

RADIOCENTRE RESPONSE TO BBC TRUST REVIEW OF PUBLIC PURPOSE REMITS

1. About RadioCentre

- 1.1 RadioCentre is the industry body for UK commercial radio. It exists to maintain and build a strong and successful commercial radio industry, and to help promote the value and diversity of commercial radio.
- 1.2 Founded in 2006 after the merger of the Radio Advertising Bureau (RAB) and the Commercial Radio Companies Association (CRCA), RadioCentre represents radio groups and stations from rural, small scale ventures, to household names serving major metropolitan areas. Its member stations together represent 90 per cent of commercial radio listening.
- 1.3 Working with a range of stakeholders, RadioCentre works for the greater benefit of commercial radio, from lobbying on the industry's behalf with government, Ofcom and policy makers, to raising the profile of commercial radio with advertisers and their agencies, and of course, working with radio stations themselves, helping them maximise the potential of their businesses.

2. Executive Summary

- 2.1 **RadioCentre believes the vast majority of proposed changes to the public purpose remits make them more focused and succinct.** We welcome the opportunity to re-examine the public purpose remits at the start of a new service licence review period, and believe this a valuable first step in reviewing the suitability of the public purposes ahead of a future consultation on the new BBC Charter in 2016.
- 2.2 **We credit the Trust in continuing to strive to improve the way it governs the BBC.** In line with the Review of BBC Governance conducted by Lord Patten in July 2011, this practical assessment of the technical structures of the public purposes is a worthwhile exercise which should help the Trust to govern more effectively.
- 2.3 **There is scope for further additions to the purpose remits than those proposed.** The published qualitative analysis of an audience sample by Kantar highlights areas where BBC services have the opportunity to offer much more incremental public value, to younger, older, or specialist audiences. Similarly, the BBC's commitment to DAB build-out at the local level is currently understated in the purpose remits, and should be increased.
- 2.4 **The public purposes will require more rigorous examination in the next Charter Review.** Despite receiving no public funding, the commercial radio industry currently makes a substantial contribution to public value. In future BBC services should be required to meet more specific targets, and we look forward to reviewing the basis for these objectives ahead of the new Charter in 2016.

3. Overview

- 3.1 The 2006 Agreement between the Trust and the Government required the Trust to set a Purpose Remit to help services define what they must do to fulfil each of the six public purposes. Since 2007 when these remits were defined, the BBC's performance against them has been assessed by the Trust on an annual basis through published quantitative audience 'Purpose Remit Tracking' studies.

- 3.2 Whilst we understand that the scope of this consultation is not to repeat the extensive research and consultation in 2007, we acknowledge the review is an important step in bringing the public purposes more in line with the simpler governance advocated by the Chairman's recent Review of BBC Governance¹.
- 3.3 According to the BBC Charter 'The BBC's main activities should be the promotion of its Public Purposes through the provision of output'². Public Purpose Remits – alongside service licences and the BBC complaints framework – are an important tool for ensuring the public purposes are implemented in practice. The BBC Trust should strive to infuse them with sufficient force and specificity to allow the Public Purposes to resonate throughout the BBC's services in the manner envisaged by the Charter.
- 3.4 It is therefore appropriate that the BBC should review the public purpose remits at the beginning of each service licence review period, in order to ensure that they are as clear as possible for services to work with, in order to achieve the maximum value for licence fee payers. RadioCentre continues to welcome the opportunity to comment on BBC services through service licence reviews, and the opportunity to contribute to this consultation.
- 3.5 Consideration for the licence-fee payer as part of this process is important, and the continued publication of the licence-fee payer analysis conducted by Kantar Media (formerly BMRB), is also a welcome and transparent practice. In order to better analyse the appropriateness of the changes being proposed within this consultation, we have reviewed the research of 2,246 UK adults interviewed for the 2011-2012 study to gauge how current services perform against the public purposes in the view of the licence-fee payer.
- 3.6 **RadioCentre continues to believe BBC music output does not fully meet the public purposes.** We have in the past discussed the potential impacts that insufficiently distinct BBC popular music services have on the commercial sector. The balance in the radio industry gets out of kilter when public and commercial services sound too similar, or when BBC stations are seen to prioritise popularity over quality and the delivery of their public purposes. It damages commercial radio financially, and lessens the choice for the licence-fee payer. We believe these latter frustrations are evident in the quantitative research conducted by Kantar.

4. Proposed Amendments

- 4.1 RadioCentre notes from the consultation that the Trust wishes to amend the public purpose remits in three specific areas:
- Re-examining purpose remits to make them more focused and easier to understand.
 - Adapting the purposes so that they are in line with technological advancements.
 - Aligning remits with audience priorities.
- 4.2 **With regards to re-examining purpose remits to make them more focused and easier to understand, the substantive changes to the purpose remit text listed within the consultation are logical and consistent with other Trust documentation.**

¹ BBC Trust, [Review of BBC Governance](#), July 2011.

² Department of Culture Media and Sport, [Copy of Royal Charter for the continuance of the British Broadcasting Corporation](#), October 2006, p. 3.

4.3 Incorporating all the Purpose Remits into one document with a single introduction, combined with a solitary clear explanation of what the priorities are for each of the purposes, fulfils the 2011 Governance Review aim to 'simplify "purpose remits" and reduce the number of priorities specified within them'³. Similarly, edits to each purpose scoping paragraph, and five of the six purpose *priorities*, appear to better reflect the responsibility the purpose remits have in ensuring services fulfil their public purposes.

