

# Proposed new BBC DAB+ radio stations and proposed changes to Radio 5 Sports Extra

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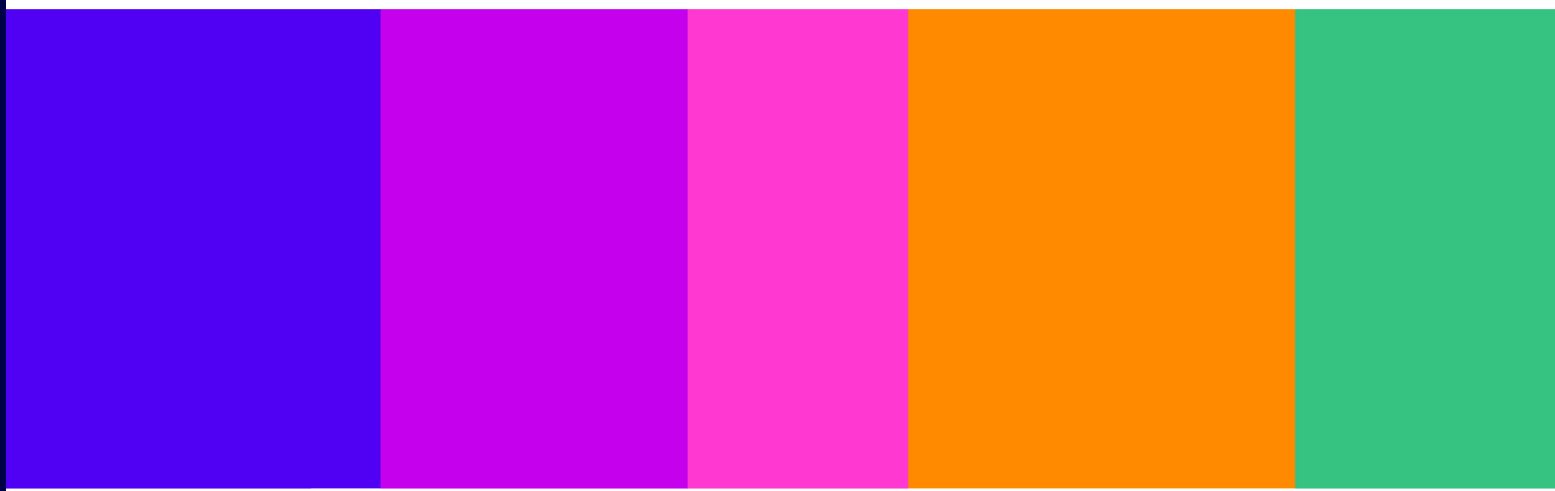
Final determinations

## Statement

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# 1. Overview

- 1.1 Following public interest tests, the BBC has proposed changes to its radio services, to:
- launch four new DAB+ music stations: Radio 1 Dance, Radio 1 Anthems, a Radio 2 extension (focused on music of the 50s, 60s and 70s) and Radio 3 Unwind, and;
  - extend the broadcasting hours of Radio 5 Sports Extra, changing it from a part-time service offering live sports only, to a service broadcasting daily from 9am-7pm.
- 1.2 We have now carried out full BBC competition assessments on the proposals. In April we consulted on:
- our provisional determination to approve the launch of three of the four music stations but not to approve the launch of the fourth – the Radio 2 extension;
  - our provisional determination not to approve the extension to the broadcasting hours of Radio 5 Sports Extra; and
  - our intention not to include new Operating Licence conditions on the BBC in the event we approved the three new DAB+ services.
- 1.3 Our consultation closed on 14 May 2025. We received 29 responses to our consultation of which 22 were from individuals and seven from organisations. We have published all the non-confidential responses on our website [here](#).
- 1.4 Having received input from stakeholders on our provisional decisions, we have now reached our final determinations.

## What we have decided – in brief

The BBC faces a continued challenge of providing engaging, relevant content for all audiences, at a time of increased choice and competition from other providers. The BBC's proposals aim to do more for younger and C2DE audiences who currently get less value from the BBC, and better meet the moods and needs of modern audiences.

The BBC has a duty to serve all audiences across the UK with distinctive, high-quality UK content. We welcome the BBC's aim to connect with audiences whom it needs to do more to reach and are supportive of its attempts to innovate.

### The proposed launch of four new DAB+ radio stations

We have concluded that the BBC **may proceed** with the launch of three of these services as DAB+ stations: Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind. We concluded that the services would offer some public value, and we considered this to be sufficient to justify the limited impact on fair and effective competition.

These services will be covered by existing operating licence conditions; we have decided not to introduce new conditions for these services at this time.

We have concluded that the BBC **may not proceed** with its proposed launch of a Radio 2 extension. We considered that the proposal would provide some public value, but that this was not sufficient to justify the significant impact on fair and effective competition, which includes the potential to reduce investment incentives for commercial radio operators.

### **The proposed extension of the hours of Radio 5 Sports Extra**

We have concluded that the BBC **may not proceed** with this change. We concluded that the proposed extension would provide some public value, for example by broadening the amount of sport on linear radio. However, we did not consider this sufficient to justify the significant impact on fair and effective competition, in particular on the talkSPORT network and the commercial provision of sports radio services.

## 2. Public value

- 2.1 In the BBC competition assessments (BCAs) consultation, we carried out a review of the BBC's public value assessments, as set out in its Public Interest Test (PIT) documents. We considered how the proposals would deliver the BBC's Mission and Public Purposes and how they would deliver individual, societal and industry value.
- 2.2 In this section we summarise stakeholder responses to our review of the BBC's public value assessment and explain the final conclusions we have reached in light of those responses.

### Music radio stations – collective public value

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#### Our provisional views

- 2.3 We recognised that the proposed music stations provided an opportunity for the BBC to build on its existing connections with underserved audiences (younger and C2DE audiences). However, we also considered there were some uncertainties around how effective the four stations would be in delivering to these audiences, noting that the BBC did not provide any modelling on the reach of the proposed stations among younger and C2DE audiences. We also said that the value to underserved audiences of Radio 1 Dance ('R1D'), Radio 1 Anthems ('R1A') and Radio 3 Unwind ('R3U') could be limited given the BBC's low estimated uplifts in listening to the stations.
- 2.4 We considered that the four proposed stations may bring some social value, including through representing a broad range of artists and elements like content focused on meditation, but noted this was likely to be more limited than the 'substantial' net public value that the BBC set out.
- 2.5 We also welcomed the BBC's commitment to commission audio content from a range of producers across the UK, and said there would be some industry value, including from new commissions for the Radio 2 extension ('R2E') and providing greater reach for commissions for the Sounds streams. However, we noted that the net industry value of commissions for the proposed new stations was likely to be low. We said this was because the BBC is already commissioning programmes for the Sounds-only streams (for R1D, R3U and R1A) and it is reprioritising existing funding from BBC Sounds and the BBC network radio stations to invest in the new music stations.

#### Stakeholder responses:

- 2.6 Reaching audiences underserved by the BBC: The BBC pointed to a range of evidence which it used to inform its proposals and which it considered was more meaningful than "hypothetical modelling assumptions in take-up analysis." It said that the proposed radio stations are only part of its strategy to improve delivery for underserved audiences and disagreed that the estimated listening hours to R1A and R1D were low, setting out that estimated listening to the proposed stations would be in the top 10 brand extensions.<sup>1</sup>

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<sup>1</sup> BBC, response to our provisional determination, pp. 3-5.

- 2.7 The BBC said it was concerned that our assessment appeared to suggest that the public value of its proposals is limited because commercial radio or other services are already serving these audience groups. In contrast, Radiocentre raised concerns about the BBC targeting audiences which it states are “well served by commercial radio”. It noted that its Kantar research found that fewer than one-in-five respondents thought the BBC extensions sounded different to existing stations, with the vast majority indicating that this type of service was already offered by commercial radio.<sup>2</sup>
- 2.8 Industry value: The BBC emphasised its “strong commitment to supporting the creative economy across the UK” and stated that these radio stations would contribute to its commitment for 50% of its network radio and music expenditure to be outside of London by 2027/8. It set out that a significant share of new commissions for each of the networks would be made, with many being produced by independent creators, outside of London and across the UK.<sup>3</sup>

## Our response:

- 2.9 Reaching audiences underserved by the BBC: The BBC has a duty to serve all audiences across the UK with distinctive, high-quality UK content. It needs to reach, and remain relevant to, audiences across the UK in order to provide public value. Our assessment has taken account of the audience groups being targeted by the proposal, including in relation to the BBC’s delivery of Public Purpose Four.<sup>4</sup>
- 2.10 The BBC provided a wide range of evidence to inform its proposals which helped to inform our provisional determinations, including qualitative and quantitative audience research which provided some indication of audiences who may listen to the service. We remain of the view that the BBC could have taken its analysis further by considering the extent of listening from underserved groups.
- 2.11 We continue to consider that the value to underserved audiences could be limited. Estimated listening to R1D, R1A and R3U is low in comparison to listening to their ‘parent’ stations, BBC Radio 1 and BBC Radio 3.<sup>5</sup> However, we welcome the BBC’s aim of evolving its services to better reach underserved audiences as one part of a broader strategy to improve delivery for these groups and help ensure its long-term sustainability.
- 2.12 In response to the BBC and Radiocentre’s points around targeting audiences served by commercial radio, our assessment recognises that the BBC needs to serve all audiences, and this will include competing with commercial services. The BBC can deliver public value – even in spaces already served by commercial radio – if it offers content that is clearly distinctive. Comparisons with other providers are just one element in our assessment of distinctiveness and the BBC’s delivery of Public Purpose 3: to show the most creative,

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<sup>2</sup> BBC response to our provisional determination, p. 4; Radiocentre, response to our provisional determination, p. 2.

<sup>3</sup> BBC response to our provisional determination, p. 8.

<sup>4</sup> Public Purpose 4 requires the BBC “to reflect, represent and serve the diverse communities of all of the United Kingdom’s nations and regions”.

