

## **RadioCentre's response to the BBC Trust's review of Radios 3, 4 and 7**

### **Contents**

1. Introduction;
2. Executive Summary;

### **Service overviews**

3. Radio 3;
4. Radio 4;
5. Radio 7;

### **Cross-cutting themes**

6. The BBC's commitment to digital radio;
7. The BBC's investment in children's radio programming;
8. The BBC's investment in distinctive and high-quality content;
9. Securing access to the BBC's content and archives;
10. The BBC's approach to exclusivity;
11. Securing value for money;
12. Reflections on the BBC Trust's service licence review process.

## **1. Introduction**

- 1.1. RadioCentre is the industry body for commercial radio, formed in July 2006 from the merger of the Radio Advertising Bureau (RAB) and the Commercial Radio Companies Association (CRCA).
- 1.2. The role of RadioCentre is to maintain and build a strong and successful commercial radio industry - in terms of both listening hours and revenues. RadioCentre operates in a number of areas including working with advertisers and their agencies, representing commercial radio companies to Government, Ofcom, copyright societies and other organisations concerned with radio. RadioCentre also provides a forum for industry discussion, is a source of advice to members on all aspects of radio, jointly owns Radio Joint Audience Research Ltd (RAJAR) with the BBC, and includes copy clearance services for the industry through the Radio Advertising Clearance Centre (RACC). RadioCentre is also a founding Board member of Digital Radio UK (DRUK).
- 1.3. RadioCentre shareholders account for 98% of commercial radio listening and >95% of industry revenue. The membership is made up of 267 radio stations of all types – including the three major commercial radio groups, small local radio groups, independent local stations and digital-only services.

## **2. Executive Summary**

- 2.1. RadioCentre recognises that, at their very best, BBC Radio services deliver huge public value and are loved and held in high regard by the British public (as well as audiences worldwide).
- 2.2. As we stated in our response to the BBC Strategy Review, *'Radios 3 and 4 and the World Service are emblematic of the true meaning of 'public service broadcasting'<sup>1</sup>*. We recognise that Radios 3 and 4 deliver high quality, distinctive speech and music programming which, by its very nature, would be extremely difficult for the commercial sector to replicate. The cumulative public value generated by the two services undoubtedly justifies their market impact.
- 2.3. Radio 7 represents a valuable addition to the BBC's portfolio of digital-only services and, more widely, the digital radio landscape. Its speech-only nature guarantees its distinctiveness and uniqueness from other digital radio stations and the station does much to widen and deepen access to the BBC archive. Radio 7 has an important role to play in the drive to digital – a role that may evolve should Radio 7 be re-branded as Radio 4 Extra, as proposed.
- 2.4. However, as we emphasised in our response to the BBC Strategy Review, the BBC's privileged position within the UK radio industry endows upon it responsibilities, from which Radio 3, Radio 4 and Radio 7 are not exempt. We echo Mark Thompson's belief that *'the BBC should become a catalyst and connector within public space'<sup>2</sup>*. We believe that all three radio services need to acknowledge that they do not exist in isolation in the wider radio industry. These services must therefore recognise their wider responsibility to maximise public value by ensuring that their high quality, distinctive content and resources are as accessible and available as possible (for both other BBC radio services and - potentially - commercial radio services). They must also act to ensure they fulfill their responsibility to promote and enhance digital radio, in addition to delivering value for money for licence fee payers, while considering their potential negative market impact.
- 2.5. We recognise that the BBC Trust's service licence review process seeks to answer the following questions:

---

<sup>1</sup> RadioCentre response to the BBC Strategy Review, *Putting Listeners First*, p.9.

<sup>2</sup> BBC Strategy Review, *Putting Quality First*, p. 3.

- How well are these services performing against the terms of their service licence and the Reach, Quality, Impact and Value for money performance framework?
  - What is the future strategic direction for these services?
  - Should the services licences for these services be changed?
- 2.6. Whilst we believe it is important to respond to these questions, we also wish to highlight themes which we believe cut across individual services, and should be considered within the scope of this service licence review process (especially in the context of the ongoing Strategy Review). These include:
- the BBC's commitment to digital radio;
  - the BBC's investment in children's radio programming;
  - the BBC's commissioning role and content priorities;
  - access to the BBC archives;
  - the BBC's approach to exclusivity;
  - the BBC Trust's role in securing value for money and ensuring effective implementation.
- 2.7. By considering these wider themes we are then able to draw conclusions as to the future strategic direction of Radios 3, 4 and 7, and consider which changes should be made to their service licences in the light of this.
- 2.8. As a result, we make a number of proposals which are summarised below. We believe the service licences of Radios' 3, 4 and 7 must be amended accordingly to guarantee delivery of these objectives, and we look to the BBC Trust to deliver this as part of this service licence review process.
- Radio 3 and Radio 4 should enhance their promotion of digital radio – and aim to reach over 50% listening via a digital platform well in advance of the 2013 target date.
  - The BBC Trust should facilitate a content-sharing partnership between the BBC and Fun Kids, to extend the reach and awareness of BBC's children's radio programming. The BBC Trust should also consider the long-term delivery of the BBC's responsibility and commitment to children's radio.
  - Radios 3, 4 and 7 should collaborate on programming initiatives with BBC Radio's mainstream analogue networks, in order to enhance Radio 1 and Radio 2's distinctiveness and delivery of the BBC public purposes.
  - Radio 4 and Radio 7 should be explicitly required to exceed the quota which specifies that at least 10% of eligible hours of output must be commissioned from independent producers.
  - The BBC Trust should consider how BBC services, including Radios 3, 4 and 7, should strive to make their archive of speech and music content as accessible and fairly priced as possible.
  - The BBC should not secure broadcast rights and/or programming inputs on an exclusive basis, unless absolutely necessary. This issue should be considered as part of the BBC Trust's forthcoming review of Fair Trading Policy.
  - The BBC Trust should advance benchmarking discussions between commercial radio and the BBC as a matter of priority.
  - The BBC Trust should reflect on how it might improve its service licence review process, including consideration of: information provided to respondents; market impact; and how service licences can include more precise and quantifiable

targets. In addition, the Trust must consider in detail what sanctions should be imposed should a BBC service be found to be in breach of its service licence.

