



5 Sports Extra: Public Interest Test

BBC Public Interest Test Submission

21 November 2024

Table of Contents

1. Executive summary	3
1.1 The BBC’s proposals for 5 Sports Extra.....	4
1.2 The extension of 5 Sports Extra will deliver high public value.....	5
1.3 Impact on fair and effective competition	6
1.4 The Public Interest Test.....	7
2. The context for our proposals.....	9
2.1 The range and use of audio for sport listening	9
2.2 Sports radio networks provide distinct offers for their target audiences, building on sports rights content they hold	16
3. Understanding the challenges for 5 Sports Extra	24
3.1 The BBC has a responsibility to maximise value for the licence fee by making more of our investment in sports content discoverable on network radio	24
3.2 The BBC must do more to maximise content for C2DE and younger audiences on radio	26
3.3 There is a lack of distinctive standalone sports podcast content in the UK radio market	26
3.4 The BBC could do more to improve the breadth of sports content on linear radio	27
4. The BBC’s proposal for 5 Sports Extra.....	29
4.1 Our proposal for extending the broadcasting hours of 5 Sports Extra	29
4.2 Budget	38
4.3 Summary of final proposals.....	40
5. Delivering greater value to audiences through 5 Sports Extra	41
5.1 Delivering against the BBC’s Mission	41
5.2 Our Public Value Framework	41
5.3 Our Public Value hypothesis	42
5.4 Audience Research.....	43
5.5 Improve value for money for linear radio audiences, by making more of our brilliant on-demand sports content discoverable on network radio	43
5.6 Improving the value currently underserved C2DE and younger audiences are receiving from the BBC	47
5.7 Representation and portrayal, serving audiences from across the UK by highlighting sport content and voices from the nations and regions and provide a linear platform for new talent	51
5.8 Broaden the range of sports being represented on BBC linear audio services, particularly those that currently receive less broadcast coverage.	53

5.9	Improving discovery of on-demand sports content on BBC Sounds through prominence on network radio	57
5.10	Our conclusions on Public Value	58
6.	Potential impact on fair and effective competition.....	59
6.1	Uplift in listening to 5 Sports Extra.....	59
6.2	Risks that our proposal will crowd out competitors	61
6.3	Conclusions on the BBC’s potential impact of fair and effective competition....	66
7.	The Public Interest Test	67
7.1	Background	67
7.2	Is the proposed change a material change?	67
7.3	Does the proposed change contribute to the fulfilment of the Mission and the promotion of the Public Purposes?	68
7.4	Has the BBC taken reasonable steps to ensure that the proposed change has no adverse impact on fair and effective competition which is not necessary for the effective fulfilment of the Mission and promotion of the Public Purposes?	68
7.5	Does the public value of the proposed changes justify any adverse impact on fair and effective competition?	69
7.6	Conclusion	69
	Annex 1: Consultation responses.....	70
	Annex 2: Modelling	76

1. Executive summary

In March 2024, Tim Davie set out three essential roles the BBC can play for democracy, the creative economy, and society, to make the impact of the BBC as vital in the future as it has been in the past. These were: pursuing truth with no agenda; backing homegrown storytelling; and bringing people together.

Implicit in these aims is the need for the BBC to be driven by audience need and not simply by commercial market forces. In a highly competitive creative sector, the BBC faces huge pressure to deliver and invest in unique, distinctive and high quality creative content, and do so efficiently. The BBC currently invests more in original British content than anyone, championing new talent from every part of the UK, supported strongly by the licence fee.

In his speech, Tim Davie also set out an ambition to continue to build the BBC as a place where more people can come together to experience moments, share views, be engaged, and feel part of the voice of the UK. Alongside this was an important need to ensure we are making the right choices to fund a universal public service for the long term. Over the past years, the BBC has explored strategies to reform and preserve value for licence fee payers, as well as attracting investment and making savings internally.

In order to deliver efficient stewardship of the licence fee and pursue our ambitions to back our creative and distinctive content and bring audiences together, we have explored improvements to our services which drive audience value and show significant potential to fulfil audience needs.

Earlier this year, we announced as part of this strategy a proposal to extend the broadcasting hours of 5 Sports Extra, to change it from a ‘part-time’ station to a ‘full-time’ station. Under this proposal, the station would enhance its existing delivery of live sports commentary with a curation of our best of British sport podcasts currently available on BBC Sounds and a host of previously broadcast sport commentary replays.

In February 2024, we took the first step for the Public Interest Test of our proposal by consulting stakeholders and setting out in detail our proposals for these changes alongside our initial market assessment and our analysis of potential public value. In addition to considering responses from stakeholders, we have since carried out detailed audience research and modelled the potential market impact of the changes. This research and analysis is set out in this document.

Having reviewed our findings and responses to the proposal, we believe the changes as set out in this assessment against the Public Interest Test¹ will deliver significant public value with regard to value for money, catering to underserved audiences, improving representation and portrayal, delivering a broad range of sports programming and aiding discoverability of on-demand sports content on BBC Sounds.

¹ As set out in Clause 8 of the Framework Agreement with the Secretary of State dated December 2016.

Our analysis of likely market impact demonstrated a potential significant adverse impact on fair and effective competition. As such we decided to mitigate this impact by significantly reducing the proposed broadcast hours.

We consider that the proposed change may have an adverse impact on fair and effective competition, but the changes we have made to the proposal to mitigate this risk and the potential high public value delivered justifies this impact. The extension to 5 Sports Extra will generate greater value for BBC licence fee payers and contribute to continually improving how the BBC delivers on its Mission and Public Purposes.

1.1 The BBC's proposals for 5 Sports Extra

In February 2024, we published a consultation on the proposed changes. We received 11 responses to our consultation. There were 8 from industry stakeholders, a further 6 industry stakeholders confirmed that that they would not be making a submission to the consultation. There were 3 responses from members of the public. Responses were primarily from industry stakeholders, including commercial radio broadcasters, rightsholder representative bodies and independent production companies.

In this assessment we set out in detail how we have considered stakeholder responses and set out our final proposals which we have assessed against the Public Interest Test.

In summary our proposal will:

- Extend the broadcasting hours of BBC 5 Sports Extra, to change it from a 'part-time' station with no fixed broadcasting hours, to an extended hours station broadcasting every day between 9am – 7pm.
- Complement the existing live sports coverage on 5 Sports Extra with our catalogue of existing BBC sport podcasts produced across the UK and previously broadcast sport commentary replays.
- Deliver significant value to licence fee payers by making more efficient use of available spectrum and existing licence fee funded content.
- Deliver greater content that better caters to underserved BBC audiences by providing a continuous and distinctive linear sport radio station.
- Deliver better representation and portrayal on linear sport radio through the provision of sport content from across the UK's nations and regions.
- Broaden the range of sports content currently represented on national radio, by bringing voices from the nations and regions to audiences and showcasing more sports that would typically receive less coverage on national radio.
- Improving discovery of on-demand sports content on BBC Sounds through giving prominence to the BBC's on-demand sports catalogue on a national linear radio station.

For the avoidance of doubt, these proposals do not involve any increase to either the BBC's audio sports rights budget or hours of live sports coverage. The proposal for 5 Sports Extra to be an extended hours station focuses on using existing sports programming (i.e. podcasts and live commentary replays) and is not reliant on acquisition of additional sports rights.

1.2 The extension of 5 Sports Extra will deliver high public value

Our analysis of public value – based on our audience research conducted by MTM, responses to our consultation (of which there were 11) and modelling of take-up and usage – shows that our proposals will clearly deliver significant public value, which we have assessed on three levels: personal, societal and industry.

1.2.1 Personal Value

This is 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. In particular, stakeholder responses and our audience research support our view that the proposal will:

- Increase value for money for licence fee payers by making more efficient use of the broadcast hours and spectrum available. Our audience research supports our hypothesis: 7 out of 10 sports radio listeners aged 25 – 44 felt the BBC’s proposal was appealing.
- Increase the choice available to sports radio listeners through delivery of a wide range of sports audio content, distinctive from the existing commercial offer.
- Better cater to audiences across the UK nations and regions with sports content that reflects their needs and interests.
- Strengthen and broaden the range of sports being represented on BBC linear audio service by better serving sports radio audiences with a distinctive offer of sports across a broad range of content.
- Will improve exposure and discovery of non-live sports audio content the BBC has available on Sounds.

1.2.2 Societal Value

This is the extent to which our changes can promote social value, which we define primarily by reference to how a change will enable the BBC to better deliver our Mission and promote the Public Purposes. In particular the change will:

- Better serve C2DE and younger audiences on linear radio with sports content that is of interest and relevant to them. Our audience research shows strong support from audiences currently underserved across BBC network radio. More than half (56%) of younger (25-44) C2DE audiences said the proposed station would offer a high quality audio service, with 38% saying there were likely to consider listening. For C2DE listeners overall, 67% said they might or were likely to consider listening to the proposed station. 39% of younger listeners (25-44) said they were likely to listen to the proposed station.
- Safeguard the BBC’s ability to deliver the Mission and Public Purposes to all audiences – including underserved audiences – and therefore support the long term future of the BBC. Our audience research found that C2DE audiences were positive that the change would offer something different from what commercial radio offers and will offer a high-quality audio service. Most stakeholders also felt the change would increase the provision for those who are underserved by BBC services and believe the change would increase awareness of BBC podcasts and servicing of C2DE audiences and bring positive competition to the market.

- Reflect, represent and serve audiences from across the UK, by better highlighting sport content and voices from the nations and regions. The extension will enable the BBC to make significant use of its portfolio of on-demand sport content. Most stakeholders agree that audiences would benefit from better representation and provision of sports podcast content from across the UK's nations and regions.
- Will deliver a broader range of content on network radio across a wide range of sports leveraging the full breadth of the BBC's on-demand offer to populate the schedule and enhance the current live sport offer with more podcast content for sports that receive less coverage.
- Support the BBC's Mission to deliver good value for money in return for the licence fee by providing an opportunity to leverage licence fee funded content to increase reach of the UK Public Services.

1.2.3 *Industry Value*

Industry value is the extent to which our changes can act as a creative force by supporting investment, fuelling innovation, and shaping and stimulating the creative economy across the UK.

The proposed changes will provide an additional 'window' for sports podcast content and increasing reach and listening for content commissioned by the BBC including those from independent producers. The availability of this greater reach can encourage greater innovation and creativity in this genre to the benefit of the harder to reach audiences that our research suggests will benefit from the changes.

This analysis shows that our proposals will deliver high public value in a variety of ways, and directly supports the BBC's Mission of "serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain", as well as the BBC's Public Purposes as set out in the Charter.

1.3 Impact on fair and effective competition

Our analysis of likely market impact demonstrates a potential significant adverse impact on the single sports radio broadcaster in the market. We have approached this analysis by modelling a scenario which creates a reference day for 5 Sports Extra. This assumes a number of schedule slots that across the year are likely to be sports rights slots with the remainder being filled in with podcasts. The reference day when applied across the year results in an uplift of c.52% of listening. We have applied this to a simple linear forecast of listening for the BBC and listening and revenues for comparator stations.

Due to the make-up of the sports commercial radio market the impact of the changes from an extended 5 Sports Extra in the market will be narrow. This is because there are only two commercial radio stations in the UK which provide sports programming in its full time schedule, talkSPORT and talkSPORT 2, both of which are owned by News UK, and are run as part of the News Broadcasting business unit.

Given the purpose of the PIT, we have taken a conservative approach to uncertainties in our modelling, i.e. leaning towards overestimating the BBC's market impact. As such, the market impact estimates represent a reasonable 'worst case scenario' but should not be read as the business's listening projections for the extended station.

Our analysis found that:

- Our model suggests a 33% increase in listening to the extended 5 Sports Extra station within three to five years of the change being implemented, resulting in an additional 1.6 million hours a week of listening
- We consider it is likely that all the impact of this uplift is likely to come from both sports and non-sports station, the largest likely sources being, other BBC radio services (including Radio 2, Radio 4 and Local Radio), talkSPORT, Global and Bauer services. On the basis of this assumption we have assumed that the uplift in listening to 5 Sports Extra will be 25% from other BBC radio services, 50% from talkSPORT stations, and 25% from other commercial radio stations.
- On a static basis, the change will likely lead to a reduction in listening to talkSPORT and talkSPORT 2 of c.4.2%
- We estimate that this could reduce total revenues of News Broadcasting² by up to 1.6%; and
- Reduce the profitability of News Broadcasting by up to 1.5pp
- Commercial competitors can reasonably be expected to have various strategies open to them to respond dynamically to the launch of 5 Sports Extra to mitigate any loss of listening and therefore revenue losses, e.g. by adopting programming strategies designed to retain or win back listeners.

The analysis set out above is static, i.e. the results model represents the possible impact before allowing for a dynamic response from News Broadcasting that could potentially mitigate the impact. We consider that News Broadcasting has limited potential dynamic responses available given the limited availability and costs of popular sports rights and scheduling challenges. However, we would note that News Broadcasting has recently innovated as the first commercial radio station to carry the Olympics.

1.4 The Public Interest Test

The BBC is required to carry out a Public Interest Test if it considers that a proposed change may be material, i.e. the change is 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.

The Public Interest Test is that the BBC “must be satisfied that:

- a) The proposed change to the UK public services contributes to the fulfilment of the Mission and the promotion of one or more of the BBC’s Public Purposes;
- b) It has taken reasonable steps to ensure that the proposed change has no adverse impact on fair and effective competition which is not necessary for the effective fulfilment of the Mission and the promotion of the Public Purposes; and
- c) The public value of the proposed change justifies any adverse impact on fair and effective competition.”

Once the BBC publishes the proposed change, “Ofcom must assess whether the change is a material change”. If Ofcom decides that the proposed change is a material change,

² News Broadcasting is the radio broadcast unit of News UK. In addition to the talkSPORT stations it includes the Virgin music stations, Times Radio and Talk Radio.

Ofcom must carry out a Competition Assessment or Shorter Assessment. “Where Ofcom has notified the BBC that they do not consider that a proposed change is a material change, the BBC may carry out the proposed change”, and “Where a period of six weeks has elapsed since the publication of the proposed change, and Ofcom has not notified the BBC as to whether it considers the proposed change is a material change, the BBC may carry out the proposed change.”

The extension of hours of 5 Sports Extra will contribute to the fulfilment of the Mission and promote delivery of all four public purposes through: 1) Delivery of up-to-date sporting news and events coverage; 2) informative sports commentary and sport podcast content; 3) high-quality, creative and distinctive programming; and 4) reflecting, representing and serving younger audiences from across the UK and all diverse groups through an expanded sport offering for fans.

Our analysis of likely market impact demonstrates a potential adverse impact on fair and effective competition, in particular on talkSPORT, the only commercial sports radio broadcaster in the market (see Section 6 for further detail on market impact). To mitigate this impact and address concerns from stakeholders, we have reduced the proposed broadcast hours of the extended station. Specifically, we have reduced the proposed additional broadcast hours by 45%, from our initial proposal of 6am to 10:30pm every day to our final proposal of 9am to 7pm every day. We are also removing from our proposal the simulcasting slot of 5 Live on 5 Sports Extra which included non-live commentary. The station will still retain the ability to simulcast live sport commentary of 5 Live. Despite this change, we strongly believe it will still enable us to accomplish the objectives of the changes. We believe the proposal will deliver significant public value with regard to value for money, catering to underserved audiences, improving representation and portrayal, delivering a broad range of sports programming and aiding discoverability of on-demand sports content on BBC Sounds. As such, we have taken reasonable steps to ensure that the proposed change has no adverse impact on fair and effective competition which is not necessary for the effective fulfilment of the Mission and the promotion of the Public Purposes.

On this basis we consider that the proposed change justifies the adverse impact on fair and effective competition, and the Public Interest Test is met.

2. The context for our proposals

In this section, we set out the key context informing our proposals including the range and use of audio for sports listening, developments and changes in audience behaviour, the size of the commercial sports radio market, and the BBC's financial context and strategic direction for 5 Sports Extra.

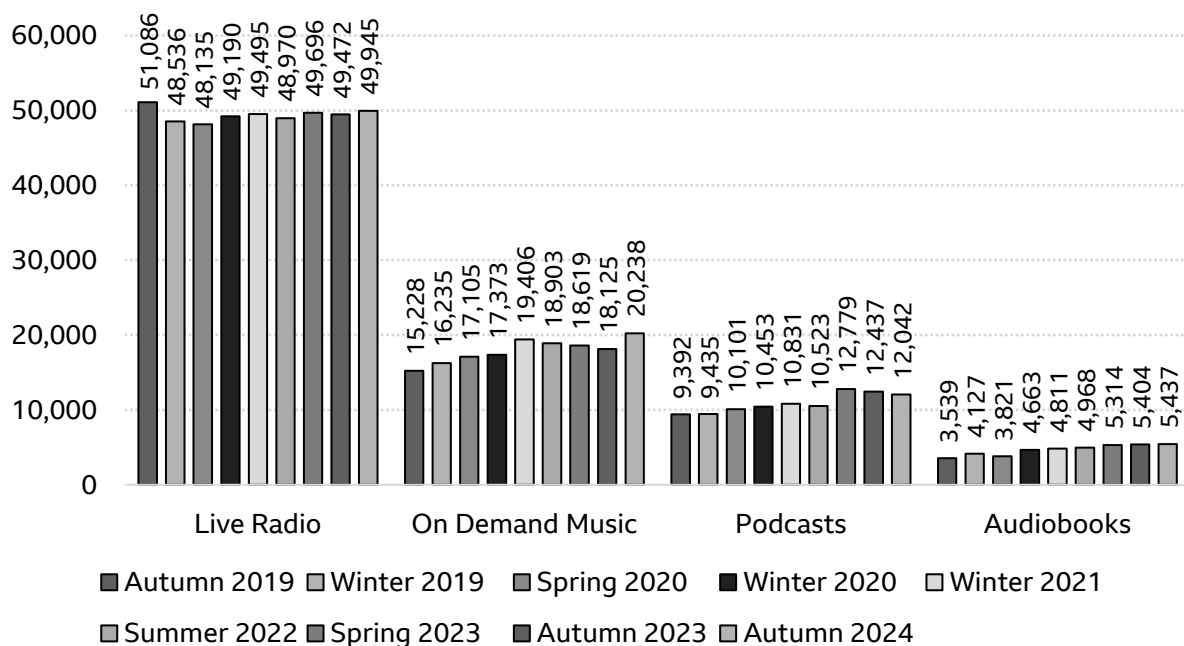
2.1 The range and use of audio for sport listening

It has been almost 100 years since the first ever outdoor sports event broadcast in the United Kingdom which was a Rugby Union international match between England and Wales, from Twickenham with live commentary on BBC radio in January 1927. That same month saw the first BBC radio broadcast of Arsenal football club's league fixture against Sheffield United at Highbury.

