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# **Restricted services: statement on increasing available spectrum and simplifying our approach to licensing**

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**Statement**

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# 1. Overview

This document sets out Ofcom's decisions on changes to our approach to licensing certain broadcast radio services known as restricted services. These are radio services with small coverage areas that are broadcast for the purposes of events or within a particular establishment or location in the UK. Examples include:

- dedicated radio services for religious observances such as Ramadan;
- radio services for hospitals and universities;
- drive-in movie soundtracks; and
- commentary for events.

Restricted services mainly broadcast in the AM and FM broadcasting bands and we sometimes lack sufficient available FM frequencies to meet demand. Demand for frequencies has increased of late and we expect this trend to continue.

We have developed a new method of spectrum planning for restricted services that enables us to identify small gaps in spectrum use, between the existing broadcast radio services in the FM band. We can now identify frequencies that are limited in the coverage they can deliver due to interference and so therefore are unsuitable for other broadcast uses.<sup>1</sup> We refer to the spectrum in these gaps as 'limited coverage spectrum'. We can use such spectrum to address the shortage of frequencies. Limited coverage spectrum will:

- increase the overall spectrum resource available to use for restricted services; and
- potentially provide opportunities for additional restricted services to be licensed in the future.

We consulted on proposals for making this spectrum available, along with proposals for simplifying our approach to licensing the services using this spectrum, earlier this year.<sup>2</sup> Having taken full account of responses, we set out our decisions in this document.

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<sup>1</sup> Such spectrum is limited in its coverage because of interference from other licensed broadcast radio services that constrains the coverage that is achievable on these frequencies. This spectrum can only be used at low powers because of the risk of causing interference to those other broadcasting services, even though these services might be operating at higher powers.

<sup>2</sup> A restricted service requires two licences issued by Ofcom; (i) a broadcasting licence under the Broadcasting Act 1990 ("BA90") which regulates the content of the service ("BA licence"); and (ii) a wireless telegraphy licence under the Wireless Telegraphy Act 2006 ("WTA06") which applies to the transmission of the service ("WTA licence").

### **What we have decided – in brief**

- To allocate 'limited coverage' spectrum to low-power restricted services where suitable spectrum is available.
- To move existing low-power restricted service licensees to a limited coverage frequency, where one is available, on renewal of their licences. In light of consultation responses, we will give 12 months' advance notification to enable licensees to mitigate for costs associated with moving frequencies.
- We are also making various administrative changes to the application process and associated guidance notes for restricted service licences and are modifying the standard form Broadcasting Act licence template for a restricted service.
- To invite the Secretary of State to consider making an order under the Broadcasting Act 1990 to provide an exception for Audio distribution system restricted services (ADSRSLs) and some similar emerging services from the requirement to hold a BA licence.
- To simplify the fees regime for restricted services. We are adopting a modified version of our consultation proposals, resulting in a lower fee increase than originally proposed for restricted services operating at up to and including 2W.

## 2. Context

### Demand is growing for restricted services

#### Our three existing RSL licence products

- 2.1 Restricted services are radio services that are broadcast for the purposes of an event or within a particular establishment or location. They require two different licences:
- A licence issued under the Broadcasting Act 1990. This is known as a BA licence.
  - A licence issued under the Wireless Telegraphy Act. This is known as a WTA licence.
- 2.2 We use the term ‘RSLs’ to refer to the restricted services that we license. There are currently three types of licence – shown in Table 1.

**Table 1. The three types of current RSL licence products**

Licence	Purpose	Duration	Frequency band(s)
<b>Short term restricted service licences (SRSLs)</b>	Coverage of a specific event or series of events.	Short period, usually up to 28 days  For a series of events, 28 days of broadcasting over 6 to 12 months	FM
<b>Long term restricted service licences (LRSLs)</b>	Radio service broadcasting at a particular location or to a particular establishment.	1 to 5 years	AM or FM
<b>Audio distribution system restricted service licences (ADRSLs)</b>	Broadcasting of an audio service at a specific site. Attendees listen to the service through tailor made receivers sold or loaned by operator.	5 years to cover events held at the site	Outside conventional AM or FM bands

- 2.3 SRSLs and LRSLs mostly use a specific part of the FM radio spectrum (87.7 - 87.9 MHz) which we reserve for RSL use. We have not always had sufficient FM spectrum available in a particular area to meet demand, particularly for LRSLs. Some of those seeking a licence may have been unable to secure one, leaving communities underserved by dedicated radio services on FM. Demand has grown since the start of the Covid-19 pandemic and we expect interest to continue to grow as we continue to see demand for newer services such as drive-in movies, and as we open up more spectrum for RSLs around the country.

## Limited coverage spectrum will help us meet demand for RSLs

- 2.4 We have developed a new method of spectrum planning in the FM broadcasting band that enables us to identify small gaps in spectrum use for new services, among the existing broadcast radio services in the FM band. We refer to the spectrum in these gaps as ‘limited coverage spectrum’. We refer to the method we use to identify such spectrum and plan for its use as the ‘limited coverage method’. We have also developed a semi-automated software tool that enables us to identify these limited coverage frequencies quickly. This tool is specifically for spectrum planning for RSLs, because of the frequencies being used, which are not suitable for other broadcasting services.
- 2.5 Limited coverage spectrum is well-suited for RSLs. The risk of interference means limited coverage spectrum can only be used at a low power (generally not exceeding 2 watts radiated power) over a short range of up to around a 1 km radius.

## We proposed changes to RSLs to help meet demand

- 2.6 Based on the results of a trial undertaken in the last year confirming our views on the suitability of limited coverage spectrum,<sup>3</sup> we consulted on changes to the way we license RSLs to implement the limited coverage method.<sup>4</sup> We also proposed changes to the application process and simplification of the fees regime for RSLs.
- 2.7 We received 26 responses to our consultation. For the most part, stakeholders supported the proposals we made – particularly around the benefits of implementing our limited coverage method. However, there were areas of disagreement from some stakeholders.
- 2.8 Having taken full account of stakeholders’ views, we have amended our consultation proposals in some areas:
- We will give advance notification for transition to new frequencies for existing licensees.
  - We have made minor changes to the application form and guidance.
  - We have revised the fees we proposed for RSLs in our consultation.
- 2.9 In the remainder of this document we set out our final decisions on the changes we will make to the licensing of RSLs, including how we have taken account of the responses we have received from stakeholders. We then set out next steps for implementing our decisions.

