

Consultation on Ofcom's proposed strategic approach to broadcast radio licensing

Introduction

The Dee Radio Group is an independent operator of two local FM radio stations which also simulcast on DAB. Chester's Dee Radio simulcasts on a Local DAB multiplex and Cheshire's Silk Radio on 3 SSDAB multiplexes. In addition the Group operates two DAB radio services Love 80s Liverpool which broadcasts on a Local DAB multiplex and Love 80s Manchester which broadcasts on 2 SSDAB multiplexes. The Group has a significant holding in a Local DAB multiplex and is the majority shareholder in a SSDAB multiplex.

Traditionally the Group has broadly supported Radio Centre's responses to consultations mainly adding granular detail however in this instance we believe that whilst we support Radio Centre response it is not fully aligned with the Dee Radio Group.

As a local radio group that provides radio services on FM, Local DAB and SSDAB multiplexes and has ownership interests in FM, Local DAB and SSDAB we find our position perhaps more aligned with being more supportive of SSDAB and the possibility of FM improvement.

If Ofcom wishes to support local broadcasters then it is important that the platforms to do so are fit for purpose. As a group we have real world concerns about the coverage restrictions on SSDAB and the current coverage modelling that produces results that aren't apparent in reality on the ground. These two issues are causing significant problems for listeners, advertisers and the sustainability of SSDAB multiplexes and the radio services that use them.

SSDAB represents the future bedrock of local broadcasting and its development.

In addition we would encourage Ofcom to consider FM coverage improvements for local commercial broadcasters alongside community broadcasters.

Question 1: Do you agree with the proposed broadcast licensing priorities for the short to medium term? Please give reasons for your answer.

1. We broadly agree with Ofcom's proposed licensing priorities for the short to medium term. It is sensible to focus finite regulatory resources on areas where there is clear audience benefit. In particular, it makes sense to continue supporting SSDAB, technical change requests, analogue renewals and extensions, ongoing DAB licensing activity, and to consider further community FM licensing where justified. We would add that consideration should be given to local commercial broadcasters wishing to improve their FM coverage.
2. However, we do not believe all elements of the proposed priorities should carry equal weight. In our view, Ofcom should give greater priority to strengthening existing SSDAB provision before advertising additional overlapping local DAB

multiplex licences. In addition we believe local commercial broadcasters wishing to improve their coverage should be given equal weight to community broadcasters.

3. SSDAB is not a marginal or purely community add-on. It has become an important and affordable digital platform for a broad range of services, including many smaller commercial operators, as well as community broadcasters. It has lowered barriers to entry, supported plurality, and provided a realistic digital route to market for services that could not otherwise access local DAB carriage at traditional cost levels.
4. SSDAB's main weakness is not the model but the coverage constraints under which many multiplexes are operating. In many areas, low power, restricted coverage and the current overlap limitations mean that multiplexes do not yet provide the robust and coherent coverage that listeners would reasonably expect from a town or city service. The priority should therefore be to make SSDAB work properly in practice, not simply to note that it has been licensed in principle.
5. For that reason, we are concerned by the proposal to prioritise new local DAB multiplex licensing in areas of demand where spectrum is available, without a clearer statement that Ofcom will first consider whether the same spectrum could more effectively be used to improve existing SSDAB coverage.
6. We therefore support the broad direction of Ofcom's strategy, but believe the final statement should make clear that existing SSDAB multiplexes must be given a fair opportunity to achieve technically effective and sustainable coverage, and that spectrum should not be allocated to new overlapping local DAB multiplexes without first considering whether it could deliver greater public benefit through SSDAB improvement.

Question 2: Do you consider that the proposed broadcast licensing priorities for the short to medium term will provide sufficient provision for audiences? Please give reasons for your answer.

7. Only if Ofcom applies the strategy in a way that addresses real-world coverage, affordability and local accessibility, rather than focusing only on formal licence categories. This should include the opportunity for local commercial broadcasters to have the opportunity to extend their FM coverage.
8. Sufficient provision must be judged by what audiences can actually receive and rely on. In many areas, SSDAB coverage remains too weak, patchy or restricted to deliver a dependable service across the community it is meant to serve. Where that is the case, listeners remain underserved in practice, regardless of whether a multiplex has technically been licensed.

9. This matters because SSDAB now carries a wide range of smaller commercial that are unlikely to have viable access to local DAB on equivalent terms. If SSDAB remains underpowered while local DAB is expanded above it, that may not increase meaningful audience provision overall. In fact, it may instead shift advantage toward higher-cost carriage platforms and better-capitalised operators, while weakening routes to market for smaller services that audiences value.

Question 3: For post-launch SSDAB multiplex coverage improvement or extension requests only, do you agree with our proposed change in approach to our application of the rule which restricts overlap with local muxes to 40% of the population already covered by the local mux (the “40% ceiling”)? Please give reasons for your answer.

