



# **New music radio stations: Public Interest Test consultation**

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Consultation document

14 February 2024

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# 1. Executive summary

The way audiences listen to music has changed fundamentally over the last six decades – from vinyl and cassettes, to CDs, to downloads, to streaming. Throughout this period – and particularly since the launch of BBC Radio 1, Radio 2 and Radio 3 in 1967 – radio has played a critical role in UK music, and continues to play a crucial role for audiences, artists and the industry.

The wider audio market continues to change rapidly. Music streaming, social platforms and the digital radio evolution have transformed listening habits in the past decade. Audiences now expect more choice and greater control over their listening experience, with clear propositions and personalisation to help discovery of relevant content. To deliver value for all audiences it is crucial that the BBC continues to evolve in response to changing audience behaviour, so that audiences who currently get less from the BBC can discover relevant BBC content and get more value from the Licence Fee.

This document sets out the BBC's proposals to launch new BBC music radio stations. In this document, we set out the market context, the detail of our proposals, and how these proposals will generate public value. We invite responses from all interested stakeholders, particularly regarding the public value and market impact of the proposals.

## 1.1 The BBC proposes to launch four new BBC music radio stations on DAB+

The stations will be part of a crucial evolution of the Radio 1, Radio 2 and Radio 3 brands, elegantly curating BBC Sounds music programmes led by much loved familiar voices alongside exciting new BBC presenters. Our proposals aim to do more for younger and C2DE audiences who currently get less value from the BBC, and better meet the moods and need states of modern audiences. We'll bring audiences deeper into genres and periods of music they love most, with context, curation and storytelling-through-music that only the BBC and its unique archive can do. We plan to utilise DAB+ as a cost efficient way to reach our target audience, showcasing the BBC's creative investment in distinctive music content to a broader audience to improve discovery, and encourage the transition of listeners to BBC Sounds where they can enjoy a richer, more personalised experience.

These proposed new music radio stations are:

- **Radio 1 Dance** which has been a stream on BBC Sounds since October 2020, but currently limited to curating only existing content. We propose to re-launch this as a radio station, targeting audiences aged 15 to 34, with an expanded content offer that will include new commissions, providing a bigger platform to showcase the BBC's creative investment in dance music, supporting the development of new UK artists, and reflecting the dance scene to a wider audience.
- An **additional Radio 1 extension** will offer younger audiences aged 15-34 a deep dive into the iconic tracks and artists that have shaped the last two decades, helping them discover and re-discover a wide range of the music and acts supported by Radio 1. It will provide a dedicated nostalgic station for young people through the voice of young talent – behind and in front of the mic.

- A **Radio 2 extension** providing a distinctive take on pop nostalgia, diving into the music and unique BBC archive primarily from the 1950s, 1960s and 1970s. The extension targets listeners aged 55+ who are seeking a more comprehensive nostalgic experience than the Radio 2 schedule and the wider radio market are currently able to provide, and audiences from C2DE groups who get less value from the BBC but value the Radio 2 brand and its trusted presenters and curators.
- A **Radio 3 extension** providing a calming and relaxing classical music experience that matches listeners' daily routines, helps them escape the pressures and stresses of daily life, and supports their wellbeing. It will feature a wide range of classical music, both familiar and new, aimed at audiences aged 35+, and featuring music from the BBC Orchestras and Choirs alongside the best performers and ensembles from across the UK and beyond.

To note, the BBC also proposes re-launching the Radio 1 Dance stream and launching three additional brand extension streams as Sounds-only streams on BBC Sounds in 2024, subject to a materiality assessment – this is a separate regulatory process from this Public Interest Test.

## **1.2 The public value of these changes**

We consider that the launch of four new music radio stations on DAB+, thus creating four new UK Public Services, will contribute to the BBC's mission through seeking to better serve all audiences and in particular to the third, fourth and fifth public purposes, i.e. providing high-quality output across a range of services, offering services that meet the needs of the UK's communities, investing in the creative economies and contributing to their development, and reflecting UK culture to the world.

In particular, we consider that our music radio station proposals will offer:

- Improved value for all audiences (particularly those who currently get less value from BBC music radio) – the stations will be part of a crucial evolution of the Radio 1, Radio 2 and Radio 3 brands to improve audience value. The stations will target younger and C2DE audiences who currently get less value from the BBC, as well as better meeting the moods and need states of modern audiences. The new stations will also encourage the transition of listeners to BBC Sounds where they can enjoy a richer, more personalised experience, and discover the full range of the BBC's content offer;
- Breadth and range of music – all of the new stations will feature high quality, talent-led music programming, playing a broader range of tracks and composers than the market, and bringing audiences deeper into genres and periods of music they love most;
- New music – Radio 1 Dance will continue to support new artists and DJs and the latest releases in dance music, while the Radio 3 extension will include newly released pieces and performances of classic pieces as well as new compositions;
- British music and talent – the new stations will give focus to UK artists in terms of the proportion of tracks played. We will be commissioning new programmes for the new stations, and through the focus on Deep specialism, New and UK music,

we will be raising the profile of artists that are lesser known and have not received as much broadcast coverage;

- Speech – the stations will offer audiences context, curation and storytelling-through-music that only the BBC and its unique archive of clips, interviews and live performances can do;
- Live or specially recorded music – the new stations will also reflect the creative calendar across the year, covering the live events and unique performances in their genres, or making use of the BBC’s unique archive of live and specially recorded music;
- Support for technological innovation in radio broadcasting – the BBC’s involvement in DAB+ is likely to support the further development of digital radio in the UK.

### **1.3 Regulatory approval process**

The Framework Agreement states that the BBC can only make a material change to UK Public Services once the BBC has carried out a Public Interest Test, has determined the Test is satisfied and Ofcom has approved the change. A material change is defined as either a “new UK Public Service” or “any change to a UK Public Service which may have a significant adverse impact on fair and effective competition”.<sup>1</sup>

The planned launch of four new music radio stations on DAB+ would represent a launch of four new UK Public Services which may have a significant adverse impact on fair and effective competition. As such, the change requires a Public Interest Test.

As part of this process, we are publicly consulting on these proposals to give stakeholders an opportunity to comment. We invite responses from all interested stakeholders, particularly regarding the public value and market impact of the proposals. This consultation runs for six weeks from 14 February to 27 March 2024. Meanwhile, we will undertake further analysis to assess both the public value and market impact of these proposals.

We will determine our final proposals on the basis of this research, analysis and stakeholder feedback. If the BBC Board decides that these proposals meet the Public Interest Test, we will then send the Public Interest Test submission and supporting evidence to Ofcom. At this point, we will publish the Public Interest Test submission, research and analysis. We expect this to be in the summer.

To note, the BBC also proposes re-launching the Radio 1 Dance stream and launching three additional brand extension streams as Sounds-only streams on BBC Sounds in 2024, subject to a materiality assessment – this is a separate regulatory process from this Public Interest Test.

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<sup>1</sup> [BBC Framework Agreement](#), clause 7(6) and 7(7).

## **2. The context for our proposals**

In this section, we set out the key factors informing our proposals, including the technological and market developments driving changes in audience behaviour, and the history and strategies of the BBC and commercial radio.

The way audiences listen to music has been through significant change over the last six decades – from vinyl, to CDs, to downloads, to streaming. But ever since the launch of BBC Radio 1, Radio 2 and Radio 3 in 1967, radio has played a critical role in UK music, and continues to play a crucial role for audiences, artists and the industry.

### **2.1 A brief history of music radio**

In September 1967, the BBC updated its radio portfolio by launching BBC Radio 1, Radio 2, Radio 3 and Radio 4. Radio 1 was designed as a brand new pop music service to replace the outlawed pirate radio stations, while Radio 2 and 3 replaced the Light and Third services.

The UK's first commercial radio service was LBC, shortly followed by Capital Radio. Both were launched in October 1973 and covered the Greater London area, with LBC offering news and information and Capital music and entertainment. A further 16 local commercial stations were launched across Glasgow (Clyde), Birmingham (BRMB) and Manchester (Piccadilly) in the mid-1970s. Further launches continued through the 1980s, where 'frequency splitting' saw commercial operators distributing their younger-focused services on FM and older-focused stations on AM.

In September 1992, Classic FM was the first national commercial radio station to launch, followed by Virgin 1215 in April 1993. Commercial radio continued to grow through the 1990s with further launches of regional and national stations, including Heart and XFM.

In 1995, the BBC launched its national radio services (Radio 1, Radio 2, etc.) on DAB. Shortly after, the first commercial DAB stations also started in England and across parts of Scotland and Wales. Classic FM and Virgin Radio were among the first to expand to DAB, along with two new digital stations, Core and Planet Rock. In 2002, the BBC launched its first national DAB-only music stations – 1Xtra, 6 Music and a national Asian Network (after 1989 West Midlands launch).

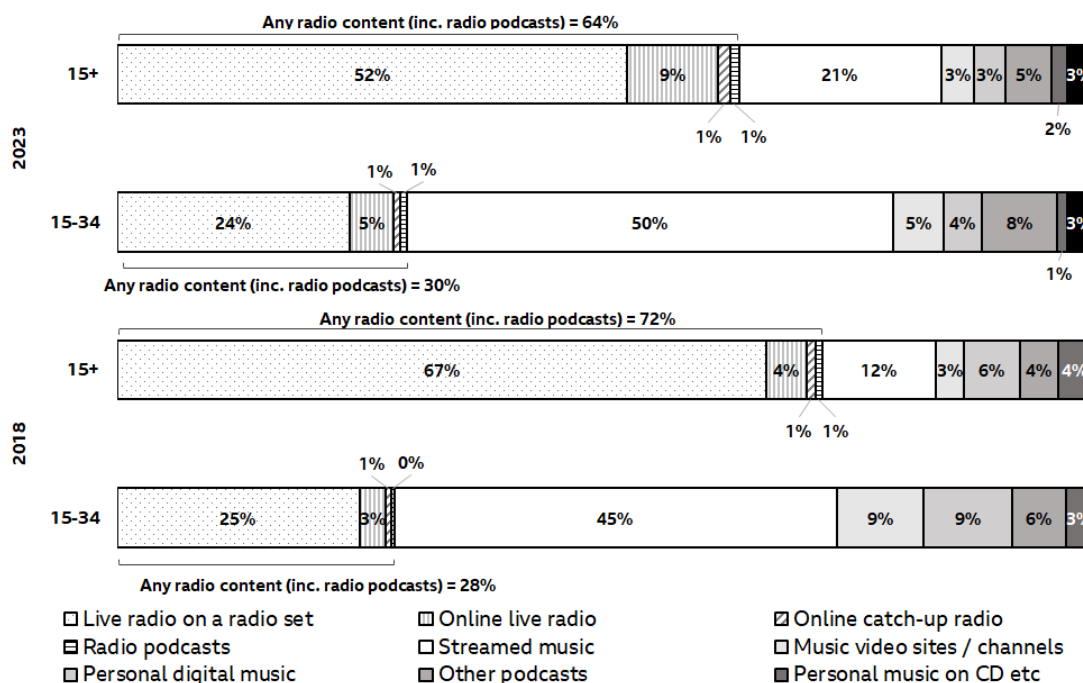
The 2000s also saw significant consolidation in commercial radio. Global Media & Entertainment (Global) was formed in 2007, acquiring first Chrysalis Radio (Heart, Galaxy, The Arrow) and a year later GCAP Media (including Capital and Classic FM). In 2012, Global acquired GMG (Real and Smooth). Similarly, in 2008, Bauer Media Group ("Bauer") purchased Emap (Kiss, Magic, Kerrang! and dozens of local stations across England, Scotland and Northern Ireland). Since then Bauer has continued to make acquisitions: Orion Media (2016), Jazz FM (2018), and in 2019 Lincs FM Group, Celador, local stations owned by Wireless Group, and UKRD. As of September 2023, Global accounted for 23% and Bauer 21% of all radio listening in the UK (i.e. including the BBC). Considering just the commercial market, Global has 43% of listening and Bauer 38%.

