



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

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Consultation response

14 May 2025

# 1. Introduction

We welcome Ofcom's provisional approval of the Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind, published in its April consultation (referred to as Ofcom's consultation throughout).<sup>1</sup> We believe the services will deliver significant public value, particularly to our underserved audience. They represent the first launch of new services onto DAB in over two decades.

We are disappointed that Ofcom was not convinced by our assessment of public value in relation to the Radio 2 Extension and to the extended broadcast hours of Radio 5 Sports Extra, both of which would have significantly supported our reach with C2DE audiences.

Section 2 of this document sets out our response on Ofcom's assessment of the public value of the proposed changes, including Ofcom's approach to underserved audiences, the distinctiveness of our proposals, speech content on music stations, news and industry value.

Section 3 sets out our response on Ofcom's market impact analysis, including how Ofcom has defined comparator stations, the treatment of commercial services launched during the regulatory process, and dynamic market analysis.

In section 4, we request further clarity on Ofcom's assessment of the public value / market impact trade-off. We also agree with Ofcom's proposal that the new music stations would not have specific Operating Licence conditions if approved.

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<sup>1</sup> [Consultation: Proposed new BBC DAB+ radio stations and proposed changes to Radio 5 Sports Extra, April 2025](#), Ofcom, April 2025

## **2. Ofcom’s review of the BBC’s assessment of the public value of the proposals**

### **2.1 Overarching comments**

Regarding Ofcom’s question 1 (Do you agree with our provisional conclusions from our review of the BBC’s assessment of the public value of the Proposals?), we agree that our proposals will deliver significant public value. Each of the new music stations are designed to meet the diverse needs of our audiences and enhance the overall listening experience. We agree that each offer will provide significant value to audiences, particularly younger and C2DE audiences and each proposal includes distinctive elements and supports the music industry and talent pipeline.

We also agree that the BBC’s proposal to extend the broadcast hours of 5 Sports Extra would deliver personal and societal value by showcasing a range of sports content to a wider audience, reaching more listeners on DAB than currently possible on BBC Sounds.

We also appreciate Ofcom’s acknowledgment that the BBC has conducted a thorough assessment of the public value of our proposals. The conclusions drawn by the BBC in our published Public Interest Tests are substantiated by comprehensive data gathered from various quantitative and qualitative sources, including audience research commissioned from MTM, responses to the BBC’s PIT consultations, and additional industry and BBC data and research from RAJAR, Radiomonitor, IPA TouchPoints, and the BBC’s own ‘Soundcheck’ research and Loftus Media analysis<sup>2</sup>.

### **2.2 Approach to underserved audiences**

We welcome Ofcom’s acknowledgement that reaching underserved audience groups is an important objective for the BBC stating: “The BBC has a duty to serve all audiences, and finding new ways to reach these groups in a way that delivers the Public Purposes is crucial for ensuring its long-term sustainability.” However, we have some concerns with how Ofcom has approached this question in its analysis.

#### *2.2.1 The design of our music station proposals*

In our PIT submission, we set out the target underserved audiences that our music stations were proposed to address:

- Radio 1 Anthems – greater value for younger audiences (particular focus on 15-24 age group) from C2DE groups.
- Radio 1 Dance – greater value for younger audiences (15-34 age group) from C2DE groups.
- The Radio 2 extension – greater value for audiences over age of 55 from C2DE groups.
- Radio 3 Unwind – younger classical music audiences, i.e. age group 35-54, broadening audience for classical music in the UK.

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<sup>2</sup> All details of which are found our published on the BBC’s published [Public Interest Test for New Music Stations and Radio 5 Sports Extra](#)

At various points in its consultation Ofcom suggests that the BBC has not demonstrated that the proposed services would serve these audiences, in particular suggesting that our take-up modelling did not model take-up by underserved audiences. Also, Ofcom states that these are audiences “the BBC has moved away from”.

We reject Ofcom’s proposition that the BBC has moved away from these audiences. We are aware that this is an argument often levelled at Radio 2; however, Radio 2’s target audience remains the same as it has for decades, i.e. popular music radio listeners over the age of 35. Radio 2 reaches 13.6 million listeners every week, of which 3.8 million are 65 or older, and 3.1 million are between 55 and 64.<sup>3</sup>

As is clearly shown in our market analysis and supported by Ofcom’s own research, the fundamental issue is that the BBC has not significantly changed its portfolio of radio stations since in 2002, while commercial radio has successfully increased its reach by increasing the choice and specificity of digital stations available to UK audiences.