<sup>5</sup> The BBC estimated 4.9 million hours of listening per week to R1D, 3.5 million hours of listening to R1A and 1.2 million hours of listening to R3U. In comparison, average weekly listening to Radio 1 totalled 49.4 million hours in Q1 2025 while Radio 3 totalled 15.8 million hours according to the latest [RAJAR](#) figures.

highest quality and distinctive output and services.<sup>6</sup> When considering distinctiveness, we do not look at individual programmes or parts of the day but consider how the BBC's services contribute to its distinctiveness in the round. Our approach to public value also recognises that other services (both BBC and non-BBC) also provide public value, and so it is the overall change in public value as a result of the proposal that is relevant (i.e. the net public value).<sup>7</sup>

- 2.13 Industry value: We welcome the BBC's commitment that a significant share of new commissions will be made and recognise that these stations will be captured within the BBC's made out of London radio spend target. However, we remain of the view that the net industry value of these stations is likely to be limited, given the BBC is reprioritising existing funds from BBC Sounds and BBC Radio and is already commissioning programmes for the BBC Sounds streams.

## Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind

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### Our provisional views

- 2.14 Our provisional view was that R1A, R1D and R3U would offer some public value, including some individual, social and industry value. For example, the stations would include some distinctive elements and support for the music industry and talent pipeline, and R1A and R3U would provide some content that supports informal learning.
- 2.15 We said we were disappointed that the BBC chose not to include news on R1D and R1A given the focus of these stations on younger and C2DE audiences, and considered there could be some negative social value for listeners switching from stations with news.

### Stakeholder responses

- 2.16 Overall public value: The BBC considered that the stations would provide significant public value, particularly to younger and C2DE audiences, with distinctive elements and support for the music industry. The Music Managers Forum also considered that the proposed stations would have strong public value. Radiocentre, however, considered that R1D, R1A and R3U lacked distinctiveness and were only likely to generate limited incremental public value. It also considered that, in many instances, the delivery of additional value was largely being taken on trust rather than supported by evidence. UK Music partially agreed with Ofcom's assessment of public value but considered that certain commitments should be increased or added (for example, increasing the proportion of music from UK artists on R3U from 25% to one third and adding a specific commitment to the volume of live and specially recorded music on R1D).

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<sup>6</sup> When assessing distinctiveness we consider the five 'pillars' as set out in the framework agreement: (i) the mix of different genres and output; (ii) the quality of output; (iii) the amount of original output produced in the UK; (iv) the level of risk-taking, innovation, challenge and creative ambition; and (v) the range of audiences it serves.

<sup>7</sup> Ofcom, [Guidance for assessing the impact of proposed changes to the BBC's public service activities](#), paragraphs 5.28 to 5.29.

- 2.17 Some individual respondents broadly agreed with our provisional conclusions on public value of the three stations,<sup>8</sup> although one individual commented that the proposed services were of a similar format to commercial stations so should be rejected.<sup>9</sup>
- 2.18 Informal learning: The BBC considered that the stations would contribute to informal learning but disagreed with our view that the educational value of R1D could be limited due to the music-led schedule, stating that curated music programmes with low speech levels can be highly informative.<sup>10</sup>
- 2.19 News: The BBC said that that it is not clear why the existence of news on other services would impact the public value of their proposals and that many of the brand extensions with which the BBC's extensions are most likely to compete do not carry news. The BBC reiterated that the inclusion of news would interrupt the listening experience of primarily mood-based stations. It also said that it provides extensive news provision across almost all of its radio portfolio and focuses its activities to reach younger audiences with news on online services. Radiocentre considered that the absence of news was contrary to the BBC's public service remit.<sup>11</sup>

## Our response

- 2.20 Overall public value: We remain of the view that R1A, R1D and R3U would offer some public value and include distinctive elements. We acknowledge suggestions for the BBC to increase its commitments in particular areas, however we are of the view that the BBC has made a number of clear commitments (for example in relation to proportions of new music, unique tracks and tracks from UK artists), so additional commitments are not necessary at this stage.
- 2.21 Informal learning: We acknowledge the BBC's point about the importance of curation and context in music programming. However, while we consider that R1D (and R3U) would provide some contributions to informal learning with formats such as *Pete Tong's Essential History of Dance Music*, these types of programmes appear to make up a limited proportion of R1D's proposed schedule. On this basis we still consider that the educational value of R1D could be limited.
- 2.22 News: We note Radiocentre's view that that the absence of news is contrary to the BBC's public service remit. However, although news provision is core to the BBC's remit, and we still consider that that the BBC has missed an opportunity to increase the reach of PSB news, there is no specific requirement for the BBC to provide news on all of its radio stations. We are not responsible for setting the BBC's strategy, and it is for the BBC to take the lead on how it secures the effective fulfilment of its mission and public purposes. As set out in section 5, we expect the BBC to report with its annual report on its efforts to improve the reach of its news content among younger and C2DE audiences across its services, including on online platforms.

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<sup>8</sup> Member of the public 2, response to our provisional determination, p. 1; Chris Woods, response to our provisional determination; Luke Graham response to our provisional determination.

<sup>9</sup> Member of the public 1, response to our provisional determination.

<sup>10</sup> BBC, response to our provisional determination, pp. 6-7.

<sup>11</sup> BBC, response to our provisional determination, pp. 7-8; Radiocentre, response to our provisional determination, p. 2.



- 2.23 While we understand the BBC’s point that many brand extensions do not carry news, we remain of the view that there could be some negative social value for listeners switching to R1D, R1A and R3U from other stations which do carry news, both commercial (including some brand extensions) and BBC radio.<sup>12</sup> News can deliver social value by fostering active and informed participation in the democratic process; these listeners may have less exposure to radio news as a result of switching to the new stations.

## Radio 2 Extension

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### Our provisional views

- 2.24 We considered that R2E would offer some public value. It would target older C2DE listeners, have 30% speech content (including regular news bulletins and documentaries) and draw on archive content which may bring range and quality and support learning. However, we considered that overall the case for the distinctiveness of the station in terms of the level of innovation and range of music was not strong.

### Stakeholder responses

- 2.25 Overall public value and distinctiveness: Radiocentre and News Broadcasting broadly agreed with, and Boom Radio said it was fully supportive of, our provisional view on the R2E proposal.<sup>13</sup> On the other hand, the Music Managers Forum stated that it strongly supported the proposed extension of Radio 2, and that it would (with some caveats, covered below) amplify positive impacts (such as increased listenership and sales for British musicians). UK Music partially agreed with our provisional views on public value, but it stated that the BBC’s archive of specially recorded and live content would help support the quality and range of output.<sup>14</sup>
- 2.26 The BBC disagreed with our provisional determination, stating that our assessment understated the distinctiveness of R2E. It considered the proposal would be distinctive and innovative, including in relation to the proposed partnership with BBC local radio, archive content featuring unique live and specially recorded music, and speech-led and documentary programming. The BBC also pointed to our comparisons with Boom Radio (which also provides music from the 50s, 60s and 70s with around 10,000 unique tracks per year) and said it appears Ofcom was suggesting that “the BBC can only be seen as providing public value if it is offering something wholly unique to the rest of the market.”<sup>15</sup> The BBC also noted Ofcom’s comment on the lack of comparison with newly launched stations such as Greatest Hits Radio 60s. It addressed Ofcom’s approach to the commercial radio stations launched since the BBC’s announcements in its discussion of Ofcom’s approach to dynamic market analysis, which we cover below, but noted that this service launched seven months after its initial consultation, and in the same week the BBC Board took its final decision on the proposals.<sup>16</sup>

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<sup>12</sup> Such brand extensions include Heart Dance, Capital XTRA, Absolute Radio 10s and Virgin Radio Anthems.

<sup>13</sup> Radiocentre, response to our provisional determination, p.4; News Broadcasting, response to our provisional determination, p. 3; Boom Radio, response to our provisional determination.

<sup>14</sup> Music Managers Forum, response to our provisional determination. UK Music, response to our provisional determination.

<sup>15</sup> BBC response to our provisional determination, pp. 5-6.

<sup>16</sup> BBC response to our provisional determination, pp. 5-6.

- 2.27 The majority of individual respondents who answered regarding R2E disagreed with our conclusions on public value for R2E, stating that the service would offer value and/or that it should be allowed to proceed.<sup>17</sup> One individual argued that Ofcom should signal that it would welcome revised proposals for R2E which better meet the BBC's regulatory obligations.<sup>18</sup> One individual respondent considered that Ofcom should block the proposed service.<sup>19</sup>
- 2.28 New music: UK Music and the Music Managers Forum considered that the Radio 2 extension should commit to at least a third of tracks being new music.<sup>20</sup> The BBC set out that Ofcom criticised the lack of new music and innovation, noting it was not clear what Ofcom means by new music (in the context of a service providing music from the 50s, 60s and 70s).<sup>21</sup>

## Our response

- 2.29 Overall public value and distinctiveness: As noted above, our review of public value considers how the proposals would deliver the BBC's Mission and Public Purposes, including how the service would contribute to the five 'pillars' of distinctiveness. Comparisons with other providers is only one of the factors that fed into our considerations (for example in considering the range of music it would provide vs. comparable providers), and we reviewed the comparisons the BBC had made in its own PIT. However, we also considered the proposed service in its own right, for example noting distinctive elements such as the partnership with local radio and archive content. These elements have informed our view that the proposed Radio 2 extension would offer some public value.
- 2.30 In relation to BBC's comment that Ofcom appears to have expected comparisons with newly launched stations to be included in its proposal, to clarify, we would not expect the BBC to amend its public value assessment to take into account stations which have launched after the BBC developed its analysis. Accordingly, we did not include the new stations as part of our review of the BBC's public value case, but simply noted the launch of certain new stations in the consultation as context to the review.
- 2.31 New Music: We understand UK Music and the Music Managers Forum's request regarding new music, but it is not Ofcom's role to suggest ways for the BBC to increase the public value of its proposals. Regarding the BBC's point around Ofcom criticising the lack of new music, we did not suggest that it should include it to increase public value – we recognise that a service focused on music of the 50s, 60s and 70s would be unlikely to focus on new music.

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<sup>17</sup> For example: Member of the public 1, response to our provisional determination; Mark Punter, response to our provisional determination; Member of the public 4 response to our provisional determination; David Helsby, response to our provisional determination.

<sup>18</sup> Member of the public 2, response to our provisional determination, pp. 1-2.

<sup>19</sup> J Peter Wilson, response to our provisional determination.

<sup>20</sup> Music Managers Forum, response to our provisional determination, p. 1; UK Music, response to our provisional determination, p. 2.

