

RADIOCENTRE RESPONSE TO BBC TRUST CONSULTATION: BBC NATIONS' RADIO & NEWS ON TV AND ONLINE

1. Executive summary

1.1 In this response the following recommendations have been made in order to help maintain the important contribution made by the BBC's radio services in the Nations:

- **Music and speech output.** The service licences of the English language Nations' services state that they should be 'speech-led' during daytime, yet there is a significant amount of music broadcast during peak hours which risks duplicating content both from BBC and commercial services. Speech content should make up all of the output of these services during weekday daytime. In addition, news output should reflect the significant budget received by the Nations' services, with substantive journalism, covering news and current affairs stories of national significance.
- **Competitive impact.** Due to its size and scale the BBC can have a significant competitive impact. Consequently, BBC services should not seek to bid for any genre of broadcast rights on an exclusive basis and this should be reflected in the individual service licences. It is also recommended that the Trust should consider conducting a benchmarking review in order to ensure that the BBC gets value for money with regard to its employment of local journalists and broadcasters.
- **Service licences.** In order to maintain their distinctive nature, the service licences for the BBC's Nations' services need to be tightly defined. Amendments should therefore be made in order to include a target age of 55+ with a particular focus on older listeners 65+. A stipulation for a minimum 25% of music output from artists of a particular Nation should also be included in these service licences, with BBC Radio Cymru and BBC Radio nan Gàidheal only broadcasting indigenous music during weekday daytime.

2. Introduction

2.1 Radiocentre welcomes this review of the BBC's radio services in the Nations, which include BBC Radio Wales and BBC Radio Cymru (Wales), BBC Radio Ulster and BBC Radio Foyle (Northern Ireland), BBC Radio Scotland and BBC Radio nan Gàidheal (Scotland). Our last response¹ to the Trust on this issue was in 2011 when a number of concerns were highlighted, many of which are reiterated in this paper.

2.2 The BBC's radio stations for the Nations provide an important service to listeners across Wales, Northern Ireland and Scotland. In conjunction with commercial broadcasters these services perform an important complementary role for listeners, providing content which often embodies the ideals of public service broadcasting, namely distinctive, high-quality, informative speech-led content.

2.3 The BBC's Nations' services also fulfil an important role by serving the needs of an older target audience. Most of the UK's competitive radio environment is focussed on 25-44 audiences, which means that the 50+ audience is generally less well served. Given that

¹ http://www.radiocentre.org/files/2011_01_11_rc_response_20to_bbc_trust_review_of__20bbc_nations_services.pdf

there are now 19m people in the UK aged over 55, and the 65+ market the fastest growing population segment, this presents an enormous opportunity to better serve a growing section of the population with distinctive content.

- 2.4 Nevertheless, while the BBC Nations' services are, in general, distinctly high-quality, a number of aspects of these services could be improved in order to meet the high standards expected from the BBC and required by the individual services licences. In particular there are some concerns regarding certain aspects of music output, speech output, competitive impact and the nature of the services licences.

3. Music and speech output

- 3.1 The service licences for BBC Radio Ulster/Foyle, BBC Radio Scotland and BBC Radio Wales all state that they should be 'speech-led' services; specifically, all speech at breakfast peak and speech-led in daytime².
- 3.2 However, to varying degrees, all three stations play music during weekday daytime. Whilst only constituting a relatively small proportion of these stations' overall output, the inclusion of music in the schedule inevitably alters the overall feel and personality of that station – potentially diminishing listeners' perceptions of their distinctiveness and creating a mix of speech and music that is closer (at times) to that offered by other radio services.
- 3.3 The BBC already provides an additional tier of popular music alternatives for listeners in the Nations, with services such as Radio 2 in particular charged with providing a mix of distinctive popular music and speech for older audiences. This is reinforced by the range of music offered by the BBC across Radio 1, 6Music, Radio 3 and Radio 1Xtra. Consequently, the inclusion of music in the weekday daytime schedule on the BBC Nations' services inevitably increases the degree of crossover with other BBC stations and local commercial competitors.
- 3.4 Against this background plans mooted by Jeff Zycinski, Head of BBC Radio Scotland, to launch a new music radio station highlights a concerning and unnecessary trend towards a greater emphasis on music. Indeed, the launch of a dedicated BBC Radio Scotland station³ focussed solely on music would mark a major shift in BBC Radio provision in Scotland.
- 3.5 The argument that has been presented regarding the need for the licence fee to be spent more evenly across the UK is well understood – and has been debated at length in Scotland in particular. However, the Government's Charter Review process is a more appropriate forum to address these concerns rather than this service licence review.
- 3.6 It is worth noting that there are a number of proposals being considered as part of the broader Charter Review process to provide greater value for licence fee payers in Scotland, including the possibility of stronger commitments to television and online⁴. It would seem to us that these measures are more sensible than launching new radio services that would further exacerbate the BBC's dominance in radio.

