

# Consultation: Proposed new BBC DAB+ radio stations and proposed changes to Radio 5 Sports Extra

---

## Consultation on Ofcom's provisional determination

NON-CONFIDENTIAL VERSION

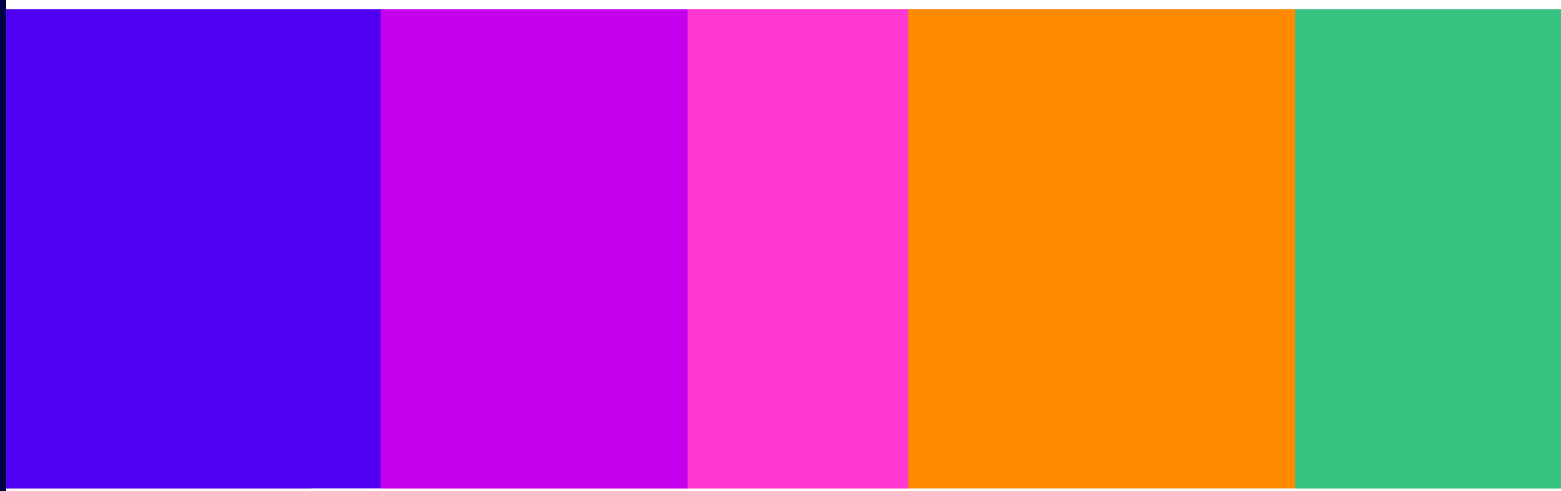
CONFIDENTIAL REDACTIONS ARE DENOTED BY [§<]

### Consultation

Published 10 April 2025

Closing date for responses: 14 May 2025

For more information on this publication, please visit <https://www.ofcom.org.uk/tv-radio-and-on-demand/bbc/consultation-proposed-new-bbc-dab-radio-stations-and-proposed-changes-to-radio-5-sports-extra/>



# Contents

---

## Section

1. Overview.....	3
2. Background.....	5
3. Market context.....	9
4. Our review of the BBC’s public value assessments.....	14
5. Our assessment of potential market impacts .....	31
6. Our provisional conclusions .....	42

## Annex

A1. Assessment of market impacts .....	46
A2. Legal framework.....	47
A3. Impact assessments .....	50
A4. Responding to this consultation.....	52
A5. Ofcom’s consultation principles.....	54
A6. Consultation coversheet .....	55
A7. Consultation questions.....	56

# 1. Overview

- 1.1 The BBC is proposing changes to its radio services. These two sets of proposals are:
- the launch of four new DAB+ music radio stations; and
  - to extend the broadcasting hours of Radio 5 Sports Extra, changing it from a part-time service offering live sports only, to a service broadcasting daily from 9am-7pm.
- 1.2 Radio remains the most popular form of audio content, although its popularity is gradually declining. Audio streaming is increasingly popular, particularly among younger audiences.
- 1.3 The BBC's audio services span analogue radio, digital radio and online in the form of BBC Sounds. Reach of BBC radio has fallen in recent years as more listening has moved online and commercial providers have developed new, targeted offerings which have successfully appealed to audiences. However, despite this decline, BBC radio continues to occupy a key position in the UK radio market. In our monitoring of the audio market we have noted that changes to the BBC's radio services have the potential to have a bigger impact on domestic commercial radio providers than the impact from changes limited to BBC Sounds.

## What we are proposing – in brief

### The proposed launch of four new DAB+ radio stations

Our provisional conclusion is that the BBC **may proceed** with the launch of three of these services as DAB+ stations: Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind.

We consider that these proposed stations would offer some public value. For example:

- Radio 1 Dance would play a broad range of dance music and provide exposure to specialist/new dance talent;
- Radio 1 Anthems would support new radio production talent; and
- Radio 3 Unwind would focus on recent recordings, showcase composers from underrepresented groups, and provide content focused on wellbeing and meditation.

We estimate that the market impact of these proposed services is likely to be limited, both individually and in aggregate. This includes a low impact on the revenue and profitability of commercial operators and their ability to invest in and deliver services to consumers. The limited adverse impact on fair and effective competition is therefore justified by the public value of the proposals.

We provisionally conclude that the BBC **may not proceed** with its proposed launch of the Radio 2 extension. The Radio 2 extension has some public value, including through the provision of documentaries, archive content and regular news bulletins. Nonetheless, overall the case for the distinctiveness of the station in terms of the level of innovation and range of music is not strong. We consider this extension would likely have an impact on commercial operators, particularly significant on the independent Boom Radio. It could also potentially deter entry and reduce investment incentives for commercial radio operators more generally, especially for independent radio stations and those that intend to serve audiences that the BBC has moved away from. We consider that this creates a significant adverse impact on fair and effective competition which is not justified by the public value of the proposal.

### The proposed extension of the hours of Radio 5 Sports Extra

We provisionally conclude that the BBC **may not proceed** with this change. Extending the hours of 5 Sports Extra would have some public value by bringing sports content to a wider audience and, to some degree, by aiding discoverability of other sports content currently available. However, the BBC does not provide guarantees that it will give significant exposure to sports that currently receive less coverage, and we do not consider there to be sufficient evidence that the changes would especially appeal to its target audience of C2DE and younger audiences.

We also find that the expansion of Radio 5 Sports Extra could have a significant adverse impact on sports radio, specifically the talkSPORT Network, given it is the only full-time commercial sports radio network in the UK. We consider that talkSPORT Network's options to mitigate the impact of Radio 5 Sports Extra are limited, as it is unlikely that it could readily improve its live sports offering given how live sports rights are acquired within the market. Therefore, we consider that the significant adverse impact on fair and effective competition is not justified by the public value that the change offers.

### Next steps

- 1.4 We welcome the BBC's aim to connect with audiences whom it needs to do more to reach and are supportive of its attempts to innovate. The BBC (in common with other public service broadcasters) is finding it challenging to reach younger audiences – something that presents a long-term risk to the sustainability of the PSBs. The BBC has also found it harder to connect with audiences in lower socio-economic groups.
- 1.5 However, in attempting to reach these audiences via radio, where the BBC remains strong, the BBC has not made compelling, well-evidenced assessments of the public value across the range of its proposals. Some of these proposals also have the potential to have a bigger impact on competition than if the BBC had explored more innovative ways to connect with these listeners.
- 1.6 We welcome responses to our consultation questions, which can be found in annex 7. Responses must be submitted no later than **14 May 2025**. We will make our decision and publish it on our website by 4 July 2025.

## 2. Background

### Purpose of BBC Competition Assessments

---

- 2.1 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. The BBC may look to make changes to its existing activities or seek to develop new services to better meet the needs of audiences in fulfilling its Mission.
- 2.2 Some changes may be minor, for example, day-to-day editorial decisions about individual programmes, or their scheduling. However, as a large, publicly-funded organisation, some changes that the BBC might wish to make could have a significant impact on competition in the wider media sector.
- 2.3 The impact may be positive in enhancing public value and encouraging competition by offering more choice, stimulating demand, or promoting innovation to the benefit of UK citizens and consumers. However, some changes that the BBC proposes may harm competition, for example, by crowding out investment from third parties, with ultimately negative consequences for audiences.<sup>1</sup> Because of this, the [BBC Charter and Agreement](#), which set out the BBC's Mission and duties, provide for first the BBC, and then Ofcom, to consider the effects of material changes to the BBC's TV, radio and online public services, on competition.
- 2.4 The purpose of a BCA is to determine whether the public value of the BBC's proposal justifies any adverse impact on fair and effective competition.

### The BBC's public interest test process

- 2.5 Under the terms of the Framework Agreement (**the Agreement**), the BBC must assess whether any proposed change to its public service is 'material'.<sup>2</sup> A material change is either a new UK Public Service or "any change to a UK Public Service which may have a significant adverse impact on fair and effective competition."<sup>3</sup> If it decides that a change is material, the BBC is then obliged to carry out a further assessment known as a Public Interest Test (**PIT**), to be reviewed by the BBC Board.<sup>4</sup> The PIT is a process used to assess the public value of a change and its impact on competition.
- 2.6 In order to approve a proposal, the BBC Board must be satisfied that the PIT successfully demonstrates that:
  - a) the proposed change contributes to the fulfilment of BBC's Mission and the promotion of at least one of the Public Purposes;
  - b) reasonable steps have been taken to ensure the proposal will have no adverse impacts on fair and effective competition which are not necessary for the effective fulfilment of the BBC's Mission and promotion of the Public Purposes; and

---

<sup>1</sup> The BBC's changes could lead audiences to switch away from commercial providers thereby reducing their ability to generate revenue. This may in turn limit commercial providers' ability to invest in their services, leading to a reduction in overall choice, quality, and range of content available for UK audiences.

<sup>2</sup> The Agreement, Clause 7.

<sup>3</sup> The Agreement, Clause 7(7)(a)&(b).

<sup>4</sup> The Agreement, Clause 8.

- c) the public value of the proposed change justifies any adverse impact on fair and effective competition.

2.7 In the event that the BBC Board is satisfied, the PIT is then submitted to Ofcom for our review.

## The BBC's proposed audio changes

---

### The BBC's proposals and PITs

2.8 On 21 November 2024, the BBC [published](#) two PITs.

- a) The first (the 'music PIT') concerned the proposed launch of four new music radio stations.<sup>5</sup> The BBC says that launching the new radio stations would improve value for all audiences including younger (15-34) and C2DE audiences who currently receive less value from the BBC. They would be broadcast on DAB+ and would also be made available online, including on BBC Sounds.<sup>6</sup> The proposed new services are as follows:<sup>7</sup>
- > **Radio 1 Dance (R1D):** The BBC states that this station would target younger audiences, covering a range of dance genres including house, techno, breakbeat, drum & bass, trance, EDM, Afro House and UK Funky.
  - > **Radio 1 Anthems (R1A):** The BBC states that this would play a "broader range of music than any comparable station", with a similar genre mix to Radio 1 but featuring music from the last two decades, including classic pop, rock, rap, R&B, dance and indie tracks. It would be targeted at younger audiences.
  - > **A Radio 2 extension (R2E):** The BBC states that this would provide music and BBC archive content from the 1950s, 1960s and 1970s, with about 60% of the schedule being speech-led. It would also include at least 10 news bulletins a day, simulcast with Radio 2. The proposed station would be targeted at audiences aged 55+. The BBC states that it is establishing a partnership between R2E and the BBC's local and national radio stations to cover the music of specific regions across the UK.
  - > **Radio 3 Unwind (R3U):** The BBC states this station would be aimed at audiences aged 35-54, providing classical music to support listeners' daily routines and support wellbeing. The majority of music broadcast on the proposed station would have been recorded in the past five years and would include orchestral works, solo piano, ethereal choral music, music from the minimalist and neoclassical repertoire, and specially recorded music from BBC orchestras and choirs. The music policy of the proposed station would include an emphasis on contemporary living composers, UK composers and British performers.

---

<sup>5</sup> On 16 July 2024, we [published a decision](#) on the materiality of three new proposed BBC Sounds-only streams. We decided that the proposed R1A and R3U Sounds-only streams were not 'material' changes, and the BBC could move ahead with its plans for these streams. The R3U and R1A streams launched on 4 and 8 November 2024 respectively. We concluded that the proposed R2E Sounds-only stream was material and directed the BBC to conduct a PIT on this proposal should it wish to go ahead with it. The BBC subsequently discontinued its plans for a R2E Sounds-only stream. The BBC also proposed to commission some original content for its existing R1D stream which it did not consider to be material; we reviewed the BBC's proposals and agreed that the changes were not material.

<sup>6</sup> BBC, [New music radio stations: Public Interest Test](#), p. 49. The BBC states that should the BBC's proposals for these new DAB+ stations go ahead, the existing R1D, R1A and R3U Sounds-only streams would be "subsumed into the full stations". BBC, [New music radio stations: Public Interest Test](#), p. 14.

<sup>7</sup> BBC, [New music radio stations: Public Interest Test](#), pp. 34-47.

- b) The second (the ‘**sports PIT**’) concerned the proposed extension of the broadcasting hours of Radio 5 Sports Extra (**5SE**), currently a part-time extension to BBC Radio 5 Live offering live sports coverage only. Under the BBC’s proposal, the station would become an extended hours service, broadcasting from 9am to 7pm, providing non-live sports-related content such as sports podcasts in the gaps between live sporting events. The BBC says the proposal would not involve any increase to either the BBC’s commissioning spend or hours of live sports coverage. It states that the service would cater to younger and C2DE audiences.<sup>8</sup>

## Ofcom’s role

- 2.9 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. Ofcom’s role and approach to carrying out BCAs is set out in our [BCA guidance](#) and in annex 2.<sup>9</sup>
- 2.10 We conducted an [Initial Assessment](#) of the BBC’s proposals, which concluded on 19 December 2024, following an [invitation to comment](#). We agreed with the BBC’s conclusion that both sets of proposals constituted material changes, and concluded that they should be subject to BCAs.
- 2.11 We started our BCAs on 6 January and our six-month process will be completed by 4 July 2025.

## How we have approached our analysis

---

- 2.12 In the BCAs, we must consider the scale and likelihood of any public value relative to the scale and likelihood of any adverse impact on fair and effective competition. In particular:
- **Public value.** In reviewing the BBC’s public value assessments, we have considered how the BBC’s proposals would deliver the BBC’s Mission and Public Purposes, including how the services would deliver personal, societal, and industry value. We have considered whether the BBC has made compelling, well-evidenced assessments of the public value that it believes its proposals would deliver and reached a view on these assessments. Our analysis is set out in section 4.
  - **Competition impact.** The main theory of harm that we consider under the BCAs is the degree to which the BBC’s proposals could crowd out commercial operators. This could occur if the BBC’s proposals were to reduce the potential audience for commercial rivals, thereby reducing commercial revenues and their ability to invest and deliver services to consumers. This could potentially result in some operators ceasing to provide services or being deterred from entering the market, which could ultimately harm consumers by reducing choice, quality and/or innovation. We set out our overall view in section 5 and detailed methodology / results in annex 1.
- 2.13 Our public value and competition assessments for both BCAs are informed by the BBC’s PITs, its economic modelling, as well as audience research that it commissioned from the research agency MTM. We have taken account of information submitted to us by stakeholders, including responses to our information requests and responses to our

---

<sup>8</sup> BBC, [5 Sports Extra: Public Interest Test](#), pp. 38, 4 and 26.

<sup>9</sup> Ofcom, [Guidance for assessing the impact of proposed changes to the BBC’s public service activities](#).

consultation to inform our initial assessment. We have also taken account of responses to the BBC's PIT consultations.



# 3. Market context

## UK Radio listening

---

### Reach of UK radio remains high

- 3.1 Live radio continues to reach the vast majority of UK adults, with 87% tuning in for an average of 20.6 hours each week.<sup>10</sup> Radio listening tends to skew older, with an average audience age of 48, but this varies greatly by broadcaster, brand and the type of station i.e. music radio and speech radio.

### BBC, Global and Bauer stations account for the majority of live radio listening

- 3.2 The BBC has ten UK-wide radio stations offering a mix of music and speech-based radio.<sup>11</sup> Supplementing this are stations specific to each nation and local region across England, as well as online-only audio streams available via BBC Sounds and the BBC World Service.
- 3.3 The two largest commercial radio groups are Global and Bauer Media. Global owns and operates brands including Capital, Heart, Smooth, LBC and Radio X, while Bauer owns and operates brands including Absolute Radio, Greatest Hits Radio, Hits Radio, KISS and Magic. Together, Global and Bauer account for 44% of all radio listening hours and 81% of all commercial radio listening.<sup>12</sup>
- 3.4 The remaining commercial listening is to stations from smaller commercial groups, such as Nation Broadcasting and News Broadcasting (part of News UK) which operates Talk Radio, Times Radio, the talkSPORT and Virgin Radio networks, and independent radio stations including Boom Radio, Fun Kids and Sunrise Radio. Boom Radio, established in February 2021, is prominent in our consideration of the impact of the BBC's proposed Radio 2 extension.

