

The BBC's proposals for BBC Radio Cymru 2

- 1.1 On 27 September 2023, the BBC published its [Public Interest Test](#) submission to extend the number of originated Welsh-language hours offered by BBC Radio Cymru 2 so that it becomes a UK Public Service in its own right.
- 1.2 We have had the benefit of early discussion with the BBC on this change and are satisfied that the extent of the change in the BBC's proposal would require Radio Cymru 2 to become a new radio station and hence a new UK Public Service. Under the Framework Agreement between the BBC and the Secretary of State for Culture, Media and Sport (the Agreement), the introduction of a new UK Public Service is a material change and therefore subject to a competition assessment by Ofcom.¹
- 1.3 We are satisfied that the BBC has provided potentially affected parties a suitable opportunity to comment on the BBC's PIT and that the nature of the market analysis the BBC has undertaken of the potential impact of the proposed change on fair and effective competition is appropriate and proportionate. It is therefore our intention to undertake a shorter assessment of less than six months. We retain the option to convert this into a full BBC competition assessment ('BCA') if this is merited by the issues that arise. We welcome comments on our approach by 11 October 2023 to BBCRadioCymru2.assessment@ofcom.org.uk.

Background

- 1.4 The BBC's mission is to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain. To ensure it continues to deliver programmes which fulfil its mission, the BBC may look to make changes to its existing activities or seek to develop new services to meet the needs of audiences.
- 1.5 Some changes can be considered minor; for example, day-to-day editorial decisions about individual programmes, or their scheduling. However, as a large, publicly-funded organisation, other changes the BBC might wish to make, such as the introduction of new UK Public Services could have a significant impact on competition in the wider media market.
- 1.6 Under the terms of the Agreement,² the BBC may only make a 'material change' to its UK Public Services if the BBC concludes that any such proposal satisfies a Public Interest Test ('PIT'). The PIT is then only satisfied if the BBC Board decides:
 - a) the proposed change contributes to the fulfilment of the BBC's mission and the promotion of at least one of the public purposes;

¹ BBC Framework Agreement

² BBC Framework Agreement

- b) reasonable steps have been taken to ensure the proposal will have no unnecessary adverse impacts on fair and effective competition; and
- c) the public value of the proposed change justifies any adverse impact on fair and effective competition.

1.7 The BBC determined that its proposal to extend the number of originated Welsh-language hours offered by BBC Radio Cymru 2 would constitute a material change to its services because, as agreed with Ofcom, the extent of this change would require it become a UK Public Service in its own right. It conducted a PIT over Summer 2023 and published its findings, along with supporting evidence, on 27 September 2023, stating that the BBC Board believed the PIT had been satisfied.³

The BBC's Proposal

1.8 The BBC is proposing to extend the number of originated Welsh-language hosted hours broadcast on BBC Radio Cymru 2. It states this would ensure audiences across Wales are better served having access to Welsh-language programming for majority of their day and giving them the opportunity to listen and learn more of the Welsh language. The BBC's proposal sets out that the service targets Welsh speakers or individuals keen on listening to Welsh-language content between the ages of 25 to 54, particularly Welsh-language speakers with lower levels of fluency.

1.9 Currently BBC Radio Cymru 2 offers 25 hours per week of music and entertainment programming as an opt from the BBC's main Welsh-language radio station Radio Cymru. The BBC intends to extend the number of originated Welsh language-hosted hours from 25 to 61.5 hours per week on BBC Radio Cymru 2. The service is broadcast across Wales on DAB. It is also made available on BBC Sounds, other online apps, smart speakers, and digital TV.

1.10 The BBC's plan for the service proposes:

- A total station content and operating costs budget of £420k per annum, a £10k increase on Radio Cymru 2's current budget. The BBC will fund the extension through the reprioritisation of funding from BBC Radio Cymru. The BBC states this will not impact the provision of the Radio Cymru service.
- A combination of presenter-led content and pre-recorded playlist shows. Radio Cymru 2 would become an 18.5 hour a day radio station operating from 5.30am to midnight each day.
- Radio Cymru 2's language of presentation would be wholly Welsh and at least 50% of its music would be Welsh-language in aggregate and in each programming block.
- News bulletins scheduled for 8am, 9am, 10am, 11am and midday.

1.11 The proposal does not impact our Operating Licence conditions for BBC Radio Cymru.

Ofcom's role

1.12 If the BBC Board concludes that a PIT has been satisfied, Ofcom must carry out its own assessment of the proposal before a change can be implemented. The Agreement divides

³ [BBC Radio Cymru 2 Public Interest Test, 27 September 2023](#)

Ofcom's work into two phases. During the initial phase, which must be completed in six weeks, Ofcom is required to:

- a) confirm whether the BBC proposal is material; and, if so
- b) decide what form our assessment during the second phase should take.

Materiality

1.13 We are satisfied that the extent of the change in the BBC's proposal would require Radio Cymru 2 to become a new radio station and hence a new UK Public Service. We have therefore concluded that this is a material change to the UK Public Services.

Scope for further assessment

1.14 Under the terms of the Agreement, our assessment must take the form of either a BBC Competition Assessment (BCA) or a Shorter Assessment. In our guidance document, [*Assessing the impact of proposed changes to the BBC's public service activities*](#), we explain that:

- a) a BCA is more likely to be appropriate "where a proposal raises large, complex and/or particularly contentious issues, potentially involving a number of interested parties and ways in which there may be an adverse impact on fair and effective competition"; whereas,
- b) a Shorter Assessment is likely if "there is a narrower range of issues to consider," for example where we consider the BBC's public interest test "adequately addresses all (or most) issues".

1.15 In this guidance we set out factors we expected to consider in deciding which assessment is most appropriate, including:

- the thoroughness, quality and balance of the BBC's PIT;
- the likelihood of an outcome other than unconditional clearance;
- whether there is a separable element of the proposal giving rise to concern, while other elements give rise to few concerns; and
- the proportionality of the resources required.

1.16 It is our intention to undertake a shorter assessment because:

- we consider that the BBC has carried out appropriate market analysis to support its assessment of the competition impacts of its proposal. Further analysis by Ofcom of the market impacts is unlikely to provide significant additional insight into the impact of the proposal on fair and effective competition;
- we consider that through the BBC's PIT consultation potentially impacted parties have been given a suitable opportunity to comment on the BBC's PIT;
- we recognise that the BBC's proposal has the potential to deliver public value by better serving audiences in Wales, particularly for Welsh speakers or individuals keen on listening to Welsh-language content; and
- a shorter assessment is proportional for the resources required.

1.17 We retain the option to convert this into a full BCA if this is merited by the issues that arise. We welcome comments on our approach by 11 October 2023 to BBCRadioCymru2.assessment@ofcom.org.uk.