² Breakfast defined as 0600-0900, Mon to Fri; Daytime defined as 0600-1900, Mon to Fri.

³ <http://www.bbc.co.uk/programmes/b06s6vy9>, Interview with Jeff Zycinski on BBC Radio 4 Feedback, 18/12/2015

⁴ <http://www.independent.co.uk/arts-entertainment/tv/news/bbc-considers-launching-online-only-television-channel-in-scotland-a6808121.html>

- 3.7 The BBC has a greater market share in radio than any other media, even in Scotland where commercial radio has traditionally been stronger. Notably BBC radio services have also narrowed this gap in recent years, with their market share going up from 43% ten years ago to 48% today⁵. We would not, therefore, support the launch of a new dedicated music service in Scotland, whether on DAB or any other format.
- 3.8 Should formal proposals for a new radio service be put forward by the BBC Executive we would expect, under the current framework, a full Public Value Test to be undertaken by the Trust as well as a Market Impact Assessment to be carried out by Ofcom. We would anticipate that these assessments would echo our view that a new radio station from the BBC is unnecessary, with the potential to have a significant market impact.
- 3.9 Looking at BBC Radio Wales, it appears that music is also set to play a greater role in peak daytime slots from 1st February when a new weekday schedule is launched⁶. Steve Austins, Editor of Radio Wales summed up the change by saying, “We’ve listened to feedback from our audience and the new Radio Wales morning schedule will have more music and a great mix of content”⁷.
- 3.10 At times the proportion of speech and music in general is already pushing the limits of the definition of ‘speech-led’, so this new schedule will only compound the issue further. The emphasis on speech is quite clear in the service licence, “Output should be all speech at the breakfast show and the service should be speech-led in daytime.”⁸. However some Radiocentre members are rightly concerned that the proportion and type of music in daytime could jeopardise the distinctiveness of the BBC’s stations.
- 3.11 In terms of this output, our Radiomonitor analysis⁹ of BBC Radio Wales over a typical weekday daytime schedule found that 175 music tracks were played. All of the songs with repeated plays were pop hits from 2015, bar one, while the bulk of the music (89 individual track plays) were mainstream hits from the 70s, 80s and 90s.
- 3.12 It is appreciated that each Nation station has important individual distinctions, yet output of this kind is not a distinctive reflection of the respective Nations. Our research highlighted that BBC Radio Ulster has a broadly comparable proportion of music output with BBC Radio Wales, yet it was noted that BBC Radio Scotland did play less music than either of its counterparts.
- 3.13 In general, the inclusion of mainstream pop and chart music is superfluous to the core remit of these services and, as noted earlier, risks duplicating some of the content already provided by both the BBC and the commercial sector. In the case of BBC Radio Wales this is particularly disappointing as, according to Ofcom¹⁰, BBC spending on content per head of the population for the local/nations stations in Wales is significantly higher than in other UK Nations.

⁵ Rajar Q3 2005 to Q3 2015

⁶ <http://www.bbc.co.uk/mediacentre/latestnews/2015/wynne-evans>

⁷ ibid

⁸ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/radio/2015/radio_wales_aug15.pdf

⁹ Tracks reviewed from Monday 26th October - Friday 30th October 2015 over the 09:00-19:00 period.