Over that 100 year period, the format and style of sports broadcasting on radio has changed and moulded to new technologies and ever changing audience behaviours and expectations. In particular, over the last few decades, new ways of distributing and accessing content have led to the proliferation of new online on-demand services and providers. Online audio has caused a paradigm shift in listening behaviours, particularly for younger audiences, who continue to prefer to use on-demand platforms for audio listening over linear radio.

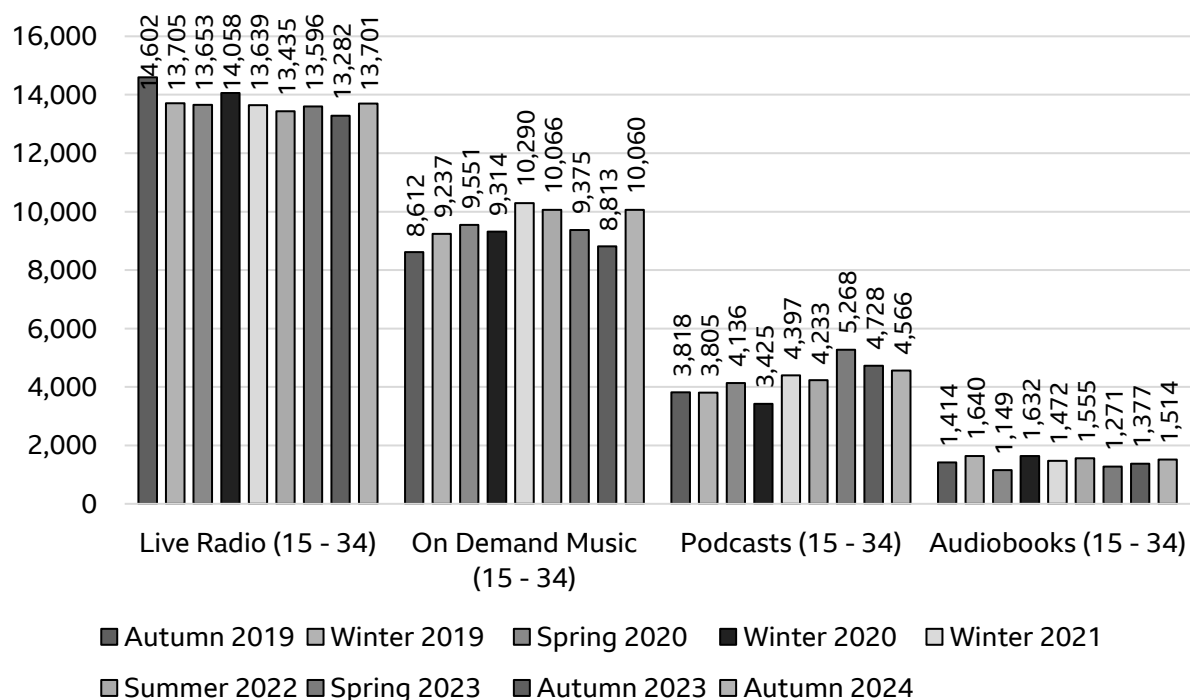
We can observe the impact online audio and audience behavioural shifts have had on overall radio listening in the UK over the past decade, with listening continuing to decline to radio, particularly among younger listeners. Since 2019, listening to live radio for all adults and 15 – 34s has remained stable with no growth, in contrast, listening to on-demand music and podcasts has grown significantly. Over the 5 year period, listening to on-demand music has increased by 33% for all adults and 17% for 15 – 34s. For podcasts, since 2019, listening has increased by 28% for all adults and 20% for 15 – 34s.

Figure 1: Listening to audio by type of content (all adults in thousands)



Source: RAJAR

Figure 2: Listening to audio by type of content (15 - 34s in thousands)



Source: RAJAR

Despite this trend in audio listening, sport listeners who want to listen to the latest significant sporting event live, with commentary, will still need to tune in to a traditional radio network whether that is via online radio or linear radio. This is due to the nature of the sports rights audio market in the UK. The most popular sports (English Premier League football and men’s cricket, rugby and boxing) have typically been competed for by

the UK's radio networks and have not to date attracted interest from on-demand streaming platforms such as Spotify.

For audiences wanting to listen to more sport content, the audio experience is split across various genres and mediums and not limited to just live sports commentary. This can be summarised across:

- Live sport commentary – the most prominent type of listening (e.g. live sport commentary of English Premier League Football, Wimbledon) currently exclusive for the most popular sports on radio networks.
- Live sport build-up programmes – typically pre or post live sporting commentaries, available across radio platforms.
- Live sport discussion programmes – a programme with a host or hosts who can lead a cast or panel to discuss topical sporting matters and / or take listener calls during the run time (e.g. talkSPORT's Sports Bar).
- Standalone pre-recorded sports related programmes or podcasts (e.g. sports documentaries of a historical or biographical context, sport discussion podcasts discussing latest topics or sport related topics or personalities) available on radio networks and online e.g. on-demand podcasts.

Competition facing the BBC for listeners in sports audio comes from TV (through companies such as Sky and its audio sport discussion programmes and podcasts), on-demand from talent-led indies like Goalhanger (*The Rest is Football*), through to print media organisations such as The Guardian (*Football Weekly*), The Times (*The Ruck Rugby Podcast*) and the Daily Mail (*It's All Kicking Off*) and finally, on radio through commercial sports radio stations talkSPORT and talkSPORT 2.

This content can be accessed via various services and platforms including: smart TVs, smart speakers, online video streaming platforms (e.g. YouTube, Amazon), podcast aggregators or online audio streaming platforms (such as Apple Podcasts or Spotify), online audio via web pages (e.g. via the talkSPORT website online), social media platforms (e.g. X – formerly known as Twitter, Facebook) and journalistic sport platforms (e.g. The Athletic, BBC Sport).

2.1.1 There are only two full-time dedicated sports stations on UK radio

Despite a broad level of choice for sports audiences to consume audio content, linear radio networks remain vital for audiences. In the current UK sports market, audio live rights are split across only two competing networks, the BBC and News Broadcasting, and RAJAR data shows that peak listening across the respective sports networks often occurs during live sport commentaries, dominated by three key sports rights in Premier League football, rugby and cricket. Audiences in the UK will find that there are only two full-time radio networks dedicated to sports, talkSPORT and talkSPORT 2, both of which are owned by News Broadcasting.

The BBC does provide sports audio content across 5 Live and 5 Sports Extra, however, 5 Sports Extra only broadcasts 'part-time' and 5 Live is predominantly a news and current affairs station and must dedicate at least 70% of its broadcast hours to news and current affairs.

5 Sports Extra, as noted above, is a ‘part-time’ station, only broadcasting live sport commentary in addition to that broadcast on 5 Live. Across 2023/24, only 35% of the total broadcast airtime of the station was used by live sport commentaries, with the remaining time on-air filled with a sustaining loop and no sport or other content.

In our February 2024 consultation, we set out further detail on the make-up of the sports radio listening in the UK as described above. In that paper, we noted that our analysis on the impact of our proposal would be focussed on the impact on talkSPORT and talkSPORT 2, with additional consideration for the wider sport radio market.

Figure 3: Summary of 5 Sports Extra and competitors

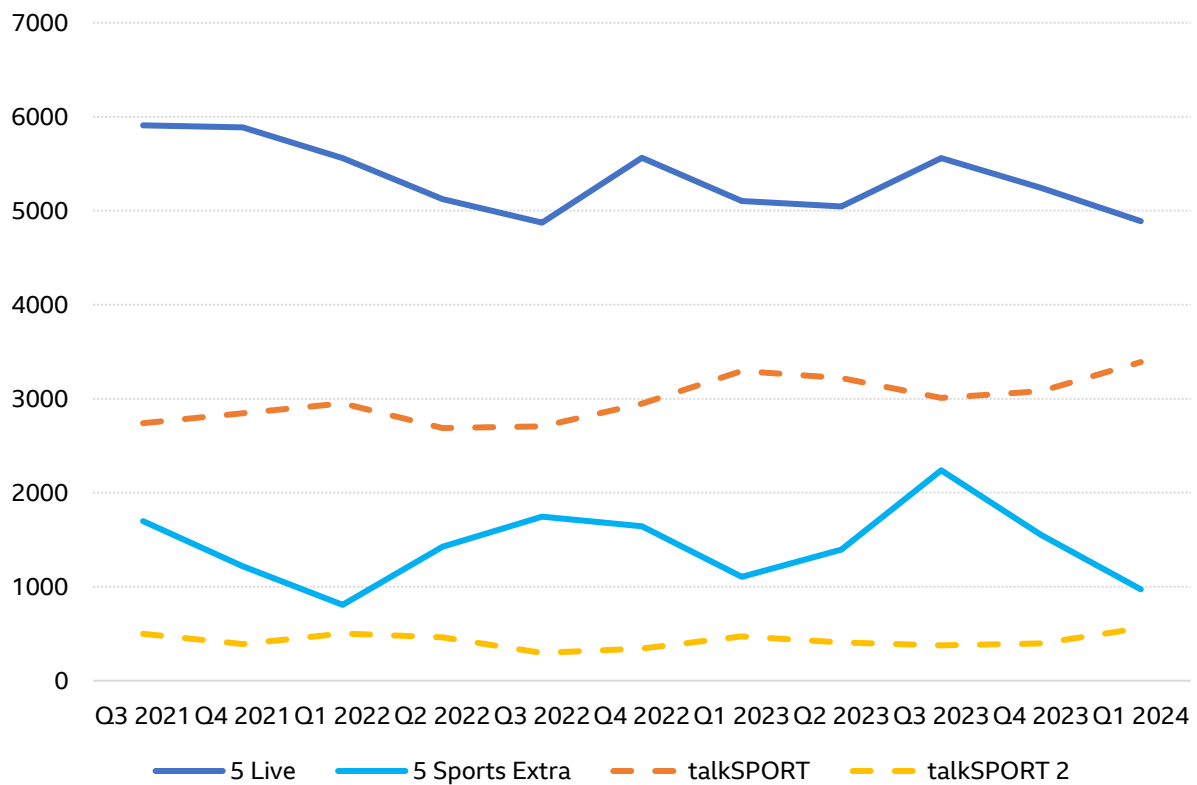
Name	Broadcast Area	Broadcast Hours pa	Distribution	Reach Population (m)	Share (%)
5 Live	National	8,760	MW, DAB, Sounds, online apps, smart speakers and TVs	4.89	2.9%
5 Sports Extra	National	3,091	DAB, Sounds, online apps, smart speakers and TVs	0.97	0.2%
talkSPORT	National	8,760	MW, DAB, talkSport app, online Smart speakers and TVs	3.39	2.1%
talkSPORT 2	National	8,760	DAB+, talkSport app, online smart speakers and TVs	0.56	0.1%

Source: RAJAR Q1 2024

2.1.2 Listening to sport radio stations in the UK has remained stable since 2021 with commercial providers making significant gains in listenership

Over the last two years (between Q1 2022 and Q1 2024) talkSPORT and talkSPORT 2 have been performing well and made steady progress in the market with reach increasing by 17.7% across both stations, in contrast, reach to 5 Live and 5 Sport Extra has decreased by 9.5% over the same period. See further detail in the breakdown below.

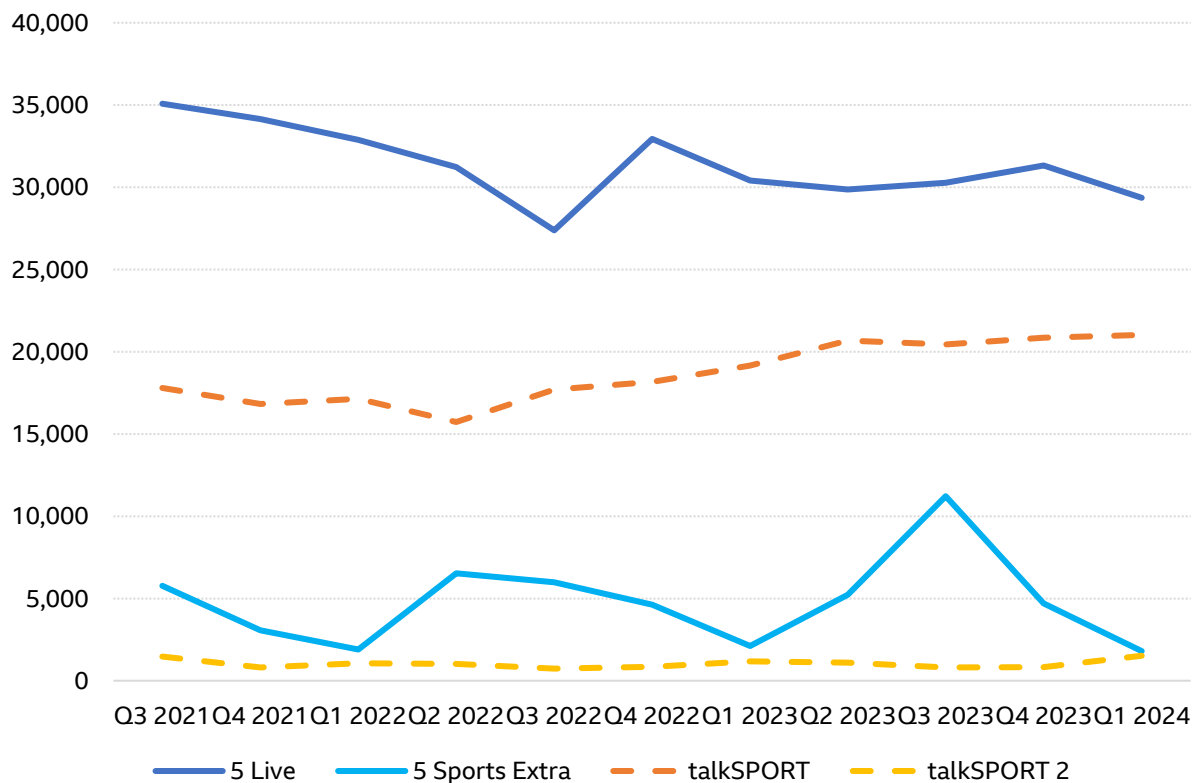
Figure 4: Adult 15+ audience quarterly reach for UK sports stations (000s)



Source: RAJAR

Listening hours for commercial stations talkSPORT and talkSPORT 2 have shown a significant increase in listening hours from audiences, between Q1 2022 and Q1 2024, there was an increase of 41.7% in listening hours for both stations combined. For 5 Live and 5 Sports Extra however, there was a decrease in listening hours by 10.4% over the same period. When measuring listening to all four stations for sports slots only, listening hours have increased by 7.2% since Q1 2022.

Figure 5: Adult 15+ audience quarterly hours of listening for UK sports stations (000s)



Source: RAJAR

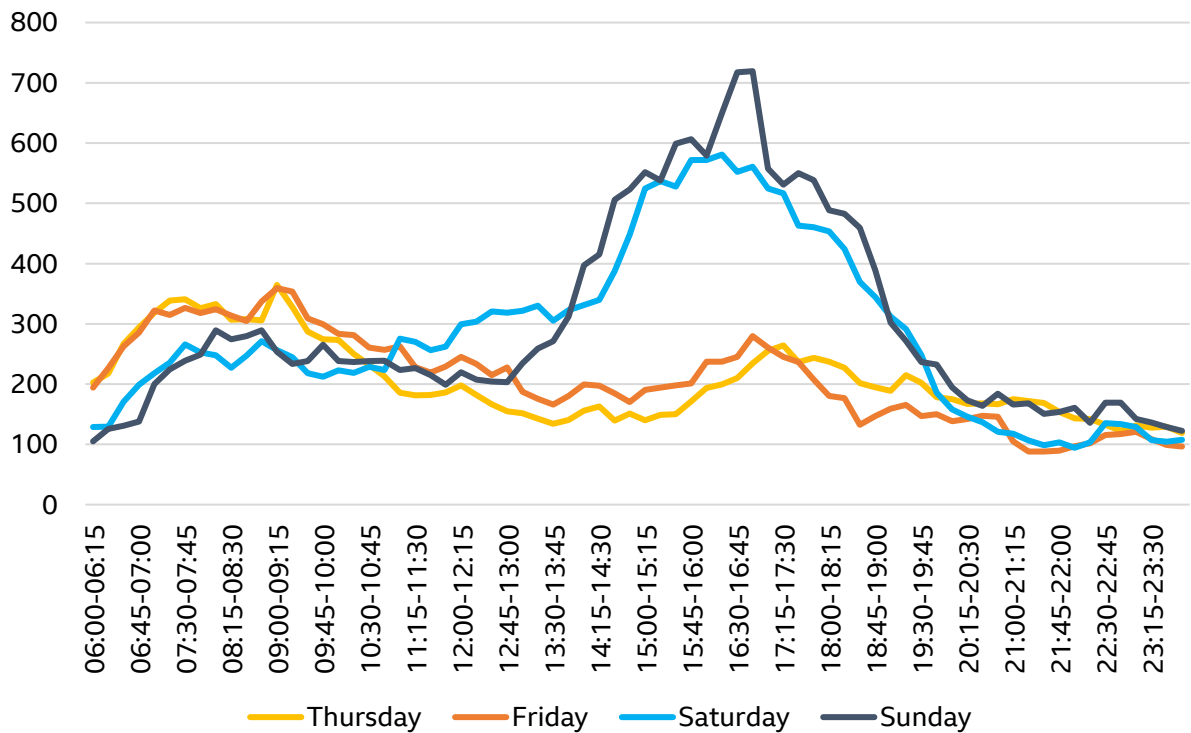
2.1.3 Live Sport Commentary

Live sport remains the largest driver of listening for sports radio in the market and on the BBC. Despite sports content representing a small proportion of 5 Live’s coverage, reach for sports content is among the primary drivers of engagement to the station. Specifically, live sport commentaries have the highest reach and engagement for audiences on linear radio. How effective that reach is depends on the rights available to that network.