### Reach of BBC stations has declined while commercial radio has grown

- 3.5 While reach of live radio in the UK remains high and relatively stable, reach of BBC radio has been declining. Average weekly reach of live radio dropped three percentage points in the past decade, while BBC stations experienced a steeper decline of ten percentage points from 65.0% in Q4 2014 to 55.0% in Q4 2024. Commercial radio, meanwhile, has increased reach of its UK-wide and local stations from 64.2% to 69.3% over the same period.<sup>13</sup>

---

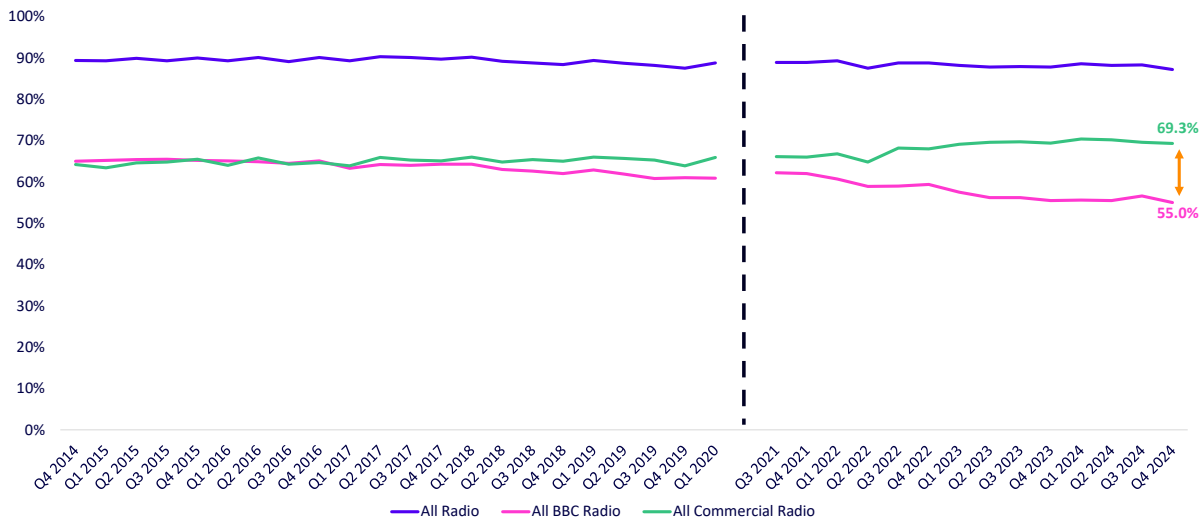
<sup>10</sup> RAJAR Q4 2024, All Radio TSA, UK adults aged 15+.

<sup>11</sup> BBC Radio 1, Radio 2, Radio 3, Radio 4, Radio 5 Live (available across the UK on analogue as well as digital platforms) and 1Xtra, 6 Music, Asian Network, 4 Extra and 5 Sports Extra (available only on digital platforms).

<sup>12</sup> RAJAR Q4 2024

<sup>13</sup> RAJAR.

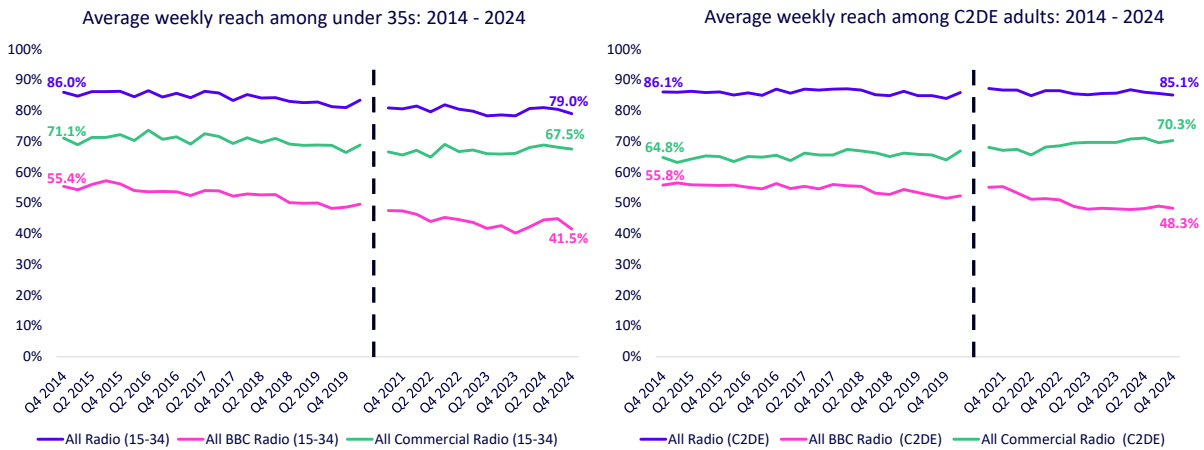
**Figure 1: Average weekly reach of all UK radio: 2014 - 2024**



Source: RAJAR. Note: dotted line indicates suspension of fieldwork from the end of Q1 2020 until Q3 2021 due to the Covid-19 lockdowns. This led to subsequent changes in methodology, so comparison with previous quarters should be made with caution.

3.6 These average figures mask a steeper decline in reach of BBC radio among younger listeners, which the BBC highlighted as a key demographic group for the proposed Radio 1 extensions. Reach of BBC stations among C2DE adults, which the BBC discussed in relation to its R1A, R1D, R2E and 5SE proposals, has also decreased, albeit more gradually than in the 15-34 age group (down by 7.5pp compared to 13.9pp in the last ten years). Commercial radio, in contrast, has stemmed the loss of listeners aged 15-34 (-3.6pp) and increased its reach of C2DE adults (+5.5pp) since Q4 2014.

**Figure 2: Average weekly reach of UK radio in the 15-34 and C2DE demographic groups: 2014 – 2024**



Source: RAJAR. Note: dotted line indicates suspension of fieldwork from the end of Q1 2020 until Q3 2021 due to the Covid-19 lockdowns. This led to subsequent changes in methodology, so comparison with previous quarters should be made with caution.

## Digital radio offers listeners more choice, with music stations focused on particular decades, moods and genres of music

- 3.7 Much of commercial radio's success in growing its reach can be attributed to increased DAB coverage and the launch of new digital stations. These new stations have largely built on existing brands and, in the case of music radio, offered listeners more choice and specificity, with playlists drawn from a specific genre, mood or decade. For example, in late 2009 Absolute Xtreme was rebranded to Absolute 80s, followed quickly by the launch of Absolute 90s, 00s, 60s and 70s between 2010 and 2012. In early 2016, the second commercial UK-wide multiplex, Sound Digital, began transmitting and facilitated the launch of even more stations.
- 3.8 The last six years have seen a steady stream of new commercial 'spin-off' stations. Between January 2019 and December 2024, Bauer and Global launched 28 new digital stations, all of which are extensions to existing networks.<sup>14</sup> Almost half of these new stations went live on a mixture of DAB and DAB+ last September, after the BBC had announced its proposals: [twelve from Global in its biggest ever launch](#) plus, Bauer's Greatest Hits Radio 60s. In March 2025 [Bauer launched four additional spin-off decade stations](#) across its Greatest Hits and Hits Radio brands, targeting older and younger listeners respectively<sup>15</sup> and switched more of its DAB stations over to DAB+.<sup>16</sup>
- 3.9 Capacity for these new stations has been aided by the introduction and adoption of DAB+, an upgraded version of the same technology that delivers DAB digital radio. DAB+ is more efficient than standard DAB, allowing more services to be broadcast on the same multiplex with equivalent audio quality. For listeners with a DAB+ enabled radio, this means receiving more commercial stations such as those mentioned above.<sup>17</sup>
- 3.10 In November last year, following Ofcom approval, the BBC launched two new Sounds-only streams – Radio 1 Anthems and Radio 3 Unwind – and made changes to the existing Radio 1 Dance Stream. These streams feature music and content curated around specific moods and, in the case of Radio 1 Dance, genre.

---

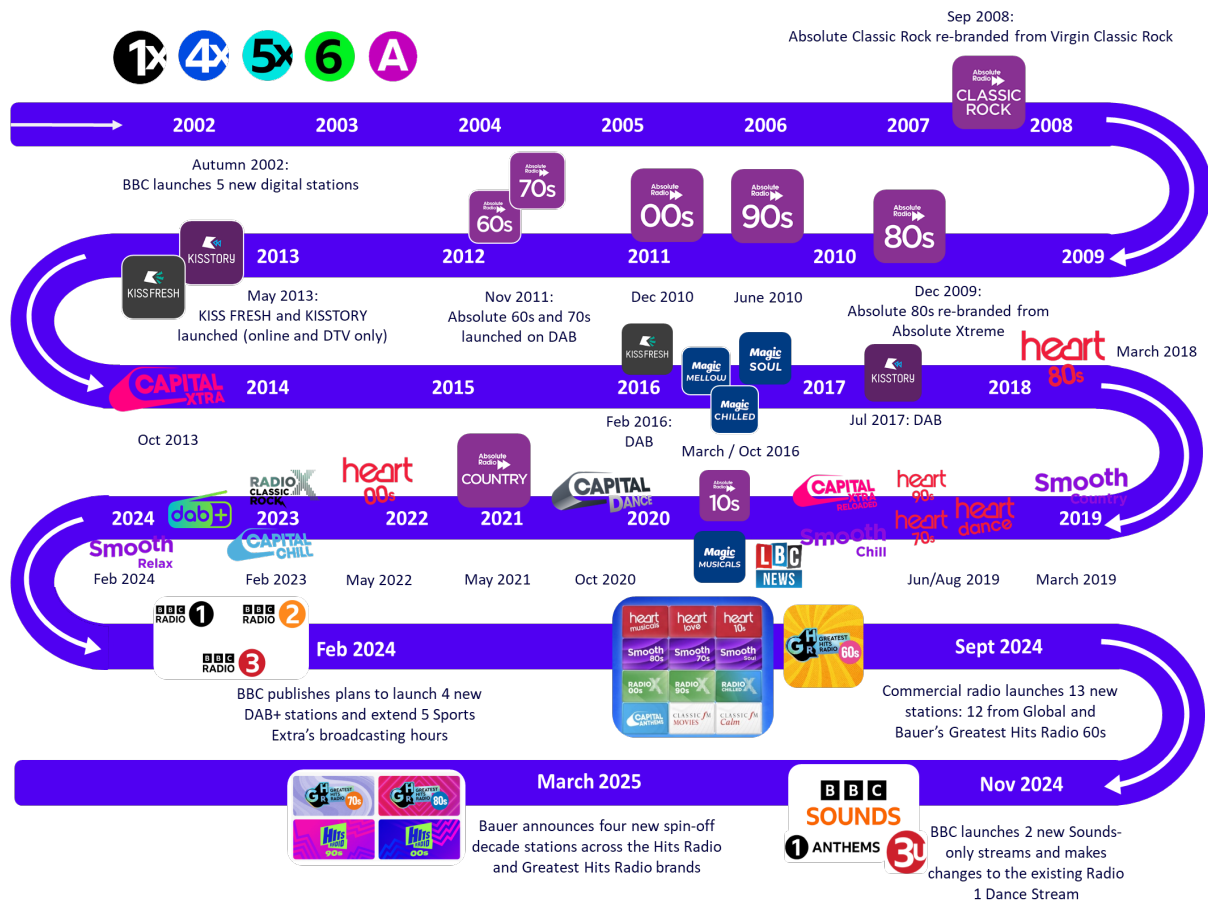
<sup>14</sup> Absolute 10s, Absolute Country, Capital Anthems, Capital Chill, Capital Dance, Capital XTRA Reloaded, Classic FM Calm, Classic FM Movies, Greatest Hits Radio 60s, Heart Dance, Heart 70s, Heart 90s, Heart 00s, Heart 10s, Heart Love, Heart Musicals, LBC News, Magic Musicals, Radio X 00s, Radio X 90s, Radio X Rock, Radio X Chilled, Smooth Chill, Smooth Country, Smooth Relax, Smooth Soul, Smooth 70s and Smooth 80s.

<sup>15</sup> Greatest Hits Radio 70s, Greatest Hits Radio 80s, Hits Radio 90s and Hits Radio 00s.

<sup>16</sup> Absolute Radio, KISS, KISSTORY and Magic Radio.

<sup>17</sup> The stations listeners can receive on DAB+ depends on where they live in the UK.

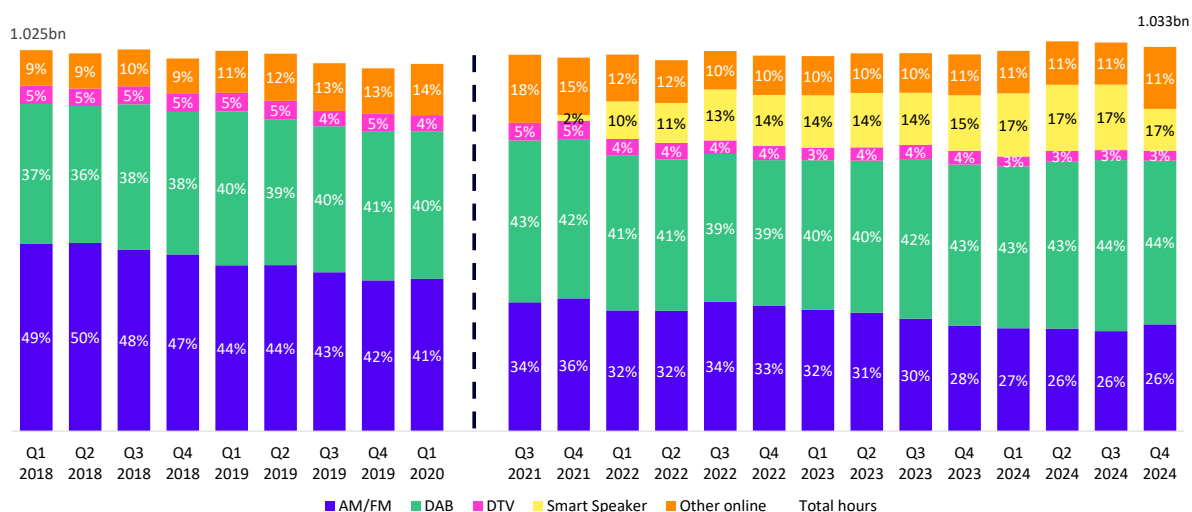
Figure 3: Timeline of brand extension station launches and moves to DAB/DAB+: 2002 - 2025



## Radio listening is shifting online, where it faces competition from other audio

3.11 Data from RAJAR illustrates a gradual shift to online radio listening. While DAB (including DAB+) remains the most popular platform for live radio across the UK, accounting for 44% of the 1.03bn listening hours in Q4 2024, online has more than doubled its share over the past five years (from 13% of hours in Q4 2019 to 28% in Q4 2024).

**Figure 4: Total hours and share of radio listening by platform over time**



Source: RAJAR. Note: dotted line indicates suspension of fieldwork from the end of Q1 2020 until Q3 2021 due to the Covid-19 lockdowns. This led to subsequent changes in methodology, so comparison with previous quarters should be made with caution. DAB includes DAB+, as separate listening DAB+ figures are not available in RAJAR.

- 3.12 In our [review of the BBC’s materiality assessment of the proposed streams on BBC Sounds](#) we noted the challenge that audio streaming poses to the UK radio industry, with data from IPA TouchPoints showing that these services (e.g. Spotify, Apple Music, YouTube Music) are increasing their share of overall time spent listening to audio each week. This increase is more pronounced in younger people aged 15-34, who are less likely to spend their time listening to live radio than older listeners.
- 3.13 In the context of this shift to online radio listening and increased competition from audio streaming, particularly for younger listeners, commercial radio has successfully increased its reach by increasing the choice and specificity of digital stations available to UK audiences. In comparison, the BBC last launched new digital radio stations in 2002 and continues to operate an equal number of analogue and digital-only UK-wide stations. The impact of this 50:50 split of digital and analogue services is reflected in the BBC’s platform share, where it has a higher percentage of listening on analogue compared to commercial radio (36% vs 21%). The inverse is true for DAB and online radio listening: 40% of BBC radio listening is via DAB compared to 46% for commercial radio, and around a fifth is online (22%) compared to just under a third (31%) for commercial radio.<sup>18</sup>
- 3.14 As radio listeners increasingly tune in online and younger listeners spend more of their time with audio streaming services, the BBC is seeking to deliver greater choice and clearer propositions on the audio platforms UK audiences are using. The proposed extensions represent the BBC’s response to these changing audience behaviours and an attempt to deliver better value for audiences, “so that audiences who currently get less from the BBC can discover relevant BBC content and get more value from the Licence Fee.”<sup>19</sup>

<sup>18</sup> RAJAR Q4 2024, All Radio TSA, UK adults aged 15+.

