

## **RADIOCENTRE RESPONSE TO OFCOM CONSULTATION: BBC REQUEST TO CHANGE THE OPERATING LICENCE (JANUARY 2023)**

### **SUMMARY**

1. Radiocentre welcomes this opportunity to input into Ofcom's consultation on the BBC's request to change the Operating Licence. We recognise that there are occasions where the Operating Licence will need to be updated to enable the BBC to adapt to a changing media landscape.
2. The proposed changes to news and current affairs on BBC Radio 5 Live and live music on BBC Radio 2 represent relatively small changes to each stations' programming output. However, in both cases, we are pleased to see that Ofcom has continued to recognise the importance of quotas in order to guarantee a minimum level of distinctive output from the BBC.
3. The BBC holds an extremely privileged position due to the scale of funding it receives, as well as its distribution and cross-promotion advantages. Delivering distinctive output is therefore an area where the BBC has the opportunity and responsibility to excel, providing audiences with content that is not catered for elsewhere in the market. We are concerned though, that these requests underly a long-term trend to water down or remove entirely quotas that currently stretch the BBC to enhance its delivery of distinctive public service content.
4. We understand the case for these proposed changes to the Operating Licence for BBC Radio 5 Live and BBC Radio 2. However, we do want to take this opportunity to highlight some concerns about the direction of travel with quotas being chipped away over time, while underscoring the importance of regulatory conditions in ensuring that the BBC provides a distinctive offering to the commercial sector.

### **NEWS AND CURRENT AFFAIRS ON BBC RADIO 5 LIVE**

5. At face value, the proposed reduction<sup>1</sup> in news and current affairs programming on BBC Radio 5 Live from 75% to 70% might appear like a small change. However, Ofcom is in danger of understating the extent of the change when it refers to this as a "marginal 5% reduction in news and current affairs" (para 3.6). In particular, it is worth noting that the proposal could actually be seen as a proportionately significant increase in sports content, given that an increase of 5 percentage points (from 25% to 30%) of this output actually equates to a 20% increase in permitted hours.
6. Ofcom estimates that this is a change of around eight and a half hours per week from news and current affairs to sports coverage, which provides sufficient time for Radio 5 Live to broadcast at least three additional Premier League football matches and accompanying phone-in discussions. Although the BBC suggests that this increased flexibility would enable them to broadcast a broad range of sport more extensively and provide greater public value, there does not appear to be any guarantees or quotas in place to ensure that is the case in future. Therefore, the risk is that this change could simply lead to an increase in the most popular forms of sports programming across the schedule, with even more football discussion and commentaries being the likely outcome.

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<sup>1</sup> Para 3.1, [https://www.ofcom.org.uk/data/assets/pdf\\_file/0026/249335/Consultation-on-the-BBCs-request-to-change-the-Operating-Licence.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0026/249335/Consultation-on-the-BBCs-request-to-change-the-Operating-Licence.pdf)

7. In addition, when considering this in relation to the wider schedule, there does not appear to be any clear guidelines or commitments on when the reduction in news output will take place. The BBC has noted that the mid-week news and current affairs programming will be largely unaffected. Therefore, it seems likely that most of the increase will be at evenings and weekends when the most high-profile sporting fixtures are likely to take place.
8. We would encourage Ofcom to review how the BBC uses this additional flexibility to ensure that the output is truly distinctive and fulfilling the BBC's public service obligations. In the original proposal, the BBC noted its commitment to providing a range of sports in areas that drive value for underserved audiences – including women's sport, sports that appeal to audiences outside of London (e.g. rugby league) and/or coverage of sporting events for disabled people. Ofcom should hold the BBC to account for delivering on this commitment through the proposed change to the Operating Licence, rather than simply increasing its coverage of more popular sports like football, which is already catered for extensively on the BBC and by commercial broadcasters.