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<sup>3</sup> <https://www.ofcom.org.uk/manage-your-licence/radio-broadcast-licensing/apply-for-a-radio-broadcast-licence/restricted-service-licence/limited-coverage-trial>

<sup>4</sup> <https://www.ofcom.org.uk/consultations-and-statements/category-2/restricted-services-proposals-to-increase-available-spectrum-and-simplify-licensing>

## 3. Our decisions on RSL licensing

- 3.1 This section sets out our decisions on RSL licensing. We structure this section around our consultation questions. In each instance we describe our proposals, summarise stakeholder responses, then set out how we have taken account of them to reach our decision.

### We said we wanted to make more spectrum available for RSLs

#### What we proposed

- 3.2 By using the limited coverage method of spectrum planning, which allows us to identify small gaps in spectrum coverage, we said we could identify highly localised opportunities for FM coverage, thereby using the FM frequencies more intensively than at present. We proposed to use this approach for RSLs, noting it would most likely be suitable for RSLs serving an establishment or other defined location, e.g. a hospital or university campus. Such usage would involve limited powers and antenna heights.
- 3.3 We said we would also plan to continue to allocate 87.7 - 87.9 MHz to RSLs, normally for uses that limited coverage spectrum could not support (typically RSLs covering events operating at higher power levels). We would also use 87.7 - 87.9 MHz where no limited coverage spectrum is available.
- 3.4 Finally, we said that we would remove the requirement to use vertical polarisation only, thereby increasing flexibility for RSL operators.
- 3.5 We asked:

Question 1: Do you have any comments on Ofcom's proposals to make more frequencies available for restricted services?

#### Stakeholder responses

- 3.6 Most respondents agreed with our proposal, with many strongly in favour. [dgi Media](#) called this an "excellent move".<sup>5</sup> [Seaside Hospital Radio](#) said this was "a great idea" because it would "enhance local areas".<sup>6</sup> An individual respondent [X] said they hoped the gaps in the VHF spectrum in their area could be put to good use to help their community.
- 3.7 Some stakeholders who were otherwise supportive of our proposals raised additional considerations:
- The Community Media Association supported our proposals but noted that we should give consideration to the impacts on existing community radio stations with regard to

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<sup>5</sup> Consultation response from [dgi Media](#).

<sup>6</sup> Consultation response from [Seaside Hospital Radio](#).

competition for advertising, grant funding, and access to volunteers. It noted “care and consideration should be given with regard to the impact of increasing the number of short-term restricted service licences permitted in a locality that already has a significant and existing community radio presence”.<sup>7</sup>

- Anker Radio indicated that the need for a frequency change would be an inconvenience for a small charity.<sup>8</sup>
- University Radio York said that it also wanted to explore the possibility of higher power directional antennas to reach all areas of their university campus.<sup>9</sup>
- Radio Cavell supported the move to mixed polarisation but said this should not be mandatory.<sup>10</sup>
- An individual respondent asked whether Ofcom should consider using the AM medium wave band due to congestion on FM and described the possible advantages AM offers.<sup>11</sup>

3.8 transplan UK disagreed with our proposal, saying we should revert to our previous policy of identifying any available frequency in the applicant location. It did not provide any reasoning, information or evidence to support this position.<sup>12</sup>

## Our decision

3.9 Given broad support for the limited coverage approach, we will be implementing the limited coverage method to make more spectrum available for RSLs. We consider that this will bring benefits in terms of spectrum efficiency and the potential for additional RSLs to operate.

3.10 In relation to the concern about the potential impact of greater competition from RSLs on existing community radio stations, we note that RSLs may be short-term or dedicated to a particular establishment and therefore are likely to serve different audiences and interest groups to those targeted by community radio stations. In any event, an increase in the number and range of RSLs resulting from the increased availability of spectrum will benefit citizens and consumers, in terms of services they provide and by increasing opportunities for volunteering. To the extent there is greater competition, we consider that this should bring benefits for consumers and may serve to increase interest in, and listening of, the radio, increasing audiences for all broadcasters.

3.11 Regarding the possibility of higher power directional antennas, as part of the limited coverage method we have deliberately chosen lower powers that involve a minimal risk of interference to other spectrum users. However, we will consider proposals for higher power on a case by case basis, depending on spectrum availability and the potential for

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<sup>7</sup> Consultation response from [Community Media Association](#).

<sup>8</sup> Consultation response from [Anker Radio](#).

<sup>9</sup> Consultation response from [University Radio York](#).

<sup>10</sup> Consultation response from [Radio Cavell](#).

<sup>11</sup> Consultation response from [S. Hockenhuil](#).

<sup>12</sup> Consultation response from [transplan UK](#).



interference to other users. We are updating our guidance notes to provide for an increase in antenna height from 10m to 20m.

- 3.12 As set out in the consultation, applicants will have the ability to request mixed polarisation if they wish to – this will not be mandatory.
- 3.13 Regarding use of the AM medium wave band, our consultation proposals aim to reduce congestion on the FM band by adopting the limited coverage approach. We already license some RSLs in the AM band. Many licensees would prefer the use of FM over AM because of the challenges with AM transmission and most listening being on FM rather than AM.
- 3.14 We address the issue of the implications of a frequency change below in our consideration of responses to questions 3 and 4.

We have decided to adopt the limited coverage method for RSLs. This will increase the availability of spectrum for these services. We will continue to allocate 87.7 - 87.9 MHz to RSLs in certain circumstances, for example where no limited coverage spectrum is available or for RSLs covering events operating at higher power levels. We have also decided to remove the requirement to use vertical polarisation only.

## We said we wanted to update the Broadcasting Act licence for RSLs

### What we proposed

- 3.15 We proposed to replace the current SRSL and LRSL licence types (see Table 1) with a single type of licence – a restricted service licence. We said we would issue this licence to new, successful licensees and vary the licences of those holding an LRSL or extended duration SRSL.
- 3.16 We asked:

Question 2: Do you have any comments on Ofcom’s proposed restricted service standard form BA licence?

