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# **Ofcom's Annual Report on the BBC: 2017/18**

Annex 1: Compliance with regulatory requirements

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## Introduction

- A1.1 This annex sets out our assessment of the BBC's compliance with the specified requirements set out in the BBC Agreement.<sup>1</sup>
- A1.2 The specified requirements include the conditions we imposed on the BBC in the Operating Licence in October 2017, and requirements imposed on the BBC in Schedule 3 of the Agreement. Schedule 3 includes obligations relating to the BBC's commissioning activity, as well as other matters.
- A1.3 The requirements also include obligations we have placed on the BBC under the Operating Framework. We cover these, as well as other matters not picked up elsewhere in this report, at the end of this annex.

## Our assessment

- A1.4 The specified requirements impose quotas or requirements over several different periods and some of them impose ongoing obligations. Not all of them therefore applied in full during the period covered by this report (April 2017 – March 2018).
- A1.5 In making our assessment of the requirements that did apply, we have considered the BBC's report of its compliance in its Annual Report.<sup>2</sup> We have also served the BBC with three information notices requiring it to provide us with evidence of its compliance with a number of conditions and requirements,<sup>3</sup> and we have considered that evidence carefully.
- A1.6 In addition, we have carried out a number of our own spot-checks on the BBC's compliance with the Licence. We have also taken account of complaints made to us. And, where other data and reports are relevant to our assessment, we have drawn on them too.
- A1.7 Where the conditions impose requirements like hours quotas, we make a quantitative assessment of the BBC's performance. In other cases, where the condition requires a qualitative judgment, or where particular cases may require more detailed investigation, we have assessed the BBC's performance on the basis of the evidence we have gathered.
- A1.8 Our overall assessment, based on that evidence, is that the BBC complied with the specified requirements, to the extent that these applied during the relevant period.<sup>4</sup> Where we have additional relevant comments on particular matters, we set these out below.

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<sup>1</sup> Clause 59 of the [Agreement](#).

<sup>2</sup> [BBC Annual Report and Accounts 2017/18](#).

<sup>3</sup> Under Article 47 of the [Charter](#).

<sup>4</sup> This assessment is based on the evidence we have gathered, much of it from the BBC. It does not preclude us from looking further at any particular matter; for example, if we receive a complaint and/or if other evidence is relevant.

## Operating Licence conditions

A1.9 On 13 October 2017, Ofcom published the new Operating Licence (the Licence) for the BBC, following public consultation. The Licence contains enforceable regulatory conditions that apply to the BBC's UK public services. As required by the Charter<sup>5</sup>, Ofcom has put in place the conditions we consider appropriate for requiring the BBC:

- to fulfill its missions and promote the public purposes;
- to secure the provision of distinctive output and services; and
- to secure that audiences in England, Scotland, Wales and Northern Ireland are well served.

A1.10 The Licence came into force on 1 January 2018. The following table sets out our assessment of the BBC's compliance with the regulatory conditions of the Licence between 1 January and 31 March 2018 (the relevant period).<sup>6</sup>

A1.11 Only some of the conditions applied in the relevant period. Some set annual requirements that the BBC has to meet only by the end of the calendar year or financial year. Others, however, set daily, weekly or ongoing requirements and we have assessed the BBC's compliance with these. As in the Licence, the conditions in the table are arranged by public purpose.<sup>7</sup>

### Purpose 1:

Condition number	Service	Summary of regulatory condition	2017/18 assessment
2.4.1	BBC One	Network news programmes at intervals throughout the day	Provided
2.6.1	CBBC	News at intervals throughout the day	Provided
2.7.1	BBC News Channel	More international news than other main continuous news channels in the UK	Provided
2.7.2	BBC News Channel	More local/regional news than other main continuous news channels in the UK	Provided
2.8.1	Radio 1	Weekday quota for news during daytime: one hour per day, including two extended bulletins with one in peak	1 hour 3 minutes, two extended bulletins, including one in peak

<sup>5</sup> Article 46 (3) of the [Charter](#).

