

Small-scale radio multiplex licence award: Oban

Background

Ofcom has decided to award a new small-scale radio multiplex licence for Oban to Caledonia TX 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 28 January 2025, Ofcom published a notice inviting applications for licences to provide small-scale radio multiplex services in localities including Oban.

By the closing-date of 29 April 2025, Ofcom had received one application for Oban. This was from Caledonia TX Limited ("CTX"). 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 no comments were received.

Ofcom colleagues assessed the detail of the application, including carrying out an assessment of the technical plan required to be submitted as part of all applications. The decision in relation to Oban was made at an Ofcom decision meeting on 24 October 2025. The meeting carefully considered the application and professional advice from Ofcom colleagues involved in assessing the application. The statutory criteria were applied to reach a decision on whether to award a licence to the sole applicant. Reasons for the decision to award a licence to CTX are summarised below.

In relation to section 51(2)(a), the applicant proposed using one transmitter to provide its service. Ofcom calculations indicate that this would result in approximately 47% 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 not overlap with the coverage of any local radio multiplexes, and that overspill outside the advertised area was predicted to be zero in population terms. Ofcom therefore considered no mitigation was required to comply with overlap or overspill thresholds. Ofcom also considered no further mitigations were likely to be necessary to address hole punching or interference. Ofcom noted that coverage was modest within an already small advertised area in terms of population. However, this is a difficult area to serve technically due to the terrain, and coverage is expected to be reasonably good in the town of Oban. Particularly in the context of an area which is not served by a local radio multiplex, this modest addition was considered sufficient to justify award to the sole applicant.

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. In relation to finances, Ofcom noted that evidence provided was limited and projections of number of services to be carried (and consequent income) appeared optimistic in view of the small area covered and limited evidenced demand (see below). However, whilst the use of a single transmitter site contributed to limitations in coverage (as noted above), it also limited likely complexity and cost. The applicant's chosen technical contractor has relevant experience in establishing small-scale multiplexes, and the majority shareholder in the applicant has a clear commitment to radio in the area. As such, notwithstanding some concerns, Ofcom considered the prospect of the service being established within the 18-month period allowed by legislation was sufficient to justify award to the sole applicant.

In relation to section 51(2)(ca), the applicant does not itself propose to provide a C-DSP service in the advertised area, nor does it have as a participant a person proposing to do so. Ofcom noted that involvement of such a person is a desirable feature but not a necessity for applicants.

In relation to section 51(2)(f), Ofcom considered evidence of demand or support from persons providing or proposing to provide community or local digital sound programme services (C-DSP and DSP services) in the advertised area. The applicant listed demand and support from one prospective C-DSP service (Oban Radio, a former analogue community radio service in the area), and from four other DSP services, although documentary evidence was lacking in some cases. Ofcom noted that this represented a modest level of demand and support, albeit in the context of a very small coverage area. Noting the applicant's own projections of demand for the service, Ofcom considered it would be important for the applicant to extend outreach between award and launch to support the longer-term viability of the multiplex.

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.

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

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