<sup>21</sup> BBC response to our provisional determination, p. 6

## 5 Sports Extra

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### Our provisional views

- 2.32 We considered that the BBC's proposal for 5 Sports Extra ('5SE') would provide some personal, societal and industry value, by broadening the amount of sport on linear radio, showcasing existing sports content to a wider audience and potentially aiding discoverability of other sports content on BBC Sounds. We said that personal value would be delivered by more audiences hearing and enjoying this content, while there may be societal value through exposure of a broader range of sports, including some non-mainstream sports.
- 2.33 However, the BBC did not provide guarantees that it would give significant coverage to sports that currently receive less coverage, and we did not consider there to be sufficient evidence that the changes would especially appeal to its target audiences of C2DE and younger audiences. We also did not consider that the BBC's analysis (based on reach profiles and indexed against reach of news slots on 5 Live) provided evidence of appeal to C2DE audiences, given that 5 Live news listeners are more likely to be ABC1. We considered that the proposals may to some extent aid discovery of sports content on BBC Sounds but noted that the BBC had not specifically modelled any additional impacts on BBC Sounds on-demand listening, nor given firm commitments for how it would promote content on Sounds. We were therefore unsure how much the proposals would increase listening on BBC Sounds.

### Stakeholder responses

- 2.34 Overall conclusions on public value: News Broadcasting said that it broadly agreed with Ofcom's provisional conclusion (that the proposal offers limited public value), but that it disagreed that the service would offer some public value by bringing sports content to a wider audience. It said it was concerned that the service would operate as an "all-day sports chat station covering mainstream sports" and could therefore serve as a very close substitute to the talkSPORT network. The BBC welcomed Ofcom's acknowledgment that the proposals would bring value by broadcasting more sports content, including less-mainstream sports.<sup>22</sup>
- 2.35 Some individual respondents disagreed with our conclusions on public value for 5SE, stating that the proposed changes would offer value and/or that it should be allowed to proceed.<sup>23</sup> Two individuals agreed with our findings/said the service should stay as it is.<sup>24</sup>
- 2.36 Audiences: The BBC disagreed with our suggestion that it did not demonstrate how the changes would especially appeal to C2DE audiences. It said it conducted extensive audience research and findings strongly suggested that its proposal would better serve C2DE audiences. It said that to attain a measurable data point for listening to sports

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<sup>22</sup> News Broadcasting, response to our provisional determination, p. 2; BBC, response to our provisional determination, p. 8.

<sup>23</sup> Member of the public 2, response to our provisional determination, p. 2; Member of the public 6, response to our provisional determination; Geoff Rogers, response to our provisional determination; Luke Graham, response to our provisional determination. Stephen Trevett.

<sup>24</sup> Member of the public 1, response to our provisional determination; J Peter Wilson, response to our provisional determination.

content on 5 Live, it could only index against the other content broadcast on the service, which is news. News Broadcasting however said that it struggled to see how the proposition would narrowly target the BBC's specified audience of younger, C2DE listeners outside of the South of England. It said it seemed more likely that it would have a broader audience appeal.<sup>25</sup>

- 2.37 Discoverability: The BBC said that its proposals would aid the discovery of sports content on BBC Sounds. It said it believed Ofcom should consider the 'shop window effect', which could attract more audiences to BBC Sounds, and the general trend of listeners adopting on-demand audio services. News Broadcasting disagreed that the service would to some degree aid discoverability of other sports content already available, stating that the BBC had failed to provide robust evidence to support its public value case.<sup>26</sup>

## Our response

- 2.38 Overall conclusions on public value: We recognise the different viewpoints provided by respondents on the overall public value of 5SE. Having considered these responses we remain of the view that the proposed changes would offer some public value. This is because we consider the service would offer value through increasing the amount of sport on linear radio and may provide some societal value through exposure of a broader range of sports, including some non-mainstream sports. However, we think public value could be more limited than proposed by the BBC given it had not committed to give significant coverage to sports that currently receive less coverage.
- 2.39 Audiences: We note the views of both the BBC and News Broadcasting regarding audience appeal of the service. We appreciate that the BBC gathered a range of evidence to inform its plans, but as we set out in our consultation, the BBC's analysis on audience profiles was compared with 5 Live news listeners who are more likely to be ABC1 than all radio listeners. We remain of the view that this does not provide strong evidence of the likely appeal to C2DE audiences: we think it would have been preferable to index against all radio listeners, as this would have provided a comparison against the total pool of radio listeners, rather than against a sample which was more skewed towards ABC1 listeners.
- 2.40 Discoverability: We note the BBC's points around discoverability and understand that the 'shop window effect' can bring audiences into BBC Sounds. As we set out in the consultation, we considered that the proposals would potentially aid discoverability of other sports content on BBC Sounds. We said that the increase in the number of listeners to 5SE, as well opportunities to showcase podcast content on linear radio and promote additional content on Sounds, may have resulted in some of those listeners exploring Sounds. However, we remain of the view that it is uncertain how much the proposals would increase listening to BBC Sounds given that the BBC had not specifically modelled any additional impacts on BBC Sounds on-demand listening, nor has it given firm commitments for how it would promote content on Sounds.

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<sup>25</sup> BBC, response to our provisional determination, p. 5; News Broadcasting, response to our provisional determination, p. 2.

<sup>26</sup> BBC, response to our provisional determination, p. 8; News Broadcasting, response to our provisional determination, p. 3

## Conclusions on public value

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- 2.41 We conclude that the launch of R1A, R1D and R3U would provide some public value. The proposed stations aim to appeal to younger and C2DE listeners who get less value from the BBC, include some distinctive elements and provide support for the music industry and talent pipeline. However, there are 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.
- 2.42 R2E would also offer some public value. It would target older C2DE listeners, provide 30% speech content (including regular news bulletins and documentaries) and draw on archive content which may bring range and quality, and support learning. However, the overall case for the distinctiveness of the station in terms of the level of innovation and range of music is not strong and this limits the proposed station's public value.
- 2.43 We conclude that 5 Sports Extra would provide some public value by broadening the amount of sport on linear radio, showcasing existing sports content to a wider audience and potentially aiding discoverability of other sports content on BBC Sounds. However, the BBC does not provide guarantees that it will give significant coverage to sports that currently receive less coverage, and we do not consider there to be sufficient evidence that the changes would especially appeal to its target audiences of C2DE and younger audiences.

# 3. Our assessment of potential market impacts

## Introduction

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- 3.1 In accordance with our duties under the Charter and Agreement, we are required to assess the potential impact on fair and effective competition of ‘material’ changes proposed by the BBC. We must carry out our own assessment of the proposal before a change can be implemented. Our role and approach to carrying out BCAs is set out in our [BCA guidance](#).
- 3.2 As set out in our provisional determination document, we assessed the market impact by first estimating the size of the proposed BBC stations. We then examined where the listening to the proposed stations would likely come from, which enabled us to estimate the impact on rival commercial operators’ listening, revenue and profitability. We also assessed the potential wider impacts of the BBC’s proposals, related to how the BBC procures content and inputs to develop its services.
- 3.3 Our provisional view was that the market impact of the BBC’s proposed R1A, R1D and R3U stations would likely be limited, both individually and in aggregate. However, we considered that the proposed R2E station would likely have a larger impact on commercial operators, particularly on the independent Boom Radio. We also considered that R2E could potentially deter entry and reduce investment incentives for commercial operators more generally. We also provisionally concluded that the BBC’s proposed expansion of 5SE could have a significant adverse impact on talkSPORT Network – the only full-time commercial sports radio network in the UK. We considered that talkSPORT’s options to mitigate the impact of 5SE are limited as it is unlikely that it could readily improve its live sports coverage given the nature of how live sports rights are acquired within the market.
- 3.4 We have received a number of stakeholder responses to our provisional determination, and we address their responses in the following subsections:
- a) static impact on commercial operators;
  - b) dynamic impacts;
  - c) local and community radio; and
  - d) wider impacts.

## Static impact on commercial operators

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### Our provisional findings

- 3.5 Our provisional determination document set out our estimates for listening to the BBC’s proposed music stations and extended 5SE, and the static impacts of these proposals.<sup>27</sup> In general, we estimated similar levels of listening as the BBC for 5SE and the music stations,

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<sup>27</sup> Ofcom, [provisional determination document](#), pp. 34-37.

except for R3U where our estimated listening hours were higher than the BBC's estimates.<sup>28</sup>

- 3.6 We then estimated that the launch of R1A, R1D and R3U would likely lead to a low loss of listening across commercial operators, individually and in aggregate.<sup>29</sup> However, we found that the launch of R2E would likely lead to a higher loss in listening for commercial operators, particularly for the independent Boom Radio. For 5SE, our estimates indicated that the BBC's proposed changes could result in talkSPORT losing around 4.6% - 5.3% of listening across the talkSPORT network.
- 3.7 Finally, we translated these impacts on listening into financial impacts.<sup>30</sup> We estimated that R1A, R1D and R3U would likely have a small impact on the profitability of commercial operators, individually and in aggregate, while R2E and 5SE would likely have a significant impact on the profitability of commercial operators, especially independent operator Boom Radio and talkSPORT Network respectively.

## Stakeholder responses and developments since consultation

### Music stations

- 3.8 We received a number of stakeholder responses related to our approach to estimating static impacts on commercial operators.

#### Estimating listening to the proposed stations

##### *Stakeholder responses*

- 3.9 Radiocentre raised concerns with the top-down approach that we, and the BBC, used for estimating listening. It argued that the relationship between the extension and parent stations depends on many factors. It also suggested that the relationship between commercial extension and parent stations could differ to that of the BBC's extension and parent stations (for example, because the BBC has greater opportunities to cross-promote).<sup>31</sup>

##### *Our response*

- 3.10 As discussed in annex 1 of our provisional determination, we considered a range of different approaches for estimating listening to the new music stations. We recognised that listening to the extension could depend on a range of factors but we considered that the parent extension approach is the most reasonable and practicable approach in this case. This is because (i) the levels of listening to the proposed BBC stations will vary according to the relevant parent station (due to brand power, simulcasts and cross promotion etc); and (ii) there is a correlation between listening to commercial extensions and listening to their parent stations.
- 3.11 Regarding the BBC's opportunity to cross-promote, the BBC noted in its PIT document that it is "not planning to increase the overall level of public service promotions" across

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<sup>28</sup> See figure 6 of our provisional determination document.