## **SERVICE OVERVIEWS**

### **3. Radio 3**

- 3.1. **To date, Radio 3 and Classic FM have largely fulfilled complementary and symbiotic roles.** Radio 3 is unique amongst the BBC national analogue stations in that, in Classic FM, it has a national FM commercial competitor. Where a BBC Radio service has a strong and well-funded commercial rival, the more that service is likely to concentrate on its public service remit. We hope that, as more commercial brands become available on a national platform, BBC national analogue stations adapt their output accordingly.
- 3.2. **However, we are concerned that elements of the Radio 3 schedule point towards an increasing popularisation of the service.** Programming elements, such as the A-Z of Opera<sup>3</sup>, a classical music chart<sup>4</sup> and the *Nation's Favourite Aria*<sup>5</sup>, borrow significantly from the commercial sector (the Classic FM Chart has been running since 1992; the Classic FM Hall of Fame listener poll since 1996 and the A to Z of Classic FM Music since 2008). Some long-standing Radio 3 listeners appear to argue that these services are out of place on the station<sup>6</sup>.
- 3.3. **We are concerned that this marks a dilution of Radio 3's core public service output. Perhaps more worryingly, this seems to be driven by an attempt to increase audience.** In a recent interview, the Radio 3 controller concurred that programming and scheduling changes on Radio 3 were a result of *'trying to get people to sample the station and get our regular listeners listening for longer'*<sup>7</sup>. We note that the style of Radio 3's breakfast programme has moved closer to that of Classic FM, with shorter tracks and no full works, thereby decreasing the diversity of style of classical music radio at breakfast time. When questioned on listener objections to the changing nature of the Radio 3 breakfast show, the Radio 3 controller acknowledged and defended this drift towards more populist output<sup>8</sup>.
- 3.4. Although Radio 3 points extensively to its non-classical music broadcasting when discussing its output, it is worth noting that all of its jazz, speech and world music output is programmed at off-peak times of the schedule. These are periods where Radio 3 only attracts relatively small audiences. For example only 8.3% of Radio 3's total listener hours are between 9pm and midnight, when most of this output is broadcast<sup>9</sup>. **We believe that this is another example of the 'ratings by day, reputation by night' strategy**, as practised by other BBC radio stations – most obviously Radio 1 and Radio 2.
- 3.5. **It is critical that Radio 3 maintains its distinctiveness during peak time and not just during off-peak periods and re-focuses on what makes it a distinctive service** – its emphasis on live and specially recorded classical music, its promotion of less familiar work and commissioning of new music, its jazz and world music output, and its high quality speech output, including investment in drama and religious programming. Radio 3 represents one of a limited number of outlets for a number of musical genres, including jazz and world music. Its support and promotion for these genres is therefore critical and should be enhanced.
- 3.6. **Radio 3 must also acknowledge the enormous power that it wields within the classical music world – and use this power in a responsible manner.** We note that the post of Radio 3 controller is responsible for classical music output across all BBC platforms, including the output of Radio 3 and the BBC Proms, in addition to four

<sup>3</sup> <http://www.bbc.co.uk/podcasts/series/opera/all>

<sup>4</sup> <http://www.bbc.co.uk/radio3/breakfast/chart/>

<sup>5</sup> <http://www.bbc.co.uk/radio3/opera/arias/>

<sup>6</sup> See Friends of Radio 3 submission to the BBC Trust Review of Radios 3, 4 and 7.

<sup>7</sup> <http://www.guardian.co.uk/media/2010/aug/23/bbc-pensions-proms-roger-wright>

<sup>8</sup> <http://www.guardian.co.uk/media/2010/aug/23/bbc-pensions-proms-roger-wright>

<sup>9</sup> Rajar, Q1 2010.

of the BBC's performing groups (the BBC Concert Orchestra, the BBC Philharmonic, the BBC Symphony Orchestra and the BBC Singers). Radio 3 is also the most significant commissioner of new music in the UK<sup>10</sup>. We believe that this concentration of power in the hands of one individual, with limited checks and balances, is unparalleled within the UK creative industries.

- 3.7. **Concerns have been expressed about the disparity in funding between the BBC's in-house orchestras and non-BBC orchestras.** For example, whilst the BBC Symphony Orchestra secures £15m funding p.a., independent orchestras, including the Philharmonia Orchestra and the London Philharmonic Orchestra, secure approximately £2m<sup>11</sup> p.a. public subsidy. This disparity will only increase over the next few years, with a decrease in Arts Council England funding to the main English symphony orchestras a certainty over the coming years.
- 3.8. **We believe that Radio 3 could and should do more to support the independent classical music sector.** The independent classical music sector believes that it is more cost effective at supplying content for broadcast than the BBC in-house orchestras (even taking into consideration the value of the broadcast rights for content produced in-house). We therefore call for the BBC Trust to conduct a benchmarking exercise to test whether or not this is true. Should this benchmarking exercise uncover surplus in the Radio 3 budget, we believe a significant portion of this should be re-distributed to support the independent classical sector. Radio 3 could invest this funding directly in the independent sector or, in order to facilitate greater plurality in the provision of classical music, this funding could become available on a contestable basis to organisations willing and able to invest in and support the classical music sector.
- 3.9. **Radio 3's dominance within the UK classical musical sector endows it with a responsibility to ensure that it is acting in a manner that maximises public value and minimises negative market impact.** Just as the reliance of the independent radio production sector on the BBC *'places an unusual level of responsibility on the BBC'*<sup>12</sup>, the same is true for classical music. Therefore, we suggest that the BBC Trust should conduct a similar review of the BBC's position within the UK classical music sector, to understand better its impact on the market, in the same way that the Trust has recently conducted a review of the BBC's use of the independent radio sector.