<sup>19</sup> BBC, [New music radio stations: Public Interest Test](#), p. 3.

## 4. Our review of the BBC's public value assessments

- 4.1 In this section, we explain the background and approach to our review of the BBC's public value assessments. We then set out our provisional views on the BBC's public value assessments for the proposed new DAB+ music stations, where we consider the proposals' collective public value, followed by our view on the value of each proposed service in turn. We have done this by reviewing the audiences they target, the range of music, the extent of new and/or British music, support for British talent and the amount of speech and informed learning. We set out our provisional conclusions on the public value of the music stations at paragraphs 4.70-4.71.
- 4.2 We then consider the proposed changes to 5SE, where we set out our review on the basis of the audience it is proposing to target, the type of content and range of sports, representation and portrayal and discoverability, setting out our provisional conclusions on public value at paragraph 4.90.

### Background

---

- 4.3 When developing its proposals, the BBC must satisfy itself that any changes to its public services contribute to the fulfilment of its Mission and the promotion of one or more of its Public Purposes.<sup>20</sup> These are:

**Purpose 1:** To provide impartial news and information to help people understand and engage with the world around them;

**Purpose 2:** To support learning for people of all ages;

**Purpose 3:** To show the most creative, highest quality and distinctive output and services;

**Purpose 4:** To reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom; and

**Purpose 5:** To reflect the United Kingdom, its culture and values to the world<sup>21</sup>

### The BBC's approach

- 4.4 The BBC has developed a framework for the assessment of public value and examined the benefits of the proposal around three groupings: a) individual value; b) societal value; and c) industry value.<sup>22</sup>
- 4.5 For each of the proposed stations, the BBC has set out its public value arguments related to factors it considers relevant. These include: value for audiences, breadth and range of music

---

<sup>20</sup> Clause 8 of the Agreement.

<sup>21</sup> In practice, the UK public services are not the means by which the BBC fulfils Purpose 5.

<sup>22</sup> Explained in BBC, [New music radio stations: Public Interest Test](#), pp. 48-49.

(as well as new music and live/specially recorded music), speech content, news, support for technological innovation, and for 5SE, range of sports and discoverability. In our review, we have considered the BBC's arguments against these areas and reached a view on its analysis. The BBC has also set out its view on the collective public value for the music stations combined and we have reflected this structure in our review, covering areas that are common to each of the music stations and then reviewing each station in turn.

- 4.6 The evidence base for the BBC's assessment of public value in both PITs largely consists of quantitative and qualitative audience research it commissioned from MTM, responses to the BBC's own PIT consultations, and additional industry and BBC data and research (including from RAJAR, Radiomonitor, IPA TouchPoints and the BBC's own additional 'Soundcheck' research and Loftus Media analysis).<sup>23</sup>
- 4.7 We were consulted by the BBC in the set-up phase of the audience research it commissioned from MTM and were given the opportunity to comment on aspects such as the most appropriate methodology, research questions and sample requirements. We are satisfied that the overall approach used for the research was appropriate in assessing audience reactions to the proposed new music stations and changes to 5SE. We have also reviewed the data that the BBC provided to support its proposals using Radiomonitor (e.g. comparisons with competitor stations on tracks from UK artists/unique tracks and new music) and are satisfied that the conclusions the BBC has drawn are substantiated by the data.
- 4.8 As set out above, Bauer and Global have recently launched a number of additional brand extensions. This took place after the BBC developed the analysis for its music PIT and it has not included comparisons with these stations in its public value assessment. Given our role is to review the BBC's public value case, rather than conduct our own analysis, we have not carried out additional analysis to compare the BBC's proposed range of music with additional comparators. However, their launch may have an impact on the public value the stations would provide; we note this where relevant in our review.

## How we have approached our review

- 4.9 In considering public value we are principally testing and reviewing the BBC's analysis, in contrast to our competition role where we carry out our own evaluation. Accordingly, we have not sought to determine whether the BBC could have delivered greater public value by changing aspects of its proposal. Instead, we have considered whether it has made a compelling, well-evidenced, and methodologically sound assessment of the public value that it believes its proposals would deliver. We have not conducted our own additional research, although we have drawn on relevant existing research and data that we hold.
- 4.10 We have considered how the proposals would deliver the BBC's Mission and Public Purposes and how they would deliver individual, societal and industry value. Many of the factors the BBC has considered in its Public Value assessment, as set out above, would contribute to the delivery of Purpose 3 (to show the most creative, highest quality and distinctive output and services). In considering these factors, we have taken into account

---

<sup>23</sup> 'Soundcheck' research carried out by MTM for the BBC in 2022 which looked at "understanding the role of music radio in meeting listeners need 'to relax'". Classical Music Radio playlist analytics - analysis carried out by Loftus Media for the BBC, August 2024. This was based on the output of Classic FM and Scala Radio for week of 25 July 2024 to 31 July 2024.

the five ‘pillars’ of distinctiveness, as set out in the Framework Agreement. These are: the mix of different genres and output; the quality of output; the amount of original output produced in the UK; the level of risk-taking, innovation, challenge and creative ambition; and the range of audiences it serves.<sup>24</sup>

- 4.11 In this section, we have taken into account the factors set out in our guidance, in so far as we consider them to be relevant to our analysis.

## The BBC’s proposed new DAB+ stations

---

### Proposed music stations – collective public value

#### BBC view

- 4.12 The BBC states in its music PIT that the proposed new DAB+ music stations would better meet the needs of modern audiences accustomed to the targeted, personalised content offer of streaming platforms and the breadth of choice available in commercial radio brand extensions. It states that audiences are looking for a more relaxing, laidback offer from BBC radio (as evidenced in its Soundcheck qualitative research) and that these stations would better meet the needs of younger and C2DE audiences who currently get less value from the BBC and have a strong preference for music listening as opposed to speech radio.<sup>25</sup> The BBC aims to build on its existing brands that have the strongest connection with these audience groups, supporting value for money of the licence fee and the long-term sustainability of the BBC by increasing awareness of the BBC offer.
- 4.13 The BBC states that these stations would encourage the transition to BBC Sounds where listeners can discover the full range of the BBC’s content offer, while also helping to support the broader take up of DAB+ digital radio.
- 4.14 The BBC does not propose to include news bulletins on R3U, R1D or R1A.<sup>26</sup> It says that these are primarily mood-based music stations, and its Soundcheck qualitative research tells them that listeners looking for a relaxing lean-back listening experience do not want interruptions to the tone and mood. The BBC also states that its plans to provide news to younger audiences are focused on online short-form video platforms (rather than radio), where these audiences are more likely to consume news. It has however amended its plans for R2E to now include news bulletins, which we discuss in further detail in the R2E section.
- 4.15 The BBC considers that the new stations would have “significant industry value for the UK’s independent audio production sector, including in the nations and regions of England” and provides information on the percentage of commissions for the R1D, R1A and R3U Sounds-only streams which are being made by independent audio production companies and outside of London. The BBC has set out that the total ongoing budget for the four new stations would be £2.9 million per year (excluding music rights costs) and the content and

---

<sup>24</sup> The Agreement, Schedule 2, Clause 1(2)

<sup>25</sup> We note that R2E would be targeted at audiences aged 55+, and R3U would be targeted at audiences aged 35-54.

<sup>26</sup> We note that the R1A Sounds-only stream is currently simulcasting a small segment from Radio 1 *Newsbeat* on Fridays to Sundays during a regular simulcast slot with Radio 1.



staff costs would be funded through a reprioritisation of funding from BBC Sounds and the BBC's network radio stations.<sup>27</sup>

- 4.16 The BBC considers that the launch of the four new music stations would contribute to the BBC's Mission through seeking to better serve all audiences and in particular by delivering Purpose 3 and Purpose 4. The BBC estimates that the proposed stations would have a higher proportion of speech than comparable stations across all hours and this would contribute to Purpose 2 on R1D, R2E and R3U. It states that R2E would contribute to Purpose 1 through its news bulletins.
- 4.17 Overall, the BBC argues that on a net basis the proposal would provide substantial public value. The main gain in social value from other BBC listening would be a "better reflection of the communities of the UK" (particularly for R1D) and R3U would also drive social value due to additional wellbeing benefits. The BBC states that the wider benefits of the BBC's proposals would be felt more for listeners coming from commercial listening where aspects of the BBC's proposal are not as well covered, including in relation to the greater breadth and range of music; new music; British music and talent; live or specially recorded music; speech; and news.

## Ofcom review

- 4.18 We welcome the BBC's objective of evolving its services to better reach underserved audiences. We have consistently raised concerns about the BBC's performance with these audience groups. In our [2024 annual report on the BBC](#) we said that younger and DE audiences are less likely to engage with the BBC overall.<sup>28</sup> The BBC has a duty to serve all audiences, and finding new ways to reach these groups in a way that delivers the Public Purposes is crucial for ensuring its long-term sustainability.
- 4.19 As set out in section 3, the commercial radio sector has successfully grown its reach among C2DE audiences and retained listeners in the 15-34 age group over the past ten years. A driving factor in this success has been the launch of commercial brand extensions, facilitated by the second DAB multiplex beginning transmission in 2016, with stations focused on music from a particular decade, mood or genre. Younger and C2DE audiences are also more likely to listen to music than speech radio.<sup>29</sup>
- 4.20 Given these audience preferences, the proposed music stations present an opportunity for the BBC to build on its connections with these groups: Radio 1 is the BBC's station that skews most to younger/C2DE audiences (aside from 1Xtra) and Radio 2 is the BBC's most popular radio station, reaching a greater proportion of C2DE adults than BBC radio on average. There is potential value in launching these services on DAB+ and in encouraging wider take up so that audiences can benefit from a wider choice of stations.<sup>30</sup>

---

<sup>27</sup> BBC, [New music radio stations: Public Interest Test](#), pp. 32-33.

<sup>28</sup> We narrowed the groups we looked at to specifically focus on those with the lowest satisfaction levels but note that the BBC has also included C2 audiences in its public value assessment. This is in line with the most common way of grouping audiences according to socio-economic status – by ABC1 and C2DE audiences.

<sup>29</sup> Although younger adults (15-34s) are less likely than all adults (15+) to listen to the radio in general. Source: RAJAR Q4 2024.

<sup>30</sup> DAB+ is more efficient than standard DAB, allowing more services to be broadcast on the same multiplex with equivalent audio quality. Our [2023 report on DAB+ penetration](#) found that 36% of UK households had a DAB+ set, and that two thirds (66%) of in-home DAB owners already had a DAB+ set.

- 4.21 It is also possible that the new music stations would lead to increased listening to BBC Sounds. Listeners may then receive public value from the broader range of content available there. However, the BBC has not modelled the likely impact on BBC Sounds listening. We therefore do not know how effective this would be in practice.
- 4.22 As we set out in Section 3, while commercial radio has successfully retained listening among younger audiences, we also note that these audiences are increasingly spending more time listening online. We therefore question whether the BBC's proposals could be out of step with the overall direction of travel of media consumption. The public value of targeting audiences through new DAB+ stations could therefore become more limited over time as more audiences move online.
- 4.23 While we welcome the BBC's commitment to commission audio content from a range of producers across the UK, the net industry value of commissions for the proposed new stations is likely to be low. This is because the BBC is already commissioning programmes for the Sounds-only streams (for R1D, R3U and R1A) and it is reprioritising existing funding from the BBC sounds and the BBC network radio stations to invest in the new music stations. However, we think there would be some industry value, including from new commissions for R2E and providing greater reach for commissions for the Sounds streams.
- 4.24 We agree it is likely that R2E and R1D would have a higher proportion of speech than most competitors, though this is less certain for R1A and R3U as the BBC proposes these would only be around 10% speech.
- 4.25 We note three out of the four proposed music radio stations would not carry news. The BBC provided us with the full results of its Soundcheck research which the BBC uses to evidence that "listeners looking for a relaxing lean-back listen do not want any interruptions to the tone and mood".<sup>31</sup> We note that this research specifically focused on listeners' relaxation needs which the BBC says differs by audiences and time of day. While the research found that "listeners want familiar and non-challenging music during relax occasions rather than looking to learn or discover new music," it did not explore expectations for other listener needs which we consider could include discovering new music or learning experiences.
- 4.26 Given the intended focus of R1D and R1A on younger and C2DE audiences, we think that the BBC could have used this as an opportunity to deliver news in a distinctive way that suits these audiences, and it is disappointing the BBC has not grasped this opportunity.<sup>32</sup> This could have helped increase the reach of PSB news among 16-34s and those in the DE socio-economic groups who are significantly less likely to access PSB news.<sup>33</sup>
- 4.27 We agree that the stations may bring some social value including through representing a broad range of artists and elements like content focused on meditation. However, we think this may be more limited than the "substantial" net social value that the BBC sets out. In particular, we consider there could be some negative social value for listeners switching to R1D, R1A and R3U from other stations, both commercial and BBC radio, which carry news.
- 4.28 We discuss below each of the proposed stations in detail.

---

<sup>31</sup> BBC, [New music radio stations: Public Interest Test](#), p. 18.

<sup>32</sup> As set out above, the R1A Sounds-only stream is currently simulcasting a small segment from Radio 1 Newsbeat on Fridays to Sundays during a regular simulcast slot with Radio 1.

<sup>33</sup> Ofcom News Consumption Survey 2024, cited in Ofcom's [Review of Public Service Media, 2019-2023](#), p. 33.

# Radio 1 Dance

## BBC view

- 4.29 The BBC states that R1D would be aimed particularly at 15-34s from C2DE groups and has estimated an uplift in new BBC listening of 2.0-2.6 million hours per week. The BBC's MTM research found that 43% of 16-34s and 39% of C2DEs said they were likely to consider listening. The BBC also provided data showing that the R1D Sounds stream skews significantly to both younger audiences and lower socio-economic groups compared to BBC Sounds overall.<sup>34</sup>
- 4.30 The BBC's public value assessment of R1D centres on its contribution to Purposes 2,3 and 4. The BBC considers that R1D would deliver Purpose 2 by including some 'speech-led programming' to explore dance history and context (for example, *Pete Tong's Essential History of Dance Music*).
- 4.31 It says that R1D would contribute to Purpose 3 by providing a "broader range of music than any comparable station" (over 3,000 unique tracks per year) and provides comparisons with Capital Dance and Heart Dance to indicate this.<sup>35</sup> The BBC also states that live music would be a key feature of R1D, including events which feature new DJs and emerging acts. *BBC Introducing* would also continue to support new dance acts, recording and broadcasting unique performances.
- 4.32 The BBC proposes that at least a third of the music in daytime would be new and estimates that this is more than KISSTORY and Capital Dance.<sup>36</sup> The BBC also considers that R1D would support British music and talent with at least 45% of tracks from UK artists<sup>37</sup> (at a higher percentage than KISSTORY and Capital Dance), contributing to both Purpose 3 and Purpose 4.<sup>38</sup> The BBC states that R1D has commissioned an industry collaboration series, partnering with UK-based dance industry brands to showcase new and existing dance talent and support the more specialist side of dance.

## Ofcom review

- 4.33 **Audiences:** We have previously called out the need for the BBC to improve delivery to underserved audiences (primarily younger and those from lower socio-economic groups). We note that in the past ten years overall reach of Radio 1 has declined by 26% (from 10.6 million to 7.8 million). However, reach among 15-24 year olds has fallen by 55% in this same period (from 3.3 million to 1.5 million), while the decline in C2DE audiences is in line with the overall audience decline.<sup>39</sup>

---

<sup>34</sup> BBC, [New music radio stations: Public Interest Test](#), pp. 34, 57,52 and 65.

<sup>35</sup> The BBC points out that in 2023, the Sounds-only R1D stream played 3,273 unique tracks whereas Capital Dance and Heart Dance played 1,423 and 376 tracks respectively.

<sup>36</sup> In comparison, the BBC estimates that 90% of tracks on Heart Dance are from the 2010s or earlier and that KISSTORY plays "some dance but not *new* dance music". It estimates that that Capital Dance plays 60% new music from around half the range of tracks so R1D would play "a greater variety of new music tracks each year".

<sup>37</sup> We understand that the BBC's data on tracks from 'UK artists' is based on the GB artists tag on Radiomonitor. It does not tag UK artists.

<sup>38</sup> In 2023, 58% of tracks on the R1D stream were from UK artists compared to 60% on Capital Dance (from a smaller playlist) and 38% on Heart Dance.