<sup>6</sup> Note that these tables contain summaries of the relevant conditions. The full and authoritative text can be found in the [BBC Operating Licence](#) at the regulatory condition indicated

<sup>7</sup> We set out the number of hours the BBC provided for conditions 2.8.1, 2.9.1, 2.10.1, 2.14, 2.15, 2.24, 2.39.3, 2.75, 2.76, 2.82.1, 2.88.1, 2.89.1, 2.95.1 and 2.95.2. These are based on provision across the whole of 2017/18, as reported in the BBC's Annual Report (pages 126-132) (with an exception for 2.39.3, as set out below). The BBC has confirmed, under a statutory information notice, that each of these conditions, as well as condition 2.81, was met for every week of the relevant period.

2.8.2	Radio 1	Bulletins at regular times during daytime at weekends	Provided
2.9.1	1Xtra	Weekday quota for news during daytime: one hour per day, including two extended bulletins	1 hour, two extended bulletins
2.9.2	1Xtra	Bulletins at regular times during daytime at weekends	Provided
2.10.1	Radio 2	Weekly quota for news and current affairs programming: 17 hours, with 3 hours in peak	18 hours (3.5 in peak)
2.10.2	Radio 2	News bulletins at regular times	Provided
2.11	Radio 3	News at intervals throughout the day	Provided
2.12.2	Radio 4	Daily reports of Parliamentary proceedings when Parliament is sitting	Daily reports provided
2.13.2	BBC Radio 5 live	Extensive coverage of elections (local, general, and the UK's devolved chambers) and regular coverage of European and international politics	Provided. The BBC provides a range of news programmes that cover these subjects
2.14	BBC 6 Music	Weekly quota for news: 6 hours	6 hours
2.15	BBC Asian Network	Weekly quota for news and current affairs programming: 24 hours	24 hours 4 minutes
2.17	BBC Online	Must ensure that it provides adequate links to material provided by third parties	Provided

**Purpose 2:**

Condition number	Service	Summary of regulatory condition	2017/18 assessment
2.24	BBC Alba	Weekly quota for originated programming for learners of the Gaelic language: 5 hours	Provided. <sup>8</sup>
2.31	BBC Online	Content that supports children and teenagers in their formal learning in all parts of the UK	Content provided

<sup>8</sup> The [BBC Annual Report and Accounts 2017/18](#) (page 127) states it provided 14 hours per week in 2017/18. Under a statutory information notice, the BBC has confirmed that it met this condition for every week of the relevant period.

**Purpose 3:**

Condition number	Service	Summary of regulatory condition	2017/18 assessment
2.39.3	Radio 1	Weekly quota for specialist music: 60 hours	67 hours <sup>9</sup>
2.39.5	Radio 1	Requirement to play a broader range of music than comparable providers, taking into account both the number of plays and the size of the playlist, at both peak listening time and daytime	Broader range provided
2.40.5	Radio 2	Requirement to play a broader range of music than comparable providers, taking into account both the number of plays and the size of the playlist, at both peak listening time and daytime	Broader range provided

**Purpose 4, diversity:**

Condition number	Service	Summary of regulatory condition	2017/18 assessment
2.46	UK public services	The BBC must, by 1 April 2018, establish and comply with a code of practice, approved by Ofcom, related to its commissioning process	The code was approved by Ofcom and published by the BBC on 28 March 2018. We will assess the BBC's compliance with the code in next year's annual report.
2.47	UK public services	In particular, the code of practice must set out the steps that the BBC will take, when commissioning content, in respect of: on-screen portrayal and casting; workforce diversity of commissioned production teams; and the production and commissioning decision process	The code includes these specified matters

<sup>9</sup> Note that the [BBC Annual Report and Accounts 2017/18](#) states that Radio 1 provided 68 hours per week in 2017/18. Under a statutory information notice, the BBC stated that this fell to 67 hours per week in November 2017. We have reported this as 67 hours, reflecting the provision during the relevant period.