As the chart below shows, the largest reach for audiences on 5 Live and talkSPORT are found on the days which the station broadcasts live sport. Although we can observe for talkSPORT that the early breakfast and morning slots between 6am to 11am also perform well with audiences.

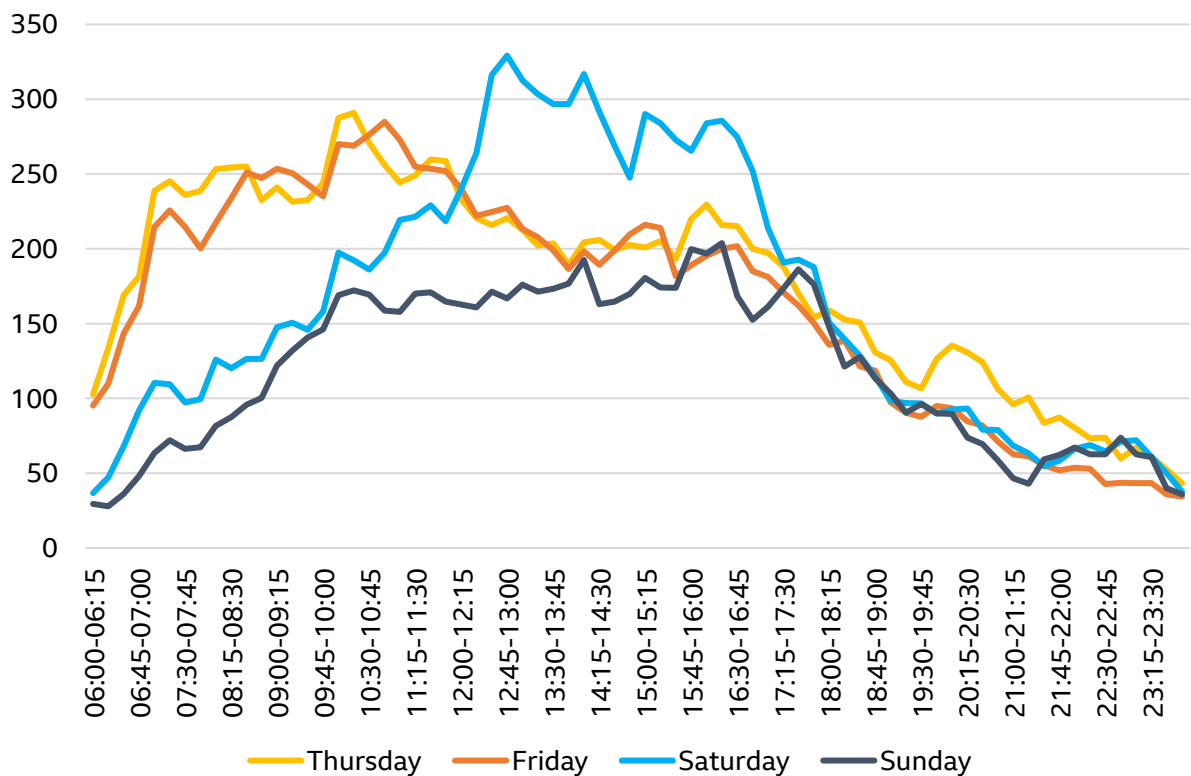
Listening figures on those weekends with live sport also demonstrate that listening rises in the build up to live sport but falls away significantly once that live sport ends. In comparison, days which do not broadcast live sport reach smaller audiences throughout the day.

Figure 6: Reach of audience for 5 Live providing a comparison between listening on a typical weekend with live sport and days which rarely have live sport



Source: RAJAR Q2 2024

Figure 7: Reach of audience for talkSPORT providing a comparison between listening on a typical weekend with live sport and days which rarely have live sport



2.2 Sports radio networks provide distinct offers for their target audiences, building on sports rights content they hold

As live sport is the most prominent type of audio sport listening on radio, the overall offer provided by broadcasters typically supports the live sport rights available to that broadcaster. This may take the form of live sport discussion programmes or call in shows, where hosts invite listeners to call in and discuss the latest topics and results in sport. In addition, pre-recorded sport podcasts and documentary style content are popular amongst audiences who want to immerse themselves further with content adjacent to the sport they follow, whether that is in a discussion format of latest results, deep dives into history of the sport or content centred around sports personalities.

Below we provide a detailed breakdown of the two distinct offers provided by the BBC and News Broadcasting.

2.2.1 BBC Sports audio portfolio

Sport is an essential part of the BBC's programming across all its audio services. As the cost of video rights for sports has increased and more and more live sports become available only on pay subscription TV / online services or pay-per-view, the BBC's audio services play an increasingly important role in public service live sports coverage and sport discussion.

The BBC currently broadcasts sports audio content across various services and platforms, including:

- **Radio 5 live** which broadcasts 24-hours a day, seven days per week providing continuous news and live sports coverage. With at least 70% of its broadcast hours comprising news and current affairs, the BBC is limited in the amount of content broadcast on the station that is sports, primarily focusing on live sports commentary or build up programming;³
- **5 Sports Extra** which provides live coverage of sporting events, but no non-live or non-sport programming;
- **Nations and local regional stations, including:** BBC Radio Scotland, BBC Radio nan Gàidheal, BBC Radio Wales, BBC Radio Cymru, BBC Radio Ulster / Foyle, and English Local Radio provide sports coverage and discussion of sports in their respective coverage areas;
- **BBC Sounds** which can be used to listen to any network radio sport⁴, and is also host to a broad range of BBC-commissioned sport podcasts and acquisitions for a variety of different sports, with content made by BBC teams across England, Wales, Scotland and Northern Ireland, featuring voices and sporting stories that represent audiences across the UK; and
- Audio commentary and content via the **BBC Sports app**.

³ Having been reduced from 75% in 2022 as part of Ofcom's review of the Operating Licence.

⁴ There is an exception for certain sports rights which may be limited to their broadcast on Nations and Local Radio stations.

Currently, the BBC holds sports live commentary broadcasting rights for 48 different sport competitions across various sports including English football (including men’s Premier League, women’s Super League...), cricket, tennis, athletics, snooker, golf and boxing. Live commentary for these sports are delivered on network radio across 5 Live and 5 Sports Extra. In 2023/24, on both stations, we presented sports content (including live commentary and programming) across 21 sports, see our full breakdown below.

Figure 8: Sports which received live commentary and programming in 2023/24 on 5 Live and 5 Sports Extra

5 Live and 5 Sports Extra – Sport coverage across 2023/24		
Men’s Football	Formula One	NFL
Women’s Football	Men’s Cricket	Swimming
Tennis	Women’s Cricket	Netball
Men’s Golf	Women’s Rugby	Para Athletics
Women’s Golf	Men’s Rugby	Snooker
Men’s Boxing	Men’s Rugby League	Women’s Boxing
Women’s Rugby League	Horse Racing	Athletics

2.2.1.1 5 Live

5 Live delivers a mix of sports and news content, as required by the operating licence, 70% of the content broadcast on 5 Live is news and current affairs programming. The most prominent type of sports content broadcast on 5 Live is live sport commentary. The BBC regularly delivers live commentary programming for the various sports rights it holds, as well as sports discussion programmes and pre event build up for some sports. Typically, this live sport content delivers the highest engagement from audiences (as highlighted in the daily listening chart above). Across 2023/24, only 18.6% of the entirety of 5 Live’s on-air broadcasting was sport (see full breakdown below).

Figure 9: Breakdown of 5 Live's broadcast hours in 2023/24 by type of content

Genre	Hours Broadcast	Proportion of total (%)
<i>News</i>	6,782	77.2%
<i>Sport</i>	1,634	18.6%
<i>Entertainment</i>	173	1.97%
<i>Factual</i>	45	0.51%
<i>Presentation</i>	150	1.71%
Total Hours	8,784	100%

Source: BBC Analysis

Audience engagement with 5 Live goes beyond sport and an analysis of the reach of programming on the station shows that sport is not the primary driver of listening. In

Q1 2024, There was slightly more reach among audiences for news and current affairs programming and significantly more hours of listened to content.

Figure 10: Audience Reach and Listening to 5 Live Programming

5 Live Programming	Reach	Hours of listening
News	3.5m	19.3m
Sport	3.1m	8.5m

Source: RAJAR, BBC Analysis. Listening to Sport programming and News. Listening and reach hours do not include news bulletins

2.2.1.2 5 Sports Extra

A part-time station, 5 Sports Extra is only live when we are delivering live sports commentary. 5 Sports Extra would typically broadcast a significant amount of live sports coverage due to the limitations of broadcast time available for sports coverage on 5 Live. It also enables the BBC to make full use of the sports rights it has acquired, to deliver free broadcasts of live sport commentary to audiences – which is an important option for those audiences who are unable to follow a live sports event via video (as those are typically behind pay-walls or subscriptions).

Across 2023/24, live sport coverage on 5 Sports Extra has included Men’s and Women’s Rugby, Formula One, Men’s and Women’s Cricket, NFL, Swimming and Netball. In total, we delivered 3,091 hours of live sport commentary via 5 Sports Extra across 2023/24. As 5 Sports Extra only broadcasts live sport, the remaining hours on air during that period were a sustaining loop, making up 5,693 hours of the total hours.

2.2.2 News Broadcasting

Aside from being one of the leading media businesses in the UK and Ireland, with news brands including *The Times*, *The Sunday Times* and *The Sun*, News UK, through its subsidiary News Broadcasting owns various national broadcast brands including Virgin Radio UK, Talk, Times Radio and talkSPORT.

2.2.2.1 TalkSPORT and talkSPORT 2

TalkSPORT and talkSPORT 2’s current offer is a mix between live sport and live presenter-led programmes and standalone sports content. The non-live sports commentary programmes are typically live debate style shows, podcast talk shows or documentaries. A significant driver of listener reach for sports radio stations in the market is live sport commentary. On talkSPORT and talkSPORT 2, there is a mix of live commentary coverage of cricket, boxing, motorsport, American football (NFL) and English football (EFL, FA and Premier League), as well as European football (Champions League, Europa League and Europa Conference League).

The talkSPORT schedule is typically made up of a morning, drive time afternoon and late night live call in show with live sports commentary slots - for sports rights it holds – where possible. The sports talk shows have dedicated hosts and also act as a build-up / follow through for sport commentaries. These shows also discuss the latest in sports news and round-ups, with call ins and interviews with sports personalities.

TalkSPORT 2, alongside talkSPORT, also broadcasts live sport commentary, in addition to live sport discussion programmes with dedicated hosts. talkSPORT 2 is also a more significant home to talkSPORT's various standalone bespoke programming, such as its biographical series *My Sporting Life*, which involves sports personalities reflecting on their careers in sport, interview with sporting personalities in the programme *Up Front with Simon Jordan*, or *After the Lights* a show which focuses on the struggles of professional athletes after their retirement from sport.

Though we do not have a figure for the number of sports covered among other players in the radio market, one stakeholder told the BBC in their response to our consultation that due to the nature of competing in a commercial market, there is increasing pressure to broadcast sports of greater mass market appeal and as such is likely to maximise listener and advertising revenues.

Below is a sample taken for talkSPORT and talkSPORT 2 during a recent week which included live sport coverage, alongside the same schedule for 5 Live and 5 Sports Extra for the same week.

Figure 11: talkSPORT 1 Week Breakdown – coverage week 16/09/2024

□ Non-live sport ■ Live sport

SLOT	Monday	Tuesday	WEDNESDAY	THURSDAY	FRIDAY	SLOT	SATURDAY	SUNDAY
05:00 – 06:00	Early Sports Breakfast					05:00 – 06:00	Extra Time (<i>talk show</i>)	
06:00 – 10:00	talkSPORT Breakfast					06:00 – 09:00	GameDay Breakfast (<i>talk show</i>)	Weekend Sports Breakfast (<i>talk show</i>)
10:00 – 13:00	White & Jordan (<i>talk show</i>)					09:00 – 11:00	GameDay Warm Up (<i>event talk show</i>)	Sunday Edition (<i>talk show</i>)
13:00 – 16:00	Hawksbee & Jacobs/Baker(<i>talk show</i>)					11:00 – 14:30	GameDay Exclusive – West Ham v Chelsea (live commentary EPL)	The Warm-Up (<i>talk show</i> 11:00 – 13:30)
16:00 – 19:00	talkSPORT Drive (<i>talk show</i>)					14:30 – 17:30	GameDay Live (<i>event talk show</i>)	The Sunday Session (<i>talk show</i> 13:30 – 18:30)
19:00 – 22:00	Kick Off (<i>talk show</i>)	Kick Off – AC Milan v Liverpool (live commentary UCL)	Kick Off – Manchester City v Inter Milan (live commentary UCL)	Kick Off – Atalanta v Arsenal (live commentary UCL)	Thank Football it's Friday (<i>talk show</i>)	17:30 – 20:00	GameDay Phone In (<i>talk show</i>)	The Final Word (<i>talk show</i> 18:30 – 21:00)
22:00 – 01:00	The Sports Bar (<i>talk show</i>)					20:00 – 00:00	Fight Night Live – Anthony Joshua v Daniel Dubois (live commentary boxing)	Trans Europe Express (<i>talk show</i> 21:00 – 00:00)
01:00 – 05:00	Extra Time (<i>talk show</i>)					01:00 – 05:00	Extra Time (<i>talk show</i>)	Extra Time (<i>talk show</i>)

Figure 12: talkSPORT 2 Week Breakdown – coverage week 16/09/2024

□ Non-live sport ■ Live sport

SLOT	Monday	Tuesday	Wednesday	Thursday	Friday	SLOT	Saturday	Sunday
00:00 – 01:00	PGA Tour Live (live commentary golf)	Podcast Slots (My Sporting Life, Women's Football Show, EFL All Access, Following On, On Track)	Podcast Slots (My Sporting Life, The Women's Football Show, EFL All Access, Fight Night Extra, The NFL Rundown, Following On)	Podcast Slots (My Sporting Life, On Track, Fight Night Extra, The NFL Rundown, Following On, The Women's Football Show)	My Sporting Life	00:00 – 12:00	Podcast Slots (My Sporting Life, Fight of My Life)	Podcast Slots (My Sporting Life, It Was All A Dream: The Football Academy Journey)
01:00 – 05:00	NFL Live – Houston Texans v Chicago Bears (live commentary American football)				NFL Live – New England Patriots v New York Jets (live commentary American Football)			
05:00 – 07:00	Podcast Slots (My Sporting Life / Fight of My Lift)				Podcast Slots (My Sporting Life, The NFL Rundown, Following On, Fight Night Extra, EFL All Access)			
07:00 – 12:00								
12:00 – 15:00		Racing Live – Eastern Festival at Yarmouth (live commentary horse racing 13:00 – 15:00)	Racing Live – Eastern Festival at Yarmouth (live commentary horse racing 13:00 – 15:00)	The EFL Fan Network (talk show 12:00 – 13:00) Racing Live – Newbury (live commentary horse racing 13:00 – 15:00)	12:00 – 14:30	EFL GameDay Live - Sunderland v Middlesbrough (live commentary Championship)	WSL Live – Arsenal v Manchester City (live commentary women's football 12:00 – 14:45)	
15:00 – 17:00	The Social (talk show)	Champions League Live – Young Boys v Aston Villa (live commentary UCL 17:30 – 19:45) Carabao Cup Live – Manchester United v Barnsley (live commentary 19:45 – 22:00)	The Social (talk show)	The Social (talk show)	The Social (talk show)	14:30 – 17:00	GameDay Exclusive - Tottenham Hotspur v Brentford (live commentary EPL)	Premiership Rugby Live – Sale Sharks v Harlequins (live commentary)
17:00 – 18:00	The Monday Club (talk show)		Podcast Slots (Fight Night Extra, Following On, Cult Heroes)	The EFL Fan Network (talk show)	Premier League All Access	17:00 – 21:00	Podcast Slots (Fight of My Life, My Sporting Life)	The NFL Show with Nat Coombs (talk show 17:00 – 21:00)
18:00 – 19:00	EFL All Access		The Women's Football Show (18:00 – 18:45)					
19:00 – 22:00	EFL GameDay Live – Birmingham City v Wrexham FC (live commentary League One football)	Carabao Cup Live – Coventry City v Tottenham (live commentary 19:45 – 22:00)	Podcast Slots (NFL Rundown, Fight Night Extra, The Women's Football Show, On Track)	The Women's Football Show (18:00 – 18:45)	WSL Live – Chelsea v Aston Villa (live commentary Women's Football 18:45 – 21:00)	21:00 – 00:00	NFL Live – San Francisco 49ers v Los Angeles Rams (live commentary)	
22:00 – 23:00	Podcast Slots (The Women's Football Show, EFL All Access)	Podcast Slots (Fight Night Extra, The NFL Rundown)		Podcast Slots (EFL All Access, The NFL Rundown)	Podcast Slots (Premier League All Access, Following On, Fight Night Extra)			
23:00 – 00:00								