### Stakeholder responses

- 3.17 There was wide support for our proposed changes. For instance, Radio Clatterbridge described it as a “positive move”.<sup>13</sup> Radio Cavell said it supported “simplifying the licensing process.”<sup>14</sup>
- 3.18 transplan UK disagreed with our proposed approach, saying Ofcom should issue a single page licence that refers to a published standard form licence setting out the conditions.<sup>15</sup>

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<sup>13</sup> Consultation response from [Radio Clatterbridge](#).

<sup>14</sup> Consultation response from [Radio Cavell](#).

<sup>15</sup> Consultation response from [transplan UK](#).

## Our decision

- 3.19 Given the strong support for our consultation position, we will replace the current SRSL and LRSL licence types with a single restricted service licence.
- 3.20 We understand licensees' desire for their licensing documents to be as brief as possible. However, it is essential that licensees are aware of the conditions of their licence and that we set out this information in as clear a manner as possible. We will not therefore be adopting the proposal of transplan UK to have a single page licence.

We have decided to adopt the changes to the BA licence set out in the consultation, replacing the current SRSL and LRSL licence types with a single restricted service licence.

## We said we wanted to move extended duration SRSL licensees to new frequencies

### What we proposed

- 3.21 Extended duration SRSLs are the licences we grant for RSLs which cover events on a series of days over a period of several months. Most broadcast on 87.7-87.9 MHz. We said that if we receive a repeat application for a licence in respect of such a service, we would expect to allocate a new frequency to the licensee, freeing up 87.7-9 MHz to be used by other restricted services. We had already identified such frequencies at the time of consultation, using the limited coverage method or in some cases our standard planning approach. We reminded licensees that frequency allocation is at Ofcom's discretion, and that having held a frequency in the past did not guarantee that a licensee will have that same frequency if they apply for a further licence in the future. We said we would engage with affected licensees to bring frequency changes to their attention before the end of their licence term.
- 3.22 We asked:

Question 3: Do you have any comments on Ofcom's proposal to issue existing extended duration SRSL licensees with a restricted service licence on a new frequency at the end of their existing licence term, should they apply for a new licence?

### Stakeholder responses

- 3.23 We received no responses from existing extended duration SRSL licensees. Of those stakeholders who did respond, some supported our proposals. For instance, an individual and Radio Cavell noted broad support for our proposal to use limited coverage frequencies given that this could increase the number of broadcasters in an area.<sup>16</sup>

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<sup>16</sup> Consultation response from [P. Edmunds](#); consultation response from [Radio Cavell](#).

- 3.24 However, several respondents did not fully support our proposal. Anker Radio highlighted the impact of a frequency change on licensees in terms of cost and time, as well as noting the potential for loss of audience.<sup>17</sup> Radio Clatterbridge questioned whether all licensees would want to change frequencies.<sup>18</sup>
- 3.25 Some respondents focused on what Ofcom could do to assist licensees faced with a frequency change. dgi Media suggested that we should offer licensees help with the costs of changing frequencies.<sup>19</sup> Stoke Mandeville Hospital Radio suggested that if a frequency change is to occur, licensees should be given twelve months' advance notice, enabling smaller stations to ensure funding is in place to effect necessary changes.<sup>20</sup> Radio North Angus said that we should consider protecting small stations where we propose changing frequencies.<sup>21</sup> Edinburgh Hospital Broadcasting Service said that Ofcom should consult with licensees in the event of a frequency change.<sup>22</sup>

## Our decision

- 3.26 The allocation of frequencies to RSL applicants is at Ofcom's discretion and we make clear in our published guidance notes for RSL licences that having held a certain frequency in the past does not mean a licensee will hold it in future.
- 3.27 Nonetheless, as we recognised in the consultation, there may be costs involved if a licensee is issued with a different frequency from the one they have previously been issued with should they apply for a licence again in the future, e.g. promotional materials and transmission equipment that might need to be modified or replaced following a frequency change. While we estimate such costs should be low in absolute terms, we acknowledge that these will represent a burden. We are therefore taking action to put licensees in a better position to mitigate any costs that may result by giving them notice of which frequency they will move to. As we said in the consultation, we have already identified new frequencies for current licensees. Following publication of this statement we will write to existing extended duration SRSL licensees to notify them of this new frequency, allowing them to plan well ahead of time for the change, budget for costs in advance or spread costs over a longer timeframe.
- 3.28 Overall, we consider the costs are outweighed by the wider benefits the limited coverage method will introduce in the form of the potential for more efficient use of spectrum and the greater scope for additional RSLs in future. We also consider that there are specific benefits for existing extended duration SRSL licensees:
- A licence will be able to be held for a period of up to five years, rather than licensees having to apply (and pay the associated £400 application fee) for a licence for every 28 days of broadcast;

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<sup>17</sup> Consultation response from [Anker Radio](#).

<sup>18</sup> Consultation response from [Radio Clatterbridge](#).

<sup>19</sup> Consultation response from [dgi Media](#).

<sup>20</sup> Consultation response from [Stoke Mandeville Hospital Radio](#).

<sup>21</sup> Consultation response from [Radio North Angus](#).

<sup>22</sup> Consultation response from [Edinburgh Hospital Broadcasting Service](#).

- A licence will authorise as many days of broadcasting as the licensee wants during its duration, rather than being restricted to 28 days;
- The licensee will have continuous access to a certain frequency for the duration of their licence; no other applicant will be issued with the frequency for their site; and
- Licensees will no longer need to request approval from Ofcom for a licence variation if their broadcast days change.

3.29 For these reasons, we have decided to adopt our consultation proposal.

We have decided to issue extended duration SRSL licensees with a new frequency if they apply for a new licence. We have already identified new frequencies for existing licensees and will write to licensees following the publication of this statement to notify them of the new frequency they will receive, to give them advanced notice of this change.

## We said we wanted to move existing LRSL licensees to limited coverage frequencies

### What we proposed

3.30 LRSLs are usually used by radio stations such as hospital radio to broadcast to particular locations or establishments over an extended period. Should existing LRSL licensees apply to renew their licence, we proposed to move them on to a new frequency at the end of their existing licence term.