## 2.2 The impact of music streaming

Since the launch of services such as Spotify, Apple Music and Amazon Music, music streaming has been the key factor driving significant changes in listening behaviour and audience expectation with music, particularly with audiences under 35.

While live radio continues to be the most popular form of audio, with 88% of adults tuning in for an average of 20 hours each week, music streaming services have grown rapidly, and now reach 75% of audiences aged 15-34 every week compared to 59% in 2018.<sup>2</sup> Listening time has also shifted considerably towards streaming. Streamed music now accounts for 21% of listening for all adults, and 50% of listening for 15-34s. The younger age group now spends only 30% of their listening time with radio, compared to 64% for all adults.

**Figure 1: Share of time spent each week on any audio: adults 15+ vs 15-34s**



Source: Ofcom, Media Nations, 2023

Spotify is the most popular digital audio streaming app in the UK reaching an estimated 12.5m million weekly UK users, while subscription-only services Amazon Music and Apple Music reach an estimated 3.6m and 2.6m respectively.<sup>3</sup>

Streaming has also driven new demand for depth and breadth in music. Social media gives music fans innovative ways to interact with and follow their favourite artists, while streaming has enabled younger audiences in particular to discover music from the past 60 years that is new to them, surfaced through recommendations and curated playlists. A report by the International Federation of the Phonographic Industry (IFPI) found that on average, music fans now listen to more than eight different genres of music, and the

<sup>2</sup> Media Nations 2023, Ofcom, p.56

<sup>3</sup> MIDAS Autumn 2023 – claimed weekly usage for music streaming (not including podcasts)

report identified more than 700 different genres being listened to,<sup>4</sup> with new genres continuing to be created by fans in online communities and streaming services that match ever changing moods and listening occasions.

But while there is more new music being released now than ever before (100,000 new tracks are uploaded to streaming services every day<sup>5</sup>), the amount of new music among the UK’s top ‘selling’ singles and albums is decreasing,<sup>6</sup> pointing to the continued importance of showcasing and championing new and emerging UK artists and talent to sustain a thriving creative sector.

And despite the growth of music streaming, radio remains the most popular source for music discovery among all audiences in the UK. Radio is the second most popular for under 35s after streaming, with social media also now an important part of discovery.

**Figure 2: Sources for discovering new music**

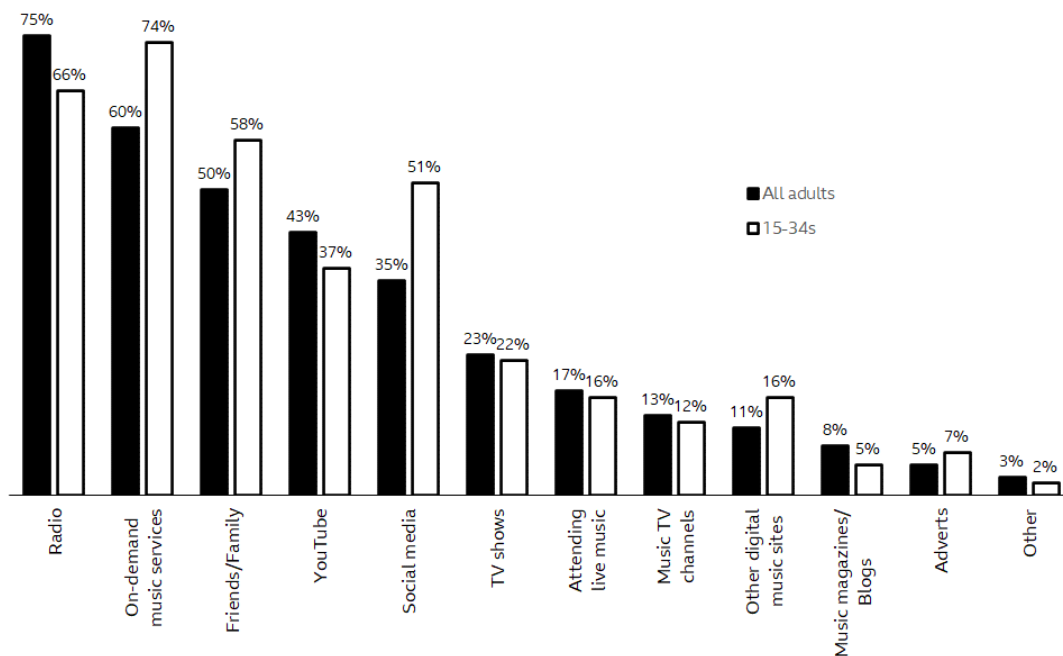


Chart – MIDAS Autumn 2023

### 2.3 Radio broadcasters in the UK have responded to these challenges

Overall radio reach and hours in the UK remain strong, with 49.5m UK adults listening to the radio every week. When factoring in population increase, the percentage of adults listening every week has still remained relatively stable at 88% in 2023 compared to

<sup>4</sup> [Engaging with Music 2023](#), IFPI, p.6, p.17

<sup>5</sup> [It’s happened:100,000 tracks are now being uploaded to streaming services like Spotify each day](#), Music Business Worldwide, October 2022

<sup>6</sup> [Female artists dominated 2023 music charts – but new acts are being squeezed out](#), BBC News, January 2023

91% in 2010.<sup>7</sup> This is in large part due to the strategies pursued by UK radio broadcasters, both the BBC and commercial radio.

### *2.3.1 British radio broadcasters have launched their own online services*

In 2018, the BBC launched BBC Sounds to replace our BBC iPlayer Radio and BBC Music apps.<sup>8</sup> BBC Sounds, a digital audio streaming service, is the online home for the BBC's radio portfolio, alongside greater choice of high quality podcast and music content, with more control over the listening experience, and curation and personalisation features which make it easier to discover relevant titles. This strategy has included the development of talent-led on-demand music programmes and music mixes, and new curation features like Back To Back Sounds, as well as the introduction of the Radio 1 Dance and Radio 1 Relax streams in 2020 and 2021 respectively. BBC Sounds is the largest digital audio app among UK audio players, reaching 4.8 million weekly users.<sup>9</sup>

Global launched Global Player in November 2017, providing online access to its live radio stations (both its broadcast radio stations and its internet-only stations / streams), as well as catch-up radio, podcasts, playlists and videos.

In March 2023, Bauer announced plans to launch its own app called Rayo, replacing Bauer's current brand apps. It brings together all Bauer's radio services, playlists and podcasts, alongside subscription radio services which include advertising-free versions of live radio stations, as well as 100 exclusive online-only stations for subscribers. Rayo has since launched, and is currently available to iOS users only.<sup>10</sup>

### *2.3.2 Commercial 'networking' local stations under national brands*

Commercial radio broadcasters have also simplified and accentuated their offer to listeners. Simplified regulatory requirements around commercial stations' formats and changing guidelines around local content has enabled the commercial radio sector to 'network' programming across stations, and share programming across regions. The Heart and Capital brands now have 46 and 23 local branded stations respectively, playing largely the same schedule and content as the national Heart and Capital DAB stations with the exception of a regional weekday drivetime show and local news updates.<sup>11</sup> Many local commercial stations have also rebranded under national brands – Bauer's Greatest Hits Network now has 66 stations in total.<sup>12</sup>

### *2.3.3 Expanding national commercial DAB stations, and DAB+ conversion*

Increased availability of national DAB spectrum has led commercial radio groups to expand their national radio portfolios by launching dozens of national digital-only music

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<sup>7</sup> RAJAR Q3 2023

<sup>8</sup> BBC iPlayer included catch-up radio when it was launched in 2007. In 2012, BBC iPlayer Radio was launched as a separate app. In 2016, the BBC Music app was launched allowing users to listen to playlist and music clips.

<sup>9</sup> BBC Sounds average weekly accounts based on BBC analytics data Q3 2023.