#### **Radio 3 – Recommendations:**

- Radio 3 must demonstrate a greater commitment to, and investment in, the programming that guarantees Radio 3's distinctiveness: jazz and world music output, speech output. Currently, the Radio 3 service licence simply states that *'jazz, world music, drama, the arts and ideas and religious programming should feature in output'*; this must be amended to specify that these programming genres should feature in Radio 3's daytime schedule (between 10.00 and 19.00, Monday to Friday).
- BBC Trust to review the BBC's position within the UK classical music sector, including a benchmarking exercise to explore the cost effectiveness of the BBC in-house orchestras in comparison to the independent sector.

<sup>10</sup> <http://www.guardian.co.uk/media/2010/jun/09/bbc-radio-3-roger-wright>

<sup>11</sup> Arts Council data on Regular funding for organisations: Both the Philharmonia Orchestra and London Philharmonic Orchestra will receive £2,078,111 in 2008/2009, £2,134,220 in 2009/2010 and £2,180,885 in 2010/2011.

<sup>12</sup> BBC Trust Review of Radio Independent Supply, p. 8.

#### 4. **Radio 4**

- 4.1. **Radio 4 is rightly regarded as the jewel in the crown of the BBC Radio portfolio**, valued and admired for its (disproportionate) contribution to the BBC's overall mission to inform, educate and entertain. The service's consistently high reach and hours, and its regular awards hauls, are testament to its success.
- 4.2. However, just as there should be no dilution of Radio 3's uniqueness, **Radio 4 must ensure that it continues to maintain its world-class reputation for high-end, distinctive and intelligent speech content**. Radio 4 must continue to invest in original content rarely found on other UK radio stations – in particular original drama, readings and comedy. We are aware that concerns have been expressed regarding the station's continued commitment to commissioning original content, such as Radio 4's *Friday Play*<sup>13</sup>. We would hope to see any such trend reversed. It is critical that, when budget savings must be made, these come from areas of inefficiency, rather than cutting the volume and depth of programming with high production costs (especially when this programming generates high levels of public value).
- 4.3. **Radio 4 also has a critical role to play in the digital radio switchover process, a role that to date it has not fulfilled adequately**. Not only must the station do more to encourage its own listeners to listen via a digital platform, it should also encourage its listeners to explore other stations on the digital-only platform (both BBC and commercial). Most importantly, the nature of its programming means it can do much to enhance the consumer proposition of digital radio. These proposals are explored in greater detail in the digital radio section of this response.
- 4.4. **We note plans to develop Radio 7's current offering through new content and closer ties with Radio 4, culminating in the re-brand of the station as 'Radio 4 Extra'**. Until further details are announced, it is difficult to offer a view on this proposal. Should BBC Management's proposals amount to more than a re-branding exercise, and instead constitute scheduling and programming changes, we believe that this would constitute a 'significant change' to the service, and would therefore necessitate a Public Value Test. We caution against the presumption that this re-branding exercise is 'the right thing to do', simply because of the success of existing links between BBC analogue and digital stations (i.e. Radio 1 and 1Xtra, 5 Live and 5 Live Sports Extra)<sup>14</sup>.
- 4.5. **We recognise the potential for Radio 4 Extra to play an important role in the drive to digital**. The proposal to more closely align Radio 4 with Radio 7 could enable this immensely popular analogue service to better harness its reach and influence to raise awareness and appreciation of digital radio. This would be most effective if it results in Radio 4's most compelling and popular content being broadcast on a digital-only platform, or at least significantly in advance of analogue broadcast. For example, we welcome the speculation that episodes of *The Archers* could be broadcast on Radio 4 Extra in advance of broadcast on Radio 4, and encourage the BBC to develop further initiatives along these lines<sup>15</sup>. Radio 4 Extra would then in essence become a 'listen in advance' or 'listen in long form' sister platform to Radio 4.
- 4.6. **However, we would be concerned if Radio 4 Extra dropped many of the characteristics that ensure that Radio 7 is currently such a distinct offering** – including its commitment to widening and deepening access to the BBC's speech archive (its service licence states that most of output should come from the BBC archive), and its guardianship of BBC children's radio (although we recognise that the current format for delivering BBC children's radio may need to change). The current Radio 7 service licence emphasises that Radio 7 '*should be distinctly different from other speech radio stations*' and '*there should be an emphasis on covering types of*

<sup>13</sup> See Equity response to BBC Trust review of Radios 3, 4 and 7.

<sup>14</sup> Similarly, we would not wish to see the development of a Radio 3 Extra.

<sup>15</sup> <http://www.broadcastnow.co.uk/news/radio/bbc-may-run-archers-early-to-push-dab/5014198.article>

output rarely found on BBC Radio, such as stand-up comedy, short form drama, science fiction, fantasy and horror<sup>16</sup>.

- 4.7. **Radio 4 Extra must not evolve to become a promotional, 'listen again' platform for Radio 4**, a station that already reaches over 10 million listeners<sup>17</sup>. If this were to be the case, this would do little to further the drive to digital, nor enhance the plurality of the UK radio industry. We note that it was always intended that Radio 7 be closely aligned with Radio 4; it is therefore disappointing that only 7.2% of Radio 4 listeners currently listen to Radio 7.

**Radio 4 – Recommendations:**

- Radio 4's service licence must be amended to reflect an enhanced commitment to and investment in the programming that guarantees Radio 4's distinctiveness including original drama, readings and comedy.
- Radio 4's service licence should be amended to reflect a commitment to enhanced promotion of digital radio, in order to encourage a greater % of Radio 4 listeners to listen via a digital platform.
- Radio 4's 'reach' target, as specified in its service licence, must include a specific target for digital listening, in order to ensure that it exceeds the 2013 target of 50% listening via a digital platform.