**Purpose 4, nations and regions:**

<b>Condition number</b>	<b>Service</b>	<b>Summary of regulatory condition</b>	<b>2017/18 assessment</b>
2.74.1	each BBC Local Radio station	News and information of particular relevance to the area and communities it serves at intervals throughout the day	Provided
2.74.2	each BBC Local Radio station	Provision of other content of particular relevance to the area and communities it serves	Provided
2.75	each BBC Local Radio station (with exceptions at 2.76)	Weekly quota for original, locally-made programming: 95 hours	Provided. The BBC has reported that the average minimum per station was 109.9 hours in 2017/18
2.76	BBC Radio Guernsey, BBC Radio Jersey, BBC Radio Somerset	Modifications of 2.75 in respect of original, locally made programme quotas: BBC Radio Guernsey – 80 hours; BBC Radio Jersey – 80 hours; BBC Radio Somerset – 70 hours	BBC Radio Guernsey – 89.8 hours BBC Radio Jersey – 88.5 hours BBC Radio Somerset – 91.4 hours
2.77.1	BBC Online	News and information for the English regions	Provided
2.77.2	BBC Online	Dedicated coverage of sport for the English regions	Provided
2.79	BBC One Scotland and BBC Two Scotland	Provision of a range of genres in its programming that reflects Scotland's culture	Provided
2.81	BBC Alba	Live news programmes each weekday evening, including during peak, and a longer news review at weekends	Provided
2.82.1	BBC Radio Scotland	Weekly quota for news and current affairs: 50 hours	59 hours
2.82.2	BBC Radio Scotland	Several regional opt-outs each weekday (offering news, sport and information), and some regional opt-out community programming in evenings	Provided
2.82.3	BBC Radio Scotland	Content and music of particular relevance to Scotland	Provided

2.83.1	BBC Radio nan Gàidheal	News frequently across the day, particularly between 07:00 to 08:30 and 16:00 to 19:00 on Mondays to Fridays and 07:00 to 11:00 on Saturdays and Sundays	The BBC has confirmed that it continued to provide the pattern of news as under the previous BBC Trust regime. We note that it is considering the future provision of news on this service.
2.83.2	BBC Radio nan Gàidheal	Content and music of particular relevance to Scotland	Provided. We note that BBC Radio nan Gàidheal is a Gaelic language service
2.84.1	BBC Online	News and information for Scotland	Provided
2.84.2	BBC Online	Content in Gaelic	Provided
2.84.3	BBC Online	Dedicated coverage of sport for Scotland	Provided
2.86	BBC One Wales and BBC Two Wales	Provision of a range of genres in its programming that reflects Wales's culture	Provided
2.88.1	BBC Radio Wales	Weekly quota for news and current affairs: 32 hours	34 hours
2.88.2	BBC Radio Wales	Content and music of particular relevance to Wales	Provided.
2.89.1	BBC Radio Cymru	Weekly quota for news and current affairs: 23 hours	25 hours
2.89.2	BBC Radio Cymru	Content and music of particular relevance to Wales	Provided. We note that BBC Radio Cymru is a Welsh language service
2.90.1	BBC Online	News and information for Wales	Provided
2.90.2	BBC Online	Content in Welsh	Provided
2.90.3	BBC Online	Dedicated coverage of sport for Wales	Provided
2.92	BBC One Northern Ireland and BBC Two Northern Ireland	Provision of a range of genres in its programming that reflects Northern Ireland's culture	Provided

2.94	BBC Two Northern Ireland	Irish language programming and Ulster-Scots programming	Provided - in the relevant period there were 24.7 hours of Irish language programmes and 17.4 hours of Ulster-Scots content
2.95.1	BBC Radio Ulster	Weekly quota for news and current affairs: 35 hours	41 hours
2.95.2	BBC Radio Foyle	Weekly quota for news and current affairs: 20 hours	22 hours
2.95.3	BBC Radio Ulster and BBC Radio Foyle	Content and music of particular relevance to Northern Ireland	Provided
2.96.1	BBC Online	News and information for Northern Ireland	Provided
2.96.2	BBC Online	Content in Irish and Ulster-Scots	Provided
2.96.3	BBC Online	Dedicated coverage of sport for Northern Ireland	Provided

## Schedule 3 obligations

A1.12 The following section sets out our assessment of the BBC's compliance in 2017-18 with the applicable regulatory obligations in Schedule 3 of the Agreement.<sup>10</sup> We also provide further detail on Schedule 3(7), which is about competition in commissioning.