<sup>10</sup> [Magic and Greatest Hits Radio become latest Bauer brands to launch premium subscription service](#), Bauer Media Group, February 2023

<sup>11</sup> RAJAR Q3 2023

<sup>12</sup> [Where is tomorrow's listener? UK radio in 2023](#), Enders Analysis, September 2023

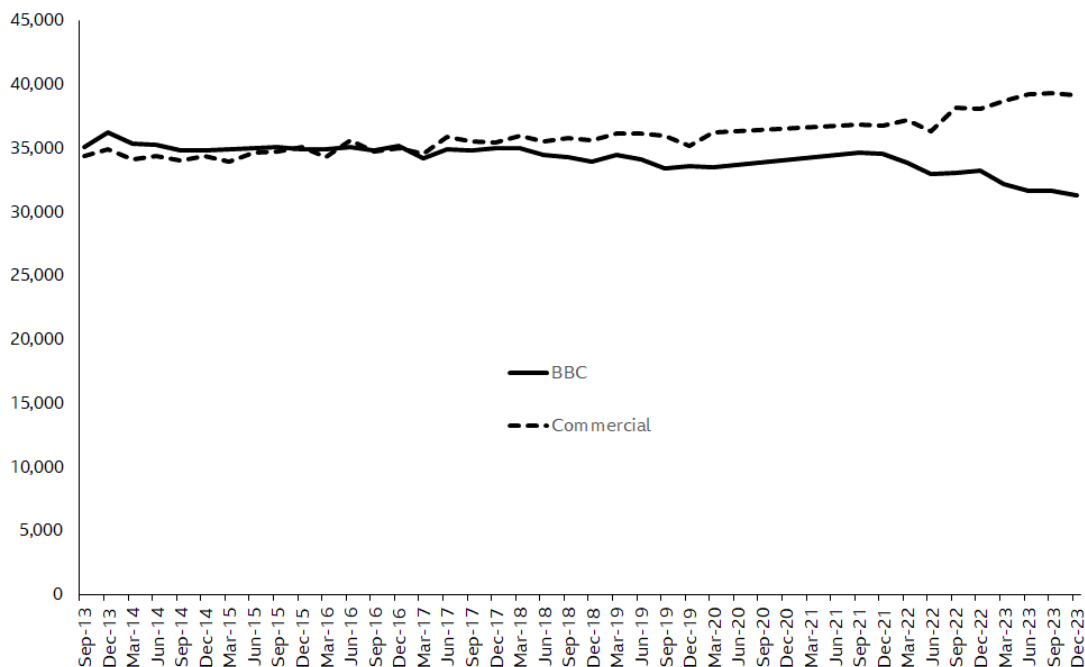
radio stations, targeting particular eras and genres with focused music offers to improve discovery. Many commercial stations have also been converted from standard DAB to DAB+, as it is more efficient, allowing more services to be broadcast on the same multiplex with equivalent audio quality. There are now 53 national digital-only commercial music radio stations on DAB/DAB+ in the UK, compared to 11 in 2018.<sup>13</sup>

## 2.4 How these changes have impacted radio listening behaviour in the UK

The combination of all these effects have had a significant impact on radio listening in the UK, and the BBC's role in the market.

Commercial radio in aggregate has seen record reach in 2023 with 39.3m, 7.5m more than BBC radio. Commercial radio in aggregate also overtook BBC radio in share for the first time in June 2022.<sup>14</sup>

**Figure 3: BBC Radio vs Commercial Radio, Reach trend, 2013-2023**

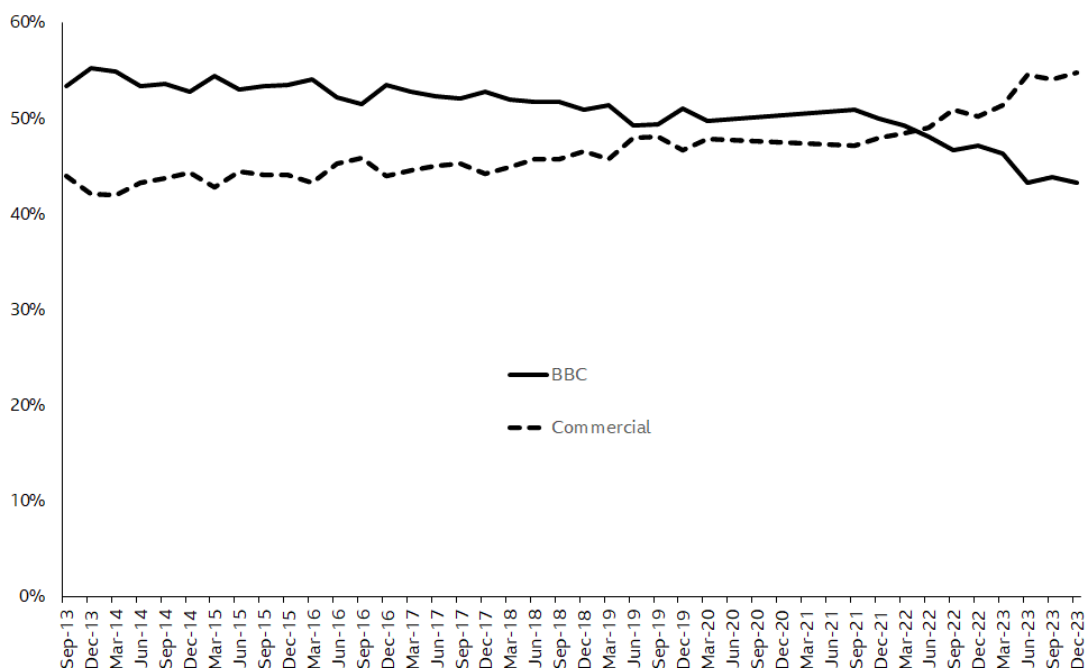


Source: RAJAR3

<sup>13</sup> RAJAR Q3 2023, BBC analysis

<sup>14</sup> RAJAR Q3 2023

**Figure 4: BBC Radio vs Commercial Radio, Reach share, 2013-2023**



Source: RAJAR

It is also noticeable that commercial radio has been performing more strongly with younger groups and those from lower socio-economic groups. Among audiences aged 35-54, there has been an increase of 8.2% in reach for commercial radio compared to a decrease of 16.5% for BBC radio since 2013.<sup>15</sup> Among 15-34s, commercial radio has a reach of 11.2m, 3.9m more than BBC Radio, and reaching nearly two thirds of the 15-34 population each week (vs 42.6% for the BBC). In terms of share of music radio hours, the BBC has a 29% share of 16-34 time spent, compared to 71% for commercial radio.<sup>16</sup> Similarly, among lower socio-economic groups, C2DE audiences make up 38% of BBC Radio audiences, and 44% of commercial radio audiences.<sup>17</sup>

<sup>15</sup> RAJAR Q3 2023 vs. Q3 2013

<sup>16</sup> RAJAR Q3 2023

### **3. The BBC’s proposals for music radio stations on DAB+**

In response to the market challenges and changing audience behaviour outlined in Section 2, we propose to increase value for audiences by launching new music radio stations on DAB+. Below we set out the overarching rationale for the changes to our radio station portfolio and the specific key elements of our proposals for:

- Radio 1 Dance
- New Radio 1 extension
- Radio 2 extension
- Radio 3 extension

#### **3.1 Overarching rationale for the new stations**

The BBC has not significantly changed its portfolio of radio stations since it launched 1Xtra, Asian Network, Radio 4 Extra, 5 Sports Extra and 6 Music as DAB stations in 2002.

Our proposal to launch four new DAB+ music stations is our response to the significant growth in the number of stations competing to serve listeners and the changes in audience behaviour shaped by on-demand streaming of music and the commercial radio sector’s response to that changed behaviour. Our proposals are aimed at evolving our music offer to do more for underserved audiences that get less value from the BBC (particularly younger and C2DE audiences), and better meeting the moods and need states of modern audiences. Finally, these proposals will also play an essential and cost-effective part in encouraging the digital transition to BBC Sounds, where audiences can enjoy added live listening functionality, and a richer more personalised experience.

##### *3.1.1 Serving underserved audiences*

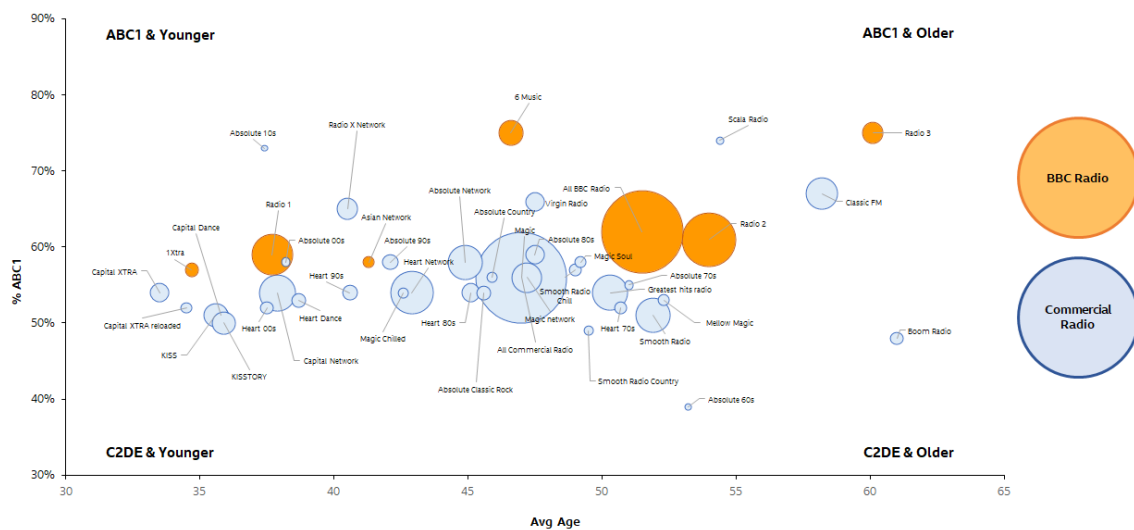
The BBC’s Charter requires us to serve all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain.<sup>18</sup> In its annual reports on the BBC, Ofcom has – while acknowledging the BBC’s efforts to respond – consistently raised concerns with regard to the BBC’s performance with audiences from lower socio-economic groups and younger audiences.

As can be seen from the chart below, the current portfolio of BBC radio stations generally skew older and more ABC1 than commercial radio and the UK population. Only BBC Radio 1, 1Xtra and Asian Network attract C2DE audiences in proportion to the UK population.

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<sup>18</sup> [BBC’s Royal Charter](#), article 5

**Figure 5: Age and socio-economic profile of BBC and Commercial Radio music stations**



Source: RAJAR

These new music stations curated around specific genres and periods of music will help these audiences discover the best of the BBC through clearly branded propositions, building on their favourite BBC music radio brands, available on DAB+ and online via BBC Sounds.

### 3.1.1.1 Lower socio-economic groups

In its sixth annual report on the performance of the BBC, Ofcom stated: “Audiences from D and E socio-economic groups remain less satisfied with the BBC’s performance than those from other groups”.<sup>19</sup> Ofcom also noted in its BBC Audiences Review regarding D and E socio-economic groups that the BBC “must continue to find innovative ways of bringing content to audiences across all its platforms.”<sup>20</sup>

With regard to audio usage, Ofcom’s analysis found that D and E groups are more likely to spend more of their weekly audio time on live radio compared to other groups (64% vs 56% for AB groups), and more likely to listen via traditional radio sets than online. D and E groups are more likely to listen to commercial (67%) on a weekly basis than the BBC (46%), with a stronger preference to listening to music as opposed to speech radio.

In particular, the Radio 2 extension will target C2DE audiences aged over 55, while Radio 1 Dance and the new Radio 1 extension will target C2DE audiences aged under 35.