## 5. **Radio 7**

- 5.1. **Radio 7 has, to date, contributed to increasing digital listening reach and hours, and has enhanced and diversified the content that is available on a digital-only platform** (although we note the role that it played in the closure of digital-only commercial speech station Oneword<sup>18</sup>). The service is the second most listened to of the BBC digital-only stations and ranks as one of the most listened to digital-only stations overall<sup>19</sup>. The service also provides an important platform on which to re-broadcast some of the best bits of the BBC's spoken word archive, and also invests heavily in new and emerging writing talent.
- 5.2. **Radio 7 has been less successful as 'the home of children's speech radio from the BBC'** (a somewhat unnecessary title, as children's radio programming does not exist anywhere else in the BBC Radio portfolio). The service has consistently struggled to increase awareness and appreciation of its children's radio programming (even following changes made in the wake of the BBC Trust service licence review of services for children).
- 5.3. **We believe it is critical that the BBC continues to fund and support children's radio programming, and believe that there is a demand for it to do so.** We are particularly concerned by the BBC Management proposal to reduce further the amount of children's radio programming on Radio 7, and shift its focus to older children. Whilst we recognise that the BBC has made attempts to increase awareness of and listening to its children's radio programming, we do not believe that the BBC has invested sufficient resource and effort to guarantee success. Whilst the BBC's long-term strategy for the provision of children's radio programming is considered, we advocate partnership with the dedicated children's radio digital station Fun Kids<sup>20</sup>. These proposals are considered in greater detail in the children's radio section below.

<sup>16</sup> BBC 7 Service Licence.

<sup>17</sup> Rajar, Q2 2010.

<sup>18</sup> Further details available in the 2004 Gardam Review of digital radio.

<sup>19</sup> Rajar Q2 2010.

<sup>20</sup> More information on Fun Kids available here: <http://www.funkidslive.com/>



**Radio 7 – Recommendations:**

- Regardless of whether or not Radio 7 is re-branded as Radio 4 Extra, its service licence must specify:
  - continued commitment to the promotion of the BBC's speech archives;
  - continued commitment to investment in original speech content (in particular, the funding and promotion of children's radio programming).
- The establishment of a content-sharing partnership with Fun Kids.
- Public Value Test to consider BBC Management's proposal to re-brand Radio 7 as Radio 4 Extra, including independent modelling of the potential impact on digital listening.

## **CROSS-CUTTING THEMES**

### **6. The BBC's commitment to digital radio**

6.1. **We welcome the BBC Trust's recent statement that the BBC's digital radio strategy requires greater thought<sup>21</sup>.** RadioCentre's response to the BBC Management's Strategy Review proposals stressed that the BBC has a responsibility to ensure that radio secures its digital future – through an enhanced commitment to, and investment in, digital radio – and that it is currently failing to address this responsibility adequately.

6.2. Whilst our response welcomed the BBC's pledge to maintain its current overall digital radio investment<sup>22</sup>, **we set out a number of ways in which we believe the BBC can help accelerate progress towards digital radio switchover.**

- Firstly, we noted that the BBC should increase its commitment to building out DAB coverage (national, regional and local).
- Secondly, we then stressed that the BBC must increase its investment in sustained and heavyweight promotion of the digital radio platform on the BBC's analogue network television and radio services.
- Thirdly, we noted that the BBC must also ensure that a far greater volume of popular content is broadcast on a digital-only platform, or substantially in advance of analogue broadcast.

We believe Radios 3, 4 and 7 have an important role to play in achieving the latter two objectives.

6.3. **The BBC could do much more to harness the strength and popularity of Radio 3 and Radio 4 (in addition to its other analogue radio brands), to encourage their listeners to invest in digital radio sets and listen via a digital platform.**

We note that a (relatively) significant proportion of Radio 3 and Radio 4's audience already listen via a digital platform, in comparison to the BBC's other national analogue stations. 34% of Radio 3's audience and 35.8% of Radio 4's audience listen via a digital platform (24.9% and 29% listen via DAB, respectively). However, these figures still fall short of the 2013 50% listening target – and could have more to do with the two services' relatively upmarket audience<sup>23</sup> and the demographics of current DAB set sales, rather than the successes of Radios 3 and 4 in driving digital take-up. Radio 3 and Radio 4 must strive to meet the 50% listening target well in advance of 2013.

6.4. We also note that few Radio 3 and Radio 4 listeners also listen to other stations within the BBC's portfolio of digital-only stations. We believe that these listening figures could increase, should Radio 3 and Radio 4 commit to enhanced promotion of digital radio (regardless of whether Radio 7 is rebranded as Radio 4 Extra).

<sup>21</sup> BBC Trust, BBC Strategy Review: Interim Conclusions, p. 4.

<sup>22</sup> BBC Strategy Review, p. 11.

<sup>23</sup> 78% of Radio 3's audience, and 77% of Radio 4's audience are ABC1s (Rajar 2009).

**The portion (%) of Radio 3 and Radio 4 listeners that also listen to one of the BBC Radio digital-only radio stations:**

BBC digital-only station	Duplication of listeners between Radios 3 and 4 and the BBC's digital-only stations (% <sup>24</sup> )	
	Radio 3	Radio 4
6 Music	5.3	3.9
Radio 7	8.5	7.2
5 Live Extra	2.6	2.4
1Xtra	0.9	0.4
Asian Network	0.9	0.5

- 6.5. **BBC service licences currently contain little detail as to how BBC Radio services should promote digital radio.** It is specified that Radio 7 *'should provide high quality output, including some use of visual enhancements, that encourages radio listening via digital platforms'* and *'should use new technology to ensure its audiences have the maximum opportunity to access programmes as and when they want'*<sup>25</sup>. Radio 3 *'should encourage the take-up of digital platforms by making its high quality output available in new ways ... should use new technology to ensure its audiences have the maximum opportunity to access programmes as and when they want'*<sup>26</sup>. Radio 4 *'should make its high quality content available on digital platforms and promote DAB and other digital technologies to its audiences'*<sup>27</sup>. We believe that these service licence commitments are insufficiently specific, and must be clarified. At the very least, targets for digital listening reach should be built into the service licences of all BBC analogue stations, including Radio 3 and Radio 4.

**Digital radio - Recommendations:**

- Radio 3 and Radio 4 to increase their promotion of digital radio, to encourage a greater percentage of their listeners to listen via a digital platform.
- Radio 3 and Radio 4's service licences to be amended to include a specific target for digital listening. Both services should be explicitly required to exceed the 2013 target to deliver more than 50% of listening via a digital platform.
- BBC Trust to conduct a Public Value Test should the proposed change from Radio 7 to Radio 4 Extra amount to more than a re-branding exercise.

