

**The News Media Association's Response to Ofcom's Consultation:  
"Modernising the BBC's Operating Licence"**

**1. Background**

- 1.1. The News Media Association (the "**NMA**") is the voice of UK national, regional and local news media in all their print and digital forms - a £4 billion sector read by more than 47.9 million adults every month. Our members publish around 900 news media titles - from The Times, The Guardian, The Daily Telegraph and the Daily Mirror to the Manchester Evening News, Kent Messenger, and the Monmouthshire Beacon.
- 1.2. Over several years, the NMA and its members have repeatedly called on both the BBC and Ofcom to make clear the parameters surrounding the BBC's online output. The failure to do so has allowed the BBC to cast the scope of its online news provision so widely that it harms the welfare of a vibrant and plural news media industry. Local, regional and national titles consistently tell us that generating sustainable revenue in the current digital market is seriously complicated by the BBC's vast provision of ad free online news, which presently knows little boundaries.
- 1.3. Our members are concerned about the ongoing encroachment of the BBC online news offering into commercial territory and beyond its public purpose set out in the BBC Charter to "*offer a range and depth of analysis and content not widely available from other United Kingdom news providers*" (emphasis added).<sup>1</sup> We believe the BBC should significantly reduce the volume and scope of online news stories in areas which are more than adequately provided for by commercial news publishers, particularly in the local news and soft news spheres. The BBC can do this while still meeting its Charter obligations for news provision and serving broad audiences. The NMA is keen to explore how best to ensure that the BBC: (i) does not distort the commercial news market; and (ii) upholds the principle of a free and plural press, rather than creating an obstacle to it. However, we are concerned that Ofcom does not share the same objectives.
- 1.4. Instead, Ofcom's consultation on "*Modernising the BBC's Operating Licence*" (the "**Consultation**") seeks only to entrench the BBC's market power and expansion into commercial online news territory. The Consultation provides no counterweight or parameters on the BBC's online remit. Rather, Ofcom proposes that the BBC must publish "*daily news and information for all audiences, which covers a broad range of subjects and must include in-depth news and analysis*" via the Operating Licence with no regard for wider market impact. The primary focus of our response to the Consultation is to clarify why this is a dangerous proposal and must be dropped unless it is amended to contain appropriate guardrails on the BBC's editorial scope. The Operating Licence is a natural home for conditions that put parameters on the BBC's

---

<sup>1</sup> Cl. 6(1) [The Royal Charter](#)

online news output – its purpose is to contain the provisions that Ofcom considers appropriate to secure the effective regulation of the BBC’s activities. To assist, this response lists a set of guardrails and requirements that Ofcom can, and should, place on the BBC to benefit its own regulation, the BBC and the commercial news media industry.

## 2. Response to Consultation Questions

### 2.1. Question 1: *What are stakeholder views on how Ofcom should assess and measure BBC performance?*

2.1.1. The BBC’s performance should not be assessed or measured in isolation to commercial competition. As outlined in response to Question 2, the BBC has an overwhelming share of the news media market which is having a serious impact on commercial titles. Consequently, it is vital that the Operating Licence sets parameters and requires the BBC to reduce the volume and scope of online news mindful that public money should not be used to directly compete with commercial publishers and, consequently, snuff media plurality. The NMA has listed suggestions that can be incorporated into the Operating Licence to that end at paragraph [2.2.43](#).

2.1.2. Stakeholder engagement is a key means to assess and measure the BBC’s performance. However, we have consistently found that arranging a meeting with the BBC and Ofcom to provide feedback is a difficult process, and oftentimes leads to no tangible action to address our concerns. For example, prior to the BBC publishing its ‘Across the UK’ plan, there was no engagement with industry. It has taken repeated requests to secure any meaningful meeting with the BBC or Ofcom. After stressing that the BBC’s Across the UK plans would harm the local news media industry, the BBC has not made any significant change to those plans in line with our feedback or the Charter requirement to have due regard to competition.<sup>2</sup> Ofcom appears to lack the tools to intervene until the BBC makes a formal submission to Ofcom, resulting in a vast waste of time and resource for all parties. Our response to the Department of Digital, Culture, Media and Sport’s (“DCMS”) “*BBC Mid-term Review*” outlines ways which Ofcom and the BBC can improve their approach to stakeholder engagement with regards to competition.<sup>3</sup>

2.1.3. We welcome Ofcom’s move away from quotas, which incorrectly incentivise the BBC to pursue a quantitative benchmark over unique quality content. For example, the commercial sector would be at greater risk if the Operating Licence expanded to set large quotas concerning how many news stories should be published on the BBC’s online news website, as it does with BBC radio and television channels. Such quotas would further encourage the BBC to scrape stories from commercial local news titles and publish soft content outside its public service remit, an already rife and damaging practice. Encouraging the BBC to expand into areas already well-served and scraping original content from commercial providers is below the quality levels that the

---

<sup>2</sup> Cl. 11(1) [The Royal Charter](#).

<sup>3</sup> We understand this has been shared with Ofcom already, but we can supply another copy on request.

taxpayer rightly expects. Qualitative measures should, instead, be adopted in the Operating Licence to ensure such damaging behaviour is curbed.

2.2. **Question 2:** *Do you agree with the proposals for Public Purpose 1? If not, please explain why.*

2.2.1. Of serious concern to the commercial news industry is the Consultation's proposal under Public Purpose 1 which would introduce conditions within the Operating Licence that: i) obligate the BBC to produce *"daily news and information for all audiences, which covers a broad range of subjects and must include in-depth news and analysis, on its website"*,<sup>4</sup> and ii) make that content widely available and easily accessible. Without proper guardrails, this proposal will encourage the BBC to continue to use public money to improperly compete with commercially funded journalism. Such expansion into online news at a time when local, regional and national titles are working to create sustainable business models is a threat to media plurality.