### 3.1.1.2 Younger audiences

Ofcom has consistently raised concerns regarding how well the BBC serves younger audiences. In its sixth annual report on the BBC, Ofcom stated: “There have also been concerns about how the BBC continues to reach younger audiences and in our previous

<sup>19</sup> [Ofcom annual report on the BBC 2022-23](#), Ofcom, p.4

<sup>20</sup> [BBC Audience Review: Understanding what factors may drive lower satisfaction levels among D and E socio-economic groups](#), Ofcom, p.3

Annual Reports on the BBC we have set out the importance of it reflecting on its strategies to reach these audiences.”<sup>21</sup>

Younger audiences aged 15-34 are now more likely to stream music than listen to live radio, with 30% of their time now spent with live radio in an average week compared to 50% with music streaming services.<sup>22</sup> But UK radio still reaches 13.3m audiences aged under 35 each week, and is the most popular content type in the car where DAB/DAB+ remains crucial while levels of online connectivity are lower.<sup>23</sup> Under 35s also have a clear preference for music radio compared to speech radio, spending 91% of their radio listening time with music radio.<sup>24</sup> But BBC Radio reaches comparatively fewer younger audiences, reaching 42.6% of audiences aged 15-34 compared to 56.2% of audiences aged 15+.

BBC Radio 1 and Radio 2 play a crucial role in the BBC’s offer. They have the unique combination of distinctiveness and scale which delivers huge amounts of public value to audiences and the UK creative sector, but also reach millions of younger and C2DE audiences who get comparatively less value from the rest of the BBC. 52% of Radio 1’s weekly audience is unique to Radio 1 – it is their only BBC radio station. This proportion rises to 61% when looking at Radio 1’s audiences aged 15-34. For Radio 2, 45% of its audience is unique, rising to 51% when looking at Radio 2’s audiences from C2DE groups.<sup>25</sup> It is crucial for us to evolve how Radio 1 and Radio 2 deliver their music offer, in order to preserve this public value. Simply doing more on Radio 1 and Radio 2 risks reducing public value, by over-complicating the audience offer and negatively impacting audiences’ ability to easily discover relevant content.

In terms of music tastes, Dance/Electronic Dance/House as a genre over-indexes among audiences aged 15-34, both in total (incorporating streaming, personal collections and radio), and for genres listened to on radio. Likewise, music from the 2000s and 2010s over-indexes for audiences aged 15-34, and both Dance and 00s/10s music over-index for C2DE audiences aged under 35. Music from the 1960s and 1970s over-indexes for 55+ C2DE audiences.<sup>26</sup>

These factors have informed the selection of stations and audience targeting of our proposals, to do more for these younger and C2DE audiences who currently get less value from the BBC, with focussed offers, building on the BBC music brands that have the strongest connection with these audiences.

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<sup>21</sup> [Ofcom annual report on the BBC 2022-23](#), Ofcom, p.4

<sup>22</sup> [Media Nations 2023](#), Ofcom, p.56

<sup>23</sup> RAJAR Q2 2023; MIDAS Autumn 2023

<sup>24</sup> RAJAR, Q3 2023

<sup>25</sup> RAJAR, 2023 6 month weight

<sup>26</sup> IPA Touchpoints, 2023

### 3.1.2 *Better serving the moods and needs of modern audiences*

Our research has found that modern audiences feel that the BBC underserves certain moods and needs.<sup>27</sup> In particular, this research identified audiences' need for a more relaxing, laidback offer. In particular, the research found:

- In most relax occasions, music is at the core of the experience and more than anything drives station choice
- Listeners want familiar and non-challenging music during relax occasions rather than looking to learn or discover new music
- A desire for a consistent tempo and tone to the music that doesn't surprise listeners or deviate from what they've tuned-in for
- For relaxing radio, the presenter banter that drives appeal at breakfast and drive is too engaging for relaxing radio occasions where less talk is preferable
- The relax state relies on switching off from news and current affairs and disconnecting. Looking to avoid any coverage or discussion likely to rile listeners up (including news bulletins)
- With relaxing radio (vs. some radio to relax) removing games, phone-ins etc. to ensure no interruptions or changes in tone builds a more intimate experience that's more likely to lead to a relaxed state

When asking audiences about the main reasons for listening to the radio, 'new music discovery' and 'to help me escape from everyday life' over-index for audiences aged 16-34, while 'to lift my mood' over-indexes for C2DE audiences.<sup>28</sup>

This research has informed the selection of stations to pursue in order to better meet the mood needs of modern listeners – in particular a feel-good mood from a deep dive into a favourite era, an energy boost from upbeat dance music, and a calming listen to classical music at key points in the day.

The schedules will be driven by matching the mood of audiences rather than purely by time of day, with simpler scheduling and far fewer live hours than the BBC's current network music radio stations. These new stations will not carry news bulletins as these are primarily mood-based music stations, and research tells us that listeners looking for a relaxing lean-back listen do not want any interruptions to the tone and mood.<sup>29</sup>

### 3.1.3 *Support British creativity*

The new stations will bring audiences deeper into genres and periods of music that they love most, with context, curation and storytelling-through-music that only the BBC, its presenters, and its unique archive can do.

All of the new stations will feature high quality talent-led music programming, playing a broad range of tracks and offering deeper genre specialism than the market, drawing on the expertise and knowledge of the BBC's curators and presenters, and the BBC's unique archive of clips, interviews and live performances that tell the story of UK music. They will have a focus on UK music, and in the case of Radio 1 Dance and the Radio 3

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<sup>27</sup> BBC Commissioned 'Soundcheck' research 2022

<sup>28</sup> IPA Touchpoints, 2023

<sup>29</sup> Soundcheck research carried out by MTM for the BBC in 2022

extension, they will champion and showcase new music, and support live performances across key events like The Proms and Radio 1's Dance Weekend: Ibiza.

#### *3.1.4 Transition to a digital first future*

Audiences will be able to listen to the stations live on DAB+ and BBC Sounds, with DAB+ playing a crucial role in reaching underserved audience groups in a cost effective way. DAB+ will also play an essential and cost-effective part in encouraging the digital transition to BBC Sounds, where audiences can enjoy added live listening functionality (e.g. pause and rewind, see track playing) and continue their listening journeys to discover further episodes and other relevant content available on-demand, in a richer more personalised experience.

### **3.2 Radio 1 Dance DAB+ extension**

In October 2020, we launched Radio 1 Dance as an online-only stream on BBC Sounds, as a showcase for content that was already available on Sounds.

We now plan to re-launch Radio 1 Dance as a radio station on DAB+, improving the offer to audiences by introducing some new commissions and providing a bigger platform on DAB+ to showcase the BBC's creative investment in dance music, telling the story of a genre which is of mass youth appeal, supporting the development of new UK artists, and reflecting the scene to a wider audience, helping to produce global hits from the UK.

The content mix will include the BBC's existing Radio 1 Dance content available on BBC Sounds, alongside some new commissions and some simulcast content from Radio 1. The station will host the world famous shows already broadcast on Radio 1 e.g. *Radio 1's Essential Mix* and *Radio 1 Residency* (which are renowned platforms for the world's biggest DJs), as well as *Radio 1 Dance Party* and *Future Dance* which play an important part in nurturing up and coming producers, DJs and electronic artists; collaborations with UK dance labels and brands with *Radio 1 Dance Presents*; a deeper dive into dance genres with shows like *Radio 1's Drum & Bass Show*; and a showcase for mainstream dance tracks during the daytime and a trip down memory lane with *Radio 1's Dance Anthems*. Artists and DJs played would include Bicep, Joel Corry, Overmono, Becky Hill, Chase & Status, Disclosure, Peggy Gou and Calvin Harris.

#### *3.2.1 Target audience*

Radio 1 Dance is already a recognised BBC brand aimed at audiences aged 15 to 34, and has been a Sounds-only stream since its launch in October 2020. Radio 1 Dance will aim to provide more value to younger audiences from C2DE groups who get less value from the BBC, with a Dance focussed music offer that over-indexes for this audience.

#### *3.2.2 Breadth and range of music*

Radio 1 Dance will tell the story of a genre which is of mass youth appeal. Musically, Radio 1 Dance will reflect a broad range of dance music across all sub-genres, from chart toppers to house and drum and bass. The station will showcase current, future and classic dance tracks, with exclusive DJ mixes and content partnerships that reflect the full range of electronic music and dance trends across the UK and globally.

Radio 1 Dance will continue to play a broader range of music than any comparable station. In 2023, the Radio 1 Dance stream on BBC Sounds played 3,273 unique tracks. We intend that Radio 1 Dance will continue to provide a similar range of tracks as a DAB+ radio station.

### 3.2.3 *New Music*

Radio 1 Dance will continue to support new artists and DJs and the latest releases in dance music. We propose that around a third of music in daytime is new music (as defined by Ofcom in the Operating Licence).

### 3.2.4 *British music and talent*

Although it will play the best of dance music from across the world, the Radio 1 Dance station will have a specific focus on UK artists, matching Radio 1's level of 45% of tracks across the schedule coming from UK artists. The re-launched Radio 1 Dance would provide a bigger platform on DAB+ to showcase the BBC's creative investment in the dance and clubbing scenes to a mass audience, for example via collaborations with UK dance labels and brands with *Radio 1 Dance Presents*.

### 3.2.5 *Live and specially recorded music*

Radio 1 Dance will also reflect and provide context around live events featuring new DJs and acts emerging in the genre, such as Radio 1's Dance Weekend: Ibiza and other third party events. It will also feature shows including *Radio 1 Dance Party* and *Future Dance* which play an important part in nurturing up and coming producers, DJs and electronic artists. BBC Introducing will continue to support new artists including dance acts, bringing them to audiences at live events, and recording and broadcasting unique performances on the new Radio 1 Dance station.

## **3.3 New Radio 1 DAB+ extension**

The new Radio 1 extension will offer younger audiences aged 15-34 a deep dive into the iconic tracks and artists that have shaped the last two decades, helping them discover and re-discover a wide range of music and acts supported by Radio 1 from the 2000s and 2010s. It will provide a dedicated nostalgic station for young people through the voice of young talent – behind and in front of the mic – developing curatorial skills which they are now using more and more in the digital space.

Artists played would include Foals, Dua Lipa, Rihanna, The Killers, Rudimental, Basement Jaxx, Clean Bandit, Girls Aloud and Years & Years.