Each of the BBC’s proposed new music stations were designed to meet the diverse needs of all our audiences including underserved audiences and enhance the overall listening experience. We took into account Ofcom’s research report that clearly stated that listeners from lower socio-economic groups are more likely to spend more of their weekly audio time on live radio compared to other groups and of this listening, a lower proportion is listening online rather than through a radio set; that they were more likely to listen to commercial radio on a weekly basis than the BBC; and that they preferred listening to music and were less inclined to want to listen to speech radio.

As set out in our PIT submission, this was supplemented by analysis of the performance of different genres and periods of music with the target demographics, e.g. music from the 2000s and 2010s over-indexes for audiences aged 15-34 and for C2DE audiences aged under 35, while music from the 1960s and 1970s over-indexes for 55+ C2DE audiences.

Having developed these initial proposals, we tested these with a combination of quantitative and qualitative audience research. In summary, our research found that nearly all of the audience perceptions of the BBC’s ability to deliver its Mission and Public Purposes would benefit from the addition of the proposed stations and extensions. When we break down the increase in audience perception amongst various audience groups, we see a greater shift in perception amongst the BBC’s underserved audiences.

Of particular note are non-BBC listeners whose perception is shifted by a greater degree than any other group across the full range of value metrics. Likewise, C2DE and Black, Asian and Minority Ethnic audiences perceived a greater increase in value across most metrics. Younger audiences – 16-34s – also saw perception of value rise across the board but not to the same extent as other groups. Along with C2DE audiences, 16-34s were more likely to consider that BBC Radio offers something different to commercial radio as a result of the changes. This shows that the proposals bring significant value to our underserved audiences. This analysis was presented for all of our proposals.

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<sup>3</sup> RAJAR, Q4 2024

Ofcom stated that there were “some uncertainties around how effective Radio 1 Dance would be in delivering this [i.e. better serving younger C2DE audience groups] in practice”. In our PIT submission, we set out analysis of the actual performance of the Radio 1 Dance Sounds-stream which clearly showed that it attracted audiences that skewed significantly younger and to lower socioeconomic groups compared to BBC Sounds overall.<sup>4</sup>

We consider that this approach is more meaningful than hypothetical modelling assumptions in take-up analysis largely developed for analysing market impact.

### *2.2.2 Ofcom’s analysis of impact of serving underserved audiences*

At various points in its analysis Ofcom appears to suggest that the public value of the BBC’s proposals is limited because commercial radio or other services are already serving these audience groups. Ofcom notes that other commercial radio stations already serve older and C2DE audiences; that the “value to underserved audiences could be limited given the BBC’s low estimated uplift in listening hours that [Radio 1 Dance and Radio 1 Anthems] would attract”; and “the public value of targeting audiences through new DAB+ stations could therefore become more limited over time as more audiences move online.”<sup>5</sup>

We are concerned with what appears to be Ofcom’s implicit assumption that the BBC’s public value in reaching these audiences is lower if these audiences are already being served by other providers, such as, in this case, commercial radio. This appears to contradict Ofcom’s statement about the importance of the BBC serving all audiences and calls for the BBC to do more to reach these audiences. Audiences who are underserved by the BBC are not necessarily, or even normally, unserved by the market. It is almost inevitable that when the BBC attempts to improve its reach with underserved audiences this will include competing with services that are offering not dissimilar services to those audiences, because those are the type of services that these audiences like.

While we have described the market impact of the proposed stations as relatively low, this is due to the scale and competitiveness of the wider radio market and the strong dynamic response anticipated from commercial radio. However, we disagree that the estimated listening hours to Radio 1 Anthems or Radio 1 Dance are low for brand extensions. Our estimates for Radio 1 Dance (reach of 960,000 and 5 million weekly hours of listening) and Radio 1 Anthems (reach of 860,000 and 3 million weekly hours of listening) would suggest they would both be within the ten largest music brand extensions in the market; larger than any of the commercial brand extensions launched in September 2024; and together account for about 4% of all radio listening in the 15-44 age group. This is a significant, not low, uplift for new brand extension stations. As such we disagree that our proposed stations will have a limited value to underserved audiences.

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<sup>4</sup> [New music stations: Public Interest Test](#), BBC, November 2024, figure 29.