2.2.2. However, we are pleased that Ofcom intends to *"set out the type of news and current affairs output that the BBC should provide"*.<sup>5</sup> This is an excellent opportunity to fulfil the 2019 Cairncross Review's recommendation for Ofcom to *"clarify and confirm appropriate boundaries for the direction of BBC online content"*;<sup>6</sup> a policy outcome we still await. Under the Consultation's proposed Objective 1 for Public Purpose 1, the proposed new Operating Licence will encourage the BBC to *"go further than other providers by drawing on its journalists and experts across the UK and around the world"*.<sup>7</sup> Clearly, Ofcom wants the BBC to produce online news content distinct from that of commercial providers. There is no reason why, therefore, the BBC should not be required to produce distinctive content by way of the Operating Licence, limiting the BBC's coverage of 'soft news' topics and local news - areas already well served by commercial publishers.

2.2.3. It is more efficient for the Operating Licence to set these boundaries than to leave it to the competition framework, which the commercial publishers find highly ineffective and lacks transparency, as we recently set out in our response to DCMS' *"BBC Mid-term Review"*.

2.2.4. If Ofcom strikes the balance right via consultation with the commercial news sector, the Operating Licence can outline the remit of the BBC's online news output, helping bolster local and national journalism, media plurality and make better use of licence fee money. As Ofcom and the BBC are aware, the long-term financial sustainability of journalism has increasingly been called into question over the last decade. This is not because consumers no longer wish to read news – the reality is that the demand for news has never been greater. Audiences turned to news publishers in record breaking numbers for high-quality, factchecked journalism during the Covid-19 pandemic, and have continued their patronage since. The total market reach of news brands now

---

<sup>4</sup> Pg. 33 Ofcom, ["Modernising the BBC's Operating Licence"](#).

<sup>5</sup> Pg. 30 Ofcom, ["Modernising the BBC's Operating Licence"](#).

<sup>6</sup> Pg. 97 Dame Frances Cairncross, ["The Cairncross Review: A Sustainable Future for Journalism"](#).

<sup>7</sup> Pg. 31 Ofcom, ["Modernising the BBC's Operating Licence"](#).

stands at 89% of Great Britain (47.9 million people).<sup>8</sup> News publishers' considerable and growing audience is indicative of commercial news continuing to be a valuable commodity in the modern age with a vibrant future.

- 2.2.5. Therefore, it is regrettable to report that, during a period of great demand, publishers' revenues are suffering largely due to their reliance on digital revenue streams as consumers trend from print to online, where profit margins are considerably smaller.<sup>9</sup> The average digital reader is worth approximately eight times less to a publisher than a print reader.<sup>10</sup> The sector nonetheless has risen to the challenge by increasing the rate of digitalisation, innovation, making efficiencies and, in some cases, moving to subscription models. The awaited legislation for the Digit Market Unit, announced in the Queen's Speech 2022,<sup>11</sup> is expected to lay the foundations to level the playing-field between publishers and online platforms. However, it is against this backdrop - in the commercial sector's hour of need - that the BBC has aggravated matters by doubling down on its online news output. Thereby frustrating attempts to create a sustainable commercial revenue from online news provision.
- 2.2.6. If the BBC and/or regulators want to use the BBC's dominant market position and reach across consumer groups to further media literacy and encourage wider consumption of quality news, this could be achieved in partnership with the commercial sector, rather than in competition with it. The current Operating Licence requires the BBC to "provide adequate links to third party online material, particularly within its news stories, helping to provide its users with a wealth of information while also supporting other providers within the industry".<sup>12</sup> Yet, there is little evidence that the BBC is meeting this condition in any meaningful way (see paragraph [2.2.32](#) for more information).

### **The BBC's Dominance in the News Media Market**

- 2.2.7. The BBC's vast online output and dominance in the UK's news media market is causing fundamental issues to the sustainability of local, regional and national journalism. There is little incentive for consumers to pay for news when the BBC is publishing similar content in large quantities on its website, in app, and via email newsletters every day, ad free. As evidenced by the Reuters Institute's "Digital News Report 2022", which shows the percentage of people who pay for news across the world, the UK lags behind its European peers:<sup>13</sup>

---

<sup>8</sup> Data available from [PAMCo](#).

<sup>9</sup> JICREG figures show that, in 2017, news media's online reach was 22% of all adults (aged +15) living in Great Britain, which has since increased to 70% in 2021. Conversely, a downward trend is visible in print form, which had a reach of 41% in 2017 to 30% in 2021.

<sup>10</sup> Specifically, Deloitte estimated that the industry's average annual revenue per print media user was £124 in 2016, compared to £15 per digital media user. See: Deloitte, "[UK News Media: an engine of original news content and democracy](#)"; Mediatique, DCMS, [Overview](#) of Recent Dynamics in the UK Press Market, April 2018.

<sup>11</sup> [The Queen's Speech 2022](#).

<sup>12</sup> Paragraph 1.24.4 [Operating licence for the BBC's UK Public Services](#) (version updated 19 May 2022).

<sup>13</sup> Reuters Institute, "[Digital News Report 2022](#)".

Country	Percentage of People Who Pay for News
United Kingdom	9%
Austria	14%
Belgium	19%
Bulgaria	12%
Croatia	8%
Czech Republic	12%
Denmark	18%
Finland	19%
France	11%
Germany	14%
Greece	11%
Hungary	11%
Ireland	16%
Italy	12%
Netherlands	17%
Norway	41%
Poland	14%
Portugal	12%
Romania	16%
Slovakia	14%
Spain	12%
Sweden	33%
Switzerland	18%

2.2.8. This latest dataset demonstrates that the UK is the worst performing European country (9%), second only to Croatia (8%). The mean average percentage of people paying for news across the countries listed above is 15.78%, highlighting how far behind the UK is compared to its European contemporaries. The BBC’s online news content which has little remit is likely a major contributing factor. Areas that were once the preserve of commercial news and gave commercial publishers a clear unique selling point - such as ‘soft news’, comment and analysis - are now staple parts of the BBC’s online news offering, leaving little sacred to commercial publishers (see paragraphs [2.2.26](#) for more information).