<sup>39</sup> RAJAR Q4 2014 and Q4 2024 (12 month weighting).

- 4.34 Nevertheless, as noted above, Radio 1 is the BBC’s station that skews most to younger and C2DE audiences and we agree that there is an opportunity for the BBC to build on its existing connections. There are some uncertainties around how effective R1D would be in delivering this in practice. The BBC has not provided any modelling on the reach of the proposed station among younger and C2DE audiences, and the value to underserved audiences could be limited given the BBC’s low estimated uplift in listening that this station would attract.
- 4.35 **Range of music:** we think that several elements of the station’s approach to music would contribute to Purpose 3. This is particularly demonstrated through the BBC’s commitment to a broad range of dance music (including more unique tracks than comparable stations) and exposure of specialist and new dance talent (including through partnerships). We agree that live and specially recorded music may also support the quality of the service and add to its distinctiveness, although the BBC has made no commitment on the amount of this content.
- 4.36 **New music and British music:** we agree that the station may also contribute to Purposes 3 and 4 through the commitments to new music and music from UK artists, and the additional exposure for new and specialist talent (beyond the BBC Sounds stream).
- 4.37 **Speech content and informal learning:** We also expect the station to make some contribution to informal learning (e.g. on dance history) and Purpose 2, though we think this would be limited as the proposed schedule is mainly music-led. However, we think the proposed amount of speech content (approximately 15-25%) is likely to be higher than other commercial stations.

## Radio 1 Anthems

### BBC view

- 4.38 The BBC states that R1A is aimed at 15-34s with a particular focus on 15-24s and audiences from C2DE groups. It has estimated an uplift in new BBC listening of 3.0-3.4 million hours per week. The BBC’s MTM research showed that 47% of 16-34s and 45% of C2DE audiences said they were likely to consider listening to R1A, and the BBC states that music from 2000s and 2010s over-indexes for audiences aged 15-34 and for C2DE audiences aged under 35.<sup>40</sup>
- 4.39 The BBC proposes that R1A would play a mix of “classic hits and forgotten gems” from the 2000s to today with a similar genre mix to Radio 1 (spanning classic pop, rock, rap, R&B, dance and indie tracks). It considers that R1A would contribute to Purpose 3 by playing a “broader range of music than any comparable station” at around 4,000 unique tracks per year, which it estimates is more than KISSTORY (2,272 in 2023), the music station it considers the closest competitor to R1A. It also states that R1A would showcase live performances from the BBC’s unique archive of artists from the 00s and 10s.
- 4.40 The BBC states that R1A would support British music and talent, contributing to Purpose 3 and Purpose 4. It proposes to have at least 33% of tracks from UK artists, which it estimates is more than KISSTORY (22%). The BBC also expects to partner with the Student Radio Association across 90% of its output so that most presenters would be in their first

---

<sup>40</sup> BBC, [New music radio stations: Public Interest Test](#), pp. 37, 59,17 and 65.

professional role, and to provide opportunities for students in production and playlist curation.

### Ofcom review

- 4.41 **Audiences:** As with R1D, we agree that there is an opportunity for the BBC to build on its existing connections with younger and C2DE audiences. We also acknowledge that music from the 2000s and 2010s over-indexes for audiences aged 15-34 and for C2DE audiences aged under 35. However, the BBC has not provided any modelling on the reach of the station among younger and C2DE audiences, and the value to underserved audiences could be limited given the BBC's low estimated uplift in listening hours that this station would attract.
- 4.42 **Range of music:** We agree that providing a broader range of music would support delivery of Purpose 3 and note that the BBC has committed to providing more unique tracks than offered by close competitor KISSTORY. However, we consider the opportunity for risk taking and innovation is limited due to the focus (in part) on classic tunes. We also note that since the BBC completed its PIT analysis, Bauer and Global have launched new stations (e.g. Capital Anthems, Heart 10s, Hits Radio 00s) which focus on similar genres and decades of music to R1A. We consider that live performances from the BBC archive would support the quality and range of the service, though the BBC has made no commitments on amounts.
- 4.43 **Supporting British talent:** We agree there is industry value in providing tracks from UK artists and increasing exposure and training for new presenter and production talent (beyond the BBC Sounds stream). We consider that the focus of the station on training talent both on and off air is an important aspect of the proposed public value, contributing to Purpose 4.

## Radio 3 Unwind

### BBC view

- 4.44 The BBC states that R3U is aimed at 35-54 year olds, younger than the typical audience to classical music radio stations, and estimates an uplift in new BBC listening of 0.7-0.9 million hours. The BBC's MTM research found that 36% of 35-54s said they were likely to consider listening to R3U.<sup>41</sup>
- 4.45 The BBC intends that R3U would contribute to Purpose 3 by playing "a broader range of music covering more genres in greater detail than any other radio service in the market". The BBC refers to analysis carried out by Loftus Media which showed the range of genres played on Classic FM and Scala Radio (now Magic Classical). The BBC states that R3U would play a considerably broader range of genres in comparison, including contemporary (and sub-genres within this) and some medieval/renaissance, Baroque and light music.
- 4.46 The BBC also states that R3U would support British music and talent, contributing to Purpose 3 and 4. The BBC says that recordings broadcast on R3U would predominantly have been made in the past 10 years, with many recorded in the past five years, and makes comparisons with Classic FM (36% in the previous 10 years) and Scala Radio (58%).<sup>42</sup> R3U

---

<sup>41</sup> BBC, [New music radio stations: Public Interest Test](#), pp. 17, 65 and 63.

<sup>42</sup> According to the Loftus Media Analysis.

would also feature contemporary living composers across all shows (apart from *Sleep Tracks*) with some shows focused on these composers.

- 4.47 The BBC proposes that all R3U commissioned shows would include a minimum of 25% music by UK composers (with the exception of two shows) and eight hours per week would be 100% UK music. The BBC compares this with the proportions of pieces by UK composers on Classic FM (18%) and Scala Radio (21%).<sup>43</sup> The BBC also proposes that the station would feature about 20% music by female composers and about 15% music by composers from minority ethnic backgrounds per episode in the majority of programmes.<sup>44</sup>
- 4.48 The BBC states that R3U would broadcast live and specially recorded music every week throughout the schedule. To increase the exposure of new works, R3U would broadcast pieces commissioned for the main R3 station and specially commissioned compositions.
- 4.49 Finally, the BBC proposes that R3U would “lean into the mindfulness, wellbeing and speech space in a way none of our competitors do” (through shows such as *The Music & Meditation Podcast* and *The Sleeping Forecast*).

## Ofcom review

- 4.50 **Audiences:** We think it is possible that R3U, because of its proposed content, might attract younger audiences than its parent station and potentially extend the appeal of classical music on the BBC to a younger age group than is currently the case.<sup>45</sup> However, the BBC’s estimated uplift in listening hours for the proposed station is low and the audience profile of some classical extension brands (Classic FM Calm, Classic FM Movies and Magic Classical) already skew younger than BBC Radio 3.
- 4.51 **Range of music:** We agree that the BBC’s commitment to play a broad range of genres and sub-genres would support the distinctiveness of the station. In addition, we asked the BBC to provide us with the full results from the Loftus Media analysis to better understand the comparisons made. This showed that Classic FM and Scala Radio (now Magic Classical) played music from a range of genres, including a small proportion of Baroque and early music, although it did not split out sub-genres within ‘Contemporary’ on those stations.<sup>46</sup> This evidence does not therefore make clear that R3U would be providing additional genres that are not available on comparator stations.
- 4.52 We also agree that the BBC’s commitment to broadcast live and specially recorded content every week throughout the schedule would help support the quality and range of music on R3U and contribute to its distinctiveness.
- 4.53 **New music and British music:** We consider that a focus on recent recordings would support the UK music industry and asked the BBC for more detail about this. The BBC confirmed that it is “committed to playing recordings from the last 10 years wherever possible” and provided an average percentage of recordings from the last 10 years for a list of 10 proposed programmes; this showed that 7 out of 10 programmes would have between 60-100% of recordings from the last 10 years, while three programmes would be excluded

---

<sup>43</sup> According to the Loftus Media Analysis.

<sup>44</sup> With the exception of *Sleep Tracks*, *The Sleeping Forecast* and the *Music and Meditation Podcast*. BBC, [New music radio stations: Public Interest Test](#), p. 45.

<sup>45</sup> The average age of listeners to BBC Radio 3 is 61.5; to Classic FM is 57.3; to Classic FM Calm is 53.1, to Classic FM Movies is 47.2; and to Magic Classical is 54.5. RAJAR Q4 24.

<sup>46</sup> The four most popular genres were Romantic, Classical, Contemporary and Soundtracks.

from these proportions for rights and availability reasons. While the BBC has not committed to an average proportion of recent recordings across its schedule overall (and the excluded programmes would bring this number down), we consider that the curation of a high proportion of recent recordings for the majority of programmes would help support discovery of new music, driving individual and industry value.

- 4.54 The commitment to showcase 25% of music from UK artists does not stand out significantly from the proportions on Classic FM and Scala Radio, taking into account that two R3U programmes are excluded from this number.<sup>47</sup> However, we consider that the curation of programmes which focus on living and contemporary composers and the commitment to promote under-represented artists (including female and minority ethnic composers) would help to support the discovery of contemporary artists.
- 4.55 **Speech and informal learning:** We asked the BBC to confirm how the speech content on R3U would contribute to Purpose 2. The BBC gave a number of examples, including helping audiences learn about new and contemporary performances; teaching and practice of skills for personal development with programmes such as the *Music & Meditation Podcast*; and offering insights into composers' motivations for writing and their musical approach in shows like *Classical Unwind* and *Classical Wind Down*. On the basis of the information provided, we agree that the BBC's proposed schedule could support informal learning in a variety of ways, although this could be limited by the fact that the station would only be around 10% speech.

## Radio 2 Extension

### BBC view

- 4.56 The BBC states that R2E would target listeners aged 55+, providing particular value to C2DE audiences and that it has built this target audience into the vision of the station. It highlights how music from the 60s and 70s over-indexes for 55+ C2DE audiences and that its research showed the proposal was well-received among its target audience, with almost half (48%) of respondents in the target audience saying they were likely to listen.<sup>48</sup>
- 4.57 The BBC states that around 70% of the station's output would be music, and sets out a range of ways that the music would contribute to the BBC's Mission and Public Purposes: it expects to play at least 6,000 (unique) tracks a year from the 50s, 60s and 70s, including lesser-known album tracks and one hit wonders. About 40% of the tracks played would be from UK artists and about 20% of the schedule would be specially recorded content from the BBC's music archive.
- 4.58 It also states that, following stakeholder feedback, it has redeveloped the schedule towards a more "speech-led network". The station would be around 30% speech, and around 60% of the schedule would be "speech led". This would include documentaries (45% speech) and "highly curated" programmes (35% speech).<sup>49</sup>

---

<sup>47</sup> *Cinematic Soundtracks* and *Sleep Tracks* are excluded from these proportions.

<sup>48</sup> BBC, *New music radio stations: Public Interest Test*, pp. 19, 17 and 60.

<sup>49</sup> In a follow up information request we asked the BBC to confirm what it meant by "speech led". It said this refers to the "contextualisation of the music, the curated listener sourced memories, the BBC's unique archive speech content, and our presenters and their expert guests' insight into the popular culture of the era."

- 4.59 The BBC also says that it intends to establish a partnership between R2E and the BBC’s local and national radio stations to “draw on local experts and voices to tell the story of the significance of the music of their specific regions across the UK.”
- 4.60 Finally, the BBC’s proposal for R2E now includes news bulletins, which was not the case at consultation. In its conclusion it notes that Boom Radio, News Broadcasting and Radiocentre all questioned the lack of speech content and news provision by the proposals. It says that following stakeholder feedback, considering its target audience, and in reviewing its proposals to increase distinctiveness, it now plans to provide 10 news bulletins throughout the day which would be simulcast output from BBC Radio 2.<sup>50</sup>

## Ofcom review

- 4.61 **Range of audiences:** We welcome the BBC’s intention to target older C2DE audiences (aged 55+), providing them with a broad range of music, including from UK artists, as well as speech content and news. We acknowledge that music from the 60s and 70s over indexes among older C2DE audiences,<sup>51</sup> and note the BBC’s research findings regarding the perceptions and likelihood to listen to R2E among different audience groups. However, we note that while the BBC has modelled the overall potential uplift in listening for the proposed station, it has not undertaken any modelling to demonstrate potential listening levels among different demographic groups, so we cannot tell, for example, how many C2DE listeners the BBC expects the station to attract.<sup>52</sup>
- 4.62 Nevertheless, we agree that the service would be likely to appeal to its target audience: Radio 2 has a higher proportion of C2DE 55+ listeners than the majority of the other BBC UK-wide radio stations and a higher proportion than the all radio average.<sup>53</sup> It is likely that a Radio 2 extension specifically tailored for this audience would likely improve its appeal among these listeners. We note there are already commercial stations which skew older and to C2DE audiences, including Absolute Radio 60s (54% are 55+ and 53% are C2DE), Greatest Hits 60s (74% are 55+ and 56% are C2DE), Boom Radio (77% are 55+ and 50% are C2DE) and Gold (61% are 55+ and 53% are C2DE).<sup>54</sup>
- 4.63 **Music offer:** We asked the BBC to provide broad estimates of the amount and proportion of music it would provide from each of the 50s, 60s and 70s. It stated that it would be working approximately to 20% from the 50s, 40% from the 60s and 40% from the 70s. This would, to a limited extent, distinguish R2E from those stations which focus on one decade (e.g. Heart 70s or Greatest Hits Radio 60s), and we agree that music from the 1950s is generally less well-provided for on radio.
- 4.64 However, we note that Boom Radio includes music from the same decades and around 10,000 unique tracks per year.<sup>55</sup> R2E would include no new music and overall we consider that the BBC’s case for the distinctiveness of R2E in terms of the level of innovation and

---

<sup>50</sup> The BBC notes that radio remains an important source of news for older audiences, used by 48% of adults aged 55+, and behind only online (54%) and TV (85%). (Source: News consumption in the UK, Ofcom, figure 3). BBC, [New music radio stations: Public Interest Test](#), p. 76.

<sup>51</sup> This is supported by our analysis of IPA TouchPoints data.

<sup>52</sup> It estimates an uplift in new BBC listening of 13.4-14.6 million hours.

<sup>53</sup> RAJAR Q4 2024.

<sup>54</sup> RAJAR Q4 2024 (12 month weighting).

<sup>55</sup> According to Boom Radio, the station “*focusses on music from the 60s and 70s, spiced with 50s and easy material – and introduces listeners to a small number of newer tracks, mostly from British heritage or new artists.*” Boom Radio, [response to the BBC’s New music radio stations: Public Interest Test consultation](#), p. 18.



range of music is not strong. We also note that the BBC's comparisons did not include any of the most recent launches of new extension stations, which includes Greatest Hits 60s.<sup>56</sup>

- 4.65 We also asked the BBC to provide specific examples of archive programming that it intended to broadcast on R2E. The BBC said that it would include multi-part series like *The Peoples' Songs* and *Sounds of the 20<sup>th</sup> Century*, alongside artist-focused *At the BBC* programmes and more than half a century of *In Concert* live music performances. The BBC stated there would be a daily strand with the archive at its core and the ambition would be to schedule BBC session tracks across the curated daytime shows. While we note from the BBC's PIT that the indicative schedule for R2E includes some archive shows repeated from Radio 2, we agree that drawing on the BBC's archive of specially recorded content would help support the quality and range of output and to deliver Purpose 3.
- 4.66 **Speech:** We asked the BBC to expand on how its speech content would deliver Purpose 2. It said that R2E would support the informal learning of audiences with music and speech elements which appeals to audience interests in the stories behind the music on the station. It said this is particularly true for the speech element, which would deliver important context for musical history which, it states, audiences in their research group found to be an important element, stating that there is quite a lot of music history that audiences are interested in listening to.
- 4.67 We agree that the station's speech output would to some extent support the delivery of Purpose 2, offering personal and societal value. We also agree that the planned level of speech (30% of the schedule) would be higher than most commercial providers, but also note some similarities with Boom Radio, which is presenter led throughout its schedule.<sup>57</sup>
- 4.68 The station's planned partnership with the BBC's local and national radio stations would likely be a distinctive element of the station's output and would contribute towards the stations' representation and portrayal of a wide range of audiences. However, the BBC confirmed that this would be limited to one hour per week (with the possibility of extending to two).
- 4.69 **News:** We agree that the proposals would support the delivery of Purpose 1 through its news output, bringing personal and societal value. However, the majority of comparator stations also have news, limiting the additional public value for listeners coming from these stations.