¹⁰ http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr15/Wales_3.pdf, p61.

- 3.14 Instead, if the BBC is committed to ensuring that its Nations radio services play a distinctive role within the individual Nations specifically and within the wider radio industry, it should broadcast output that is all speech during weekday daytime. This should be reflected in the respective service licences.
- 3.15 The speech output for the BBC Nations' services should provide distinctive, high-quality, informative content that adds significant public value, at the same time as providing value for money for listeners. The output of the services across the Nations should reflect the substantial investment received from the licence fee. Whilst mindful of the costs involved with increasing speech output, it is a paramount requirement in order to adhere to the basic principles outlined in the respective service remits.
- 3.16 Programming changes would inevitably need to be phased in across the Nations' services. Having reviewed the current output of the services, transitioning to an all speech daytime schedule should, for example, be relatively straightforward for BBC Radio Scotland given the level of its current weekday daytime music output.
- 3.17 While the changes to BBC Radio Wales, BBC Radio Foyle and BBC Radio Ulster may need to be more gradual (given the greater level of music output on these stations) the overall direction should be to move towards an all speech format. Consequently the aforementioned schedule changes proposed for BBC Radio Wales should be reconsidered.
- 3.18 Concerns have also been raised with Radiocentre over an increase of English language music being played on BBC Radio Cymru. While the service licence does not specify a figure for the proportion of Welsh language music to be broadcast, it does state that this focus should be a "wide-ranging proposition of primarily Welsh language music"¹¹. Once again, the broad remit of the service licence ends up with requirements that are open to interpretation. This issue is addressed further in the section below on Service Licences.
- 3.19 News, which should be a vital part of all of the services examined by the consultation, should focus on serious issues and matters of national significance, with less focus on *softer*, entertainment-themed stories. Unfortunately, numerous examples exist of output that falls short of the high standards both expected by the public and set out in service licences.
- 3.20 Greater use of listener phone-ins on programmes, for instance, marks a shift towards more populist output, alongside an occasional emphasis on lighter stories and entertainment news in place of in-depth, more substantive journalism. Such a shift towards lighter entertainment risks replicating what is already available from local commercial stations and other BBC services, such as Radio 2 and 5 Live.
- 3.21 In our response to the BBC's *British, Bold, Creative* paper which was part of the Charter Review process, we commented on two proposals regarding news provision that are relevant to this review. The 'News Bank' concept, which would see video and audio content from the BBC syndicated across the UK, raises a number of interesting opportunities for the commercial radio sector. The underlying principle here is that publicly funded newsgathering should have the widest possible audience.

¹¹ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/radio/2015/radio_cymru_aug15.pdf, p4.

- 3.22 Radiocentre members, particularly some of those from the Nations, would be interested in finding out more about this proposed service, whether it would be of practical use for radio broadcasters and if it could create a means of sharing BBC content with commercial news providers without additional costs.
- 3.23 With regard to the Local Accountability Reporting Service, a proposed network of 100 public service reporters across the country, commercial operators would be concerned if this led to an expansion by the BBC into local reporting with the funding of an additional 100 of its own journalists. However, there may be an opportunity here to boost the local news provision of commercial radio stations across the Nations in partnership with other local media. We look forward to reviewing more detailed plans in the near future.
- 3.24 This review also places significant emphasis on the Nations' services delivering 'good value for money' for licence fee payers, along with 'high-quality and distinctive content'. Given the occasional overlap, for instance, with services during normal daytime hours with other BBC services and their commercial competitors, who provide output at fraction of the cost when compared to the BBC, it could appear that licence fee payers are not getting a good deal.
- 3.25 The £100m total cost of providing the BBC Nations' services in 2015 represents a significant investment from the BBC when its funding is coming under increasing pressure following the agreement with the Government on the principles of licence fee funding. It is also notable that this cost has increased in recent years, up by almost 10% since 2010 when the total cost stood at £91m¹², at a time when the BBC overall has been required to make a range of efficiencies.
- 3.26 Therefore it is more important than ever to ensure that this investment is being used wisely and provides distinctive content. In the case of BBC Radio Ulster, programmes such as Good Morning Ulster, Talkback and Evening Extra are certainly examples of programming that provides the kind of content expected from a distinctive Nations service, yet this is would appear, to some degree, the exception rather than the rule. Mid-morning and afternoon programming, rather than providing unique content sometimes appear to replicate the formats and music of local commercial stations or other BBC services.