## LIVE MUSIC ON BBC RADIO 2

9. We are pleased to see that Ofcom has rejected the BBC's original request to remove the live music quota from BBC Radio 2 and replace it with a transparency requirement. It is a positive sign that Ofcom has reaffirmed its commitment to quotas as a way of safeguarding the delivery of distinctive output (in this case live music) on BBC radio. We support this approach as quantitative targets provide a simple, measurable means of holding BBC radio services to account and delivering public value.
10. In the past, we have seen examples where quotas have been removed and it has led to the BBC retreating from delivery of certain content – for instance, in drama production<sup>2</sup>. Under its BBC Trust Service Licence, Radio 4 was originally required to broadcast 600 hours of original drama and readings each year; following the removal of this quota (in the first Operating Licence in 2017) this figure now (in 2022/23) stands at 300 hours<sup>3</sup> of drama – a 50% decline over the past five years.
11. Furthermore, as we have noted in previous consultation responses to Ofcom, there is a concerning trend for quotas to be treated as a floor. We believe the ongoing erosion of quotas has the potential to lead to a significant reduction in public value output. Analysis of the performance of BBC radio against quotas shows that, although services typically meet the requirements, in a significant number of cases this provision has either fallen closer to its quota or it consistently only just delivers against the quota.
12. For example, the BBC's provision of speech content on BBC Local Radio in core daytime hours declined from 73% in 2014/15 to 64% in 2020/21, a steep decline arguably halted only by a 60% local speech quota<sup>4</sup>. Similarly, looking at the performance of Radio 1 against its quota for new music it shows a steady decline in the share of airtime used to break new acts in the daytime.

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<sup>2</sup> Page 16, <https://www.radiocentre.org/wp-content/uploads/2023/01/RC-response-to-Ofcom-Modernising-the-BBCs-Operating-Licence-September-2022-FINAL.pdf>

<sup>3</sup> Page 62, <https://www.bbc.co.uk/aboutthebbc/documents/bbc-annual-plan-2022-2023.pdf>

<sup>4</sup> Page 37, <https://www.radiocentre.org/wp-content/uploads/2021/09/Radiocentre-submission-to-Ofcom-on-BBC-regulation-FINAL-submitted.pdf>

Having given over 65% of the daytime schedule to new music in 2014/15, that share is now just 54% in 2021/22, and was only 51% in 2020/21, one percentage point above the 50% quota<sup>5</sup>.

13. This is a clear indication that quantitative targets are an important and effective means of regulating the BBC, and also that in the absence of such quantitative targets, the BBC's behaviour would most likely change. A move away from quantitative (quota-based) regulation towards a more qualitative approach risks resulting in a shift away from the public value content that quotas are designed to support, including news, documentaries, distinctive music, arts and religious programming.
14. With respect to the proposed change to the live music quota on BBC Radio 2, we are pleased that Ofcom have rejected the BBC's suggestion of a 'transparency condition' or an amended quota for new live music suggested by the BBC (55 hours) – and has instead suggested a quota for new live music that meets current levels of delivery (68 hours in 2021/22). We agree with Ofcom that specific quotas should stretch the BBC to deliver on their public service mission, particularly when the amended quota will release funds for the BBC that could be used to develop and invest more in live music sessions<sup>6</sup>.
15. Nevertheless, we would reiterate that the BBC has a particular responsibility to provide radio airplay for new and distinctive music from across a range of genres due to the extent of its licence fee funding and the structural advantage of its radio services. The Operating Licence should aim to stretch the BBC to deliver enhanced levels of public service content where possible. There is, therefore, a strong argument to be made that the 192 hours freed up from the live music quota could be allocated toward programming for other distinctive content that supports the UK music industry and fits with the BBC's wider cultural obligations (rather than simply increasing airtime of the usual music playlist).
16. We continue to broadly encourage Ofcom to retain and strengthen existing regulatory conditions on the BBC, to guarantee high quality public value content and ensure that it continues to have a distinctive offering that does not mirror or crowd out the commercial sector.

## ABOUT RADIOCENTRE

Radiocentre is the industry body for commercial radio. We work on behalf of more than 50 stakeholders who represent over 90% of commercial radio in terms of listening and revenue.

[www.radiocentre.org](http://www.radiocentre.org)

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<sup>5</sup> Page 40, <https://www.radiocentre.org/wp-content/uploads/2021/09/Radiocentre-submission-to-Ofcom-on-BBC-regulation-FINAL-submitted.pdf>

<sup>6</sup> Para 4.7, [https://www.ofcom.org.uk/data/assets/pdf\\_file/0026/249335/Consultation-on-the-BBCs-request-to-change-the-Operating-Licence.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0026/249335/Consultation-on-the-BBCs-request-to-change-the-Operating-Licence.pdf)