to the payment of a fair market rate.

Ofcom duty to consider commercial impacts on local multiplexes

Q 12. We would welcome views on the implications of this approach.

We agree with the proposed approach, and the responses above reflect this.

Finally, we welcome the note in section 2.7 regarding consideration of additional larger local multiplexes in areas of high demand, such as Manchester and south Yorkshire. Alongside SSDAB, these new multiplexes would continue to grow the market for DAB radio for the benefit of listeners and broadcasters alike. We would therefore ask Government to encourage Ofcom to advertise these additional multiplex licences as soon as possible.

We would be happy for this response to be published. If you require any further information, please do not hesitate to contact us.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Will Jackson', with a horizontal line extending from the end of the signature.

Will Jackson

Response to Small Scale DAB Licensing Consultation from Brian Lister, radio management consultant.

22 February 2018

1. We would welcome views on whether reserving capacity on small scale radio multiplexes for community radio stations is the best way of securing carriage for these types of services on mini-muxes. Do you agree with the principle?

Yes. However it is not appropriate to set the amount of reserved capacity based on the number of analogue community radio stations already licensed in the relevant area. In many cases the number of community stations has been restricted by Ofcom deciding that there are no more FM frequencies available for that locality. In others more than one perfectly qualified group has competed for a single analogue licence opportunity and a good proposal has failed to reach the air. Neither is it appropriate to use historic interest in analogue licence opportunities as an indicator of demand. In a rapidly changing media and social landscape the interest in small-scale audio broadcasting is also constantly developing. In many areas (for example within the M25) applications have been actively discouraged due to a lack of analogue availability.

It may therefore be necessary for Ofcom to invite simple expressions of interest from those, in addition to existing operators, who would like access to SSDAB for not-for-profit social purpose, the degree of reserved capacity and number and location of SSDAB multiplex licences then reflecting different levels of demand around the country.

2. We welcome views on whether there should be an upper limit placed on the amount of capacity reserved for community radio services. Should this be a single figure applicable across all multiplexes?

:

No. As above, the figure needs to be based on the number of new expressions of interest, combined with existing analogue community licence holders, in each area.

3. Do you agree with the principle that small scale radio multiplex operators should be able to offer unused capacity reserved for community radio services on a temporary basis?

Yes. In addition I would go further and require that one basic channel on each SSDAB multiplex (perhaps mono at a low bit-rate) is specifically and permanently set aside for temporary broadcasts on a similar basis to the long-established arrangements for FM short-term Restricted Service Licence broadcasts. Four-week RSLs have proven a valuable resource in training, social development, creative experimentation and piloting formats. They are useful for special events and festivals etc., and for religious purposes. It would be ironic if the switch to digital technology removed an opportunity for media experimentation.

Presumably a 'Restricted CDSP' licence could be issued to the programme provider on the same criteria as currently applied to FM short-term RSLs.

Where there is temporarily unused capacity on a multiplex the operator should be permitted to offer an improved bit-rate for such a month-long temporary RSL service.

4. We would welcome views on these proposals and on the interaction with the existing community radio licensing regime.

If the history of UK broadcasting legislation tells us anything it is that the law and resulting regulations generally fail to keep up with technological, social and cultural developments. It is crucial that the new SSDAB arrangements are, as far as possible, future-proofed.

I am aware of many appropriately motivated and well-resourced groups around the country who have not been able to become community radio licence holders simply due to the lack of available frequencies. The new arrangements should treat these equally with those who were lucky in the analogue licensing rounds.

To ensure a level playing field, and to reflect the future drift from analogue to digital reception by most listeners, I suggest that it would be sensible for all the licences of existing AM and FM community radio stations to be converted to standard CDSP licences - with added AM or FM transmission permissions.

New entrants applying for CDSP licences should, as with analogue community licences, be required to offer a not-for-profit service with a stated social purpose or purposes.