Recommendations

- Nations' services should be required to produce high-quality, distinctive output that complements other BBC and commercial services
- Speech content should make up all of the output of English speaking Nations' services during weekday daytime and this should be reflected in individual service licences
- News output should reflect the significant budget received by the Nations' services, with substantive journalism, covering news and current affairs stories of national significance
- Further details of the proposed News Bank and Local Accountability Reporting Service should be made public with a view to extending publicly funded newsgathering to the widest possible audience
- The number of phone-ins on BBC Nations' services should be measured and monitored,

¹² BBC Annual Report and Accounts 2010 -2015

with a view to ensuring no further expansion of this type of programming.

4. Competitive impact

- 4.1 BBC Nations' services have exclusive rights for numerous events and sporting fixtures. However, as a matter of principle, the BBC services should not bid for any genre of broadcast rights on an exclusive basis – specifically, rights to sporting and music events, as well as other special events. This includes its Nations' services.
- 4.2 Should this not be possible (say if TV and radio rights are bundled together by the rights provider), the BBC should be obliged to seek ways to share the rights to sports and music events with commercial stations local to the event in question (in agreement with the rights provider).
- 4.3 Often there is potential for the BBC and commercial radio to offer complementary coverage of a given event or sporting fixture. Competition between the two sectors inevitably stimulates improvements in the standard of radio output across all radio stations; shared access to events is also likely to lead to improvements in the diversity of editorial perspectives within radio output given the contrasting styles often adopted by different stations. In addition, allowing both BBC and commercial services to cover the same sport or music event broadens the potential audience reach for a given event.
- 4.4 Unfortunately, commercial stations in Wales, Scotland and Northern Ireland have reported that restrictions imposed by the BBC on live coverage for major events, particularly sporting events, are commonplace. This can severely impact upon their ability to provide relevant coverage for some events.
- 4.5 Exclusivity surrounding sporting events, many of which are popular in the respective Nations, highlights the scale and impact of a national broadcaster on smaller competitors. We note that all BBC services have an obligation to abide by the Competitive Impact Principle – that is, to endeavour to minimise their negative competitive impact, whilst ensuring fulfilment of the public purposes.
- 4.6 This issue is not limited to sporting events but also affects other kinds of special events that receive radio coverage (including music festivals and local events). This special event coverage often plays an important role in the output of commercial stations, particularly when providing locally-focussed content that reflects their community.
- 4.7 As well as having a competitive impact on event coverage, many Radiocentre members have raised concerns with regard to the effect that the BBC can have upon the workforce, particularly local broadcasting. Over time employees move from the commercial sector to the BBC and vice versa. However, concerns have been raised by our members over the power of the BBC, principally through providing salaries that cannot be matched by the commercial sector.
- 4.8 While much of the evidence of this practice is anecdotal, the BBC must ensure that it is not overpaying staff and distorting the market to an extent that is detrimental to the commercial radio sector. Given the impact of the BBC, not just within radio but also in local

broadcasting and local press, the Trust might consider undertaking some benchmarking on this issue (limited to local journalists and broadcasters, for instance) in order to ensure that the BBC is getting value for money for licence fee payers.

Recommendations

- BBC services should not bid for any genre of broadcast rights on an exclusive basis and that this should be reflected in the individual service licences
- The BBC should be obliged to seek ways to share the rights to sports and music events with commercial stations
- The Trust should consider conducting a benchmarking review in order to ensure that the BBC gets value for money with regard to its employment of local journalists and broadcasters.