## Provisional conclusions on public value for the proposed DAB+ stations

- 4.70 Overall, our view is that R1A, R1D and R3U would offer some public value, including some individual, social and industry value. Both R1A and R1D aim to appeal to younger and C2DE listeners who get less value from the BBC, and we have given weight to this in our assessment. The proposed stations would include some distinctive elements and support for the music industry and talent pipeline. As explained above, there are areas of the BBC's assessment where we consider that the value is likely to be more limited than the BBC sets

---

<sup>56</sup> It compared its planned level of 6000 unique tracks with: Absolute 70s (924 tracks in 2023), Heart 70s (355 tracks) and Gold (1,402 tracks). It argues that Boom Radio is an outlier for a commercial radio station in this genre, playing more than 10,000 unique tracks in 2023.

<sup>57</sup> With the exception of the overnight slot of 2am to 6am.

out, and where we consider that there is less certainty from the cited evidence than implied by the BBC.

- 4.71 We also think that R2E would offer some public value. It would target older C2DE listeners, have 30% speech content (including regular news bulletins and documentaries) and draw on archive content which may bring range and quality and support learning. However, as explained above, overall the case for the distinctiveness of the station in terms of the level of innovation and range of music is not strong.

## The BBC's proposed changes to 5 Sports Extra

---

- 4.72 The BBC proposes to extend the broadcasting hours of 5SE, to change it from a part-time overspill station offering live sports commentaries only, to an extended hours station, broadcasting every day between 9am and 7pm. The BBC plans to extend the schedule with existing BBC sport podcasts already available on BBC Sounds and previously broadcast sport commentary replays. It states that the proposals do not involve any increase to either the BBC's commissioning spend or hours of live sports coverage.<sup>58</sup>

### BBC view

- 4.73 The BBC sets out what it sees as the **value to audiences** from its proposal. It considers that extending the broadcasting hours of 5SE would generate greater value from licence fee funded content, by offering more opportunities for sports podcast content to reach more audiences at little incremental cost. It says this would also provide industry value by increasing reach of BBC commissioned content, including from independent producers. The BBC states that live radio remains the most significant way in which audiences consume sport content, expecting there to be significant take-up of the station among sports radio listeners. Its modelling projects that 5SE listening hours would increase by around 33% (an additional 1.6 million hours a week of listening).<sup>59</sup>
- 4.74 The BBC further states that sports content remains a strong proposition for C2DE and younger audiences on linear radio, bucking the overall trend of listening to radio overall, and that the changes would better serve C2DE and younger audiences with sports content that is relevant to them. It states that sports output on 5 Live over-indexes for 25-34s and C2DE audiences, while 5SE over indexes for 25-34s but under-indexes for C2DE. It says that by providing a "dedicated and integrated sports destination", it hopes to offer greater value and appeal more to those audience groups.
- 4.75 On this basis, the BBC argues that the service would provide individual value by better serving C2DE and younger audiences with sports content that is relevant to them, and societal value by delivering a greater choice of sports related content on linear radio that caters to C2DE and younger audiences and safeguarding the BBC's ability to deliver the Mission and Public Purposes to all audiences – including underserved audiences – and therefore support the long term future of the BBC.
- 4.76 In terms of **range of sports**, the BBC says that the service would deliver individual value by better serving audiences with a distinctive offer of sports across a broad range of content as well as serve audiences with a particular interest in more niche sports who are not well

---

<sup>58</sup> BBC, [5 Sports Extra: Public Interest Test](#), pp. 4 and 39. It would continue to broadcast live overspill sports coverage outside of these proposed regular hours.

<sup>59</sup> BBC, [5 Sports Extra: Public Interest Test](#), pp. 6 and 7.

provided for by the commercial market. The BBC also consider its 5SE proposal would deliver societal value by providing a range of content on network radio which covers a wide range of sports, exposing audiences to sports that they may be less familiar with, and supporting interest in these sports. In the sports PIT, the BBC provides an example schedule for how the service would look if its proposals were approved.<sup>60</sup>

- 4.77 In relation to **representation and portrayal** from across the nations and regions, the BBC states that the proposals would improve these by delivering more distinctive and relatable content for audiences across the UK. It would provide 1-2 hours per day of nations/regions specific content.<sup>61</sup> It states that the changes would provide individual value by serving content that audiences across the UK nations and regions feel is relevant to their interest, increasing audiences’ choices and societal value by serving more content that reflects and portrays authentic voices from producers from across the UK nations and regions, bringing communities together around sporting interests.
- 4.78 Finally, in terms of **discoverability**, the BBC says that the proposals would aid discoverability of on-demand sports content on BBC Sounds through giving prominence to the BBC’s on-demand sports catalogue on a national linear radio station. It says that the proposals would encourage the transition of listeners to BBC Sounds where audiences can discover other relevant BBC content with a richer, more personalised experience.

### Ofcom review

- 4.79 **Audiences:** It is possible that the proposals would deliver personal and societal value by showcasing existing content on a range of sports to a wider audience. Providing the content on DAB would give it the potential to reach more audiences than is currently the case on Sounds, therefore increasing the reach of sports podcast content. This could also provide a small amount of industry value by extending the reach of BBC commissioned content.
- 4.80 However, we do not think the BBC has demonstrated how the changes would especially appeal to C2DE audiences. We asked the BBC to confirm how it had calculated the audience indexes for listening to its sports output. It confirmed this was based on reach profiles and indexed against reach of the news slots on 5 Live. We do not consider this provides evidence of appeal to CD2E audiences given 5 Live news listeners are more likely to be ABC1.<sup>62</sup>
- 4.81 **Type of content and range of sports:** To understand more about the range and type of content that 5SE would provide, we asked the BBC for additional detail on what the podcasts would cover. It provided the following information:

**Figure 5: Additional information provided by the BBC on the range and type of 5SE content**

Podcast type	Summary of the BBC’s explanation
Sport podcast	5 Live’s sport specific podcasts. E.g. <i>5 Live Boxing, F1</i> .
Daily podcast	Titles such as the <i>Football Daily, Scottish Football Daily, Rugby Union Daily</i> (during major tournaments) and <i>Transfer Gossip</i>

<sup>60</sup> BBC, [5 Sports Extra: Public Interest Test](#), p. 36.

<sup>61</sup> Although note it also separately set out in its response that approximately two hours of content per day is expected to be Nations and Regions content.

<sup>62</sup> ABC1 adults account for 57% of all radio listeners, compared to 68% of 5 Live news listeners. RAJAR Q4 2024 12 month-weight.

	<i>Daily</i> that offer audiences the chance to hear the latest news and reaction from their sport.
Narrative podcast	Long form podcast series telling interesting stories. E.g. <i>The House of Sepp Blatter</i> , a multi-part series documenting Blatter's role and influence in FIFA, <i>Sporting Giant Alex Ferguson</i> telling the story of Alex Ferguson's rise within football.
Nations podcasts/ Regional podcasts	The BBC's nations and regions produced content related to their area, aired nationally. Including a range of club-specific podcasts (such as <i>Sky Blues Fancast</i> , and the <i>Leicester Tigers Rugby Show</i> ) as well as also region-specific podcasts such as <i>Off the Ball</i> , the <i>Scottish Football Podcast</i> , <i>Scrum V</i> and <i>The LGBT Podcast</i> .
Podcast Premier (repeat)	Offering a chance for audiences to hear a podcast on the day it's released, such as the <i>Rugby Union Weekly</i> , or <i>5 Live Boxing</i> .

4.82 We also asked the BBC to clarify its plans around the balance of types of content it would include on the service. Its response included the following:

- **Expected range/balance of sports covered:** It would expect to cover: one hour a day of topical podcasts; one to two hours of nations/regions content; one to two hours of sport entertainment podcast; one to three hours of narrative podcasts; and one to two hours of interview, personal or guest-based podcasts. It states that these balances would flex around the live sport on the station, which would remain the priority.
- **Number of different sports planned:** The BBC provided a list of nine sports it would currently expect to cover, based on its existing podcasts: Boxing, Cricket, Football, Women's football, F1, Rugby League, Rugby Union, Snooker and Gaelic Games (GAA Social).<sup>63</sup> It would also include podcasts which cover other sports but may not be focused on one topic or sport.
- **The recency of podcast and repeat commentary:** The BBC said it would feature a "large number of contemporaneous podcasts" and that most of these are released daily or weekly.<sup>64</sup> It would also feature some 'timeless' content, such as its narrative podcasts, which would be repeated over a longer period of time and may have multiple playouts per year. Repeats of live commentary would be rare.
- **Club specific content:** It said that due to the narrow appeal and prior knowledge required to enjoy club-specific content and the unlikely possibility of being able to feature specific titles in regular slots, this type of content would not form a large part of the schedule. Club-specific content would feature when editorially significant events occur that have a wider appeal/interest to the audience.

4.83 In its sports PIT, the BBC does not commit to showcasing in the additional 5SE hours a broader range of sports than it already covers. It states that it already covers more than any other radio broadcaster and that committing to a broader range could drive greater

<sup>63</sup> Noting this list was not final as there may be podcasts commissioned in future which feature other sports.

<sup>64</sup> It says these would be aired soon after they're published, until they are either out-of-date editorially, have a contracted maximum number of plays, or a new episode is released. Occasionally they may have a longer shelf life, such as one-off specials focused on a particular topic or event, or special guest interviews.

commissioning spend which it has committed not to do. It considers this to be an important mitigation for some stakeholders.

- 4.84 In 2023/24 the BBC covered 21 different sports across 5 Live and 5SE. All but one of the nine listed above were already covered across the stations.<sup>65</sup> While we would not necessarily expect the BBC to commit to increasing the overall number of sports covered, it also does not commit to giving significant exposure to sports that currently receive less coverage.
- 4.85 We agree that increasing coverage of a range of sports content would bring personal and societal value. But while the most popular sports (such as football, rugby and cricket) would likely gain the largest audiences, we consider that there may be greater public value in providing more coverage of less mainstream and well-covered sports, which would broaden the services' range of output, may bring more innovation and would potentially attract a different audience compared to some of the more mainstream sports.<sup>66</sup> This in turn would likely help set it apart from other commercial providers. Given the BBC does not commit to a level (or limit) on any one type of sport/group of sports it is difficult to conclude on the likely distinctiveness of the service including terms of range, innovation and audiences served.
- 4.86 **Representation and portrayal:** Providing nations and regions specific sports content to a UK wide audience would increase its reach and would improve 5SE's delivery of Purpose 4. The BBC's audience research showed that audiences were positive about the extent to which the proposed changes would '*cater for the part of the UK I live in*'.<sup>67</sup>
- 4.87 The BBC does not make any additional commitments to a specific amount of content from the nations or regions, as it considers that it already delivers a range of sports audio content from voices and producers from across the UK. It has also confirmed that club-specific content would not form a large part of the schedule. Nevertheless, on balance we think the amount of content it has planned would help contribute to Purpose 4, by bringing nations and regions specific sports content to a wider audience than is presently the case.
- 4.88 **Discoverability:** We asked the BBC for further detail on how its proposals would aid discoverability of content on BBC Sounds. It set out that 5SE would likely occasionally play shortened versions of content available on BBC Sounds which may contain a prompt for listeners to find the full version on BBC Sounds. It says that these short verbal trails are not expected to be significant enough to measure, but would aid listener discovery of further content related to the output on 5SE. It also sets out that as the station would be broadcasting for longer there would be increased opportunities to cross-promote other stations and this may include trails to BBC Sounds.
- 4.89 We consider that the proposals may to some extent aid discovery of sports content on BBC Sounds: the increase in the number of listeners to 5SE, as well opportunities to showcase podcast content on linear radio and promote additional content on Sounds, may result in some of those listeners exploring Sounds. However, we note that the BBC has not

---

<sup>65</sup> The Operating Licence requires 5 Live to provide live commentary on at least 20 different sports each year. Only Gaelic Games was not included in the BBC's list of 21 sports 5 Live/5SE covered in 2023/24. The podcast *GAA social* is produced by BBC Radio Ulster.

<sup>66</sup> IPA TouchPoints 2024 Superhub; QRD4a: What types of sport do you like to listen to on the radio?

<sup>67</sup> 56% of audiences in England agreed it would do this, compared with 60% in Northern Ireland, 55% in Wales and 49% in Scotland. (BBC MTM Research). BBC, [5 Sports Extra: Public Interest Test](#), p. 52.

specifically modelled any additional impacts on BBC Sounds on-demand listening, nor has it given firm commitments for how it would promote content on Sounds. We are therefore unsure how much the proposals would increase listening on BBC Sounds.

## Provisional conclusions on public value for 5 Sports Extra

4.90 On balance, and based on the review above, we consider that the proposals would provide some personal, societal and industry value by broadening the amount of sports on linear radio, showcasing existing sports content to a wider audience and potentially aiding discoverability of other sports content on BBC Sounds. Personal value would be delivered by more audiences hearing and enjoying this content, while there may be societal value through exposure of a broader range of sports, including some non-mainstream sports. However, the BBC does not provide guarantees that it will give significant coverage to sports that currently receive less coverage, and as set out above, we do not consider there to be sufficient evidence that the changes would especially appeal to its target audiences of C2DE and younger audiences.

## Consultation questions

---

### **Consultation question 1:**

Do you agree with our provisional conclusions from our review of the BBC's assessment of the public value of the proposals for:

- (i) the proposed DAB+ music stations; and
- (ii) 5 Sports Extra.

Please provide evidence to support your views, specifying which of our conclusions you are referring to.

# 5. Our assessment of potential market impacts

5.1 In accordance with our duties under the Charter and Agreement, we are required to make an assessment of the potential impact on fair and effective competition of the changes proposed by the BBC. Our detailed assessment is included at annex 1. In this section, we summarise:

- the potential competition concern;
- the BBC's and other stakeholders' conclusions on the market impact;
- how we approached our competition assessment for the music and sports stations; and
- our assessment of the impacts of the proposals.

## Potential competition concern

---

5.2 As a large publicly-funded organisation which operates across the television, radio and online sectors in the UK, the launch of a new service by the BBC could have an impact on the degree of competition in the radio sector. We have previously considered the potential impact of changes to the BBC's audio services (including in our most recent Annual Report on the BBC).<sup>68</sup>

5.3 More specifically, in fulfilling its objectives, there is a risk that the BBC may harm the ability of others to compete effectively. For example, an adverse impact on competition could arise if commercial operators' revenues and profits reduce to such an extent that it undermines their willingness to invest in new services or in improving the quality of their existing services. It may also result in some commercial operators ceasing to provide services or being deterred from entering the market, if it is no longer profitable to do so. This could harm audiences in the long run by reducing choice, quality or innovation. However, it's also possible that the impact may be positive, by stimulating demand and/or encouraging innovation.

5.4 In addition, there could be wider impacts of the BBC's proposals, as a result of how the BBC procures content and inputs to develop its services. For example, there could be wider impacts if the BBC's proposals were to restrict access to inputs and/or raise input prices, thereby leading to a detrimental impact on the ability of commercial operators to invest and offer services to audiences.

---

<sup>68</sup> In our statement on changes to our 2023 guidance about how the BBC's competition impact is assessed. Ofcom, [How Ofcom regulates the BBC's impact on competition: Changes to guidance and requirements](#), annex 1 and Ofcom, [Annual Report on the BBC 2023 - 2024](#) p. 66.

## The BBC's conclusions on market impact

---

### The market impact of the proposed music stations

5.5 The BBC is of the view that three of the four proposed new music stations are unlikely to have an impact on fair and effective competition, but that R2E has the potential to have an impact on close competitors.

#### Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind

5.6 The BBC considers that R1D, R1A and R3U would likely, both individually and in aggregate, have a limited impact on fair and effective competition. It says that these stations would draw some listeners away from commercial operators, but its analysis indicates that the impact on group-level revenues would likely be low (only around a 1.2% loss in aggregate). As such, the BBC considers these stations would be unlikely to have an impact on investment incentives on a static basis.<sup>69</sup>

#### Radio 2 Extension

5.7 In contrast, the BBC considers R2E does have the capacity to have an impact on fair and effective competition. It estimates the likely impact of R2E on commercial operators' revenues would be 2.6%, which is more than twice that of the three other proposed music stations combined. The BBC says that R2E has the potential to impact investment incentives, and that it is not possible to say whether dynamic effects will fully mitigate this. The BBC considers that this will likely add further pressure to Boom Radio on top of recent changes by Global and Bauer that are targeting similar demographics.<sup>70</sup>

### The market impact of changes to 5 Sports Extra

5.8 The BBC considers there to be a "potential significant adverse impact on the single sports radio broadcaster in the market". Its analysis finds that the proposed changes to 5SE could reduce News Broadcasting's revenue by 1.6%, and that it has limited potential dynamic responses to mitigate this impact. The BBC considers this level of impact may influence investment in talkSPORT 2 (or other News Broadcasting stations), and possibly result in cost cutting. It also considers there will be a small positive impact on the supply chain driven by 5SE providing additional exposure to content that has already been commissioned.<sup>71</sup>

## Stakeholder views on the market impact

---

5.9 We have received a number of submissions from stakeholders on the potential impact of the BBC's proposals on fair and effective competition, which were gathered during the Initial Assessment period and through the information gathering stage of our BCA. Several stakeholders raised concerns that the BBC's music proposals would have adverse impacts on their organisations, or those they represent, both in terms of a loss of listening and wider impacts on other parts of the supply chain. For 5SE, News Broadcasting told us that they think the proposal would have a significant adverse impact on talkSPORT Network and that the BBC have underestimated the magnitude of the impact.