Figure 13: 5 Live Week Breakdown – coverage week 16/09/2024

News and current affairs
 Non-live sport
 Live sport

SLOT	Monday	Tuesday	Wednesday	Thursday	Friday	SLOT	Saturday	Sunday
01:00 – 05:00	Dotun Adebayo (topical news and current affairs)					01:00 – 05:00	Lisa McCormick (topical news and current affairs)	Lisa McCormick (topical news and current affairs)
05:00 – 06:00	Wake Up to Money (current affairs show)					05:00 – 06:00	5 Live Sport (5 Live Boxing)	Newscast
06:00 – 09:00	5 Live Breakfast (topical news and current affairs)					06:00 – 09:00	Saturday Breakfast (topical news, current affairs and sport)	5 Live Science (06:00 – 07:00) Sunday Breakfast (07:00 – 10:00)
09:00 – 11:00	Nicky Campbell (topical news and current affairs show)					09:00 – 11:00	Patrick Kielty (topical news and current affairs)	Colin Murray (topical sport show 10:00 – 12:00)
11:00 – 14:00	Naga Munchetty (topical news and current affairs show)			Adrian Chiles (topical news and current affairs show)	Adrian Chiles (11:00 – 13:00) Elis James and John Robins (podcast 13:00 – 14:00)	11:00 – 12:00	Fighting Talk (podcast)	
14:00 – 16:00	Matt Chorley (live from Lib Dem Conference)	Matt Chorley (Brighton Rocks)	Matt Chorley (Brand New MPs)	Matt Chorley (Plugging Leaks)	Matt Chorley	12:00 – 15:00	5 Live Sport (sports <i>talk show</i>)	5 Live Sport (5 Live Premier League Sunday 12:00 – 14:00)
16:00 – 19:00	5 Live Drive (topical news, current affairs and sport show)	5 Live Drive (16:00 – 17:30) 5 Live Sport (Pre-Match 17:30 – 17:45) 5 Live Sport (Young Boys v Aston Villa UCL live commentary 17:45 – 19:45)	5 Live Drive (topical news, current affairs and sport show)			15:00 – 17:00	5 Live Sport (Liverpool v Bournemouth live commentary EPL)	5 Live Sport (Brighton v Nottingham Forest 14:00 – 16:00 live commentary EPL) 5 Live Sport (Pre-Match: Manchester City v Arsenal 16:00 – 16:30)
19:00 – 21:00	5 Live Sport (The Monday Night Club)	5 Live Sport (Pre-Match: AC Milan v Liverpool 19:45 – 20:00)	5 Live Sport (Pre-Match: Manchester City v Inter Milan 19:00 – 20:00)	5 Live Sport (Pre-Match: Atalanta v Arsenal 19:00 – 20:00)	5 Live Sport (Premier League Kick-Off <i>talk show</i>)	17:00 – 17:30	Sports Report (topical sports show)	5 Live Sport (Manchester City v Arsenal 16:30 – 18:30 live commentary EPL)
21:00 – 21:30	5 Live Sport (5 Live Boxing)	5 Live Sport (AC Milan v Liverpool UCL live commentary 20:00 – 22:30)	5 Live Sport (Manchester City v Inter Milan live commentary 20:00 – 22:30)	5 Live Sport (Atalanta v Arsenal 20:00 – 22:00)	Rugby League (Hull KR v Leeds Rhinos live commentary)	17:30 – 19:30	5 Live Sport (Crystal Palace v Manchester United live commentary)	606 (sport podcast 18:30 – 20:00)
21:30 – 22:00	5 Live Sport (Women's Football Weekly: All About Chelsea)			5 Live Sport (Euro Leagues 22:00 – 22:30)		19:30 – 21:00	606 (sports podcast)	Headliners with Nihal Arthanayake (topical news and current affairs show 20:00 – 22:00)
22:00 – 01:00	Gordon Smart (topical news and current affairs)				Stephen Nolan with Rima Ahmed (topical news and current affairs)	21:00 – 00:00	Stephen Nolan with Rima Ahmed (topical news and current affairs) Sports podcasts (00:00 – 01:00)	Stephen Nolan with Johnny l'Anson (topical news and current affairs 22:00 – 01:00)

Figure 14: 5 Sports Extra Week Breakdown – coverage week 16/09/2024

Off-air Live sport

SLOT	Monday	Tuesday	Wednesday	Thursday	Friday	SLOT	Saturday	Sunday
01:00 – 10:00	Off Air (broadcasting a sustaining loop)					01:00 – 05:00 05:00 – 06:00 06:00 – 09:00	Off Air (broadcasting a sustaining loop)	
10:00 – 16:00	Off Air (broadcasting a sustaining loop)	Cricket (Lancashire v Somerset 10:25 – 18:30 <i>live commentary</i>)	Cricket (Lancashire v Somerset 10:25 – 18:30 <i>live commentary</i>)	Cricket (Lancashire v Somerset 10:25 – 12:15 <i>live commentary</i>)	Cricket (Lancashire v Somerset 10:25 – 13:55 <i>live commentary</i>)	09:00 – 11:00	Test Match Special (England v Australia 10:45 – 19:00 <i>live commentary</i>)	Cricket (Somerset v Glamorgan 10:55 – 12:45 <i>live commentary</i>) 5 Live Formula 1 (12:45 – 15:30 <i>live commentary</i>) Cricket (Somerset v Glamorgan 15:30 – 19:00 <i>live commentary</i>)
16:00 – 18:30				5 Live Formula 1 (13:55 – 15:05 <i>live commentary</i>)	11:00 – 12:00 12:00 – 15:00			
18:30 – 19:30		Off Air (broadcasting a sustaining loop)	Off Air (broadcasting a sustaining loop 18:30 – 19:00)	Rugby League (Wigan Warriors v Salford Red Devils 20:30 – 22:00 <i>live commentary</i>)	Off Air (broadcasting a sustaining loop 15:05 – 19:45)	15:00 – 17:00		
19:30 – 22:30		5 Live Sport (Manchester United v Barnsley 19:40 – 22:30 <i>live commentary EFL</i>)	5 Live Sport (Coventry v Tottenham 19:00 – 22:30 <i>live commentary EFL</i>)	Off Air (broadcasting a sustaining loop)	Rugby League (Hull KR v Leeds Rhinos 19:45 – 22:00 <i>live commentary</i>)	17:00 – 17:30		
22:30 – 00:00		Off Air (broadcasting a sustaining loop)	Off Air (broadcasting a sustaining loop)		Off Air (broadcasting a sustaining loop)	Off Air (broadcasting a sustaining loop)		
						21:00 – 00:00	Off Air (broadcasting a sustaining loop)	Off Air (broadcasting a sustaining loop 19:00 – 21:00) 5 Live NFL (Baltimore Ravens at Dallas Cowboys 21:00 – 01:00 <i>live commentary</i>)

3. Understanding the challenges for 5 Sports Extra

In this section we set out some of the challenges facing 5 Sports Extra and the BBC in delivering sports audio content for audiences on radio.

3.1 The BBC has a responsibility to maximise value for the licence fee by making more of our investment in sports content discoverable on network radio

As noted in the Section above, audiences engaging with sport content on linear radio are primarily doing so with live sports commentary and supplementing this with listening to sports discussion programming where available – which typically discusses the latest news and sports topics often with a live call in element or build up to a live commentary event. Although audiences can find this format of sports content on linear radio through talkSPORT's, and to a lesser extent the BBC's, radio networks, a significant amount of this additional sport adjacent content is found on-demand.

Audiences can access a wide array of podcast content, largely free across many platforms, which is made and distributed by a mixture of independent creators, production companies, broadcasters and brands from the UK and internationally. Over the past years, there has been a significant expansion in the number of sports and sports entertainment podcasts available to UK audiences across a wide range of sports and it is among the most popular genres of podcast content in the UK; with 3 of the top 20 podcasts in December 2023 being football related.⁵

As noted in our February 2024 consultation, alongside the rise in popularity of podcasts there has also been an 11% drop in listening to speech radio among audiences aged under 45, from Q3 2021 to Q3 2023. Since Q1 2020 (the last data available from RAJAR pre-covid) to Q3 2023, there has been an 83% growth in audiences under 45 who listen only to podcasts (and not radio). Sport coverage on national radio however continues to over-index for audiences under 45 and C2DE audiences when compared with non-sport speech radio.

The BBC has made a significant creative investment in a wide range of sports and sports entertainment podcasts, all of which are currently available to listen to via BBC Sounds. Many of these podcasts are made by teams from across the UK, featuring local voices and their sporting stories.

Listeners who engage with sports content primarily via linear radio may not be fully aware of or exposed to the wide breadth of BBC podcast content. It is important for the BBC to maximise the value of its on-demand podcast commissioning strategy to provide those audiences on linear services with an opportunity to find the best the BBC has to offer in this space and bring a wide range of sports podcasts to audiences on radio.

⁵ Data according to PodcastTracker; podcasts counted for December 2023 are: *That Peter Crouch Podcast*, *Sky Sports Football* and *Football Daily (5 Live)*.

3.1.1 The existing limitations in the schedules for 5 Live and 5 Sports Extra means the audience reach of BBC sport podcasts are limited on linear radio

Currently, the majority of BBC sport audio podcasts are delivered and available on BBC Sounds. As of 1 July 2024, there are around 500 sports podcasts available on-demand on BBC Sounds, across various sports such as women's football, athletics, boxing, football and cricket. Very few of these podcasts (we estimate less than 1%) would have received a first broadcast on 5 Live, and not necessarily a broadcast of all the episodes available for each series.

The BBC is limited in its ability to curate the existing schedules of 5 Live and 5 Sports Extra to accommodate the vast amount of BBC sports podcast content it has to offer. As 5 Sports Extra is only currently used for live sport commentary that does not fit within the coverage parameters of 5 Live, there is no room for any additional sports programming. As such, any sports content that is not live sports commentary would have to be broadcast on 5 Live. However, due to the Operating Licence requirement to ensure 70% of speech content on 5 Live consists of news and current affairs programming, the remaining proportion of speech content is constrained and often is wholly taken up by live sports commentary or live sport build up programming. With this limitation, the BBC has to consider carefully the amount and type of sports content it can currently deliver via 5 Live.

Were the BBC able to broadcast additional non-live sport content on linear radio through 5 Sports Extra, these podcasts will be given a new opportunity to reach a wider audience, and those additional audiences will be further exposed to the type of content that is available on BBC Sounds. This will enhance the BBC's existing on-demand proposition and add further value to licence fee funded content.

3.1.2 The BBC has a responsibility to ensure it is making efficient use of licence fee funding by optimising its use of spectrum for radio transmission

The Agreement sets out that the BBC must secure the efficient use of the radio spectrum that is available for use by the BBC or its contractors.⁶

As noted above, 5 Sports Extra delivered 3,091 hours of live sport commentary across 2023/24. The remaining hours on air during that period were a sustaining loop⁷, making up 5,693 hours of the total hours. This means that 5 Sports Extra was serving audiences for only 35% of its potential broadcasting time. We believe 5 Sports Extra delivers significant value to audiences when it is broadcasting sport content to audiences (as detailed below). However, it is not using the available spectrum optimally.

By extending the station and complementing the schedule of existing live sport commentary with non-live sport audio content, the BBC would optimise its use of spectrum available to it and better leverage its investment of licence fee funds in on demand content to do so.

⁶ Clause 46. Agreement:

https://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/2016/agreement.pdf

⁷ A loop of a voice over declaring that the station was not currently broadcasting.

3.2 The BBC must do more to maximise content for C2DE and younger audiences on radio

The overall listener profile of the BBC’s network radio stations skew towards older (35+) and ABC1 audiences. However, as set out in our February 2024 consultation, our audience data shows that sports content performs well among C2DE audiences. When we look at sports output on Radio 5 Live we can see it over-indexes for 25-34s and C2DE while 5 Sports Extra over indexes for 25-34s but under-indexes for C2DE.

Figure 15: Audience index performance for sport on 5 Live and 5 Sports Extra

Audience Segment	Index for sport on 5 Live	Index for 5 Sports Extra
Adults 15-24	103	74
Adults 25-34	90	140
Adults 35-44	100	110
Adults 45-54	104	82
Adults 55-64	106	105
Adults 65+	95	98
Social Grade: ABC1	102	96
Social Grade: C2DE	95	110
White	88	128
B.A.M.E.	100	94
Out of London	103	74

Source: RAJAR Q2 2024. To note, this quarter includes The Ashes on 5 Sports Extra which is typically the predominant broadcast on 5 Sports Extra. As such, the audience demographics may be impacted.

The current target audience of 5 Sports Extra is 25-44 year olds. In Q2 2024, there were over a million (1.11m) UK adults tuning in to 5 Sports Extra, of which 25% were aged 25 – 44 year olds. This is up 11.5k (5 percentage points) year on year (RAJAR Q2 2024).

Sports content remains a strong proposition for C2DE and younger audiences on linear radio, bucking the overall trend of listening to radio overall. Much of this is driven by live sport and this creates an opportunity for the BBC to capitalise on this and do more for this – overall underserved – audience on radio. The BBC can provide more high quality and distinctive sports podcast content for this audience on radio via 5 Sports Extra. By offering more of this content to supplement live sport listening, the BBC can better cater to this underserved demographic.

3.3 There is a lack of distinctive standalone sports podcast content in the UK radio market

A view of the current 5 Live and talkSPORT weekly schedule (as detailed in Section 2) shows us that sports audio content formats tend to be tailored toward live sports discussion programmes and live sports commentary. Those live sports discussion programmes tend to be host led, and often include an audience element via call in or a panel or guest for hosts to bounce off.

During these programmes, hosts tend to pick up the latest in sporting events, trail off interviews from competitors, or provide build up to a big sporting event. talkSPORT 2's schedule has some of its broadcast slots dedicated to sports podcasts, typically in the earlier morning or overnight. Outside of this, both talkSPORT and talkSPORT 2's schedules are dedicated to live sport commentary or sports discussion programming.

The BBC, with its limited schedule on 5 Live for non-news and current affairs content, provides some room for standalone sports podcast content but the broadcast space is typically occupied by live sports discussion programmes and live sports commentary. Despite this limitation, the BBC was able to cover 21 sports on 5 Live and 5 Sports Extra in 2023 (see Section 2 for the full list).

Sports podcasts provide audiences with audio content that is more standalone and does not require a direct interactive element. These may be focused on a single niche topic, or explore broader sport adjacent stories. There is significant variation in the format and genre of podcasts that is distinctive in comparison with the popular offer we currently find on network radio. For example, a podcast such as *Tractor Social* – a dedicated Ipswich Town football club supporter podcast may not necessarily reach audiences via radio in a busy schedule on 5 Live or talkSPORT, but it has a home on BBC Sounds for its dedicated audiences.

An extended 5 Sports Extra, dedicated to showcasing the best of British podcasts will provide that additional distinctive content for audiences on linear radio, and does not closely compete with the flagship live, host led, discussion programming found on talkSPORT and talkSPORT 2.

3.4 The BBC could do more to improve the breadth of sports content on linear radio

Currently, the three most expensive sports rights contested amongst radio broadcasters are football, cricket and rugby, with football far ahead in terms of cost to broadcast. This is reflected in audience engagement with sports content on radio and the presence of that content in the respective schedules of both talkSPORT and the BBC. In addition, topics found in live sports discussion programmes may focus more on the more mass appeal elements of the sports covered, for example, a sports discussion programme on football is more likely to pick up English Premier League topics, covering the most popular clubs for audiences; typically the biggest supported clubs across the UK including, for example, Arsenal, Manchester United or Liverpool. Although there is likely to be an element where more niche sports or smaller stories in sports are covered across these programmes, it is more likely that commercial providers will favour delivering content with the greatest mass appeal.

In their response to our consultation, talkSPORT expressed that audiences associated the talkSPORT stations with football (97%), cricket (51%) and rugby (35%)⁸.

⁸ talkSPORT provided source: Research Bods survey for News Broadcasting. N = 242, UK sample of talkSPORT and talkSPORT 2 listeners. Q B2: Thinking about the following radio stations, which, if any, of the following sports do you associate with each? Please select all that apply.

The BBC already delivers a significant range of sports on radio, with over 21 different sports broadcast on 5 Live and 5 Sports Extra in 2023/24. However, the BBC sports on-demand audio portfolio provides access to a larger standalone sports offer which could be better utilised to enhance the breadth of sports content the BBC already delivers on network radio. Commercial sports radio stations which rely on high listening numbers to maximise advertising revenues, are not incentivised to focus on less popular sports content without mass appeal to the extent the BBC is able to do shaped by its very different set of public service goals.