<sup>24</sup> Rajar, Q2 2010.

<sup>25</sup> BBC 7 Service Licence.

<sup>26</sup> BBC 3 Service Licence.

<sup>27</sup> BBC 4 Service Licence.

## 7. **The BBC's investment in children's radio programming**

- 7.1. **The BBC has consistently failed to invest in and market children's radio programming effectively, and has scheduled it at times and on platforms that were never going to reach a mass audience of children.** Whilst we recognise that the BBC has made attempts to increase awareness of and listening to its children's radio programming, we do not believe that the BBC has invested sufficient resource and effort to guarantee success. For example, whilst the BBC has invested millions in promoting Radio 1 and Radio 2 on its analogue television networks (which reach 11.8 and 13.7 listeners respectively), the BBC has invested little if anything in promoting and marketing its children's radio programming.

### **A brief history of the BBC's investment in children's radio programming:**

- *Children's Hour* launched in 1922, primarily broadcast on the BBC Home Service - axed in 1964 (by which time it was known as *For the Young*).
- *Listen with Mother* launched in 1950, primarily broadcast on the BBC Home Service - axed in 1982.
- *Cat's Whiskers* launched in 1986 - axed in 1994 (when Radio 5 was re-launched).
- Children's programming on Radio 4 launched soon after Radio 5's re-launch - scrapped in 1998.
- *Go4It* launched in 2001 on Radio 4 - axed in 2009.
- Radio 7 launched in 2002. *Cbeebies Radio* used to broadcast between 2-5pm, but is now broadcast between 6-8am, whilst *Big Toe Books* was broadcast between 7-8am and is now broadcast between 4-5pm.
- Radio 3 axed its only children's series, *Making Tracks*, in 2006.

- 7.2. **The 2009 BBC Trust Review of Services for Younger Audiences concluded that 'awareness and reach of radio content for children are low.** Audience research indicates that *Cbeebies Radio*, *Big Toe Books* and *Go4It* are broadcast at inconvenient times and on the wrong station<sup>28</sup>. The review identified a number of obstacles to achieving higher audiences for children's radio programming, including the fact that the most common place that children listen to the radio is in the car, where digital-only stations such as Radio 7 are likely to be unavailable, plus the fact that Radio 7 and Radio 4 are stations primarily aimed at a much older audience, meaning that children are unlikely to develop an affinity with these services. Following the BBC Trust Review, Radio 4's *Go4It* programme was dropped, and the scheduling of children's radio programming on Radio 7 was revised. However, we do not believe that the identified obstacles have been addressed properly and, as a result, awareness and reach for BBC children's radio content remains low.

- 7.3. **The BBC appears to be planning to further reduce its commitment to children's radio programming,** despite the fact that 'outstanding children's content' is specified as one of the BBC's five editorial priorities within the BBC Management Strategy Review<sup>29</sup>. However, whilst the Strategy Review pledges to increase spend on content for children by £10m a year from 2013, its detailed proposals only refer to television channels CBBC and Cbeebies, not once mentioning radio.

<sup>28</sup> BBC Trust Review of Services for Younger Audiences, p. 51.

<sup>29</sup> BBC Strategy Review, p. 4.

- 7.4. We note the proposal contained within the BBC Trust's online questionnaire for members of the public responding to the review of Radio 7: *'Children's programmes on Radio 7 are aimed primarily at pre-school listeners. BBC Management is keen to change the focus for children's programmes in order to appeal more effectively to both older children and their families and carers, as well as reduce the volume of programming overall. What do you think about these proposals?'*. This proposal implies a further dilution of the depth and breadth of Radio 7's children's radio offering. We note also BBC Management proposals to close BBC Switch, the BBC's targeted offering for teenagers, which currently broadcasts on Radio 1 on Sunday evening (from 19.00 to 00:00). No detail has been provided as to what, if any, children's content would be provided on the proposed Radio 4 Extra service.
- 7.5. **We believe it is critical that the BBC continues to fund and support children's radio programming, and believe that there is a demand for it to do so.** As the Gardam Review noted in 2004, *'the originated children's programming [on Radio 7] is a genuine adornment to British broadcasting'*<sup>30</sup>. Research conducted to inform the BBC Trust review of services for younger audiences found that 37% of parents of children aged six or under felt that their children would be interested in listening to CBeebies radio in the future<sup>31</sup>. A recent poll by Ipsos MORI also found that 23% of people believe a children's radio station should be the BBC's highest priority<sup>32</sup>.
- 7.6. **Whether the BBC should now launch a stand-alone digital children's station is a matter of public debate.** We note that the BBC's Chief Operating Officer considers it to be mistake that the BBC did not launch a radio station aimed at children when it first launched its digital-only portfolio<sup>33</sup>. However, the BBC's decision not to launch a stand-alone children's radio service led to the establishment of a commercial children's radio station – Fun Kids – to meet the demand for such a service. The BBC must therefore consider very carefully market impact should it ultimately decide to launch a children's radio station – learning from the experience of Radio 7 and One Word.
- 7.7. **Children's radio is such an important and at-risk public service broadcasting genre, its future must be given greater consideration and public scrutiny than this service licence review is able to offer.** However, as an interim solution to the allow the BBC to meet its commitment to children's radio, we endorse the proposal from Fun Kids<sup>34</sup> (a commercial digital-only station aimed at children under 10 and their families) to enter a content partnership with the BBC<sup>35</sup>. We believe that would ideally take the form of the BBC providing current and archive content, free of charge, to Fun Kids – who would then put no commercial messaging around this content, would credit the BBC accordingly and would not charge the BBC for carriage.
- 7.8. **Partnership between the BBC and Fun Kids would allow licence fee-funded children's content to reach a wider audience and generate greater public value and value for money as a result.** We believe that a partnership between Fun Kids and the BBC would meet the BBC's three partnership tests, originally set out in the BBC's 2008 Partnership document<sup>36</sup>. Firstly, it would be strategic, *'not just a temporary plugging of a hole, but that it offers a good chance of promoting PSB sustainability in the long term'*<sup>37</sup>. Secondly, *'the elements in any package of partnership proposals cannot be 'offers' which could be withdrawn or watered down by the BBC at some point in the future: they must be fresh obligations on the BBC, and the BBC's performance in meeting those obligations must be subject to objective and*

<sup>30</sup> Gardam Review of Digital Radio.