<sup>5</sup> [Consultation: Proposed new BBC DAB+ radio stations and proposed changes to Radio 5 Sports Extra, April 2025](#), Ofcom, April 2025, paragraphs 4.62, 4.34, 4.41 and 4.22

Finally, the proposal to launch these stations on DAB+ is only part of the BBC's strategy to serve underserved audiences. These stations will also be available online via BBC Sounds and smart speakers, and versions of Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind already are. As we have set out above, the Radio 1 Dance Sounds-stream has been successful in serving these audiences. We also commission and acquire podcasts and music for BBC Sounds designed to attract these audiences, and as noted elsewhere our efforts for news are primarily focused on extending our news reach on social media. However, radio listening has remained robust and therefore, it is vital the BBC continues to deliver experiences for audiences on these platforms.

### *2.2.3 Our 5 Sports Extra proposals*

We do not agree with Ofcom's suggestion that the BBC did not demonstrate how the changes to 5 Sports Extra would especially appeal to C2DE audiences.

We conducted extensive audience research, including both quantitative and qualitative methods, and analysis of BBC audience and listening data. Our audience research findings strongly suggest that our proposal would better serve C2DE audiences. For example, our quantitative research found that more than half (56%) of younger (25-44) C2DE audiences rated the proposed station highly, with 38% likely to consider listening. Overall, 67% of C2DE listeners said they might or were likely to consider listening to the proposed station, and 39% of younger listeners (25-44) expressed a likelihood to listen.

Qualitative research also supported this, with one 25-34 C2DE respondent hopeful that the BBC could curate engaging and relevant podcast content. Additionally, a stakeholder responding to our consultation supported the proposal, noting it would serve C2DE audiences and bring positive competition to the market.

Our February 2024 consultation data shows that sports content performs well among C2DE audiences. Sports output on Radio 5 Live over-indexes for C2DE, while 5 Sports Extra over-indexes for 25-34s and for C2DE audiences.

Regarding the analysis provided to Ofcom, BBC Radio 5 Live is the only BBC station on linear radio that broadcasts sports content beyond live commentaries, however at least 70% of its broadcast hours are dedicated to news and current affairs. In order to attain a measurable data point for listening to sports content on 5 Live, we can only index it against the other content broadcast on the network, which is news. We also considered comparisons to the speech radio market, but this would also likely skew ABC1 based on the typical listening audience to radio, another option could be to index against the UK population.

## **2.3 Distinctiveness of the proposed music stations**

We welcome Ofcom's broad acknowledgement that each of the proposals will offer a distinctive and innovative offer to audiences.

However, we feel the distinctiveness of our offer on the proposed Radio 2 extension was understated in Ofcom's assessment. Specifically, Ofcom criticised the absence of new music and lack of innovation. Ofcom also commented on the lack of comparison with recently launched stations such as Greatest Hits Radio 60s.

As noted above, the basic music proposition of each of the proposed stations was selected based on what was most likely to attract the target audience. In the case of older C2DE audiences we considered that this would be music from the 50s, 60s and 70s. Given this clear proposition, it is not clear what Ofcom means by new music in this context. However, we consider that we clearly set out how the Radio 2 extension would be distinctive and innovative, in particular, our proposed regional focus through the partnership with BBC Local Radio, archive content featuring unique live and specially recorded music not available anywhere else, and speech-led and documentary programming.

Ofcom stated as part of its assessment of the Radio 2 extension's public value, that Boom Radio also included music from these decades and around 10,000 unique tracks per year. We also acknowledged this in our PIT submission to Ofcom. However, it appears that Ofcom is suggesting in this case that the BBC can only be seen as providing public value if it is offering something wholly unique to the rest of the market. This is a markedly different interpretation of distinctiveness to that Ofcom has used during this Charter period and would appear to set an impossible bar for BBC proposals aimed at attracting underserved audiences.

We address Ofcom's approach to the commercial radio stations launched since the BBC's announcements in our discussion of Ofcom's approach to dynamic market analysis. However, we would note that Greatest Hits Radio 60s was launched on 16 September 2024, seven months after our initial consultation and the same week that the BBC Board took its final decision on these audio proposals.

## **2.4 Speech content across our music proposals**

We welcome Ofcom's assessment of how our proposed stations will contribute to the delivery of the BBC's Mission and Public Purposes, specifically informal educational content.

