



All-Party Parliamentary
Commercial Radio Group

BBC regulation review
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29 September 2021

To whom it may concern,

APPG response – How Ofcom regulates the BBC

I write on behalf of the All-Party Parliamentary Group (APPG) on Commercial Radio in order to respond to Ofcom's consultation *How Ofcom regulates the BBC*.

The APPG supports and acknowledges the public service role of BBC radio. However, due to the considerable level of funding it receives from the public and its privileged position, it is crucial that its role and remit are clear, backed up by external regulation, so that its services are distinctive and any negative market impact is limited. These principles were central to the White Paper on BBC Charter Review and fed through to the current Charter and Framework Agreement, as agreed with Government and approved by Parliament.

As officials at Ofcom will know, the APPG has raised a number of concerns in the past around regulation of the BBC. These concerns still stand, however this consultation presents a timely opportunity to underscore a number of opportunities to reform and improve the BBC's regulatory regime.

Changes to the oversight of the BBC are necessary both to protect the important public value provided for audiences by BBC services, but also to ensure that the future of the commercial radio sector is protected. This will, in turn, allow broadcasters to continue to complement the BBC with its own public value output. The following outlines recommendations which the APPG believe are imperative for Ofcom to implement in order to enact meaningful change.

- **Ofcom's regulation of the BBC should be able to evolve** in order to reflect significant changes in UK media and consumption. Any changes should be underpinned by clear principles of improving transparency, accountability and the delivery of the BBC's Public Purposes. Improved transparency is particularly important, with Members of Parliament having been prevented previously from accessing basic information around core BBC services.
- **The APPG welcomes Ofcom's proposal to broaden the scope of the BBC Operating Licence to explicitly include online services** such as BBC Sounds. The remit of these services and their role in delivering the BBC's Public Purposes must be articulated clearly, particularly with regard to relevant and tangible regulatory conditions.
- **The regulation of BBC Radio should be approached differently to television.** The BBC has a dominant position in radio with a 50% market share and a significant funding advantage. This is not the case in television where the BBC has a 28% share and is challenged by major international streaming platforms. Too often the narrative around the BBC does not differentiate between TV and radio, which results a blurring between the two which is unhelpful when reviewing appropriate regulation.



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- **Quantitative targets are the clearest and most objective means to hold BBC Radio services to account.** There are 39 requirements set by Ofcom for BBC Radio services in the current Operating Licence, 32 of which have a specific target attached to them. These are vital in supporting distinctiveness of music output on services like Radio 1 and Radio 2, as well as speech content on BBC Local Radio. Without the minimum output that these quantitative targets ensure, there is a real risk that unique public value that BBC delivers could be diluted or lost.
- **The loss of clear targets risks diluting BBC public service output and having a negative impact on commercial services.** The impact on the commercial radio revenues, as a result of less distinctive BBC radio output and the subsequent shift in audiences, is projected to be significant between now and the next BBC Charter in 2027. This financial cost would have an inevitable knock on impact on the ability of commercial radio broadcasters to deliver their own valuable public value output, to audiences not reached by the BBC and other media.
- **Ofcom's competitive impact regime should reflect the BBC's dominance in audio.** As mentioned earlier, the BBC's unique dominance in the radio and audio sector should be recognised. This should lead to adoption of similar principles to those being applied to digital platform regulation through the Government's proposed 'pro-competition regime' enforced by the Digital Markets Unit. In practice this requires Ofcom to exercise powers to intervene earlier and more effectively, in order to address the dominance of the BBC in radio and avoid negative consequences for consumers and competitors.

It is important that Ofcom takes this opportunity to seriously consider these recommendations which have the firm support of the commercial radio sector. We look forward to working with the Government as it considers the mid-term Charter review in 2022.

Yours faithfully,

Andy Carter MP

Chair – All Party Parliamentary Group for Commercial Radio