4. The BBC's proposal for 5 Sports Extra

We set out our proposal for 5 Sports Extra in our February 2024 consultation. In that paper, we outlined our plans to extend the broadcasting hours of 5 Sports Extra and to use that additional time to complement the core mission of the station to deliver live sport commentary with non-live sport content such as sport podcasts (already available on-demand) and sport commentary replays.

Throughout this paper, we highlight that the rapid expansion of choice across radio and on-demand in recent years (alongside the general expansion of digital content available across all media) has meant audiences now expect channels and services with clear propositions to aid discovery.

The change to extend the broadcasting hours of 5 Sports Extra on DAB will provide a more reliable, predictable and easily accessible audio stream of sport content for audiences on an already established and widely accessible medium. A consistent listening schedule will also aid audience discovery on DAB of the wide range of BBC sport podcasts which are currently only available on BBC Sounds. This will also better serve C2DE and younger audiences on linear radio and encourage the transition of listeners to BBC Sounds where they can discover other relevant BBC content with a richer, more personalised experience.

In this section, we summarise our initial proposals and the stakeholder feedback we have received, in addition to analysis of our commissioned audience research. We then set out our final proposals. As part of our consideration of the public value of our proposals, we address comments from stakeholders in Section 5 and we provide a breakdown of the market impact of our changes in Section 6.

4.1 Our proposal for extending the broadcasting hours of 5 Sports Extra

4.1.1 Our consultation proposals

In our February 2024 consultation, we proposed for 5 Sports Extra to broadcast from 6am to 10:00pm/10:30pm. However, should a live sports event continue beyond 10.30pm, live coverage would continue on the network as it does currently. For the overnight hours (i.e. between 10:00pm/10:30pm and 6am), when there is no live coverage on-going, we proposed there would be an overnight sustaining loop and no programme content broadcast.

Under our initial proposals, we proposed to extend the station broadcast hours from an estimated 2,900 hours of live sport commentary each year or around 56 hours per week, to an offer which delivers around 5,840 hours per year, or an average of 113 hours per week. This would have represented an additional 2,940 hours per year. We proposed to use the additional hours to provide coverage of a broad range of sports podcasts, sports entertainment and documentary type podcasts and sports podcasts from the BBC Nations and Regions. The BBC was not proposing to commission any new live programmes for 5 Sports Extra.

The extended schedule would have been populated by non-live sport content such as sport podcasts or replays of previously live sport commentary. There would be no

extension of live sport coverage or any new programming commissioned by 5 Sports Extra. 5 Sports Extra would continue to broadcast its existing schedule of live sports and simulcasts of 5 Live sport commentary.

The extension would have enabled the BBC to fully utilise BBC Sport's extensive sports rights portfolio including international, domestic and overseas domestic sports. This would have enabled curation of the 5 Sports Extra schedule to broadcast additional non-live programming around days where there were live sporting events; this could include 'build up' before live games or events as well as post-fixture analysis with relevant podcasts or non-live replays of previous relevant commentaries.

As part of the complementary content that we had earmarked to include as part of the extended schedule, we were specifically targeting content which:

- Delivered greater value for licence fee payers and better catered to underserved audiences on the BBC.
- Improved representation and portrayal of audiences from across the UK.
- Broadened the range of sport content being represented on linear sport radio.
- Improved discovery of on-demand sports content available on BBC Sounds.

When reviewing the potential impact (positive or negative) of the proposal to fair and effective competition on commercial radio stations providing sports content, we stated in our consultation that it is likely that the additional listening gained to 5 Sports Extra as a result of the extension will likely come from a combination of:

- Other BBC radio stations – in particular, Radio 5 Live – and other content available on BBC Sounds;
- Commercial radio offering sports radio in the UK, i.e. talkSPORT and talkSPORT 2, both owned by News Broadcasting;
- Other online audio sports services; and
- Organic growth, i.e. people who would otherwise have not listened to any of the above.

We did not anticipate any measurable impact on non-sports commercial radio or online services.

We noted that any incremental increase to listening to BBC radio and therefore the scale of the impact of our proposed change to 5 Sports Extra on the commercial sector will depend on the degree to which the additional listening to the updated 5 Sports Extra is diverted from existing BBC services or from non-BBC services.

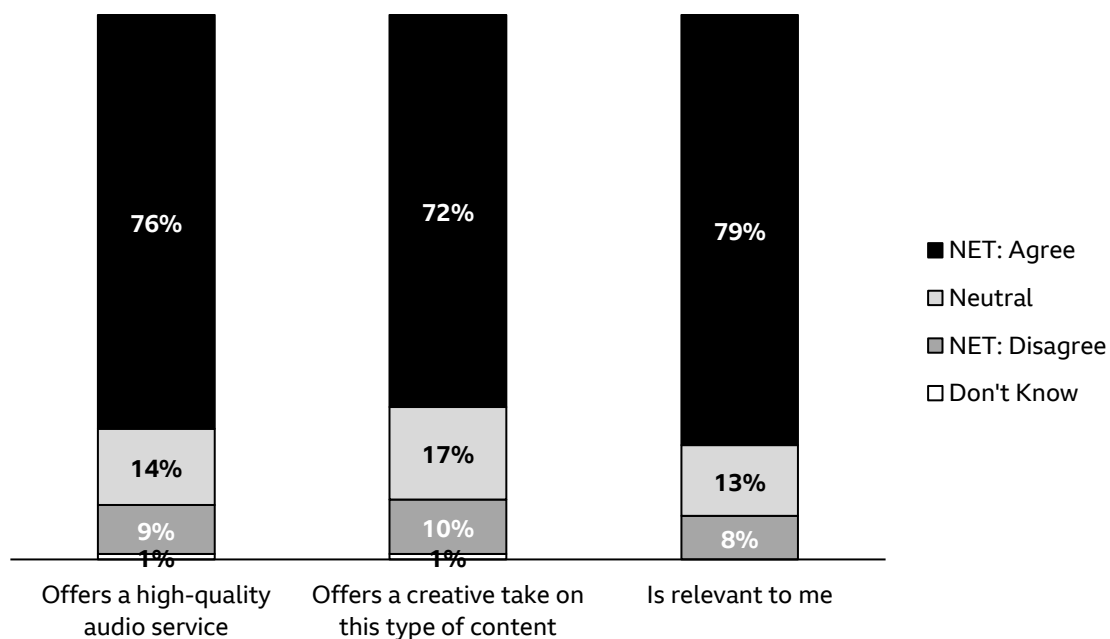
We also highlighted that, as the only other significant sports radio organisation in the UK, it is likely that the potential impact of our proposals for 5 Sports Extra would fall on talkSPORT and talkSPORT 2.

We invited responses from stakeholders regarding our initial proposals and the impact these changes might have on fair and effective competition on commercial radio stations providing sports content. We also asked stakeholders to provide us with considerations for how the BBC could potentially minimise any effects on fair and effective competition, or to promote potential positive impacts.

4.1.2 Audience research

Our audience research found general support for the proposal with an expectation it would deliver for all audiences seeking an informed view of the world of sport that is distinctive from the existing commercial offer. Respondents across our qualitative and quantitative research felt the change would serve high-quality and distinctive content that was relevant to them. Among respondents who matched the target audience of 5 Sports Extra (aged 25 – 44 sport listeners), there was strong support that the change would be of high-quality, represents a creative take on this type of content and was relevant to them.

Figure 16: The extent to which 25 - 44 sport fans felt the proposed change sounds like it would do the following



Source: MTM BBC Radio PIT quantitative analysis (Fieldwork conducted 24th Jan-1st Feb 2024)

4.1.3 Stakeholder feedback

4.1.3.1 Extending the broadcasting hours of 5 Sports Extra

All of our stakeholder and individual responses (with the exception of News Broadcasting and the Advertising Association) felt the extension of broadcast hours represented a positive change for audiences, providing them with greater choice and availability for sports audio content on radio. Some stakeholders (IMG Productions, Shooting Shark Productions and Voice of the Listener or VLV) believe the change would enable the BBC to deliver more high quality programming for a larger audiences and the extended hours would deliver more consistent radio services. Shooting Shark Productions in particular found it and find it frustrating that we pick up from a loop or hand off to a sustaining loop One stakeholder added that the extension would allow the BBC to increase the range of sports covered on network radio and it highlighted that this would increase awareness of BBC Sounds sport podcasts, as well as serve C2DE audiences on radio which would bring positive competition to the market. Two of our responses from individuals were also happy to have more exposure to podcasts previously available only on Sounds.

Other stakeholders (Rugby League, IMG Productions) felt the BBC should consider the extension as an opportunity to broadcast more live sport for audiences, giving audiences more sport audio content in addition to the live sport already served on 5 Live and 5 Sports Extra.

The Advertising Association felt that the BBC's proposals were not providing a distinctive offer as they involved repurposing of content already existing on BBC Sounds.

News Broadcasting echoed this perspective, feeling it was unclear how making podcasts accessible on radio is necessary when Sounds is already widely accessible and is a significant player in the on-demand space. It argues the podcast market is very competitive already with a 'huge' range of choice already available to audiences.

News Broadcasting also felt the BBC has not provided evidence that it will provide content that will cover a wider range of sports than is currently covered on BBC Radio, noting the BBC did not include any commitment to dedicate a certain proportion of hours to covering minority sports or sports that have less mass appeal. It added that the simulcast of 5 Live on 5 Sports Extra did not provide any additional offer for audiences. One individual response felt they would prefer to have new content being broadcast instead.

News Broadcasting also raised specific questions around the extension and the nature of the podcasts being broadcast on the extended station, and the potential for 'format slippage', where changes proposed go further than as described over time. Specifically:

- Where the BBC builds up 5 Sports Extra as a full-time sports channel, while 5 Live increasingly focuses on news and current affairs coverage;
- How old the podcasts that the BBC plans to put around its live sports commentary will be, e.g. where Sounds podcasts are produced for the purpose of build-up content for 5 Sports Extra;
- Whether the podcasts being broadcast are 'genuinely pre-recorded podcast material' or live sports programming that are recorded on air on 5 Sports Extra and then being broadcast on Sounds after;
- That the simulcast of 5 Live from 7pm would provide coverage of programming that is outside of the proposed remit of 5 Sports Extra, e.g. sports programming content from 5 Live that is not sport commentary or pre-existing podcast content.

4.1.3.2 Potential market impact

Stakeholders were mixed on whether the BBC's proposals would impact fair and effective competition negatively. Only one stakeholder, News Broadcasting, felt the potential impact was disproportionate, whilst other stakeholders acknowledged the potential impact on commercial broadcasters but felt the potential impact would be justified by the benefit to audiences.

Impact on commercial sport radio broadcasters

News Broadcasting, (whom as we noted in our February 2024 consultation would be likely to be impacted by our proposals as it owns the only other commercial radio broadcaster specialising in sports audio content on radio (talkSPORT and talkSPORT 2)), were

concerned that our proposals would have a negative impact on fair and effective competition. Specifically *News Broadcasting*:

- Believes the proposal would further strengthen the BBC's overall network radio market share at a significant cost to competition and plurality. It stated that the BBC has the leading position when comparing listening to all BBC radio station against all commercial radio stations.
- Believes the proposals risk growing listeners to BBC Sounds at a significant cost to the wider sports podcasting market, highlighting that the BBC has a strong position in the sports podcast market and the BBC promoting its podcasts more and bringing more audiences to Sounds will be detrimental to the sports podcast market as it considers Sounds itself to be a 'walled garden', to which no other commercial broadcaster has access to publish its content.
- Expressed a concern that virtually all of the uplift in listening to 5 Sports Extra would come from the talkSPORT network, as it is the only direct competitor to the BBC's sports stations. It shared its own research that shows that more than three quarters of talkSPORT listeners would listen to a relaunch of 5 Sports Extra and a quarter would listen to talkSPORT less as a result. It considers that this shows a potential significant impact to talkSPORT's listenership and revenues, and replicates the existing talkSPORT sports audio content offer.
- Believes the risk of cannibalisation to the BBC's other radio services is low and it is unlikely that on-demand audio listeners would switch to listening to live radio.
- Believes simulcasting 5 Live will erode talkSPORT coverage and its distinctive offer, specifically if the BBC were to broadcast what it labels 'spoiler' shows such as Monday Night Club which offers score updates on sports programming to which the BBC does not have live broadcast rights

VLV felt the proposals would potentially have a negative impact on talkSPORT, however, it did not believe it will have a negative impact on existing sports podcasts since much of the non-live sports content the BBC will be broadcasting will already be available on BBC Sounds. Despite noting a potential impact on talkSPORT, VLV highlighted that there is a lack of plurality of supply of live sporting events and non-live sporting content on live radio stations in the UK, and in light of this, VLV considers that the potential negative impact on competitors is justified by the need to ensure a better plurality of supply for the benefit of consumers.

Impact on the broader sports audio market

Some stakeholders felt the BBC's proposed change would provide significant benefits to audiences and the commercial market. Including:

- **Providing more choice to audiences** and giving audiences an opportunity to sample other content that the BBC produces which they may have previously not known about, with one individual stakeholder highlighting that the content proposed will be unlike most of the sports programming on talkSPORT.
- **Providing a boost to the independent sports podcast sector.** Shooting Shark Productions felt the addition of sports podcast content being broadcast on 5 Sports Extra provide an additional platform for independent content which will subsequently lead to an increase in reach for indie podcasts. This in turn would

provide positive benefits in the independent sector and increasing jobs and opportunities for independent productions. Another individual stakeholder felt including build-up content before and after live events will support better engagement from listeners and is a distinctive offer compared to other providers.

- **Allowing the BBC to stay competitive** in a market where commercial broadcasters are increasingly segmenting their offerings across multiple DAB channels to capture more specific audiences. One stakeholder noted that, with suitable investment in production, the BBC can increase the reach, range and quality of sports-based podcasts available on Sounds which will enable the BBC to remain competitive in a growing commercial podcast sector.

Opportunities for the BBC to minimise any negative impacts

Stakeholders considered the impact on commercial broadcasters and highlighted how the BBC could potentially minimise any effects on fair and effective competition. Specifically:

- **5 Sports Extra should provide a distinctive offer different to commercial broadcasters.** Left Peg Media, Shooting Shark Productions and The Advertising Association believe potential negative effects could be mitigated by ensuring the podcasts offered covered a wide range of podcast content that would be considered to have less coverage on radio than more popular sports.
- **By only promoting live content on 5 Sports Extra rather than the newly added content that is not live sport.** Left Peg Media added despite not promoting the additional content, audiences should still be educated about 5 Sports Extra's new offer.
- **The BBC should continue to operate a fair and balanced approach to winning and paying for sports rights** should it extend the 5 Sports Extra broadcasting hours, specifically in a way that does not artificially inflate prices and potentially exclude commercial operators from the market.
- News Broadcasting proposed that **the BBC should instead partner with indie music, news and sports stations and distribute their services on BBC platforms**, including on BBC Sounds, to enable it to achieve its objectives of reaching the underserved audiences.

4.1.4 Our final proposal

We consider that our proposed extension of 5 Sports Extra, and the delivery of a broad range of non-live sports podcasts, sports entertainment and documentary type podcasts and sports podcasts from the BBC Nations and Regions will be distinctive and better cater to underserved audiences on the BBC.

Having considered the consultation responses, our commissioned consumer research and our economic market impact analysis (see Section 6), we have taken steps to mitigate the potential impact on talkSPORT 1 and talkSPORT 2. Specifically we will decrease the proposed broadcasting hours of the extended station.

The new broadcasting hours will be from 9am – 7pm every day, rather than 6am – 10:30pm. We estimate the additional hours proposed for the extension that is not live

sport commentary will amount to 1,314 hours (about 30% of the total broadcast hours). This is a significant reduction to our previously proposed hours of 2,940 each year.

As a result of the more limited hours, we will also be removing the simulcasting slot of 5 Live on 5 Sports Extra which included non-live commentary. The station will still retain the ability to simulcast live sport commentary of 5 Live.

The newly proposed schedule with its significantly reduced hours of broadcasting will remove the impact to talkSPORT 1 and talkSPORT 2 by withholding broadcasting during hours which talkSPORT reach significant audiences outside of live sport commentary; specifically, the talkSPORT breakfast programming which typically runs from 6am – 10am and the evening programming spots which begin from 7pm. This addresses any concern that the BBC will erode talkSPORT's coverage or that the station is seeking to duplicate or replicate the talkSPORT offer.

We believe that this mitigation will limit any potential significant adverse impact on fair and effective competition and that any adverse impact thereafter is justified by the public value of our re-shaped proposal.

We want to ensure the extended station still delivers value for our audience (see Section 5 for our Public Value hypothesis) and the new schedule, though significantly less than the previously proposed hours, still allows us to deliver high-quality and high impact content to audiences. This mitigation will ensure the BBC is still able deliver sport podcasts and non-live content to audiences in between live sport commentary, during hours which do not significantly impact talkSPORT's activities.

Below is an example schedule for a hypothetical week where the station does not have any live sport commentary. In a typical day on 5 Sports Extra, live sport commentary would break into the schedule, for example, were there to be a single day international cricket match starting on Tuesday between 10am and 7pm, then there would only be one hour of on-demand content possible to broadcast that day. Live sport commentary would displace the recorded content.