We agree with Ofcom that the proposed stations can contribute to informal learning through various speech elements. However, at various points Ofcom appears to suggest that only high levels of speech content can contribute to the BBC's second public purpose. In particular, Ofcom noted that the educational value of Radio 1 Dance could be limited due to the music-led schedule

This is to fundamentally misunderstand the importance of curation and context in programming and the vital role of listening to music in music education. *Pete Tong's Essential History of Dance* on Radio 1 Dance is a great example – it features almost back-to-back music, but overlaid and interspersed with spoken information about the context and development of the music and interviews with key artists. Each episode is themed around a particular genre, and organised around the development of that genre with the music telling the story of that development. While this programme has relatively low pure speech, it is simultaneously highly informative and educational. It is important to note that even a more traditional educational music format such as Radio 3's *Composer of the Week* (which was first launched in 1943 and has seen very little change in the last 25 years) will still be about 80% music to 20% speech.

Ofcom acknowledges some contribution to Public Purpose 2 for Radio 1 Dance (e.g. through dance history) however Ofcom note it could be limited due to the music-led schedule. We proposed a 15-25% range for speech content, which Ofcom recognises as higher than other commercial stations. This allows us to contribute to Public Purpose 2 through dedicated programming and regular broadcasts of diverse dance music sub-genres more than commercial comparators.

For the Radio 2 extension, we agree with Ofcom that the network would offer public value for older C2DE audiences, with 30% speech content and an extensive archive material supporting learning on the station. Our approach would have included multi-part documentaries and specially recorded content, providing a distinctive and innovative speech proposition beyond a presenter-led music program. We believe these elements provide a strong case for the distinctiveness and innovation of our stations compared to market competitors. We are disappointed that Ofcom has not sufficiently valued this public value.

## **2.5 News on Radio 1 Anthems and Radio 1 Dance**

Ofcom has expressed disappointment that the BBC's proposals do not include offering news on proposed Radio 1 Anthems and Radio 1 Dance stations, as it considers that the BBC "could have used this as an opportunity to deliver news in a distinctive way that suits these [younger and C2DE] audiences".

We understand this segment of audiences are less exposed to news on linear radio, however, we reiterate that the intent of the proposed stations is primarily mood-based and to best reach this underserved audiences, we chose not to carry news bulletins as this would interrupt the listening experience and research tells us that listeners looking for a relaxing lean-back listen do not want any interruptions to the tone and mood.

We note that – as we set out in our Public Interest Test submission – the BBC serves news across nearly all our radio portfolio, including Radio 1, 1Xtra, Radio 2, 6 Music, Asian Network, etc. Newsbeat bulletins, which are tailored to younger audiences, provide concise and relevant news updates. This extensive news provision supports our decision not to add additional news content to the new stations.

However, as highlighted in Ofcom's own research, younger audiences in particular are preferring to use online sources far above radio, by a ratio of almost 3:1.<sup>6</sup> This is where the BBC is focusing its activities in reaching younger audiences (including C2DE) with impartial, accurate and informative news. As we set out in our Annual Plan for 2025/26, to reach young audiences with our most important stories, we will expand our presence on YouTube, TikTok and Instagram, and invest further in our vertical and shortform video capabilities, to drive off-platform reach and enrich experiences on our owned platforms. These measures will also help to better serve audiences from lower income, C2DE sociodemographic groups.<sup>7</sup> As we noted, in our PIT submission, as of the end of March 2024, our rolling monthly average views for BBC News on TikTok was 103.7 million, with 45% of the average daily reached audience being 18-24. In comparison, our

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<sup>6</sup> [News consumption in the UK](#), Ofcom, September 2024, figure 2

<sup>7</sup> [Annual Plan 2025/26](#), BBC, 31 March 2025, p.21



estimated reach of Radio 1 Dance and Radio 1 Anthems was 0.96m and 0.86m, respectively.

Finally, Ofcom states that many commercial radio stations carry news. While this is true for the main commercial stations and networks, many of the brand extensions with which the BBC's brand extensions are most likely to compete do not carry news. It is also not clear why the existence of news on other services would impact the public value of the BBC's proposals.

## **2.6 Industry Value from the proposed music stations**

We appreciate Ofcom's consideration of how our proposals will contribute to the value of the music industry. While Ofcom suggests that the potential value of commissions for the proposed new stations may be modest, we would like to emphasise the BBC's strong commitment to supporting the creative economy across the UK.