2.2.9. The Cairncross Review recognised that the BBC should seek to complement, rather than substitute, the provision of commercial news.<sup>14</sup> However, this has not occurred. Ofcom’s News Consumption in the UK 2022 report shows that the BBC retains the overwhelming share of the news media market. It has the highest cross-platform audience reach, even topping the joint reach of global giants Meta and Google (64%):<sup>15</sup>

<sup>14</sup> Pg. 54 Dame Frances Cairncross, “[The Cairncross Review: A Sustainable Future for Journalism](#)”.

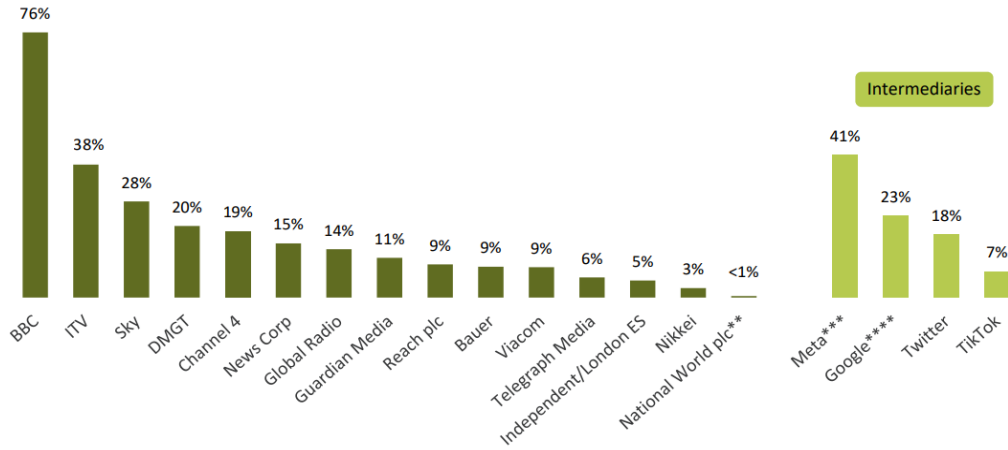
<sup>15</sup> Pg. 22 Ofcom, “[News Consumption in the UK: 2022](#)”

The BBC has the highest cross-platform audience reach, followed by Meta, ITV and Sky



**Figure 3.5**

Cross-platform retail providers used for news nowadays 2022\*  
All adults 16+ using TV/Newspapers/Radio/Internet/Magazines for news



2.2.10. The BBC’s cross-platform audience reach alone (76%) is higher than the combined reach of DMGT, News Corp, Guardian Media, Reach plc, Telegraph Media, Independent/London ES and National World plc (our listed members) (67% - which will overstate the figure due to consumers accessing multiple news sources). Ofcom’s 2022 data also makes clear that 7 of the top 20 news sources belong to the BBC:<sup>16</sup>

BBC One is the most-used news source across platforms. Use of ITV and Google (search) have both decreased since 2020, while YouTube reach is up



**Figure 3.1**

Top 20 news sources – trend data

% of all adults 16+ using each source for news nowadays

	2018	2019	2020	2022*
TV channel				
Newspaper (print + website/app)				
Radio station				
Social media				
Other website/app				
BBC One	62%	58%	56%	53%
ITV/ITV WALES/UTV/STV	41%	40%	41%	35% ▼
Facebook	33%	35%	34%	32%
BBC News Channel	26%	23%	21%	24%
Sky News Channel	24%	23%	25%	23%
BBC website/app**	23%	25%	23%	23%
Twitter	14%	16%	17%	17%
Channel 4	18%	17%	18%	17%
Instagram	9%	13%	14%	16%
Daily Mail/Mail on Sunday	18%	18%	17%	15%
WhatsApp	10%	14%	13%	14%
Google (search engine)	17%	19%	15%	12% ▼
BBC Two	14%	11%	11%	11%
BBC Radio 2	12%	12%	12%	11%
The Guardian/Observer	11%	11%	10%	10%
BBC Radio 4	10%	9%	9%	9%
Channel 5	10%	10%	8%	8%
BBC Radio 1	9%	9%	9%	8%
YouTube website/app	5%	6%	6%	8% ▲
Sky News website/app	6%	7%	8%	7%

<sup>16</sup> Pg. 18 Ofcom, “[News Consumption in the UK: 2022](#)”



2.2.11. Here, it is evident that the BBC has a nexus of services that traverse television, radio and online news – and each service dominates in its respective field. And each used to cross-promote the other. Outside of the BBC’s clear control over the media market, this data also reveals the BBC’s unique ability to entrench its market power and brand name further through self-promotion. Those using BBC Sounds - which blocks commercial content - will be directed to other BBC services such as upcoming BBC programmes or BBC news podcasts, for example. In turn, this makes the BBC difficult to compete with, and impossible for local news providers that have nothing close to the BBC’s cross-platform audience reach or its funding.

2.2.12. Looking to websites and apps used for news more specifically, the BBC again overshadows its competition. BBC’s website/app (62%) is moving close to doubling the numbers of its nearest competition, the tech giant Google (34%).<sup>17</sup> The nearest NMA member to the BBC, the Guardian/Observer (19%), has just over a quarter of the BBC’s usage. For “any local newspapers” (10%), the gap in competition becomes stark:

Among those using websites or apps for news, the BBC remains the most used, followed by Google (search). YouTube, Yahoo News and Apple News reach all have increased since 2020



Figure 8.2

Websites/apps used for news nowadays

All using other websites/apps for news\*\*

	2018	2019	2020	2022*
BBC website/app****	63%	65%	60%	62%
Google (search engine)	46%	51%	39%	34%
YouTube website/app	13%	15%	15%	21% ▲
Sky News website/app	17%	20%	20%	20%
Guardian/Observer website/app	17%	18%	18%	19%
The Daily Mail website/app	17%	17%	18%	18%
Google News	11%	13%	17%	17%
Yahoo News website/app	11%	7%	7%	11% ▲
Any local newspaper website/app	11%	10%	10%	10%
Apple News app	6%	6%	5%	10% ▲
ITV/ITN*** website/app	10%	8%	10%	8%
MSN News website/app	11%	10%	8%	8%
CNN website/app	7%	4%	5%	8%
BuzzFeed website/app	8%	9%	10%	7%
Huffington Post website/app	12%	11%	10%	7%
The Telegraph website/app	9%	8%	8%	7%
The Independent website/app	8%	8%	7%	6%
The Sun website/app	6%	7%	6%	6%
Channel 4 website/app	5%	4%	5%	6%
LADbible website/app	5%	6%	8%	6%