The schedule is also likely to change during major events. For example, during the Ashes we would tailor the schedule with more cricket related content, or during the Australian Open tennis, we may choose to broadcast more tennis related content. The example below includes titles that are likely to change reflecting the BBC's audio commissioning priorities, and may not be in production at the time the station launches:

Figure 17: Example schedule for a week on 5 Sports Extra (titles and programme order is subject to change and does not reflect the final offer each week)

TIME	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
00:00	Off air	Off air	Off air	Off air	Off air	Off air	Off air
09:00	Daily Podcast	Daily Podcast	Event Adjacent Podcast	GOLF Women's Open	GOLF Women's Open	GOLF Women's Open	GOLF Women's Open
09:30	F1 Podcast	Rugby Podcast	Event Adjacent Podcast				
10:00	Nations Podcast	Nations Podcast	Test Match Special	Test Match Special	Test Match Special	Test Match Special	Test Match Special
10:30	Nations Podcast	Nations Podcast					
11:00	Sport Podcast	Sport Podcast					
11:30	Sport Podcast	Sport Podcast					
12:00	Nations Podcast	Nations Podcast					
12:30	Sport Podcast	Boxing Podcast					
13:00							
13:30	Boxing Podcast	Football Podcast					
14:00							
14:30	Sport Podcast	Sport Podcast					
15:00							
15:30	Podcast Premier (repeat)	Podcast Premier (repeat)					
16:00							
16:30	Narrative Podcast	Narrative Podcast					
16:30 - 17:00							
17:30	Regional Podcast	Regional Podcast					
18:00	Sport Podcast	Sport Podcast					
18:30	Nations Podcast	Nations Podcast					
19:00	Narrative Podcast	Narrative Podcast					
00:00	OFF AIR	OFF AIR	OFF AIR	OFF AIR	Rugby League 19:45-22:00 OFF AIR Thereafter	OFF AIR	OFF AIR

We believe we will still be able to provide a distinctive radio offer in comparison with what is currently available on the commercial sports radio market. This is because we propose to broadcast a diverse range of sports podcasts on linear radio that are currently only available on BBC Sounds. We set out further details regarding the value we will generate for audiences from this change in Section 5.

We will not change the content proposed for the extended station and believe we can maintain our mission for the extended 5 Sports Extra in its revised form. We would also reiterate that we have no intention to broadcast live sports programming that is not commentary and we are providing clarity on the range of sports that would be covered by the podcast programming. We would not, however, commit to a broader range of sports on the additional 5 Sports Extra hours than are currently offered as (a) the BBC already covers more than any other radio broadcaster and (b) that could drive greater commissioning spend in tension with our commitment on this which we consider to be an important mitigation for some stakeholders.

We can also confirm that we have no intention to broadcast live sports programming on 5 Sports Extra that is not live commentary, as set out in our proposals. The additional content we have proposed to supplement the existing remit of live sports coverage on 5 Sports Extra will be non-live (i.e. pre-recorded) sport podcast content as described in our proposal. The sole purpose of this extension is to enable the BBC to make use of its extensive sports on-demand audio portfolio to deliver a continuous and engaging linear sports listening experience and deliver value for audiences. 5 Sports Extra will be a station that serves a primary purpose of delivering sports programming for audiences, while 5 Live will remain a station that provides a majority of its broadcasting focus for live news and current affairs coverage, alongside a small focus on live sports programming.

We note concerns from News Broadcasting and The Advertising Association regarding the offer proposed, in particular, the suggestion that it is not distinctive nor will it broadcast content from a wide range of sports. However, currently, the BBC is at the forefront in sports audio offering the widest coverage in terms of the range of sports we broadcast on radio. Despite not running a full-time dedicated sports station, the BBC broadcast 21 different sports in 2023/24 across 5 Live and 5 Sports Extra, including Men's and Women's Rugby, Formula One, Men's and Women's Cricket, NFL, Swimming and Netball (see Figure 5 for a full list). We will not be committing to any broader range of coverage because our current delivery is already more than any other radio broadcaster, and by leveraging our existing non-live sport podcast content on Sounds and non-live sport commentary content for broadcast on radio, we will be bolstering this distinctive offer.

We provided indicative schedules in our February 2024 consultation and in addition to the examples provided in that paper, we would highlight that the BBC will be able to curate the 5 Sports Extra programming schedule drawing from the vast on-demand audio portfolio already commissioned and available on Sounds. This amounts to close to 500 sports podcasts series across a range of sports.

With this in mind we can clarify that we will not be setting any restrictions in recency for non-live sports podcasts or non-live sport commentary before it is broadcast on 5 Sports Extra. We do not believe it is necessary as this content will always be broadcast at a lag due to the fact it is pre-recorded and not live broadcast content.

As noted by multiple stakeholders, the proposal will improve choice for listeners of sport content and address a lack of plurality of supply of sporting content on live radio stations in the UK. We believe our proposals deliver this through a wide variety of non-live sports podcast and commentary replays and is distinctive from the talkSPORT offer which we believe provides audiences with a breadth of live sport discussion programmes outside of its live sport commentary. Our proposed change does not encroach on this type of content, and does not seek to challenge what is the biggest draw for live audiences on linear radio – live sport commentary. As noted above, we will be removing the simulcasting slot of 5 Live on 5 Sports Extra which included non-live sport commentary, the station will still retain the ability to simulcast live sport commentary of 5 Live.

Regarding the simulcast of 5 Live and the type of content broadcast, as noted above, we will be removing the simulcasting slot of 5 Live on 5 Sports Extra which included non-live commentary. The station will still retain the ability to simulcast live sport commentary of 5 Live.

We set out our full analysis of the Public Value in Section 5, and in Section 6, we outline in greater detail our analysis of the potential impact on fair and effective competition and respond to the concerns raised by stakeholders, specifically News Broadcasting. In summary, our analysis of likely market impact demonstrates a potential significant adverse impact on the single sports radio broadcaster in the market, News Broadcasting, leading to a likely reduction in listening, revenues and profitability for the commercial broadcaster. However, we note through our analysis of Public Value, that the value generated from the proposal would deliver significant value for audiences and enable the BBC to further fulfil its Mission and Public Purposes.

We note the concern raised by News Broadcasting regarding the BBC promoting its podcasts on Sounds being detrimental to the podcast market. However, we do not believe an assessment of the scope of the impact on the commercial on-demand podcast market as a whole can reasonably be expected to fall within scope of this Public Interest Test. Sounds offers podcast content across a wide spectrum of sports and serving a wide range of audiences. BBC podcasts also already appear on other podcast aggregation platforms and on-demand platforms such as Apple, Spotify and Amazon.

In addition, we would re-affirm our commitment to maintaining a fair and balanced approach to winning and paying for sports rights. This has always been our aim guided by our regulatory framework with which we have always fully complied.

4.2 Budget

4.2.1 Our consultation proposal

In our February 2024 consultation, we stated that the extension to 5 Sports Extra will be highly cost effective, as all distribution and operational costs are already sunk. The additional costs incurred by the 5 Sports Extra extension involve only additional production and scheduling staff.

There will be no additional commissioning spend on the network, nor will there be any new commissioning spend by 5 Live for the extended hours.

As part of our proposal we will be employing an additional three or four new full time employees to support the fulltime station, we estimate that this will cost an additional £250k per annum. The new roles will be focused on providing sourcing, editing for editorial and compliance, indexing, scheduling and outputting for the station, 7-days a week. There is a planned single spend of £150k for the re-launch of 5 Sports Extra but there will be no ongoing additional spend for marketing of the extended station.

4.2.2 Stakeholder responses

There were no significant comments regarding the budget outlined in our February 2024 consultation from stakeholders other than from News Broadcasting. Multiple stakeholders were pleased to see the additional content coming to the network would be at no additional cost to licence fee payers (IMG Productions, Left Peg Media, VLV).

News Broadcasting asserted that the BBC would commission new podcast content specifically for the full-time 5 Sports Extra service, while also highlighting that the BBC did not propose to invest any additional funds in nations and regions specific podcast content. News Broadcasting wanted further clarity on funding and believes the budget figures provided for the extension are understated and do not account for an increase in spend on podcast content. It also felt the additional budget to extend the stations broadcasting hours was counter to the BBC's digital first strategy.

In addition, News Broadcasting state that the budget reserved by the BBC to promote 5 Sports Extra does not reflect the value the BBC gains from its ability to cross-promote its services.

4.2.3 Our final proposal

We remain committed to no additional commissioning spend for 5 Sports Extra as a result of the extension of broadcasting hours. 5 Sports Extra will be choosing from a range of sports audio content that is already available on-demand to react accordingly to the audience expectations and demands for linear radio listening. We will not be increasing our commissioning of podcast content on Sounds to specifically cater to audiences on a linear network. A commissioning process for an on-demand podcast does not meet the same timeline for delivery of a programme commissioned for live broadcast.

We can confirm that we will, as part of our proposals, only be supplementing our existing live sports coverage on the network with additional non-live sports podcast content and non-live sport commentary replays. This will bring more of our sports audio content to audiences on linear at no additional cost to licence fee payers. This will generate significant value for audiences and make use of the vast amount of on-demand content the BBC has invested in for audiences on Sounds (see our public value considerations in Section 5). This supports our digital first strategy, in extending the reach of licence fee funded content and bringing more attention to the outstanding sports podcast content available on BBC Sounds.

We will not be making any additional commitments to a specific amount of content from the nations and regions, or for a broader range of sports. This is because the BBC already delivers a wide gamut of sports content across a range of sports, in addition to a range of sports audio content from voices and producers from across the UK.

We can also confirm that we do not consider any plans to promote 5 Sports Extra through our services to be part of the scope of this Public Interest Test because this does not constitute a change to our existing strategy on how we bring different elements of our content to audiences' attention. We do intend to continue to make audiences aware of 5 Sports Extra and the content it offers. This will include appropriate cross promotion from the BBC's other UK Public Services in service of our Mission and Public Purposes. Any such activity will continue to be conducted in line with our editorial guidelines and relevant Charter and Agreement requirements.

4.3 Summary of final proposals

We strongly believe the proposal to expand 5 Sports Extra's broadcast hours by filling unused airtime with existing sports-related podcasts and other non-live content will, as described above, generate significant public value, predominantly through greater value for money, reaching currently underserved audiences and broadcasting voices and stories from across the UK's nations and regions.

We recognise the need to mitigate the potential impact of our consultation proposals on competitors, specifically on talkSPORT 1 and talkSPORT 2. As such, we have decided to decrease the broadcasting hours of the extended schedule and limit the hours the extended station is on air. Though the hours are reduced, we will maintain all of the content aspects of the proposal as described in our February consultation and further expanded within this Public Interest Test. We believe the content we have proposed to deliver via the extension represents significant enhanced value for licence fee payers and ensures the BBC's sports output continues to play its role in contributing to the fulfilment of the BBC's Mission and the promotion of its Public Purpose.

5. Delivering greater value to audiences through 5 Sports Extra

5.1 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”.⁹

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.¹⁰

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 changes to 5 Sports Extra will provide licence fee payers with greater value.

5.2 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*.¹¹

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** – the extent to which our changes can promote social value. We define this principally in reference to how a change will enable the BBC to better

⁹ [BBC Royal Charter](#), Article 5

¹⁰ [BBC Royal Charter](#), Article 6

¹¹ [Creating and Measuring dynamic public value at the BBC – A scoping report, Institute for Innovation and Public Purpose](#), December 2020

deliver our Mission and promote the public purposes, specifically in measuring the value generated in relation to broader society; and

- **Industry value** – the extent to which our changes can promote industry value, acting as a creative force by supporting investment, fuelling innovation, and shaping and stimulating the creative economy across the UK. Measuring the value generated as it relates to industry.

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

5.3 Our Public Value hypothesis

We consider that extending the hours of 5 Sports Extra will contribute to the BBC’s Mission and Public Purposes, specifically, to the third and fourth public purposes i.e. providing distinctive content for all our audiences and representing and serving the diverse communities of all of the UK’s nations and regions, respectively.

Figure 18: Delivery of BBC Public Purposes via 5 Sports Extra

Public Purpose	Delivery
Public Purpose 1 - To provide impartial news and information	Through delivery of up-to-date sporting news and events coverage
Public Purpose 2 - To support learning for everyone	Through informative sports commentary and podcasts
Public Purpose 3 - To be creative and distinctive, whilst delivering high quality	Through high-quality and distinctive sports commentary and sport podcast content
Public Purpose 4 - To reflect, represent and serve everyone in the UK	Through broadcast of a wide range of sporting offers for fans of less mainstream sports and smaller leagues, as well as from the UK nations and regions.

Our analysis – based on our audience research conducted by MTM, responses to our consultation and modelling of take-up and usage – shows that our proposals will clearly deliver significant public value, which we have assessed on against the following hypothesis:

- Improving the value derived for licence fee funded content, by making more of our brilliant on-demand sports content discoverable on network radio;

- Improving the value currently underserved C2DE and younger audiences are receiving from the BBC;
- Representing and serving audiences from across the UK by highlighting sport content and voices from the nations and regions and provide a linear platform for new talent;
- Ensuring a broad range of sports being represented on BBC linear audio services, particularly those that currently receive less broadcast coverage; and
- Improving discovery of on-demand sports content on BBC Sounds through prominence on network radio.

We evaluated the delivery of these hypotheses with its fulfilment of generating individual, societal and industry value. We address this below.

5.4 Audience Research

We commissioned MTM to conduct qualitative and quantitative research to test our proposal with UK radio listeners. This research consisted of various online group discussions via zoom and also an online survey of 3,000 radio listeners.

In addition to testing the appeal and impact of the launch of an extended 5 Sports Extra and the content offer proposed, the research also covered the launch of the BBC's new music stations. However, much of the data used for this report will focus on the launch of the BBC's sport offer specifically. We wanted to gain a robust and reliable view of what audiences perceive as the personal and public value of the proposed changes. We also wanted to understand how subsets of audiences – sport radio listeners, younger (25 – 44s) and C2DE audiences – would respond to the proposed extended hours of 5 Sports Extra station.

We have published a full breakdown of our audience research alongside this report. We have included results of this research throughout this Public Interest Test to supplement our Public Value assessment and test our proposals, we present these findings alongside our responses from stakeholders and our econometric assessment.

5.5 Improve value for money for linear radio audiences, by making more of our brilliant on-demand sports content discoverable on network radio

5.5.1 Our hypothesis

A key driver of public value is the extent to which our changes will meet audience expectations, continue to offer them a truly universal service and provide good value for money for the Licence Fee. This direct personal relationship with our audiences is fundamental to enable the BBC to deliver the Mission and Public Purposes. Our audiences are customers of the BBC and they must feel like the BBC delivers value for money on the Licence Fee across a range of its services.

In our February 2024 consultation, we proposed to leverage our existing catalogue of licence fee funded content to offer a continuous and engaging sports radio service. Making better use of the spectrum afforded to the BBC and delivering sports content to audiences that is distinctive and high-quality at no extra cost.

We believe our proposal will deliver:

- **Individual Value:** delivery of a high-quality service that is effective in generating value for money for licence fee payers.
- **Societal Value:** increase the choice available to sports radio listeners through delivery of a wide range of sports audio content, distinctive to the existing commercial offer.

5.5.2 *Our evidence*

5.5.2.1 Stakeholder responses

There was strong support from multiple stakeholders that the changes proposed would create better value for money for licence fee payers.

IMG Productions, Left Peg Media, VLV and one other stakeholder believed the change provided significant value to licence fee payers and promoted more choice in the range of sports audio content available to linear listeners.

One stakeholder] believes audiences who are linear listeners only may not be aware of the range of sports podcasts available already on Sounds. This stakeholder also believes the broadcast of previously Sounds only available podcasts will help grow the independent production sector.

Left Peg Media believe the change can deliver huge potential value to audiences, adding to the existing live content on the network with existing podcasts comes at no extra expense to the BBC or licence fee payers.

VLV noted that the change will increase the public value of BBC services by providing a wide range of content to audiences on linear radio and providing greater value for money to licence fee payers by making better use of content that has already been produced by the BBC. In addition to highlighting the current lack of plurality of supply for non-live sporting content on linear radio networks in the UK.

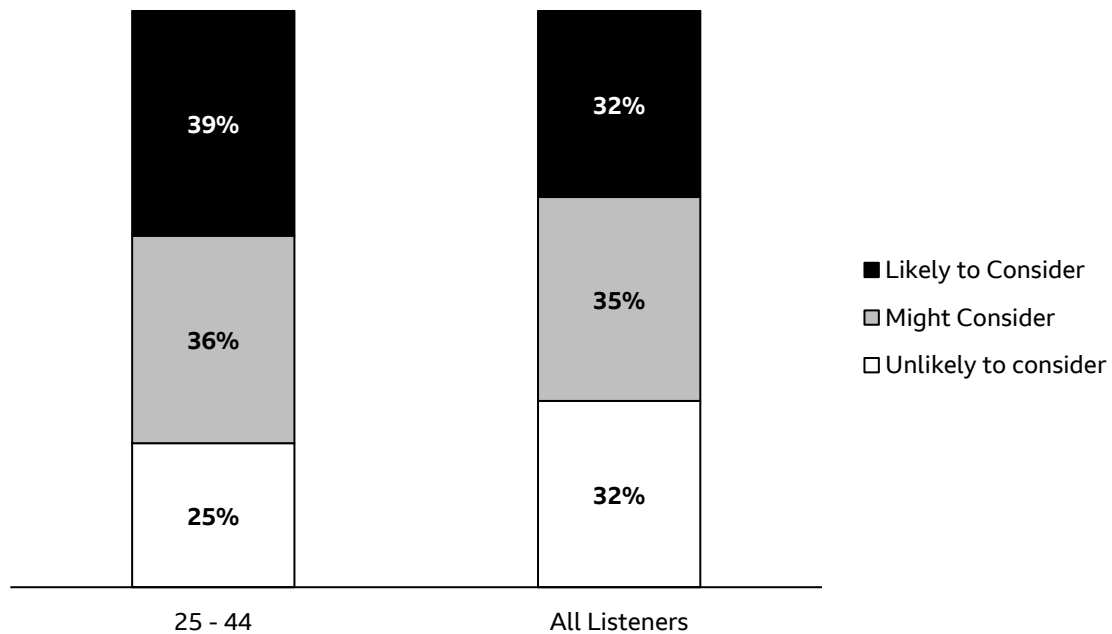
News Broadcasting believe the BBC has not demonstrated in its consultation that the proposal would be distinctive and offer additional net public value. In addition, News Broadcasting believe there would be greater incremental net public value if the BBC were to licence its spare DAB capacity to third-party radio operators to provide this service.