<sup>29</sup> See figure 7 of our provisional determination document. Our analysis indicated larger listening losses at the station-level for each operator as we would expect that the impact would be largely borne by stations with similar characteristics to the BBC's stations.

<sup>30</sup> See figure 8 of our provisional determination document.

<sup>31</sup> Radiocentre, response to our provisional determination, p. 5.

TV/iPlayer and Radio/Sounds platforms.<sup>32</sup> We also note that the BBC identified an opportunity cost between the limited cross-promotion spots available and the demand for cross-promotion of other shows and services, which we consider could potentially restrict the ability of the BBC to cross-promote its new stations.<sup>33</sup> We do however recognise that the scale and size of the BBC might still enable the BBC to attract greater listening from its cross-promotion activities, compared to some commercial operators, but we consider that our approach could already implicitly capture the potential for a stronger cross-promotion effect by the BBC. This is because we have erred on the side of overestimating the potential listening to the music stations by applying the parent-extension scaling factor to total listening of the BBC parent station. The BBC typically has a larger share of listeners on AM/FM than commercial radio and applying the ratio to total listening is likely to overestimate the amount of listening hours that could be achieved on these new DAB+ extensions.

### Estimating the loss of listening for commercial operators

#### *Stakeholder responses*

- 3.12 The BBC suggested that we missed several radio stations from our competitor set.<sup>34</sup> It suggested that:
- Capital XTRA and Capital XTRA Reloaded should belong in the competitor set for R1D;
  - Capital Network, KISS and Virgin Radio Anthems should belong in the competitor set for R1A; and
  - Absolute Radio, Absolute Classic Rock, Greatest Hits Radio 60s, Heart, Magic Soul and Virgin Radio should belong in the competitor set for R2E.
- 3.13 The BBC also raised concerns about our use of Boom Radio's own forecasts for estimating future listening in the counterfactual. It suggested that we should instead have used historical RAJAR listening hours, as we did for the other commercial operators.<sup>35</sup>
- 3.14 Some members of the public further suggested that Boom Radio has a loyal fanbase that would not switch to a BBC service. One individual suggested many of Boom Radio's listeners are older than the target audience for R2E.<sup>36</sup>

#### *Our response*

- 3.15 As discussed in Annex 1 of our provisional determination, we defined our competitor sets based on similarities between the BBC's description of the proposed stations and commercial stations' music content, using station playlist data from Radiomonitor. In some borderline cases, our choice was informed by the context of the radio market, and our knowledge of the commercial stations and the BBC's proposals. We address the BBC's suggestions for each station below.
- **R1D:** We disagree with the BBC that Capital XTRA and Capital XTRA Reloaded belong in the competitor set. While both stations appeal to the target age demographic for R1D,

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<sup>32</sup> BBC, [New music radio stations: Public Interest Test](#), p. 83.

<sup>33</sup> BBC, response to Ofcom information request dated 13 January 2025, question 2.

<sup>34</sup> BBC, response to our provisional determination, pp. 9-10.

<sup>35</sup> BBC, response to our provisional determination, p. 9.

<sup>36</sup> [8<], response to our provisional determination; Mark Punter, response to our provisional determination; David Helsby, response to our provisional determination.



there is minimal overlap in terms of output (neither station met our threshold for music from artists highlighted as relevant in the BBC’s proposal) and the focus of both stations is different from that outlined in the BBC’s proposal for R1D.<sup>37</sup> For example, the BBC described R1D as having “the broadest range of dance genres” with commitments for new music, while Capital XTRA has positioned itself as a station for Hip Hop and RnB music, and Capital XTRA Reloaded as “Non-stop old skool”.<sup>38</sup> We have, however, conducted additional analysis by including Capital XTRA and Capital XTRA Reloaded within the competitor set and can confirm this leads to a negligible impact on the loss of listening for the commercial operators.<sup>39</sup>

- **R1A:** We agree with the BBC that Capital Network belongs within the competitor set for R1A and have now included this station in our analysis. The inclusion of Capital Network does not change our overall conclusions as it leads to a negligible change to the static analysis of R1A (see figures 2-5 below). We disagree that KISS and Virgin Radio Anthems belong in the competitor set for the reasons set out below:
  - KISS does meet our thresholds for music from relevant artists and decades, but there are two important factors which we consider render it is less relevant to R1A. Firstly, we note that the proportion of music it played from the 2000s and 2010s is much lower than other competitor stations, and there is a significant proportion of newer music from the 2020s which does not feature in the BBC’s proposal for R1A. Secondly, KISS branding places emphasis on two specific genres (“The Biggest Dance and R&B”) while the BBC states that the music on R1A will be more varied: “[...] similar to Radio 1, spanning classic pop, rock, rap, R&B, dance and indie tracks”.<sup>40</sup> For completeness, we have tested the inclusion of KISS within the competitor set of R1A and this does not change our overall conclusions as it only marginally changes the distribution of the loss of listening hours and revenue across the commercial operators.<sup>41</sup>
  - Virgin Radio Anthems plays different music from what the BBC have proposed for R1A, and did not meet our threshold for music played from relevant decades, skewing more towards music from the 70s and 80s rather than the 00s and 10s. We also note that Virgin Radio Anthems rebranded to Virgin Radio Legends on 31 March 2025 to reflect the “calibre of the artists the station plays”, which means that this station is unlikely to be affected by the launch of R1A, especially when considering future competition.<sup>42</sup>

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<sup>37</sup> According to RAJAR data for Q1 2025, 58.6% of Capital XTRA’s audience and 51.1% of Capital XTRA Reloaded’s audience is aged 15-34.

<sup>38</sup> BBC, [New music radio stations: Public Interest Test](#), p. 34.

<sup>39</sup> When we include Capital XTRA and Capital XTRA Reloaded in the R1D competitor set, we observe a redistribution of impacts: an increase in the loss of listening hours and revenue by 0.1 percentage points for Global and a decrease in the loss of listening hours and revenue for Bauer of 0.1 percentage points. As such, our conclusions regarding R1D do not change.

<sup>40</sup> KISS station tagline, Bauer, <https://hellorayo.co.uk/kiss> (accessed 05 June 2025). Source for the BBC’s description of R1A is BBC, [New music radio stations: Public Interest Test](#), p. 37.

<sup>41</sup> When we include KISS in the R1A competitor set, we observe a redistribution of impacts: an increase in the loss of listening hours and revenue by 0.1 percentage points for Bauer and a negligible decrease in the loss of listening hours and revenue for Global and Virgin Radio network. As such, our conclusions on R1A do not change.

<sup>42</sup> News UK [‘Virgin Radio Anthems Becomes Virgin Radio Legends’](#) (accessed 05 June 2025).

- **R2E:** we agree with the BBC that Greatest Hits Radio 60s belongs within the competitor set and have now included this station in our analysis. The inclusion of Greatest Hits Radio 60s does not change our overall conclusion as it leads to a negligible change to the results of our static analysis of R2E (see figures 2 - 5 below). We do not agree with the BBC regarding Absolute Classic Rock, Absolute Radio, Heart, Virgin Radio and Magic Soul for the following reasons.
  - Absolute Classic Rock has a much narrower genre focus than the proposed R2E station, with much of its content stemming from the 80s which is an out-of-scope decade for R2E.
  - Absolute Radio, Heart and Virgin Radio do not meet our decade threshold for inclusion in the competitor set, as a high proportion of their output is music from the 80s onwards.<sup>43</sup> We also consider that these stations are more mainstream and have a broader appeal than the proposed scope of R2E.
  - Magic Soul is a borderline case as it only just meets the threshold for music from relevant artists but we did not consider this station to be in our competitor set due to its narrow genre focus on soul music. We have, however, conducted additional analysis by including Magic Soul and this leads to a negligible impact on our overall results.<sup>44</sup>

3.16 Regarding the BBC's disagreement with our use of Boom Radio's own forecasts for estimating counterfactual listening, we note that Boom Radio was the only operator that forecasts as far forward as 2027. We have no reason to believe that Boom Radio's forecast is unrealistic as we understand that Boom Radio uses the same model for its own financial planning and business decision purposes.<sup>45</sup> We have however conducted additional analysis by using historical RAJAR data to forecast Boom Radio's listening hours, and this only leads to a negligible change in the loss of listening across the commercial operators.<sup>46</sup> As such, this approach would not alter our conclusion on the impact of R2E.

3.17 We agree that loyalty and age of listeners to the relevant competitor stations will determine the impact of the BBC's proposed services. We therefore accounted for this in our provisional determination analysis by using a station's reach profile and its share of listeners who indicated it as its preferred station, to estimate the extent of diversion from that station. In general, our diversion analysis would lead to a higher loss of listening from those stations that have lower loyalty and a higher proportion of listeners in the relevant proposed stations' target audience group. As such our conclusion on the impact of R2E remains unchanged.

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<sup>43</sup> In the case of Heart, the skew towards more recent music was even more pronounced, with over three quarters of tracks played originating from the 00s, 10s and 20s.

<sup>44</sup> When including Magic Soul in the R2E competitor set we observe a redistribution across of the impacts across operators: we estimate an additional 0.1 percentage points loss in Bauer's listening hours and revenue, and a reduction in the impact on Boom Radio's listening hours and revenue of 0.2 percentage points. As such, our conclusions regarding the impact on fair and effective competition of R2E do not change.

<sup>45</sup> We asked operators for forecast listening hours data for 2025 – 2027, which was produced prior to the BBC's proposals being announced, to attempt to mitigate any bias in forecast listening hours based on the announcements.

<sup>46</sup> Changing our approach to estimating Boom Radio's counterfactual listening generally reduces our estimated impacts on listening and revenue by 0.1 percentage points (for Bauer, Global and Virgin Radio Network). It reduces the impact on Boom Radio's listening and revenue by 0.4 percentage points.