We have pledged that 50% of our radio and music expenditure, including our performing groups, will be outside of London by 2027/28. This commitment encompasses our proposed networks. Ofcom acknowledges that commissions made for the BBC Sounds strands of the proposals will contribute to the network equivalents. However, we would like to reiterate that a significant share of new commissions for each of the networks will be made, with many being produced by independent creators outside of London and across the UK.

## **2.7 Evidence our proposal will aid discovery of broader sports content on radio and on BBC Sounds**

We welcome Ofcom's acknowledgment that our proposals will bring value by broadcasting more sports content, including less mainstream sports. While we did not commit to specific sports, the additional broadcast hours would have allowed us to feature more content from our BBC Sounds podcast library, which is host to a significant range of sports podcast content.

We also appreciate Ofcom's recognition that the proposal would enhance representation and portrayal of sports content from across the UK's nations and regions. We believe the planned content would have significantly supported our delivery of Public Purpose 4.

Finally, we agree with Ofcom that our proposals would aid the discovery of sports content on BBC Sounds. While it is challenging to model the specific impact on BBC Sounds activations or listening, we believe 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.

### **3. Ofcom's assessment of the likely impact on fair and effective competition**

Regarding Ofcom's question 2 (Do you agree with our assessment of the likely impact of the proposals on fair and effective competition?), we welcome Ofcom's analysis and consider that Ofcom has carried out a thorough and rigorous assessment of the likely impact of the proposed changes. In particular that Ofcom has adopted our baskets approach as its core measure for the uplift of the music stations and our top-down approach for 5 Sports Extra. We support the general approach Ofcom has taken to all of the proposed changes and note that the results are similar to the BBC's analysis.

#### **3.1 Analysing market impact**

We consider that Ofcom has carried out a thorough and rigorous assessment of the likely impact of the proposed changes, particularly its assessment of the impact of the proposed changes on the wider commercial market.

We welcome Ofcom's recognition that it is generally appropriate to analyse the impact on competitors at the radio group level, i.e. Global and Bauer, rather than the individual station level. We consider that this would have been more appropriate for News Broadcasting also, as impacts on its talkSPORT activities could have an impact on its music network or other speech stations, and vice versa.

We consider it is appropriate for Ofcom to have analysed Boom Radio as a single independent radio station, as indeed did the BBC. However, we have some concerns regarding this analysis and the emphasis Ofcom places on it.

First, for all other services, Ofcom has used historic RAJAR data to forecast listening figures. In the case of Boom Radio, Ofcom has used Boom's own forecasts. Given that Boom has been reported on RAJAR since Q3 2022, Ofcom could easily have used the same approach, particularly given the significant break in RAJAR created by the pandemic and the changes in RAJAR methodology over the period used for the other radio services.

Second, Ofcom's market impact analysis for the Radio 2 extension in effect is an analysis of a single atypical player in the market. This approach is likely to limit the BBC's ability to develop services in the future for underserved audiences where a single other provider not typical of the industry is serving that audience. We address this point further in the section 4.

#### **3.2 Defining comparators**

In its market impact annex, Ofcom states that the BBC used editorial judgement to define its competitor sets to its proposed music extensions and that its approach provide a more objective and robust method for defining the list of relevant competitors.

As is clearly set out in our PIT submission, for each extension we started with the results of the audience research we had commissioned, took into account the feedback from commercial radio stakeholders on which stations they considered would be most

impacted, considered Ofcom's approach in the materiality assessments, and applied expert editorial judgement to define the competitor sets.

Radio 1 Anthems	Radio 1 Dance	Radio 2 Extension	Radio 3 Unwind
<b>BBC comparators</b>			
Absolute 00s Absolute 10s Capital † Heart Heart 00s Hits Radio KISS † KISSTORY Virgin Radio Chilled Virgin Radio Anthems †	Capital Dance Capital XTRA † Capital XTRA Reloaded† Heart Dance KISSTORY	Absolute Radio † Absolute Radio 60s Absolute Radio 70s Absolute Classic Rock† Boom Radio Gold Greatest Hits Radio Heart † Heart 70s Magic Magic Soul † Mellow Magic Smooth Radio Virgin Radio Anthems Virgin Radio †	Classic FM Scala (now Magic Classical)
<b>Additional Ofcom comparators</b>			
Capital Anthems * Heart 10s * Radio X 00s *	KISS	Smooth 70s *	Classic FM Calm *

\* New stations launched in September 2024.