4.3 Replacing the currently over-descriptive embellished introductory text (e.g. 'you can rely on the BBC to etc....') with a shorter, more straightforward factual summary of what the BBC Agreement requires from BBC services is specifically welcome. More prescriptive language within the public purposes not only helps BBC services to have recognisable targets with which to aspire, as is the removal of the more rhetorical leanings in the document (and generic terms such as 'trust').

5. Technological Advancements

5.1 The most pronounced query RadioCentre has within the proposed purpose remit alterations relates to Emerging Communications. Whilst we acknowledge that future proofing the purpose remits to keep them in line with technological advancements is a difficult task, we believe that the remits should include more detail regarding digital radio expansion.

5.2 **Further detail should be added to the purpose remits to better articulate the BBC's role in DAB build-out.** The signature of a Memorandum of Understanding (MoU)⁴ – which outlines an agreed process between Government, BBC, Ofcom and the Multiplex Operators, for the build out of local Digital Audio Broadcasting (DAB) in the lead-up to a possible radio switchover – has been a significant step for the industry which should be reflected in the public purpose remits.

5.3 Whilst we understand that the Trust is proposing to further enhance the purpose priority relating to DAB coverage in the remits, we believe that the BBC's commitment to digital radio should be signposted earlier within the document. Specific reference to the agreed MoU and a possible digital radio switchover should replace the current proposed references to the BBC 'taking a leading role in the switchover to digital television'⁵, as this process has been completed⁶. Moreover it is important for the BBC's commitment to expand digital radio goes beyond the expansion of its own national multiplex and specifically includes local radio.

6. Audience Priorities

6.1 RadioCentre has commented in responses to previous Trust service licence reviews that the current positioning of BBC Radio is not to the best interest of all licence-fee payers. It is therefore no surprise that licence-fee payers have identified that BBC services as a whole are underperforming in the same areas where we have previously highlighted radio programming fails to deliver the range and volume of distinctive public value required.

³ Governance Review, p. 15.

⁴ <http://www.culture.gov.uk/images/publications/MoU-Local-DAB-Funding-for-Radio-Switchover-Signed.pdf>

⁵ BBC Trust, Review of Purpose Remits, October 2012, p. 5.

⁶ *Evening Standard*, 'The end of analogue TV: Digital switchover is complete', 24 October 2012.

- 6.2 **Minority groups continue to be underserved by BBC Radio.** In our response to the Local Radio Review last December, we highlighted that the BBC could more effectively and efficiently reach minority audiences by providing more clearly delineated slots on BBC Local Radio⁷. The Kantar research echoes these views, with less than half of black and minority ethnic group licence-fee payers surveyed feeling that the BBC is good value for money (46%)⁸.
- 6.3 **Failing to market and invest in children's radio programming effectively is proving detrimental to younger audiences, as well as the wider education and learning public purpose of the BBC.** The Kantar report highlights significant audience dissatisfaction in this area, as the sample audience felt children's educational output was already behind expectations (negative performance gap of -9⁹). We believe further cuts in children's audio on Radio 4 and 4 Extra will only add to these frustrations for the licence-fee payer.
- 6.4 Performance scores continue to be low for content in the Nations, regions and communities. Specifically, the service priority "the BBC helps me understand politics in my region" recorded the largest negative performance gap, with the BBC delivering content 10 points below audience demands¹⁰. In our January 2011 response to the BBC Nations Review, RadioCentre emphasised that more distinctive stations which reflect the political and social traits of each Nation would provide a valuable and distinctive service for listeners¹¹.
- 6.5 **The BBC still has much to do in terms of increasing the level of quality journalism.** The study highlights that despite a high performance score for journalism overall, the *quality* of independent journalism was seen to be not as high as desired¹². RadioCentre believes this could be improved by a greater emphasis on hard journalism on national radio services such as 5 Live and Radio 2; which have at times focussed disproportionately on celebrity gossip and popular music shows as part of their respective news targets.
- 6.6 Considering the above issues, it is unsurprising that **distinct creative content continues to disappoint licence-fee payers**. The single largest performance gap in the report is for the priority "the BBC provides lots of fresh and new ideas" (-21). We note that this performance gap has not changed significantly since 2008-2009 (-21)¹³. The BBC's national popular music stations could do more to contribute to this purpose by offering a better range of content in peak times which is new and different to commercial alternatives.
- 6.7 In the absence of a wider review of the Public Purposes until 2016, **RadioCentre recommends the Trust uses this research to adapt the public purpose remits to ensure they better serve the licence-fee payer's needs**. Specifically, the Trust should look to enhance the BBC's offering for minority groups, local politics, harder journalism and more distinctive creativity as mentioned. BBC Radio, which reaches over 34 million licence-fee payers every week, is the perfect medium to help redress this balance quickly and effectively.

⁷ RadioCentre, [Response to BBC Trust service review of BBC Local Radio](#), December 2011, p. 13

⁸ Kantar Media, [Purpose Remit Tracking Study 2011-2012](#), July 2012, p. 9.

⁹ Ibid.

¹⁰ Ibid, p. 10-11.

¹¹ RadioCentre, [Response to BBC Trust Review of Nations Services](#), January 2011.

¹² Purpose Remit Study, p. 10.

¹³ Ibid, p. 11.