

# **RADIOCENTRE SUBMISSION TO DCMS GREEN PAPER ON BBC CHARTER REVIEW**

**March 2026**

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## ABOUT RADIOCENTRE

- Radiocentre is the industry body for commercial radio in the UK. We work on behalf of more than 50 stakeholders who represent over 90 per cent of commercial radio in terms of listening and revenue. Our remit also encompasses all kinds of broadcaster-owned and operated audio, including podcasts and on-demand streaming services provided by commercial radio.
- Radio in the UK remains an important and powerful medium. Listeners are well served by a diverse mix of national, regional and local broadcasters from commercial radio and the BBC, with 86% of the adult population tuning in every week.
- Commercial radio alone has over 39 million listeners and is one of the UK's largest providers of news and information, broadcasting over 10,000 news bulletins weekly. The sector is also a significant contributor to the creative economy. Commercial radio is estimated to provide £683 million GVA to the UK economy, as well as supporting 12,340 jobs.
- Broadcasters provide listeners with a broad mix of music, entertainment, trusted news and information, and companionship. It is this diverse content proposition that underscores commercial radio's unique public value contribution. Commercial radio is therefore an important part of the UK's public service media ecosystem.
- Radiocentre's 2025 report, *Commercial radio: A force for good*, outlines the industry's overall positive social, cultural and economic impact. It showcases how commercial radio broadcasters deliver public value across five key areas:
  - **Companionship** – The value provided directly to audiences through entertainment, engagement and accessibility.
  - **Economic impact** – Commercial radio's direct and indirect contribution to the UK economy and creative industries, including gross value added, employment and investment in skills and training.
  - **Advertisers** – The effectiveness and return on investment that stations deliver to advertisers, along with their role as a trusted and regulated space to safeguard brand safety.
  - **News** – Commercial radio's contribution to informing the public through the provision of trusted news and information.
  - **Charity** – The role of broadcasters in supporting charities and raising awareness of good causes.

## EXECUTIVE SUMMARY

### Introduction

The UK benefits from a mixed-ecosystem of radio and audio providers, with a strong licence fee-funded BBC and a vibrant domestic commercial radio and podcast sector. Over the previous Charter period, the BBC has maintained its position as the largest single provider of radio and audio services to UK audiences, and the commercial sector has continued to innovate to grow ad-funded radio formats as well as invest in the diverse and emerging podcast sector. This delivers incredible benefit to audiences. The government should not lightly implement policy as part of the Charter renewal that erodes or undermines this rich ecosystem.

Unlike in TV, the radio and audio sector in the UK looks similar to the beginning of the Charter period. The BBC's main competition is domestic, not global; although there have been technological changes and shifts in audience behaviour towards streaming services, this has not fundamentally changed the structure of the market or resulted in some of the content cost pressures observed in TV. Despite increased innovation and competition from its commercial rivals, the BBC remains the dominant provider of radio and audio services, and much larger than any other individual provider in terms of its spend on radio, its listening share, and the breadth and number of services. The BBC retains control over the distribution of its radio and audio content, and has successfully leveraged its strength in traditional linear broadcast formats and its online presence to develop its own audio content platform (BBC Sounds).

These are not the conditions that warrant material change in the delicate funding or regulatory settlement for the BBC. Material changes in either how the BBC is funded or how it is regulated risk damaging the UK radio and audio sector, reducing choice for audiences and undermining the domestic commercial provider and supplier base.

To maintain the benefits that UK radio and audio audiences derive over the next Charter period, the government needs to ensure the BBC radio services remain publicly funded and it should maintain the regulatory protections that have enabled the domestic commercial radio sector to grow and innovate.

### **The commercial radio industry supports a sustainably funded BBC that serves audiences with distinctive public service content**

- The BBC plays an important role in UK radio and audio – at its best, it provides a range of high quality and distinctive content that delivers real value to audiences that the market alone would struggle to provide.
- However, support from the commercial radio sector is contingent on the BBC operating within appropriate boundaries, clearly defined by its role and remit as a uniquely funded public service broadcaster. This includes fulfilling its public service mission, limiting its impact on fair and effective competition, and remaining subject to robust independent regulation from Ofcom.

- In our view, a good outcome of the next Charter is one that supports a mixed and sustainable UK radio industry: a distinctive and publicly funded BBC, delivering ambitious, creative and original content that the market alone would not provide; alongside a diverse and vibrant commercial sector with the confidence to invest, innovate and compete. These goals are complementary – commercial radio and the BBC have coexisted and collaborated productively for decades, which is fundamentally what makes UK radio a great British success story.
- The next Charter must therefore set out a clear and well-defined role and remit for the BBC, underpinned by a better regulatory framework that ensures greater transparency and accountability for the delivery of its public service mission, particularly in radio and audio.

### **The UK radio and audio market is fundamentally different from television, and this must be explicitly acknowledged in the next Charter**

- While the BBC's dominance in television has been eroded over time by the growth of international streaming services, its position in radio and audio has proved considerably more resilient.
- The BBC remains – with a 43% market share – by far the largest single player in UK radio, with expenditure on its radio services (funded by the licence fee) that outstrips the total revenues of the entire commercial radio sector. As a result, the competitive dynamics of the last Charter period have not fundamentally changed – and the regulatory framework must reflect this.
- The next Charter should account for the distinct UK radio and audio market context, rather than applying a broad framework designed primarily around the evolution of the audiovisual market.
- The Green Paper's acknowledgement that radio and audio may require a different regulatory approach due to the dominance of the BBC is welcome, and we urge the government to carry this principle (and enhanced measures) through into the next Charter.

### **Advertising as a funding model for BBC radio and audio should be ruled out at the first opportunity**

- The evidence is clear that ad-funding is not feasible or desirable for BBC radio and audio. It would also be contrary to audience interests, as the disruption to both the BBC's radio services and commercial radio's business model would weaken competition, reduce consumer choice and investment, and ultimately lead to poor outcomes for listeners and the wider economy.
- Econometric analysis from Compass Lexecon (commissioned by Radiocentre and updated in 2026) found that an ad-funded model for BBC radio would result in:
  - **63%** shortfall in funding for BBC radio, with the vast majority of services unviable.
  - **31%** reduction in total commercial radio revenues.
  - **£770 million** in lost GVA to the UK economy.

- **Reduced choice for listeners** as commercial radio broadcasters close smaller or niche genre services due to impact on revenues.
  - **Negative impact on older audiences** in particular if BBC services are incentivised to chase valuable younger demographics who command a higher premium for advertisers.
- An updated analysis accounting for changes in listening trends in 2026 finds that the picture has worsened, such that BBC would expect to generate 12% less advertising revenue than in 2022. The consequence of this would be fewer and less distinctive BBC services, and more narrowly focused on services similar to those that audiences can already access for free from commercial radio providers.
- Hybrid approaches to ad funding – including limited online advertising on BBC Sounds, or commercialisation of BBC content on third-party platforms – should also be ruled out:
    - While the revenue potential for the BBC is marginal, there is a real risk that it could impact licence fee uptake and negate any revenue gained.
    - The negative competitive impact on the audio market would be disproportionate, alongside potential competition law implications.
- Consumer research from More in Common (commissioned by Radiocentre in February 2026) confirms that:
    - **Introducing advertising presents a clear risk of alienating the BBC’s radio audience** – over a third of BBC radio listeners (34%) say they would listen less or stop listening altogether if advertising were introduced. The lack of advertising on the BBC is therefore a key source of its current perceived distinctiveness for audiences.
    - **A hybrid funding model is deeply unpopular** – nearly two thirds (65%) of the general public oppose the BBC carrying advertising while retaining the licence fee. This opposition is even higher amongst regular radio listeners (67%).
    - **Advertising would make the BBC less distinctive** – nearly 3 in 5 (58%) of the general public, and 70% of BBC radio listeners, say advertising would make BBC radio feel like commercial radio. More than 1 in 5 (22%) of the public say they would value the BBC less as a result, rising to almost 30% of BBC radio listeners.
    - **Audiences have a strong preference for a more efficient or slimmed down BBC compared to limited advertising** – when asked how the BBC should address a funding shortfall while retaining the licence fee, a majority of the public (52%) would prefer cost-saving efficiencies or a reduced range of services, over limited advertising (25%).
  - The licence fee, or an equivalent form of universal public funding, remains the most appropriate model for funding BBC radio – ad funding or commercialisation of BBC audio content should be categorically ruled out.

### **The next Charter must place distinctiveness at the heart of the BBC’s radio and audio offerings**

- The BBC’s public service justification depends on it delivering additional public value in large part by providing content and services that the market alone would not provide.

- The 2025 Green Paper makes markedly less reference to this principle than its 2015 predecessor. This is a concern in the radio and audio context, where distinctiveness is essential to limiting negative market impact and ensuring the BBC does not crowd out commercial services. Moreover, in recent years the BBC has failed to innovate in the same way as the commercial radio sector and has in fact cut back on key areas of distinctiveness that are highly valued by audiences, for example local news provision on BBC Local Radio.
- Distinctiveness should be framed positively in the next Charter. It is not simply a regulatory constraint on the BBC's activities, but a core creative obligation and the clearest justification for universal public funding. In radio and audio, this means creative originality, innovation, and the development of high-quality content and services that are genuinely attractive to audiences while reflecting the full diversity of the UK's nations, regions and cultures. Properly understood, distinctiveness is what enables the BBC to complement, rather than duplicate, the wider market.
- This matters because the BBC's long-term sustainability will not be secured by funding alone. Its future depends on its ability to deliver content that is unmistakably original, publicly valuable and not readily available elsewhere. Where the BBC invests public money in services or formats that closely replicate commercial provision, it weakens both its distinctiveness and the public value case for its privileged funding position. The next Charter should therefore place creative originality at the heart of the BBC's role and remit, making clear that distinctiveness is a bedrock principle for its future success, not a constraint on it.
- There has been a notable trend over recent years for the BBC to dilute or neglect its public service obligations – particularly evident in its proposals to launch new music radio spin-off services in 2024 which:
  - Duplicated existing commercial radio services;
  - Provided negligible additional public value; and
  - Carried no news and limited speech content
- Radiocentre's latest analysis of music crossover on Radio 1 and Radio 2 also finds that these services are not nearly distinctive enough from commercial radio, particularly at peak hours with substantial duplication of artist plays (as high as 66% on Radio 1 and 70% on Radio 2) on similar commercial radio services.
- The Operating Licence quotas designed to hold the BBC to account for delivering distinctive output have been progressively diluted over time – the result of a combination of BBC behaviour and inadequate Ofcom enforcement. We believe that both need to be addressed in the next Charter – quotas must be retained and strengthened as genuine stretch targets, and Ofcom must enforce them proactively rather than accommodate BBC decisions after the fact:
  - There is clear evidence of music quotas on Radio 1 treated as a minimum floor rather than a genuine stretch target, with the proportion of daytime programming devoted to new music falling to the regulatory minimum of 50% – down from 60% at the last Charter renewal.

- News quotas have been cut by up to 44% on stations including BBC Radio Foyle and BBC Asian Network – reductions approved by Ofcom after the BBC had already breached its obligations, rather than enforced against.
- Cuts to BBC Local Radio have resulted in more networked programming and less local speech content on BBC Local Radio, with the Operating Licence amended to retrospectively accommodate decisions the BBC had already implemented rather than to enforce compliance.
- The Operating Licence is intended to ensure the BBC's distinctiveness is properly monitored and thus ensure its market impact is limited. This has been particularly significant in radio, where the BBC has too often responded to commercial innovation by launching imitative services rather than fulfilling its duty to deliver distinctive, original output. The same tension arises in television, where significant sums have been spent acquiring overseas formats rather than originating new ones. The principle should be central to the next Charter: the BBC must originate, not imitate. This is not merely a radio-sector concern, it reflects a broader question about what distinctiveness means in practice across all BBC output, and how the regulatory framework should enforce it. In radio, that means creating genuinely distinctive services rather than replicating those already provided by UK commercial operators.
- The BBC also benefits from substantial cross-promotional power across its television, radio and online services – giving it a structural competitive advantage that no commercial operator can match, and which remains inadequately regulated:
  - Peak-hour promotions on BBC radio services have increased as a share of total promotional activity, from 60% in 2018/19 to 65% in 2024/25
  - Cross-promotion of other BBC services on BBC radio has more than doubled – from 16% of all BBC radio promotions to 40% in 2024/25.
  - Promotions for BBC radio and Sounds content on the BBC's two most popular TV channels (BBC One and BBC Two) accounted for 11% of all promotions in 2024/25 – a 30% year-on-year increase.
- The next Charter must retain and strengthen distinctiveness obligations for BBC radio and audio, bring BBC Sounds activity more clearly within scope of the Operating Licence, and establish much clearer rules and limits on cross-promotion.

### **The regulatory framework for BBC radio and audio (including BBC Sounds) should be retained and enhanced**

- Recent experience of the regulatory process has demonstrated that the current framework, while important in principle, is inadequate in practice. We are seeking guardrails to ensure regulation works well and that fair and effective competition is maintained. Overall, there is a need for better, not looser regulation. The existing regulations need to be tightened to make sure they work well, and Ofcom enforcement ought to improve given incentives that the BBC has with the Materiality Assessment and Public Interest Test processes.
- The BBC has structural incentives to characterise its proposals as non-material and to overstate their public value. The current process does not provide sufficient safeguards against this.

- The BBC's 2024 proposals for four new music spin-off stations on DAB+, and its 2026 proposal for a mainstream Radio 6 Music extension on BBC Sounds, exposed significant weaknesses in the process – including a lack of transparency, poor stakeholder engagement, and a failure to establish consistent and reliable methodologies for assessing competitive impact.
- Furthermore, changes made following the Mid-Term Charter Review risk compounding these weaknesses by reducing the instances where Ofcom would carry out independent competition assessments. In radio and audio, where the BBC remains dominant with a market share of 43%, this direction of travel is particularly concerning as the nature of recent BBC proposals for new services effectively stifles innovation from existing commercial broadcasters, which in turn limits further investments.
- We welcome the Green Paper's acknowledgement that some markets – including radio and audio – require a different regulatory approach, and urge the government to introduce enhanced measures to protect the future viability of the sector in the next Charter. Specifically, the next Charter should establish a strong presumption in favour of full independent scrutiny for any material changes to BBC radio and audio services (including those exclusively on BBC Sounds), and should require Ofcom to adopt a differentiated approach (from TV), which reflects the BBC's continued dominance in this market.

## RECOMMENDATIONS

The commercial radio industry has three overarching recommendations for government:

### **RULE OUT ADVERTISING FOR BBC RADIO AND AUDIO**

- Advertising as a funding model for BBC radio and audio services must be explicitly ruled out at the first opportunity. Our research suggests that audiences value the lack of advertising as a key perceived source of the BBC's distinctiveness. The economic evidence is also clear – an advertising-funded BBC radio would face a 63% shortfall in funding and cost the UK economy £770 million in lost GVA. The updated 2026 Compass Lexecon analysis confirms the case against advertising has only strengthened since 2022.
- Hybrid approaches – including limited online advertising on BBC Sounds or commercialisation of BBC content on third-party platforms – are rife with unintended consequences and must also be ruled out. The revenue potential is marginal, the competitive impact would be disproportionate, and it is deeply unpopular with the public which could pose a risk to future uptake of the licence fee or universal funding.
- The next Charter must state clearly that BBC-branded audio content made available to UK audiences must not carry advertising, sponsorship or other commercial audio messaging, wherever it is distributed and regardless of the funding or production model under which it is made.
- The licence fee, or an alternative form of public funding at an equivalent level, remains the only viable mechanism for funding BBC radio and audio services. In exchange for significant public funding, the BBC should be held accountable for delivering genuinely distinctive radio and audio content that generates additional public value. Where the BBC faces a funding shortfall, it should pursue efficiencies or a reduced range of services rather than commercialisation – a position strongly supported by public attitudes.

### **ENSURE THE BBC DELIVERS GENUINELY DISTINCTIVE PUBLIC SERVICE CONTENT**

- The next Charter must retain and strengthen the BBC's obligation to deliver distinctive output – including services on BBC Sounds – with Ofcom required to enforce these obligations proactively.
- If a new Public Purpose on economic growth is added, it must be accompanied by an explicit obligation to avoid notional growth that displaces commercial operators, and Ofcom (with relevant competition oversight) must have regard to displacement effects when assessing BBC proposals that use this purpose as a justification.
- Operating Licence conditions must be retained and strengthened – particularly on news and speech content, locally-made programming on BBC Local Radio, and music distinctiveness on Radio 1 and Radio 2 – with quotas set as genuine stretch targets. BBC

Sounds should also be brought more clearly within scope of the Operating Licence with the introduction of relevant public service conditions.

- Cross-promotion rules should be tightened with clear rules limiting BBC cross-promotion to content that demonstrably aligns with its public purposes. The cross-promotion transparency requirements should be enhanced, requiring more detailed reporting that enables Ofcom, commercial operators and audiences to assess whether this activity is proportionate and consistent with the BBC's mission.

## **STRENGTHEN THE REGULATORY FRAMEWORK FOR BBC RADIO AND AUDIO**

- The BBC's dominant position in radio and audio means that proposed changes to its services must face a higher threshold for regulatory scrutiny than in other markets. Ofcom should therefore adopt a different approach for radio and audio, with a strong presumption that any material changes in this market undergo a full and independent BBC competition assessment.
- The Materiality Assessment process must be reformed to include a formal call for evidence, with clear and robust transparency obligations for the BBC. Ofcom's starting assessment that BBC Sounds-only services are unlikely to be material must be revised and subject to the same level of scrutiny as those launched on broadcast platforms.
- The Public Interest Test and BBC Competition Assessment processes must be improved, with a far greater emphasis on transparency and meaningful stakeholder engagement. Ofcom should take a more proactive role and set out detailed guidance on the types of analysis that the BBC is required to undertake, and the information that the BBC is required to share when making changes to its radio and audio services.
- The regulatory guidance underpinning the framework must set out clear and binding criteria for when Ofcom will undertake its own independent competition assessment. The flexibility introduced following the Mid-Term Charter Review – allowing Ofcom to decide if no further assessment is needed following a BBC Public Interest Test – should not apply to material changes in radio and audio services without exceptional justification.