	2018	2019	2020	2022*
TV broadcaster websites/apps	74%	74%	72%	74%
Newspaper websites/apps	53%	51%	52%	53%
Aggregators	42%	36%	38%	42%

2.2.13. The dominance of the BBC in the news media industry is not currently something to celebrate. It is a serious competition issue that impacts media plurality, demonstrable through the notably below average percentage of people in the UK who pay for news compared to the rest of Europe, a fact which must be recognised by Ofcom.

2.2.14. We stress to Ofcom that by requiring the BBC to produce “daily news and information for all audiences, which covers a broad range of subjects and must include in-depth news and analysis” without setting any parameters in the Operating Licence to counterbalance its detrimental market impact, Ofcom would solidify the BBC’s monopoly over the news media market and give the green light to the BBC to expand its scope even further at the expense of a UK plural press.

<sup>17</sup> Pg. 52 Ofcom, “[News Consumption in the UK: 2022](#)”

## The BBC's Impact on Local News Providers

2.2.15. Considering the BBC's clear lead in the media market, it is unclear why the BBC believes that even more output is necessary. The NMA's local and regional members in particular have stressed that they cannot hope to compete with the BBC's continued expansion into online local news. Understandably, therefore, we are especially concerned by the BBC's Across the UK plan, first outlined in 2021,<sup>18</sup> which seek to make the BBC "*more local than ever before*"<sup>19</sup>.

2.2.16. In Across the UK, the BBC suggests the pandemic has "*accelerated the decline in local media business models*". While the economic pressures on local media are well documented, this conclusion is plainly wrong – as evidenced by the sector's rapidly-growing audiences.

2.2.17. The latest data from JICREG 'Life is Local' shows that online audiences for local news media have surged by 17.9% in 2021, as record numbers seek trusted local journalism to navigate the Covid-19 pandemic. Latest JICREG audience data shows that 42 million people now access local journalism in print or digitally each month, with sharp increases seen in the consumption of local news on mobile, especially among younger age groups. It is the BBC's conduct, rather than audience appetite, that risks the demise of commercially viable local media by precipitating a decline.

2.2.18. The BBC has an understandable desire to fulfil its purpose, set out in the Charter, to "*provide impartial news and information to help people understand and engage with the world around them*", but we note that this provision should comprise "**content not widely available from other United Kingdom news providers.**"<sup>20</sup> The expansion of the BBC's current online local offering fails this benchmark. Take, for example, the updates to the Across the UK plan that seek to expand the BBC local news output in Bradford, Sunderland, Peterborough and Wolverhampton; areas where the BBC purports there is a lack of coverage.<sup>21</sup> This conclusion is simply wrong. JICREG figures show that commercial local news brands have a strong (deduped) total monthly brand reach in these areas:

Area	Commercial Local News Monthly Duped Total Brand Reach
<b>Bradford</b>	93.6%
<b>Sunderland</b>	94.6%
<b>Peterborough</b>	85.8%
<b>Wolverhampton</b>	91.6%

2.2.19. From the Across the UK plans, we can demonstrate that, rather than plugging any alleged democracy gap, the BBC targets an audience already well-served and unfairly

<sup>18</sup> BBC, "[The BBC Across the UK](#)" – the BBC's Across the UK plan has been expanded in piecemeal since its publication.

<sup>19</sup> Pg. 7 BBC, "[The BBC Across the UK](#)".

<sup>20</sup> Cl. 6(1) [The Royal Charter](#)

<sup>21</sup> The BBC, "[BBC publishes blueprint for the biggest transformation in decades](#)" – this expands on [the BBC's Across the UK plan](#) published in 2021.



competes with local titles using its globally known brand and public money to provide a similar service subscription/ad-free.

2.2.20. Scottish titles frequently report that the BBC lifts their content at a regional level, where the BBC can aggregate all the best content from regional commercial newspapers and add it to their national coverage to provide a single stop destination for Scottish content, subscription and ad free.

2.2.21. Rather than continuing to unduly competing with local commercial providers, the BBC should be encouraged to work in partnership with the independent commercial sector via existing schemes such as the BBC/NMA Local News Partnership (“LNP”),<sup>22</sup> including the Local Democracy Reporting Scheme (the “LDRS”).<sup>23</sup> We question why the BBC wishes to expand into local news outside of the LDRS, opting to compete with local news providers, when the LDRS is working well and could be expanded further acting as a ready-to-use conduit to reach local audiences.

2.2.22. Compounding matters further, the BBC exploits its monopoly over UK audiences by failing to reasonably refer readers towards commercial local news, as many of our members have highlighted. Below, ‘Publisher A’, an independent local member publisher anonymised for this response, provides analysis which outlines the year-on-year decline in referrals from the BBC:

Top Referrals	2018	%	2019	%	2020	%	2021	%	2022	%
1.	Google	41.26%	Google	33.42%	Direct	32.19%	Direct	36.55%	Google	33.46%
2.	Direct	23.12%	Direct	30.82%	Google	31.32%	Google	34.93%	Direct	25.94%
3.	Facebook Mobile	16.50%	Facebook Mobile	23.25%	Facebook Mobile	24.60%	Facebook Mobile	16.67%	Facebook Mobile	20.11%
4.	BBC	3.64%	news.google.com	2.35%	Twitter	2.56%	Twitter	2.64%	Twitter	3.27%
5.	Twitter	2.48%	Twitter	2.13%	news.google.com	1.49%	news.google.com	1.19%	news.google.com	1.48%
6.	Bing	2.07%	BBC	1.68%	BBC	1.05%	BBC	0.95%	Outbrain	1.40%
7.	Facebook.com	1.83%	Bing	1.26%	Bing	1.02%	Bing	0.89%	Bing	0.92%
8.	news.google.com	1.01%	Facebook.com	1.14%	Facebook.com	0.78%	inyourarea.co.uk	0.63%	BBC	0.83%
9.	Newsnow	0.55%	Newsnow	0.35%	inyourarea.co.uk	0.68%	Newsnow	0.37%	inyourarea.co.uk	0.51%
10.	Yahoo	0.52%	Yahoo	0.33%	Newsnow	0.32%	Yahoo	0.30%	Newsnow	0.45%

2.2.23. Since 2018, less than a quarter of referrals from the BBC to Publisher A are made in 2022 (0.83%). Data from ‘Publisher B’, another local member publisher, also anonymised for the purposes of this response, paints an equally bleak picture of BBC referrals. The table below shows that the BBC offers an underwhelming percentage of referrals to Publisher B’s local titles and provides no referrals at all in most cases:

<sup>22</sup> The BBC, “[Local News Partnerships](#)”.

<sup>23</sup> The BBC, “[Local Democracy Reporting Service](#)”.

Independent Publisher's Local Titles	BBC Referral Ranking in 2022	% In 2022	% In 2021
Local Title 1	7 <sup>th</sup>	2.57%	3.46%
Local Title 2	6 <sup>th</sup>	1.18%	0.01%
Local Title 3	4 <sup>th</sup>	4.18%	5.33%
Local Title 4	7 <sup>th</sup>	3.13%	5.36%
Local Title 5	-	0%	0%
Local Title 6	-	0%	0%
Local Title 7	3 <sup>rd</sup>	10.57%	11.96%
Local Title 8	-	0%	0%
Local Title 9	-	0%	0%
Local Title 10	7 <sup>th</sup>	3.65%	0.1%
Local Title 11	-	0%	0%
Local Title 12	-	0%	0%
Local Title 13	-	0%	0%
Local Title 14	-	(1 referral)	0%
Local Title 15	-	0%	0%
Local Title 16	-	0%	0%
Local Title 17	-	0%	0%
Local Title 18	20 <sup>th</sup>	0.21%	0%
Local Title 19	-	0%	0%
Local Title 20	-	(2 referrals)	(2 referrals)

2.2.24. 'Publisher C', an independent news publisher, reported that 0.06% of their total traffic came from BBC URLs over a period of 3 August 2017 to 9 August 2022. The low number of referrals from the BBC to publishers signal that the BBC is failing to act in partnership and instead uses public money to preserve its own position. The BBC should consider how it displays links to external sources as well as increasing the number of third-party links throughout BBC news offering (see paragraphs [2.2.32](#) of this response for more information).

2.2.25. At present, the Consultation does not consider putting any guardrails on the BBC's local news output via the Operating Licence. Instead, the Consultation's current proposals to include the BBC's online news output in the Operating Licence authorises the BBC to use its market power and global brand name to improperly compete in a fragile local media market. If Ofcom is serious about press plurality, Ofcom must place appropriate guardrails on the BBC local news output via the Operating Licence.

### Soft News, Comment and Analysis

2.2.26. The BBC has not just expanded the envelope of its remit to include local news in recent years, the BBC has also sought to make 'soft news' a staple part of its offering. The BBC now covers long reads and feature material, highly shareable videos of animals, online games, food recipes and entertainment reviews, celebrity news, as well as comment articles *inter alia*.<sup>24</sup> Without proper consideration, the Consultation's proposal to enshrine the BBC's online content in the Operating Licence could validate the BBC's

<sup>24</sup> We shared our BBC Evidence Paper dated 27 July 2021 with Ofcom, which also details the BBC's scale of soft news and the impact it is consequently having on commercial news.

soft news offering. However, the Operating Licence should be used to limit or restrict this content all together.

2.2.27. After spending a short period of time on the BBC's online news website, we found multiple examples of soft content. In recent days, the BBC has published articles on: the introduction of the 'shaking head' and 'mean goose' emojis;<sup>25</sup> a Thai toad that was accidentally brought to Cardiff in a suitcase;<sup>26</sup> and Kim Kardashian and Kylie Jenner's criticisms of Instagram for becoming too similar to TikTok.<sup>27</sup> We also quickly found videos published by the BBC on: a bear, high on hallucinogenic honey;<sup>28</sup> Pope Francis being given pizza in his 'Popemobile';<sup>29</sup> and surfing dogs.<sup>30</sup> A non-exhaustive list of other soft news examples we found during this short period is [annexed](#) to this response for Ofcom's consideration.

2.2.28. The BBC's soft-content is funded by the taxpayer. This is not to say soft content has no place on a news publisher's website, simply that soft content should not be funded by a mandatory tax in the form of the BBC's licence fee. In the BBC's search for relevance, this content is increasingly pushed out across social media platforms, e.g., TikTok and Instagram, with the aim of achieving viral status and driving traffic back to the BBC website. Concurrently, the BBC's soft news content causes fundamental issues for commercial news media providers that have long relied on soft news as a sustainable revenue stream. Take, for example, the BBC Food website that boasts that it contains "*more than 10,000 fantastic recipes*", where a search for "*spaghetti bolognese*" on the site returns no less than 24 results, with different versions from celebrity chefs such as The Hairy Bikers and Simon Rimmer.<sup>31</sup> A search on Google for "*spaghetti bolognese*" returns a BBC Food recipe in third place behind a BBC Good Food recipe which, although no longer owned by the BBC, still serves to promote and enhance the BBC brand. Like all soft content published by the BBC, this diverts audiences and corresponding advertising revenue away from commercial publishers, many of whom have food and recipe sections on their own websites. Similarly, the BBC's coverage of celebrities appears designed to maximise virality at the expense of commercial providers, particularly tabloid newspapers with traditionally strong coverage of celebrity news.