## Estimating the financial impact of the BBC's proposals

### *Stakeholder responses*

- 3.18 The BBC welcomed our analysis of the impact on competitors at the group level, rather than the individual station level.<sup>47</sup> In contrast, Radiocentre argued that we have irrationally assumed that commercial groups (i.e. operators with a portfolio of stations) make decisions at a portfolio level, when instead it said operators have made detailed representations that decisions are made on a station-by-station basis. It suggested that individual stations need to generate some margin of contribution in their own right and that they would likely cease to exist if they are not financially sustainable in the long-term.<sup>48</sup>
- 3.19 Radiocentre also argued that we have not accounted for the fact that different audiences hold different commercial value. In addition, it said that we have failed to capture the cumulative impact of simultaneous launches on DAB+ which all target a commercially valuable audience.<sup>49</sup>

### *Our response*

- 3.20 We disagree with Radiocentre that we have not considered the impact on a station-by-station basis. As discussed in annex 1 of our provisional determination, we have modelled our analysis at both the station level and the portfolio level for each operator. We recognised that the impact would be largely borne by commercial stations with similar characteristics to the BBC's stations and reported that the impact on established commercial stations is typically below 8% (with an upper bound of 10 - 15% for a small sample of stations).<sup>50</sup> We however noted that the impact will likely be lower as we have adopted a conservative approach that errs on overestimating the impact on commercial operators (for example, we have not considered that some listening could be diverted from global streamers). We also noted that the risk that commercial groups would close any of these stations is likely to be low as we understand that these groups (with large portfolios) have kept stations operational with much higher losses of listening. We then considered the implications of this in our dynamic analysis and concluded that the impact on investment incentives is likely to be limited due to the likely low loss in listening/revenue across the portfolio as a whole, and there are indications that these operators can dynamically respond (e.g. launching new stations) to mitigate any impact.
- 3.21 Regarding Radiocentre's argument on the distinct commercial value that different audiences hold, we recognise that some listener groups could be more commercially valuable than others. We have already accounted for differences in the commercial value of listening across different platforms when estimating competitors' counterfactual revenue and profitability (e.g. reflecting differences in the value of online listening).<sup>51</sup> We have not conducted any further analysis on the different audience segments due to data limitations and our general understanding from stakeholder submissions that there is a 1:1 relationship between revenue and total listening across all audiences. In any case, we do not consider that this would change our overall conclusions since we have already

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<sup>47</sup> BBC, response to our provisional determination, p. 9.

<sup>48</sup> Radiocentre, response to our provisional determination, p. 5.

<sup>49</sup> Radiocentre, response to our provisional determination, p. 5.

<sup>50</sup> For example, our modelling estimates that Magic Classical could lose 15% of listening due to R3U, and KISSTORY could lose 13% due to the aggregate impact of R1A and R1D.

<sup>51</sup> Radiocentre, [response to BBC's New music radio stations: Public Interest Test consultation](#), p. 67.

erred on the side of overestimating the financial impact of the stations on commercial operators (e.g. by excluding any impact from global streamers) and we have also not accounted for additional factors that could suggest a lower impact on commercial operators (e.g. we have not accounted for the potential that some radio operators could have an excess of advertising inventory, which means that a reduction in listening may have a smaller impact on revenue). We further note that Radiocentre has also not submitted any further evidence/analysis to show that this could change our overall conclusions.

- 3.22** We disagree with Radiocentre's point that we have not considered the cumulative impact of multiple launches on DAB+. We assessed the aggregate impact of R1A, R1D and R3U within the provisional determination. We also provide an update on this in figures 3 - 5 below. Our conclusions regarding the impact of these stations, individually and in aggregate, remain unchanged.

### Other comments

#### *Stakeholder response*

- 3.23** Radiocentre agreed that R2E would likely have had the largest adverse competition impact. However, it raised concerns that our approach and decision regarding R1A, R1D and R3U sets a precedent for future BBC extension proposals to replicate commercial radio formats.<sup>52</sup>

#### *Our response*

- 3.24** We disagree with Radiocentre's response in relation to setting a precedent for future changes by the BBC. As required under the Charter and Agreement, we will assess the impact of any future BBC proposal on fair and effective competition, using the approach which we consider most appropriate and practicable for each individual case.

### Our final view on static impacts of the proposed BBC extensions

- 3.25** In response to stakeholder comments and further internal work during the consultation period, we have made four updates to our modelling used in the provisional determination document.
- a) **Competitor sets:** We have added one additional station to the competitor set for R1A (Capital Network), one additional station for R1D (KISS Dance) and one additional station to the competitor set for R2E (Greatest Hits Radio 60s). This change leads to a minor redistribution of the impacts among the operators.
  - b) **Estimating listening:** We have updated the method for calculating the uplift from the existing streaming figures for R1A, R1D and R3U to equivalent RAJAR online listening hours. This change leads to a minor increase in the estimated listening to these stations (see figure 2).
  - c) **Estimating diversion from competitors:** In the modelling for our provisional determination, we use a number of weights to estimate the relative diversion from each station, including the shared reach between a BBC parent station and each of the proposed stations' competitors. We have updated the value for Smooth 70s and Smooth Soul, which leads to a negligible change to the estimated impact of R2E.
  - d) **Estimating the financial impact:** We have adjusted Boom Radio's counterfactual profitability so that we calculate its annual profit margin using annual profit and

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<sup>52</sup> Radiocentre, response to our provisional determination, pp. 5-6.

revenue data, rather than taking an average of the profit margins for each quarter. This has a minor impact on our counterfactual forecast of Boom Radio's profit margin.

**Figure 1: Updated list of stations included in the competitor set for each proposed BBC station – (newly included stations are indicated by \*)**

R1D	R1A	R2E	R3U
BBC Radio 1	BBC Radio 1	BBC Radio 2	BBC Radio 3
Capital Network	Absolute Radio 00s	Absolute Radio 60s	Classic FM
Capital Dance	Absolute Radio 10s	Absolute Radio 70s	Classic FM Calm
Heart Dance	Heart Network	Boom Radio	Magic Classical
KISS	Heart 00s	Greatest Hits Radio	
KISSTORY	Heart 10s	Gold Network (UK)	
KISS Dance*	KISSTORY	Heart 70s	
	Hits Radio	Smooth Radio Network (UK)	
	Virgin Radio Chilled	Smooth 70s	
	Capital Anthems	Smooth Soul	
	Radio X 00s	Virgin Radio Anthems	
	Capital Network*	Magic	
		Mellow Magic	
		Greatest Hit Radio 60s*	

3.26 Given the changes explained above and our original methodology as described in annex 1 of the provisional determination document, our final assessment of the static impact of the BBC's proposals are as follows in figures 2 - 5.

**Figure 2: Estimated average weekly listening hours, in comparison to the BBC's estimates**

	BBC estimates	Ofcom estimates: provisional determination	Ofcom estimates: final determination
<b>R1 Anthems</b>	3.5m	3.0m – 3.4m	3.0m – 3.4m
<b>R1 Dance</b>	4.9m	4.20m - 4.24m	4.22m - 4.25m
<b>R2 Extension</b>	18.6m - 22.3m	13.8m - 20.9m	13.8m - 20.9m
<b>R3 Unwind</b>	1.2m	3.92m - 3.95m	3.93m - 3.96m

**Figure 3: Listening loss**

	Determination	Bauer	Global	Boom Radio	Virgin Radio Network
<b>R1 Anthems</b>	Final	0.4% - 0.5%	0.6% - 0.7%	N/A	0.2% - 0.3%
	Provisional	0.6% - 0.6%	0.5% - 0.5%		0.3% - 0.3%
<b>R1 Dance</b>	Final	0.7% - 0.7%	0.8% - 0.8%	N/A	N/A
	Provisional	0.6% - 0.6%	0.8% - 0.9%		

<b>R2 Extension</b>	Final	2.3% - 3.5%	1.9% - 2.8%	13.4% - 20.3%	1.4% - 2.1%
	<i>Provisional</i>	<i>2.2% - 3.3%</i>	<i>2.0% - 3.0%</i>	<i>14.0% - 21.1%</i>	<i>1.5% - 2.2%</i>
<b>R3 Unwind</b>	Final	0.1% - 0.1%	1.0% - 1.0%	N/A	N/A
	<i>Provisional</i>	<i>0.1% - 0.1%</i>	<i>1.0% - 1.0%</i>		

**Figure 4: Revenue loss**

	Determination	Bauer	Global	Boom Radio	Virgin Radio Network
<b>R1 Anthems</b>	Final	0.4% - 0.5%	0.6% - 0.7%	N/A	0.2% - 0.3%
	<i>Provisional</i>	<i>0.6% - 0.6%</i>	<i>0.5% - 0.5%</i>		<i>0.3% - 0.3%</i>
<b>R1 Dance</b>	Final	0.7% - 0.7%	0.8% - 0.8%	N/A	N/A
	<i>Provisional</i>	<i>0.6% - 0.6%</i>	<i>0.8% - 0.9%</i>		
<b>R2 Extension</b>	Final	2.3% - 3.5%	1.9% - 2.8%	13.4% - 20.3%	1.4% - 2.1%
	<i>Provisional</i>	<i>2.2% - 3.3%</i>	<i>2.0% - 3.0%</i>	<i>14.0% - 21.1%</i>	<i>1.5% - 2.2%</i>
<b>R3 Unwind</b>	Final	0.1% - 0.1%	1.0% - 1.0%	N/A	N/A
	<i>Provisional</i>	<i>0.1% - 0.1%</i>	<i>1.0% - 1.0%</i>		

**Figure 5: Percentage loss in profit margin**

[8<]

- 3.27 As can be seen from figures 2 - 5, despite the updates to our modelling such as adding additional commercial stations to our competitor sets and amending the uplift used for the BBC Sounds streaming listening hours, our view remains that R1A, R1D and R3U are likely to have a small impact on commercial operators. Our view also remains that R2X would likely have an impact on commercial operators, particularly significant on the independent operator Boom Radio.

## Radio 5 Sports Extra

### Stakeholder responses

- 3.28 News Broadcasting strongly agreed with our competition assessment and agreed with our conclusion that an extended 5SE would have a material adverse impact on talkSPORT. However, it considered that the likely take-up of an extended 5SE and the potential impact on talkSPORT Network would be more significant than our estimates.<sup>53</sup>
- 3.29 The BBC supported our approach to estimating 5SE's market impact, but suggested we should have assessed the impact on News Broadcasting at the group level (rather than focusing on talkSPORT Network), given that impacts on talkSPORT's activities could have an impact on its music network or other speech stations, and vice versa.<sup>54</sup>

<sup>53</sup> News Broadcasting, response to our provisional determination, p. 4.