<sup>31</sup> BBC Trust Review of Services for Younger Audiences, p. 52.

<sup>32</sup> <http://www.telegraph.co.uk/culture/tvandradio/7960229/BBC-should-replace-Asian-Network-with-childrens-radio-station.html>

<sup>33</sup> <http://www.guardian.co.uk/media/2009/jul/10/bbc-children-radio>

<sup>34</sup> More information on Fun Kids available here: <http://www.funkidslive.com/>

<sup>35</sup> Fun Kids submission to the BBC Trust review of Radios 3, 4 and 7.

<sup>36</sup> <http://www.bbc.co.uk/aboutthebbc/future/pdf/phase2/partnerships.pdf>

<sup>37</sup> BBC Public Service Partnerships: Helping sustain UK PSB, p. 7.

*open scrutiny*<sup>38</sup>. We agree that deliverability and accountability are critical, and would expect these to be addressed when the BBC Trust considers Fun Kids' partnership proposal. Thirdly, we recognise that any proposed solution must be fair and comply with relevant rules: again we expect the BBC Trust to give these issues due consideration, but believe that the partnership would be compliant.

- 7.9. We note that the 2008 BBC Partnership document states that: *'If supported by partners and other stakeholders then, with further work and refinement, the BBC is committed to implementing these partnerships as quickly as possible within its existing funding agreement'*<sup>39</sup>. We are disappointed that negotiations between the BBC and Fun Kids have, to date, been so unsuccessful, and we hope that the intervention of the BBC Trust can speed-up the process.

**Children's radio - Recommendations:**

- Radio 7 to continue its commitment to the funding and promotion of children's radio programming (regardless of whether or not it is re-branded as Radio 4 Extra). Should Radio 4 Extra be launched, this must be built into its service licence.
- BBC Trust consultation to consider the long-term delivery of the BBC's responsibility and commitment to children's radio.
- The BBC Trust to advance discussions between the BBC and Fun Kids, to facilitate a content-sharing partnership which will extend the reach and awareness of BBC's children's radio programming.

---

<sup>38</sup> BBC Public Service Partnerships: Helping sustain UK PSB, p. 7.

<sup>39</sup> BBC Public Service Partnerships: Helping sustain UK PSB, p. 8.

## **8. The BBC's investment in distinctive and high-quality content**

- 8.1. **Radio 3 and Radio 4 are both hugely significant commissioners of original speech and music audio content, and act as catalysts for creativity and innovation within the UK's creative industries sector.** We support the aspirations expressed in their service licences: that Radio 3 *'should commission new work from composers, musicians and playwrights and draw on the best talent from across the world to create its output'* and *'should be one of the most significant commissioners of music in the world'*<sup>40</sup>, and Radio 4 *'should take risks and invest in original content rarely found elsewhere'*<sup>41</sup>.
- 8.2. **Radio 7 also has an important role as commissioner** of *'types of output rarely found on BBC Radio'*<sup>42</sup>, including stand-up comedy, short form drama, features, readings and children's radio programming.
- 8.3. **We would not wish to see the importance of Radios 3, 4 and 7 commissioning roles diminished**, given the distinctiveness of the content commissioned by these services, and the lack of similar provision and investment by the commercial radio sector. Should budgetary reductions be deemed necessary, efficiency savings can be found in other sections of the BBC Radio portfolio (identified partly through benchmarking with the commercial sector), and we also believe that greater sharing of content across the BBC's radio networks could generate cost savings (as well as maximising public value).
- 8.4. **We believe that it must be made clearer how Radios 3, 4 and 7 will fit within the wider BBC Strategy Review**, specifically the five content priorities set out in the BBC's Strategy Review. These five content priorities together *'represent the essence of how the BBC will meet its public purposes'* and *'demand far-reaching changes to the BBC's portfolio of services'*<sup>43</sup>. They are specified as:
  1. The best journalism in the world;
  2. Inspiring knowledge, music and culture;
  3. Ambitious UK drama and comedy;
  4. Outstanding children's content;
  5. Events that bring communities and the nation together.
- 8.5. We welcome the identification of these five priorities. However, as we noted in our response to the Strategy Review, it is unclear how some of these relate to some of the BBC's radio services. For example, there is no mention of radio within the *'Best journalism in the world'* section – despite the important role that all BBC Radio services should play in the provision of high-quality news and information. Radio 4 excels in this area, fulfilling its service licence requirement to broadcast *'in-depth, accurate, impartial and independent news and current affairs output'*<sup>44</sup>, and receives a significant licence fee investment in return. However, we believe that it must be specified how all BBC Radio services, including Radios 3 and 7, will aspire to deliver the *'best journalism in the world'*.
- 8.6. The *'Inspiring knowledge, music and culture'* section contains a limited number of references to radio. We are informed that Radio 4 will increase its commitment to *'highly ambitious knowledge projects'* and that Radio 2 will *'feature more live concerts and jazz in prominent early evening slots and there will be more regular documentaries exploring music and cultural subject matter'* (reflecting the recommendations of the recent BBC Trust review of Radio 2). In addition, BBC Introducing will aim to *'connect*

<sup>40</sup> Radio 3 Service Licence.

<sup>41</sup> Radio 4 Service Licence.

<sup>42</sup> Radio 7 Service Licence.

<sup>43</sup> BBC Strategy Review, p. 8.

<sup>44</sup> Radio 7 Service Licence.