---

<sup>69</sup> BBC, [New music radio stations: Public Interest Test](#), p. 103.

<sup>70</sup> BBC, [New music radio stations: Public Interest Test](#), p. 103.

<sup>71</sup> BBC, [5 Sports Extra: Public Interest Test](#), pp. 64 and 66.



## How we have approached our assessment

---

- 5.10 In our assessment, we have examined the impact of the BBC’s proposals on listening, revenue and profitability of rival commercial radio operators (‘static impacts’).<sup>72</sup> In particular, we focus our assessment on the incremental change in listening that the BBC could gain from these stations – this means that:
- for R1A, R1D and R3U, we focus our assessment on the incremental listening that the DAB+ station could achieve on top of the existing listening to their online streams;
  - for R2E, we focus our assessment on the total estimated listening for both online and DAB+ since this station does not exist as a stream currently (unlike R1A, R1D and R3U); and
  - for 5SE, we focus our assessment on the additional listening that 5SE could achieve on top of listening to its existing schedule of live sports.
- 5.11 We then consider whether this could affect the incentives of commercial operators to invest and innovate (‘dynamic impacts’) and we assess if there are any wider implications of the BBC’s proposals on other parts of the supply chain (‘wider impacts’).
- 5.12 We provide a high-level overview of our approach for the four proposed new music stations and 5SE below, and this is covered in more detail in annex 1.

### Music stations

- 5.13 Our starting position in previous BCAs has been to estimate consumption based on existing figures from the BBC on comparable services.<sup>73</sup> However, this is not possible for the four proposed music stations, as the BBC has not launched a comparable music-based digital radio station since 2002, during which time the radio sector and listening behaviours have changed.
- 5.14 We have examined a number of different approaches for estimating listening to the four music stations, as set out in annex 1. This includes the **parent extension approach** (used by the BBC) which first defines a group of comparable commercial extension stations to each of the BBC’s proposed stations; and then calculates listening by applying (i) the ratio of listening to commercial extension stations relative to the parent station; to (ii) the listening to the relevant BBC parent station.
- 5.15 We consider that this is a reasonable and practicable approach. This is because (i) levels of listening to the proposed BBC stations will vary according to the relevant parent station (due to brand power, simulcasts and cross promotion etc); and (ii) there is a correlation between listening to commercial extensions and listening to their parent stations. This is discussed in more detail in annex 1.

---

<sup>72</sup> Our ‘static impacts’ have focussed on the impacts on national commercial radio operators, given the difficulties in estimating diversion from radio stations outside of our competitor set.

<sup>73</sup> For example, we used the closure of BBC Three to estimate the potential impact on rival broadcasters for the [BBC Three BCA](#), the outperformance of BBC Two’s Scottish programming relative to BBC Two’s programmes to estimate viewing for BBC Scotland, and extrapolated from observed BBC iPlayer viewing to estimate the increase in viewing in the [BBC iPlayer BCA](#).

5.16 We therefore use the BBC’s approach as a starting point and make a number of adjustments where appropriate.

## Radio 5 Sports Extra

5.17 We have similarly examined a range of different approaches that could be used to estimate the additional listening for 5SE, set out in annex 1. This includes the **top-down approach** (used by the BBC) which involves extrapolating existing listening to 5SE to reflect the BBC’s proposed additional hours of broadcast between 9am and 7pm and adjusting this incremental listening to reflect the lower popularity of the proposed non-live sports content (i.e. podcasts and repeat commentaries).

5.18 We consider that the **top-down approach** is a reasonable and practicable approach for estimating listening to 5SE due to our understanding the BBC’s additional non-live sports content would be tailored to complement its existing live sports schedule. We have therefore used the BBC’s approach as the starting point and made changes which we deem appropriate. We discuss this in more detail in annex 1.

5.19 We have further used a **bottom-up approach** as a sensitivity check to the above. This involves using existing on-demand listening to sports podcast content on BBC Sounds, and scaling this up to reflect listening to a live radio station.

## Impact on commercial operators

### Static impact

5.20 Our base case estimated listening for the new music stations and the changes to 5SE are shown in figure 6 below. In general, we have estimated similar listening to the BBC for 5SE and the music stations, except for R3U where our estimated listening hours are higher than the BBC’s estimates.

5.21 For R1A, R1D and R3U (which are already streams on BBC Sounds), we focus our assessment on the incremental listening to the DAB+ stations and hence deduct listening to the BBC’s existing extension streams. The BBC does not do this in its analysis, which results in our estimated listening for R1A and R1D being lower than the BBC’s estimate.<sup>74</sup>

Figure 6: Estimated average weekly listening hours, in comparison to BBC’s estimates

	BBC estimates	Ofcom estimates <sup>75</sup>
<b>R1 Anthems</b>	3.5m	3.0m – 3.4m
<b>R1 Dance</b>	4.9m	4.20m - 4.24m
<b>R2 Extension</b>	18.6m - 22.3m	13.8m - 20.9m
<b>R3 Unwind</b>	1.2m	3.92m - 3.95m

<sup>74</sup> BBC, *New music radio stations: Public Interest test*, p. 5.

<sup>75</sup> We provide a range for our estimated listening hours to each proposed music station, because our parent extension approach draws on two possible groups of similar commercial extension stations: (i) based on our own analysis, or (ii) using the BBC’s competitor set. For 5SE, we also present a range for our estimated incremental listening to the station, because our base case analysis draws on two potential adjustments to reflect the lower popularity of the proposed non-live sports content, relative to live sports commentary.

**5 Sports Extra**

1.6m

1.5m - 1.7m

- 5.22 After estimating the listening hours of each station, we define the competitor sets. For the music stations, this is based on similarities in the stations' music content compared to the BBC's proposed stations, using data from Radiomonitor. For 5SE, we define talkSPORT and talkSPORT2 as the competitor stations as they are the only commercial sport stations in the UK.
- 5.23 We then estimate the amount of listening that could be diverted from these commercial stations / groups, and the amount of listening that could be cannibalised from the BBC. To do this, we use each station's relative share of listening hours as a starting point for the proportion of listening that we expect to be diverted to the proposed BBC stations. We apply adjustments to these listening shares, for example using the proportion of relevant content on the BBC parent stations from which we expect to see cannibalisation.<sup>76</sup> We explain our approach in more detail in annex 1.
- 5.24 Given this, we estimate the following loss of listening to commercial operators, as set out in figure 7 below. We estimate that the launch of R1A, R1D and R3U would likely lead to a low loss of listening across commercial operators, individually and in aggregate.<sup>77</sup> However, we estimate that the launch of R2E would likely lead to a higher loss in listening for commercial operators, particularly significant for the independent Boom Radio. For 5SE, our estimates indicate that 5SE could result in talkSPORT losing around 4.6% - 5.3% of listening across the talkSPORT network.

**Figure 7: Listening loss<sup>78</sup>**

	Bauer	Global	Boom Radio	Virgin Radio Network	talkSPORT Network
<b>R1 Anthems</b>	0.6% - 0.6%	0.5% - 0.5%	N/A	0.3% - 0.3%	N/A
<b>R1 Dance</b>	0.6% - 0.6%	0.8% - 0.9%	N/A	N/A	N/A
<b>R2 Extension</b>	2.2% - 3.3%	2.0% - 3.0%	14.0% - 21.1%	1.5% - 2.2%	N/A

<sup>76</sup> For music stations, relevant content on existing BBC stations refers to music content that matches the genre of the proposed extension station. For sports stations (i.e. BBC 5 Live), relevant content is sports content.

<sup>77</sup> Our analysis does indicate larger listening losses at the station-level for each operator as we would expect that the impact would be largely borne by stations with similar characteristics to the BBC's stations.

<sup>78</sup> We present results at the group-level for Bauer and Global; at the network-level for Virgin Radio Network and talkSPORT Network; and at the station-level for Boom Radio. We consider the impact on talkSPORT Network to be most relevant in terms of the impact on fair and effective competition because talkSPORT Network is the only commercial provider of sports services and, while we recognise that it is part of a larger group, we consider that the dynamic considerations discussed later create challenges for the group in continuing to invest in offering sports radio services. We consider the impact on Virgin Radio Network to be most relevant as these stations are the only music radio stations within the wider News Broadcasting group. We consider the impact solely on Boom Radio (not including Boom Light or Boom Rock) as the main Boom Radio station accounts for almost all of the operator's total revenue (83%). Furthermore, it is also the only one of these stations with data available on RAJAR.

<b>R3 Unwind</b>	0.1% - 0.1%	1.0% - 1.0%	N/A	N/A	N/A
<b>5 Sports Extra</b>	N/A	N/A	N/A	N/A	4.6% - 5.3%

5.25 Using these estimated impacts on listening, we then translate these into financial impacts.

5.26 We recognise that the relationship between listening and revenue is complex and will depend on numerous factors. Stakeholders generally provided evidence of a 1:1 relationship between listening and revenue across different revenue sources (e.g. National airtime, online advertising etc). In other words, a 1% fall in listening would roughly lead to a 1% fall in revenue. We use this assumption when translating listening losses into revenue impacts in our base case for the proposed music stations. We have more detailed information on this relationship from talkSPORT, which we use in our 5SE analysis.<sup>79</sup>

5.27 Based on the above, we estimate the following revenue losses for commercial operators, as shown in figure 8 below. The implications for commercial operators largely mirror the estimated loss of listening.

**Figure 8: Revenue loss**

	<b>Bauer</b>	<b>Global</b>	<b>Boom Radio</b>	<b>Virgin Radio Network</b>	<b>talkSPORT Network</b>
<b>R1 Anthems</b>	0.6% - 0.6%	0.5% - 0.5%	N/A	0.3% - 0.3%	N/A
<b>R1 Dance</b>	0.6% - 0.6%	0.8% - 0.9%	N/A	N/A	N/A
<b>R2 Extension</b>	2.2% - 3.3%	2.0% - 3.0%	14.0% - 21.1%	1.5% - 2.2%	N/A
<b>R3 Unwind</b>	0.1% - 0.1%	1.0% - 1.0%	N/A	N/A	N/A
<b>5 Sports Extra</b>	N/A	N/A	N/A	N/A	3.7% - 4.4%

5.28 Finally, using our estimated results on the loss of listening and data from operators on profitability, we calculate the impact on profitability for commercial operators, as set out in figure 9 below. This shows that R1A, R1D and R3U would likely have a small impact on the profitability of commercial operators, individually and in aggregate, while R2E and 5SE would likely have a significant impact on the profitability of commercial operators, especially independent operator Boom Radio and talkSPORT network respectively.

**Figure 9: Percentage loss in profit margin**

[8<]

<sup>79</sup> See annex 1 for further detail.

- 5.29 We have conducted sensitivity analysis to test whether changes to our modelling assumptions would impact our overall conclusions. For R1A, R1D and R3U, we focus on sensitivities that would increase the impact, to test our base case finding of a relatively low financial impact on commercial operators. For R2E and 5SE, we focus on sensitivities which would reduce the impact, relative to the base case. We set out the specific sensitivity checks in annex 1 and we find that these checks do not alter our provisional conclusions set out in section 6.

## Dynamic impacts

- 5.30 For the BBC's proposals to harm fair and effective competition through crowding out, they would need to result in the commercial sector reducing their investment and offerings to audiences. We have considered whether the BBC's proposals could have longer term impacts on commercial operators' incentives to innovate and invest.
- 5.31 This is inherently difficult to assess because it is difficult to predict how commercial operators would respond to the BBC's proposals. Commercial operators may respond by investing and/or innovating to reduce the listening shift to the BBC. On the other hand, commercial operators may respond to lower listening by reducing investment to reduce costs and maintain profitability. This could potentially undermine the viability of some competitors who are negatively affected, or deter others from entering. This could have a negative impact on consumers if it reduces overall choice and quality. Another possibility is that commercial operators reposition themselves to provide greater differentiation relative to the BBC. This could affect consumers differently, with some having more content that suit their tastes and some having less.

## Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind

- 5.32 The dynamic effects flow from the static impacts we have estimated. For R1A, R1D and R3U, our modelling suggests that the launch of these stations, individually and in aggregate, would likely have a limited impact on listening to commercial operators. As such, we estimate that commercial operators would likely lose a relatively small proportion of revenue and profitability due to these three proposed stations. Therefore, we consider that the impact on crowding out / incentives to invest by commercial operators is likely to be limited as we understand that these groups primarily generate revenue based on the number of hours listened across their entire portfolios of stations.
- 5.33 We do recognise that the launch of the BBC's proposed stations, individually and in aggregate, could have a larger impact on specific commercial stations that have similar content (our modelling indicates typically an upper bound of 10%-15% listening loss).<sup>80</sup> While we consider our base case to represent the most likely outcome, we have generally adopted a conservative approach that errs on overestimating the impact on commercial operators (see annex 1). Therefore, it is possible that the actual impact on commercial radio could be lower in practice.<sup>81</sup> In any case, we consider that the potential impact on

---

<sup>80</sup> We note that the BBC's proposals typically have a larger impact on the new stations that have been launched by Global and Bauer as these stations include similar content to the BBC proposals. We have not considered these stations in our conclusions on dynamic impacts as (i) it is quite unclear how well these stations will perform over time; and (ii) it is likely that some of these stations could be competitive reactions to the BBC's proposals (i.e. launched with similar proposals after the BBC announced these changes).

<sup>81</sup> For example, our analysis does not account for some diversion to global streamers (e.g. Spotify and Apple Music), which should reduce the overall impact.

investment incentives is likely to be more limited as (i) these stations form part of a large portfolio and we estimate any revenue loss to be limited across the portfolio; and (ii) there are indications that commercial operators could dynamically respond to the BBC's proposals in order to mitigate any potential impact as we have seen commercial operators launch new stations in this space. Indeed, commercial operators have already launched similar stations to the BBC after their announcement by the BBC and some of these have grown rapidly since launch (e.g. Capital Anthems, Classic FM Calm). In any case, we consider that the risk that operators would close any of these stations is likely to be limited as we understand that radio operators (with large portfolios) have kept stations operational with much higher losses of listening.

## Radio 2 Extension

- 5.34 We consider that the launch of R2E would likely have a significant impact on commercial operators. We estimate that the loss of listening across Global, Bauer and Virgin Radio Network ranges from 1.5% to 3.3% and this therefore leads to a much larger impact on revenue and profitability, compared to the other proposed music stations. This is consistent with the BBC's conclusions which also indicated that R2E would have a larger impact than the other music stations combined. It may be possible for the larger commercial groups to mitigate some of the estimated impact by dynamically responding to the launch of R2E (for reasons similar to those outlined above for R1A, R1D and R3U), however we consider that Virgin Radio Network may be more limited in its ability to respond given it is not part of such a large group.
- 5.35 Our analysis indicates that Boom Radio would likely lose a significant amount of listening from its main station to R2E (14.0% to 21.1%), which we would expect to have a negative impact on its profitability and ability to invest / deliver services to consumers. This is because Boom Radio focuses on providing content that matches closely with R2E – for example, (i) Boom Radio's main audience is those aged 55+, which is the same target audience for R2E; and (ii) Boom Radio mostly plays music from 1950s – 1970s which the BBC have stated will be the main music played on R2E.
- 5.36 We also consider that it is unlikely that Boom Radio could dynamically respond to the launch of R2E in order to mitigate its potential impact. This is because (i) Boom Radio is an independent radio station without a wider portfolio of stations to rely on for revenue; and (ii) we understand that Boom Radio is already pausing its plans to expand its services (e.g. Boom Light) due to the BBC's proposals and market uncertainty, rather than launching new services that could mitigate the impact of R2E.<sup>82</sup>
- 5.37 We consider that the launch of R2E could have a significant impact on fair and effective competition. It would likely have an impact on commercial operators, particularly significant on the independent Boom Radio. It could also potentially deter entry and reduce investment incentives for commercial radio operators (especially for independent radio stations and those that intend to serve audiences that the BBC has moved away from, as Boom Radio have).<sup>83</sup> This is because these operators may be less inclined to invest and

---

<sup>82</sup> In response to our request for information Boom Radio told us that it has had to pause plans to expand its Boom Light service (Boom Radio, response to Ofcom information request dated 13 January 2025, question 8).