<sup>54</sup> BBC, response to our provisional determination, p. 9.

- 3.30 One individual stated that talkSPORT 2 is the main rival to 5SE, rather than talkSPORT.<sup>55</sup> We understand this to be a disagreement with our base case assumption that diverts listening hours from both talkSPORT and talkSPORT 2, using their relative shares of listening.

#### Our response

- 3.31 We understand News Broadcasting's view that the impact of the proposed changes to 5SE on talkSPORT Network would be greater than our estimates. We previously examined News Broadcasting's alternative approach to estimate listening to 5SE, which involves quantifying total listening to all sports radio content between 9am to 7pm and applying an estimate of the appeal of 5SE to this total listening. We do not think this is reasonable given the reasons set out in annex 1 of our provisional determination document. More generally, we note that the nature of estimating future take-up is uncertain, however we consider our base case approach to be reasonable and practicable. In any case, the use of News Broadcasting's approach to estimate listening would not alter our conclusion that we expect 5SE to have a significant impact on fair and effective competition.
- 3.32 In response to the BBC's argument, as set out in the provisional determination document, we consider the impact on talkSPORT Network to be most relevant in terms of the impact on fair and effective competition given that talkSPORT Network is the only commercial provider of sports services. While we recognise that it is part of a larger group, we consider that the dynamic considerations discussed later would create challenges for the group in continuing to invest in its sports radio services. We also note that a stakeholder submission (i.e. [8<]) further supports our view that we should focus on the impact on talkSPORT Network.<sup>56</sup>
- 3.33 We acknowledge the view of one individual that talkSPORT 2 is the main rival to 5SE. As outlined in annex 1 of our provisional determination document, we performed a range of sensitivity checks to test whether changes to certain assumptions could alter our provisional conclusions on the impact of the BBC's proposals. As part of these sensitivity checks, we tested a scenario in which more listening is diverted from talkSPORT 2 (compared to talkSPORT), based on data that shows talkSPORT 2's audience and schedule is more similar to 5SE's existing audience and proposed additional content. This sensitivity check did not alter our provisional conclusion that 5SE would have a significant impact on fair and effective competition.
- 3.34 Given our responses to each of these comments from stakeholders, our estimates for the incremental listening to 5SE and static impacts of the BBC's proposed changes to 5SE remain the same as those set out in our provisional determination document. These are set out again in figures 6 - 7 below.

**Figure 6: Estimated average weekly listening hours, in comparison to BBC's estimates**

	BBC estimate	Ofcom estimate
<b>5 Sports Extra (incremental hours)</b>	1.6m	1.5m - 1.7m

**Figure 7: 5SE static analysis results**

<sup>55</sup> Member of the public 6, response to our provisional determination.

<sup>56</sup> [8<], response to Ofcom information request dated 13 January 2025, question 3.



	Impact on talkSPORT Network
Listening loss	4.6% - 5.3%
Revenue loss	3.7% - 4.4%
Percentage loss in profit margin	[8<]

## Dynamic impacts: music stations

### Our provisional finding

- 3.35 We considered whether the BBC’s proposals could have longer term impacts on commercial operators’ incentives to innovate and invest. We noted that this is inherently difficult to assess as it is hard to predict how commercial operators would respond to the BBC’s proposals.
- 3.36 We considered that the impact on crowding out / incentives to invest by commercial operators is likely to be limited for R1A, R1D and R3U, given that we estimated that commercial operators would likely lose a small proportion of revenue and profitability due to these three proposed stations.
- 3.37 We also recognised that the launch of the BBC’s proposed stations, individually and in aggregate, could have a larger impact on specific commercial stations that have similar content. While we considered our base case to represent the most likely outcome, it is possible that the actual impact on listening could be lower in practice as we have generally adopted a conservative approach that errs on overestimating the impact (see annex 1 of the provisional determination document). In any case, we considered that the impact is likely to be more limited as the affected stations belong to commercial groups that primarily generate revenue based on listening across their entire portfolios and there are indications that they can dynamically respond to these stations in order to mitigate the adverse impact.
- 3.38 We considered that the launch of R2E could have a significant impact on fair and effective competition as it would lead to a significant reduction in listening to commercial operators, particularly significant on the independent operator Boom Radio.<sup>57</sup> We also said it could potentially deter entry and reduce investment incentives for commercial operators. This is because these operators may be less inclined to invest and enter into a new area if they believe that they would be adversely affected by the BBC launching a similar radio station at a later point in time.

### Stakeholder responses

- 3.39 The BBC stated that it was “disappointed” with our analysis of dynamic impacts, as it considers that the newly launched Bauer and Global stations are “clearly a dynamic response to the BBC’s announcement”. It also argued that we should not include Global

<sup>57</sup> Boom Radio is a relatively new station and has seen consistent increases in listening hours (and growth in associated revenue and profitability). This is supported by our formal information request which indicated that Boom Radio’s revenue has more than tripled from 2022 to 2024 (table 2.1, Boom Radio’s response to Ofcom’s request for information).



and Bauer's recently launched stations in our analysis of the static impact on commercial operators as this contradicts our guidance for assessing the impact of proposed changes.<sup>58</sup>

- 3.40 However, the BBC did agree with our analysis of the limited dynamic responses available to Boom Radio in relation to the R2E proposal.<sup>59</sup>
- 3.41 The BBC also provided analysis of Q1 2025 RAJAR data for the newly launched Bauer and Global stations, as well as Boom Radio. The BBC stated that this RAJAR data indicates a strong performance for commercial brand extensions and that it therefore observes “clear evidence that the [radio] sector does not lack investment incentives”. The BBC also highlighted how existing stations, such as Boom Radio, have maintained listening despite the launch of new stations.<sup>60</sup>
- 3.42 The BBC rejected the idea that the BBC had “moved away” from its proposed stations’ target audiences, in particular that Radio 2 had moved away from audiences over 55 from C2DE groups. It also suggested that our market impact analysis for R2E in effect is an analysis of a single atypical player in the market.<sup>61</sup>

## Our response

- 3.43 We do not agree with the BBC that the new Global and Bauer extension stations should be excluded from our counterfactual analysis as our BCA guidance makes it clear that our assessment is forward-looking.<sup>62</sup> We do recognise that there could be some positive effects on competition due to the BBC’s proposed services, such as incentivising operators to invest in new services. For example, we noted in our provisional determination document that it is likely that some of the newly launched commercial stations could to some extent be competitive reactions to the BBC’s proposals (i.e. operators launched similar stations after the BBC announced these proposals). However, it is not clear how many of these stations are competitive reactions to the BBC’s proposed services, as some could be part of general market trends (for example, Smooth 80s, Radio X 90s and Classic FM Movies).<sup>63</sup> This is also acknowledged by the BBC who stated in their PIT: “We consider that these latest launches are primarily driven by intensifying competition within commercial radio i.e. Global reacting to recent Bauer successes. Some of the launches are within the genres the BBC is targeting with these proposals i.e. Classic FM Calm and the proposed BBC Radio 3 Unwind. However, we do not think this is sufficient evidence that it’s a direct reaction to the BBC proposal”.<sup>64</sup>
- 3.44 We do however note that the inclusion or exclusion of these new Global / Bauer stations from our analysis would not affect our conclusions of the static analysis as it would only lead to a minor redistribution of the impact between the BBC and commercial operators. We also note that whether these new stations are positive reactions or not does not affect our overall conclusions on the dynamic impacts. This is because of the following reasons.

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<sup>58</sup> BBC, response to our provisional determination, pp. 10-11.

<sup>59</sup> BBC, response to our provisional determination, p. 11.

<sup>60</sup> BBC, response to our provisional determination, pp. 11-12.

<sup>61</sup> BBC, response to our provisional determination, p. 9.

<sup>62</sup> Ofcom, [Guidance for assessing the impact of proposed changes to the BBC’s public service activities](#), p. 28

<sup>63</sup> Ofcom, provisional determination document, p. 37.

<sup>64</sup> BBC, [New music radio stations: Public Interest Test](#), p. 101.

- a) We consider that the launch of R1A, R1D and R3U would likely have a limited impact on fair and effective competition. As noted above, the fact that the BBC's proposals may have contributed to some additional investment in new services offered by commercial operators does not change this overall conclusion.
- b) Our analysis for R2E indicated that the proposals could have a significant negative impact on fair and effective competition, which is consistent with the BBC's own analysis. It may be possible that some positive competitive reactions could occur due to R2E, but we do not think that this could outweigh the negative impact in this case. We consider that the impact would be particularly significant for Boom Radio and that R2E could deter entry and reduce investment incentives more generally. This is especially the case as operators may be less inclined to invest and enter into a new area if they believe that they would be adversely affected by the BBC launching a similar radio station at a later point in time.

3.45 Regarding the BBC's argument that Radio 2 has not moved away from certain audiences, we accept the BBC stating that its strategy to serve certain audiences has not changed, i.e. it has not moved away from them. We raised this point in the context of the potential for R2E to deter entry. To clarify, we consider that the launch of R2E could potentially deter entry and reduce investment incentives for commercial operators, especially independent radio stations and those who have identified an opportunity to serve audiences, as we consider Boom Radio had done.

3.46 We disagree with the BBC that our market impact analysis for R2E is focused on a single atypical player in the market. Our role under the framework agreement is to assess the extent that the BBC's changes will crowd out commercial investment on a forward-looking basis.<sup>65</sup> We have carried out our analysis, as highlighted by figure 1, by assessing the impact on a range of commercial operators. We did find a significant impact on Boom Radio, but our conclusion was based on the significant impact of R2E on wider investment incentives, especially for those independent radio and other commercial operators who have identified an opportunity to serve audiences.

## Dynamic impacts: Radio 5 Sports Extra

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### Our provisional finding

3.47 We considered that the extension of 5SE's broadcasting hours would likely have a significant impact on fair and effective competition as it would lead to a significant reduction in listening for the only commercial sports radio provider (talkSPORT Network). We also considered that talkSPORT's options to mitigate the impact of 5SE are limited. This is because the main dynamic response to increase the attractiveness of a sports radio station would be to enhance its live sports rights. We considered it unlikely that talkSPORT would be able to respond in this way, given that sports rights are expensive and are likely to already be locked into long term contracts.