*Radio 1 and 1Xtra with music makers at the grass roots, offering practical advice as well as the platform for the best emerging talent across the schedules'* (again, this reflects requirements in Radio 1 and 1Xtra's existing service licences and reiterates recommendations from the BBC Trust review of the two services). However, again, we believe that further commitment must be provided as to how Radios 3 and 7 will contribute towards the '*inspiring knowledge, music and culture*' priority.

- 8.7. The only mention of radio under the heading '*Ambitious UK drama and comedy*' is the reference that Radio 4 will give more emphasis to on more ambitious, innovative and creatively stretching programming. Yet Radio 3 and Radio 7 must also continue to play an important role in commissioning and broadcasting UK drama and comedy, and we hope that this is recognised in the BBC Trust's final conclusions on BBC Management's Strategy Review proposals.
- 8.8. **The recent BBC Trust service reviews of Radio 1, 1Xtra, Radio 2 and 6 Music have emphasised that all of the BBC's popular music services must enhance their delivery of the BBC's public purposes and further build distinctiveness.** We believe that Radios 3, 4 and 7 could play an important role in this regard – perhaps through greater sharing of their most distinctive and unique content for use on the BBC's popular music networks, or through increased content collaborations. Not only would this assist these services in meeting the recommendations laid out in their service reviews, it could also maximise public value and represent greater value for money. We note, for example, a recent 60-part history collaboration between Radio 3 and Radio 4 on Western classical music – and believe that more programming collaborations such as this should be developed, but between less obvious pairings of BBC Radio services, such as Radio 4 and Radio 1, and Radio 3 and Radio 2.
- 8.9. **We support the BBC Trust's recent introduction of a 10% Window of Creative Competition (WOCC) for radio,** in addition to its decision to maintain the existing independent supply quota of 10%<sup>45</sup>. However, we believe that Radio 4 and Radio 7 in particular should be required to exceed the 10% quota. And we suggest that the BBC Trust review whether the independent quota and WOCC for radio can be further increased no more than one year after the implementation of the WOCC (the 2012/13 financial year).

**BBC Content - Recommendations:**

- Radios 3, 4 and 7 to collaborate on programming initiatives with BBC Radio's mainstream analogue networks, to assist them in their aim to enhance their delivery of the BBC public purposes and further build distinctiveness.
- Radio 4 and Radio 7 should be required to exceed the quota to commission at least 10% of eligible hours of output from independent producers. This commitment must be reflected in their revised service licences.

<sup>45</sup> See BBC Trust Review: Radio Independent Supply, August 2010.



## 9. Securing access to the BBC content and archives

- 9.1. **We believe that the BBC should strive to make its archive of speech and music content as accessible as possible.** Mark Thompson has pledged to make the universal availability of the BBC's archive a key objective *'over the next ten years, creating an engine for new public value—connecting audiences with the best of everything the BBC has ever made.'*<sup>46</sup> We support this sentiment, but believe that the speed at which the BBC opens up its archive must be increased (notwithstanding rights issues). We acknowledge that the BBC Trust has pledged to return to the issue of how the BBC deploys its vast content archive in its final conclusions on the Strategy Review – and we hope that this response will help inform the Trust's thinking.
- 9.2. **We believe that Radio 3 in particular could do much more to exploit its vast archive and maximise the public value that it generates.** Radio 3 has a service licence obligation to invest in live and specially recorded classical music and to *'offer its content in as flexible a way as current technology and rights will permit'*. It has therefore built up a vast and rich archive of recordings, which it simply does not have the capacity to re-broadcast. We welcome the first steps to make this archive accessible<sup>47</sup>, but believe that organisations, including commercial competitors such as Classic FM, should have the right to re-broadcast these performances. In particular, given the magnitude of the public investment in the Proms, we believe all broadcasters should have the opportunity to re-broadcast all Proms performances, in order to provide the maximum value for licence fee payers.
- 9.3. **In addition, it is critical that BBC archive content is fairly priced when made available to commercial broadcasters.** We are aware of at least one commercial group that wished to use BBC archive content in a recent documentary series but was unable to do so as the quoted cost for the use of the content was prohibitive.

### **BBC content and archives - Recommendations:**

- BBC Trust to consider how Radios 3, 4 and 7 could do more to make their archives accessible to commercial broadcasters (including consideration of fair pricing). This must be reflected in their revised service licences.

## 10. The BBC's approach to exclusivity

- 10.1. **The BBC must ensure that when it signs deals to secure broadcast rights and/or programming inputs, it is not acting in a manner that limits artificially the public value that will be generated by that content (and causes an unnecessary negative market impact in the process).** We note that the BBC Fair Trading Guidelines state that the BBC should not *'without objective justification, deal on an exclusive basis with one particular third party'*. We also note that the Fair Trading Guidelines list a number of questions to ask when considering whether a deal should be signed on an exclusive basis<sup>48</sup>. The Guidelines recommend that, in order to minimise potential negative impact, if the activity could succeed in the absence of exclusivity the exclusivity provision should be removed, or the exclusivity period should be shortened to the minimum level possible.
- 10.2. **We believe that BBC Radio services often signs exclusivity deals without objective justification.** For example, we understand that Radio 3 sometimes insists on exclusivity in its dealings with independent orchestras (often the less prominent and powerful of the independent orchestras). Exclusivity broadcast rights limits these

<sup>46</sup> BBC Strategy Review, p.3.

<sup>47</sup> <http://www.bbc.co.uk/radio3/archives.shtml>

<sup>48</sup> These include: *'Why is exclusivity necessary for the success of the activity?'*, *'What is the shortest period of exclusivity for the benefits to arise?'* and *'What evidence is available to support the approach adopted?'*.

organisations' exposure and engagement with other interested parties, including Classic FM, and therefore limits rather than enhancing public value delivery.

**Exclusivity - Recommendations:**

- BBC Trust to consider the issue of exclusivity as part of this service licence review, and ensure that it forms an integral part of the Trust's forthcoming review of Fair Trading Policy.
- Radio 3 commitment to refrain from signing exclusive deals with independent orchestras, choirs and other classical music organisations, unless there is an objective justification for it doing so. This must be reflected in its revised service licence.