5.5.2.2 Audience research

We commissioned MTM to test our proposal with audiences and understand their perceptions of the change and what impact it would have on their habits. Our testing found significant support for the proposal across the qualitative and quantitative research.

MTM's market research found that among listeners to all radio, almost 7 out of 10 listeners (67%) said they might or were likely to consider listening to the new service. This figure was higher for those aged 25 – 44, at closer to 8 out of 10 being favourable to the proposed station.

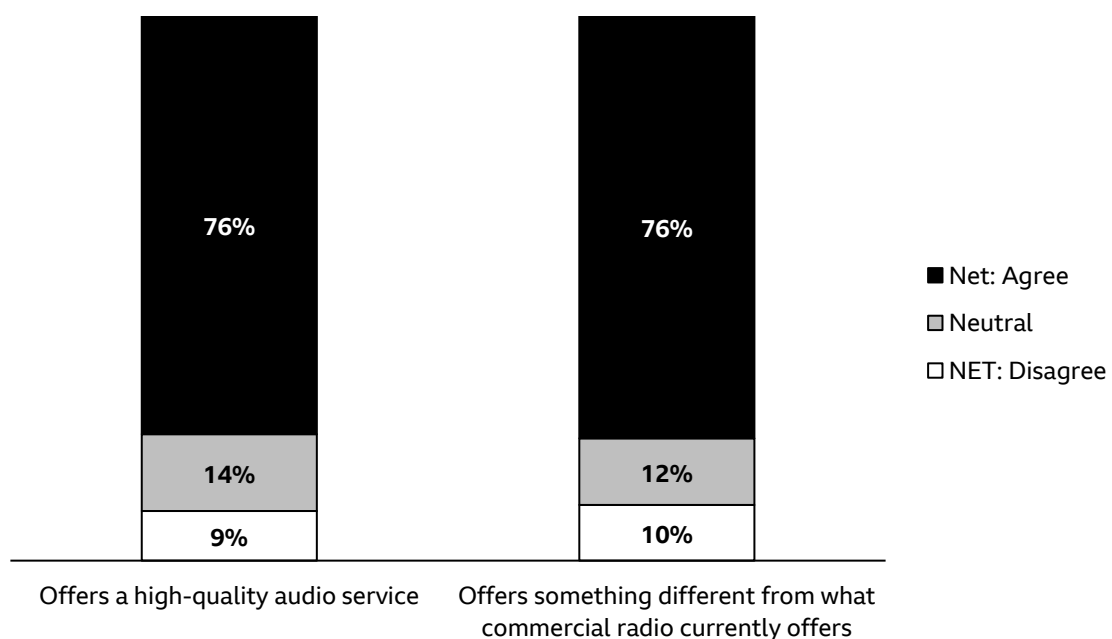
Figure 19: Likelihood to listen to the proposed Sport station (with BBC branding)



Source MTM BBC Radio PIT quantitative analysis (fieldwork conducted 24th Jan 1st - Feb 2024)

Audiences also perceived the proposal as distinctive with potential to deliver a high-quality audio service, particularly among the 5 Sports Extra target audience. We found that, among younger (25 – 44) radio listeners who listen to sport on the BBC or competitor networks, there was very positive support for the proposed change, with 76% of believing the change would offer something different from what commercial radio currently offers and 76% believing the change will offer a high-quality audio service.

Figure 20: Perceptions of the change from 25 -44 Sports Fans who listen to Sport on radio (including talkSPORT, talkSPORT 2, BBC 5 Live or 5 Sports Extra)



Source MTM BBC Radio PIT quantitative analysis (fieldwork conducted 24th Jan 1st - Feb 2024)

Our focus groups also showed support for the potential high quality programming that would be present on the station.

*Straight away, for me, **I know the quality will be good.** I know the experienced operators that are going to be producing it. **So it's going to be of a certain standard, which is good.** Absolutely.*

Light/Non, 35-54, ABC1

With one respondent hoping the BBC could curate an offer with podcasts to deliver a continuous and engaging service that is relevant to audiences like them.

*If they could **focus on the podcast side of things**, like a Monday night they do a talk about football, on a Wednesday night they do a talk about rugby union, stuff like that, when they've got the same consistent people coming in, maybe with like a different guest each week? **Something along the lines of that would be quite good.***

Light/Non, 25-34, C2DE

This is in line with our proposal of supplementing the live sport commentary schedule with high-quality podcasts that are adjacent to the event that day or week.

5.5.2.3 Modelling

An important part of generating public value is audience consumption, i.e. individuals will only gain value from the new station if they listen to it. We have modelled the new 5 Sports Extra's reach with audiences, and our quantitative research examined likelihood to watch

In Section 6, we set out how we have estimated the potential additional reach that we think we be generated by the proposed changes. In summary, we have estimated that there will likely be an uplift of 33% in listening as a result of the proposal over the next three to five years of service. We expect there to be significant take-up of the new station among radio listeners, specifically sport radio listeners. This is in part due to the nature of the sports radio market which itself is narrow with only a single commercial offer (talkSPORT and talkSPORT 2). We consider this significant uplift in listening demonstrates the high personal value, and therefore public value of our proposals.

5.5.3 Our conclusions

Stakeholder responses and our audience research support our hypothesis that the proposal will increase value for money for licence fee payers by making more efficient use of the broadcast hours available (in 2023/24 only 35% of airtime was used) and filling the unused space with the BBC's existing catalogue of on-demand sports podcast and live commentary replays at little additional cost to licence fee payers. As noted above, 7 out of 10 sports radio listeners aged 25 – 44 felt the BBC's proposal was appealing.

The addition of BBC on-demand sport audio content on network radio will increase value for money from the Licence Fee for a range of audiences, including:

- Linear radio only audiences: audiences who listen to linear radio and are not using on-demand platforms to listen to BBC sports content. Exposure to this content on linear will unlock additional value for these audiences
- On-demand online radio audiences: audiences who listen primarily to online radio via on-demand platforms: these audiences will gain value from exposure to the BBC's audio podcast portfolio which may not traditionally reach audiences on a network schedule

The audience research and modelling suggests that the change would perform well with audiences, projecting an increase in reach for the extended station. Audiences perceived the change as distinctive to the existing commercial offer and would be of high-quality.

As noted by multiple stakeholders, the change will also provide significant societal value by increasing choice in sports audio content for linear radio audiences, particularly relevant in a space which currently only has two providers – the BBC and *News Broadcasting*.

Linear radio remains the most significant way in which audiences consume sports audio content. Listeners who engage with sports content primarily via linear radio are not aware, or exposed, to the wide breadth of BBC podcast content. The extension of 5 Sport Extra will enable us to deliver additional value to those linear audiences and expose them to the breadth of our on demand content at little incremental cost. We believe this will deliver greater incremental net public value than if the BBC were to licence spare DAB capacity to third-party radio operators, as we will be better leveraging existing BBC content and strengthening the value derived from the licence fee by making previously on-demand only sports audio content available for listeners on network radio.

Finally, the change will generate greater value for licence fee funded content, by offering more opportunities for sports podcast content commissioned by the BBC on Sounds to reach more audiences on linear radio. As noted in Section 4, The BBC has made significant creative investment in a wide range of sports and sports entertainment podcasts, however, much of the on-demand BBC sports content remains on BBC Sounds, with a restricted broadcast schedule on 5 Live and 5 Sports Extra limiting the level of reach the BBC can provide to this content on radio. Our model of uplift of the extended station, demonstrates that more audiences will be exposed to the high-quality sport audio content from the BBC's vast on-demand catalogue.

5.6 Improving the value currently underserved C2DE and younger audiences are receiving from the BBC

5.6.1 Our hypothesis

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. In Ofcom's annual report (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". 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."

When we look at sports output on Radio 5 Live we can see that it over-indexes for 25-34s and C2DE while 5 Sports Extra over indexes for 25-34s but under-indexes for C2DE. As noted in Section 3, our audience data shows that sports content performs well among C2DE audiences, an audience demographic the BBC currently underserves across network radio. By providing a dedicated and integrated sports destination, we hope to therefore offer greater value to and appeal more to those audience groups and use our sports content to flag where listeners can hear more about a range of sports including sports podcasts.

We believe this change will provide value across:

- **Individual Value:** Better serving C2DE and younger audiences with sports content that is relevant to them.
- **Societal Value:** Delivering a greater choice of sports related content on linear radio that caters to C2DE and younger audiences and safeguarding the BBC's ability to deliver the Mission and Public Purposes to all audiences – including underserved audiences – and therefore support the long term future of the BBC.

5.6.2 *Our evidence*

5.6.2.1 Stakeholder responses

Multiple stakeholders felt the change would bring better representation and provision of sports content from the UK nations and regions to linear radio. One stakeholder felt the change would increase the quality and variety of programming for underserved audiences, particularly as C2DE audiences are drawn to sports broadcasting content. This is a perspective the Rugby Football League also supported, in addition to hoping the extension would give more opportunities for the BBC to broadcast more content that appeals to lower socio-economic groups outside of London and the South East, such as more coverage of the Rugby League and Women's and Wheelchair Rugby League.

News Broadcasting were concerned the BBC had not provided enough evidence to suggest it will achieve its objectives to better serve younger, C2DE audiences. They note that podcasts listeners are more likely to be younger in higher socio-economic groups and the BBC should consider providing information on the demographic profile of listeners to its sports podcasts to know whether the proposition would appeal to the target audiences.

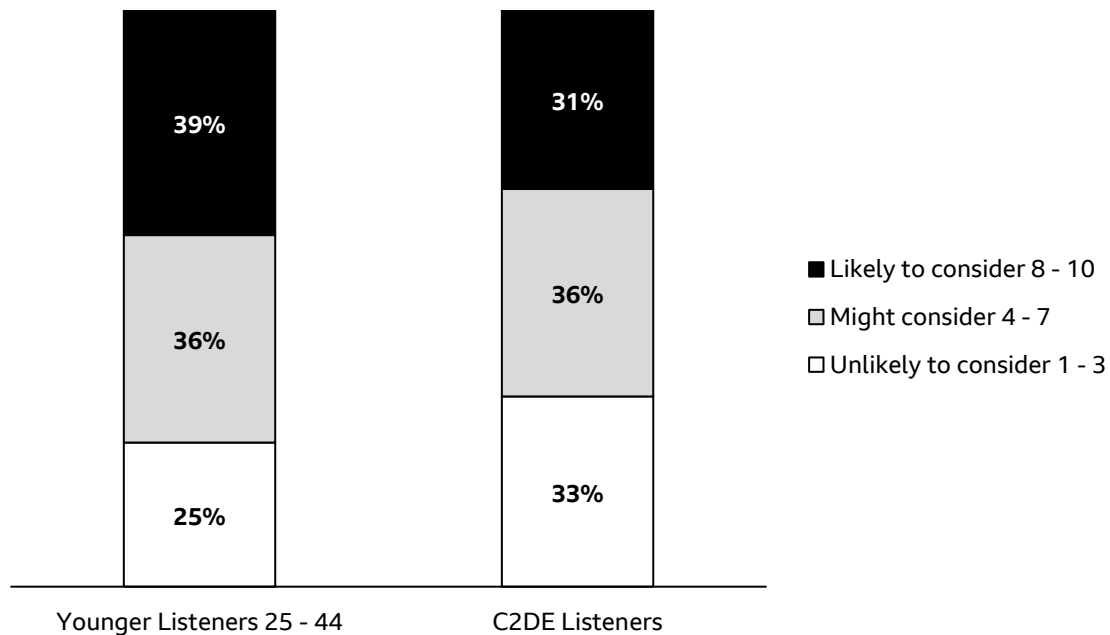
News Broadcasting also provide further evidence from their own audience research. According to a survey of talkSPORT and talkSPORT 2 listeners, 75% of C2DE talkSPORT listeners said they found the BBC's proposals appealing, 83% of 18 – 34 year old adults expressed the same sentiment, in addition to 74% of UK adults who lived outside of London and the South East.

5.6.2.2 Audience research

Our audience research shows strong support from audiences currently underserved across BBC network radio. More than half (56%) of younger (25-44) C2DE audiences said the proposed station would offer a high quality audio service, with 38% saying there were likely to consider listening.

For C2DE listeners overall, 67% said they might or were likely to consider listening to the proposed station. 39% of younger listeners (25-44) said they were likely to listen to the proposed station (See figure below).

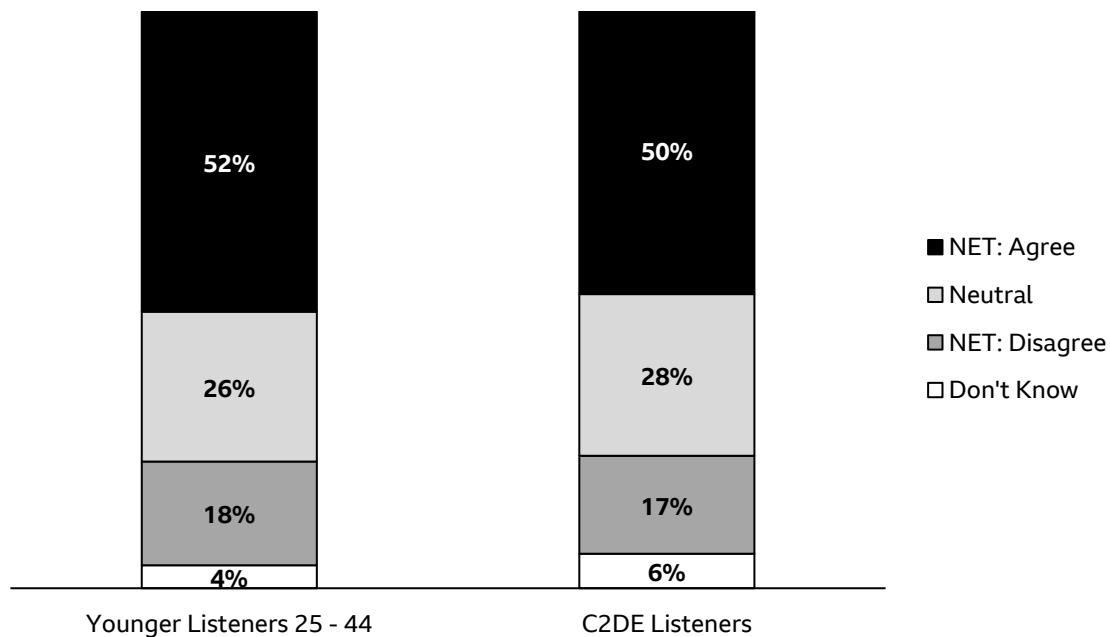
Figure 21: Likelihood to listen to the proposed sport station split between younger and C2DE audiences (presented with BBC branding)



Source: MTM BBC Radio PIT quantitative analysis (Fieldwork conducted 24 Jan- 1 Feb 2024)

In addition, more than half of younger listeners (52%) and half (50%) of C2DE radio listeners felt the proposed change offered something different from the rest of BBC radio.

Figure 22: Perceptions of the proposed change offering something different from the rest of BBC radio among younger and C2DE listeners



Source: MTM BBC Radio PIT quantitative analysis (Fieldwork conducted 24 Jan- 1 Feb 2024)

5.6.3 Our conclusions

Our analysis – based on our audience research and responses to our consultation – indicates that the value generated by the proposal for underserved audiences is likely to be high. With the underserved audiences indicating they are likely to listen to the proposed service, targeting an important audience group that the BBC currently underserves. It is vital the BBC is able to deliver value to all audiences and fulfil its Mission 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”. In doing so, the BBC must deliver good value for money in return for the licence fee.

We believe the increase in provision of sports content, which we know is a genre of content that radio listeners in particular are drawn to, will enable the BBC to reach those underserved audiences. We acknowledge News Broadcasting’s comments regarding the demographic profile and reach of on-demand podcasts.

An examination of the current demographic reach of BBC Sounds shows a skew towards listening to BBC podcasts for ABC1 background audiences and audiences aged over 35. However, listening to podcasts on Sounds must factor in the demographic profile of the Sounds platform also, it is part of our strategy to increase the reach of audiences on Sounds to those underserved by the BBC. In contrast, as evidenced in Section 3, the audience of BBC stations which serve sports over index for C2DE audiences and our audience research demonstrates that younger radio listeners also have a strong interest in sports radio content. For this reason, we believe the addition of sports podcast content to supplement the extended broadcasting hours of the 5 Sports Extra schedule will cater to

those underserved audiences and enable the BBC to better achieve its Mission to cater to all audiences across the UK. This finding is shared by News Broadcasting's own audience research which demonstrates audiences from this background are drawn to sports content.

5.7 Representation and portrayal, serving audiences from across the UK by highlighting sport content and voices from the nations and regions and provide a linear platform for new talent

5.7.1 Our hypothesis

As noted above, the BBC has a requirement under the Charter and Agreement to serve all audiences from across the UK. In the BBC's Mission and Public Purposes, specifically Public Purpose 4, the BBC is required to reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and, in doing so, support the creative economy across the UK.

