

Small-scale radio multiplex licence award: Swansea

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Swansea to Swansea Digital Broadcasting Limited.

In considering the applications it receives for small-scale radio multiplex licences, Ofcom is required to have regard to each of the statutory criteria set out in section 51(2) of the Broadcasting Act 1996 as modified by the Small-scale Radio Multiplex and Community Digital Radio Order 2019. These are as follows:

1. the extent of the coverage area (within the area or locality specified in the Ofcom notice inviting applications) proposed to be achieved by the applicant in the technical plan submitted in its application; (section 51(2)(a))
2. the ability of the applicant to establish the proposed service; (section 51(2)(c))
3. the desirability of awarding the licence to an applicant that:
 - a. is a person providing or proposing to provide a community digital sound programme service in that area or locality, or
 - b. has as a participant a person providing or proposing to provide a community digital sound programme service in that area or locality; (section 51(2)(ca))
4. the extent to which there is evidence that, amongst persons providing or proposing to provide community or local digital sound programme services in that area or locality, there is a demand for, or support for, the provision of the proposed service; (section 51(2)(f)) and
5. whether, in contracting or offering to contract with persons providing or proposing to provide community or local digital sound programme services, the applicant has acted in a manner calculated to ensure fair and effective competition in the provision of those services. (section 51(2)(g)).

The legislation does not rate these requirements in order of priority, but it may be that Ofcom will regard one or more of the criteria as being particularly important in view of the characteristics of the licence to be awarded and the applications for it.

Assessment

On 19 April 2024, Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in localities including Swansea. It is noted that this is the second time a licence for Swansea has been advertised. A licence had been awarded to Swansea DAB Limited in August 2022, but the award had been revoked in February 2024 on the basis Ofcom had reasonable grounds for believing the person to whom it had been awarded would not provide the service within 18 months of award.

By the closing-date of 18 July 2024, Ofcom had received one application for Swansea. This was from Swansea Digital Broadcasting Limited (“SDB”). Copies of the non-confidential parts of the application were made available for public scrutiny on the Ofcom website, and public comment was invited as required under section 50(7), although none was received.

Ofcom colleagues assessed the detail of the application, including carrying out an assessment of the technical plan required to be submitted as part of all applications. The decision in relation to Swansea was made by a panel of Ofcom decision makers which convened on 7 March 2025. They carefully considered the application and professional advice from Ofcom colleagues. They applied the statutory criteria in reaching their decision on whether to award a licence to the sole applicant. Reasons for their decision to award a licence to SDB are summarised below.

In relation to section 51(2)(a), the applicant proposed using three transmitters to provide its service. Ofcom calculations indicate that this would result in just under 79% of the adult population in the advertised licence area being able to receive the service. Ofcom’s coverage predictions indicated that the proposed small-scale radio multiplex service would be available to under 40% of the population in the licensed area of the overlapping Swansea local radio multiplex, and overspill outside the advertised area was predicted to be well under 30% of the population of the advertised area. Ofcom therefore considered no mitigations were required to comply with these thresholds. Ofcom considered that mitigations were likely to be necessary to address hole punching issues, but that these would be minor and unlikely to have an adverse impact on population coverage. Decision makers noted that predicted coverage was good with the three transmitters providing robust coverage in major population centres in the advertised area.

In relation to section 51(2)(c), Ofcom considered the applicant’s financial and business plan, technical plan, the timetable for coverage roll-out, and evidence of relevant expertise and experience. Decision makers noted that up-front costs associated with the three transmitter plan proposed by the applicant were relatively high. They also noted that the applicant, SDB, was associated, via control and directorships, with companies that had previously been awarded small-scale multiplex licences. These included some awardees which had successfully launched in the 18-month statutory period and others which had not (including Swansea DAB Limited which had previously been awarded the Swansea licence). The anticipated cost of establishment and mixed track record gave rise to some concerns over ability to establish the service. Overall, however, decision makers considered that the robust technical plan and fact that the applicant had been involved in some successful launches in the past, provided a sufficient level of confidence in the applicant’s ability to establish the service within the 18-month period allowed by legislation to justify an award to the sole applicant.

In relation to section 51(2)(ca), the applicant itself proposed to provide a C-DSP service on the multiplex. Decision makers noted that the proposed service was not an existing analogue or online service so it was not possible to have a high degree of confidence as to its likelihood of being available on the multiplex at launch. However, the stated intention to provide a C-DSP service was nonetheless viewed positively.

In relation to section 51(2)(f), Ofcom considered evidence of demand or support from persons providing or proposing to provide community or local digital sound programme services (C-DSP and DSP services) in the advertised area. As well as the applicant itself, one other prospective C-DSP service had expressed an interest in carriage, as well as 15 other DSP services. Whilst this represented a reasonably good level of demand and support, decision makers noted that the expressions of interest dated back to the 2022 application from Swansea DAB Limited, so there was

less confidence in their representing current intentions than would be the case for more recent expressions of interest. Whilst sufficient evidence of demand and support had been provided to justify award to a sole applicant, decision makers noted it would be important for the applicant to resume outreach to prospective providers between award and launch.

In relation to section 51(2)(g) and based on the evidence received, Ofcom was satisfied that the applicant had, in contracting or offering to contract with persons providing or proposing to provide community or local digital sound programme services, acted in a manner calculated to ensure fair and effective competition in the provision of those services. Decision makers noted, as above, that the expressions of interest dated back to 2022 and there was less evidence of recent outreach.

It is noted that the award of a licence does not confer on the awardee the right to implement all elements of the technical plan submitted to Ofcom as part of the successful application. Ofcom will treat proposals in that plan, on the basis of which the award was made, as things the successful applicant has committed to achieve within the 18-month period allowed between award and launch. However, for spectrum planning reasons, Ofcom may also require amendments to proposals between award and licence grant.

March 2025