† Stations included as a comparator by the BBC but not Ofcom.

As can be seen from the table above, the only additional stations Ofcom's approach identified were KISS and those launched in September 2024, and for which RAJAR data was first available in February 2025, three months after the publication of the BBC's PIT submission. Although we note Ofcom did not include Greatest Hits Radio 60s, which on this basis should clearly have been included in Radio 2 analysis.

Ofcom's analysis also misses several clear comparators, e.g. Capital XTRA and Capital XTRA Reloaded from the Radio 1 Dance analysis; KISS from the Radio 1 Anthems analysis; and Absolute Classic Rock and Magic Soul from the Radio 2 extension analysis.

### 3.3 Treatment of services launched after

In its market impact analysis Ofcom has included the new Global and Bauer stations in the competitor list, where relevant, as it is possible that some listeners to these stations would divert their listening to the proposed BBC stations given the similarity in music genres.

Although the inclusion of these newly launched stations disperses the impact of the proposed BBC stations and therefore reduce the market impact of BBC proposals,<sup>8</sup> we consider that this is completely inappropriate for Ofcom to consider the newly launched stations in the static analysis. This contradicts Ofcom's own guidance for assessing the

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<sup>8</sup> Although we would note that Ofcom has excluded Greatest Hits Radio 60s from the Radio 2 analysis despite being a clear comparator.

impact of proposed changes to the BBC's public service activities which stated that the changes being proposed will be assessed against a baseline which is generally "the position as it would look in the absence of the proposed change to the BBC's service".<sup>9</sup>

One of the effects of the regulatory approval process for BBC services is that the BBC loses first-mover advantage. It is not possible for the BBC to develop significant services confidentially and announce them shortly before or at launch as is the case for commercial providers, and as Global and Bauer did in September. Given the BBC's public funding this is entirely appropriate. However, it is not appropriate that the regulatory approval process includes in its market impact analysis services that have been launched following the start of the public regulatory approval process in full knowledge of the BBC's proposals.

As we discuss below, we consider that these new services should have been considered in Ofcom's dynamic market analysis.

### **3.4 Dynamic market analysis**

We are disappointed with Ofcom's dynamic market analysis. Despite the widely acknowledged importance of dynamic effects to market impact analysis, Ofcom's analysis is limited and they state it "is inherently difficult".

Ofcom summarises the issue as whether commercial operators "respond by investing and/or innovating", "reduce investment ... to maintain profitability" with a potential "negative impact on consumers if it reduces overall choice and quality." Despite the existence of what appears to be a clear response to the BBC's proposals of investment and innovation the launch of the new commercial radio services, Ofcom makes no positive conclusions, only negative in relation to the potential impacts on Boom and News Broadcasting.

We do not disagree with Ofcom's analysis of the limited dynamic responses available to Boom Radio and News Broadcasting in relation to the Radio 2 extension and 5 Sports Extra proposals, respectively. This is in line with the BBC's analysis published in our PIT submission.

However, we consider that the new commercial radio stations launched in September 2024 and March 2025 should have been included and analysed in Ofcom's dynamic market analysis as they are clearly a dynamic response to the BBC's announcement of its proposed services in February 2024.

First, it does not seem credible that the "biggest ever launch in radio history" is completely unrelated to the BBC's announcement that it is proposing to launch new stations. Second, several of the stations appear to be clear responses to the BBC's proposals, e.g. Capital Anthems, Heart 10s, Hits Radio 00s and Radio X 00s to Radio 1 Anthems; Greatest Hits Radio 60s, Greatest Hits Radio 70s, Smooth 70s and Smooth Soul to the Radio 2 extension; and Classic FM Calm to Radio 3 Unwind. Third,

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<sup>9</sup> [Guidance for assessing the impact of proposed changes to the BBC's public service activities](#), Ofcom, April 2023, paragraph 5.3

commercial radio has made various distribution changes including Absolute Radio, KISS, KISSTORY and Magic Radio being available on DAB+.