## 1. MARKET CONTEXT – THE BBC REMAINS DOMINANT IN UK RADIO AND AUDIO

### *Radio and audio market developments since last BBC Charter*

- 1.1. The success of the UK's radio sector is underpinned by a complementary and collaborative relationship between the BBC and commercial radio. This delivers incredible benefit to audiences. The BBC plays an important role in the UK radio and audio sector, and its best and most distinctive content provides audiences with a significant range of high-quality programming.
- 1.2. With its public service mandate, the BBC provides a wide range of programming that is of cultural, educational and informational value. This includes news, current affairs and educational output, which helps ensure that audiences have access to a range of perspectives and information.
- 1.3. There have been several significant changes in the market since the last Charter Review. The shift in distribution from analogue (AM/FM) to digital (DAB and online) has accelerated ahead of forecasts. In particular, the share of listening on connected devices has rocketed (from 14% in Q4 2015 to 30% in Q4 2025), with the majority now taking place via smart speakers (18.5%). This is a dramatic transformation, particularly given that the first Amazon Echo smart speaker launched in the UK in September 2016.<sup>1</sup>
- 1.4. These changes have resulted in greater spectrum capacity and opened up new opportunities for innovation. Commercial radio has responded in part through the growth of brand extensions and spin-off services. The BBC has also expanded in this direction in recent years, including by launching<sup>2</sup> three new music spin-off stations on DAB+ in 2025 (Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind). Alongside this, the launch of BBC Sounds (2018) and commercial radio apps (such as Global Player and Bauer Media's Rayo app) has supported innovation in how radio streams are delivered to listeners, including improved functionality and greater personalisation.
- 1.5. At the same time, competition for share of ear has intensified. Music streaming services like Spotify, YouTube Music and Apple Music account for an increasing share of listening time, particularly amongst younger listeners. These services have also introduced 'radio-like' functionality (for example Spotify AI DJ<sup>3</sup>, Apple Music's own global radio stations<sup>4</sup> – which are now also available on TuneIn<sup>5</sup>) blurring the line between the two mediums. As listening shifts online, competition is no longer limited to stations and schedules. It increasingly relies on metadata, recommendation tools, cross-promotion and control of the listener relationship.

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<sup>1</sup> The Guardian, [Amazon launches Echo voice-controlled speaker and Alexa assistant in the UK](#) (2016)

<sup>2</sup> BBC, [BBC launches three brand-new digital music radio stations on DAB+ for the first time](#) (2025)

<sup>3</sup> Spotify, [Spotify Debuts a New AI DJ, Right in Your Pocket](#) (2023)

<sup>4</sup> Apple, [Apple Music expands live global radio offering with three brand-new stations](#) (2024)

<sup>5</sup> Complete Music Update, [Apple Music makes its radio stations available to everyone via radio streaming app TuneIn](#) (2025)

- 1.6. Against this backdrop, there has been positive collaboration between the BBC and commercial radio in recent years, in addition to ongoing collaboration such as the cross-industry audience measurement (RAJAR) that was set up in 1992. The Digital Radio and Audio Review (2021)<sup>6</sup> was a joint government and industry exercise assessing the future of radio distribution and route-to-market issues. Notably, it identified new risks arising from a growing share of listening being intermediated by a small number of voice assistant platforms (such as Amazon Alexa and Google Assistant). This work ultimately led to new provisions in the Media Act 2024 that safeguard the future of radio online by regulating significant voice assistant platforms<sup>7</sup>. A further Digital Radio and Audio Review began<sup>8</sup> in early 2026, which will again involve close collaboration between the BBC and commercial radio to address shared industry priorities.
- 1.7. These examples demonstrate that productive collaboration between the BBC and commercial radio is achievable when interests are aligned and goals are shared. Nevertheless, given the BBC's structural advantages in the radio and audio market – and the potential for its decisions to have an outsized competitive impact – a strong regulatory framework remains essential to protect fair and effective competition.

*The BBC remains dominant in radio and audio*

- 1.8. The UK radio market has not followed the same trajectory as the audiovisual market. While the BBC's dominance in television has been significantly eroded by the growth of streaming services, its position in radio has proved considerably more resilient. Radio reach and consumption have remained robust relative to TV, and the BBC's dominant share of that listening has also held firm – making UK radio and audio a market where the competitive dynamics of the last Charter period have not fundamentally changed.
- 1.9. The BBC retains a very strong position in the UK radio market. Its significant audience share means that decisions about its station portfolio, distribution strategy or content propositions have the potential to disproportionately affect both existing and future competition – to a degree that is not comparable to other markets in which the BBC operates. The BBC is, by some distance, the single largest player (43%<sup>9</sup>) in UK radio, with a radio expenditure funded by the licence fee that exceeds the total revenues of the commercial radio sector. This is clear from the breakdown of audience share by broadcaster set out in Figure 1 below.
- 1.10. In its own Green Paper submission, the BBC attempts to characterise its position in radio and audio as significantly diminished, noting that “*in audio, we estimate that the BBC accounted for around 40% of listening time in 2017, but by 2025 this had fallen to around 30%*”<sup>10</sup>. This figure reflects a very broad definition of ‘all audio’ which includes global music streaming services like Spotify, Apple Music and YouTube Music – services with which the BBC does not directly compete, nor seek to replicate. It is not a like-for-like comparison with the UK market in which the BBC operates.

<sup>6</sup> DCMS, [Digital radio and audio review](#) (2022)

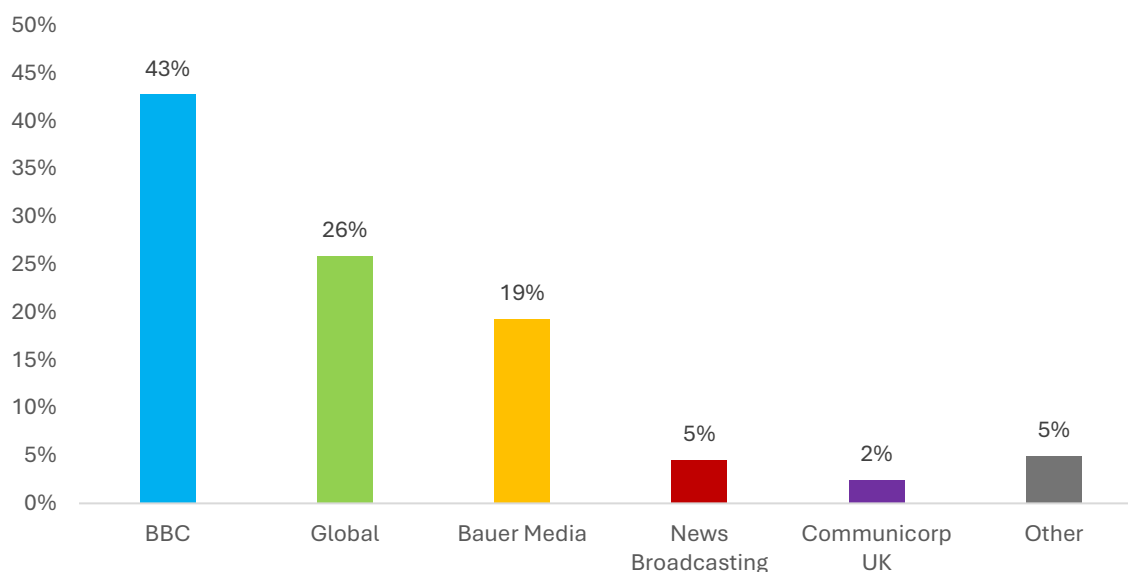
<sup>7</sup> Radiocentre, [Ofcom sets out initial plans for securing the future of radio on smart speakers](#) (2025)

<sup>8</sup> DCMS, [Ministers kick off review to safeguard radio's future](#) (2026)

<sup>9</sup> RAJAR, Q4 2025

<sup>10</sup> BBC, [A BBC for All: Our response to the government's Green Paper](#) (2026), p. 69

**Figure 1 – UK radio audience share (%) by broadcaster**



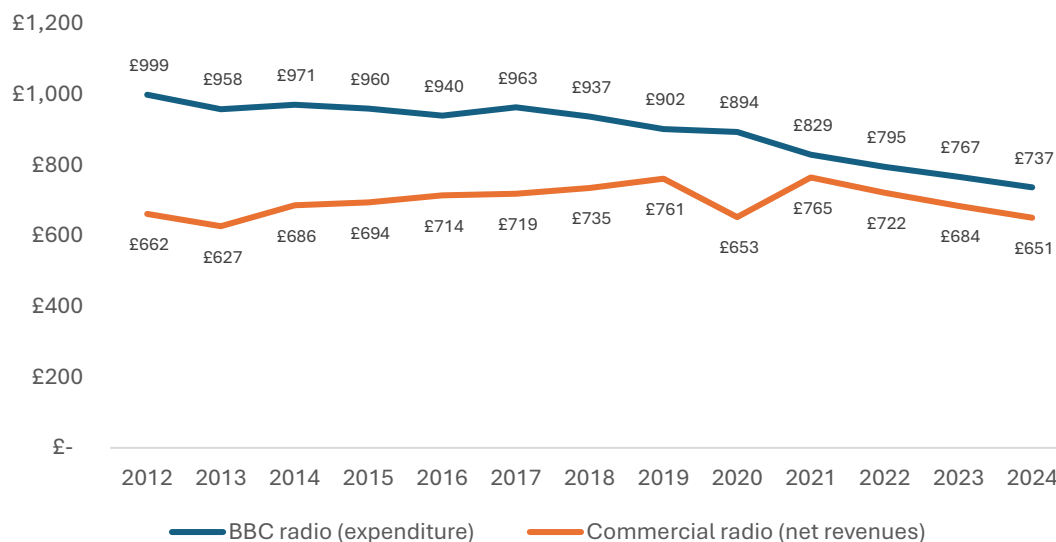
Source: RAJAR Q4 2025

1.11. As a broadcaster, the BBC occupies a highly advantageous position owing to the scale and nature of funding it receives, its unrivalled broadcast network, and cross-promotion opportunities. This privileged position means that there are significant risks that BBC investment decisions will crowd out investment now and in the future by commercial competitors. The BBC has several structural advantages that enable it to maintain its significant position in the UK radio market:

- i) **Funding** – licence fee funding for radio, which outstrips the total revenues of the entire commercial radio sector, means that the BBC is free from commercial pressures and offers services without advertising. Multi-year licence fee settlements also give the BBC income certainty that commercial operators lack.
- ii) **Spectrum and distribution** – the BBC has benefited from a significant and long-term advantage due to its access to the most valuable broadcast spectrum. It operates four out of five national FM stations, including the only two national FM pop services, Radio 1 and Radio 2. It has continued to duplicate this structural and legacy advantage on broadcast platforms to its distribution online through BBC Sounds, strengthening its position as a major gateway for radio, podcast and music content.
- iii) **Cross-promotion** – the BBC enjoys unrivalled marketing and cross-promotion power across its television, radio and online services. This gives it a structural promotional advantage – effectively free advertising at a scale no commercial operator can match – that reinforces its dominance in radio. The scale of this issue is examined in detail in Section 4.
- iv) **Cross-media platform** – the BBC's cross-media platform and its single sign-in functionality gives it a significant data advantage relative to commercial radio businesses.

1.12. The BBC’s privileged position in audio is also evident when comparing BBC radio budgets with commercial radio revenue. Total BBC expenditure on radio has been declining over the past decade. However, the funding that its radio services receive (through the licence fee) still outweighs the total revenues received by the commercial radio sector, as shown in Figure 2.

**Figure 2 – UK radio revenues (real terms) - BBC vs commercial (£ millions)**



Source: [Ofcom](#)

1.13. In a highly competitive advertising market, incremental BBC expansion into well-served genres can cumulatively divert listening – and associated advertising revenues – away from commercial radio. Over time, this can reduce incentives for commercial broadcasters to invest and innovate, particularly when the BBC targets formats already served effectively by the market. This risk is especially acute in areas where commercial operators depend on digital growth, such as IP delivered listening and podcast monetisation.

1.14. Ultimately, in discussions about the BBC's future role, remit and funding, radio is often treated as an afterthought in a debate structured around television and iPlayer. However, the radio market is fundamentally different from television in its competitive dynamics and the BBC's dominance within it. The Green Paper contains some acknowledgement<sup>11</sup> of this, and that is welcome. We urge the government to ensure that this principle is explicitly and substantively reflected in the next Charter and the accompanying regulatory framework. Without this, there is a risk that the framework will continue to prove inadequate in protecting fair and effective competition in radio and audio – to the detriment of listeners, commercial operators and the broader creative economy.

1.15. These are not the conditions that warrant material change in the delicate funding or regulatory settlement for the BBC. Material changes in either how the BBC is funded or

<sup>11</sup> DCMS, [Britain's Story: The Next Chapter, BBC Royal Charter Review Green Paper and Public Consultation](#) (2025) p. 61

how it is regulated risk damaging the UK radio and audio sector, reducing choice for audiences and undermining the domestic commercial provider and supplier base. The government should not lightly implement policy as part of the Charter renewal that erodes or undermines this rich ecosystem.

- 1.16. To maintain the benefits that UK radio and audio audiences derive over the next Charter period, the government needs to ensure that BBC radio services remain publicly-funded and support the regulatory protections that have enabled the domestic commercial radio sector to grow and innovate.

## 2. BBC FUNDING – ADVERTISING SHOULD BE RULED OUT FOR RADIO AND AUDIO

*Advertising on BBC radio public services, including backdoor commercialisation (e.g. on third-party platforms), should be ruled out at the first opportunity.*

2.1. The debate about alternatives to the licence fee has focused predominantly on the BBC's television services, with insufficient attention paid to how BBC radio and audio might be affected – or how different funding models would impact the wider radio sector. This is despite BBC radio representing one of the largest areas of BBC expenditure. The main alternatives under consideration are:

- i) **Public funding** – a reformed licence fee or moving to a publicly funded model that is no longer conditional on TV ownership – for example a Public Service Broadcasting tax or levy on household bills (although this option has already been ruled out<sup>12</sup> by government). Assuming the BBC's remit and total funding remained broadly similar, the impact on BBC radio services would likely be broadly neutral. We do not oppose this option in principle.
- ii) **Subscription** – this model for radio is not currently feasible because it requires conditional access technology that could exclude non-subscribers – something that is not possible with traditional radio broadcast infrastructure (e.g. DAB or FM). A subscription model would also undermine the universality principle of the BBC as a public service broadcaster and fundamentally change the incentives on the BBC, with output required to maximise subscription take up.
- iii) **Advertising** – this has never existed for BBC radio given the scale of public funding it receives under the licence fee. In comparison to its TV services, the BBC remains significantly larger than its commercial rivals and spends more on radio than the entire commercial sector combined, so it is unclear what problem an advertising funded BBC radio is trying to solve. In addition, as highlighted below, a shift to ad funding would have a significant negative impact both for BBC radio services and the wider radio industry.

2.2. In 2022, Radiocentre commissioned leading economic consultancy Compass Lexecon to develop an econometric model to assess the viability of funding BBC radio services through advertising.<sup>13</sup> The conclusions remain important because they show that advertising would neither be an effective replacement for public funding nor a low-impact supplement to it. Although the BBC would offer broadly the same number of listening hours for advertisers as commercial radio, this does not mean that it would be able to generate the same revenue because:

- i) the average BBC audience is older than commercial radio and this is a less valuable demographic for advertisers.

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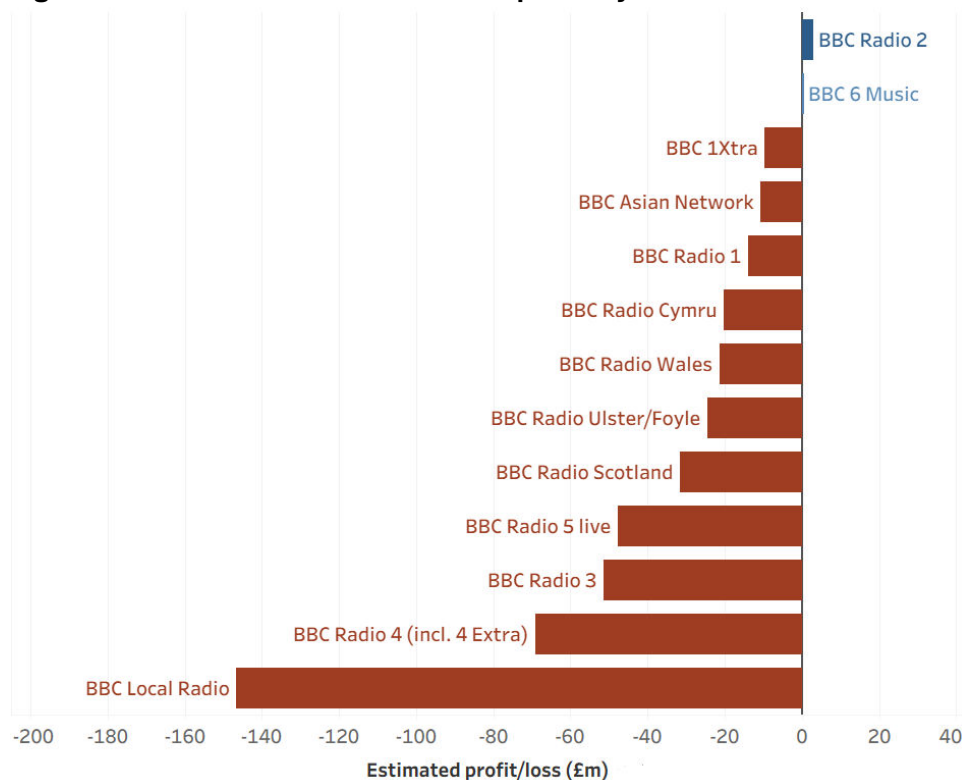
<sup>12</sup> BBC News, [Licence fee: Lisa Nandy rules out funding BBC from taxes](#) (2025)

<sup>13</sup> Compass Lexecon, *Impact of Abolishing the Licence Fee on the UK Audio Sector* (2022). This work was updated in 2026 in order to reflect market developments – see Annex C

- ii) an overall increase in the quantity of advertising spots (effectively doubled) would cause advertising prices to fall by approximately 36% due to the interaction of supply and demand in the market.
- iii) BBC radio is primarily speech focused and there is no commercial premium for speech radio. Speech radio has a significantly higher cost than music radio – advertisers pay based on the size and demographics of the audience, not on how much the audience values the programme. This can lead to market failure as content which is valued by audiences may generate significant public value (i.e. through informing and educating) but may not be able to be financed by advertising alone.