3.31 We asked stakeholders:

Question 4: Do you have any comments on Ofcom's proposal to issue existing LRSL licensees with limited coverage frequencies (if available) at the end of their existing licence term, should they apply to renew their licence?

### Stakeholder responses

3.32 Some respondents agreed with our proposal. For instance, Radio Cavell said that they supported the proposal if it allows frequencies to come available for other uses, while Mid Downs Hospital Radio said that they agreed so long as a limited coverage frequency offers good coverage across their entire site.<sup>23</sup>

3.33 Leicester Community Radio disagreed with our approach, objecting "in the strongest possible terms" to the prospect of losing their existing frequency.<sup>24</sup>

3.34 As with our proposal to move extended duration SRSLs to new frequencies, other respondents focused on the costs associated with such a move. Liverpool Hospital Broadcasting Service / Radio Broadgreen said that although the idea of clearing 87.7 – 97.9

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<sup>23</sup> Consultation response from [Radio Cavell](#); consultation response from [Mid Downs Hospital Radio](#).

<sup>24</sup> Consultation response from [Leicester Community Radio](#).

MHz for short-term RSLs would make sense, there could be unwanted costs involved.<sup>25</sup> The Hospital Broadcasting Association said that moving frequency would have “material” costs.<sup>26</sup> Radio Redhill said stations should have the option to move to a new frequency sooner if they would prefer, but that stations should not be required to move should they not wish to. It said the costs of such a move could be “prohibitive.”<sup>27</sup> Torbay Hospital Radio said that moving frequencies would have cost implications.<sup>28</sup> The Community Media Association and another respondent [X] said that we should not move licensees on frequencies other than 87.7 – 87.9 MHz because the costs of doing so would not justify the benefits.<sup>29</sup>

3.35 Some stakeholders suggested approaches that would mitigate the financial impact of a frequency change. University Radio York and Stoke Mandeville Hospital Radio said that giving organisations a year’s notice would reduce the financial impact of changes.<sup>30</sup>

3.36 Stakeholders also raised other issues:

- Some respondents raised issues stemming from their involvement in the limited coverage trial. Radio Redhill said that it would like to continue on FM following the trial and that Ofcom should not require licensees to reapply.<sup>31</sup> A confidential respondent [X] said licensees involved in this year’s trial should be able to reapply, providing Ofcom deems each operator suitable to continue.
- Radio North Angus asked why the norm for RSLs using limited coverage spectrum would be 300 mW, while the norm for existing licences is 50mW. It proposed that licences should be changed to ensure consistent power levels.<sup>32</sup>

## Our decision

3.37 We recognised in our consultation that there would be costs for licensees on an FM frequency in moving to a limited coverage frequency. We estimate such costs should be low in absolute terms, but we acknowledge that these will represent a burden, particularly for applicants which are charities or have limited funding. However, we considered that moving stakeholders to such frequencies would realise the benefits of using spectrum more efficiently. We also took the view that it would allow new broadcasters to begin to operate and deliver benefits to communities not currently served by an RSL. There was no evidence provided by respondents to suggest these benefits would not be realised. We note that only licensees on FM will be impacted by these changes. Those operating on AM will be unaffected.

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<sup>25</sup> Consultation response from [Liverpool Hospital Broadcasting Service / Radio Broadgreen](#).

<sup>26</sup> Consultation response from [Hospital Broadcasting Association](#).

<sup>27</sup> Consultation response from [Radio Redhill](#).

<sup>28</sup> Consultation response from [Torbay Hospital Radio](#).

<sup>29</sup> Consultation response from [Community Media Association](#).

<sup>30</sup> Consultation response from [University Radio York](#); consultation response from [Stoke Mandeville Hospital Radio](#).

<sup>31</sup> Consultation response from [Radio Redhill](#).

<sup>32</sup> Consultation response from [Radio North Angus](#).

- 3.38 However, we have taken account of stakeholders' suggested approaches whereby we could reduce the impact of the costs associated with a change of frequency by providing licensees with more notice of a change. As with our approach on extended duration SRSs, we are keen to mitigate the impact of the costs associated with our policy approaches on stakeholders where possible.
- 3.39 We therefore will give all current licensees at least 12 months' advance notice of the new limited coverage frequency they will move to if they apply to renew their licence at the end of the existing licence term. This modification will enable licensees to prepare and spread costs over a longer timeframe, helping to mitigate the impact of frequency changes.
- 3.40 In light of our revised approach and taking account of our estimate that potential costs relating from a change of frequency should be low in absolute terms, we remain of the view that the benefits of moving licensees to new limited coverage frequencies will outweigh any costs that may be incurred.
- 3.41 In relation to other comments raised by stakeholders our responses are as follows:
- In principle we have no objection to the possibility of licensees who will be moved to a new frequency at the end of their licence term doing so earlier. However, we would need to take account of our ongoing licensing and spectrum management workload, as well as spectrum availability. We would encourage licensees in this situation to contact us to discuss this possibility.
  - Respondents participating in our limited coverage trial asked about the future of their licences following the trial period. As set out in our invitation to apply for the limited coverage trial licence, such licences have a fixed twelve-month term.<sup>33</sup> We plan to engage with our trial licensees shortly after publication of this statement on future arrangements.
  - Regarding the different power levels for existing RSLs (50 mW) and limited coverage RSLs (300 mW), this arises from the fact that existing RSLs typically operate on 87.7 - 87.9 MHz, which are frequencies only used for RSLs. Interference into these frequencies will therefore only be from other RSLs. The frequencies that will be used for limited coverage services will range from between 88.0 MHz to 107.9 MHz (sharing spectrum with other FM radio services). Because of this there will be an increased risk of interference from these services affecting limited coverage frequency RSLs. We will authorise licensees operating in limited coverage spectrum to transmit at higher power levels because it will allow them to overcome this interference.
  - Regarding the view that Ofcom should not move licensees at frequencies other than 87.7 – 87.9 MHz, only one licensee is on a non-limited coverage frequency other than 87.7 – 87.9 MHz. We will consider that case on its merits in due course.

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<sup>33</sup> [https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0023/216248/invitation-to-apply-limited-coverage-rsl-trial.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0023/216248/invitation-to-apply-limited-coverage-rsl-trial.pdf)

We have decided to move long term RSL licensees to new limited coverage frequencies, where available, at the end of their licence term. We will give licensees at least 12 months' notice of their new frequency before their licences end.