<sup>83</sup> Boom Radio is a relatively new station and has seen consistent increases in listening hours (and growth in associated revenue and profitability). This is supported by our formal information request which indicated that Boom Radio's revenue has more than tripled from 2022 to 2024 (table 2.1, Boom Radio's response to Ofcom's request for information).

enter into a new area if they believe that they would be adversely affected by the BBC launching a similar radio station at a later point in time.

## Radio 5 Sports Extra

- 5.38 We consider that the extension of 5SE broadcasting hours would likely have a significant impact on fair and effective competition as it would lead to a significant reduction in listening to the only commercial sports radio provider (talkSPORT network). This is because:
- Given the focus on sports content, we expect that the additional listening to 5SE would be largely diverted from talkSPORT and talkSPORT 2; and
  - Although the BBC intends for most of its additional content on 5SE to be podcasts that already exist on BBC Sounds, we understand that a lot of this content would be current at the time of broadcast, which we consider could act as build-up to live sports events.<sup>84</sup> In other words, between 9am and 7pm, the BBC would be able to provide a continuous, predictable sports radio offering, which we consider could compete with a full-time sports radio station.
- 5.39 This is supported by our analysis which estimates a loss of listening across the talkSPORT network, ranging from 4.6% to 5.3%, and this could lead to a significant negative impact on talkSPORT Network’s revenue that ranges from 3.7% to 4.4%. Our assessment is also consistent with the BBC’s analysis.<sup>85</sup>
- 5.40 We are also of the view that, while talkSPORT Network may seek to respond to 5SE by making some improvements to quality and innovating where possible, it will be limited in its ability to do so in such a way that would mitigate the impact of 5SE. This is because the main dynamic response to increase the attractiveness of a sports radio station would be to enhance its live sports rights. We consider it unlikely that talkSPORT would be able to respond in this way, given that sports rights are expensive and are likely to already be locked into long term contracts.
- 5.41 talkSPORT / News Broadcasting may potentially respond by cutting costs, which could have a negative impact on listeners if it reduces overall choice and quality. We also note that the [8<], and further limit the ability of talkSPORT to mitigate the impact of 5SE.<sup>86</sup>

## Wider impacts

---

- 5.42 We consider ‘wider impacts’ of the BBC’s proposals in relation to how the BBC’s stations could impact on the wider supply chain of commercial operators. We focus our assessment here in relation to presenter costs, music royalties, sports rights, small scale DAB multiplexes and listening to BBC Sounds. We note that section 4 sets out where we expect the BBC’s proposals to deliver industry value, which differs to our focus here on the potential wider impacts on competition.
- **Presenter costs** – Some stakeholders have raised concerns about increased presenter costs due to the BBC’s proposals. We consider that 5SE would have a limited impact on

---

<sup>84</sup> BBC, response to our informal information request sent on 13 January 2025, question 20.

<sup>85</sup> While the BBC estimate impacts of a smaller magnitude, it states that its “...analysis of likely market impact demonstrates a potential significant adverse impact on the single sports radio broadcaster in the market”. BBC, [5 Sports Extra: Public Interest Test](#), p. 6.

<sup>86</sup> [8<] response to Ofcom information request dated 13 January 2025, question 3.

presenter costs given that BBC does not plan to commission any new programmes. We also expect the impact of the new music stations to be limited as the proposed content for each station indicates limited slots for new presenter led shows.

- **Music royalties** – We understand that some stakeholders have expressed a concern that the loss in listening to commercial operators would have a negative impact on the music sector due to lower royalty payments from the commercial sector.<sup>87</sup> We do not consider there is a significant impact as (i) we generally estimate a low loss of listening to commercial stations (so any loss in royalty payments would be low) and (ii) the BBC is also planning on commissioning additional content and the associated increase in spend on music could potentially offset this negative impact.
- **Sport rights** – We would not expect the BBC’s proposal to have a material impact on the cost and availability of sports rights, given that it would not involve an increase to its audio sports rights budget or hours of live sports coverage.
- **Small Scale DAB multiplexes** – We would not expect these operators to be significantly affected by the BBC’s music stations as we do not consider that the BBC’s proposals will have a significant impact on their ability to generate revenue from community and local radio stations.
- **Listening to BBC Sounds** – We note in section 4 that although the BBC has highlighted 5SE would aid discoverability of on-demand sports content on BBC Sounds through prominence on network radio, we are unsure how much the proposals would actually increase listening on BBC Sounds. If the BBC stations were to drive listeners away from commercial operators onto BBC Sounds via the shop window effect (i.e. if 5SE acted as a shop window for podcast content on BBC Sounds) and via cross-promotion, then this would increase listening to BBC Sounds. We have not seen any strong evidence to indicate that this could have a significant impact on BBC’s radio competitors or the podcast market.
- We discuss this in more detail in annex 1.

## Provisional conclusions on market impact

---

- 5.43 We provisionally conclude that the launch of R1A, R1D and R3U would likely have a limited impact on fair and effective competition. We consider it unlikely that these changes would significantly affect the incentives of commercial operators to invest and innovate as these stations would likely, individually and in aggregate, have a limited impact on listening across their entire portfolio and their revenue / profitability. We also consider that commercial operators can plausibly react to mitigate the potential impact of the BBC’s proposals.
- 5.44 R2E could have a much larger impact on commercial operators than the three other proposed music stations combined. We provisionally conclude that this would likely have an impact on commercial operators, particularly significant on the independent Boom Radio, who we estimate could see a 14.0% to 21.1% reduction in listening hours. We also think that the proposal could deter entry and reduce investment incentives for other commercial radio operators as they may be less inclined to invest and enter into a new area currently

---

<sup>87</sup> Radiocentre, response to Ofcom’s BBC Competition assessment on planned new DAB+ stations, pp. 11-12 (supplementary input); Boom Radio, [response to the BBC’s New music radio stations: Public Interest Test consultation](#), paragraph 118.



underserved by the BBC, if they believe that they would be adversely affected by the BBC launching a similar radio station at a later point in time.

- 5.45 We provisionally conclude that 5SE could have a significant impact on fair and effective competition due to the likely impact it would have on the talkSPORT network and the commercial provision of sports radio services. We also consider that talkSPORT Network's options to mitigate the impact of Radio 5 Sports Extra are limited, given that the main dynamic response to increase the attractiveness of a sports radio station would be to enhance its live sports rights. We consider it unlikely that talkSPORT would be able to respond in this way, given that sports rights are expensive and are likely to already be locked into long term contracts.

**Consultation question 2:**

Do you agree with our assessment of the likely impact of the proposals on fair and effective competition (including as set out in annex 1)? Please provide your answer and any supporting evidence separately for:

- (i) R1A, R1D and R3U
- (ii) R2E; and
- (iii) 5SE

# 6. Our provisional conclusions

## Our role and what we have considered

---

- 6.1 As set out in section 2, our role in a BCA is to review the BBC’s assessment of public value and to assess the impact of the proposals on fair and effective competition. We must then assess whether the scale and likelihood of any public value justifies the scale and likelihood of any adverse impact on fair and effective competition.<sup>88</sup>
- 6.2 In reaching our provisional determinations on the BBC’s proposals to launch four new music stations and to extend the broadcast hours of 5SE, we have had regard to the objective of the BBC to fulfil its Mission and promote the Public Purposes as well as our relevant duties under the Communications Act 2003 and the Charter and Agreement, including those concerning protection of fair and effective competition and support for public service media.
- 6.3 We have carried out our assessment in light of the evolving nature of digital radio, online radio and audio and the UK radio sector, as well as the way audiences’ behaviours and expectations are changing. We have also taken into consideration the challenges the BBC is facing in trying to reach younger and C2DE audiences. It is important that the BBC is seeking to respond to all of these developments. However, we have also taken account of the fact that the BBC’s commercial competitors face many of the same challenges themselves.
- 6.4 In reaching our provisional conclusions about the likely effects of the proposals, we have exercised our judgment in that context, taking into account the available evidence from the BBC’s public interest test, our own analysis and research, as well as information and views offered by stakeholders.

## Provisional conclusions

---

### The BBC’s proposed new DAB+ music stations

#### **We have provisionally concluded that we should allow the BBC to launch Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind on DAB+**

- 6.5 We welcome the BBC’s goal of reaching younger and C2DE audiences with R1D and R1A – groups we have told the BBC it needs to do more to serve – and agree the BBC has the opportunity to build on its connections with these groups and bring them into the BBC’s wider audio portfolio. On balance, we consider that these proposed stations would offer some public value, including personal, social and industry value. For example, R1D would play a broad range of dance music and provide exposure to specialist/new dance talent, while R1A would support new radio production talent.
- 6.6 We also consider that R3U would offer some public value. It would focus on recent recordings, showcase artists from underrepresented groups and provide content focused on wellbeing and meditation. It also might attract younger audiences than its parent station – though the BBC’s estimated uplift in listening hours for the proposed station is low.

---

<sup>88</sup> See also annex 2.

- 6.7 The BBC does not propose to offer news on these stations, unlike most of its full-time stations. While it is for the BBC to decide how it delivers on its Mission and Public Purposes, we are disappointed that the BBC does not propose to include news on these stations. Given the focus of R1D and R1A on younger and C2DE audiences, the BBC could have used this as an opportunity to cover news in a distinctive way that suits these audiences, increasing the social value of its proposals.
- 6.8 That said, we estimate that the market impact of these three proposed services is likely to be limited, both individually and in aggregate. This results in a low impact on the revenue and profitability of commercial operators and their ability to invest/deliver services to consumers. We recognise that the launch of the BBC's proposed stations could have a larger impact on those commercial stations with similar content. However, we consider that the impact on fair and effective competition is likely to be limited in practice because: (i) these particular comparator stations form part of a large portfolio and we estimate any revenue loss to be small across the portfolio; and (ii) there are indications that these commercial operators could dynamically respond to the BBC's proposals to mitigate any potential impact (we have seen these commercial operators, with large portfolios, recently launch new stations).
- 6.9 In our judgment, taking account of the analysis set out above, we consider that the scale and likelihood of the public value identified for R1D, R1A and R3U would justify the scale and likelihood of the adverse impact on fair and effective competition.

### **Our provisional conclusion is that we should not allow the Radio 2 Extension to proceed**

- 6.10 We consider there is some public value in R2E. It would target older C2DE listeners, have 30% speech content (including documentaries and regular news bulletins) and draw on archive content which may bring range and quality and support learning. However, overall the case for the distinctiveness of the station in terms of the level of innovation and range of music is not strong.
- 6.11 We consider that R2E could have a significant impact on fair and effective competition. We estimate that it would likely have an impact on commercial operators, particularly significant on the independent operator Boom Radio. It could also potentially deter entry and reduce investment incentives for commercial operators (especially independent radio operators), as they might be less willing to invest if they believe they would be adversely affected by the BBC launching a similar service at a later point in time.
- 6.12 In our judgment, taking account of the analysis set out above, we consider that the scale and likelihood of the public value identified for R2E would not justify the scale and likelihood of the adverse impact on fair and effective competition.

## **The BBC's proposed changes to 5 Sports Extra**

### **Our provisional conclusion is that we should not allow the changes to Radio 5 Sports Extra to proceed**

- 6.13 We consider that these changes could offer some public value through the BBC showcasing existing sports content to a wider audience and potentially aiding discoverability of other sports content on BBC Sounds. Listeners would be exposed to podcast content, and in turn may explore more of this content on BBC Sounds – though the BBC has not provided evidence to support this argument. However, the BBC does not provide guarantees that it

will give significant exposure to sports that currently receive less coverage, and we do not consider there to be sufficient evidence that the changes would especially appeal to its target audiences of C2DE and younger audiences.

- 6.14 Regarding market impact, the expansion of 5SE could have a significant adverse impact on talkSPORT Network – the only full-time commercial sports radio network in the UK. We also consider that talkSPORT's options to mitigate the impact of 5SE are limited as it is unlikely that it could readily improve its live sports coverage given the nature of how live sports rights are acquired within the market.
- 6.15 In our judgment, taking account of the analysis set out above, we consider that the scale and likelihood of the public value identified for the changes to 5SE would not justify the scale and likelihood of the adverse impact on fair and effective competition.

## **Provisional view on Operating Licence conditions**

### **We would expect the BBC to report on the public value and distinctiveness of the Radio 1 Dance, Radio 3 Unwind and Radio 1 Dance if we approve them**

- 6.16 The Agreement creates obligations on Ofcom to set certain Operating Licence conditions for the BBC's UK Public Services and confers a discretion for us to impose such further regulatory conditions as we consider appropriate for requiring the BBC, in carrying out the UK Public Services, to fulfil its Mission and promote the Public Purposes, and to ensure that audiences in the UK's nations are well served. The current BBC Operating Licence includes a mix of quotas, qualitative conditions and transparency requirements.
- 6.17 The BBC's PIT has highlighted elements that the BBC considers would be important to deliver public value on R1D, R1A and R3U. We note that the BBC is subject to an operating licence condition to "explain its plans for ensuring that each UK Public Service is distinctive..." (see condition 3.14.1) and report on how it delivered those plans (see condition 3.16.1). Under these conditions, if these stations were to be approved, we would expect the BBC to set out annually how each of the extensions would be distinctive and report on its delivery. We would expect this to include reporting against the range of areas it has set out in its PIT, including, for example, the range of music (and how that compares with other providers), music from UK artists and new music/ recent recordings.
- 6.18 We have considered whether it would be appropriate to impose additional Operating Licence conditions in relation to R1D, R1A and R3U (for example, quotas or reporting requirements). However, as set out in our 2022-2023 [review of the BBC Operating Licence](#), we are aiming to give the BBC more flexibility in how it delivers its Mission and Public Purposes where we consider this can enable it to better serve audiences. We also need to take a proportionate approach and note that our estimated listening hours to the proposed stations are relatively low. Taking account of this and the existing conditions that would apply to these services, we do not consider that it would be necessary to introduce additional operating licence conditions if we were to approve the three stations in our final BCA determination. However, we would retain the option of imposing new licence conditions at a later date if we were to identify concerns about the BBC's plans, performance or the quality of its reporting on the three stations.

## Consultation questions

---

**Consultation question 3:**

Do you agree with our provisional conclusions on the BBC's proposed changes to its radio services? Please provide evidence to support your views, indicating which of the BBC's proposed changes you are referring to.

**Consultation question 4:**

Do you agree with our proposal not to set additional Operating Licence conditions on R1D, R1A and R3U if we approve them?

# A1. Assessment of market impacts

A1.1 This [annex](#) has been published separately on Ofcom's website.

## A2. Legal framework

- A2.1 Ofcom’s principal duty, in section 3 of the Communications Act 2003 (‘the Act’), is to further the interests of citizens in relation to communications matters and of consumers in relevant markets, where appropriate by promoting competition. Our general duties under section 3 of the Act apply to the exercise of our functions in relation to the BBC.
- A2.2 Ofcom’s power to regulate the BBC is derived from section 198 of the Act, which sets out that for the purposes of the carrying out of regulation of the BBC, we will have such powers and duties as may be conferred on us by or under the Royal Charter for the continuance of the British Broadcasting Corporation (the Charter)<sup>89</sup> and the Agreement between the Secretary of State for Culture, Media and Sport, and the BBC (the Agreement).<sup>90</sup> The Charter and Agreement set the BBC’s Mission and Public Purposes and the framework for Ofcom’s regulation of the BBC.
- A2.3 The Charter provides that we must have regard, in carrying out our functions, to such of the following as appear to us to be relevant in the circumstances:<sup>91</sup>
- a) the object of the BBC to fulfil its Mission and to promote the Public Purposes;<sup>92</sup>
  - b) the desirability of protecting fair and effective competition in the United Kingdom; and
  - c) the requirement for the BBC to comply with its duties under the Charter, including its general duties.<sup>93</sup>
- A2.4 The Charter and Agreement recognise that, in order to fulfil its Mission and promote the Public Purposes, the BBC may need to make changes to the UK Public Services. However, to protect fair and effective competition, the BBC may only make a material change to the UK Public Services where:
- a) it has carried out a public interest test and determined that test is satisfied; and
  - b) Ofcom determines that the BBC may carry out the proposed change.<sup>94</sup>

### The BBC’s analysis

---

- A2.5 The BBC must therefore initially assess whether a proposed change is material. The Agreement defines a material change as:
- a) the carrying out of any activity as a new UK Public Service; and

---

<sup>89</sup> [The Charter \(December 2016\)](#).

<sup>90</sup> [The Agreement \(December 2016\)](#).

<sup>91</sup> Article 45(2) of the Charter.

<sup>92</sup> 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 (Article 5 of the Charter).