In the latest RAJAR release Q1 2025, we can observe that, despite a slight decline in overall reach among audiences, commercial radio reach is broadly stable and several new brand extensions have been able to grow their reach and hours. For example, Classic Calm has proved popular with audiences, the Heart brand has seen record increases in audience reach with extensions Heart Musicals and Heart 10s contributing to growth. Smooth radio brands have also performed well quarter on quarter, in particular Smooth 70s and Smooth Soul. Despite a decline in overall audience reach for the Greatest Hits Radio networks, new extension Greatest Hits Radio 60s has shown growth quarter-on-quarter with a 10% increase in reach (to 424k) and 2% increase in listening to 2.7 million hours per week. Reach for Boom Radio remains flat at around (700k, -1% change QoQ) as it has done for the last couple of quarters, but its audience is spending more time with the service (9.6 million hours per week, +27% QoQ). In total, listening to national commercial radio grew by 1.2% in the quarter, with the new stations launched in September 2024 generating 13.3 million hours of listening per week, up 16% QoQ. The growth in commercial radio brand extensions shows that brand extensions continue to be valued by audiences following investment. Many of the investments by commercial radio were in response to changing market conditions, such as the proposals by the BBC. Therefore, we can observe clear evidence that the sector does not lack investment incentives, particularly when it comes to brand extensions. Radiocentre noted that commercial radio's overall audience share had increased year-on-year with 55%, compared to 54.2% in the previous year, and "widening the gap with the BBC, whose share is now 43%". Radiocentre also stated "These latest figures are a testament to how broadcasters have embraced innovation to keep radio strong and relevant."<sup>10</sup>

As such it appears to be clear that the competitor response to the BBC's proposals has been investment and innovation to the benefit of audiences and consumers, with existing stations such as Boom maintaining listening despite the launch of the new stations. The BBC's proposals have led to a crowding-in of investment, not a crowding-out.

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<sup>10</sup> [Record highs for online and smart speaker listening](#), Radiocentre, 15 May 2025

## **4. Ofcom's provisional conclusions and approach to the Operating Licence**

### **4.1 Ofcom's provisional decisions**

Regarding Ofcom's question 3 (Do you agree with our provisional conclusions on the BBC's proposed changes to its radio services?), we agree with Ofcom's provisional findings in relation to Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind. However, we are disappointed that Ofcom has chosen not to approve the Radio 2 Extension and the expansion of operating hours on 5 Sports Extra.

As noted above we consider that Ofcom has understated the public value of our proposals for the Radio 2 Extension and the extension of broadcast hours on 5 Sports Extra. We also consider that Ofcom has underestimated the potential for dynamic response to our music proposals and taken a very narrow view regarding market impact.

We would like to understand better how Ofcom has assessed whether the public value of the proposed changes justifies the market impact. As the Public Interest Test and Competition Assessment process only exists to deal with those changes the BBC wishes to make that are likely to have a significant adverse impact on fair and effective competition if it is not sufficient merely to identify a market impact.

In particular, we consider that our music proposals, including that for the Radio 2 Extension, have created a dynamic response that has driven investment and innovation to the benefit of audiences. Whereas Ofcom's decision appears to pivot largely on the impact on a single player in the market and the likely impact on future investment in independent radio services. This appears to privilege an unlikely and unproven dynamic impact (given the consolidation and market dynamics of commercial radio), over one that can be demonstrated to already be occurring.

### **4.2 Operating Licence conditions**

Regarding Ofcom's question 4 (Do you agree with our proposal not to set additional Operating Licence conditions on Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind if we approve them?), we agree with Ofcom's provisional decision not to apply additional licence conditions on Radio 1 Dance, Radio 1 Anthems and Radio 3 Unwind beyond the transparency conditions 3.14.1 and 3.16.1.

We consider that this is consistent with Ofcom's approach on modernising the Operating Licence, providing the BBC with greater flexibility while still being open to review and assess our performance annually through requests for information and as published in our own performance reports.

It is also proportionate to the scale of the services in relation to the BBC's other audio public services. For example, the BBC 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.

If approved these stations will be reported on as part of the BBC's annual reporting cycle. We will set out commitments in March each year in the BBC Annual Plan and will then report on our performance within our public report, Delivery of the Mission and Public Purposes, which we publish alongside the Annual Report and Accounts, usually in the July after the year to which it applies.

As we set out in our PIT submission, if Ofcom were to approve these stations and they were launched during 2025 we would intend to report on their performance during 2025/26 against the plans that we have set out in our PIT submission in relation to breadth and range of music, new music, UK music, and specially recorded music.