## We said we wanted to make changes to our application form and guidance

### We proposed several changes to our application form

3.42 We proposed in the consultation to make minor changes to the application process and the associated guidance notes for RSL licences:

- To allow applicants to cover separate events using one application form.
- To reduce licence application acceptance from 180 days to 120 days before the proposed broadcast start date.
- To only consider requests from existing applicants to postpone the planned broadcast to a date within 120 days of the date of the request.
- To revise our guidance to remove the minimum licence term for RSLs which broadcast to an establishment or other defined location.
- To remove the geographical restrictions we currently have in place and accept applications for FM or AM restricted services anywhere in the UK.
- Where a limited coverage frequency is unavailable, to generally consider applications for RSLs where there has not been an application in the previous 18 months.
- To change the application form and guidance to reflect that the applicant for a restricted service must be the person or body that will be providing the service.
- To modify our approach to high demand periods: we may conduct more than one draw to ensure that we allocate all available frequencies.

3.43 We reflected these changes in proposed revised guidance in Annex 4 of the consultation.

3.44 We asked:

Question 5: Do you have any comments on these changes to our application process, as set out in the revised guidance at Annex 4?

### Stakeholder responses

3.45 Consultation responses showed broad support for the changes we proposed. The Asian Broadcasters and Journalists Association UK said that the application process was “good and straightforward”.<sup>34</sup> Anker Radio described the changes as “very helpful”.<sup>35</sup> Radio Clatterbridge described our changes as a “positive step”.<sup>36</sup> In particular, stakeholders such

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<sup>34</sup> Consultation response from [Asian Broadcasters and Journalists Association UK](#).

<sup>35</sup> Consultation response from [Anker Radio](#).

<sup>36</sup> Consultation response from [Radio Clatterbridge](#).

as Radio Redhill and Torbay Hospital Radio supported the change we proposed to make to the identity of the licensee.<sup>37</sup>

3.46 The Hospital Broadcasting Association agreed with our proposals but raised several further issues:

- It requested Ofcom publish on its website a list of where limited coverage frequencies are known to be unavailable. It also requested Ofcom publish the list of SRSL activity it uses to determine whether an LRSL might be licensed in 87.7-87.9 MHz where limited coverage spectrum is not available.
- It recommended we amend the licence application form to make clear that, where the service is being provided by an incorporated organisation of any form, the licensee must be the organisation. It also recommended adjusting the guidance and application form to show which sections of the application form are required to be completed when the applicant is an individual on behalf of an unincorporated organisation.
- It said that when an application is being made on behalf of an unincorporated organisation, Ofcom should allow the individual holding the licence on behalf of the organisation to be someone other than a member of the management committee of the organisation providing the service.
- It described a scenario whereby a charity broadcasts its service to a hospital site via an RSL and via an internet stream to GP service waiting rooms. It said it hoped that cross-promoting such a simulcast of an RSL service (e.g. by saying "listen to us [on] 95.1FM in XYZ Hospital, or online across XYZshire") would not fall foul of the requirement not to direct an RSL service at listeners outside the licensed area.<sup>38</sup>

3.47 Other stakeholders raised further points:

- University Radio York said it would prefer a wording change to make clear that changes to an applying organisation's board of trustees would not require a costly amendment to the terms of the licence.<sup>39</sup>
- The Community Media Association said that where events overlap, Ofcom should give preference to fairly allocating RSL spectrum between different communities.<sup>40</sup>
- transplan UK said that Ofcom should now reduce the application fees to reflect its reduced workload.<sup>41</sup>

## Our decision

3.48 Stakeholders generally supported the changes we proposed. There were no strong arguments raised against the changes we proposed to the application process and guidance and we will therefore implement these.

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<sup>37</sup> Consultation response from [Radio Redhill](#); Consultation response from [Torbay Hospital Radio](#).

<sup>38</sup> Consultation response from [Hospital Broadcasting Association](#).

<sup>39</sup> Consultation response from [University Radio York](#).

<sup>40</sup> Consultation response from [Community Media Association](#).

<sup>41</sup> Consultation response from [transplan UK](#).



3.49 Regarding the specific issues raised by the Hospital Broadcasting Association:

- Generally speaking, limited coverage frequencies are less likely to be available in cities than more rural areas, however this may vary by location. We are not able to make available lists of where limited coverage spectrum is unavailable or the list of SRSL activity that we use because spectrum availability depends on highly individual circumstances (including location, required coverage and terrain) that vary by application. We would encourage interested parties to contact us before making a formal application if they wish to discuss the likely availability of spectrum in an area.
- While we cannot give specific guidance to applicants, we are happy to discuss any general issues in completing the form that applicants encounter when making their application. To confirm which sections need to be completed by which bodies:
  - Corporate bodies should fill out section 3.
  - Unincorporated bodies should fill out section 5; and
  - Individuals looking to hold a licence in their own name should fill out section 2.
- Regarding the request that the person holding the licence on behalf of the organisation should be someone other than a member of the management committee – the holder of the licence must be the provider of the service. In this context, ‘person’ means either an individual or body, and we consider a person will be the provider of the service if they exercise effective control over the selection of programmes that comprise the service and their organisation into a programme schedule.<sup>42</sup> There is no cost for transferring the licence.
- While we cannot pre-judge the outcome of our response to any complaints we receive, an analogue RSL should only be promoted and directed at listeners in the establishment or defined location it is licensed to serve. If the broadcast service is simulcast on another platform (e.g. online), it is acceptable to cross-promote that service on the RSL, or vice-versa.

3.50 Stakeholders also raised other points:

- Regarding the concerns from University Radio York concerning licence amendments, we can confirm that there is no fee attached to a licence amendment involving a change in those involved the licensee body, i.e. if the licence is held by an incorporated body with trustees and those trustees changed, no fee would apply for informing us of those changes. Amendment fees are only payable if an applicant wants to change the details of its application after it has been received, but in advance of our issuing the licence. If a licensee wishes to transfer the licence to a different person/body after we have issued it, there is also no fee attached.
- Regarding the Community Media Association’s requests regarding overlapping events during a period of high demand when there is more than one frequency available, as we set out in the consultation we leave open the possibility of conducting multiple

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<sup>42</sup> As defined in section 362(2) of the Communications Act 2003. More information can be found in Ofcom’s [Guidance on the licensing position of the ‘provider of a service’ and the ‘sub-letting of capacity’](#)

draws. We will conduct draws according to the applications we receive and in a manner which we consider is best suited to fulfil our duties.