Regulatory obligation	2017/18 assessment
Paragraph (1): No charge to be made for reception of UK public services and associated content	We required the BBC to report to us if and in what cases it charged for reception. It confirmed it made no such charges.
Paragraphs (3) – (5): Content standards, fairness code, party political broadcasts and retention of recordings	These are reported on separately in the Content Standards section of the report - see section 5.
Paragraph (6): Programmes to be reserved for independent production	The BBC must meet the quota that 25% of the hours of qualifying programming in each year across its television public service channels are allocated to broadcasting a range and diversity of independent productions. It must also meet similar quotas for each of BBC One and BBC Two. In its Annual Report, the BBC reported that it exceeded each of these

<sup>10</sup> Paragraph 2 of Schedule 3 to the [Agreement](#) is not a specified requirement on which Ofcom must report – see Clause 59 of the [Agreement](#).

	quotas (achieving 30.0% of hours across all channels in 2017 and 28.4% and 37.5% of hours on BBC One and BBC Two respectively). The BBC has confirmed these figures to Ofcom in response to a formal information notice.
Paragraph (7): Television, radio and online production	The BBC has increased competition for commissioning opportunities – see further below.
Paragraph (8): Code relating to programme commissioning	The BBC has maintained and continued to apply its existing <a href="#">code relating to programme commissioning</a> previously agreed with Ofcom. It has confirmed it did not make any revisions to the code in 2017. It also provided Ofcom with data fulfilling the reporting requirement in its code.
Paragraph (9): Code relating to provision for the hearing and visually impaired	As set out in the <a href="#">Ofcom Television Access Services</a> report for 2017, the BBC maintained and applied the Code on Television Access Services and achieved all of its annual quotas.
Paragraph (10): Retention and production of recordings	Ofcom has set the periods of time that the BBC must retain recordings in its published complaints handling procedures. The BBC has complied with this requirement.
Paragraph (11): International obligations	We have confirmed with the DCMS that there are currently no such arrangements in place.
Paragraph (12): Equal opportunities	On the basis of Ofcom's <a href="#">Diversity and equal opportunities in television</a> report 2018, Ofcom's <a href="#">Diversity and equal opportunities in radio</a> report 2018, supplementary information provided to Ofcom and the BBC's report in relation to paragraph (14) (below), the BBC appears to have complied with this obligation in 2017.
Paragraph (13): Training	On the basis of the BBC report under paragraph (14) (below), evidence in the BBC's Annual Report and the provision of additional information requested by Ofcom, the BBC appears to have complied with this obligation in 2017.
Paragraph (14): General provisions about arrangements under paragraphs 12 and 13	The BBC published an annual report about the operation and effectiveness of the arrangements it made under paragraphs (12) and (13). On the basis of its contents, as well as the provision of supplementary information requested by Ofcom, the BBC appears to have complied with this obligation in 2017.