The content mix will include existing Radio 1 content available on BBC Sounds such as *Radio 1's Workout Anthems* and *Radio 1's Chill Out Anthems*, as well as new programmes curated by fresh voices, alongside some simulcasts of Radio 1 content. The station will expand how youth audiences discover new music on the radio, going beyond algorithmically generated playlists by offering authentic human curation. It will respond to changing music behaviours driven by streaming, and the increased demand for depth and breadth and 'new to me' music discovery among younger audiences, for example the renewed popularity of Kate Bush's 'Running Up That Hill' from *Stranger Things*, and Sophie Ellis Bextor's 'Murder On The Dancefloor' via *Saltburn*. We will pick up on popular culture moments of today and provide jump-off points which will inform,

educate and curate around certain moments and stories, and give context with a youthful, joyful and fun route to discovering music scenes and artists that younger audiences may have missed the first time around.

### *3.3.1 Target audience*

The new Radio 1 extension will target younger audiences aged 15-34, offering a mood-based, warm, uplifting and reminiscent offer through the day, and a more laidback relaxing mood in the evenings. The schedule will be complementary to the main Radio 1 station, providing a dedicated nostalgic station for young people from a brand young people trust. The extension will aim to provide more value to younger audiences from C2DE groups who get less value from the BBC, with a music offer focussed on this audience.

### *3.3.2 Breadth and range of music*

The new Radio 1 extension will play a broader range of tracks than commercial competitors, playing an estimated 4,000 tracks a year. BBC analysis suggests a quarter of the tracks played on the station are unlikely to get regular play on key commercial stations, with the mix of tracks unlike any current offer.<sup>30</sup>

The new Radio 1 extension will also play from a broader range of music genres, drawing on the artists and tracks that Radio 1 has helped listeners to discover, supporting artists on their journey from new releases to much-loved tracks. It will feature music predominantly from the 2000s and 2010s. Radio 1's existing Dance, Workout and Chillout Anthems programmes will feature on the new Radio 1 extension, alongside multi-genre blocks including hip-hop, R&B, rock and pop tracks.

### *3.3.3 British music and talent*

The new Radio 1 extension will focus on UK artists by celebrating the talent that Radio 1 has supported and helped to grow audiences and fans over the last two decades and as such it will reflect Radio 1's role in supporting British artists. The extension will play more tracks from British artists than comparable commercial stations, with British acts and artists expected to make up a third of tracks played. This will be balanced with the need to reflect the full range of the best of the music from this period, which will include genres that are dominated by US and other non-UK artists such as hip hop and R&B.

Radio 1 has a consistent history of sourcing, bringing through and developing young talent into the industry; for example Greg James from Student Radio. We will showcase new talent across this new station, using it not only as an audience-facing brand but one which embodies new talent, building fresh on and off-air talent to stimulate growth in the creative industries. It will support Radio 1's growing emerging talent pool as well as creating opportunities for new production talent via suppliers from across the UK, alongside trusted and experienced Radio 1 music teams.

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<sup>30</sup> This is based on an analysis of the tracks played by existing relevant brands on Radio 1 in November 2022. The 471 tracks played in that month were compared to five commercial stations for the year to date i.e. 11 months. Only 72% of the 471 tracks had been played on Capital, Kiss, Radio X, Kisstory and Capital Dance.

### 3.3.4 Live and specially recorded music

The extension will feature programming that promotes ‘new to me’ discovery of music for audiences under 35, drawing on the artists and tracks that Radio 1 has helped listeners to discover and showcasing live performances from the BBC’s unique archive. In the run up to Radio 1’s major music events (e.g. Radio 1’s Big Weekend, Radio 1’s Dance Weekend: Ibiza, Reading and Leeds festival), the extension will showcase the repertoire from performing artists.

## 3.4 Radio 2 DAB+ extension

The Radio 2 extension will provide a distinctive take on pop nostalgia, diving into the music and unique BBC archive primarily from the 1950s, 1960s and 1970s.

The schedule will be specifically programmed to provide escape – an important public service. We know audiences appreciate revisiting the music and stories of their youth – *Radio 2’s Sounds of the 60s* is frequently the most listened to on-demand music title on BBC Sounds.<sup>31</sup> This station provides audiences with a dedicated always-on destination to improve discovery of the broad range of music content available via BBC Sounds, beyond the ‘Sounds of...’ shows on the main Radio 2 schedule. The schedule will be sensitively programmed to provide a complementary offer to Radio 2.

We will curate the story of pop music from these eras by some of the people who shaped the cultural landscape at the time, providing a soundtrack unmatched by anything in the current marketplace. Artists played would include Abba, The Beatles, Elvis Presley, Stevie Wonder, Dusty Springfield, Elton John, Bob Marley, Joni Mitchell, Kate Bush, Dame Shirley Bassey, Bee Gees, Dolly Parton, George Benson, Petula Clark and the Rolling Stones, alongside a variety of genres including Motown, rock & roll and rhythm & blues.

The content mix will include some existing Radio 2 content available on BBC Sounds such as *Sounds of the 60s* and *The Paul Gambaccini Collection*, alongside some new bespoke commissions, and some simulcasts from the Radio 2 schedule. With Radio 2’s line-up of much loved presenters and the unrivalled BBC music archive, we plan to bring heritage artist catalogues and stories to life in a much deeper and more richly textured manner than the main Radio 2 station can allow, to celebrate and commemorate significant birthdays, anniversaries and key moments in the history of popular music. The new Radio 2 extension also provides the opportunity to showcase more classic editions of some of the BBC’s most loved music brands from the archive, on national DAB+ radio.

Radio 2 has an Operating Licence condition that requires it to play 20% new music<sup>32</sup> and, for example, currently only plays on average 5% of its tracks from the 1960s.<sup>33</sup> This extension will allow listeners to fully immerse themselves in the music of earlier decades.

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<sup>31</sup> BBC Sounds analytics Q3 2023

<sup>32</sup> [Operating licence for the BBC’s UK Public Services](#), March 2023, Condition 3.10.2

<sup>33</sup> RadioMonitor, 1 Jan-31 Dec 2023, all hours

### *3.4.1 Target audience*

The extension targets listeners aged 55+ who are seeking a more comprehensive nostalgic experience than the Radio 2 schedule and the wider radio market is currently able to provide. The Radio 2 extension will aim to provide more value to audiences from C2DE groups, particularly those who get less value from the BBC, but value the Radio 2 brand and its trusted presenters.

### *3.4.2 Breadth and range of music*

The station will draw on a library of around 5,000 tracks a year, alongside the best of BBC archive including concerts and performances, interviews and special documentaries on the artists and moments that shaped popular music, telling the story of artists through repertoires. This supports the BBC's public purpose 3 to deliver the most creative, highest quality and distinctive output and services, and the BBC's public purpose 2 to support learning for people of all ages.

The Radio 2 extension will focus on pop nostalgia, diving into the music and unique BBC archive from the 1950s, 1960s and 1970s. Curated by some of the BBC's best-loved talent, this station will take listeners on an immersive journey through these decades. It will also showcase more classic editions of some of the BBC's most loved music brands from the archive on national radio.

Music from the 1960s in particular is less well-served in the current UK radio market, making up 26% of tracks on Boom, 7% of tracks on Smooth, 4% of Greatest Hits and 2% on Magic.<sup>34</sup>

### *3.4.3 British music and talent*

The Radio 2 extension will provide a particular focus on British music to enable listeners to explore the rich heritage of British music from across the decades. 40% of the music played will be from British artists.

### *3.4.4 Live and specially recorded music*

To support anniversaries and commemorations of significant birthdays, and key moments in popular culture, the Radio 2 extension will showcase concerts and live music sessions from the BBC's archive.

### *3.4.5 Speech*

The Radio 2 extension, unique amongst extension stations in the market, will provide some speech content on a regular basis. It will use the best of the BBC archive including interviews and special documentaries on the artists and moments that shaped pop music. The provision of the speech content alongside the music will provide opportunities for deeper understanding and exploration of the genres.

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<sup>34</sup> RadioMonitor, 1 Jan-31 Dec 2023

### 3.5 Radio 3 DAB+ extension

The Radio 3 extension will provide a calming and relaxing classical music experience that supports listeners' daily routines, helping them to escape the pressures and stresses of daily life and promoting their wellbeing. Across the day this will include content that promotes focus, helps listeners unwind, destress and find escapism as well as support rest and sleep.

Programmes will be predominantly music-led, featuring a wide range of classical music, both familiar and new. The music will be intertwined with comforting voices and soundscapes to create a fresh, distinctive sound that transports listeners to a place of calm.

The content mix will include existing music titles available on BBC Sounds like the *Mindful Mix*, and artist-led shows like *Ultimate Calm*, as well as new commissions. There will also be some simulcast content from Radio 3 such as *Night Tracks*, with music designed to aid with focus and soothing soundtracks and soundscapes. The schedule will also feature unique and compelling combinations of speech and music as exemplified in existing BBC Sounds titles such as *The Music & Meditation podcast*, *Tearjerker* and *The Sleeping Forecast* (a unique combination of Radio 4's *Shipping Forecast* and classical music from BBC Introducing artists). The extension will include shows that lean into the mindfulness, wellbeing and sleep space with a consistency of offer unlike anything on UK radio. The music will be complemented by a range of calming and comforting voices.

#### 3.5.1 Target audience

The Radio 3 extension is aimed at audiences aged 35-54, younger than the average age for Radio 3 and other classical stations.<sup>35</sup> It will help to broaden the audience to classical music in the UK, and better meet the moods and needs of modern audiences.

#### 3.5.2 Breadth and range of music

The Radio 3 extension will draw on a library of around 8,000 tracks a year, from the 1500s to present day, and featuring more music from a broader range of classical and contemporary composers than commercial stations.

The music will include familiar and less well known pieces, from peaceful favourites to ethereal choral music, and from soothing orchestral textures to minimalist and neoclassical sounds. Listeners can expect to hear core classical tracks from composers including Bach, Beethoven, Price, Schubert, Chopin, Tchaikovsky, Brahms, Coleridge-Taylor, Debussy, Rachmaninov, Beach and Gipsy, through to Max Richter, Anna Clyne, Eric Whitacre, Thomas Adès and Caroline Shaw. There will also be minimalist and neoclassical pieces from composers like Philip Glass, John Adams, Poppy Ackroyd, Zoë Keating, Daigo Hanada, Hannah Peel and Meredith Monk as well as soundtracks by the likes of Hans Zimmer, Ryuichi Sakamoto, Hildur Guðnadóttir, Nicholas Britell and Rachel Portman. The music policy and scheduling is designed to match audience mood through the day and night.