2.2.29. It is entirely wrong for the BBC to use the licence fee to duplicate commercial content or traverse into content that is well served by commercial news, purely to increase its own audience reach and share when it has a monopoly (see paragraphs [2.2.7-14](#) of this response). The BBC Charter states that the BBC must "*avoid adverse impacts on competition which are not necessary for the effective fulfilment of the Mission and the promotion of the Public Purposes*".<sup>32</sup> Indeed, soft news material has traditionally been the preserve of commercial news media organisations. The competition which already

---

<sup>25</sup> The BBC, "[Shaking head and mean goose among new emojis](#)".

<sup>26</sup> The BBC, "[Thailand toad: Amphibian's lift in Cardiff student's suitcase](#)".

<sup>27</sup> The BBC, "[Kim Kardashian and Kylie Jenner share Instagram criticism](#)".

<sup>28</sup> The BBC, "[Bear cub high on hallucinogenic 'mad honey' rescued by park rangers](#)".

<sup>29</sup> The BBC, "[Pope Francis accepts pizza from Naples restaurant owner](#)".

<sup>30</sup> The BBC, "[Plucky pooches ride waves at dog surfing championships](#)".

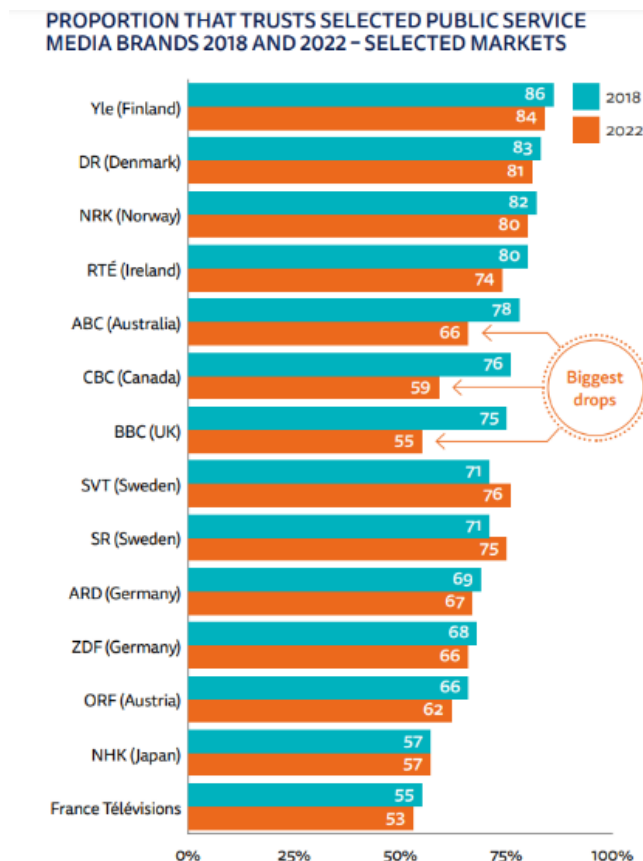
<sup>31</sup> BBC Food [search for Spaghetti Bolognese](#).

<sup>32</sup> Cl. 11(2) [The Royal Charter](#).

exists among commercial providers is more than adequate to serve audience needs. Potential readers of commercial news and subscribers already have a significant choice in a crowded marketplace. News consumers would not be deprived by the BBC sticking to its primary and original remit of impartial public interest news provision. Furthermore, any argument that the BBC’s soft news provides employment for those individuals involved in the creation of this material does not hold water – ‘soft content’ has recently been an area of growth for commercial publishers, who are confident in their ability to continue this, again in the face of stiff, existing commercial competition.

*“[I]f the BBC moves too far into “softer” news, it jeopardises the wider market’s ability to make money from news”. – The Cairncross Review, 2019.<sup>33</sup>*

2.2.30. Alongside soft content, the BBC has also pushed further into comments and analysis, another vital revenue stream for commercial publishers. Moreover, this expansion uncomfortably sits with the requirement that the BBC must achieve due impartiality in all its output,<sup>34</sup> an area that the BBC must improve. Trust in BBC News has fallen 20 percentage points in the last five years, from 75% in 2018 to 55% in 2022.<sup>35</sup> Equally telling is the proportion who say they distrust the BBC, which has grown from 11% in 2018 to 26% in 2022.<sup>36</sup>



<sup>33</sup> Pg. 97 Dame Frances Cairncross, *“The Cairncross Review: A Sustainable Future for Journalism”*.

<sup>34</sup> Cl. 6(1) *The Royal Charter*.

<sup>35</sup> Pg. 17 Reuters Institute, *“Digital News Report 2022”*.

<sup>36</sup> Pg. 17 Reuters Institute, *“Digital News Report 2022”*.

2.2.31. Reuters' data demonstrates how poorly the BBC is performing when placed next to its public service contemporaries. Out of the 14 countries the study focused on, the BBC has dropped from the seventh most trusted to the second least trusted between 2018 and 2022. Considering the rapid decline of faith in the BBC, it would be remiss of Ofcom to validate the BBC's expansion into online news via the Operating Licence unless proper boundaries are set. Comments and analysis, and soft news must remain firmly outside of the BBC's remit. The BBC must go back to basics, focusing on impartial, fact checked, 'hard news'; something which will go a long way to help commercial news publishers create more sustainable businesses and simultaneously help the BBC rebuild trust.