## Competition in commissioning (Schedule 3(7))

- A1.13 Ofcom has two roles in relation to competition in the BBC's commissioning activity. First, to consider whether any additional intervention is necessary in the Operating Framework to protect fair and effective competition. Second, to assess the BBC's compliance with the requirements placed on it under Schedule 3(7) of the Agreement and, if necessary, to enforce them. Those requirements mean that the BBC must open up more commissioning opportunities to competition between producers and that, where it does so, that competition must be on a fair, reasonable, non-discriminatory and transparent (FRNDT) basis.
- A1.14 We published a consultation on our approach to fulfilling these duties earlier this year.<sup>11</sup> We proposed that additional regulation is not necessary, but monitoring and reporting of the BBC's activities is important. We made proposals about what the BBC should report publicly and to Ofcom. We expect to publish a statement before the end of 2018 setting out our decision and informing our approach to future annual reports.
- A1.15 For 2017-18, our assessment of the BBC's compliance with the regulatory requirements in Schedule 3(7) is based on the information available to us now. In its Annual Report, the BBC published an update on its progress towards meeting some of the requirements set out in Schedule 3(7) for some television genres, and for radio and online commissioning. It also set out, for television, the proportion of all network hours made by different types of producers in certain genres. For radio, it showed what proportion of all network hours were made by in-house producers or independent producers, by network station.
- A1.16 The BBC has confirmed formally to Ofcom<sup>12</sup> that by 31 March 2018 it had secured competition for the commissioning of 24% of the drama, comedy, entertainment and factual television programming that was previously guaranteed to be made by the BBC in-house. This takes it towards the 40% target that it must meet by the end of the year. The BBC has also confirmed that it has removed the in-house guarantee for the production of children's, sport and non-news current affairs television programming.
- A1.17 The BBC has provided Ofcom with evidence about the outcomes of its competitive commissioning processes. Ofcom has not received any complaints from stakeholders about those processes failing to meet the requirement to be FRNDT. We have not seen any evidence of the BBC failing to comply with the requirement that such competition be on a FRNDT basis.

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<sup>11</sup> Ofcom, [Commissioning for the BBC Public Services](#), July 2018

<sup>12</sup> In response to an information notice under Article 47 of the Charter.

## Operating Framework requirements

- A1.18 Ofcom is required by the Charter to set an Operating Framework to secure effective regulation of the BBC activities as set out in the Charter and Agreement.<sup>13</sup> These cover the full range of our responsibilities.
- A1.19 The Operating Framework must include requirements to protect fair and effective competition in relation to: material changes the BBC proposes to the UK public services and non-service activities; the effect of UK public services, trading activities and non-service activities on fair and effective competition; and agreements with, and conduct affecting, third parties in relation to UK public services, trading activities and non-service activities.
- A1.20 We must also include requirements about the relationship between the BBC and its commercial and trading activities. These are described in more detail below.
- A1.21 In March 2017, we published a statement (which we updated in October 2017), [Introduction to Ofcom's Operating Framework for the BBC](#). In it, we explained our and the BBC's roles under the new regulatory scheme and detailed how our Operating Framework for the BBC is structured.
- A1.22 We have set the Operating Framework in a series of documents which impose requirements on the BBC and provide guidance on our regulatory approach. Most of these applied from 3 April 2017. The following table summarises the position in relation to the requirements we have set in the Operating Framework.

Relevant Charter/ Agreement provision	Operating Framework requirement	Assessment of BBC compliance
The impact of proposed changes to the BBC's public service activities (Articles 11 and 20 of the Charter and clauses 7 to 11 and 15 to 20 of the Agreement)	Specified requirements contained within: <a href="#">Assessing the impact of proposed changes to the BBC's public service activities: Ofcom's procedures and guidance</a>	The information and evidence we have gathered so far does not suggest the BBC has failed to comply with these requirements. We have set out in the main body of this report more detailed comments on what we and the BBC have done in these areas.
The impact of the BBC's ongoing public service activities (Article 11 of the Charter and clauses 12, 15, 21 and 22 of the Agreement)	Specified requirements contained within: <a href="#">Assessing the impact of the BBC's public service activities: Ofcom's procedures and guidance</a>	
The impact of the BBC's commercial and trading activities (Clauses 23 to 27, 28, 31 and 32 of the Agreement)	Specified requirements contained within: <a href="#">The BBC's commercial and trading activities: Requirements and guidance</a>	

<sup>13</sup> Article 46 of the [Charter](#).