2.3. The central finding of Compass Lexecon's modelling is stark: **an ad-funded BBC radio would face a funding shortfall of 63%**. Almost all BBC radio stations would be heavily loss-making under this model, with only Radio 2 and Radio 6 Music coming close to breaking even (see Figure 3).

**Figure 3 – Estimated cost reduction required by each BBC station**



Source: Compass Lexecon

2.4. Compass Lexecon found that an advertising funded model would result in a substantial shortfall in funding, which would not only affect the nature and quality of the output from BBC radio services, but also have wider ramifications for economic growth and the creative industries. The 2022 Compass Lexecon report estimated the reduction in size of the radio sector would lead to:

- i) **63% funding shortfall for BBC radio services** – estimated to result in £525 million lost GVA.<sup>14</sup>
- ii) **36% reduction in commercial radio revenues**<sup>15</sup> (£265 million loss) as a result of decrease in the price of radio advertising (due to the expanded supply of advertising capacity). Commercial radio’s revenues are likely to fall even further if, as the BBC takes on advertising revenue and potentially loses some of its regulatory obligations, it begins to compete for larger share of younger listeners. Competition with the BBC is already a concern for the commercial sector, even under current licence fee arrangements where the BBC is regulated by Ofcom. The need to attract advertisers would create a stronger incentive for the BBC to directly compete with commercial radio.
- iii) **£770 million in total lost value to the UK economy** as a result of the reduction in size of the radio industry – exceeding any savings to the licence fee.<sup>16</sup>
- iv) **Reduced choice for listeners** as commercial radio broadcasters close smaller or niche genre services due to impact on revenues and BBC radio services are incentivised to become even more similar to commercial stations – with a knock-on impact on plurality of choice for audiences and the UK music business:
  - (1) Less support for the UK music industry: programmes like BBC Introducing<sup>17</sup> support unsigned and undiscovered UK musicians and give a platform to ‘under-the-radar’ artists to be broadcast on both local and national radio. BBC Radio has distinctiveness quotas to ensure that it plays a higher proportion of music by new artists than similar commercial stations.
  - (2) A reduction in BBC commissioned content: BBC Radio 3 – a station that would be heavily loss making if funded by advertising – describes itself as the most significant commissioner of new music in the world, commissioning more than 30 pieces of new music every year.<sup>18</sup>
  - (3) A reduction in educational and societal development programming: for example, BBC Radio 4 commissions over 13,000 programmes each year, spanning a range of genres and topics, aimed at informing and educating listeners.<sup>19</sup> The funding shortfall from an advertising-funded Radio 4 would mean significantly less scope for this kind of programming.
- v) **Negative impact on older audiences** if the BBC were to close loss-making services (such as its highly valued BBC Local radio network) and is incentivised to also chase valuable younger demographics who command a higher premium for advertisers.

<sup>14</sup> Compass Lexecon, Impact of Abolishing the Licence Fee on the UK Audio Sector (2022), para 5.51

<sup>15</sup> In the model updated to account for 2026 listening trends, Compass Lexecon estimate that commercial radio revenues would reduce by 31%.

<sup>16</sup> Compass Lexecon, Impact of Abolishing the Licence Fee on the UK Audio Sector (2022), para 5.55

<sup>17</sup> BBC, [About BBC Introducing](#) (2025) [accessed 9 March 2026]

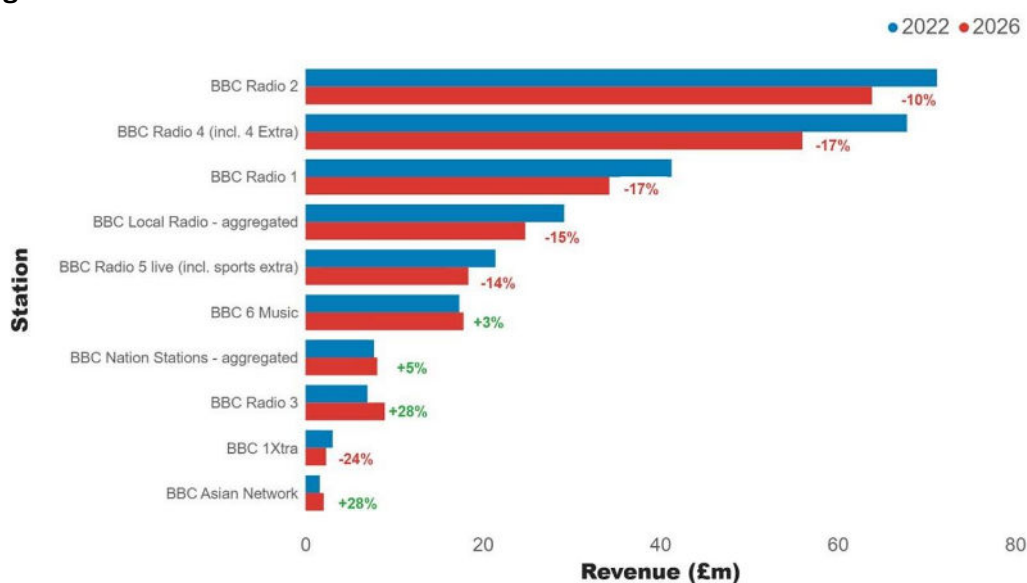
<sup>18</sup> BBC, [Information on BBC Radio 3 for suppliers](#) [accessed 9 March 2026]

<sup>19</sup> BBC, [Information on BBC Radio 4 for suppliers](#) [accessed 9 March 2026]

Services that are highly valued and important to millions of older listeners are less likely to be viable due to the fact that this audience is less attractive to advertisers.

- 2.5. Taken together, these outcomes would reduce plurality, weaken incentives to invest in original UK audio, and diminish listener choice across both radio and podcasts. There would also be a significant impact on the emerging podcast industry and the atomised audio production sector.
- 2.6. This research was originally shared with DCMS in November 2022, and subsequently fed into the DCMS BBC Funding Model Review<sup>20</sup> that took place in 2023/24.
- 2.7. Compass Lexecon has updated the model to take account of listening trends to 2026<sup>21</sup>, and the picture is even worse for the BBC than the 2022 findings suggested (see Figure 4). Based on current listening figures, BBC would expect to generate 12% less advertising revenue in 2026 than the 2022 model predicted overall. This is driven by decreases in expected revenue for BBC Radio 4 (-17%; -£12m); Local Radio (-15%; -£4m); BBC Radio 2 (-10%; -£7m); and BBC Radio 1 (-17%; -£7m).

**Figure 4 – BBC radio station revenues 2022 vs 2026**



Source: Compass Lexecon

- 2.8. This drop in expected revenue is driven by two key factors:
  - i) The BBC’s declining market share – having lost around 13% of its total listening volume since 2022; and
  - ii) The older age profiles of key BBC stations – the average age of listeners to a number of younger facing BBC stations (Radio 1 and Radio 6 Music) has increased by more than three years, driving down the price the BBC could expect to receive.

<sup>20</sup> DCMS, [BBC licence fee review launched as action taken to ease rises](#) (2023)

<sup>21</sup> Compass Lexecon, [Impact of proposed BBC funding models \(2026\)](#), para 4.28

*A hybrid model is not feasible*

- 2.9. The Green Paper proposes some hybrid approaches – including commercialisation of archive audio on BBC Sounds or of BBC audio on third-party platforms. These should also be ruled out. As the analysis below demonstrates, such approaches would radically alter the audio market – with its limited pool of advertising revenue – to the detriment of listeners and licence fee payers. It would also deliver only marginal revenues for the BBC, while having a demonstrable negative market impact.
- 2.10. A report from Enders Analysis<sup>22</sup> identifies significant structural problems with the Green Paper’s proposal to introduce limited advertising on the BBC’s online services. Specifically, the suggestion to monetise archive content<sup>23</sup> on BBC Sounds relies on the assumption that this represents a viable growth area for commercialisation. However, Enders notes that the volume of listening to older programmes remains minimal – in Q4 2025, on-demand listening accounted for just 36% of total listening on BBC Sounds. Furthermore, audiences are unlikely to listen to topical radio programmes particularly long after the original air date, nor old episodes of some of the top ten podcasts (i.e. Newscast, Americast, The Traitors Uncloaked etc).
- 2.11. Even under an optimistic scenario where older programming constitutes 10% of that on-demand listening, Enders estimates this would represent less than 1% of total BBC radio listening. This volume would generate approximately £3 million in annual advertising revenue – which is a “*drop in the ocean compared to the £491 million the BBC spent on its radio services, but would still likely have a disproportionate impact on the small and nascent podcast ad market*”<sup>24</sup>. In this context, even limited BBC entry could have an outsized effect on pricing, inventory value, advertiser behaviour and investment incentives for existing podcast publishers.
- 2.12. Compass Lexecon has also assessed the trade-offs inherent in a hybrid funding model, warning that it is “*incorrect to think there is a narrow costless approach*”<sup>25</sup> to introducing limited online advertising on the BBC. As audiences shift towards online listening, IP-targeted advertising – which commands a premium due to its for its targeted nature – is becoming increasingly central to the commercial radio business model. Recent advertising revenue figures for commercial radio illustrate that national and local airtime revenues are declining gradually over time, with online advertising the only format delivering significant growth<sup>26</sup>.
- 2.13. The Green Paper’s proposal to introduce limited online advertising would therefore target precisely the revenue stream that is most critical to the future sustainability of commercial radio. The impact would be disproportionate, particularly for small independent stations and those most reliant on digital and IP-targeted revenues.

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<sup>22</sup> Enders Analysis, Advertising on the BBC: High risk, low reward (2026)

<sup>23</sup> The example given in the Green Paper is for archive content older than one year

<sup>24</sup> Enders Analysis, Advertising on the BBC: High risk, low reward (2026), p. 10

<sup>25</sup> Compass Lexecon, Impact of proposed BBC funding models (2026), para 4.9

<sup>26</sup> Radiocentre, [Commercial radio reports record ad revenues for 2025](#) (2026)

- 2.14. Furthermore, a hybrid model represents the worst of both worlds, effectively forcing listeners to pay for their content twice: once via the licence fee and again through exposure to advertising. This undermines the core value proposition of the licence fee or similar settlement.
- 2.15. The impact on listening behaviour should also not be underestimated. Compass Lexecon cites a study of Pandora Internet Radio<sup>27</sup> demonstrating that even modest increases in advertising load can produce a material reduction in listening time. Applied to BBC radio – where audiences have a longstanding expectation of an ad-free experience, the effect could be significant.
- 2.16. Crucially, the potential revenue from a hybrid model is so marginal that it creates a significant fiscal risk for the BBC itself. Using the £3 million revenue estimate from Enders Analysis, it would take a decline in licence fee uptake of just 0.1% for the lost licence fee revenue to outweigh the advertising gain entirely. As Compass Lexecon concludes, “*such advertising may therefore only be expected to raise minimal amounts of revenue, which can be counterproductive if it led to a dilution of the apparent value from the licence fee and a consequent reduction in licence fee uptake.*”<sup>28</sup>
- 2.17. Any move to enable the commercialisation of BBC content on third-party platforms for UK audiences would be similarly damaging<sup>29</sup> and would be met with significant opposition from the commercial media sector. This was demonstrated in 2024, when the BBC announced plans to introduce advertising around its audio content on third-party platforms in the UK for the first time.<sup>30</sup>
- 2.18. In response, Radiocentre coordinated an industry-wide campaign<sup>31</sup> to highlight the disastrous impact such a change would have on consumers, licence fee payers, and the wider creative economy. After months of campaigning against the plans, in March 2025, the BBC confirmed it had ruled out placing advertisements around licence-fee funded programmes on third-party podcast platforms in the UK. This decision was welcomed by commercial radio<sup>32</sup>, which has made significant investments in the UK podcast market in recent years as well as the wider commercial media industry.
- 2.19. When the BBC dropped its proposals in 2025, it stated<sup>33</sup> that it had “*ruled out placing adverts around BBC **licence fee-funded** programmes listened to on third-party podcast platforms*” [emphasis added]. This qualification is significant: by limiting the commitment to licence fee-funded content, the BBC left open the possibility of commercialising audio

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<sup>27</sup> Huang et al, *Measuring Consumer Sensitivity to Audio Advertising: A Field Experiment on Pandora Internet Radio* (2018) Available at SSRN: <https://ssrn.com/abstract=3166676>

<sup>28</sup> Compass Lexecon, *Impact of proposed BBC funding models* (2026), para 4.33

<sup>29</sup> Radiocentre is reviewing additional econometric modelling to quantify the competitive impact of the BBC carrying advertising on third-party platforms for UK audiences. We will share this analysis with DCMS following the close of the consultation.

<sup>30</sup> Radiocentre, [Government warned that introducing ads on BBC podcasts will be disastrous](#) (2024)

<sup>31</sup> Sky News, ['Disastrous impact' if BBC allowed to run ads on podcasts, rivals warn](#) (2024)

<sup>32</sup> Radiocentre, [Commercial radio welcomes BBC scrapping proposals to introduce ads in podcasts](#) (2025)

<sup>33</sup> BBC, [BBC Annual Plan 2025/26](#) (2025)

produced through BBC Studios. Recent decisions<sup>34</sup> to move selected factual, entertainment and drama audio content from the BBC's in-house production team to BBC Studios, which operates on a commercial basis, may therefore not be incidental.

- 2.20. This creates a potential route by which BBC branded audio could in future be commercialised in the UK without clearly falling within the commitment made in 2025. We urge the government to be clear on this important matter of BBC funding – the BBC should not carry advertising on *any* BBC-branded audio content in the UK regardless of how it is funded or where it is distributed. This would ensure that licence fee payers continue to get value for money (by not being subjected to advertising) and there is no negative impact on the commercial audio market.
- 2.21. A further concern with any hybrid funding model relates to competition law. The BBC's entry into the UK advertising market while continuing to receive licence fee income would raise serious questions about its incentives to price advertising fairly. Unlike commercial operators, that have spent decades investing and innovating in the advertising market, the BBC would not be fully dependent on advertising revenue to fund its services: advertising would function as supplemental income rather than a primary revenue stream. This creates a structural incentive to undercut commercial market rates. Such a change would raise material competition questions.

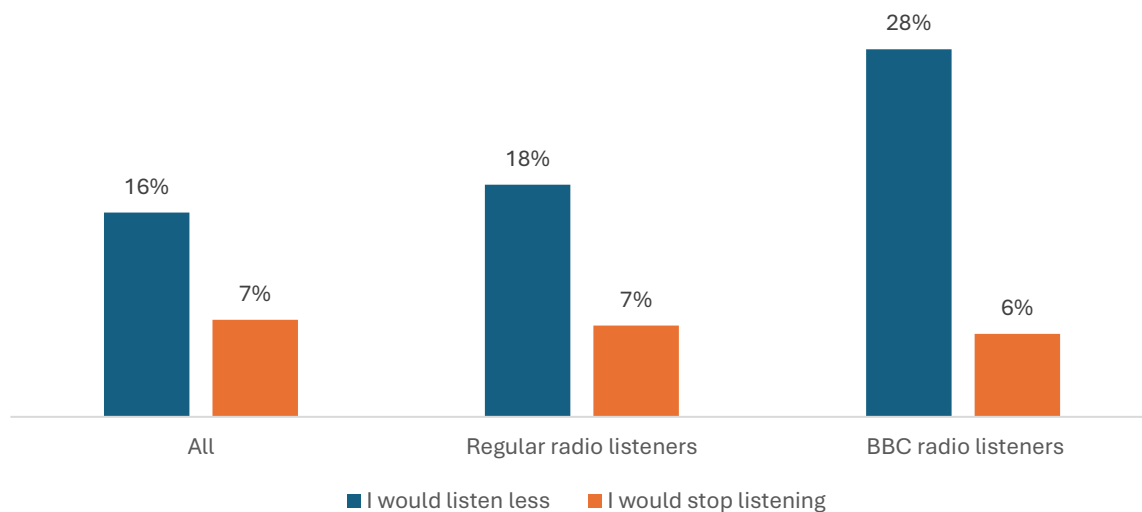
#### *Consumer attitudes to advertising on the BBC*

- 2.22. The economic case against the BBC carrying advertising is reinforced by new consumer research from More in Common, commissioned by Radiocentre in February 2026, which assessed public attitudes towards advertising on BBC content across a nationally representative sample of 3,035 UK adults:
- i) **There is clear behavioural risk from introducing advertising.** More than a third of BBC radio listeners (34%) say they would listen less or stop altogether if BBC radio carried advertising (see Figure 5) – this is also true for regular radio listeners in general (25%) and the wider public (23%). This directly corroborates the risk set out in paragraph 2.16. Notably, among those who say they would reduce or stop listening, commercial radio would not be the primary beneficiary of switching behaviour: streaming services such as Spotify (23%) or YouTube (21%) are more frequently cited than commercial radio (19%), indicating that this audience lost to BBC radio could be effectively unrecoverable, with a knock on impact of reduced consumption of trusted public value content. The government should not be implementing policy that has the long-run effect of weakening UK commercial radio players to the benefit of non-UK tech platforms.