## 11. Securing value for money

- 11.1. **We note within the BBC Trust's interim response to the BBC Strategy Review an increased emphasis on value for money.** The document states that the Trust wishes to '*accelerate the changes we are making to increase transparency and value for money*<sup>49</sup>, so that it can assure itself that it is '*doing everything possible to remove slack in the organisation*<sup>50</sup>. We value this increased emphasis. However, we do not believe that the Trust can truly assess the value for money provided by services within the BBC Radio portfolio without benchmarking programming costs against commercial radio.
- 11.2. **We refer once again to the conclusion of the National Audit Office within its investigation into the efficiency of radio production at the BBC that the BBC is not '*making full use of opportunities to increase the value for money it is achieving*'. Specifically, '*it is not sufficient for the BBC to accept that different services and programmes cost different amounts without attempting to explain those differences in the context of the remit of those services*'. However, we note from their respective service licences that the method for measuring value for money for Radios 3, 4 and 7 remains cost per listener hour, which has been criticised by the National Audit Office as a measure of efficiency.**
- 11.3. **We believe that there are significant inefficiencies within BBC Radio.** RadioCentre's response to the BBC Strategy Review was supported by a submission from independent consultants *Value Partners*, who interviewed a number of industry experts<sup>51</sup> in order to inform their review. The overwhelming impression from those interviewed by *Value Partners* that BBC Radio is, in many areas, significantly inefficient – in particular, that there is over-manning in programming, excessive levels of talent and management pay, and a tendency to over-engineer<sup>52</sup>.
- 11.4. **We are extremely disappointed that there has been no progress to date on benchmarking between the two sectors,** despite this being a requirement placed on the BBC by the BBC Trust over a year ago to ensure that the BBC is delivering value for money. Despite a recent exchange of correspondence between RadioCentre and the BBC Trust, asking once again for the Trust to moderate and advance negotiations, it remains the case that negotiations have not progressed.

### **Value for Money - Recommendations:**

- BBC Trust to advance benchmarking discussions between commercial radio and the BBC, as a matter of priority.
- The benchmarking of programming costs between the BBC and commercial broadcasters to be regarded as an integral tool when considering value for money in future service licence reviews.

<sup>49</sup> BBC Trust, BBC Strategy Review: Interim Conclusions, p. 2.

<sup>50</sup> BBC Trust, BBC Strategy Review: Interim Conclusions, p. 2.

<sup>51</sup> Independent interviewees were: Lord Smith, Peter Bazalgette, Paul Gambaccini, Paul Robinson, Lesley Douglas, Sue Farr, James Cridland, Mark Oliver and Andria Vidler. Commercial radio representatives included: Richard Park, Dee Ford, Stuart Taylor, Adam Bowie, Moz Dee, Jimmy Buckland, Michael Betton, Phil Riley, Travis Baxter, Ashley Tabor, Andrew Harrison and Kip Meek.

<sup>52</sup> Value Partners, 'BBC Radio – A Review', May 2010, p. 21.

## 12. Reflections on the BBC Trust's service licence review process

- 12.1. **We believe that it is critical that, as part of the service licence review process, the BBC Trust strives to ensure that as much information as possible regarding proposed changes to the services under review is in the public domain and accessible.** The BBC Trust's interim conclusions to the BBC Strategy Review state that *'We are currently reviewing Radios 3, 4, and 7 and will report our findings in the winter – at which point we will respond to the Executive's proposal to redefine Radio 7 as Radio 4 Extra'*<sup>53</sup>. We appreciate that the BBC Trust is bound to conduct strategic reviews of all BBC services every five years. However, we feel that is extremely difficult to appraise Radio 7 properly, and comment upon its future strategic direction and service licence, when BBC Management's proposal to re-brand the service as Radio 4 Extra is still under consideration, with few details provided about this re-positioning and re-branding.
- 12.2. We note also that only within the questionnaire for those members of the public wishing to respond to the BBC Trust Review of Radios 3, 4 and 7 is it mentioned that *'BBC Management is keen to change the focus for children's programmes in order to appeal more effectively to both older children and their families and carers, as well as reduce the volume of programming overall'*<sup>54</sup>. As organisations are not urged to complete this public consultation this proposal may go unnoticed, thus reducing their ability to comment upon the future strategic direction of Radio 7.
- 12.3. **Equally, we believe greater consideration must be given to market impact during future BBC Trust service licence reviews.** The BBC's rolling programme of service licence reviews deliberately omit the consideration of market impact (neither do they consider the place of that radio service within the wider BBC Radio portfolio). This is largely because service licences do not include reference to market impact, despite the BBC Agreement stating explicitly that each BBC service licences should have *'regard to the needs of licence fee payers and others who may be affected'*<sup>55</sup>. However, the BBC Management Strategy Review pledges to take *'a precautionary approach to market impact, within existing as well as proposed new services'*<sup>56</sup>. This is very welcome, yet there is little evidence of how this will be enacted.
- 12.4. **Any recommendations arising out of the BBC Trust's ongoing service licence review process must be implemented effectively - and sanctions imposed if they are not.** Whilst service licences represent a vast improvement on the previous regulation of BBC services, they often suffer from imprecise and unquantifiable targets which ultimately make it very difficult to judge the overall performance of a service. We therefore propose that the service licences for the BBC Radio portfolio are revised, to include more tangible and quantifiable targets.

### **BBC Trust service licence review process - Recommendations:**

BBC Trust to reflect on how it might improve its service licence review process, including consideration of:

- How all relevant information is provided as part of the service licence review process;
- How service licence reviews could consider market impact;
- How service licences can include more precise and quantifiable targets.

In addition, the BBC Trust must consider in detail what sanctions should be imposed,

<sup>53</sup> BBC Trust, BBC Strategy Review: Interim Conclusions, p. 31

<sup>54</sup> <http://www.bbc.co.uk/bbctrust/consultations/departments/bbc/bbc-radio-3-bbc-radio-4-bbc-radio-7/consultation/radio-7>

<sup>55</sup> BBC Agreement.

<sup>56</sup> BBC Strategy Review, p. 16.

should a BBC service be found to be in breach of its service licence.