The impact of the distribution of BBC public services (Article 11 of the Charter and clauses 15 and 61 of the Agreement)	Specified requirements contained within: <a href="#">Distribution of BBC public services:</a> <a href="#">Ofcom's requirements and guidance</a>	
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## Commercial and trading activities

- A1.23 An important part of the Operating Framework relates to the BBC's commercial activities and their separation from its public service. We are required to impose requirements on the BBC to ensure that the relationship between its **commercial activities** and the public service does not distort the market or create an unfair competitive advantage.
- A1.24 The BBC's public services can also undertake '**trading activities**' which are ancillary to its core public service functions and are commercial in nature. Our role is to impose requirements, again under the Operating Framework, that we think are necessary to protect fair and effective competition.
- A1.25 Together these requirements are known as our 'trading and separation' requirements. We set out our requirements on the BBC's commercial and trading activities in July 2017.<sup>14</sup> In relation to commercial activities we have set rules in relation to how the commercial activities are governed, how information can be shared by the public service, and financial rules such as how the BBC public service sets transfer prices for goods and services supplied to the commercial subsidiaries, and that the subsidiaries must earn a commercial rate of return.<sup>15</sup> Our requirements on trading activities require the BBC to ensure it sets prices that do not distort competition and that it acts in a way that is non-discriminatory.
- A1.26 We are responsible for enforcing these requirements. We can act on our own initiative following stakeholder complaints, or undertake investigations.<sup>16</sup>
- A1.27 The reporting and publication of information by the BBC is important in providing transparency, incentivising its compliance with the relevant requirements and holding it to account for its performance. It allows Ofcom to monitor the trading and separation relationship between the BBC public service and its commercial subsidiaries, as well as giving confidence to the wider market that the BBC is complying with its regulatory obligations. To ensure the timely provision of information, we set deadlines on when the BBC must publish or report to us information on its commercial activities.<sup>17</sup>
- A1.28 As required in our trading and separation requirements, the BBC has begun reporting to Ofcom, for each line of business within each of the BBC's commercial subsidiaries, the following information:

<sup>14</sup> Ofcom, [The BBC's commercial and trading activities](#), July 2017.

<sup>15</sup> We have also set a number of reporting and transparency requirements, setting out what information the BBC must publish and /or report to Ofcom.

<sup>16</sup> Ofcom, [Procedures for enforcement of BBC Competition requirements](#), June 2017.

<sup>17</sup> Ofcom, [Deadlines for the publication and provision of information under the Monitoring, Reporting and Transparency requirements](#), October 2017.

- a) financial performance;
- b) rate of return achieved, and;
- c) forward-looking commercial rate of return.

A1.29 This is the first year in which the BBC has had to report this financial information to us. We recognise that this is a significant change to the way the BBC has been regulated in the past. The BBC has had to amend some of its processes to embed the reporting requirements and is also operating under a new unitary Board.

A1.30 We have therefore been working closely with the BBC as it has developed satisfactory reporting processes within timescales set out in the requirements. We did not take any enforcement action during the period, either in respect of information reporting or in any other connection with commercial separation (although, as noted further below, we did receive one relevant complaint). We are continuing to actively monitor the information the BBC provides and regularly engaging with it to understand the context.

A1.31 In addition, alongside its annual report in July 2018, the BBC published the following information for 2017/18:

- a) Group Trading Manuals for each of its commercial subsidiaries that provide the methodologies and principles used for the transfer prices charged by the BBC for the goods and services it supplies to its commercial subsidiaries;<sup>18</sup>
- b) the methodologies for valuing the use of the BBC brand by its commercial subsidiaries and the rights that govern its use;<sup>19</sup>
- c) material changes to its transfer pricing methodologies<sup>20</sup>; and
- d) a description of, and the financial performance of, each commercial subsidiary and the lines of business comprised within the BBC's commercial subsidiaries.<sup>21</sup>

A1.32 With respect to point d) above, the BBC updated the information on its website after it had been informed by Ofcom that to comply with our monitoring, reporting and transparency requirements, the description of the relevant lines of business must be sufficiently clear for stakeholders to understand the activities contained within them.<sup>22</sup>

A1.33 In March 2018 the BBC provided commitments intended to give assurance that transparency about the relationship between the BBC public service and the new BBC Studios will be preserved. These are published on both the BBC and the Ofcom websites.<sup>23</sup> In accordance with the commitments, the BBC has republished its [transfer pricing methodologies for the new merged entity](#) and published the [new organisational structure of BBC Studios](#).