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<sup>34</sup> BBC, [BBC Studios grows audio unit](#) (2023)

**Figure 5 – Proportion of public who would reduce listening to BBC radio if it carried advertising**



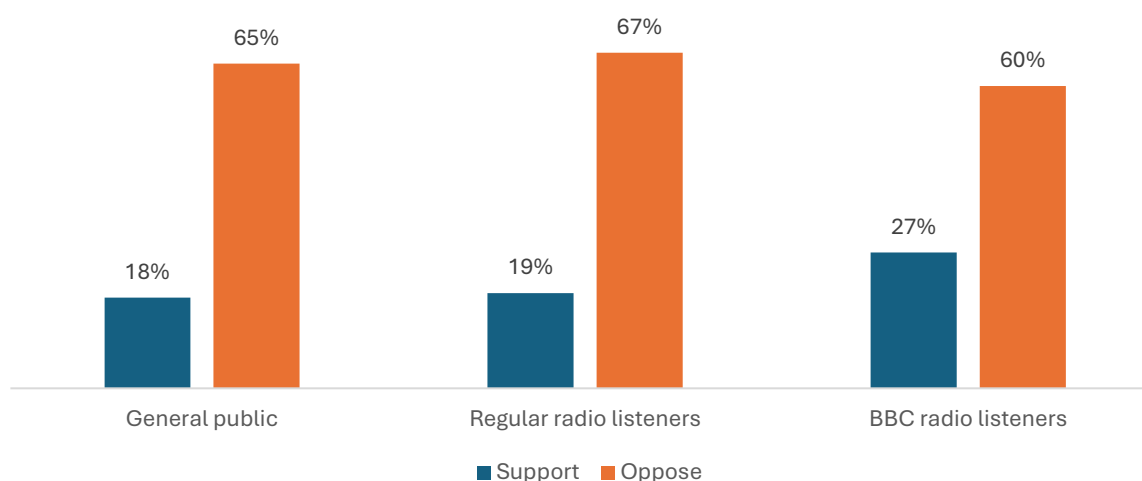
Source: More in Common

Q: If BBC radio stations introduced advertising breaks similar to commercial radio, how would your listening to BBC radio change, if at all?

Base: All respondents (3,035), Regular radio listeners (2,114), BBC radio listeners (851)

- ii) **A hybrid proposition which introduces advertising while retaining the licence fee is deeply unpopular** across all audience groups (see Figure 6). Among the general public, 65% oppose this model and only 18% support it. Opposition is similarly high among regular radio listeners (67%), demonstrating that audiences would reject paying the licence fee and being subjected to advertising.

**Figure 6 – Proportion of public who support or oppose a hybrid funding model**



Source: More in Common

Q: To what extent would you support or oppose the BBC introducing advertising in addition to keeping the annual licence fee (£180 per year from April)?

Base: All respondents (3,035), Regular radio listeners (2,114), BBC radio listeners (851)

- iii) **Beyond impacting listening behaviour, advertising would cause reputational damage to the BBC.** More than 1 in 5 of the general public (22%) say they would value the BBC less if it introduced advertising around its radio and audio content, rising to 24% of regular radio listeners and 30% of BBC radio listeners.
- iv) **Advertising also risks a fundamental erosion of BBC radio’s distinctiveness.** Nearly 3 in 5 of the general public (58%), rising to 70% of BBC radio listeners, say that if BBC radio carried advertising it would feel exactly like, or similar to commercial radio. This underscores that advertising would fundamentally change perceptions about the output of the BBC and damage the distinctiveness that justifies its public funding in the first place.
- v) **Audiences would prefer a more efficient or slimmed down BBC over limited advertising.** When asked how a funding shortfall should be addressed if the licence fee were retained, a clear majority of the public (52%) would prefer the BBC to make cost-saving efficiencies (31%) or reduce the range of services it provides (21%) rather than introduce limited advertising (25%). This is consistent with regular radio listeners (54% choosing efficiencies or service reduction against 26% choosing advertising).

## **RECOMMENDATIONS**

Any review of the BBC’s funding model must take full account of the impact of alternative models on BBC radio and audio, as well as the wider UK radio industry. On the basis of the evidence set out above, we make the following recommendations:

### **Rule out advertising for BBC radio and audio services**

- Advertising as a funding model for BBC radio and audio services must be explicitly ruled out at the first opportunity. The economic evidence is very clear: an advertising-funded BBC radio would face a 63% funding shortfall, reduce total commercial radio revenues by 31%, and cost the UK economy an estimated £770 million in lost GVA – far exceeding any savings to the licence fee.
- The updated Compass Lexecon analysis, reflecting listening trends for 2026, confirms that the economic case against advertising has only strengthened since 2022.

### **Reject limited online advertising and backdoor commercialisation**

- Hybrid approaches, including the commercialisation of archive audio on BBC Sounds or the placement of advertising around BBC content on third-party platforms, must also be explicitly ruled out.
- The revenue potential for the BBC is marginal and the competitive impact on the commercial audio market would be disproportionate. It is deeply unpopular with the public, and there is also an indirect risk to licence fee uptake (backed up by consumer research, which could very easily negate any commercial revenues gained).

- The next Charter must be explicit that BBC audio content cannot carry advertising for UK audiences wherever it is available, including on third-party distribution platforms, given the detrimental impact this could have on the commercial audio sector. This should apply to both public service funded and BBC Studios funding audio content.

### **Maintain public funding for BBC radio**

- The licence fee, or an alternative form of universal public funding at a broadly equivalent level, remains the only viable mechanism for funding BBC radio and audio services.
- The significant level of public funding must come with clear public service obligations. In return for the continuation of universal funding, the BBC should be held to account for delivering genuinely distinctive radio and audio content that provides public value audiences cannot find elsewhere in the market – with Ofcom required to enforce these obligations proactively and transparently.
- Where the BBC faces a funding shortfall, it should pursue cost efficiencies or reduce the range of services it provides rather than explore commercialisation. The public is clear on this – by more than two to one, audiences prefer a leaner BBC to one that carries advertising.

### 3. BBC ROLE AND REMIT – DISTINCTIVENESS IS ESSENTIAL

*Distinctiveness must sit at the heart of the next Charter, backed by robust external regulation and clear accountability for delivery of the BBC's public purposes.*

- 3.1. As a public service broadcaster in receipt of approximately £3.8bn<sup>35</sup> in licence fee funding, the BBC is obliged to go further than simply attracting audiences. It is required to provide a range of programming and services that meet specific public service objectives – encompassing national and international news, documentaries, educational programming, and a diverse range of entertainment across its radio stations, television channels, and online services. This is not a regime simply to address market failure, but to deliver a public service mission that is clearly and consistently reflected in BBC output.
- 3.2. When the BBC is at its most distinctive – investing in journalism, breaking new and UK artists, delivering high quality speech and drama content – it strengthens the wider radio sector rather than undermining it. The UK radio market benefits from a mixed ecology – a distinctive, publicly funded broadcaster providing a range of content, alongside a diverse and vibrant commercial sector. This complementary model has been central to the success of radio, with each approach bringing its own strengths to the table.
- 3.3. The Charter review raises a number of questions about how the BBC's role and remit should evolve – including whether a new Public Purpose on economic growth should be added. For radio and audio, this means success should be judged not simply by scale or reach but by whether publicly funded services deliver clear additional public value that the market would not otherwise provide to the same extent.
- 3.4. We are not opposed to a new Public Purpose on economic growth in principle – the BBC makes a positive contribution to the UK's creative economy, and there is a reasonable case for making this explicit in its public purposes. However, we have significant reservations about how such a purpose might operate in practice, particularly in the context of radio and audio.
- 3.5. Our concern is that a growth purpose could become a means by which the BBC seeks to justify expansion into markets already well-served by commercial operators. In radio and audio, the BBC already has a 43% market share and a content budget that outstrips the combined revenues of the entire commercial sector. In this context, BBC expansion may generate economic growth – but in radio and audio it can just as easily displace existing commercial activity, diverting listening and advertising revenue away from commercial operators, reducing their capacity to invest, and ultimately shrinking the sector that a growth purpose is ostensibly designed to support.
- 3.6. When the BBC proposed to launch four new music spin-off stations in 2024<sup>36</sup>, the BBC's own modelling estimated that it could impact commercial radio revenues by almost £30 million per year, with a single service (a Radio 2 Extension) accounting for nearly £20

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<sup>35</sup> BBC News, [How much is the BBC licence fee and how could it change?](#) (2026)

<sup>36</sup> BBC, [Plans announced for new, distinctive digital music stations as extensions for BBC Radio 1, BBC Radio 2 and BBC Radio 3](#) (2024)

million of this revenue impact (our own modelling found this impact to potentially be significantly higher, this is set out in greater detail in paragraphs 3.19 - 3.23). A growth purpose that is not carefully designed could inadvertently provide cover for precisely this kind of market harm, allowing the BBC to assert that the wider economic value generated by a new service outweighs its negative competitive impact, a conclusion it has a clear incentive to make in its own favour.

- 3.7. If a growth public purpose is added, it must therefore be accompanied by a new explicit obligation for the BBC to avoid growth at the expense of commercial operators. In radio and audio, the BBC can best support economic growth through complementarity with commercial radio – i.e. by delivering genuinely distinctive public service output, investing in UK talent and emerging artists, and partnering with the commercial sector in ways that strengthen rather than crowd out the UK's creative industries.
- 3.8. Underpinning both the BBC's public service mission and any credible growth purpose is the principle of distinctiveness. It ensures that BBC radio and audio services deliver clear *additional* public value by providing content not catered for elsewhere in the market. Delivering distinctive output is where the BBC has both the opportunity and the responsibility to excel – for instance, through the unique and highly valued local output provided by BBC Local Radio. This principle sits at the heart of the BBC's mission, purposes, and governance framework. Given the BBC's extremely privileged position, it must be held strictly accountable for producing distinctive content and services in order to:
- i) Ensure it delivers genuine public value – providing content and services that audiences could not find elsewhere in the market; and
  - ii) Mitigate negative market impact – ensuring that its privileged funding position is not used to crowd out commercial operators providing comparable services.
- 3.9. Distinctiveness should be assessed across a range of factors, including speech and news provision, localness, support for emerging UK talent, original UK production, cultural breadth, innovation, risk taking and service to underserved audiences. Music overlap with commercial radio is one relevant indicator but not the sole test.
- 3.10. The current BBC Charter<sup>37</sup>, renewed in 2017, was amended specifically to increase the BBC's focus on distinctiveness and limit negative market impact. Public Purpose 3 sets out the fundamental importance of producing “*the most creative, highest quality and distinctive output and services*” where in particular “*its services should be distinctive from those provided elsewhere and should take creative risks, even if not all succeed, in order to develop fresh approaches and innovative content*”. The current Charter also places an explicit duty on the BBC to have particular regard to the effects of its activities on competition in the UK, including seeking “*to avoid adverse impacts on competition which are not necessary for the fulfilment of the Mission and the promotion of the Public*

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<sup>37</sup> DCMS, [Copy of Royal Charter for the continuance of the British Broadcasting Corporation](#) (2016)

*Purposes.*” The obligations to be distinctive and limit market impact are also clearly evident in the BBC Agreement<sup>38</sup>.

- 3.11. Ahead of the Charter renewal, the 2016 DCMS White Paper ‘A BBC for the future: a broadcaster of distinction’<sup>39</sup> set out a strong case for why these changes to the Charter were introduced – a view supported by a broad range of industry stakeholders and parliamentarians at the time. The government noted that “*popularity itself must not be the primary measure of success for the BBC*” and that the broadcaster “*needs to stand apart from other broadcasters, distinguishing itself from the market*”<sup>40</sup>. It also included a definition<sup>41</sup> of distinctiveness: “*the BBC should be substantially different to other providers across each and every service, both in prime time and overall... and in terms of:*
- i) *The mix of different genres, programmes and content*
  - ii) *The quality of output*
  - iii) *The amount of original UK programming*
  - iv) *The level of risk taking, innovation, challenge and creative ambition; and*
  - v) *The range of audiences it serves*”
- 3.12. These priorities were the basis on which the current BBC Charter and Framework Agreement were created, and we believe that there is a strong case for their continuation – and strengthening – in the next BBC Charter, particularly in the context of radio and audio.
- 3.13. It is therefore concerning to see that the 2025 Green Paper makes markedly less reference to the principle of distinctiveness compared with the 2015 Green Paper and subsequent 2016 White Paper.<sup>42</sup> The absence of distinctiveness in the framing of the current Green Paper risks signalling a reduced commitment to a core principle that underpins the BBC’s public service remit. In our view, the government should make it clear that distinctiveness remains central to the BBC in the next Charter.
- 3.14. Original creative output from the BBC in radio and audio encompasses content that commercial operators might struggle to provide on purely commercial terms. This should include, but is not limited to:
- i) Regular news bulletins across all BBC radio services
  - ii) Local news and original, locally-made content
  - iii) Educational and societal development content – including speech, documentaries, drama, comedy, arts programming
  - iv) Supporting and breaking new/emerging UK-based artists
  - v) Commissioning musical works and output from independent producers

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<sup>38</sup> DCMS, [An Agreement Between Her Majesty’s Secretary of State for Culture, Media and Sport and the British Broadcasting Corporation](#) (2016)

<sup>39</sup> DCMS, [A BBC for the future: a broadcaster of distinction](#) (2016)

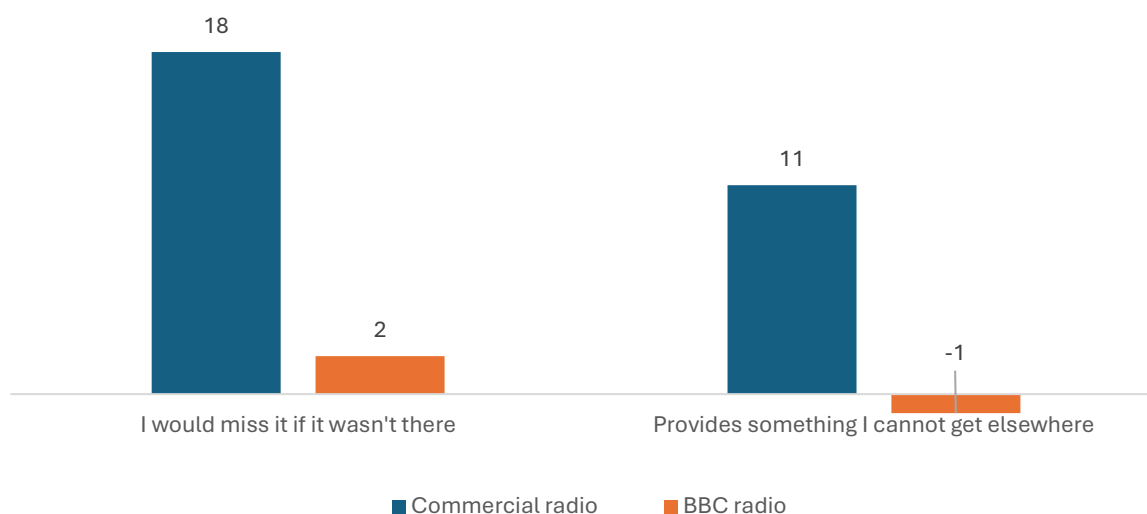
<sup>40</sup> DCMS, [A BBC for the future: a broadcaster of distinction](#) (2016), p. 28

<sup>41</sup> DCMS, [A BBC for the future: a broadcaster of distinction](#) (2016), p. 32

<sup>42</sup> The word distinctive(ness) appears 21 times in the 2015 Green Paper and 155 times in the 2016 White Paper, compared to just 8 in the 2025 Green Paper.

- 3.15. The BBC has a mission to serve all audiences. However, there is a real risk of mission drift. This occurs when the BBC, rather than serving all audiences with distinctive public service content, instead prioritises gaining audience share by closely replicating commercially available services. The result is a BBC that competes directly with commercial media, without delivering the *additional* public value that justifies its privileged funding position.
- 3.16. The consumer research from More in Common, commissioned by Radiocentre in February 2026, finds that:
- i) **Audiences do not think the BBC radio is distinctive:** only 1 in 6 members of the general public (17%) consider BBC radio to offer truly unique and distinctive content. A substantially larger proportion say BBC radio content is not particularly distinctive: 38% of the general public say BBC radio content can sometimes or easily be found elsewhere.
  - ii) **Despite paying a licence fee, audiences do not perceive BBC radio as providing something they cannot get elsewhere.** On both measures of uniqueness and emotional attachment, commercial radio – without substantial licence fee funding – substantially outperforms the BBC (see Figure 7).
    - (1) On the statement "*provides something I cannot get elsewhere*", BBC radio scores net negative among the general public (-1%), meaning more people consider this untrue than true. Commercial radio, by contrast, scores net positive among the general public (+11%) and more strongly still among regular radio listeners (+24%).
    - (2) The same pattern holds on emotional attachment – "*I would miss it if it was not there*" – where BBC radio scores just +2% net among the general public and +13.1% among regular radio listeners, compared with +18% and +34% respectively for commercial radio.