- Regarding transplan UK's comments, we discuss proposed changes to fees below.

We have decided to implement our changes to the application process and guidance.

## We wanted to ask Government to reduce the regulatory burden on users of ADSRSLs and emerging short-range services

### What we said

- 3.51 Audio distribution system restricted services ('ADSRSLs') transmit audio content for direct reception by those within a small defined area (see Table 1). Such services differ from SRSLS or LRSLS because they use frequencies not employed by conventional AM or FM stations. Examples of these services include systems for hearing sports commentary at a stadium or audio translations at conferences. We have also seen alternative technologies being used for transmitting sound content, e.g. at silent discos.
- 3.52 When we consulted we said that such services are at a very low risk of causing harm and that it would be appropriate for such systems to be subject to a light touch regulatory regime. We therefore proposed to ask the Secretary of State for the Department for Digital, Culture, Media & Sport ('DCMS') to consider making an order under section 97 BA90 providing an exception for these kinds of services from the requirement to hold a BA licence.
- 3.53 We asked:

Question 6: Do you have any comments on Ofcom's proposal to invite the Secretary of State for DCMS to consider making an order which would provide an exception for certain services from the need to hold a Broadcasting Act licence?

### Stakeholder responses

- 3.54 The majority of stakeholders supported our proposal, while others raised no objections. For example, an individual referred to our proposal as a "good idea".<sup>43</sup> dgi Media said any approach that reduces the costs of operating an RSL would be beneficial.<sup>44</sup>
- 3.55 Some licensees raised further points:
- The Community Media Association said Ofcom should consider whether its new method of spectrum planning allows for the creation of substandard mono-only assignments.<sup>45</sup>

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<sup>43</sup> Consultation response from [S. Hockenull](#).

<sup>44</sup> Consultation response from [dgi Media](#).

<sup>45</sup> Consultation response from [Community Media Association](#).

- The Community Media Association also said Ofcom should consider inviting the Secretary of State to remove the single contiguous site and non-resident population requirements for an AM LRSL. A confidential respondent [X] said that the single site rule should be opened up to allow for broadcasts to highly concentrated geographic areas.
- A confidential respondent [X] asked for a lift to the powers in the licence exemption to allow for transmitters of 0.5W maximum.

## Our decision

3.56 Given that no respondents disagreed with our proposals or provided evidence against them, we have decided to adopt the position we set out in the consultation.

3.57 With regards the further points raised by respondents:

- We note the interest from the Community Media Association in substandard mono-only assignments. Our strong preference will be to allocate an FM frequency using the limited coverage method which is planned on the basis of good quality stereo. In exceptional circumstances, where coverage or interference is a major issue, we sometimes allow mono operation, as with other licensed radio services. We also note that the limited coverage method is for low power FM, meaning a small coverage area only is intended.
- Regarding comments on the single site rule, we do not consider the removal of the single continuous site requirements to be in the interests of users at this time. RSLs are intended to have very small coverage areas and operate within a definable single location that usually has no permanent resident population. We consider that removing the single site rule would go against this intention and move RSLs closer to being a community radio-type licence product, which is not their purpose.
- As to the confidential respondent's comments on an increase in the licence exemption to a power of 0.5W maximum, we consider that such an exemption would go significantly further than we proposed in the consultation. The proposed exemption was for extremely low power devices that (i) have very low coverage due to these low powers and (ii) pose a minimal risk of an outside audience tuning in to such services. These criteria would not be met for devices of up to 0.5W so we would not consider it appropriate to invite the Secretary of State to make an order providing an exception for such devices.

We have decided to invite the Secretary of State for DCMS to consider making an order which would provide an exception for ADSRSLs and emerging short-range services from the need to hold a Broadcasting Act licence.

## We set out to simplify the fees regime for RSLs

### What we said

#### Our current fees and why we proposed changing them

3.58 We currently license RSLs based on whether the applicant is applying for an SRSL or LRSL.

3.59 SRSLs have an application fee of £400. There is an additional separate licence fee charged on a daily basis for each of the BA and WTA licences these services require. The daily charging rate varies according to the power used for transmission and whether the service is broadcasting on AM or FM. The table below sets this out.

**Table 2. Current SRSL fees**

	BA fee	WTA fee	Total fees
<b>1 watt AM</b>			
Daily rate	£10	£15	£25
<b>1 watt FM</b>			
Daily rate	£10	£25	£35
<b>Above 1 watt</b>			
Daily rate	£30	£40	£70

3.60 LRSLs have an application fee of £200. There is a separate annual licence fee for each of the BA and WTA licences, that varies according to whether the service is broadcasting on AM, FM or using an induction loop. We set this out below.

**Table 3. Current LRSL fees**

	Annual BA fee	Annual WTA fee	Total fees
AM	£275	£100	£375
FM	£140	£100	£240
Induction loop	£140	£100	£240

3.61 There is an amendment fee of £200 for both SRSLs and LRSLs, which we charge for changes to an application where we have already accepted the application.

### Our consultation proposals

3.62 We wanted to change the fee structure for RSLs for several reasons:

- to simplify the fee structure;
- to reflect that our costs do not differ noticeably between AM and FM; and
- to introduce an annual limit to ensure fees remain proportionate.

3.63 We proposed that for RSLs transmitting at up to and including 2 watts, we would charge a daily rate of £30 for the BA licence fee and £40 for the WTA licence fee, up to an annual limit of £210 for the BA licence fee and £240 for the WTA licence fee. We proposed that for RSLs transmitting at above 2 watts, we would charge a daily rate of £30 for the BA licence fee and £40 for the WTA licence fee, up to an annual limit of £900 for the BA licence fee and £1200 for the WTA licence fee. We said such fees were an appropriate reflection of our costs.

