

Changes to BBC News and the applicable regulatory framework

Background

In May of this year, the BBC announced its digital first strategy. This included “making savings in broadcast news, reinvesting that in video and digital news”.¹ This note sets out Ofcom’s role with regard to the changes the BBC has proposed to its news services – both in relation to ensuring that the BBC is delivering its remit set out in the Mission and Public Purposes and considering the potential impact of the change on competition. It is important to note that editorial and scheduling decisions are matters for the BBC Board.

What we understand about the BBC’s proposals

The BBC has announced its intention to bring BBC News in the UK and World News together into a single TV channel called BBC News.² This is expected to happen in April 2023 and will broadcast around the world – from London during UK daytime hours, then Singapore and Washington DC. The BBC has not yet released detailed proposals for the channel, however we understand that it will provide coverage of global breaking news, and, when relevant, a domestic-only stream of UK-specific news events.

BBC performance

The BBC’s Mission and Public Purposes, set out in its Charter, require the BBC to provide high quality, accurate and impartial news to build people’s understanding of all parts of the UK and of the wider world. It is required to offer a range and depth of analysis and content so that all audiences can engage fully with major local, regional, national, UK and global issues and participate in the democratic process, at all levels, as active and informed citizens.

Ofcom sets an Operating Licence with requirements to ensure that audiences across the UK are well served by the BBC and that the BBC fulfils the Mission and promotes the Public Purposes. We also publish an Annual Report on the BBC which assesses the BBC’s performance in delivering its remit. Within this report, we highlight areas where we believe the BBC needs to improve certain aspects of its performance to better serve UK audiences.

In June of this year, we launched a consultation on how we should adapt the BBC’s Operating Licence to allow it to undertake necessary transformation, while continuing to deliver high quality, distinctive content for UK audiences.

We are currently consulting with stakeholders on how we hold the BBC to account on behalf of audiences, including how we ensure that the BBC is more transparent about its plans and performance. We propose to retain a range of quotas to secure the BBC’s news delivery alongside a new objective for it to provide a breadth of local, regional, national and international stories for UK audiences across its services, including on the BBC News Channel.

We have not yet seen detailed delivery plans for the merged channel and how the BBC will continue to serve UK audiences and deliver its remit. In particular, we expect the BBC to be clear about how it

¹ BBC media centre, [Plan to deliver a digital-first BBC](#), 26 May 2022.

² Tim Davie, [A digital-first BBC speech](#), 26 May 2022.

plans to ensure that BBC News will continue to provide high quality UK news. If we have concerns, we can impose conditions in the Operating Licence relating specifically to BBC News and how it must serve UK audiences.

Competition regulation

When the BBC makes changes to its public services it needs to consider whether the proposed change is “material” i.e. whether launching a new UK Public Service or whether the change to an existing UK Public Service may have a significant adverse impact on fair and effective competition.³ If the BBC considers a change to be material, it must carry out a Public Interest Test to determine whether the public value of the proposed change justifies any adverse impact on competition.⁴ Ofcom then undertakes a competition assessment of the BBC’s proposed change.⁵

In the list of UK Public Services that the BBC maintains, BBC News is described as: “a rolling news channel providing news, analysis and other informational programmes.”⁶ Based on our current understanding of the change the BBC is intending to make, it appears to be an editorial change to an existing service rather than the creation of a new UK Public Service. At present we have no reason to expect that such a change to BBC News would have a significant adverse impact on competition in the UK. The BBC has not yet provided, and we have not sought a materiality assessment on this proposal.

The BBC also considers whether any changes to its commercial activities could distort the market or create an unfair advantage as a result of their relationship with the BBC Public Service.⁷ Of relevance to the proposed merger of BBC News and World News, in 2021 the BBC made changes to its commercial subsidiary Global News Ltd (GNL). Editorial control and operation of the World News channel became part of the public service news operation. The remainder of GNL activities were merged into the BBC Studios commercial subsidiary, who provide World News with international advertising and distribution. When undertaking these activities for World News, BBC Studios retains its costs and a commission, and the remainder of this revenue is returned to the BBC Public Service. As set out in our Annual Report on the BBC,⁸ we reviewed the BBC’s assessment of this change and agreed that this was not a material change to its commercial activities.

Next steps

The BBC’s change is due to launch in April 2023. We have regular engagement with the BBC on all aspects of its operations and we will continue to develop our understanding of the detail of these proposals. Should any issues of concern arise we will work with the BBC to address them, and if necessary, take steps under either our performance or competition powers to ensure the BBC continues to compete fairly and deliver for audiences in the UK.

³ [BBC Framework Agreement](#), clause 7(7).

⁴ [BBC Framework Agreement](#), clause 8.

⁵ [BBC Framework Agreement](#), clauses 9 and 10. If Ofcom disagrees with the BBC on whether a change is material, it can direct the BBC to undertake a Public Interest Test.

⁶ [List of UK Public Services](#), 1(g).

⁷ [BBC Framework Agreement](#), clause 23.

⁸ [Ofcom Annual Report on the BBC 2020-21](#), page 74.