**Figure 7 – General public sentiment on BBC radio versus commercial radio**



Source: More in Common

Q: Please rate the extent to which you feel each of the following statements about [favourite BBC or commercial station] is true, if at all? Use the scale where 5 is completely true and 1 is not true at all

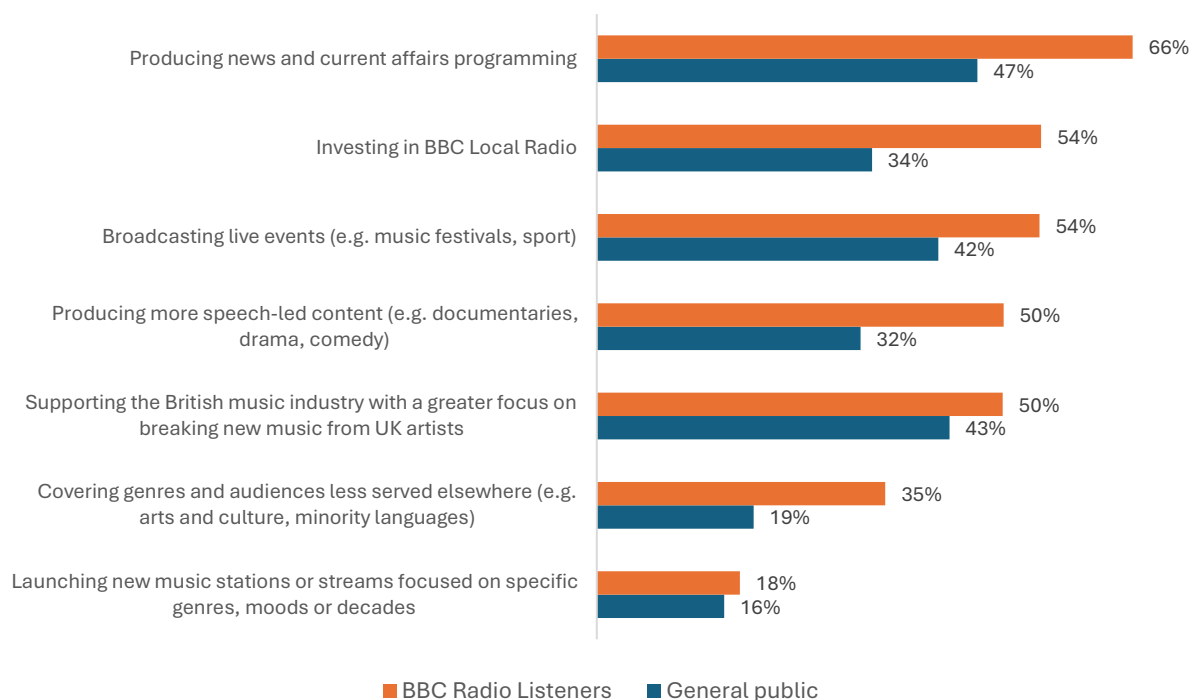
Base: All respondents (3,035)

Net figures where positive is 'true' and negative is 'not true'

- iii) **Audiences nonetheless want the BBC to be more distinctive, not less.** When asked to choose between a BBC that prioritises being different from commercial radio and one that focuses on maximising audience reach, 6 in 10 BBC listeners were in favour of a more distinctive approach (60%), against only 28% who prefer mass appeal.
- iv) **A strong majority of the public also expect BBC radio to carry regular news bulletins:** 68% overall, 74% of regular radio listeners, and rising to 78% of BBC radio listeners. News and current affairs also receives the highest net public support (+47% among the general public; +51% among regular radio listeners; +66% among mostly-BBC listeners) of any BBC radio investment priority.

3.17. The research also reveals a clear consensus on where the BBC should invest in radio (see Figure 8). When asked to rank investment priorities, public service-oriented content dominates across all audience segments. Notably the most popular investment priority for BBC radio listeners is (i) news and current affairs programming and (ii) BBC Local Radio – two areas where the BBC has been retreating from in recent years – and the least popular option (including across the general public) is launching new music stations or streams focused on specific genres, moods or decades (discussed in greater detail below):

**Figure 8 – Public support for BBC investment priorities**



Source: More in Common

Q: Looking ahead, to what extent do you think the BBC should prioritise investment in each of the following...

Base: All respondents (3,035); Mostly-BBC radio listeners (851)

Net support = proportion supporting minus proportion opposing across all respondents.

3.18. This underscores the need to strengthen the BBC’s regulatory framework in the upcoming Charter to sharpen the focus on distinctiveness and delivery of the BBC’s public service mission. In the sections that follow, we set out evidence and recommendations based on our experience across four areas:

- the BBC's recent spin-off station proposals;
- the level of music cross-over between BBC radio and commercial radio;
- the Operating Licence and its enforcement;
- and BBC’s cross-promotion activities.

*BBC spin-off stations*

3.19. The BBC's recent launch of new music spin-off stations provides a clear illustration of the recent tendency toward less distinctive output – and of the competitive consequences when the BBC's distinctiveness obligations are not adequately enforced.

3.20. In 2024, the BBC proposed launching four new national music spin-off radio stations on DAB+ (and online on BBC Sounds), primarily targeting younger demographics and/or C2DE audiences, as well as changes to 5 Live Sports Extra. In the end, only three of the music stations were permitted by Ofcom to launch, with one service blocked and the changes to 5 Live Sports Extra rejected. The music services included:

- i) **Radio 1 Dance** – a dance music station targeting audiences aged 15-34. This station had already been available on BBC Sounds since October 2020 and launched on DAB+ in September 2025.
  - ii) **Radio 1 Anthems** – a 00s and 10s pop music station aimed at younger audiences aged 15-34. This station was launched on BBC Sounds in November 2024, and on DAB+ in September 2025.
  - iii) **Radio 3 Unwind** – a classical music station aimed at audiences aged 35+ focusing on providing a calm and relaxing musical experience. This station was launched on BBC Sounds in November 2024, and on DAB+ in September 2025.
  - iv) **Radio 2 Extension** – a nostalgia station targeting audiences aged 55+ with music primarily from the 1950s, 1960s and 1970s. Following the regulatory process, Ofcom determined that the launch of this service would have a significant impact on fair and effective competition and subsequently blocked its launch on both BBC Sounds and DAB+.
- 3.21. Throughout the regulatory process, we argued that the BBC’s proposals demonstrated limited public value, resulting in a poor investment for licence fee payers. The proposed services were not distinctive – this was backed up by a survey of over 3,440 radio listeners (commissioned by Radiocentre), with fewer than 1 in 5 saying they were different to existing services.<sup>43</sup> Moreover, the services would not carry news, and more broadly contained very little speech content.
- 3.22. In its final determination, Ofcom lamented the lack of news noting that it was “*a missed opportunity to increase the reach of PSB news*” and that “*there could be some negative social value for listeners switching to R1D, R1A and R3U from other stations that do carry news*”<sup>44</sup>. Ofcom also concluded that the BBC’s public value proposition was overblown, noting that there were “*areas of the BBC’s assessment where we consider the value is likely to be more limited than the BBC sets out, or where we consider there is less certainty from the cited evidence than implied by the BBC.*”<sup>45</sup> The decision to forgo news entirely is also clearly out of step with public expectations – as highlighted in our consumer research, the vast majority (68%) of the public expect BBC radio services to carry regular news bulletins (see paragraph 3.16(iv)).
- 3.23. Ofcom’s decision to permit three of the four stations to proceed in spite of a weak public value assessment sets a concerning precedent for future regulatory decisions. It risks signalling to the BBC that incremental expansion into formats and genres already well-served by commercial radio can proceed with limited additional public value, and no news provision. This represents poor value for licence fee payers who clearly don’t see this as a priority for BBC investment (as highlighted in paragraph 3.17) and, over time, risks

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<sup>43</sup> Radiocentre, [Response to BBC Public Interest Test consultation on new music radio stations](#) (2024) Para 4.5-4.47

<sup>44</sup> Ofcom, [Statement: Proposed new BBC DAB+ radio stations and proposed changes to Radio 5 Sports Extra](#) (2025) para 2.22-2.23

<sup>45</sup> Ofcom, [Statement: Proposed new BBC DAB+ radio stations and proposed changes to Radio 5 Sports Extra](#) (2025) Para 2.41

undermining fair and effective competition in a market where the BBC is already dominant. Indeed, the precedent established by Ofcom has already had an impact: in 2026, the BBC plans to launch a new BBC Sounds extension of Radio 6 Music – again duplicating existing commercial services and carrying no news. The regulatory and competitive implications of this new proposal are addressed in Section 4.

#### *Music crossover analysis*

3.24. Radiocentre’s analysis<sup>46</sup> of music crossover on the BBC’s two main radio brands – Radio 1 and Radio 2 – with key competitor commercial radio stations finds that these services are not nearly distinctive enough, particularly at peak listening times:

- i) **Radio 1:** Only 56% of Radio 1’s total plays during weekday daytime are tracks not played on close commercial radio competitors (a 44% duplication rate). Furthermore, only 34% of Radio 1’s plays during weekday daytime are from artists which are not played on these close commercial competitors (a **66% duplication rate**).
- ii) **Radio 1 Anthems:** Almost two thirds (64%) of the plays across Radio 1 Anthems during weekday daytime are from tracks also played on close commercial radio competitors. A huge **83%** of the plays on BBC Radio 1 Anthems are from artists also played on these close commercial competitors. Therefore, a very small portion (**only 17%**) of plays are from artists not played on close commercial competitors.
- iii) **Radio 2:** Approximately half (**48%**) of the tracks played during weekday daytime on Radio 2 are also played on close commercial radio competitors. **70%** of plays on BBC Radio 2 during weekday daytime are from artists which also feature on close commercial competitors. Therefore, less than 1/3rd (**30%**) of the output is from artists not shared with the close commercial competitors.

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<sup>46</sup> Note: Radiomonitor data run 05-01-2026 - 13-02-2026 (Monday – Friday only). Further analysis, including against a larger commercial radio comparator set can be found in Annex C.

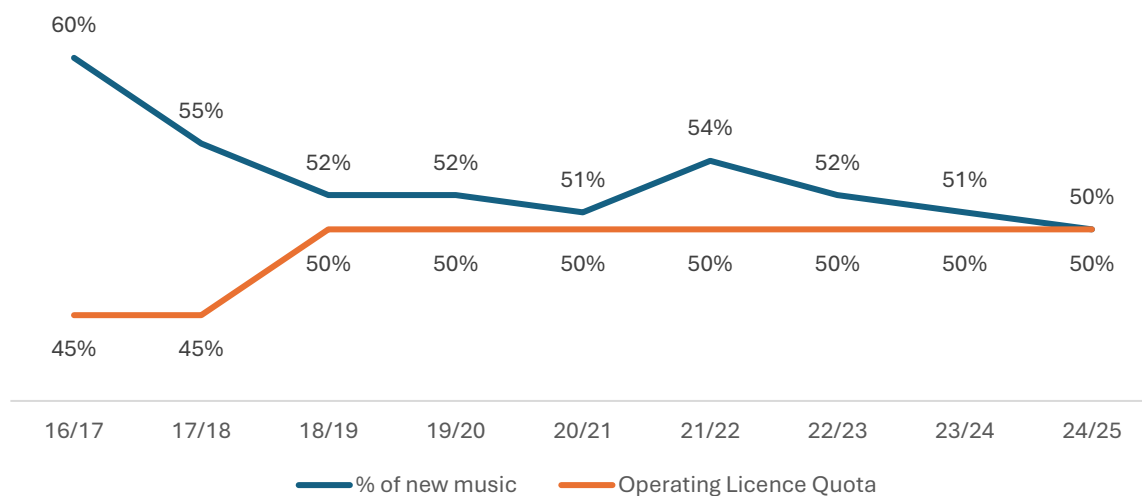
### *The Operating Licence*

- 3.25. Ofcom is responsible for ensuring that the BBC delivers on its mission to provide distinctive content which informs, educates and entertains audiences across the UK. The BBC's Operating Licence, overseen by Ofcom, contains over 30 conditions that guarantee public service output on BBC radio services, including distinctive music output on Radio 1 and Radio 2, as well as valuable speech content across its stations.
- 3.26. However, a notable and concerning trend has emerged in recent years, where quotas designed to stretch the BBC and enhance its delivery of distinctive output have been progressively diluted or removed entirely. The cumulative effect has been a reduction in important public value obligations and a decline in distinctive output. This has been compounded by a weakening of Ofcom's oversight and accountability role.
- 3.27. This is not solely an enforcement issue, it reflects a structural weakness in the current Charter framework, which does not sufficiently bind either the BBC (and its Board) or Ofcom to maintaining stretch targets once set. The examples below illustrate why the next Charter must establish clear safeguards that prevent quotas from being retrospectively lowered without exceptional justification, and require Ofcom to enforce compliance rather than accommodate non-delivery.
- i) **Dilution of Operating Licence quotas:** The modernisation of the Operating Licence in March 2023<sup>47</sup> shifted the regulatory framework toward more flexible, qualitative, and annualised measures. While this affords the BBC greater operational flexibility, it has severely weakened Ofcom's ability to enforce the BBC's public service obligations. The cumulative effect has been a measurable decline in distinctive output and a concerning trend where the BBC appears to treat its regulatory quotas as minimum floors to clear, rather than genuine stretch targets. This is clearly illustrated in the case of Radio 1 (see Figure 9), where the daytime schedule devoted to new music has fallen to the regulatory floor of 50% down from 60% in 2016/17.

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<sup>47</sup> Ofcom, [Statement: Modernising the BBC's Operating Licence](#) (2023)

**Figure 9 – Proportion of new music in daytime on Radio 1**



Source: Radiocentre analysis of BBC Annual Report

ii) **Reduction in speech, news and current affairs:** The BBC’s commitment to specialist speech and news programming – a core component of its public service remit – has also declined in recent years. This has subsequently been facilitated by Ofcom retrospectively lowering the bar when the BBC fails to meet its obligations.

(1) **BBC Radio Foyle** – After replacing a two-hour news breakfast show with a 30-minute bulletin, the BBC breached its 1,043 hour news quota two years in a row (delivering 743 hours in 2023/24 and 718 in 2024/25).<sup>48</sup> Rather than enforcing compliance, Ofcom subsequently approved a BBC request in July 2025 to permanently reduce the quota by 32% to 710 hours.

(2) **BBC Asian Network** – in July 2025, Ofcom approved a BBC request to reduce the station’s news and current affairs quota by 44% – from 1,224 hours to just 675 hours per year. The BBC justified this withdrawal from news provision as a necessary step to introduce more music-led programming to target 25-34 year-olds. We noted at the time that this has resulted in a perverse situation where Ofcom is allowing the BBC to effectively halve its news and current affairs output on the publicly funded BBC Asian Network, while simultaneously introducing entirely new local news requirements<sup>49</sup> on Asian commercial radio stations that previously had none.

(3) **New music radio extensions** – as noted in paragraph 3.22, Ofcom gave the BBC the green light to launch three new national radio stations without any news requirements. As a result, Radio 1 Anthems, Radio 1 Dance and Radio 3 Unwind officially launched in September 2025 on DAB+ with no news output.

<sup>48</sup> Ofcom, [Statement on BBC’s request to change its Operating Licence \(2025\)](#)

<sup>49</sup> Ofcom, [Statement: Local news and information on analogue commercial radio \(2026\)](#)

iii) **Changes to BBC Local Radio programming** – BBC Local Radio has seen an ongoing erosion in local programming and attempts to dilute speech output over recent years.

(1) In 2023, shared regional programmes were introduced for the first time. These changes were implemented with little meaningful consultation: Ofcom itself expressed particular disappointment at the "*lack of detail and clarity*" in the BBC's policy announcements.<sup>50</sup> Opposition to these changes continues to be highlighted by a wide range of stakeholders.<sup>51</sup> Furthermore, Ofcom recently amended, again with limited meaningful consultation, the time window for shared programming between neighbouring BBC Local Radio stations. The intention of this change appeared to be to bring the Operating Licence into line with decisions the BBC had already implemented – namely the introduction of a national 'All-England' networked show<sup>52</sup> on Sunday afternoons, following earlier moves to introduce regional networked programming<sup>53</sup> on weekday afternoons, evenings and weekends in 2023.

(2) The 2023 Operating Licence modernisation retained the requirement for 100% speech content during the breakfast peak on BBC Local Radio – a quota Ofcom specifically declined to reduce, against the BBC's wishes, recognising its importance in protecting the most valuable and distinctive part of the local radio offer.

(3) As a publicly funded broadcaster with a clear public service remit, the BBC should be expected to prioritise this kind of distinctive local output, rather than investing in launching new music services with formats already well catered for by commercial radio.

3.28. These examples demonstrate a pattern in which the Operating Licence has been adjusted to reflect decisions the BBC had already taken, rather than used to hold the BBC accountable for maintaining its public service commitments. The next Charter must reverse this trend by requiring that Operating Licence conditions function as genuine stretch targets, with a high bar for any reductions and a clear presumption that the BBC must adapt its plans to meet its obligations, not the reverse. This is essential to ensuring that distinctiveness remains an enforceable commitment, not a flexible aspiration.

3.29. As listening increasingly migrates online, it is crucial that the BBC's digital output is held to the same standards of distinctiveness as its broadcast radio services. BBC Sounds in particular should be subject to clear and measurable public service obligations. The BBC should be required to publish transparent plans for BBC Sounds – including targets for the delivery of distinctive public service content – so that audiences, Ofcom and commercial operators can assess whether it is genuinely serving its public purposes or primarily functioning as a platform for content that duplicates what is available from commercial broadcasters.