10. We agree with the principle of a more flexible approach, but we do not think the proposal as currently framed goes far enough.
11. Ofcom is right to recognise that rigid application of the 40% ceiling can produce perverse outcomes, where a clearly beneficial coverage improvement is rejected simply because it takes overlap beyond an inflexible threshold. That shift in principle is welcome and recognises what is actually allowed for in the existing legislation.
12. However, the consultation appears to limit flexibility to exceptional circumstances involving “significant public benefit” and only “minimal exceedance” of the 40% level. We are concerned that this will prove too narrow to solve the very serious problems the policy is supposed to address.
13. In many places, the issue is not a tiny marginal anomaly. It is that current SSDAB coverage is too weak, too fragmented, or too constrained to provide a reliable service across the intended area. In some cases, a meaningful coverage improvement may require more than a slight increase above 40%. If Ofcom allows flexibility only in cases of very limited exceedance, the most important deficiencies will almost certainly remain unresolved.
14. We also think there is merit in reviewing whether the current methodology for predicting indoor SSDAB coverage and defining licensed-area reach remains sufficiently reliable in light of operational experience. A recurring concern from our members is that modelled coverage overstates reception on the ground. If that is the case, then a threshold that appears reasonable in theory may be delivering poorer audience outcomes than intended in practice.
15. In addition, there are unserved or previously advertised-but-unlicensed areas where extending an existing SSDAB multiplex may be more practical and cost-effective than expecting a new standalone multiplex to emerge. The 40%

framework should not prevent sensible extensions of that kind where they deliver clear public benefit.

16. We do not support arguments that flexibility should be tightly constrained in order to protect existing local DAB operators from additional SSDAB overlap. That would prioritise incumbent protection over efficient spectrum use and audience benefit. If Ofcom is concerned about market impact, that concern should apply in both directions. It would be inconsistent to scrutinise SSDAB extensions for their effect on local DAB while ignoring the equal or greater risk - that new local DAB licensing could destabilise SSDAB services, raise carriage barriers for smaller stations, and reduce effective platform plurality.
17. We therefore support a change in approach, but recommend that the final statement should (i) allow scope for exceedance beyond merely marginal levels where the audience benefit is clear and the technical case is strong, (ii) explain the factors Ofcom will use to assess “significant public benefit”, and (iii) review whether the current indoor coverage assumptions remain fit for purpose.

Question 4: Do you agree with Ofcom’s analysis in section 3 and at Annex A1 of the existing broadcast licence types? Please give reasons for your answer.

18. Our main concern is that Ofcom’s analysis should more clearly distinguish between rollout success and effective service delivery. SSDAB is correctly identified as aligned with the changing landscape and with demand, but that does not fully capture the fact that the main unresolved issues are now about coverage on the ground and technical effectiveness. SSDAB has proved its value as a model. The question is whether it is being allowed to perform properly in operational terms.
19. We also think the changed relationship between SSDAB and local DAB after the Media Act deserves fuller consideration. There is a real risk that the strategic balance could tip too far toward incumbent multiplex interests if Ofcom does not explicitly consider the role SSDAB now plays in commercial plurality, market entry and affordable digital carriage.

Question 5: Do you agree with our assessment on the impact of our proposed broadcast licensing priorities for the short to medium term at Annex A3? Please give reasons for your answer.

20. We broadly agree with Annex A3, but believe the final version should more clearly (i) acknowledge the need for timely and transparent implementation, (ii) the possibility of negative effects if SSDAB remains underpowered while overlapping local DAB expands.
21. We do not consider that the impact assessment is sufficiently balanced unless it also considers the effect that additional local DAB licensing could have on

SSDAB sustainability. SSDAB appears to have had limited negative effect on local DAB. The reverse may not be true. In overlapping areas, a new local DAB multiplex could draw away a number of commercial services whose carriage helps make SSDAB viable and affordable for smaller operators and community stations. That is a plausible and material regulatory risk, and it should be assessed explicitly.

Question 6: Do you have any other comments to make on the proposals?

22. Ofcom should explain how it will prioritise between three competing uses of scarce spectrum in a given area: (i) extending an existing SSDAB multiplex, (ii) advertising a new SSDAB multiplex, or (iii) advertising a new local DAB multiplex. In our view, there should generally be a rebuttable presumption in favour of the option that most effectively improves real coverage, supports plurality, and provides the most accessible route to digital carriage for smaller operators and community services.
23. Before advertising a new local DAB multiplex in an area served by SSDAB, Ofcom should carry out an explicit impact assessment on SSDAB. That assessment should consider carriage affordability, multiplex sustainability, the effect on smaller commercial services and community stations, and whether equivalent or greater public benefit could be delivered by improving SSDAB instead.
24. Ofcom should review whether its current methodology for predicted indoor SSDAB coverage remains sufficiently accurate in light of real-world operating experience. If coverage is being overstated in planning models, then decisions on overlap, service areas and public benefit may not be producing the intended listener outcomes.
25. It would be helpful for Ofcom to commit to a review point for this short- to medium-term strategy. The consultation sits alongside a broader Review of Broadcast Regulation and a changing radio market. A defined review period would help ensure that these priorities remain genuinely transitional and do not become fixed by default without reassessment.