<sup>93</sup> The BBC’s general duties are set out at Articles 9 to 18 of the Charter. The Agreement also imposes certain general obligations on the BBC. These include, at Clause 61, a requirement for the BBC to do all that is reasonably practicable to ensure that viewers, listeners and other users (as the case may be) are able to access the UK Public Services that are intended for them, or elements of their content, in a range of convenient and cost effective ways which are available or might become available in the future. These could include (for example) broadcasting, streaming or making content available on demand, whether by terrestrial, satellite, cable or broadband networks (fixed or wireless) or via the internet.

<sup>94</sup> Clause 7(6) of the Agreement.

- b) any change to a UK Public Service which may have a significant adverse impact on fair and effective competition.<sup>95</sup>
- A2.6 If the BBC considers that a proposed change is not material, it may carry out the change, unless Ofcom disagrees with the BBC on materiality. If we consider that the proposed change is material, we may direct the BBC to:
- a) carry out a public interest test and, if the test is satisfied, publish the change; or
  - b) stop carrying out the change in accordance with such directions as we consider appropriate.<sup>96</sup>
- A2.7 In order for a public interest test to be satisfied, the BBC must determine that:
- a) the proposed change contributes to the fulfilment of the BBC's mission and promotion of one or more of the public purposes;
  - b) it has taken reasonable steps to ensure that the proposed change has no unnecessary adverse impact on fair and effective competition; and
  - c) the public value of the proposed change justifies any adverse impact on fair and effective competition.<sup>97</sup>
- A2.8 If the test is satisfied and the BBC wishes to implement the proposal, it must publish the proposed change and provide a copy to Ofcom.<sup>98</sup>

## Ofcom's role

---

- A2.9 Ofcom must then assess whether the proposed change is material and, if so, decide what type of further assessment to conduct.<sup>99</sup>
- A2.10 The Agreement divides 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) decided what form our assessment during the second phase should take.
- A2.11 Paragraph 4.33 of Ofcom's guidance document [Assessing the impact of proposed changes to the BBC's public service activities](#) ('the guidance') sets out a non-exhaustive list of factors we may take into account when assessing the potential significant adverse impact of a change.
- A2.12 If we conclude a proposed change is not material, or six weeks pass without our informing the BBC of our view, the BBC may carry out the change.<sup>100</sup>
- A2.13 If we conclude that the proposal is material, we may decide to carry out a BBC competition assessment (BCA) under clause 10 of the Agreement or a shorter assessment drawing on elements of the BCA procedure. Paragraph 4.35 of the guidance explains when each type of assessment might be appropriate.
- A2.14 In carrying out a BCA or shorter assessment, Ofcom must:

---

<sup>95</sup> Clause 7(7) of the Agreement.

<sup>96</sup> Clause 9(6) of the Agreement.

<sup>97</sup> Clause 8(1) of the Agreement.

<sup>98</sup> Clause 8(3) of the Agreement.

<sup>99</sup> Clause 9 of the Agreement.

<sup>100</sup> Clauses 9(3) and (4) of the Agreement.



- a) review the procedures the BBC has followed in carrying out the public interest test;
- b) review the BBC's assessment of the public value of the proposed change to the UK Public Services, testing the BBC's analysis and the range of evidence relied upon to demonstrate the additional public value the proposal will deliver over and above its existing services;<sup>101</sup>
- c) assess any adverse impact of the proposed change on fair and effective competition, gathering additional evidence and considering matters raised by other stakeholders as appropriate; and
- d) assess whether the public value of the proposed change justifies any adverse impact on fair and effective competition, based on the specific facts of the case and taking into account all of our relevant duties and obligations.<sup>102</sup>

A2.15 Ofcom must consider the scale and likelihood of any public value relative to the scale and likelihood of any adverse impact on fair and effective competition. The Agreement recognises that the determination will require qualitative assessments to be made and that direct comparison of factors relating to public value and factors relating to risks to fair and effective competition may not be possible.<sup>103</sup>

A2.16 At the end of the process, we will make one of four possible determinations:

- a) that the BBC may carry out the proposed change;
- b) that the BBC may not carry out the proposal;
- c) that the proposal may go ahead subject to conditions or modifications that we consider appropriate; or
- d) that the BBC must reconsider elements of its public interest test or follow any further procedures we consider appropriate.<sup>104</sup>

A2.17 Ofcom may only make determinations (b) and (c) above where we have carried out a BCA and not following a shorter assessment.<sup>105</sup> Paragraphs 4.68 – 4.73 of the Guidance provides an explanation of each of the four possible determinations.

A2.18 Ofcom must complete a BCA within six months<sup>106</sup> and a shorter assessment in less than six months.<sup>107</sup> In either case we will consult stakeholders before making our final determination.

---

<sup>101</sup> It is for the BBC Board to take the lead on securing the effective fulfilment of the BBC's Mission and Public Purposes, by shaping the public value aspects of its proposals. Therefore, in considering public value we are principally testing and reviewing the BBC's analysis, in contrast to our competition role where we carry out our own assessment.

<sup>102</sup> Clause 10(3) of the Agreement. Section 5 of the BCA guidance explains the analytical approach we expect to apply.

<sup>103</sup> Clause 10(4) of the Agreement.

<sup>104</sup> Clause 11(1) of the Agreement.

<sup>105</sup> Clause 11(2) of the Agreement

<sup>106</sup> Clause 10(2) of the Agreement.

<sup>107</sup> Clause 9(2) of the Agreement.

## A3. Impact assessments

- A3.1 Section 7 of the Communications Act 2003 requires us to carry out impact assessments where our policy decisions are likely to have a significant effect on businesses or the public, or when there is a major change in Ofcom's activities.
- A3.2 Our impact assessment is set out throughout our consultation document. In particular, through our review of the BBC's public value assessment in Section 4 and our assessment of the potential market impacts of the BBC's proposals in Section 5, we have considered the impact of the proposals on the BBC, other commercial and community radio broadcasters, other industry stakeholders and audiences across the UK. We have also had regard to this in considering our view on whether Operating Licence conditions or requirements may be appropriate to impose on the new/amended radio services if approved.
- A3.3 The BBC's intention with the proposals is to provide more value to its underserved audiences, particularly younger and C2DE audiences. It says that the proposed music stations would better meet the needs of modern audiences and support value for money of the licence fee and the long-term sustainability of the BBC. The BBC also states that these stations would encourage the transition to BBC Sounds where listeners can discover the full range of the BBC's content offer, and that launching these services on DAB+ should help support broader take up of DAB+ digital radio.
- A3.4 It says that R1A and R1D would in particular appeal to 15-34 C2DE audiences, R3U would appeal to 35-54s and R2E would appeal to 55+ C2DE audiences. The BBC states that the proposed extension to 5 Sports Extra would in particular appeal to 25-44 C2DE audiences.
- A3.5 We agree that the proposals have the potential to better serve these audiences and potentially deliver content which provides audiences with public value. As set out in our public value review, we consider that the proposals could provide some personal, societal and industry value.
- A3.6 For R1A, R1D and R3U, while it is possible that there would be an impact on commercial competitors, we expect that this would be low and unlikely to lead to crowding out of a competitor. We have therefore provisionally concluded that the limited adverse impact on fair and effective competition for R1A, R1D and R3U is justified by the public value of the proposal.
- A3.7 For R2E and 5SE we have provisionally concluded that the impact on commercial competitors may be sizeable and could potentially lead to crowding out of a competitor, and for R2E could potentially deter entry into the market. Given the possible impact on fair and effective competition, as outlined above, we have provisionally concluded that the significant adverse impact on fair and effective competition for R2E and 5SE is not justified by the public value of the proposals.
- A3.8 We have also considered whether alternatives would be less likely to result in positive outcomes for audiences. We consider that if we determined the BBC could proceed with the changes to R1A, R1D and R3U without requiring the BBC to set out annually how each of the extensions would be distinctive and report on its delivery that it could potentially result in less effective performance for the BBC's public purposes, in particular Public Purposes 3 and 4. If approved in our final determination, we would monitor the services to ensure compliance with any operating licence conditions or requirements. We also

consider that if we determined that the BBC could proceed with its changes to 5 Sports Extra and the launch of R2E that this could result in an adverse impact on fair and effective competition. We explain this in our market impact section in our consultation document.

- A3.9 If we were to approve the services, we would monitor them to ensure compliance with their reporting requirements.

## Equality impact assessment

---

- A3.10 We are required by statute to assess the potential impact of all our functions, policies, projects and practices on people with any of the following protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. We refer to groups of people with these protected characteristics as 'equality groups.'
- A3.11 We fulfil these obligations by carrying out an equality impact assessment ("EIA"), which examines the potential impact our policy is likely to have on people, depending on their personal circumstances. EIAs also assist us in making sure that we are meeting our principal duty of furthering the interests of citizens and consumers, regardless of their background and identity.
- A3.12 We have assessed the impact on audience groups in our review of the BBC's assessment of the public value of its proposal. As set out above, we are provisionally concluding that the public value would justify the likely impact on competition for R1A, R1D and R3U. We do not believe the proposal would create a negative impact for any equality groups. Overall, we consider the BBC's proposals may have a positive impact on radio listeners, particularly younger and C2DE audiences (the target groups for R1A and R1D), although we also note that the public value delivered to audiences may not be sizeable, given the potentially low listening levels.
- A3.13 We are provisionally concluding that the public value would not justify the likely market impact on competition for R2E and 5SE. We do not think that this provisional conclusion would directly have adverse impacts for any equality groups. While some audience groups e.g. those who are not online, audiences who are less likely to use BBC Sounds and some older audiences (in the case of R2E) might benefit from the additional availability of BBC content (for 5SE) or a new radio service (for R2E), we are undertaking our role as set out in the BBC Charter and Agreement to consider both the likely public value and market impact, and our provisional view is that the market impact would not be justified in these cases.

## Welsh language

---

- A3.14 The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language. We have also carried out a Welsh language impact assessment in our review of the BBC's assessment of the public value of its proposal. We have considered the BBC's proposals in line with the requirements in the Agreement. We do not consider that this consultation could be revised to have increased positive effects on opportunities for persons to use the Welsh Language and on treating the Welsh language no less favourably than the English language. We welcome stakeholder views on the impact assessments set out in this document.

# A4. Responding to this consultation

## How to respond

---

- A4.1 Ofcom would like to receive views and comments on the issues raised in this document, by 5pm on 14 May 2025.
- A4.2 You can download a response form from <https://www.ofcom.org.uk/tv-radio-and-on-demand/bbc/consultation-proposed-new-bbc-dab-radio-stations-and-proposed-changes-to-radio-5-sports-extra/>. You can return this by email or post to the address provided in the response form.
- A4.3 If your response is a large file, or has supporting charts, tables or other data, please email it to [BBCaudioproposals@ofcom.org.uk](mailto:BBCaudioproposals@ofcom.org.uk), as an attachment in Microsoft Word format, together with the cover sheet. This email address is for this consultation only and will not be valid after 14 May 2025.
- A4.4 Responses may alternatively be posted to the address below, marked with the title of the consultation:
- Content Policy team – BBC Audio Changes project  
Ofcom  
Riverside House  
2A Southwark Bridge Road  
London SE1 9HA
- A4.5 We welcome responses in formats other than print, for example an audio recording or a British Sign Language video. To respond in BSL:
- > send us a recording of you signing your response. This should be no longer than 5 minutes. Suitable file formats are DVDs, wmv or QuickTime files; or
  - > upload a video of you signing your response directly to YouTube (or another hosting site) and send us the link.
- A4.6 We will publish a transcript of any audio or video responses we receive (unless your response is confidential)
- A4.7 We do not need a paper copy of your response as well as an electronic version. We will acknowledge receipt of a response submitted to us by email.
- A4.8 You do not have to answer all the questions in the consultation if you do not have a view; a short response on just one point is fine. We also welcome joint responses.
- A4.9 It would be helpful if your response could include direct answers to the questions asked in the consultation document. The questions are listed at annex 7. It would also help if you could explain why you hold your views, and what you think the effect of Ofcom’s proposals would be.
- A4.10 If you want to discuss the issues and questions raised in this consultation, please contact us by email on [BBCaudioproposals@ofcom.org.uk](mailto:BBCaudioproposals@ofcom.org.uk).

## Confidentiality

---

- A4.11 Consultations are more effective if we publish the responses before the consultation period closes. This can help people and organisations with limited resources or familiarity with the issues to respond in a more informed way. So, in the interests of transparency and good regulatory practice, and because we believe it is important that everyone who is interested in an issue can see other respondents' views, we usually publish responses on the Ofcom website at regular intervals during and after the consultation period.
- A4.12 If you think your response should be kept confidential, please specify which part(s) this applies to and explain why. Please send any confidential sections as a separate annex. If you want your name, address, other contact details or job title to remain confidential, please provide them only in the cover sheet, so that we don't have to edit your response.
- A4.13 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and try to respect it. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A4.14 To fulfil our pre-disclosure duty, we may share a copy of your response with the relevant government department before we publish it on our website.
- A4.15 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's intellectual property rights are explained further in our Terms of Use.

## Next steps

---

- A4.16 Following this consultation period, Ofcom plans to publish a statement in July 2025.
- A4.17 If you wish, you can register to receive mail updates alerting you to new Ofcom publications.

## Ofcom's consultation processes

---

- A4.18 Ofcom aims to make responding to a consultation as easy as possible. For more information, please see our consultation principles in annex 5.
- A4.19 If you have any comments or suggestions on how we manage our consultations, please email us at [consult@ofcom.org.uk](mailto:consult@ofcom.org.uk). We particularly welcome ideas on how Ofcom could more effectively seek the views of groups or individuals, such as small businesses and residential consumers, who are less likely to give their opinions through a formal consultation.
- A4.20 If you would like to discuss these issues, or Ofcom's consultation processes more generally, please contact the corporation secretary:
- Corporation Secretary  
Ofcom  
Riverside House  
2a Southwark Bridge Road  
London SE1 9HA  
Email: [corporationsecretary@ofcom.org.uk](mailto:corporationsecretary@ofcom.org.uk)

# A5. Ofcom's consultation principles

Ofcom has seven principles that it follows for every public written consultation:

## Before the consultation

---

- A5.1 Wherever possible, we will hold informal talks with people and organisations before announcing a big consultation, to find out whether we are thinking along the right lines. If we do not have enough time to do this, we will hold an open meeting to explain our proposals, shortly after announcing the consultation.

## During the consultation

---

- A5.2 We will be clear about whom we are consulting, why, on what questions and for how long.
- A5.3 We will make the consultation document as short and simple as possible, with an overview of no more than two pages. We will try to make it as easy as possible for people to give us a written response.
- A5.4 When setting the length of the consultation period, we will consider the nature of our proposals and their potential impact. We will always make clear the closing date for responses.
- A5.5 A person within Ofcom will be in charge of making sure we follow our own guidelines and aim to reach the largest possible number of people and organisations who may be interested in the outcome of our decisions. Ofcom's Consultation Champion is the main person to contact if you have views on the way we run our consultations.
- A5.6 If we are not able to follow any of these principles, we will explain why.

## After the consultation

---

- A5.7 We think it is important that everyone who is interested in an issue can see other people's views, so we usually publish the responses on our website at regular intervals during and after the consultation period. After the consultation we will make our decisions and publish a statement explaining what we are going to do, and why, showing how respondents' views helped to shape these decisions.

# A6. Consultation coversheet

## Basic details

---

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

## Confidentiality

---

Please tick below what part of your response you consider is confidential, giving your reasons why

- > Nothing
- > Name/contact details/job title
- > Whole response
- > Organisation
- > Part of the response

If you selected 'Part of the response', please specify which parts:

-----  
-----

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

Yes  No

## Declaration

---

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom aims to publish responses at regular intervals during and after the consultation period. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

# A7. Consultation questions

Please tell us how you came across about this consultation.

- Email from Ofcom
- Saw it on social media
- Found it on Ofcom's website
- Found it on another website
- Heard about it on TV or radio
- Read about it in a newspaper or magazine
- Heard about it at an event
- Somebody told me or shared it with me
- Other (please specify)

## Question 1:

Do you agree with our provisional conclusions from our review of the BBC's assessment of the public value of the proposals for:

- (i) the proposed DAB+ music stations; and
- (ii) 5 Sports Extra.

Please provide evidence to support your views, specifying which our conclusions you are referring to.

## Question 2:

Do you agree with our assessment of the likely impact of the proposals on fair and effective competition (including as set out in annex 1)? Please provide your answer and any supporting evidence separately for:

- (i) R1A, R1D and R3U;
- (ii) R2E; and
- (iii) 5SE

## Question 3

Do you agree with our provisional conclusions on the BBC's proposed changes to its radio services? Please provide evidence to support your views, indicating which of the BBC's proposed changes you are referring to.

## Question 4

Do you agree with our proposal not to set additional operating licence conditions on R1D, R1A and R3U if we approve them?

The overview section in this document is a simplified high-level summary only. The provisional conclusions we are consulting on and our reasoning are set out in the full document.