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<sup>18</sup> The BBC publishes its manuals on its [website](#).

<sup>19</sup> Ibid

<sup>20</sup> Ibid

<sup>21</sup> [BBC Commercial Holdings Annual Report 2017/18](#).

<sup>22</sup> The description of the relevant lines of business are published on the BBC's [website](#).

<sup>23</sup> Ofcom, [The merger of BBC Studios and BBC Worldwide: The BBC's commitments](#), March 2018.

A1.34 Moving forwards, as well as working with the BBC so that the information it provides to us supports our work, on 31 July 2018 we published a consultation proposing further requirements, primarily relating to reporting and transparency. For example, we proposed additional reporting from the BBC with respect to how it ensures that there is appropriate operational separation between the commercial activities and the public service. This consultation closed on 24 September 2018 and we intend to make our final decisions before the end of 2018.

## Other specified requirements and relevant matters

A1.35 We are also required to report on the BBC's compliance with the following additional specified requirements:

Relevant Charter/ Agreement provision	Requirement	Assessment of BBC compliance
Provision of information to Ofcom (Article 47, the Charter)	The BBC must provide information that Ofcom formally requires under Article 47.	The BBC responded to all of the Article 47 notices we have served on it over 2017/18.
BBC complaints handling (Clause 56, the Agreement)	In September 2017, Ofcom published its <a href="#">determination in relation to the BBC's complaints handling</a> which set out the: <ul style="list-style-type: none"> <li>- period for which the BBC must retain records of its handling of relevant editorial complaints;</li> <li>- form and intervals at which the BBC must report editorial complaints to Ofcom; and</li> <li>- form and intervals at which the BBC must publish information about the operation and effectiveness of its procedures for editorial complaints.</li> </ul>	The BBC has complied with the determinations Ofcom set in relation to editorial complaints handling. We will shortly be publishing equivalent determinations for non-editorial (competition and other regulatory) complaints.

## Complaints made to Ofcom

- A1.36 In enforcing compliance by the BBC with 'competition requirements'<sup>24</sup> and other 'relevant requirements'<sup>25</sup>, we may consider complaints and carry out investigations into compliance as we consider appropriate.
- A1.37 In 2017/18, we received two complaints relating to the BBC competition requirements. One concerned the distribution of the BBC's public services. The complaint was subsequently withdrawn following commercial agreement between the complainant and the BBC.
- A1.38 The other complaint related to the BBC's commercial activities. We informed the complainant that before we could consider the complaint it should be put to the BBC in full. The complainant resubmitted the complaint to the BBC, setting out the alleged breach of the competition requirements. Subsequently, the complaint was submitted again to Ofcom, and on careful consideration we decided not to investigate further. This decision was made in line with our enforcement procedures and taking account of our administrative priorities.
- A1.39 We did not receive any complaints which we considered raised concerns relating to compliance by the BBC with its other relevant requirements in 2017-18.

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<sup>24</sup> A 'competition requirement' is any requirement placed on the BBC by Ofcom to regulate the impact of the BBC's activities on competition. These requirements are set out in Ofcom's [Procedures for enforcement of BBC competition requirements](#).

<sup>25</sup> A 'relevant requirement' is a specified requirement placed on the BBC by Ofcom or the Charter and Agreement, which is not covered by a more specific Ofcom enforcement procedure. These requirements are set out in Ofcom's [Procedures for enforcement of requirements in the BBC Agreement and compliance with Ofcom enforcement action](#).