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<sup>50</sup> Ofcom, [Letter from Ofcom to the BBC, 24 February 2023](#) (2023)

<sup>51</sup> NUJ, [NUJ questions Ofcom's proposal to approve BBC local radio changes](#) (2025)

<sup>52</sup> Radio Today, [Regional Sunday afternoon music shows axed for national show on BBC Local Radio](#) (2025)

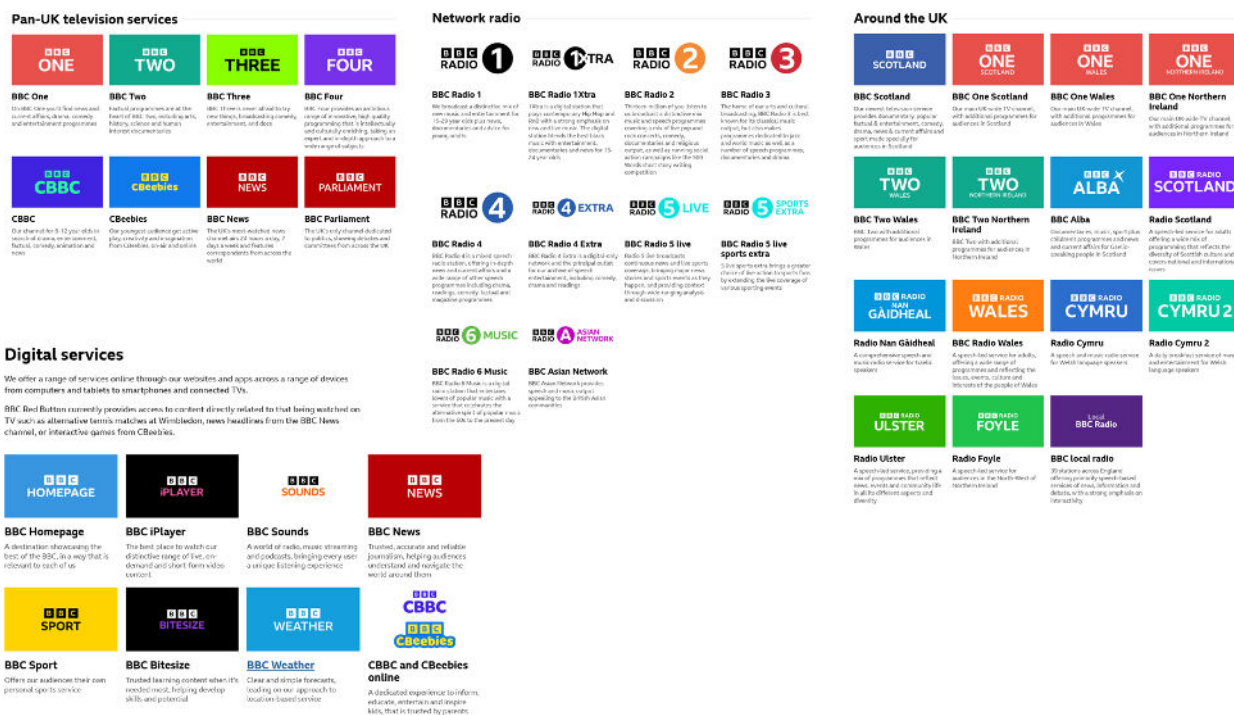
<sup>53</sup> BBC, [New afternoon, weekend and weeknight schedules for BBC local radio stations](#) (2024)

- 3.30. Ofcom should also require greater transparency about how BBC Sounds promotes and recommends content, including podcasts and on-demand audio, given the growing importance of discovery and recommendation in shaping listening.
- 3.31. Changes in BBC priorities since the last Charter, together with limited enforcement from Ofcom, have resulted in less creatively original content and output across local radio and news, with a focus and investment on launching new spin-off music services that directly compete with commercial broadcasters.
- 3.32. There is therefore a clear case for the government to retain and strengthen regulatory conditions on the BBC enforced through the Operating Licence. This will hold the BBC to account for delivering high-quality public value content – in particular news and speech – and bring all BBC radio services (including those simulcast and exclusively available on BBC Sounds) clearly within the scope of clearly defined distinctiveness standards.

**BBC cross-promotion**

- 3.33. The BBC’s capacity for cross-promotion across its television, radio and digital platforms gives it a competitive advantage that no UK commercial operator can match (see Figure 10 below). This promotional power materially reinforces the BBC’s scale and reach – and while a degree of cross-promotion is a legitimate tool for informing licence fee payers about the BBC’s public services, the current scale and focus of BBC cross-promotion goes beyond what is justified by its public purposes, and creates an inherent competitive advantage.

**Figure 10 – The BBC’s services in the UK**



Source: [BBC](https://www.bbc.com)

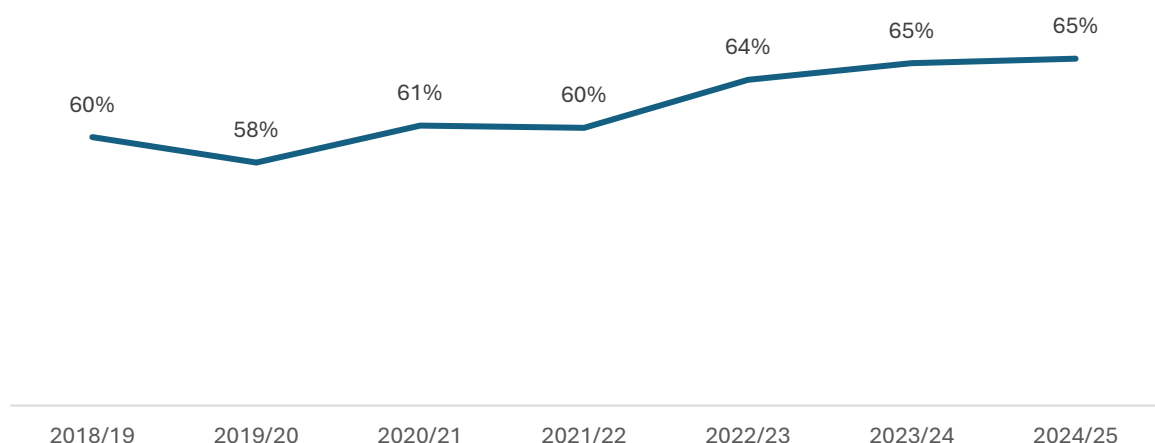
- 3.34. The 2016 White Paper addressed concerns that the BBC's cross-promotion capabilities posed a competitive risk – for example, by promoting its radio stations on popular television services in ways unavailable to the commercial sector.
- 3.35. To mitigate this risk, the White Paper noted<sup>54</sup> that promotion “*should focus on showcasing high public value content*” which “*needs to be carried out in a way that is sensitive towards the rest of the market*”. The BBC would therefore be required “*to publish information or relevant metrics on all its promotion activities, including the amount of promotion of public service content*” with the intention of providing greater transparency and allowing the public and wider market to assess whether the BBC’s activities are proportionate.
- 3.36. The current Framework Agreement<sup>55</sup> between the BBC and Secretary of State requires the BBC to “*ensure that the promotion of any output of a UK Public Service or any such service in the UK Public Services focuses on output contributing substantially to the fulfilment of the mission and promotion of the public purposes.*” The BBC must therefore publish information on such promotion, including:
- i) The number of minutes of promotions in each public service
  - ii) The time of day of such promotions
  - iii) Such other information it considers would be in the public interest to publish.
- 3.37. It is not clear that this policy intent has been fully realised in practice. The BBC publishes only two high-level tables annually showing promotional minutage by broad categories (e.g. any radio/Sounds content) by service and daypart. Critically, the published data does not indicate:
- i) Whether and how specific promotions contribute to the BBC’s mission and public purposes
  - ii) Whether promoted content qualifies as ‘high public value’ or is popular entertainment aimed at maximising reach
  - iii) The audience reach and volume of impressions generated by promotional activity
- 3.38. We have analysed the data that the BBC publishes on public service promotions in its Annual Reports since the last Charter. This examination reveals some notable trends. The total number of promotions on BBC radio services has decreased over time – from 100,552 minutes in 2018/19 to 86,716 minutes in 2024/25 – largely due to a reduction in promotions overnight. However, the proportion of promotional material on BBC radio services during peak hours (morning and daytime) has *increased* from 60% in 2018/19 to 65% in 2024/25 (see Figure 11). So, while the overall volume of promotion has fallen, this masks a shift towards the most listened-to dayparts which are the most valuable for commercial operators.

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<sup>54</sup> DCMS, [A BBC for the future: a broadcaster of distinction](#) (2016), p. 70

<sup>55</sup> DCMS, [BBC Framework Agreement](#) (2025), clause 63(1)

**Figure 11 – Percentage of promotions on BBC radio services during peak hours**



Source: Radiocentre analysis of BBC Public Service Promotions data  
 Peak hours: morning (6am-11.59am), daytime (12pm-5.59pm)

3.39. For promotion across BBC platforms, the measurement metric used by the BBC changed from the 2018/19 Annual Report to the 2019/20 Annual Report onwards.

- i) In 2018/19, the Annual Report showed minutes of promotion for a service, by where it was broadcast<sup>56</sup> – e.g. the total minutes of promotions for Radio 1 on the service itself, on BBC TV channels, and on other radio stations.
- ii) From 2019/20 onwards, the Annual Report shows minutes of promotion by platform promoted, on each service – e.g. the total amount of promotion for TV/iPlayer or Radio/Sounds content on BBC Radio 1.

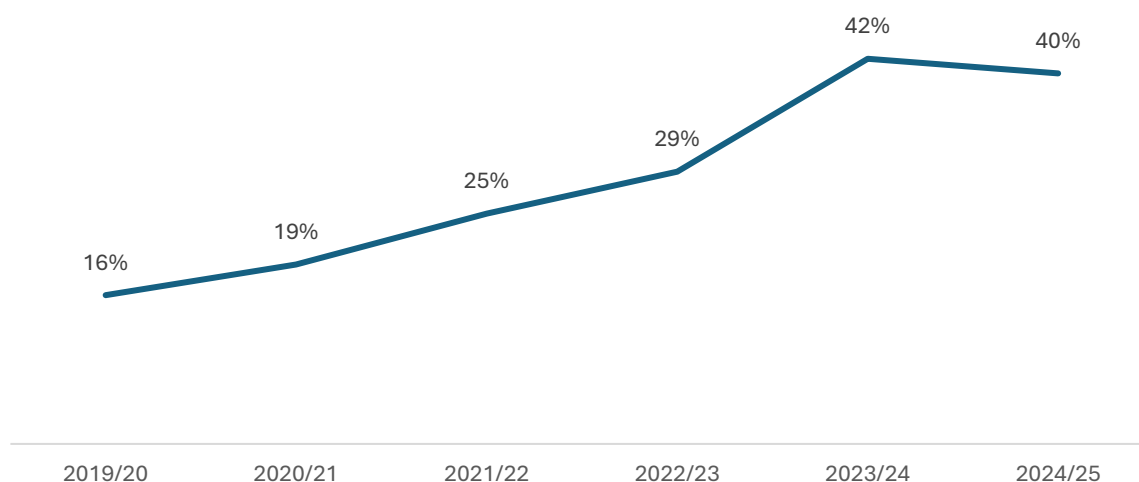
3.40. The reporting in 2018/19 was the most transparent and meaningful – allowing for an assessment of the promotion of individual services across platforms. For example, this format showed the BBC’s TV channels showed 160 minutes of promotion for Radio 1, 166 minutes for Radio 2, and 60 minutes for Radio 6. In 2019/20 (and onwards), it is only possible to ascertain that there were 750 minutes of promotion of any radio or BBC Sounds content on BBC One, and 512 minutes on BBC Two – making an accurate assessment of market impact far more challenging.

3.41. However, there are notable trends with the more recent reporting. The proportion of promotional material for other services (i.e. cross-promotion) on BBC radio services has increased significantly over time – from 16% of all promotions on BBC radio services in 2019/20, to 40% in 2024/25 (see Figure 12).

3.42. This represents a substantial increase in the BBC leveraging its radio services to promote its broader portfolio. Without additional data on the content being promoted or the strategic rationale, it is difficult to assess whether this can be considered proportionate or sensitive to market impact.

<sup>56</sup> BBC, [BBC Group Annual Report and Accounts 2018/19](#) (2019) p.165

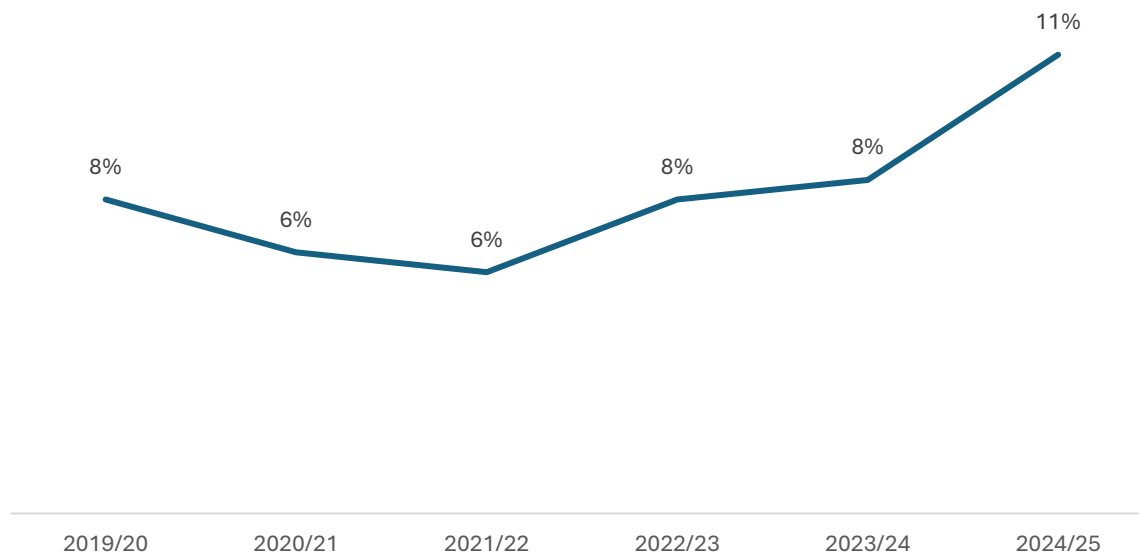
**Figure 12 – Cross-platform promotions on BBC Radio services (% of total)**



Source: Radiocentre analysis of BBC Public Service Promotions data  
Share of promotions for other BBC services on all BBC radio service.

3.43. There was also a relatively marked increase in the last year of promotions for BBC radio or Sounds content on the BBC’s most popular TV channels (BBC One and BBC Two) – accounting for 11% of all promotions and representing a 30% increase year-on-year (see Figure 13). This suggests a significant recent push to leverage the BBC’s largest TV platforms to drive engagement with BBC Sounds and its radio services. Commercial radio operators have no equivalent access to TV promotion at this scale.

**Figure 13 – Promotions for BBC radio/Sounds content on BBC One or BBC Two (% of total)**



Source: Radiocentre analysis of BBC Public Service Promotions data

3.44. Consumer research from More in Common finds that over a quarter (27%) of BBC radio listeners already consider the BBC’s current level of cross-promotion of its own services to be excessive. This suggests that audience tolerance for BBC self-promotion is not unlimited, and that the trend toward higher proportions of peak-hour and cross-platform promotion identified above is likely to erode public confidence in the BBC’s editorial independence if left unchecked.

- 3.45. The value in kind of total promotions across Radio 1 and Radio 2 in 2024/25 alone is significant. Radiocentre is reviewing new analysis for DCMS<sup>57</sup> to quantify these estimates, along with analysis of the value of the promotions for BBC radio/Sounds on BBC 1 and BBC 2. An equivalent TV advertising campaign for commercial radio operators would be a significant financial investment.<sup>58</sup> Based on the data in the BBC's Annual Reports alone, there is no doubt that the BBC benefits from a significant scale of competitive advantage the BBC derives from its ability to promote its services across its extensive platforms. No commercial operator has access to promotional resources of this magnitude.
- 3.46. Future BBC cross-promotion must be subject to a clear public value justification and explicit consideration of market impact. Promotional activity should be demonstrably linked to the BBC's public purposes and there should be strengthened, more granular transparency requirements, so that Ofcom, commercial operators and audiences can meaningfully assess whether the BBC's promotional activity is proportionate and consistent with its public service mission. This should at minimum include the following:
- i) Reporting of promotional minutes broken down by the individual service promoted, and on which platform, rather than the current broad category of 'radio/Sounds content'. Alongside additional data – including reach and impressions – of its promotional activity.
  - ii) A classification of promoted content by category (i.e. news and current affairs, entertainment, speech, platform), so that it is possible to assess whether promotional activity focuses on high public value content rather than popular entertainment.

## **RECOMMENDATIONS**

The next Charter must place distinctiveness at the heart of the BBC's public service mission in radio and audio, backed by robust external regulation and clear accountability for delivery.

### **The BBC must be held to account with distinctiveness obligations**

- The next Charter must retain and strengthen the BBC's obligation to deliver creatively original output across all its radio and audio services – including services available only on BBC Sounds.
- If the next Charter adds a new Public Purpose on economic growth, it must be accompanied by an explicit obligation on the BBC to avoid growth that comes at the expense of commercial operators, particularly in markets (such as radio and audio) where the BBC remains dominant. In this context, Ofcom should be required to have explicit

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<sup>57</sup> Once this analysis is complete, due to the commercially sensitive nature of advertising pricing, a confidential note will be shared with DCMS officials.

<sup>58</sup> According to [industry sources](#), daytime slots on ITV are priced between £3,900 and £4,800, while peak-time slots can cost between £10,700 and £35,000. A TV advert campaign running for a month can cost as much as £200,000 for ITV.

regard to displacement effects when assessing any BBC proposal that invokes a growth purpose.