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<sup>65</sup> Ofcom, [Guidance for assessing the impact of proposed changes to the BBC's public service activities](#).

## Stakeholder responses

- 3.48 The BBC did not disagree with our analysis of the limited dynamic responses available to News Broadcasting in relation to the 5SE proposal.<sup>66</sup> Similarly, News Broadcasting agreed that talkSPORT's ability to respond would be limited.<sup>67</sup>
- 3.49 However, the BBC stated that we make no positive conclusions about the impact of its proposals.<sup>68</sup> Several individuals also argued that an extended 5SE would bring greater choice and high-quality content to the sports radio market.<sup>69</sup>

## Our response

- 3.50 We note that an extended 5SE could allow the BBC to respond to competition and increase choice for sports radio listeners. However, we do not consider that this is sufficient to mitigate the potential negative impact on fair and effective competition that we have identified.

## Local and community radio stations

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### Our provisional finding

- 3.51 As set out in annex 1 of our provisional determination document, we noted the possibility that some listening could be diverted from local radio stations.<sup>70</sup> However, we considered that the impact on local stations would likely be limited given (i) their distinctiveness from the BBC's proposed music stations, and (ii) our understanding that spot advertising is the primary source of revenue for most local stations, and prices for ads sold on a spot basis are not directly linked to listening hours.
- 3.52 We also considered that the proposed BBC stations would be unlikely to affect community radio stations, given that they provide a service that is targeted at the local community and aim to provide social gain, and are therefore distinct from the BBC's proposed music stations.

## Stakeholder responses

- 3.53 Radio Lear argued that the introduction of R3U would entrench centralised cultural production and hinder the growth of community-led, non-commercial services. It argued that the BBC's dominance in arts broadcasting would crowd out smaller, innovative services on small-scale DAB (SSDAB). More specifically, it considers that R3U would be duplicative and undermine services such as its own that are trying to establish

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<sup>66</sup> BBC, response to our provisional determination, p. 11.

<sup>67</sup> News Broadcasting, response to our provisional determination, p. 4.

<sup>68</sup> BBC, response to our provisional determination, p. 11.

<sup>69</sup> Geoff Rogers, response to our provisional determination; [8<], response to our provisional determination; Stephen Trevett, response to our provisional determination; Member of the public 6, response to our provisional determination.

<sup>70</sup> This refers to a long tail of independently owned commercial radio stations. We consider 'independently owned' as those not owned by big media groups, such as Bauer and Global. Examples include but not limited to, London Music Radio, KMFM, Central FM.

themselves. It also commented that there are no measures to prevent R1A and R1D overshadowing independent, youth-focused operators in the same space.<sup>71</sup>

- 3.54 A member of the public also argued that the BBC's stations would crowd out SSDAB services for dance music and other similar radio services (serving large populations in places like Manchester, London and Leeds), due to a reduction in audience and subsequent revenue.<sup>72</sup>

## Our response

- 3.55 We remain of the view that the BBC's proposed stations would likely have a limited impact on local and community radio stations as the respondents have not provided any additional evidence which refutes the analysis we set out in annex 1 of our provisional determination document.
- 3.56 In particular, for community radio services, we maintain that the impact is likely to be low as these stations aim to provide social gain and community benefits where music requirements are not central to the character of a community radio service, with flexibility to adapt its music output to changing audience needs.<sup>73</sup> We consider that Radio Lear's description of its offering is an example of the distinctiveness of community radio, i.e. it stated that it "exists to support storytelling, creative expression, and civic dialogue in local communities, with a mandate to reflect diverse and underrepresented perspectives".

## Wider impacts

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### Our provisional finding

- 3.57 We considered 'wider impacts' of the BBC's proposals in relation to how the BBC's stations could impact on the wider supply chain of commercial operators, including assessing a number of concerns that were raised by stakeholders. We noted the following points.
- a) **Presenter costs** – We considered that 5SE would have a limited impact on presenter costs given that the BBC does not plan to commission any new programmes. We also said that we expect the impact of the new music stations to be limited as the proposed content for each station indicated limited slots for new presenter-led shows.
  - b) **Music royalties** – We did not consider that these stations could have a significant impact on the music sector due to lower music royalty payments as (i) we generally estimated a low loss of listening to commercial music stations, with the exception of R2E (so any loss in royalty payments would be low) and (ii) the BBC is also planning on commissioning additional content and the associated increase in spend on music could potentially offset this negative impact.
  - c) **Sports rights** – We said that we would not expect the BBC's proposal to have a material impact on the cost and availability of sports rights, given that it would not involve an increase to its audio sports rights budget or hours of live sports coverage.

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<sup>71</sup> Radio Lear, response to our provisional determination, p. 3. Radio Lear also considered that R1A and R1D would reinforce the BBC's incumbency position, but we note that this subject is out of scope of the BCA process.

<sup>72</sup> Member of the public 3, response to our provisional determination.

<sup>73</sup> Ofcom, [Community Radio: future approach to Key Commitments](#), p. 5.

- d) **Small Scale DAB multiplexes** – We said that we would not expect these operators to be significantly affected by the BBC’s music stations as we do not consider that the BBC’s proposals will have a significant impact on their ability to generate revenue from community and local radio stations.
- e) **Listening to BBC Sounds** – We noted the BBC’s point that 5SE could aid discoverability of content on BBC Sounds, but we were unsure how much the proposals would actually increase listening on BBC Sounds. We had not seen any strong evidence to indicate that the BBC’s proposals could have a significant impact on the BBC’s radio competitors or the podcast market by driving listeners away from commercial operators onto BBC Sounds via the shop window effect or cross-promotion.

## Stakeholder responses

- 3.58 We received two responses related to the ‘wider impacts’ of the BBC’s proposals on the wider supply chain of commercial operators.
- 3.59 News Broadcasting disagreed with our expectation that the BBC’s proposal would not have a material impact on the cost and availability of sports rights. It argued that the BBC’s proposed changes to 5SE would allow it to dedicate more hours of sports analysis and debate to specific sports or sporting events. News Broadcasting considered that this would increase the attractiveness of the BBC to an audio sports rights holder, making it harder for it to challenge the BBC for sports rights.<sup>74</sup>
- 3.60 One individual stated that the relevant competition considerations are at the sports rights level, which have already been acquired by the BBC and talkSPORT Network, and that our competition assessment is not the place to assess fairness in the sports rights market.<sup>75</sup> Our understanding is that they considered an assessment of the sports rights market to be beyond the scope of our review.

## Our response

- 3.61 In relation to the argument that an extended 5SE would impact the cost and availability of sports rights, we agree with the theory set out by News Broadcasting i.e. that greater coverage of a particular sport (as a result of broadcasting relevant analysis before and after a live sporting event) could make the BBC’s offer more attractive to rights holders. However, in practice we are unsure of the magnitude of this impact. For example, it may be mitigated by talkSPORT (a full-time sports radio network) being able to offer rights holders more hours of coverage than the BBC, given that the BBC’s extended 5SE would only broadcast additional podcast content between 9am and 7pm. In any case, we note that the scale of this impact would not alter our conclusions that we expect 5SE to have a significant negative impact on fair and effective competition.
- 3.62 We acknowledge the view of one individual that the relevant competition considerations are at the sports rights level, and that this sits outside the scope of our review. To clarify, we have not drawn conclusions on fairness in the sports rights market. Rather, we expect the negative impact on talkSPORT’s listening to result from the BBC attracting listeners away from talkSPORT towards the extended 5SE by operating a continuous, predictable sports radio offering. We consider that given the nature of sports rights – which are likely

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<sup>74</sup> News Broadcasting, response to our provisional determination, pp. 4-5.

<sup>75</sup> Member of the public 2, response to our provisional determination, pp. 4-5.

to already be locked into long term contracts – it is unlikely that talkSPORT would be able to enhance its live sports rights to mitigate the adverse impact on its listening.

## Conclusions on market impact

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- 3.63 We conclude that the launch of R1A, R1D and R3U would likely have a limited impact on fair and effective competition. We consider it unlikely that these changes would significantly affect the incentives of commercial operators to invest and innovate as these stations would likely, individually and in aggregate, have a limited impact on listening across their entire portfolio and their revenue / profitability. We also consider that commercial operators can plausibly react to mitigate the potential impact of the BBC's proposals.
- 3.64 R2E could have a much larger impact on commercial operators than the three other proposed music stations combined. We conclude that this would likely have an impact on commercial operators, particularly significant on the independent Boom Radio, who we estimate could see a 13.4% - 20.3% reduction in listening hours. We also think that the proposal could deter entry and reduce investment incentives for other commercial operators as they may be less inclined to invest and enter into an area where they identify an opportunity to serve audiences, if they believe that they would be adversely affected by the BBC launching a similar radio station at a later point in time.
- 3.65 We conclude that 5SE could have a significant impact on fair and effective competition due to the likely impact it would have on the talkSPORT network and the commercial provision of sports radio services. We also consider that talkSPORT Network's options to mitigate the impact of Radio 5 Sports Extra are limited, given that the main dynamic response to increase the attractiveness of a sports radio station would be to enhance its live sports rights. We consider it unlikely that talkSPORT would be able to respond in this way, given that sports rights are expensive and are likely to already be locked into long term contracts.

## 4. Final determinations

- 4.1 In reaching our final determinations, we have had regard to the objective of the BBC to fulfil its Mission and promote the Public Purposes as well as our relevant duties under the Communications Act 2003 and the BBC Charter and Agreement, including those concerning protection of competition and support for public service broadcasting. We have also taken into account the importance of the BBC engaging with audiences it is struggling to reach, including younger and C2DE audiences.
- 4.2 In its consultation response, the BBC asked to better understand how we have assessed whether the public value of the proposed changes justifies the market impact. The framework we have applied is set out in section 5 of our [Guidance](#). As set out there, as well as in the Agreement, we have considered the scale and likelihood of the public value the proposals offer compared to the scale and likelihood of any adverse impact on competition. Sections 2 and 3 of this document provide additional explanations of how we have assessed and concluded on the public value and competition impact of these proposals.
- 4.3 The Guidance further states that we do not expect that a direct comparison of factors relating to public value and factors relating to risks to fair and effective competition will be possible due to the difficulties with quantifying public value. As such, we have exercised our judgment by taking into account (i) our relevant statutory duties and regulatory obligations; and (ii) the available evidence from the BBC's public interest test, our own analysis and information / views offered by stakeholders.