There may be a risk that SSDAB multiplex operators could be swamped with half-baked or vexatious CDSP licence holders all demanding carriage in the limited reserved space. Ofcom will need to scrutinise all CDSP applications, applying a similar regime to the present community radio licensing arrangements, in order to ensure only genuinely socially-motivated applicants with adequate understanding and resources are given this status. Others would, after all, still be able to buy access on a commercial basis. As has been a long-established principle in analogue licensing, a CDSP licence holder should be required to commence supplying the proposed service on a relevant multiplex within a reasonable time after the issue of the licence (perhaps one year) and would lose the licence if the service subsequently ceased (unless in exceptional circumstances).

5. We would welcome views on this approach and whether it deals with the concerns raised about access to small scale DAB radio multiplexes by community radio services.

I agree that publishing multiplex charges will encourage fees to be minimised in the public interest. For example it will become obvious if a for-profit operator in one area is charging unreasonably more than a not-for-profit organisation in another. Ofcom must have a mechanism for challenging any fees which appear to it to be unreasonable.

6. We would welcome views on this approach.

The restrictions seem appropriate, if rather elaborate. The most crucial are the prohibitions on holding more than one SSDAB or DAB licence covering the same area. To ensure downward price pressure for the benefit of community and small-scale broadcasters there must be robust and transparent price competition in each market.

7. Do you agree with this two-step approach to delineating the size of small scale multiplexes?

Again I am concerned about future-proofing this new system. It is reasonable to suppose that the lower cost SSDAB technology will lead to price pressure on the existing regional DAB providers and that new technology will reduce their costs. What if, with costs for conventional regional DAB reducing and DAB set ownership increasing, it in future becomes viable to provide a predominantly rural area like Cumbria with a full-scale commercial DAB service? Will Cumbria be expected to continue with only the SSDAB multiplex? Or would it end up with a “small-scale” service covering the same area as a commercial multiplex? The new regulations must not be designed simply to reflect the present media map.

8. Do you agree with the up to 40% limit in areas already served by a local multiplex; if not, why not and what alternative do you propose?

I am not clear whether the proposal is that the SSDAB multiplex should cover a maximum of 40% of the *population* of a local DAB area or 40% of the *surface area*. Away from the south-east of England, given the concentrations of populations in cities surrounded by less occupied countryside, these are two very different things. I assume the proposal intends the former, as this is what a commercial operator would normally be concerned to maximise. Ofcom should have the ability to increase this percentage in exceptional circumstances where, for example a dense pocket of population in a single town might make it technically difficult to achieve only 40%.

9. We would be grateful for views on these options or other options along with reasons for your choice.

Although the SSDAB operator faces lower capital costs than for DAB installations in the past, and therefore needs less time to justify their investment, the services carried on the multiplex still need a reasonable expectation of longevity to justify their set up costs. I would therefore favour option (b).

10. We would also welcome view on the merits of linking licence length with underlying demand in an area for a small scale multiplex licence.

Again, we must bear in mind the rapidly changing nature of media consumption. An area exhibiting less “underlying demand” might, after seven years, seem very different. A fixed term with a ‘fast-track’ procedure for unchallenged renewal seems most flexible.

11. We welcome views on this approach.

The BBC should for this purpose be treated in the same way as a commercial broadcaster, able to purchase carriage on a SSDAB multiplex if it can justify the need. This would of course be governed by the usual BBC licence conditions with regard to the corporation’s role and fair competition. The BBC should not have access to any of the capacity reserved for CDSP broadcasters.

12. We would welcome views on the implications of this approach.

I agree with the proposed approach. Like any other digital media technology (from CDs and DVDs to the internet and mobile broadband) it is crucial that all types of content from all scales of producer are available using the same technology, not just productions from the big commercial operators. This is the only way to ensure complete consumer acceptance of a new means of content distribution. Opening up DAB to a wider range of services can only benefit the medium and, therefore, the existing commercial operators.

Brian Lister

[REDACTED]

[REDACTED]

[REDACTED]