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<sup>35</sup> RAJAR Q3 2023

### 3.5.3 *New music*

The Radio 3 extension will include newly released pieces and performances of classic pieces as well as brand new compositions. The station will champion music by living composers and the new generation of artist-composers such as Erland Cooper, Hania Rani, Ólafur Arnalds and Isobel Waller-Bridge. Very few of these artists, or their contemporaries, receive a significant amount of airplay or support on other UK radio stations. It will also support diverse and under-represented composers and performers, including women and artists from ethnically diverse backgrounds. We estimate that around 15% of music played will be recordings released in the previous 12 months.

### 3.5.4 *British music and talent*

The Radio 3 extension will champion British music, new and old, including emerging BBC Introducing artists, and will reflect performances by the BBC Orchestras and Choirs from across the UK. The content mix will include programmes presented and curated by British talent, and the station will feature music and new commissions by up-and-coming British composers. It will play a broad range of tracks from a variety of British composers.

### 3.5.5 *Live or specially recorded music*

Every week throughout the schedule, the station will broadcast live and specially recorded music. It will reflect mood-based repertoire from the BBC Orchestras and Choirs across the UK, and the BBC's New Generation Artists, drawing from over 2,000 of their performances. The station will also support the BBC Proms festival through curated music mixes that feature Proms performances including those from our BBC Orchestras and Choirs, bringing these unique musical moments to a wider UK audience.

### 3.5.6 *Speech*

The Radio 3 extension will feature unique and compelling combinations of speech and music as exemplified in existing BBC Sounds titles such as *The Music & Meditation podcast*, *Tearjerker* and *The Sleeping Forecast* (a unique combination of Radio 4's *Shipping Forecast* and classical music from BBC Introducing artists). The extension will include shows that lean into the mindfulness, wellbeing and sleep space in a way none of our competitors do, with a range of calming voices and comforting tones to complement the music.

## **3.6 Distribution**

The proposed music radio stations will be distributed in largely the same way as the BBC's existing national radio stations, i.e. across digital radio, BBC Sounds and smart speakers.

These will be the first national BBC radio stations distributed on DAB+ as opposed to standard DAB. DAB+ is more efficient than standard DAB, allowing more services to be broadcast on the same multiplex with equivalent audio quality. All DAB+ capable devices can also receive standard DAB broadcasts, but standard DAB-only radios are

unable to receive services broadcast using DAB+. There are currently 41 national commercial radio stations broadcast on DAB+ in the UK.<sup>36</sup>

Radio listening also continues its long-term shift away from AM/FM towards DAB/DAB+ and online, across mobile, web, and via connected devices in the home (e.g. smart speakers) and in the car. While online listening continues to grow rapidly, DAB/DAB+ is still the majority of radio listening time at 42% (40% for under 35s). This is still projected to grow, with DAB/DAB+ estimated to be 50% of radio listening time by 2030.<sup>37</sup>

The BBC will utilise its existing DAB capacity to launch the new stations. Distributing these stations on DAB+ within existing BBC DAB capacity provides a cost effective way of reaching the target audiences at home and in the car, using DAB+ to showcase the creative investment the BBC is making in distinctive music content.

### **3.7 Budget**

The new DAB+ stations will be highly cost effective. We estimate that the total ongoing budget for the four new stations will be £3.1 million per year, including additional content, staff, technology and operations costs. Any additional music rights costs are not currently included, as this is commercially sensitive and subject to negotiation.

The extensions will curate on-demand music programmes available on BBC Sounds, with some new commissions, some simulcasting, and potentially a small amount of new live content. We already have a large number of titles which will be broadcast on these extensions, providing greater value from our creative investment in these areas. This digital-first approach means production processes are more efficient and much more cost effective compared with the more traditional big live formats such as breakfast and drive strands on linear radio. We are utilising existing DAB capacity, and will build on the operational efficiency of our existing music radio stations and music rights arrangements.

The content and staff costs will be funded through a reprioritisation of funding from BBC Sounds and the BBC's Network radio stations. The new stations will not require any increase in the budget for Network Radio and BBC Sounds.

For context, the BBC's total expenditure on radio for 2022/23 was £498 million.<sup>38</sup> The content budgets for our existing music radio stations are: Radio 1 (£39 million); Radio 1Xtra (£10 million); Radio 2 (£50 million); Radio 3 (£34 million); and 6 Music (£14 million).<sup>39</sup>

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<sup>36</sup> RAJAR Q3 2023, BBC analysis

<sup>37</sup> RAJAR Q3 2023 platform share; Mediatique projections for BBC

<sup>38</sup> [BBC Group Annual Report and Accounts 2022/23](#), p.53

<sup>39</sup> [BBC Group Annual Report and Accounts 2022/23](#), p.152

**Figure 6: Estimated budget (excluding music rights)**

	<b>Annual costs</b>
Radio 1 Dance	£0.73 million
New Radio 1 Extension	£0.12 million
Radio 2 Extension	£0.42 million
Radio 3 Extension	£0.66 million
Other Content/ Staff/ Production Costs	£0.91 million
<b>Total content and staff costs</b>	<b>£2.84 million</b>
Technology and operations costs	£0.25 million
<b>Total costs</b>	<b>£3.09 million</b>

### 3.8 Estimated listening to the stations

During this consultation we will be estimating the reach and time spent we anticipate on each of the new radio stations. This will take account of current listening trends and audience behaviour.

Our current assumption is that each station will be significantly smaller than its parent station. The figures below are initial estimates, based on top-down analysis, of the potential mature reach and hours of listening for each of the stations, i.e. at three years after launch on DAB+.

**Figure 7: Estimate of potential weekly reach and hours of listening**

	<b>Approximate reach (m)</b>	<b>Approximate Hours (m)</b>	<b>Hours / listener</b>
Radio 1 Dance	0.96	5	5
New Radio 1 Extension	0.86	3	3 ½
Radio 2 Extension	2.09	21	10
Radio 3 Extension	0.24	1	5

*Source: BBC Analysis*

It is important to note that while we have estimated the potential size of the proposed stations, we have not yet identified where that listening will come from. We consider that it is likely that the additional listening to the proposed new DAB+ stations will come from a combination of:

- Other BBC radio stations (including the relevant parent station of each extension) and other content available on BBC Sounds;
- Commercial Radio music stations and their online services;
- Music streaming platforms – such as Spotify, Apple Music, Amazon Music; and
- Organic growth, i.e. people who would otherwise have not listened to any of the above.

Any incremental increase to listening to BBC radio in total and therefore the scale of the impact of our proposed streams on the commercial sector will depend on the degree to which the listening to the new stations is diverted from existing BBC services or from

non-BBC services. We anticipate that a significant proportion of the listening to each station will be from cannibalisation/ of other BBC services, e.g. that much of the listening to the Radio 2 extension will be diverted from listening to Radio 2, the parent station.

We do not consider there will be any significant implication of the change for others within the digital audio value chain. With the exception of recording artists who may receive a boost in popularity from additional exposure on additional radio services. While leisure time is rivalrous we do not expect any direct impacts on other activities such as audio-visual consumption as a result of these changes.

In line with the requirements of the Charter, Agreement and Ofcom regulation and guidance, we will be carrying out further analysis and refining these estimates during our consultation, research and analysis stages of the Public Interest Test process (see further detail in Section 5.1.1.2 below) and will provide a full analysis of potential market impact as part of our Public Interest Test. We welcome responses and engagement from all interested stakeholders.

### **3.9 Timescales for implementing the proposed change**

If Ofcom determines that the BBC may carry out the proposed changes we would expect start launching the new stations within a few months of Ofcom's final determination.

## 4. Providing public value

### 4.1 Delivering against the BBC's Mission

The BBC is a mission-driven organisation. Its mission is to “act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain”.<sup>40</sup>

In doing so, the BBC must deliver great value for money in return for the licence fee. Alongside this mission sit five public purposes that further guide the operation of the BBC. These are:

- Providing impartial news and information;
- Supporting learning for people of all ages;
- Providing distinctive content;
- Reflecting the diverse communities of the UK and supporting the creative economy; and
- Reflecting the UK to the world.<sup>41</sup>

We consider public value in terms of how a change to the BBC's UK Public Services adds to the fulfilment of that Mission and the promotion of the Public Purposes. In this section we set out how we think these new services will provide licence fee payers with greater value.

### 4.2 Our Public Value Framework

In 2020, we worked with Professor Mariana Mazzucato and the UCL Institute for Innovation and Public Purpose (IIPP) on developing a new framework for the assessment of public value at the BBC, to enable us to make a more rigorous assessment. In December 2020, the BBC and IIPP published *Creating and measuring dynamic public value at the BBC – A scoping report*.<sup>42</sup>

There are many different facets to public value, and in order to evaluate the public value generated by our proposals we discuss these in terms of the different domains or groupings of value:

- **Individual value** – value generated in relation to an individual's consumption of our services – the extent to which our changes will meet audience expectations, continue to offer them a truly universal service, and therefore provide good value for money for the licence fee. As a content led organisation a large proportion of the value we generate is through consumption of our content.
- **Societal value** – value generated in relation to broader society; and
- **Industry value** – value generated as it relates to industry – the extent to which our changes can promote industry value, acting as a creative force by supporting

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<sup>40</sup> [BBC Royal Charter](#), Article 5

<sup>41</sup> [BBC Royal Charter](#), Article 6

<sup>42</sup> [Creating and Measuring dynamic public value at the BBC – A scoping report, Institute for Innovation and Public Purpose](#), Institute for Innovation and Public Purpose, UCK, December 2020

investment, fuelling innovation, and shaping and stimulating the creative economy across the UK.

Our approach continues to develop; the domains of value provide a consistent structure for analysing public value across our services and aid us as we move towards greater quantification of the value we generate.

### **4.3 Our public value hypothesis**

We consider that the launch of four new music radio stations on DAB+, thus creating four new UK Public Services, will contribute to the BBC's mission through seeking to better serve all audiences and in particular to the third, fourth and fifth public purposes, i.e. providing high-quality output across a range of services, offering services that meet the needs of the UK's communities, investing in the creative economies and contributing to their development, and reflecting UK culture to the world.