### **Third Party Links Provision**

2.2.32. Alongside the proposal to ensure the BBC provides online news via the Operating Licence, the Consultation intends to retain the existing Operating Licence condition requiring the BBC to link through to third party online material on its news website.<sup>37</sup> This is a welcome decision and is in line with the Agreement, which requires Ofcom to ensure that the BBC provides adequate links from BBC Online to third party online material.<sup>38</sup>

2.2.33. However, we are neither confident in the BBC's capability to fulfil this third-party links provision, nor in Ofcom's ability to hold the BBC accountable to it. By way of background – the Cairncross Review in February 2019 recommended that Ofcom should consider how far the BBC supported the news media ecology via the provision of third-party links to commercial publishers.<sup>39</sup> Consequently, Ofcom undertook its "Review of BBC News and Current Affairs" in 2019, which found that the BBC's online coverage "fell short" at sourcing or attributing stories to external publications and that it "could do more to drive traffic to their websites".<sup>40</sup> This was somewhat of an understatement, given 84.8% of links within BBC stories on the BBC News website were to other BBC pages, and 15.2% were to external links. Comprising those external links, 41% linked to tweets, 20% to the websites of businesses or organisations, only 12.5% to UK newspapers, 11% to international media, and 7% to academic journals.<sup>41</sup> In other words, only 0.019% of links on the BBC News website were to UK news publishers. Contrast this to the more than 80% of external hyperlinks from Mail Online and Mirror Online going to broadcasters, newspapers and other online publishers.<sup>42</sup>

---

<sup>37</sup> Paragraph 1.24.4 Ofcom, "[The Operating Licence](#)" states that to fulfil its Charter requirements the BBC must: "ensure that it provides adequate links to third party online material, particularly within its news stories, helping to provide its users with a wealth of information while also supporting other providers within the industry. In doing so the BBC should exercise careful judgment about the links that it offers."

<sup>38</sup> Cl.3 "[The Agreement](#)".

<sup>39</sup> Pg. 97 Dame Frances Cairncross, "[The Cairncross Review: A Sustainable Future for Journalism](#)".

<sup>40</sup> Pg. 19 Ofcom, "[Review of BBC news and current affairs](#)".

<sup>41</sup> Pg. 20 Ofcom, "[Review of BBC News and Current Affairs](#)".

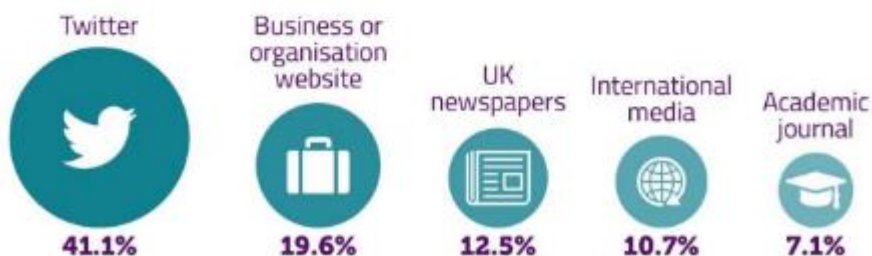
<sup>42</sup> Pg. 20 Ofcom, "[Review of BBC News and Current Affairs](#)".

Figure 6: Breakdown of sample of news items that include an internal or external links on BBC News homepage (website and app) and selected subpages (website)

		Internal links (%)	External links (%)
BBC News homepage	BBC News website	84.8	15.2
	BBC News app	83.1	16.9
BBC News website subpages	Health	84.3	15.7
	Science	70.5	29.5
	Politics	88.2	11.8
	World	73.3	26.7

Source: Ofcom content analysis

Figure 7: Breakdown of sources for external links in sample of news items on the BBC News website's homepage:



Source: Ofcom content analysis. The remaining proportion of external links were to sources such as other social media, UK legal and political bodies and international legal and political bodies

2.2.34. Evidence contained in the “Review of BBC News and Current Affairs”, prompted by the Cairncross Review, demonstrated that the BBC fails to provide adequate third-party links (as required). The report offered an opportunity for change. It was with great confusion that publishers later learnt in “Ofcom’s Annual Report on the BBC 2019/2020” that Ofcom felt satisfied that the BBC had addressed its poor provision of links since no evidence was provided to suggest this was the case.<sup>43</sup>

*“Following publication of our news review, we engaged with the BBC about this. The BBC explained its new compliance process, which it said was now in place. It confirmed that it would be providing further guidance to its journalists to ensure that links and attribution would continue to be provided across its online news content. In its Annual Report and Accounts, the BBC re-affirmed that it was continuing to provide links to external stories provided by local and regional news providers and was building this into its new topic pages”.<sup>44</sup>*

2.2.35. The BBC Annual Report and Accounts 2019/2020,<sup>45</sup> merely stated the BBC achieved adequate links to material provided by third parties, though we cannot see evidence that substantiates this claim. To our understanding, the BBC supplies Ofcom with data that demonstrates it is providing adequate third party links on a confidential basis.

<sup>43</sup> Pg. 36 Ofcom, “Ofcom’s Annual Report on the BBC 2019/20”.

<sup>44</sup> Pg. 36 Ofcom, “Ofcom’s Annual Report on the BBC 2019/20”.

<sup>45</sup> Pg. 114 The BBC, “BBC Group Annual Report and Accounts 2019/20”.



Why this information is kept from the public and competitors - both of which have a vested interests in knowing such data - is unknown. Notwithstanding this, local and national NMA members hold that third-party links remain poor to date, which would signal that the BBC has taken insufficient steps to provide adequate links. The scarce referral rates mentioned at paragraphs [2.2.22-24](#) evidence that the BBC continues to provide little to no third-party links to commercial publishers. As part of the proposed transparency requirements, the BBC should make public the number of third party links it provides in its articles to commercial publishers over the reporting period in its Annual Report with good detail.

2.2.36. The Operating Licence is well positioned to improve the provision of third-party links. By way of example, the Operating Licence could help define “adequate” to ensure BBC news stories going forward have at least one third-party link to UK news publishers. This will not only help the BBC meet Operating Licence conditions but increase media literacy and the UK’s exposure to commercial news publishers. The publishing industry has previously seen the BBC deem 0.019% of links on the BBC News website to UK publishers as “adequate”, and there is no evidence available to us that proves the provision of third-party links to publishers has increased since 2019/2020. Ofcom must use the Operating Licence as an opportunity to meaningfully improve this.

#### **Transparency Requirement Provisions**

2.2.37. Our members consistently find that stakeholder engagement is very much on the BBC’s own terms, and that such engagement is often only superficial. Therefore, we are pleased Ofcom recognises that the BBC must be clearer about its strategy and plans and calls the BBC to increase transparency and stakeholder confidence in its operations.