5. Service licences

- 5.1 As mentioned earlier in this submission, the service licences for BBC Radio Ulster/Foyle, BBC Radio Scotland and BBC Radio Wales all state that they should be ‘speech-led’ services. Nevertheless, there is a wide disparity between the output and the service expected by listeners when taking into account the individual service licences.
- 5.2 Radiocentre welcomed the comments in the Trust’s service review report¹³ from 2011 with regard to preserving distinctiveness of these services. The performance of the radio stations since that time has meant that this distinctiveness has largely been retained overall. Yet the broad remit of the current service licences for all of the Nations services at least risks the possibility of facilitating an encroachment on some of the types of programming provided by other BBC services and the commercial radio sector.
- 5.3 We note that the remits of the BBC’s Nations’ services and BBC Local Radio are similar in nature – i.e. primarily speech-based services of locally-relevant news, information and debate. Therefore, we question again why the Nations’ services still do not have a specific obligation to cater for older radio listeners, including those listeners ‘who are not served well elsewhere’ (as required by the BBC Local Radio service licence).
- 5.4 The average listener age for all three of the BBC English language Nations’ services is already above 50; specifically, 58 years for Radio Wales, 54 years for Radio Scotland and 53 years for Radio Ulster¹⁴. However, it is critical that these services do not witness a lowering of their average audience age.
- 5.5 Indeed, there is a risk of lowering the average age of listeners across the Nations’ services if the volume of music output grows further and other changes in programming are introduced, such as more focus placed on softer, entertainment news, phone-ins.
- 5.6 However, a specific target age range would help to ensure that there was no further decline in average audience age. The service licences for the Nations’ services should, therefore,

¹³ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/nations_radio/2011/nations_radio_review_full.pdf

¹⁴ All figures from Rajar 2015

also be amended to contain a specific commitment to target older listeners aged 55+, with a particular focus on listeners aged over 65.

5.7 Whilst we appreciate that the BBC does have public purpose obligation to younger listeners as well as older listeners, it is important to reiterate that commercial radio already caters very well to younger listeners. Moreover, the BBC provides for this demographic through services such as Radio 1 and 1Xtra, while Radio 2 is charged with serving older listeners with a range of speech and music and Radio 4 and 5 Live provide a national and international perspective on news, sport and current affairs.

5.8 With regard to music output, a requirement for distinctive Nation-based music should be included explicitly within the respective service licences. While the Trust welcomed¹⁵ in the last service review steps by BBC Radio Wales to increase the proportion of music from Welsh artists from 10% to 20%, this commitment was never incorporated into the service licence, nor does it appear that any specific analysis on measuring this aspect of the service is available in the public domain. This public service commitment should now be formally included and replicated across the services in all the service licences, with a minimum obligation of at least 25% of music output.

5.9 Given the emphasis to support the music from their respective Nations in both the service licences of BBC Radio Cymru and BBC Radio nan Gàidheal, it is also reasonable to stipulate only indigenous music output during weekday daytime. Live music should also play a more prominent role in all of the Nations' services during off-peak.

Recommendations

- The service licences of the BBC's Nations' services to be amended to include a target age of 55+ with a particular focus on older listeners 65+
- A stipulation for a minimum 25% of music output from artists of a particular Nation should be included in the service licences of all the Nations' stations
- BBC Radio Cymru and BBC Radio nan Gàidheal should only broadcast indigenous music during weekday daytime.

About Radiocentre

Radiocentre is the industry body for commercial radio. We work on behalf of over 40 stakeholders who operate 275 licensed radio stations across the UK and represent 90% of commercial radio in terms of listening and revenue. We perform three main functions on behalf of our members:

- Drive industry revenue by promoting the benefits of radio to advertisers and agencies through a combination of marketing activity (e.g. events, advertising, PR, and direct mail), research, and training
- Provide UK commercial radio with a collective voice on issues that affect the way that radio stations operate, working with government, politicians, policy makers and regulators to secure the best environment for growth and development of the medium

¹⁵ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/nations_radio/2011/nations_radio_review_full.pdf, p.14

- Ensure advertising messages on commercial radio stations comply with the necessary content rules and standards laid out in the BCAP Code of Broadcast Advertising and the Ofcom Broadcasting Code.

www.radiocentre.org

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