### We have decided to allow the BBC to launch Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind on DAB+

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- 4.4 We have considered the points raised by stakeholders regarding our overall preliminary decisions in the previous sections on public value and market impact.
- 4.5 As set out in section 2, we continue to consider that the R1D and R1A stations would offer some public value. The proposed stations aim to appeal to younger and C2DE audiences who get less value from the BBC and include some distinctive elements and a number of clear commitments (e.g. in relation to UK music and unique tracks). We also continue to consider that R3U would offer some public value, offering some distinctive elements as well as support for informal learning.
- 4.6 As set out in section 3, we also continue consider that the potential competition impact of R1D, R1A and R3U would be low.
- 4.7 In our judgment, taking account of the analysis set out above, we therefore consider that the scale and likelihood of the public value identified for R1D, R1A and R3U would justify the scale and likelihood of the adverse impact on fair and effective competition. In accordance with paragraph 11(1)(b) of the Agreement, we therefore determine that the BBC may proceed with those proposed changes.

## **We have decided not to allow the BBC to launch the Radio 2 Extension**

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- 4.8 As set out in section 2, we continue to consider that R2E would offer some public value. It would target older C2DE listeners, provide speech content, including news and documentaries, and draw on archive content which may bring range and quality. However, as set out above, we continue to consider that the overall case for the distinctiveness of this service is not strong.
- 4.9 As set out in section 3, we continue to consider that R2E could have a significant impact on fair and effective competition, particularly on Boom Radio. We also continue to consider that R2E could potentially deter entry and reduce investment incentives for commercial operators.
- 4.10 In our judgment, taking account of the analysis set out above, we therefore consider that the scale and likelihood of the public value identified for R2E would not justify the scale and likelihood of the adverse impact on fair and effective competition. In accordance with paragraph 11(1)(d) of the Agreement we therefore determine that the BBC may not carry out this proposed change.

## **We have decided not to allow the BBC to proceed with the changes to 5 Sports Extra**

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- 4.11 As set out in section 2, we continue to consider that the changes to 5 Sports Extra would offer some public value, through the BBC showcasing existing sports content to a wider audience and potentially aiding discoverability of other sports content on BBC Sounds.
- 4.12 However, as set out in section 3, we continue to consider that the expansion of 5SE could have a significant adverse impact on the talkSPORT Network and that talkSPORT's options to mitigate this impact are limited.
- 4.13 In our judgment, taking account of the analysis set out above, we therefore consider that the scale and likelihood of the public value identified for the changes to 5SE would not justify the scale and likelihood of the adverse impact on fair and effective competition. In accordance with paragraph 11(1)(d) of the Agreement we therefore determine that the BBC may not carry out this proposed change.



## 5. Our decisions on operating licence conditions

- 5.1 The Agreement creates obligations on Ofcom to set certain Operating Licence conditions for the BBC's UK Public Services and confers a discretion for us to impose such further regulatory conditions as we consider appropriate for requiring the BBC, in carrying out the UK Public Services, to fulfil its Mission and promote the Public Purposes, and to ensure that audiences in the UK's nations are well served.

### Our provisional view

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- 5.2 We took account of the existing conditions that would apply to R1D, R1A and R3U if they were approved – these include the obligation that the BBC must “explain its plans for ensuring that each UK Public Service is distinctive...” (condition 3.14.1) and report on how it delivered those plans (condition 3.16.1). Under these conditions, we said that we would expect the BBC to set out annually how each of the extensions would be distinctive and report on its delivery. We would expect this to include reporting against the range of areas it has set out in its PIT, including, for example, the range of music (and how that compares with other providers), music from UK artists and new music/recent recordings.
- 5.3 We also considered whether it would be appropriate to impose additional Operating Licence conditions. However, taking account of the existing conditions and that listening to the proposed stations was likely to be low, we did not consider that it would be necessary to introduce additional conditions. We explained that we would retain the option of imposing new licence conditions at a later date if we were to identify concerns about the BBC's plans, performance or the quality of its reporting on the three stations.

### Stakeholder responses

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- 5.4 The BBC agreed with our provisional view not to impose additional conditions on R1D, R1A and R3U beyond the transparency conditions 3.14.1 and 3.16.1. The BBC said that this was proportionate to the scale of the services in relation to the BBC's other audio public services and their corresponding regulatory obligations.<sup>76</sup> The BBC stated that, if approved, the stations would be reported on as part of the BBC's annual reporting cycle and that it would intend to report on the performance of the stations during 2025/26 against the plans set out in its PIT submission in relation to breadth and range of music, new music, UK music and specially recorded music.<sup>77</sup>
- 5.5 Radiocentre, News Broadcasting and UK Music all raised concerns about the sufficiency of our proposed approach for holding the BBC to account. Radiocentre considered the proposed stations lack distinctiveness and that this increased the importance of

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<sup>76</sup> It said that radio stations with the most detailed regulatory obligations are the largest and most long standing, i.e. Radio 1, Radio 2, Radio 3 and Radio 4. Whereas stations such as 1Xtra, 6 Music, 5 Live, and Asian Network have far fewer and less detailed conditions. Radio 4 Extra and 5 Sports Extra have no Operating Licence conditions at all and, like BBC Sounds, are covered by Ofcom's transparency conditions.

<sup>77</sup> BBC, response to our provisional determination, pp. 13-14.

introducing operating licence conditions to limit overlap with existing commercial services and thus minimise adverse competitive impacts. Similarly, News Broadcasting said that Ofcom's reservations about the public value of R1D, R1A and R3U enhances the need for conditions. Both Radiocentre and News Broadcasting pointed out that Ofcom applies quotas on other BBC radio services, including for news on digital-only stations.<sup>78</sup>

- 5.6 Radiocentre said that conditions should be imposed in a number of areas to drive greater distinctiveness, including conditions relating to regular and frequent news bulletins and extended bulletins during peak times, speech, music and levels of cross-promotion. News Broadcasting said that there should be clear and measurable conditions based on the BBC's proposals for each of the stations and additional conditions for top-of the hour news bulletins. UK Music considered that there should be requirements for proportions of British and new music, in line with conditions on the BBC's primary stations, and to ensure that the BBC does not drift away from supporting British artists and new talent.<sup>79</sup>
- 5.7 The majority of individual respondents who answered regarding Operating Licence conditions agreed with our provisional view.<sup>80</sup> One respondent disagreed and said that R1D, R1A and R3U should have additional conditions to ensure they don't excessively duplicate commercial services.<sup>81</sup>

## Our response and decisions

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- 5.8 The BBC's operating licence is designed to secure delivery of BBC performance. We are required under the Charter and Agreement to set conditions we consider appropriate for requiring the BBC to fulfil its delivery of the mission and public purposes, secure the provision of distinctive output and services, and secure that audiences in Scotland, Wales, Northern Ireland and England are well served.<sup>82</sup> It is not a tool for mitigating competition impacts, which we have considered separately as part of the BCA.
- 5.9 Our approach to setting conditions in the licence aims to give the BBC flexibility to adapt to changing audience media habits and determine how it delivers its Mission and Public Purposes across its services, while also continuing to hold it to account. Quotas in the Operating Licence are one part of how we regulate the BBC and sit alongside our extensive monitoring and oversight programme, which allows us to comprehensively scrutinise the BBC's performance and quickly identify any areas of potential concern throughout the year.<sup>83</sup>

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<sup>78</sup> Radiocentre, response to our provisional determination, p. 9; News Broadcasting, response to our provisional determination, pp. 6-7.

<sup>79</sup> See Radiocentre, response to our provisional determination, p. 10 for a full list of its suggested conditions; News Broadcasting, response to our provisional determination, p. 6; UK Music response, p. 3.

<sup>80</sup> For example: Member of the Public 2, response to our provisional determination, p. 5; Member of the public 5, response to our provisional determination; J Peter Wilson, response to our provisional determination.

<sup>81</sup> Member of the Public 1, response to our provisional determination.

<sup>82</sup> BBC Charter, paragraph 46(3).

<sup>83</sup> Our monitoring and oversight programme includes regular stakeholder engagement, our own audience research and analysis, a broad set of independent sources (e.g. RAJAR and BARB) as well as BBC data and research.

## News

- 5.10 The BBC is required under Public Purpose 1 to provide impartial news and information to help people understand and engage with the world around them. As audience habits continue to evolve, the BBC needs to be able to deliver news and current affairs output to all audience groups, where they are most likely to find it and in ways that resonate with them. The BBC is the most used source of news in the UK and audiences remain positive about the BBC's overall delivery of news and current affairs.<sup>84</sup> We have not identified a particular concern with how the BBC is delivering news across its services. Therefore, we do not think it appropriate to impose an operating licence condition on news at this time.
- 5.11 However, we expect the BBC to report with its annual report on its efforts to improve the reach of its news content among younger and C2DE audiences across its services, including on online platforms. We will also continue to monitor how the BBC delivers news and current affairs to these audience groups, including monitoring audience satisfaction, and reporting on this as part of our annual report. We retain the option of introducing additional news conditions if we identify concerns about the BBC's delivery of news across its services.

## Other conditions

- 5.12 The transparency conditions 3.14.1. and 3.16.1 will ensure public transparency over the BBC's plans and delivery in relation to the distinctiveness of R1D, R3U and R1A, allowing both Ofcom and stakeholders to scrutinise them. We recognise that Radio 1 and Radio 3 have more detailed regulatory conditions including quotas but consider that we need to take a proportionate approach and note that levels of estimated listening to R1D, R3U and R1A are much lower than for the parent stations. We will continue to monitor how the BBC's audio services deliver value for audiences and contribute to its mission and public purposes as part of our BBC performance programme.
- 5.13 While we have decided not to impose additional conditions at this time, we retain the option of introducing new conditions if we identify concerns about the BBC's performance or the quality of its reporting.

The overview section in this document is a simplified high-level summary only. The decisions we have taken and our reasoning are set out in the full document.

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<sup>84</sup> See [Ofcom's annual report on the BBC](#), 2024, p. 11.