2.2.38. To that end, the Consultation proposes two transparency requirements. Firstly, the BBC must outline in its Annual Plan the steps it plans to take to comply with the new online conditions which Ofcom are proposing, including any significant changes the BBC plans to make to its news and current affairs provision online and the reasons for those changes. Secondly, Ofcom then proposes a corresponding transparency requirement for the BBC to disclose in the Annual Report whether it has taken the steps it set out in its Annual Plan, including whether it made significant departure from those plans and the reasons for those changes.

2.2.39. The BBC Annual Plan is helpful, but it is often the first and only document the commercial sector sees which announces the BBC’s plans. The onus is always on the commercial sector to chase the BBC to start a dialogue on the BBC’s plans. It is important we reiterate that it has taken the best part of a year to have a meeting with the BBC on the Across the UK plan, which necessitated the NMA to repeatedly e-mail the BBC, Ofcom and others to secure it.

2.2.40. Therefore, though they are welcome, Ofcom’s proposed transparency requirements outlined above do not go far enough. To work properly, they must also ensure the BBC

engages directly with relevant stakeholders as soon as the BBC agrees on a plan which is likely to have an impact on competition.

2.2.41. The Annual Report would be an effective tool for reporting how many third-party links have been provided by the BBC. We recommend that the BBC should disclose the percentage of their articles published each year that offered a third-party link via the Annual Report. This can be benchmarked year on year.

2.2.42. The level of detail that the BBC discloses in its Annual Plan, and the corresponding level of detail it provides in its Annual Report, will be key to ensuring the effectiveness of the transparency requirements. The BBC must do more than provide a high-level indication of its direction in its Annual Plan. The detail must allow both Ofcom and competitors to meaningfully assess what the plans mean for publishers and the market more broadly. Detailed qualitative and quantitative data should be required to that end.

### **Suggested Reform to the Operating Licence Regarding Public Purposes 1**

2.2.43. Ofcom should not introduce conditions within the Operating Licence that: i) obligate the BBC to produce daily in-depth news and analysis that covers local, regional and national matters on their online website; and ii) make that content widely available and easily accessible, unless proper guardrails and requirements are simultaneously placed on the BBC. To that end, we list the following suggestions:

**To support long-term sustainability of local, regional and national news, the Operating Licence should ensure that the BBC must:**

1. Not expand further into local news. This includes the BBC withdrawing the proposals set out in its 'Across the UK' plan.
2. Increase BBC investment in partnership schemes, building on the LNP and LDRS model.
3. Provide greater collaboration with the commercial sector, for example through better web-linking to news stories, including commissioning/syndication, sharing of BBC video footage and archive material with the commercial sector.
4. Limit soft news, comment and analysis (e.g., human interest and entertainment stories, long reads, etc.).
5. Improve communication of BBC plans inside and outside of the BBC's Annual Plan.
6. Withdraw BBC News Daily email which directly competes with commercial alternatives.
7. Open BBC Sounds to include podcasts from commercial publishers.

**14 September 2022**

**Harvey Shaw  
News Media Association**

## Annex

1. [Shaking head and mean goose among new emojis](#)
2. [Hungry pig-on-the-loose apprehended in Great Yarmouth](#)
3. [Mystery of half-billion year old creature with no anus solved](#)
4. [Elon Musk denies affair with Google co-founder Sergey Brin's wife](#)
5. [Can drumming reconnect you to your colleagues?](#)
6. [The Italian town that celebrates fish and chips](#)
7. [Brecon walkers pick up 80 dog poos in 90 minutes in town](#)
8. [Are we falling in love with robots?](#)
9. [Meta's chatbot says the company 'exploits people'](#)
10. [Could flat tyres soon be a thing of the past?](#)
11. [Pope Francis accepts pizza from Naples restaurant owner](#)
12. [Can a BBC reporter make better pizza than a machine?](#)
13. ['Italian pizza is better for sure' - Italians respond to Domino's pulling out of country](#)
14. [Harry Hill unveils alien artwork in Piccadilly Circus](#)
15. [Strictly Come Dancing 2022: Wildlife presenter Hamza Yassin joins line-up](#)
16. [Heatwave: Why your phone overheats and how to prevent it](#)
17. [The YouTuber making millions from true crime and make-up](#)
18. [Kim Kardashian and Kylie Jenner share Instagram criticism](#)
19. [Tennis tech to help if you are playing solo](#)
20. [How will humans fare against robo-footballers?](#)
21. [Missing wallaby Winnie found after great escape in County Tyrone](#)
22. [SpaceX: Can meat be grown in space?](#)
23. [Kasabian's Serge Pizzorno: The band needed me to step up as frontman](#)
24. [Johnson & Johnson to replace talc-based powder with cornstarch](#)
25. [The 1975 replace Rage Against the Machine at Reading and Leeds festivals](#)
26. [Bear cub high on hallucinogenic 'mad honey' rescued by park rangers](#)
27. [Bluey: How a cartoon dog became a role model for dads](#)
28. [Cariad: Company drops plan to trademark Welsh word](#)
29. [Cats to be freed from special lockdown in German town](#)
30. [The tech aiming to prevent lost airline luggage](#)
31. [Bristol's Shaun the Sheep to fly on mission to the moon](#)
32. [UK drought: Why we need to get used to wonky vegetables](#)
33. [Operation Julie: Rural Wales LSD bust becomes a musical](#)
34. [Japan dolphin: Two more swimmers bitten](#)
35. [The super material reinforcing rinks, cars and buildings](#)
36. [Thailand toad: Amphibian's lift in Cardiff student's suitcase](#)
37. [Plucky pooches ride waves at dog surfing championships](#)
38. [Map may show evidence of Wales' Atlantis off Ceredigion](#)
39. [WATCH: 92-year-old reveals maths GCSE result on air](#)
40. [Whipsnade Zoo elephant's first steps pictured hours after birth](#)