In particular, we consider that our music radio station proposals will offer:

- Improved value for all audiences (particularly those who currently get less value from BBC music radio) – the stations will be part of a crucial evolution of the Radio 1, Radio 2 and Radio 3 brands to improve audience value. The stations will target younger and C2DE audiences who currently get less value from the BBC, as well as better meeting the moods and need states of modern audiences. The new stations will also encourage the transition of listeners to BBC Sounds where they can enjoy a richer, more personalised experience, and discover the full range of the BBC's content offer;
- Breadth and range of music – all of the new stations will feature high quality, talent-led music programming, playing a broader range of tracks and composers than the market and bringing audiences deeper into genres and periods of music they love most;
- New music – Radio 1 Dance will continue to support new artists and DJs and the latest releases in dance music, while the Radio 3 extension will include newly released pieces and performances of classic pieces as well as new compositions;
- British music and talent – the new stations will give focus to UK artists in terms of the proportion of tracks played. We will be commissioning new programmes for the new stations, and through the focus on Deep specialism, New and UK music, we will be raising the profile of artists and composers that are lesser known and have not received as much broadcast coverage;
- Speech – the stations will offer audiences context, curation and storytelling-through-music that only the BBC and its unique archive of clips, interviews and live performances can do;
- Live or specially recorded music – the new stations will also reflect the creative calendar across the year, covering the live events and unique performances in their genres, or making use of the BBC's unique archive of live and specially recorded music.
- Support for technological innovation in radio broadcasting – the BBC's involvement in DAB+ is likely to support the further development of digital radio in the UK.

**Figure 8: Summary of public value propositions**

	<b>Radio 1 Dance</b>	<b>Radio 1 extension</b>	<b>Radio 2 extension</b>	<b>Radio 3 extension</b>
Improved value for all audiences	✓	✓	✓	✓
Breadth and range of music	✓	✓	✓	✓
New music	✓			✓
British music and talent	✓	✓	✓	✓
Speech			✓	✓
Live or specially recorded music	✓	✓	✓	✓
Support technological innovation	✓	✓	✓	✓

#### 4.3.1 *Improved value for all audiences*

The stations will be part of a crucial evolution of the Radio 1, Radio 2 and Radio 3 brands to improve audience value. They will elegantly curate BBC Sounds music programmes led by much loved familiar voices alongside exciting new BBC presenters. The stations will target younger and C2DE audiences who currently get less value from the BBC, as well as better meeting the moods and need states of modern audiences. The new stations will also encourage the transition of listeners to BBC Sounds where they can enjoy a richer, more personalised experience, and discover the full range of the BBC’s content offer.

##### 4.3.1.1 Targeting underserved audiences

BBC Radio 1 and Radio 2 have the unique combination of distinctiveness and scale which delivers huge amounts of public value to audiences, but also reach millions of younger and C2DE audiences who get comparatively less value from the rest of the BBC. To preserve and extend this public value, we need to evolve how Radio 1 and Radio 2 deliver their music offer and make it easier for audiences to discover relevant content. By building on the BBC music brands that have strongest connection with these audiences, the BBC is seeking to do more for these younger and C2DE audiences who get less value from the BBC. Radio 1 Dance and the new Radio 1 extension are targeting audiences aged under 35 and from lower socio-economic groups, with the Radio 2 extension targeting C2DE audiences aged over 55. These new music stations curated around specific genres and periods of music will help these audiences discover the best of the BBC through clearly branded propositions.

##### 4.3.1.2 Better serving the moods and needs of modern audiences

These proposals will offer more relevant, clearly labelled choices for audiences in music radio. They will be designed to reflect the evolving needs and habits of audiences, who have come to expect the targeted, personalised content offered on streaming platforms like Spotify and Apple Music, as well as the breadth of choice available in commercial radio brand extensions. Audiences expect music radio to provide a laidback, ‘hands-free’ offer which provides a consistent and familiar tone – whether that’s something to relax

to or an energising soundtrack to get ready to. These BBC services will offer distinctive human curation and context, led by knowledgeable, passionate presenters, including some of the best loved voices of BBC music radio. The schedules will reflect the mood needs of modern listeners – whether that’s a feel-good mood from a deep dive into a favourite era, an energy boost from upbeat dance music or a calming listen to classical music at key points in the day. In order to provide the laid-back listening experience listeners are looking for to match their mood, the stations will be primarily music focussed, and will not carry news bulletins.

The stations are designed to encourage audiences to discover more from the formats and voices they love, with DAB+ playing a crucial role to reach underserved audience groups in a cost effective way. DAB+ will also be crucial to encourage the digital transition to BBC Sounds, where audiences can enjoy added live listening functionality (e.g. pause and rewind, see track playing) and continue their listening journeys to discover further episodes and other relevant content available on-demand, in a richer more personalised experience. Additionally, all shows on the stations will be available as standalone on-demand shows on BBC Sounds. In these ways, the new stations will make an important contribution to shoring up the long-term digital future of UK audio.

Radio 1 Dance will bring its recognised genre specialism to DAB+ to serve a wider audience than it currently does on BBC Sounds. The Radio 3 extension will provide a calming and relaxing classical music experience that supports listeners’ daily routines, helps them escape the pressures and stresses of daily life and supports their well-being. The new Radio 1 extension meets a different need state – from uplifting to chill – from a brand young people trust. The new Radio 2 extension's schedule will be specifically programmed to provide escape – an important public service. We know audiences appreciate revisiting the music and stories of their youth – *Radio 2’s Sounds of the 60s* is the most listened to on-demand music title on BBC Sounds. This station provides audiences with a dedicated always-on destination to improve discovery of the broad range of music content available via BBC Sounds, beyond the ‘Sounds of...’ shows on the main Radio 2 schedule.

#### 4.3.2 *Breadth and range of music*

All of the new stations will feature high quality, talent-led music programming, playing a broader range of music than the market and bringing audiences deeper into genres and periods of music they love most. The DAB+ stations will showcase the BBC’s creative investment in distinctive music content to a broader audience to improve discovery.

Streaming has enabled younger audiences in particular to discover music from the past 60 years that is new to them, surfaced through recommendations and curated playlists. A report by the International Federation of the Phonographic Industry (IFPI) also found that on average, music fans now listen to more than eight different genres of music, and the report identified more than 700 different genres being listened to.<sup>43</sup>

These stations will offer audiences a deeper dive into specialist music, defined by a particular genre or period of music, where they will discover relatively unknown tracks, artists and performers, alongside some more familiar music. The ambitious breadth of

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<sup>43</sup> [Engaging with Music 2023](#), IFPI, p.6, p.17

tracks played will also help to surface the sub-genres within these eras and genres. BBC music radio already draws on a much wider range of tracks than a commercial radio offer. Radio 2 played 15,759 different tracks in 2023, while the average across 12 leading commercial stations was 2,517 ranging from 757 on Smooth; 952 on Heart; 1,619 on Magic; and 6,044 on Greatest Hits.<sup>44</sup> Radio 1 played 12,248 unique tracks of which more than 40% were from British artists.<sup>45</sup> The brand extensions will similarly play a much wider range of tracks than comparable commercial stations:

- Radio 1 Dance – over 3,000 unique tracks per year
- Radio 1 New extension – about 4,000 unique tracks per year
- Radio 2 extension – about 5,000 unique tracks per year
- Radio 3 extension – about 8,000 unique tracks per year

#### 4.3.3 *New music*

The BBC is committed to giving space to new music,<sup>46</sup> and the proposed extensions will be no different. While two of the proposed stations are explicitly meeting a demand from audiences for nostalgia and will therefore feature music from previous decades, new music will play an important role for Radio 1 Dance and the Radio 3 extension:

- Radio 1 Dance – new music will comprise at least a third of tracks
- Radio 3 extension – at least 15% will be new recordings

#### 4.3.4 *British music and talent*

The BBC is committed to highlighting the best of UK talent and the new stations will similarly have an ambition to focus on UK artists and performances. On the new DAB+ stations, British music will make up:

- Radio 1 Dance – at least 45%
- Radio 1 New extension – at least 33%
- Radio 2 extension – at least 40%
- Radio 3 extension – a broad range of tracks from a variety of British composers

Across all of the proposed new DAB+ services, we will be commissioning new programmes. These commissions will give audio production talent additional opportunities to produce content for the BBC with a broadcast window. Through the breadth and range of music played, including new and British music, we will be raising the profile of artists that have not historically received broadcast coverage. Additional profile will help those artists build their brand and lead to greater commercial success.

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<sup>44</sup> BBC analysis on 12 commercial stations in 2022 – Absolute, Capital, Capital Xtra, Gold (UK), Greatest Hits, Heart, Hits (Manchester), Kiss, Magic, Radio X, Smooth, Virgin

<sup>45</sup> RadioMonitor, All hours, 2023. NB RadioMonitor defines Northern Irish artists as Irish which is why the figure for UK artists played would be higher than given here.

<sup>46</sup> The BBC's operating licence defines new music in the following way *A music track is to be considered "New Music" for a period of either: (a) 12 months from first release (whether by physical, radio, download or streaming means), or (b) 6 weeks from the date it first enters the Top 20 of the UK Official Singles Chart, whichever is sooner.*

#### 4.3.5 *Live and specially recorded music*

The new stations will support live music making, the creation of unique performances and use the BBC's unique archive of live and specially recorded music. On the new DAB+ stations:

- Radio 1 Dance – the station will reflect and provide context around live events featuring new DJs and acts emerging in the genre, such as Radio 1's Dance Weekend: Ibiza and other third party events; BBC Introducing will also continue to support new artists including dance acts, bringing them to audiences at live events, and recording and broadcasting unique performances.
- Radio 1 new extension – the station will feature programming that promotes 'new to me' discovery of music for audiences under 35, showcasing live performances the BBC's unique archive.
- Radio 2 extension – the station will showcase concerts and music sessions from the BBC archive to support anniversaries and commemorations of key moments of popular culture.
- Radio 3 extension – every week, the station will broadcast live and specially recorded music, from the BBC Orchestras and Choirs, the BBC's New Generation Artists, and other performers.

#### 4.3.6 *Speech*

Speech is an important and distinctive characteristic of the BBC's current music radio stations. While all four stations will be predominantly music based, Radio 2 and Radio 3 will feature some speech content:

- Radio 2 extension – interviews and special documentaries on artists and moments that shaped pop from the BBC archive
- Radio 3 extension – unique and compelling combinations of speech and music, similar to existing BBC Sounds titles such as *The Music & Meditation podcast*, *Tearjerker* and *The Sleeping Forecast*

#### 4.3.7 *Supporting technological innovation in radio broadcasting*

The Charter states that “the BBC must promote technological innovation” and “focus on technological innovation to support the delivery of the UK Public Services”.<sup>47</sup> More specifically, the Agreement requires the BBC to “use all reasonable endeavours to support the transition from analogue to digital radio”.<sup>48</sup>

The BBC has been committed to digital radio since its launch and has made significant investment in continuing to build out national and local DAB coverage. The BBC, commercial radio and Government have worked together to jointly fund coverage being expanded to 90% of the population. Extending coverage is an important part of building a digital future for radio.