- Ofcom should take a more proactive role as the external regulator of the BBC – holding it to account for the distinctiveness of its content and ensuring that, in return for guaranteed public funding, BBC radio and audio services deliver genuine additional public value to audiences that the market alone would not provide. The government will need to review whether the current powers available to Ofcom (from a regulatory and competition perspective) are adequate.

### **Operating Licence conditions for radio and audio must be retained and strengthened**

- The next Charter must establish binding principles for Operating Licence conditions, requiring that:
  - Quotas are set as genuine stretch targets designed to enhance distinctiveness, not minimum floors
  - Any proposed reduction to an existing quota requires formal justification by the BBC, public consultation, and Ofcom assessment of public value impact
  - Where the BBC has breached a quota, the presumption is enforcement and remedial action, not retrospective dilution of the obligation
  - Ofcom reports annually to Parliament on Operating Licence performance, with explicit commentary on any quota changes and their rationale
- The Operating Licence conditions for BBC radio services should be retained and strengthened – in particular requirements on news and speech content, locally-made programming on BBC Local Radio, and music distinctiveness on Radio 1 and Radio 2 – with quotas set as genuine stretch targets rather than minimum floors.
- BBC Sounds should be brought more clearly within scope of the Operating Licence, with clear and measurable targets for the delivery of distinctive public service content on the platform.
- Ofcom should continue to report on the BBC's performance against its Operating Licence conditions, with a clear escalation process where the BBC falls short.

### **BBC cross-promotion activity should be more transparent**

- The next Charter should establish clear rules limiting BBC cross-promotion to content that demonstrably aligns with its public purposes.
- The BBC's cross-promotion transparency requirements should be enhanced, requiring more detailed reporting that enables Ofcom, commercial operators and audiences to assess whether promotional activity is proportionate and consistent with the BBC's mission.
- Ofcom should have a more active role in overseeing the BBC's cross-promotion activity, intervening where promotions are inconsistent with the BBC's public service obligations.
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## 4. BBC REGULATORY FRAMEWORK – ENHANCED FOR RADIO AND AUDIO

*The regulatory framework should be retained and strengthened to sharpen delivery of the BBC's public service mission.*

- 4.1. We support regulation of the BBC that is both fit for purpose and evolves when required. Appropriate regulation should give the BBC flexibility where justified while also protecting competition, plurality and regulatory certainty. In turn this will lead to better outcomes for both the wider industry and audiences.
- 4.2. To be clear, we do not agree with the principle of a permanent Charter for the BBC, as mooted multiple times by the BBC Chair<sup>59</sup> and confirmed within the BBC's Green Paper submission<sup>60</sup>. The periodic Charter renewal process presents a crucial opportunity to update the regulatory framework for the BBC and ensure it reflects evolving market dynamics and technological developments.
- 4.3. We welcome recognition in the Green Paper that there is a need for *"retaining or enhancing measures that protect certain markets from adverse competition impacts"*<sup>61</sup> and the explicit reference to radio/audio. The regulatory framework is vital in limiting adverse market impact of BBC activity.
- 4.4. The dynamics in the markets in which the BBC operates vary significantly. While there has been profound change in the competitive dynamics in some of its markets, this is not the case in radio and audio, where the BBC remains the single largest provider of radio services, with a market share of 43% a greater number and breadth of services, and spend on radio in excess of the entire commercial radio sector revenues combined. Unlike commercial radio operators in the UK, the BBC benefits from stable licence fee income and is able to leverage its audiences from its audiovisual and digital services into radio, for example by extensive cross-promotion. The case for reducing or relaxing the regulation the BBC faces in radio is therefore substantially weaker than in other markets. Rather, regulation helps ensure a vibrant mixed ecology of service position – publicly funded and commercially ad-funded alike – where the BBC remains the dominant player despite profound technological shifts. The appropriate response is not uniform deregulation across all BBC activities but a differentiated framework that reflect conditions in each market.
- 4.5. The commercial radio industry has recent and direct experience of a regulatory process that has proved both costly and, in important respects, inadequate. Our experience – detailed below – reveals repeated weaknesses in transparency, stakeholder engagement and the independence of competitive impact assessments.

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<sup>59</sup> BBC News, [BBC chairman Samir Shah calls for end to 'really odd' 10-year royal charter cycle](#) (2024)

<sup>60</sup> BBC, [A BBC For All, Our response to the government's Green Paper](#) (2026)

<sup>61</sup> DCMS, [Britain's Story: The Next Chapter, BBC Royal Charter Review Green Paper and Public Consultation](#) (2025) p. 61

- 4.6. These problems arise both from the design of the framework itself and from the way it has been applied in practice. As highlighted throughout Section 3, we have concerns about Ofcom’s effectiveness as an independent regulator in holding the BBC to account, particularly where regulation should operate as a meaningful mechanism to secure distinctiveness and ensure alignment with the BBC’s mission and public purposes. However, as detailed below, there are also structural flaws in the framework itself, which is designed in a way that creates perverse incentives and gives undue weight to the BBC’s own assessment, rather than requiring genuine transparency, robust external scrutiny and meaningful stakeholder engagement.
- 4.7. In 2024 the BBC proposed four new national music spin-off stations on DAB+ and BBC Sounds – stations that directly imitate services already offered by commercial radio. These proposals exemplify the significant risk to fair and effective competition when the BBC proposes services that are not distinctive.
- i) By the BBC’s own estimates<sup>62</sup> these could have a c. £30m p.a. impact on commercial radio
  - ii) However, economic analysis from Compass Lexecon (commissioned by Radiocentre) estimates this would be even higher at c. £70m p.a.
- 4.8. Ofcom ultimately blocked proposals for a music service (a Radio 2 extension) and an expansion of its sports radio offer (5 Live Sports Extra), while allowing three music services to proceed, despite acknowledging the limited public value case for these services.
- 4.9. In February 2026, the BBC announced plans to launch a new Sounds-only spin-off of BBC Radio 6 Music. The precedent set by Materiality Assessments of earlier BBC Sounds launches – with a risk of limited external scrutiny – is concerning. It risks creating a pathway for incremental BBC expansion that, over time, will divert listening and advertising value from commercial radio, with a significant cumulative impact.
- 4.10. These cases illustrate both the value of the regulatory framework in principle and the urgent need for reform in practice. The ex-ante model of regulating the BBC’s competitive impact presumes that there are sufficient regulatory safeguards to prevent harm to competition arising *prior* to the BBC implementing a change, particularly given the challenges of remedying material impacts on competition after they have arisen.
- 4.11. For example, the current framework relies heavily on the BBC’s own projections of public value and competitive impact – but there is no clear mechanism to mitigate a situation where an approved BBC proposal subsequently grows to achieve a larger audience or economic impact than what was stated in the BBC’s original assessment. As such, we believe there is already a strong case<sup>63</sup> for the implementation of an additional, independent layer of competition evaluation in the current framework, to be carried out

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<sup>62</sup> BBC, [New music radio stations: Public Interest Test](#) (2024) p.98-99

<sup>63</sup> This is something we argued for in our response to Ofcom’s recent [consultation](#) on assessing the impact of proposed changes to the BBC’s public service activities. See Annex D for more detail.

by Ofcom, that is triggered automatically where an Ofcom-approved BBC service reaches a significant scale and/ or is beyond the BBC's original projections of competitive impact. The circumstances in which such a review should be triggered could include the following:

- i) Insufficient engagement – where the BBC has failed to meet the minimum standards of stakeholder engagement (outlined by Ofcom) or has set unreasonable timeframes or where the BBC has not engaged with credible, alternative methodological approach to assessing market impact that contradicts the BBC's findings.
- ii) Cumulative impact – where the BBC proposes multiple or incremental changes within a certain timeframe and the cumulative market impact over time has not been adequately addressed in a PIT process.

4.12. The next Charter offers a genuine opportunity to redesign this process: to shift the balance of scrutiny away from the BBC and towards Ofcom, to guarantee structured and meaningful engagement for external stakeholders, and to ensure that the framework is genuinely capable of protecting fair and effective competition in radio and audio. To ensure this happens, the next Charter and Framework Agreement should place a clearer duty on Ofcom to undertake an independent competition review in defined circumstances, while Ofcom's Operating Framework and guidance should clearly set out the triggers, thresholds, evidence requirements for such a review.

#### *BBC Materiality Assessment*

4.13. The BBC's Materiality Assessment process affords stakeholders very limited opportunity for meaningful input – a significant weakness given that this is often the only formal stage before a BBC proposal is reviewed by Ofcom (assuming no subsequent BBC Public Interest Test or Ofcom BBC Competition Assessment). In particular:

- i) beyond a short presentation from the BBC with minimal detail followed by a limited opportunity for stakeholder input, the process is largely confined to Ofcom's review of the BBC's Materiality Assessment
- ii) there is no public consultation during Ofcom's review
- iii) any information shared in advance is limited and high-level

4.14. The latest proposal for a Radio 6 Music extension illustrates systemic flaws in the Materiality Assessment process that extends well beyond this individual case.

- i) Inadequate timescales for meaningful input: Radiocentre was given just one week to consult members and provide substantive comment on a national service proposal. When we requested a short extension to ensure proper industry consultation, and asked for additional information necessary to assess materiality, both requests were denied.

- ii) Limited transparency: Key information necessary to assess competitive impact was withheld during the consultation window, undermining stakeholders' ability to provide informed input to the BBC's assessment.
  - iii) Process integrity concerns: The BBC publicly announced the proposals on Tuesday 3 February, before the original stakeholder comment deadline had passed and before Radiocentre had submitted its response. The public announcement included substantial details that had previously been withheld from stakeholders.
  - iv) Absence of regulatory safeguards: There is no formal route for stakeholders to escalate process concerns during a Materiality Assessment, nor any clear standards the BBC must meet in how it engages with affected parties. The inadequacy of this process led Radiocentre to submit a formal complaint to Ofcom – a step that should not be necessary if the framework were operating as intended.
- 4.15. The current regulatory approval process contains a fundamental imbalance. The BBC has a strong and obvious incentive to characterise its proposals as non-material – doing so allows changes to proceed with minimal external scrutiny and without a full Public Interest Test. Meanwhile, commercial stakeholders have no structured route to submit evidence or challenge the BBC's assumptions during the Materiality Assessment; and must instead rely entirely on Ofcom to reach the right conclusion on the basis of limited information.
- 4.16. This is clearly a suboptimal regulatory process. At a minimum, a Materiality Assessment should include a formal call for evidence, clearer transparency obligations on the BBC, and sufficient time for stakeholders to make a meaningful assessment.
- 4.17. Furthermore, there are substantive questions over which BBC services should be subject to lighter touch Materiality Assessments versus the more comprehensive Public Interest Test regulatory process. Ofcom's current starting assumption<sup>64</sup> – that services the BBC launches on BBC Sounds will not have a material impact on fair and effective competition – is no longer sustainable. The rapid growth of online listening (now 33% for commercial radio<sup>65</sup>) and the increasing centrality of BBC Sounds as a platform, as well as the BBC's unrivalled ability to cross-promote it, means that new radio services on this platform could potentially have a significant competitive impact. It is no longer appropriate to subject such services to only a lighter-touch assessment; they should instead face the same level of regulatory scrutiny as services launched on broadcast platforms.

#### *Flaws in the BBC Public Interest Test and Ofcom BBC Competition Assessment*

- 4.18. A BBC Public Interest Test (PIT) is a more comprehensive regulatory process than a Materiality Assessment. It requires the BBC to publish a formal assessment of the public value and competitive impact of its proposals, followed by a public consultation period during which stakeholders can respond. Ofcom then carries out its own independent BBC

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<sup>64</sup> Ofcom, [Statement - Market position of BBC Sounds](#) (2021)

<sup>65</sup> RAJAR Q4 2025

Competition Assessment. In principle, this is a more robust framework – but in practice, as our recent experience demonstrates, it still contains fundamental weaknesses.

- 4.19. The PIT remains, at its core, a *BBC first* process and heavily reliant on BBC-led analysis. Consultation submissions are reviewed and assessed by the BBC – which creates an inherent tension, given the BBC’s clear interest in securing approval for the proposals it wishes to pursue. The BBC has a clear incentive to overstate the public value of its proposals and to understate their potential negative impact on competition. In addition, it could create a risk that the BBC’s approach to engaging with industry is suboptimal both in terms of the quality of the materials for engagement and the timing of the sharing of such materials.
- 4.20. The BBC Competition Assessment, carried out by Ofcom, provides more robust independent scrutiny. Unlike the PIT, it is not entirely reliant on the BBC’s own analysis and gives Ofcom the opportunity to undertake its own assessment of competitive impact. The blocking of the Radio 2 Extension and changes to Radio 5 Live Sports Extra in 2025 demonstrates that this process can and does produce the right outcome.
- 4.21. The BCA process for the four new music radio spin-off stations illustrates both the value of independent scrutiny and the risks if it were absent or curtailed. The BBC’s own Materiality Assessment and PIT concluded that the proposed stations should proceed. It was only through Ofcom’s independent BCA that the Radio 2 extension was blocked – a conclusion the BBC’s own process had not reached. Without that independent scrutiny, the process could have led to poor outcomes for consumers, and the potential closure of small independent commercial radio operators. Our experience of this process also highlighted further weaknesses:
  - i) Limited transparency from the BBC, with crucial information not shared with stakeholders or made public
  - ii) Limited meaningful engagement, despite repeated efforts to raise concerns
  - iii) Significant scope for implementing different methodological approaches to assess the impact of the BBC proposals on competition (i.e. the BBC, Ofcom and Radiocentre’s methodologies for assessing market impact differed, in addition the BBC’s methodology evolved through the process).
- 4.22. Taken together, these weaknesses meant that – despite repeated efforts – Radiocentre was prevented from making a full and timely assessment of market impact on behalf of the commercial radio industry. This is not how a regulatory process aimed at protecting fair and effective competition should function. We have outlined proposals for reform in detail in our response (see Annex D) to Ofcom’s recent consultation on assessing the impact of proposed changes to the BBC’s public service activities.

*Mid-Term Charter Review – competition assessment changes.*

- 4.23. Ofcom has recently consulted<sup>66</sup> on changes to how it assesses the impact of proposed changes to the BBC's public service activities, following updates to the BBC Framework Agreement made at the Mid-Term Charter Review. The changes to the Agreement are substantive in their own right. They change the dynamics and process by which decisions are made.
- 4.24. While the changes appear technical in nature, they risk fundamentally changing the level of independent scrutiny applied to material changes to BBC services. While this may be appropriate for some of the markets in which the BBC operates, our firm view is that the BBC is more likely to have distortive effects in radio and audio. Ofcom must therefore adopt a differentiated regulatory approach, applying stronger safeguards in radio and audio than it might elsewhere, which should be reflected in the next Charter.
- 4.25. We are concerned that the proposed changes risk materially reducing the independence of scrutiny applied to the BBC by:
- i) Allowing Ofcom to approve material changes without running its own competition assessment (where it relies on the BBC PIT), and
  - ii) Removing the automatic link of new services being material (and thus requiring a full PIT/BCA) and instead shifting the burden onto the lighter touch Materiality Assessment.
- 4.26. The proposals appear to amount to Ofcom outsourcing its regulatory scrutiny of the BBC to the BBC, which has a clear incentive to conclude in its own interest – as Ofcom notes in the consultation document “*the BBC has an incentive to reach a positive conclusion of its public interest, as it will only propose a change it wants to make*”. For the proposed changes to work at any level, Ofcom needs to ensure that expectations around stakeholder engagement are much clearer and more robust, and it must retain the ability to step in in appropriate situations (and, indeed, to actually do so).
- 4.27. Ofcom’s guidance on how it assesses the impact of proposed changes is a fundamental element of the regulatory framework that governs the BBC’s provision of public services. If the Guidance is not sufficiently robust, there is a genuine risk the BBC, in the exercise of its public services, has an adverse impact on competition. This is particularly acute in radio and audio, where the BBC's dominance means that even incremental changes can have significant cumulative competitive effects. We therefore believe there is a strong case for Ofcom to adopt a separate approach to BBC radio and audio services – one in which the new flexibility to decide no further assessment is necessary following a PIT is exercised only in rare and clearly justified circumstances, with a strong presumption in favour of undertaking the full regulatory process.

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<sup>66</sup> Ofcom, [Consultation: Assessing the impact of proposed changes to the BBC’s public service activities](#) (2026)

- 4.28. We recognise that the changes to the Framework Agreement have already been made, and we responded to Ofcom's consultation in February. However, the Charter Review represents a fresh opportunity to ensure that the regulatory framework is designed to prevent the market harm before it occurs. The concerns we set out here are intended to illustrate the challenges for commercial operators in the absence of important checks and balances in the regulatory system.
- 4.29. For example, under a framework in which Ofcom does not carry out robust independent scrutiny through a BBC Competition Assessment, the following consequences follow:
- i) The BBC will be even more instrumental in assessing whether changes are material and in assessing the scale and scope of potential impacts on competition, notwithstanding the clear incentives<sup>67</sup> it has to evade appropriate regulatory scrutiny of changes to its activity.
  - ii) The BBC PIT could be the only formal analysis undertaken before Ofcom approves any material changes to the BBC's public services. This implies less formal and independent scrutiny over the BBC's plans.
  - iii) Industry stakeholders could potentially lose formal opportunities to engage with Ofcom before it approves material changes to the BBC's public services.
  - iv) There is reduced stakeholder visibility overall if the starting position for new services is that they are not material and do not require analysis beyond a Materiality Assessment, with a risk that competitive impact (including cumulative impact over time) is not fully assessed. This shift makes the Materiality Assessment even more important, but the current process is fundamentally flawed (see paragraphs 4.13 - 4.17).
- 4.30. This underlines the need for the next Charter to set out improved guidance on both the Materiality Assessment and PIT. Specifically, the Charter should require:
- i) More detailed guidance on the types of evidence and analysis that should be included in a PIT to ensure a robust assessment is made by the BBC.
  - ii) Structured opportunities for stakeholders to provide meaningful evidence on market impact and public value within a reasonable timescale.
  - iii) Greater clarity on exactly how Ofcom proposes to assess the BBC's materiality and PIT analysis including its timing for assessment and sufficient time for stakeholders to make informed representations.