3.64 The new fee structure we proposed was as set out in Table 4.

**Table 4. The new RSL fee levels we consulted on**

	BA fee daily rate	WTA fee daily rate	Total daily fees	BA annual limit	WTA annual limit	Total maximum annual fees
<b>Up to and including 2W</b>	£30	£40	£70	£210	£240	£450
<b>Above 2W</b>	£30	£40	£70	£900	£1200	£2100

3.65 Under these proposals, licensees operating at up to and including 2 watts (that is, mainly existing LRSL licensees) would experience an overall fee increase of £75 to £450 (if broadcasting on AM) or £210 to £450 (if broadcasting on FM).

3.66 Licensees operating at above 2 watts (that is, existing SRSL licensees) would either pay the same in licence fees, or face a reduction if they broadcast for over 30 days.

3.67 We also proposed that we would no longer set fees for RSLs broadcasting via induction loops and that we would cease licensing these systems as they are no longer in use.

3.68 We did not propose changes to the level of our amendment or application fees. However, we said where an applicant made multiple applications to cover separate events within a three-month window, we would charge only a single application fee.

3.69 We asked:

Question 7: Do you have any comments on Ofcom's proposed fees for restricted services?

## Stakeholder responses

3.70 A small number of stakeholders, such as Seaside Hospital Radio and Radio Cavell, agreed with our proposals.<sup>46</sup> However, several stakeholders disagreed with our proposals. In summarising this area of disagreement, we have split stakeholder views into groups: (a) views on fees for RSLs up to and including 2 watts; (b) views on fees for RSLs above 2 watts; and (c) views on other issues.

### Fees for RSLs up to and including 2 watts

3.71 A significant number of respondents disagreed with the level of fees we had proposed for RSLs up to and including 2 watts on the grounds that our proposals would lead to a large increase for current LRSL licensees. For example, an individual described the fees as “very prohibitive”.<sup>47</sup> Radio North Angus said that the overall fee increase (i.e. combined fees for BA and WTA licences) represents an increase of 87.5%.<sup>48</sup> The Hospital Broadcasting Association said that the proposed fees seem large in comparison for the fees for other radio licence products.<sup>49</sup>

3.72 Some stakeholders focused on the potential impact on the small and/or charitable organisations that operate in the sector. For instance, another response from Seaside Hospital radio said that those with a tight budget might be excluded if costs were too high.<sup>50</sup> University Radio York said that Ofcom should consider the impact of the fee increase on student broadcasters, who have small budgets and limited scope to fundraise.<sup>51</sup> Radio North Angus said that the fee increase “has the potential to destabilise the financial viability of small stations.”<sup>52</sup> Radio Forest said that the fees needed to be affordable for non-profit organisations and charities.<sup>53</sup>

3.73 Some stakeholders suggested alternative approaches. For instance, dgi Media said that lowering fees would encourage wider use of the RSL network.<sup>54</sup> Mid Downs Hospital Radio suggested a discount for charitable organisations.<sup>55</sup> A confidential respondent [X] said that the (lower) fees quoted for the trial limited coverage RSL licences should be rolled out and that this was an opportunity to increase Ofcom's revenue stream.

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<sup>46</sup> Consultation response 2 from [Seaside Hospital Radio](#); consultation response from [Radio Cavell](#).

<sup>47</sup> Consultation response from [S. Hockenhull](#).

<sup>48</sup> Consultation response from [Radio North Angus](#).

<sup>49</sup> Consultation response from [Hospital Broadcasting Association](#).

<sup>50</sup> Consultation response from [Seaside Hospital Radio](#).

<sup>51</sup> Consultation response from [University Radio York](#).

<sup>52</sup> Consultation response from [Radio North Angus](#).

<sup>53</sup> Consultation response from [Radio Forest](#).

<sup>54</sup> Consultation response from [dgi Media](#).

<sup>55</sup> Consultation response from [Mid Downs Hospital Radio](#).

### Fees for RSLs above 2 watts

- 3.74 Some respondents highlighted concerns with our proposals focusing on the fees for licences above 2 watts.
- Leicester Community Radio disagreed with our proposed fees for RSLs above 2 watts, saying that a fee of £1200 per year was too low. It proposed that a fee of £1200 per sixty-day period would be more appropriate.<sup>56</sup> Another respondent [X] agreed, saying that a £1200 per 60 day rate would be a substantial reduction, without representing a “knee-jerk” reaction.
  - The Community Media Association noted that the £2100 total annual fee cap we proposed might make it possible for a licensee to effectively run a full-time service by having consecutive RSL licences. It proposed that for multiple consecutive RSLs for the same licensee the fee should be £2100 per RSL licence.<sup>57</sup> Another respondent [X] made a similar point regarding the £1200 WTA cap.

### Other issues

- 3.75 Stakeholders also raised other issues.
- A respondent [X] said that the proposed increase in fees would be justified if the “standard” power for LPAM were increased to 2 watts EMRP.
  - University Radio York said that the 2 watts cut-off in licence fee tiers was too low and did not reflect the deployment scenarios in the UK. It proposed 5W as a more reasonable level.<sup>58</sup>
  - Two respondents raised the issue of the increase in the noise floor across both AM and FM.<sup>59</sup>

### Our decision

- 3.76 Several stakeholders who responded to our consultation objected to the level of the fee increase that we proposed for services that would be operating at up to and including 2 watts. We expect that most licences operating at up to and including 2 watts will be issued for restricted services serving establishments or other defined locations, for which we currently issue LRSL licences. More than one stakeholder indicated that the level of fees we proposed might “destabilise” licensees in the sector or that the impact might exclude stations with a small budget from operating.
- 3.77 In setting broadcasting licence fees, Ofcom must act in accordance with its Statement of Charging Principles<sup>60</sup> and the requirements of section 347 of the Communications Act 2003. These include the requirements that in each year the aggregate amount of such fees

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<sup>56</sup> Consultation response from [Leicester Community Radio](#).

<sup>57</sup> Consultation response from [Community Media Association](#).

<sup>58</sup> Consultation response from [University Radio York](#).

<sup>59</sup> Consultation response from [S. Hockenull](#).

<sup>60</sup> [https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0019/51058/charging\\_principles.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0019/51058/charging_principles.pdf)

is sufficient to meet but not exceed Ofcom’s costs of carrying out their broadcasting regulatory functions and that the fees it sets are proportionate.

