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News UK



Reach

The Telegraph

Tortoise

Thangam Debbonaire – Shadow Secretary of State for Culture, Media & Sport
Labour Party Head Office
20 Rushworth Street
London
SE1 0SS

13th June 2024

Dear Ms Debbonaire,

BBC proposal to run advertising on UK podcasts and its disastrous impact on the sector

We are writing to you as Shadow Secretary of State for Culture, Media & Sport as a broad coalition of commercial media and content businesses, including broadcasters, audio producers and publishers, to highlight our ongoing concerns at BBC plans to introduce advertising around its audio content in the UK for the first time on third-party platforms.

Each of our businesses relies on advertising, and other forms of earned revenue, to employ talented creative individuals to produce world-beating UK content and services that the public choose to consume. Together, this range of investment sources, including advertising, subscription and the licence fee, has made the UK's creative sector a world leading success story, offering audiences genuine choice and proving economically resilient.

The BBC, with its licence fee funding, is at the very heart of our highly successful mixed ecology, providing distinctive high quality public service content while supporting the wider creative and cultural economy. However, we are concerned that the BBC's proposals could potentially damage this mixed ecology, if this public institution is permitted to erode the advertising revenues of commercial investors.

The approach being proposed by the BBC would be a very significant departure from the existing framework, where the BBC's content is funded by the licence fee and provided free of advertising across all platforms, alongside commercially funded output from other providers.

Should these plans be approved by Ofcom, it would fundamentally undermine this existing model, creating a situation where the BBC would receive both licence fee income and advertising to fund new first-run audio content. The impact of the BBC extracting audio advertising funds from the nascent UK podcasting market would be devastating, especially for the numerous small independent podcast producers.

Moreover, while the decision to open up first-run audio to advertiser funding may seem small, it would mark a very significant precedent for the BBC. The decision to allow this shift while the BBC's funding review is underway is pre-emptive, and would appear to green light a world in which the BBC continues to enjoy the very significant and unique benefit of certainty of revenue through the BBC licence fee, whilst also generating additional revenue from advertising revenue on top. Such an approach would have very significant consequences for commercial media companies, with whom the BBC already competes.

Evidence submitted to the Review by Radiocentre highlights the disastrous impact of a move towards advertiser funding for the BBC itself and the wider commercial radio sector that relies on advertising revenues for its survival. Ultimately, the market is not big enough to sustain the BBC entering as a whole or part advertising-funded entity. Commercial operators, that add breadth, diversity and to whom millions tune in to every week, could genuinely be made unviable.

Last month we wrote to the Secretary of State for Culture, Media & Sport to convey our concerns over this issue. In that [letter](#) we outlined the potential consequences of the BBC's proposals. As you may have seen, the letter received widespread media coverage (including [BBC News](#), [Sky News](#), and the [Mirror](#)). Following the dissolution of parliament ahead of the general election on 4th July, we believe it is important to write to you in your capacity as Shadow Secretary of State for Culture, Media & Sport in order to underscore our continued serious concerns around the BBC's proposals.

We hope that you will continue to review this issue and would welcome the opportunity to discuss this matter in more detail after the election, once the new parliamentary session begins later in July.

We look forward to further discussions with you in due course,

- Audioboom
- Bauer
- COBA
- DMG Media
- Global
- Goalhanger
- Guardian Media Group
- News UK
- News Media Association
- PPA
- Podmasters
- Radiocentre
- Reach
- Telegraph Media Group
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