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<sup>67</sup> Ofcom, [Consultation: Assessing the impact of proposed changes to the BBC's public service activities](#) (2026) Para 4.16

## **RECOMMENDATIONS**

The next Charter must strengthen the regulatory framework governing BBC radio and audio services, given the BBC's continued dominance in this market – and the inadequacy of the current framework. This will support plurality of choice for audiences and the long-term strength and viability of both commercial services and the BBC.

### **The regulatory framework in radio and audio must be retained and enhanced**

- The BBC's dominant position in radio and audio means that proposed changes to its services in this market must be subject to a higher threshold for regulatory scrutiny than in other markets where the BBC operates. The Charter must reflect this explicitly.
- Ofcom should be given flexibility to adopt a different regulatory approach for BBC radio and audio – including the presumption that material changes will undergo a full and independent BBC Competition Assessment rather than relying on BBC-led processes alone.

### **The Materiality Assessment process requires substantial reform**

- The Materiality Assessment must be reformed to include binding process requirements:
  - Formal call for evidence with a minimum 4-week consultation period for industry stakeholders
  - Clear information-sharing obligations on the BBC, including service specifications, audience projections, and competitive impact modelling
  - Prohibition on public announcement of proposals until the Materiality Assessment stakeholder engagement window has closed
  - Right of appeal to Ofcom where stakeholders can demonstrate the BBC has failed to meet transparency or engagement standards
  - Publication of Ofcom's Materiality Assessment decision with reasoning, so the industry can understand why a proposal was deemed non-material
- Ofcom's current assumption that BBC Sounds-only services are unlikely to be material must be revised. New radio services launched on BBC Sounds should be subject to the same level of scrutiny as those launched on broadcast platforms.

### **The Public Interest Test and BBC Competition Assessment processes must be improved**

- The BBC should be subject to enhanced transparency and stakeholder engagement requirements during the PIT process. Ofcom should take a more proactive role and set out detailed guidance on the types of analysis the BBC is required to undertake.
- Stakeholder engagement during the PIT must be structured, meaningful and subject to enforced timescales – not left to the BBC's discretion.
- Ofcom should retain and be prepared to exercise its power to carry out an independent BCA following a PIT. For BBC radio and audio services, this should be the default position rather than the exception.

### **The regulatory guidance should be strengthened**

- The Guidance underpinning the regulatory framework must set out clear and binding criteria for when Ofcom will undertake its own independent competition assessment, and these criteria must be published and subject to periodic review.
- The next Charter must ensure that any flexibility introduced following the 2024 Mid-Term Charter Review – allowing Ofcom to decide that no further assessment is needed in some cases – is not permitted to apply to material changes to BBC radio and audio services without exceptional justification.
- The framework should also provide for post-launch review where a service has exceeded the assumptions made at approval stage in relation to audience scale or market impact.

## 5. ANNEXES

- **Annex A:** Music cross-over analysis
- **Annex B:** Response to the BBC's Charter Review Green Paper submission
- **Annex C:** Compass Lexecon report (February 2026 – submitted separately)
- **Annex D:** Radiocentre response to Ofcom consultation on assessing the impact of proposed changes to the BBC's public service activities (February 2026 – submitted separately)

## ANNEX A – MUSIC CROSSOVER ANALYSIS

This analysis is intended as one indicator of overlap in music output and should be read alongside broader measures of distinctiveness, including speech provision, localness, original content, support for emerging artists and wider public value.

This music crossover analysis was undertaken using Radiomonitor data run between 5<sup>th</sup> January 2026 and 13<sup>th</sup> February 2026 (Monday-Friday only). It compares BBC Radio 1, BBC Radio 1 Anthems and BBC Radio 2 against a narrow competitive set, in addition to an expanded commercial competitive set<sup>68</sup>.

### Radio 1 (Competitive set: Capital, KISS, Hits)

- Only 56% of Radio 1's total plays during weekday daytime are tracks not played on close commercial radio competitors (a 44% duplication rate).
- Only 34% of Radio 1's plays during weekday daytime are from artists which are not played on these close commercial radio competitors (a 66% duplication rate).
- During weekday daytime, only 23% of the unique tracks played on Radio 1 are classified as 'new music' (tracks released in the previous 12 months). However, this does equate to 61% of the station's total weekday daytime output/plays.
- More than half (54%) of the music played on Radio 1 during weekday daytime are not from GB artists (a 46% duplication rate).

### Radio 1 (Expanded competitive set)

- Only 45% of Radio 1's total plays during weekday daytime are tracks not played on commercial radio (a 55% duplication rate).
- Only 24% of Radio 1's plays during weekday daytime are from artists not played on commercial radio (a 76% duplication rate at artist-play level).

### Radio 1 Anthems (Competitive set: Capital Anthems, Heart 00s/10s, Absolute Radio 00s/10s, KISSTORY)

- Almost two thirds (64%) of the plays across Radio 1 Anthems during weekday daytime are from tracks also played on close commercial radio competitors.
- A huge 83% of the plays on BBC Radio 1 Anthems are from artists also played on these commercial radio stations. Therefore, only a very small portion (only 17%) of plays are from artists not played on similar commercial radio services.

### Radio 1 Anthems (Expanded competitive set)

- At a plays level, 71% of Radio 1 Anthems' weekday daytime output is duplicated across the commercial set, meaning only 29% of total plays are fully unique.
- 87% of Radio 1 Anthems' plays are from artists who are also played by commercial competitors, leaving just 13% of plays being from artists which are unique to Radio 1 Anthems

### BBC Radio 2 (Competitive set: Heart, Greatest Hits Radio, Magic)

- Approximately half (48%) of the tracks played during weekday daytime on Radio 2 are also played on close commercial radio competitors.

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<sup>68</sup> Expanded competitive set: Capital, KISS, Hits Radio, Capital Anthems, Heart 00s, Heart 10s, Absolute Radio 00s, Absolute Radio 10s, KISSTORY, Heart, GHR, Magic, Radio X, Smooth

- 70% of plays on BBC Radio 2 during weekday daytime are from artists which also feature on these commercial radio stations. Therefore, less than 1/3rd (30%) of the output is from artists not shared with the similar commercial services.

**Radio 2 (Expanded competitive set)**

- 66% of Radio 2's unique weekday daytime tracks are shared with commercial competitors, leaving just 34% exclusive.
- At an artist level, 74% of Radio 2 artists are also played by the commercial competitors, with just 26% unique to Radio 2.
- 83% of the plays from BBC Radio 2 are from artists which are also played on commercial radio, leaving only 17% exclusive.

## ANNEX B – RESPONSE TO THE BBC’S CHARTER REVIEW GREEN PAPER SUBMISSION

On 5 March the BBC published its response<sup>69</sup> to the government’s Green Paper.

While the BBC acknowledges the challenges it faces – declining audiences, falling licence fee income and growing competition – its submission largely focuses on reducing the accountability and regulatory oversight that accompanies its significant public funding.

- **Reduced accountability for a publicly funded institution** – the BBC proposes a permanent Charter, lighter content regulation and a significantly reduced competition framework. For an organisation funded by a licence fee, such a reduction in external oversight is inappropriate.
- **Failure to address the underlying causes of audience decline** – the BBC’s challenges are not primarily structural. They reflect a longer-term decline in creative originality, distinctiveness and investment in areas such as news and local services that historically justified public funding. The submission contains little substantive commitment to address this.
- **Public funding remains the only viable model for BBC radio and audio** – advertising or hybrid commercial models would fundamentally undermine the BBC’s value proposition while damaging the commercial radio market.
- **Strong and independent regulation remains essential** – particularly in radio and audio where the BBC remains the largest provider. Effective oversight by Ofcom is necessary to ensure licence fee income is used appropriately and that expansion does not distort competition.
- **Accountability strengthens the BBC** – regulation and periodic Charter review are mechanisms that maintain alignment between the BBC and the audiences who fund it. Treating oversight as an obstacle risks widening the disconnect between the BBC and audiences.

Below we address four key areas within the BBC’s submission:

- Funding
- Regulation
- BBC Sounds Distribution
- Governance

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<sup>69</sup> BBC, [A BBC For All, Our response to the government’s Green Paper \(2026\)](#)

## 1. FUNDING

### **What the BBC proposes**

The BBC rejects advertising and subscription as the primary basis for funding the BBC as a universal public service. At the same time, the BBC looks to retain flexibility around future commercialisation and does not explicitly rule out limited online or third-party advertising options. This is not a full rejection of hybrid commercialisation and leaves the door open to mixed models on the BBC's digital platforms, as well as on third party platforms. The BBC says it is "*willing to consider radical options*" (p. 86) for future funding.

### **Radiocentre response**

**Advertising cannot fund BBC radio and audio (2.3-2.8 and Figures 3-4)** – BBC radio services cannot be sustained by ad funding. Compass Lexecon modelling (2022) demonstrates that there would be a 63% shortfall for BBC radio – far exceeding any savings to the licence fee – and with a negative impact on commercial radio and the wider economy. Recent changes in market share mean that the BBC would be in an even worse position to generate advertising revenue in 2026.

**A hybrid model is marginal for the BBC and damaging for the commercial radio/audio (2.9-2.21)** – archive audio commercialisation on BBC Sounds would generate marginal revenues (Enders Analysis generously estimate £3m annually) – a fraction of total BBC radio/audio content spend (c. £500m), yet sufficient to cause disproportionate harm to the nascent podcast ad market. Furthermore, it would only take a decline in licence fee uptake of just 0.1% for lost licence fee revenue to outweigh advertising revenue entirely – this risk is substantiated by More in Common consumer research (see below).

**The BBC has retained flexibility by shifting audio production to BBC Studios (2.19)** – when rejecting a previous proposal for including ads on BBC audio content on third-party platforms, the BBC explicitly limited the commitment to licence fee-funded content, leaving open the possibility of commercialising audio produced through BBC Studios. Recent decisions to move selected factual, entertainment and drama audio content from the BBC's in-house production team to BBC Studios, which operates on a commercial basis, may therefore not be incidental.

**Public attitudes reinforce the economic case (2.22 and Figures 5-6)** – consumer research from More in Common highlights how over a third of BBC radio listeners say they would listen less or stop altogether if advertising were introduced – ads would erode the BBC's value proposition and make it feel less distinctive. A hybrid model (licence fee plus advertising) is deeply unpopular. If the BBC were to face a funding shortfall, a majority of the public would prefer a leaner and/or more efficient BBC over the introduction of advertising.

## 2. REGULATION

### **What the BBC proposes**

The BBC calls for a lighter, more growth-focused regulatory framework. It proposes to remove regulation of non-material changes entirely. It argues the PIT is no longer fit for purpose and that Ofcom's competition assessment timeframe should be cut down to four months. Instead, the BBC suggests there should be a single broad market impact test led by Ofcom, with no sector-specific protections (i.e. a different framework for radio/audio) embedded in the Charter or Agreement, as these risk becoming "*out of date as market conditions change*" (p.69).

### **Radiocentre response**

**The BBC remains dominant in radio/audio (1.8-1.16 and Figures 1-2)** – the UK radio market has not followed the same trajectory as the audiovisual market. While the BBC's dominance in television has been significantly eroded by the growth of streaming services, its position in radio has proved considerably more resilient (retaining 43% market share), making radio and audio a market where the competitive dynamics of the last Charter period have not fundamentally changed. It would be perverse to prevent Ofcom from taking these market conditions into account.

**The value of an independent process has been demonstrated in practice (4.1-4.35)** – the BBC's own Materiality Assessment and PIT for the proposed spin-off stations concluded they should proceed. It was only through Ofcom's independent BCA that the Radio 2 Extension was blocked – validating precisely the independent scrutiny the BBC now seeks to curtail. The 2026 Radio 6 Music extension example highlights dangerous precedent absent robust scrutiny – Radiocentre was given one week to comment, requests for additional information denied, and the BBC made a public announcement before deadline for comment had closed.

**Lighter regulation in radio compounds existing weaknesses (4.18-4.30)** – the current regulatory process already contains a fundamental imbalance: the BBC has a strong and obvious incentive to characterise its proposals as non-material – doing so allows changes to proceed with minimal external scrutiny. The next Charter offers a genuine opportunity to redesign this process: to shift the balance of scrutiny away from the BBC and towards Ofcom, to guarantee structured and meaningful engagement for external stakeholders, and to ensure that the framework is genuinely capable of protecting fair and effective competition in radio and audio.

**Arguments about economic growth cannot be used to justify displacement of commercial media (3.4-3.8)** – in radio and audio, where the BBC retains a dominant position, BBC expansion does not straightforwardly generate economic growth – it can just as easily displace it. This is illustrated in the BBC's own modelling of its 2024 proposed spin-off services, which estimated a ~£30m p.a. revenue impact on commercial radio (Compass Lexecon estimated this significantly higher at approximately £70m p.a.). Therefore, we are concerned about the introduction of a Public Purpose on economic growth. If this is added, it must be accompanied by an explicit obligation to avoid growth that displaces commercial operators – with Ofcom required to have regard to displacement effects.

### 3. BBC SOUNDS DISTRIBUTION

#### **What the BBC proposes**

The BBC proposes opening BBC Sounds to UK third parties and creators, while making clear what content comes from the BBC and what funding models support non-BBC content. In practice, that leaves open the prospect of commercial third-party content, within a BBC-controlled audio environment. It frames this as part of a wider strategy to preserve scaled, UK-owned platforms capable of competing with global technology companies. Noting that this ambition can only be achieved on the condition of receiving “*increased regulatory flexibility*” (p. 48).

#### **Radiocentre response**

**Previous experience warrants caution about the terms of any ‘open’ Sounds model** – commercial radio broadcasters engaged previously in discussions with the BBC in good faith on the prospect of a shared UK-owned audio platform (what would eventually become BBC Sounds). After many months of difficult negotiations with the BBC, it became clear that agreement would not be possible, as the model that emerged was one in which the BBC owned and operated the platform itself, without equivalent transparency or data-sharing for third-party participants. This kind of proposal has been tried before and failed.

**The BBC continues with incremental Sounds expansion (3.19–3.23; 4.13–4.17)** – Radio 1 Dance launched on BBC Sounds in October 2020 before any broadcast launch – avoiding a full Public Interest Test. The precedent of lighter-touch assessment for Sounds-only services has already been set and is Ofcom’s starting assumption. The other two approved spin-off services (R1 Anthems and R3 Unwind) were also permitted to launch on Sounds before the conclusion of the full regulatory process for the DAB+ services. The 2026 Radio 6 Music Sounds extension follows the same pattern, and is likely to launch without a full regulatory process – potentially paving the way for further expansion with limited oversight or assessment of the cumulative impact of these changes.

**BBC Sounds requires the same regulatory scrutiny as broadcast services (3.29–3.32; 4.15–4.17)** – as listening increasingly migrates online (online listening now accounts for 33% of commercial radio listening hours) it is essential that the BBC’s digital output is held to the same standards of distinctiveness as its broadcast radio services. BBC Sounds in particular should be subject to clear and measurable public service obligations. BBC Sounds-only services are currently assessed under a lighter-touch Materiality Assessment with a starting assumption they are unlikely to be material. This must be revised.

**Any licence fee scope extension to Sounds must explicitly prohibit a free advertising supported tier** – if, as part of future licence fee reform or compliance measures, there were any move to bring BBC Sounds more explicitly within the scope of licence fee enforcement, or to link access to BBC Sounds more directly to TV licence status, this must not create any opening for a two-tier BBC Sounds model. The BBC’s own response discusses harder verification tools for IP-delivered licensable services, while the Green Paper keeps open the possibility that the scope of the licence fee could in future extend to BBC online services or BBC Sounds. In particular, there should be no scope for an ad-supported ‘free tier’ of BBC Sounds for UK audiences that do not pay licence fee.

## 4. GOVERNANCE

### **What the BBC proposes**

The BBC argues the fixed-term Charter should be replaced with a permanent Charter, removing the recurring end date. It frames this as protecting independence and removing an “*existential threat*” – the BBC’s role and remit would instead be subject to a “*minimum term of review*” to ensure mission and purposes remain relevant (p. 18-19).

### **Radiocentre response**

**The Charter renewal process is an important accountability mechanism (4.2)** – we do not agree with the principle of a permanent Charter for the BBC, as mooted multiple times by the BBC Chair. The periodic Charter renewal process presents a crucial opportunity to update the regulatory framework for the BBC and ensure it reflects evolving market dynamics. The argument is not that the BBC should face existential uncertainty – it is that periodic formal review is essential to the accountability framework

**The BBC’s own submission suggests there is value in a holistic Charter Review process** – the BBC’s own submission to this Charter Review proposes fundamental changes to its public purposes, regulatory framework, governance arrangements and funding model. This is precisely the kind of comprehensive review that a periodic Charter renewal enables – and which a ‘minimum term of review’ of mission and purposes would not. A review of mission and purposes is different from a Charter Review. It would not require reassessment of the regulatory framework, the BBC Agreement, competition assessment processes, or the Operating Licence structure. It risks limiting structured opportunities for external stakeholders – including commercial operators, independent producers, or audience groups – to submit evidence and have it formally considered.