- 3.78 Within this framework, our specific consultation proposals on licence fees for RSLs aimed to deliver the benefit of a simpler fee structure.
- 3.79 However, there were clear objections to the fee increases we proposed for RSLs up to and including 2 watts because of their potential impact on licensees with restricted budgets. Radio North Angus, for example, indicated that the overall proposed increase for their licences of more than £800 would represent a 10% increase on their annual budget.<sup>61</sup> Our own desk research tended to confirm that some of our existing LRSL licensees do have tight budgets.
- 3.80 We therefore accepted concerns about the proposed combined overall annual fee increase to £450 for some of our licensees. We considered that for organisations with restricted budgets and limited scope for additional fundraising, the fee increase might discourage them from continuing to operate, which supported the views presented by stakeholders.
- 3.81 Such reduced demand would impact on the extent to which we are able to recover our costs. It would also impact on the efficient use of spectrum: fewer RSLs would be making use of the spectrum that is made available for them.
- 3.82 Therefore, we consider that a better approach would be to set a more moderate fee increase. This would still enable us to recover our costs because a lower fee should mean that there are more licensees. It would also be more likely to lead to efficient use of the spectrum because a smaller fee increase would represent less of a disincentive for licensees to cease to hold an RSL or prospective new licensees to apply for one. Overall, we consider that this is a proportionate fee increase that is most likely to achieve our policy goals.
- 3.83 The fee structure we have decided to adopt is set out below.

**Table 5. The fees we will adopt for RSLs operating at up to and including 2 watts**

	BA fee daily rate	WTA fee daily rate	Total daily fees	BA annual limit	WTA annual limit	Total maximum annual fees
<b>Up to and including 2W</b>	£30	£40	£70	£150	£200	£350

- 3.84 These fees still represent an overall increase in the existing level of fees for current FM LRSL licensees, but a reduction for AM LRSL licensees. We are aligning the fees for the reasons set out in our consultation document. While this represents an increase for FM

<sup>61</sup> Consultation response from [Radio North Angus](#).



licensees and a slight reduction for AM licensees, we consider that this is reasonable given that the changes we are making will bring benefits for RSL services on FM.

We have decided to introduce a revised version of our consultation proposals for fees for RSL licences operating at up to and including 2 watts, resulting in an increase for these licensees, but not as high as initially proposed.

### **In other respects, we will implement our consultation proposals**

- 3.85 Stakeholders also raised other issues than the fees for RSLs up to and including 2 watts. However, we do not consider that the views presented by respondents would justify a change in our proposals in these instances.
- 3.86 Some respondents raised concerns regarding the level of fees for licences operating at powers above 2 watts. We note stakeholder concerns that the £1200 WTA annual limit and £2100 annual limit for such licences are too low. However, we consider that a higher annual cap could discourage some potential licensees from operating a service in future. In the interests of encouraging more RSLs, and being mindful of ensuring fees remain proportionate for RSLs that are intended to be provided over a longer period, we have decided to cap fees at the level we proposed. While we are aware of the theoretical potential for licensees to seek to operate an effectively full-time service by acquiring consecutive licences, in practice we consider this unlikely and we would become aware of any abuse of the system through our licensing process.
- 3.87 One respondent suggested that the 2 watts cut off was too low for operating scenarios in the UK and another respondent noted that the “standard” power level for restricted services operating on AM should be 2W EMRP. On the basis of RSLs licensed in the past, we consider that the cut off we have suggested is appropriate. We have increased the power to 2W for FM services because we are using limited coverage frequencies which are more prone to interference. However, we do not see a need to increase restricted services operating on AM above the current maximum of 1W because the limited coverage approach only applies to FM.
- 3.88 While we note stakeholder concerns about the noise floor for both AM and FM transmissions, addressing this issue is not within the scope of this consultation.

In other respects, including the level of fees for RSLs transmitting at more than 2 watts, we have decided to implement our consultation proposals.

## 4. Next steps

### **We will now implement the decisions we have taken**

- 4.1 Following the publication of this document we will engage with existing licensees who are affected by our decisions. We will also engage with limited coverage trial licensees on the next steps for their services.
- 4.2 We will also engage in due course with DCMS regarding our decision to invite the Secretary of State to consider making an order which would provide an exception for ADSRSLs and emerging short-range services from the need to hold a Broadcasting Act licence.
- 4.3 The new licence fees on which we have decided in this statement come into effect with the publication of this document. Licences we issue following this publication will be subject to the new fees.
- 4.4 The new fees will come into effect for existing licensees from their next annual licence fee billing date. For existing SRSL and extended duration SRSL licensees (that is, those with licences issued before this publication, where the licence fees have been paid upfront) the current fees regime would continue to apply until the expiration of their licences.
- 4.5 We will consult on updating the WTA fees regulations in due course. The drafting changes that we expect to make to the regulations are set out in Annex 1 of this document.

## A1. Revision to the Wireless Telegraphy (Licence Charges) Regulations 2020

A1.1 Schedule 2 of the Regulations currently states that the WTA licence fees for restricted radio services are:

Class of licence	Variable sums	Prescribed payment interval
<b>Restricted Radio Services Transmission (Class A—Freely Radiating)</b>	(a) £15 per day for each medium wave broadcasting band frequency. (b) £25 per day where the erp does not exceed 1 Watt for each VHF broadcasting band frequency. (c) £40 per day where the erp exceeds 1 Watt for each VHF broadcasting band frequency.	
<b>Restricted Radio Services Transmission (Class B—Radiating Cable)</b>	£100	12 months
<b>Restricted Radio Services Transmission (Class C—Freely Radiating Very Low Power)</b>	£100	12 months

A1.2 Following the decision set out in this document, we will in due course consult on replacing these restricted service provisions in the current Regulations with:

Class of licence	Variable sums
Restricted Service	(a) £40 per day for a service transmitting at up to and including 2 Watts, up to an annual upper limit of £200 (b) £40 per day for a service transmitting at above 2 Watts, up to an annual upper limit of £1,200

The overview section in this document is a simplified high-level summary only. The decisions we have taken and our reasoning are set out in the full document.