The launch of DAB-only stations provided not just more choice to audiences but also new, affordable, easy-to-use products for them to listen on. The early launch of DAB saw

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<sup>47</sup> [BBC Royal Charter](#), Article 15

<sup>48</sup> [BBC Framework Agreement](#), Clause 45

radio sales increasing in volume and importantly in value to UK manufacturers. The emergence of national DAB+ services from commercial radio and a growing number of stations using DAB+ on small-scale platforms should increase the take up of DAB+ devices. We believe that the BBC's proposed launch of DAB+ stations will support these developments.

In addition, our proposals will support the digital transition of UK radio. Audiences will be encouraged to also listen via BBC Sounds for added live listening functionality (e.g. pause and rewind, see track playing), and onward listening journeys to discover further episodes and more relevant content available on-demand, in a richer more personalised experience.

#### **4.4 Planned research**

As part of the Public Interest Test process we will test the veracity of these hypotheses through a range of quantitative and qualitative techniques. This will include:

- Analysis of internal and external audience data, e.g. internal BBC data, RAJAR, etc.;
- Modelling the uplift in listening for the purposes of our market impact analysis will also contribute to understanding of individual audience public value;
- Bespoke audience research, both qualitative and quantitative; and
- Responses to this consultation and active engagement with stakeholders.

In our Public Interest Test submission we will set out our analysis and assessment in detail, with supporting evidence. Where possible we will provide quantitative analysis to demonstrate our public value. However, as acknowledged by the Framework Agreement it “will require qualitative assessments to be made and that direct comparison of factors relating to public value and factors relating to risks to fair and effective competition may not be possible.”<sup>49</sup>

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<sup>49</sup> [BBC Framework Agreement](#), clause 8(2) and 10(4)

## 5. Further details on the consultation

### 5.1 The Public Interest Test process

The Public Interest Test is a key component of the BBC's system of governance, which took effect in the current Charter and Agreement from April 2017.<sup>50</sup>

The Agreement gives the BBC's Board the responsibility, in the first instance, for considering the impact of certain planned changes to the BBC's UK public services.<sup>51</sup> The BBC must consider whether any proposed changes to these activities are material.

The BBC may only materially change its UK public services<sup>52</sup> where:

- a) It has carried out a Public Interest Test;
- b) The test is satisfied; and
- c) Ofcom has determined that the proposal can proceed.<sup>53</sup>

For the UK Public Services, the Agreement defines a material change as the launch of a new UK public service, or any change to a UK Public Service which may have a significant adverse impact on fair and effective competition.<sup>54</sup>

Below we set out the process.

#### 5.1.1 *The BBC part of the process*

The launch of new music radio stations on DAB+ represents the creation of new UK Public Services. As such we are carrying out a Public Interest Test.

##### 5.1.1.1 Consultation & Engagement with stakeholders

As part of the process the BBC has committed in its published Policy on Material Changes to seek feedback from interested parties when it is undertaking a Public Interest Test.<sup>55</sup> As Ofcom notes in its Operating Framework, it is in third parties' interests to ensure that they raise concerns with the BBC when we are conducting our Public Interest Test and to draw attention to potential issues arising from the proposals at this stage.<sup>56</sup> This will allow potential issues to be taken into account by the BBC when it develops its final proposals.

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<sup>50</sup> [BBC Royal Charter](#) (Articles 12, 20, 37, 46 and 63) and [Framework Agreement](#) (Clauses 7-11 in relation to UK Public Services and 16-20 in relation to non-service activities)

<sup>51</sup> [BBC Royal Charter](#), Article 20(4)

<sup>52</sup> The BBC maintains and publishes [a list of the UK Public Services](#) in line with Schedule 1, Part 1 of the [Framework Agreement](#).

<sup>53</sup> [BBC Framework Agreement](#), Clause 7(6)

<sup>54</sup> [BBC Framework Agreement](#), Clause 7(7)

<sup>55</sup> [Policy on material changes to the BBC's public service activities and commercial activities](#)

<sup>56</sup> [Assessing the impact of proposed changes to the BBC's public service activities: Ofcom's procedures and guidance](#), paragraph 4.17

The BBC welcomes the opportunity to discuss our proposals further with interested stakeholders. Specifically, the BBC will be engaging with a range of stakeholders including other commercial broadcasters and audience groups.

#### 5.1.1.2 Research and analysis

To inform the Public Interest Test, the BBC will use audience research and data, and carry out its own analysis into the public value generated by the proposal.

In order to assess the scale and likelihood of any adverse impact on fair and effective competition, we will consider responses to the consultation, industry data and audience research (where available), and economic analysis.

#### 5.1.1.3 Decision by the BBC Board

To meet the criteria set out in the Public Interest Test, the BBC Board must be satisfied that the new initiative supports the BBC's mission; that it promotes its public purposes; that the BBC has taken reasonable steps to ensure that the change has no unnecessary adverse impact on fair and effective competition; and that the public value of the initiative justifies any impact on the competition. Where the BBC Board determines that the above elements of the Public Interest Test are satisfied, the BBC will publish a non-confidential version of the proposed change and refer it to Ofcom. The BBC aims to do so in the summer.

#### *5.1.2 The Ofcom part of the process*

As the BBC's regulator, Ofcom will make the final determination on whether a material change can proceed or not. Within 6 weeks of the publication of the Public Interest Test submission, Ofcom is required to decide whether the change proposed by the BBC is material. If Ofcom decides that the proposed change is material, it will then conduct a Competition Assessment, or a shorter assessment, involving the following steps:

- Survey the opinions of stakeholders;
- Review the procedures the BBC has followed in carrying out its Public Interest Test, including whether the BBC has consulted with external stakeholders appropriately;
- Review the BBC's own assessment of the public value of the change;
- Assess the adverse impact of the proposed change on competition; and
- Assess whether the public value of the change justifies any adverse impact on competition.

At the conclusion of a BBC Competition Assessment, Ofcom can reach four types of determination:

- To send the proposal or elements of the proposal back to the BBC for reconsideration;
- To allow the change to proceed;
- To require modifications or conditions to be made before the change proceeds; or
- To find that the BBC may not proceed with the proposed change.

If Ofcom carry out a shorter assessment, Ofcom can reach two types of determination:

- To send the proposal or elements of the proposal back to the BBC for reconsideration; or
- To allow the change to proceed.

## **5.2 Public sector equality duty and Welsh language assessment**

The BBC is required by its Charter to serve all audiences, and to reflect, represent and serve the diverse communities of the UK. Also, the Equality Act 2010 requires public bodies to have due regard to the need eliminate discrimination, advance equality of opportunity and foster good relations within society as regards people with protected characteristics.

The proposals set out in this document relate to the provision of content services (BBC radio stations and BBC Sounds) and as such are not subject the public service equality duty set out above. However, the BBC still considers it important to consider the impact of its proposals on any of the groups with protected characteristics, especially any detrimental impacts.

We consider that these proposals can have positive impacts on all audiences, and are consistent with the BBC's mission to serve all audiences; are designed to reach audiences currently less well served by the BBC; and will not require the reduction of other services to other audiences. We have not identified any detrimental impacts on groups with protected characteristics. However, we welcome stakeholders' views on these conclusions.

The Welsh language has official status in Wales, and must be treated no less favourably than the English language. As a public body, the BBC has to comply with specific "Standards" when formulating, reviewing or revising policy, and publishing consultation documents, which require it to consider and seek views on any positive or adverse effects on (a) opportunities for persons to use the Welsh language, and (b) treating the Welsh language no less favourably than the English language.

Again, the Standards do not apply as such where (as here) the proposals concern "broadcasting", but given the Charter obligations mentioned above and also the specific requirement on the BBC to support the regional and minority languages of the UK, we have also taken Welsh language considerations into account when formulating our proposals (including proposals which are not targeted at Wales specifically but are of interest across the UK). We do not consider our proposed changes and decisions have any impact on opportunities for persons to use the Welsh language or treat the Welsh language no less favourably than the English language. They relate to network radio services and do not involve any diversion of resources from our Welsh language services. We also do not believe there are ways in which our decisions and proposals could be formulated to have, or increase, a positive impact, or, not have adverse effects or decrease any adverse effects.

We welcome stakeholder views.

### 5.3 The BBC's consultation questions

This consultation runs for six weeks from 14 February to 27 March 2024.

This consultation sets out information about our planned launch of new music radio stations on DAB+. Our intention is to provide stakeholders with information sufficient to enable them to meaningfully engage with us as we finalise our proposals, which we will ultimately include within a Public Interest Test. While there remain areas of uncertainty at this stage of our process, we consider we have provided as much information as we can on our plans without publishing any information that may be commercially sensitive.

We are seeking views from all stakeholders, and in particular from industry, on our proposals for new music radio stations on DAB+ predominantly on the following questions:

**Question 1:** What do you think about the potential public value of our proposals for the launch of new music radio stations on DAB+, including the extent to which our proposal contributes to the BBC's mission to serve all audience through the provision of high quality and distinctive output and services which informs, educates and entertains?

**Question 2:** What do you think about the benefit to audiences who will listen to the stations, as well as wider potential social and cultural impacts?

**Question 3:** What impact (positive or negative) do you think our proposal for new music radio stations on DAB+ might have on fair and effective competition on commercial radio stations providing music content on radio?

**Question 4:** Are there any steps you think we could take to minimise any potential negative effects on fair and effective competition or to promote potential positive impacts?

### 5.4 How to respond

We would be grateful if respondents could, wherever practical, respond to each question directly.

If you would like to respond to this consultation, please email your response to [publicinterest.test@bbc.co.uk](mailto:publicinterest.test@bbc.co.uk).

Please contact [publicinterest.test@bbc.co.uk](mailto:publicinterest.test@bbc.co.uk) if you have any questions about this process, our consultation, or want to discuss these proposals further.

Please indicate in your response whether any or all of your response should be treated confidentially. We will use responses to inform our future work on the Public Interest Test. We may refer to responses, either in general terms or specific references, as part of the Public Interest Test, which we will publish. For confidential responses we may ask about how to include these in a Public Interest Test where relevant, as well as whether or not we can provide these to Ofcom on a confidential basis to help Ofcom with its assessment on materiality.

We are unable to consider comments relating to broader licence fee issues or comments relating to BBC programmes and content.