An extended 5 Sports Extra would enable the BBC to boost voices from across the nations and regions by delivering more distinctive and relatable content for audiences across the UK. The new schedule will enable us to bring the best of our nations and regions sporting content to a linear audience, reflecting the experiences and sentiments of those living across the UK. Similarly with our wide catalogue, 5 Sport Extra will bring new voices to a network radio audience focussing on different communities of the UK.

Both of these aspects of the expansion will bolster the fulfilment of the BBC Public Purpose 4 by increasing representation of the diverse communities of the UK on network radio. We believe this change will provide specific value for:

- **Individual Value:** Serving content that audiences across the UK nations and regions feel is relevant to their interest, increasing audiences choices.
- **Societal Value:** Serving more content that reflects and portrays authentic voices from producers from across the UK nations and regions, bringing communities together around sporting interests.

5.7.2 Our evidence

5.7.2.1 Stakeholder responses

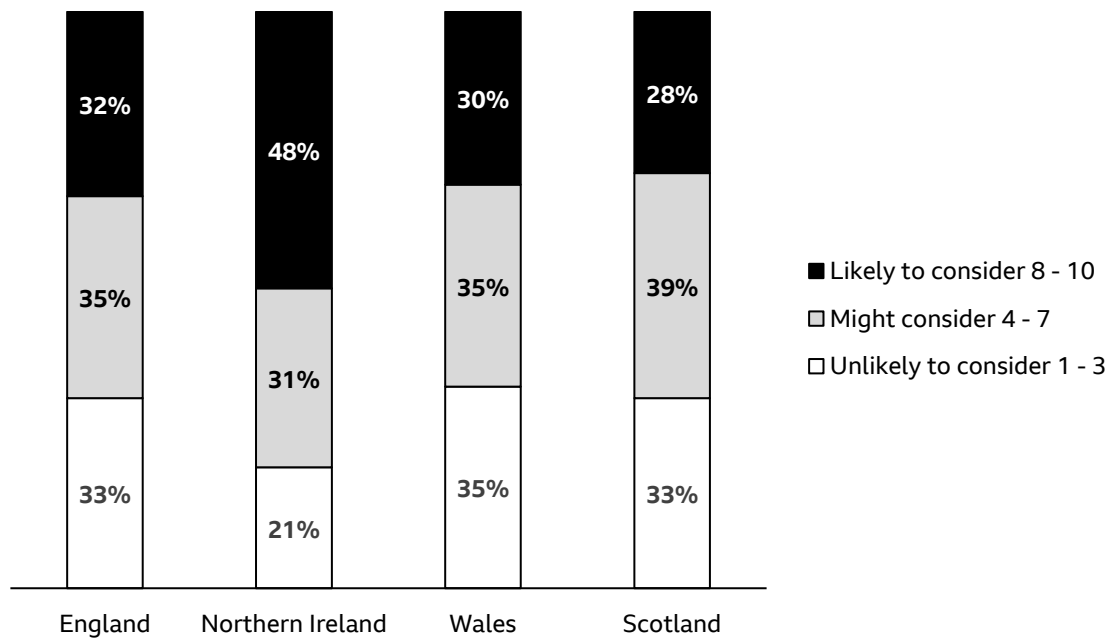
VLV believe audiences will benefit from better representation and provision of sports content from the UK nations and regions, delivering value for money for licence fee payers by making better use of content the BBC has already produced.

News Broadcasting believe the BBC has not committed to investing any additional funds in new nations and regions specific content and has not committed to a fixed number of hours to broadcasting this type of content on 5 Sports Extra. Noting that the BBC's example schedules presented in the consultation for 5 Sports Extra did not provide a robust image of what will be broadcast on the station from these types of podcasts.

5.7.2.2 Audience research

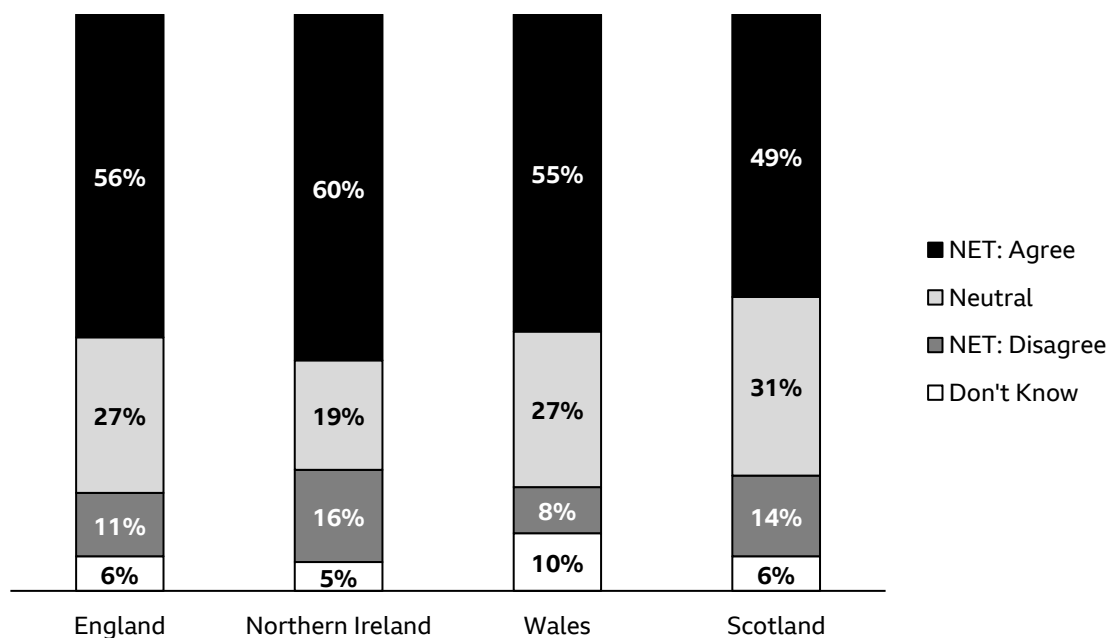
Our audience research also found that those from the nations and regions of the UK were favourable to the proposed change and also felt the change would cater for the part of the UK they live in.

Figure 23: Likelihood to listen to the proposed sport station split among nations and regions (presented with BBC branding)



Source: MTM BBC Radio PIT quantitative analysis (Fieldwork conducted 24th Jan-1st Feb 2024)

Figure 24: To what extent the proposed changes catered for the part of the UK I live in (presented with BBC branding)



Source: MTM BBC Radio PIT quantitative analysis (Fieldwork conducted 24th Jan-1st Feb 2024)

5.7.3 *Our conclusions*

There were no stakeholders who disagreed with our hypothesis that audiences will benefit from better representation and provision of sports podcast content from across the UK's nations and regions.

Our audience research demonstrates a strong interest in the new 5 Sports Extra, and a perception that the offer presented would be relevant to audiences across the nations. We are committed to meeting these expectations and delivering value to these audiences by highlighting sports audio content produced across the nations and regions. We believe the proposal will adequately deliver content that serves, reflects and portrays audiences from across the UK. Among the sports podcasts currently available on Sounds, which will be available for curation on the extended 5 Sports Extra, More than 70% are made outside of London. We note the example schedules shared in our consultation informed how an extended schedule could be delivered, the 5 Sports Extra editorial team would best curate the sports content available to the network as best to meet audience expectations and support the BBC's Mission and Public Purposes.

The BBC also fulfils its requirements for Public Purpose 4 across all of our radio networks including 5 Live, as evidenced in our Delivering of the Mission and Public Purposes report and through compliance with the Operating Licence. The Operating Licence requires at least 30% of relevant audio spend on BBC network radio and Sounds is incurred outside of the M25 area, and that Radio 1, Radio 2, Radio 3, Radio 4 and 5 Live all have to contribute to this quota. In 2023/24, the BBC's performance was 38.5%.¹² 5 Live and 5 Sports Extra were the largest contributors to this with 12.8% points, with respectively 93% and 100% of their eligible programme spend incurred outside of London.

It is also important to note that 5 Live, 5 Sports Extra and BBC Sport are all based in Salford. Additionally, we have stated we will be using podcast content commissioned by our 39 local radio stations across England, BBC Radio Wales, BBC Radio Scotland and BBC Radio Ulster / Foyle in Northern Ireland. All these stations commission and produce original content locally contributing to employment and investment in their areas.

For this reason, we do not believe it is necessary for the to place a specific target to our delivery of content from the nations and regions on 5 Sports Extra.

5.8 Broaden the range of sports being represented on BBC linear audio services, particularly those that currently receive less broadcast coverage.

5.8.1 *Our hypothesis*

In our February 2024 consultation, we outlined that we will continue to fulfil our mission to ensure audiences are informed and exposed to a wide spectrum of sport and provide greater coverage to those sports which receive less broadcast coverage in the wider sports radio market.

To deliver this, we stated that we would make better use of the broadcast capacity to provide additional content to boost the live-sport offer with adjacent podcast content that brings greater value to audiences. An expanded 5 Sports Extra will also be able to

¹² [Delivering our Mission and Public Purposes 2023/24](#), BBC, August 2024, p.119

leverage the full breadth of the BBC's on-demand offer to populate the schedule and enhance the current live sport offer. This will not just focus on discussion shows but will draw on the BBC's rich array of sport related documentaries and investigative podcasts. We will also achieve this through podcasts which 'build up to...' or 'follow on from...' the big live event of the day (e.g. a race preview podcast played out ahead of an F1 race on the weekend).

Specifically, the BBC sought to develop the range of sports audio content currently being represented on BBC linear audio services. We believe this change will provide specific value for:

- **Individual:** Better serving audiences with a distinctive offer of sports across a broad range of content and serving audiences with a particular interest in more niche sports who are not well provided for by the commercial market.
- **Societal:** Providing a broader range of content on network radio which covers a wide range of sports, exposing audiences to sports that they may be less familiar with and supporting interest in these sports.

5.8.2 Our evidence

5.8.2.1 Stakeholder responses

Stakeholders were supportive of the value delivered through this aspect of the proposal and only News Broadcasting believed the BBC need to provide more clarity as to how it would achieve this.

Shooting Shark Productions highlighted in their response that there are sports content which do not always fit into the linear structure of a network schedule, but as audiences are diversifying and wanting different things, increasing choice is a positive result. Furthermore, it provides an opportunity for *Shooting Shark Productions* to have the chance to have its material heard by a wider audience.

Other stakeholders such as VLV and indie production companies Shooting Shark Productions and one other stakeholder highlighted that the extension gave more opportunities for sport podcast content that wouldn't typically fit in the competitive linear structure of a commercial network schedule and provide range of sports represented on network radio.

News Broadcasting felt the range of sports covered in the consultation was very limited and the BBC should use its existing hours of sports coverage on 5 Live and 5 Sports Extra to showcase sports not well-covered elsewhere in the market. Specifically, the sports proposed by the BBC in its extension did not appear in the top three of sports considered uncovered by respondents to the research conducted of talkSPORT audiences. Respondents thought sports such as Tennis, Athletics and Snooker were uncovered. Their research also found that younger listeners were more likely to think the BBC should cover sports not covered elsewhere (70% of 18 – 34 which responded).

Finally, News Broadcasting felt the sample schedules shared by the BBC do not include commitment from the BBC to dedicate a certain proportion of hours to covering minority sports, they would welcome more information from the BBC on what it considers to be sports that receive less broadcast coverage.

5.8.2.2 Audience research

There was significant support from our audience research for our proposal, with strong support for the BBC providing a broader range of sports content. In our focus groups, respondents expressed great interest in the BBC providing more opportunities for sports less covered on commercial radio, including more than just football and providing a distinctive offer that was different to what competitors provide. Something that we will be able to deliver through an extended 5 Sports Extra.

In our focus groups, some individuals highlight that the example sports presented felt more 'mainstream' and not broad enough, a sentiment expressed by News Broadcasting in their concern of the example schedules provided. Although those in the research still felt it was a positive change that the BBC would provide more coverage of sport and hoped more attention would be given to women's sports and sports such as golf, netball, bowling and youth sports.

*I think the sports listed are mostly kind of geared towards men. They tend to be male based sports. So I think things like **netball, hockey, volleyball**, and I know that's not an exhaustive list, but I think, as well, it'd be good to say that in their blurb that they do cover female sports as well. **Because I think a lot of the time, female sports gets a lot less media coverage, it's a lot less broadcasted.** And just generally, I don't enjoy any of the things listed there, like football or rugby or anything like that.*

Light/No Sport radio listener, 19-24, C2DE

Despite this sentiment, audiences also told us they would still like the station to cover the best of both men's and women's sports and also consider global sporting events as part of the schedule.

Others felt the proposal offered something different to the current commercial sports radio offer and the rest of BBC radio.

*Yeah, I think **the problem with TalkSPORT is it's called 'talk sport', but it is pretty much 'talk football'...***

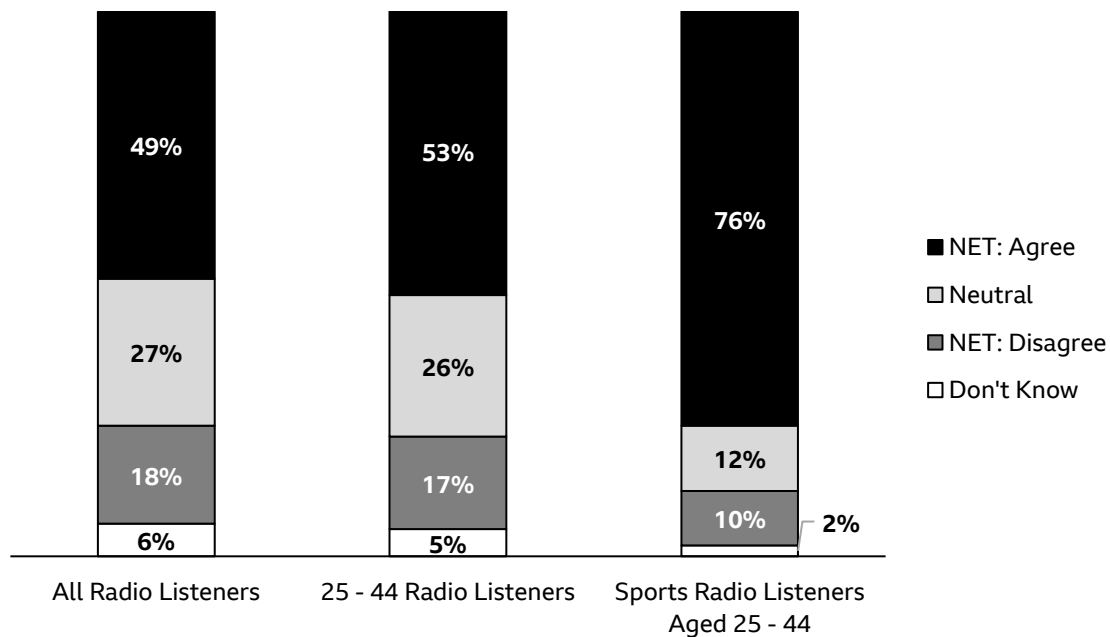
There isn't anywhere like this at the moment. 5 live touches on it a little bit, but I think it's probably more football, cricket, rugby and not much else.

So if it was as varied as we're guessing, it's got a pretty unique selling point.

Light/Non, 25-34, ABC1

This was a sentiment that was shared in our quantitative audience research also. With three quarters (76%) of the target audience for the extended station perceiving the proposal as something that is different from what commercial radio currently offers.

Figure 25: The extent to which the proposed changes sounds like it offers something different from what commercial radio currently offers



Source: MTM BBC Radio PIT quantitative analysis (Fieldwork conducted 24th Jan-1st Feb 2024)

5.8.3 Our conclusions

With consideration of the stakeholder response, our audience research and our modelling, we believe the increase in the provision of a wide range of sports audio content will strengthen and broaden the range of sports being represented on BBC linear audio services.

The BBC already delivers a significant range of sports on radio, with live coverage of over 21 different sports broadcast on 5 Live and 5 Sports Extra in 2023/24. An expanded 5 Sports Extra would be able to leverage the full breadth of the BBC's on-demand offer to populate the schedule and enhance the current live sport offer with more podcast content for sports that receive less coverage on commercial such as snooker, tennis or women's sport.

The availability of the full BBC sports on-demand audio portfolio will increase the range of sports potentially covered on 5 Sports Extra as there will be more broadcast time available for sports to receive more coverage. A sentiment agreed upon by stakeholders, particularly VLV and indie production companies, who highlighted that the extension gave more opportunities for sport podcast content that would not typically fit in the competitive linear structure of a commercial network schedule and provide range of sports represented on network radio.

In our focus groups, respondents expressed great interest in the BBC providing more opportunities for sports less covered on commercial radio, including more than just football and providing a distinctive offer that was different to what competitors provide. This is something that we will be able to deliver through an extended 5 Sports Extra with access to the vast licence fee funded content available on Sounds.

Across our on-demand audio sports portfolio there exists significant availability of content across a wide range of sports including sports which would be considered less covered on radio such as snooker (*Snookered, Framed: The Snooker Podcast*), women's football (*The Tooney and Russo Show, Jill Scott's Coffee Club*), women's fitness (*Girls Do Sweat*), athletics (*The Winter Olympic Mile*), golf (*The Chipping Forecast*) formula 1 (*F1: Chequered Flag*) and cycling (*BeSpoke: at the Tour de France*). In addition, there are many sport podcast series which cover a broad range of sports rather than place focus on a single sport throughout. These include documentary or interview style podcasts such as *Sporting Witness* (including historical and ground breaking stories across women's football, tennis, F1, athletics, badminton, climbing to name a few) and *Sport's Strangest Crimes* (covering stories of sport crime across women's football, wrestling and cycling).

We believe that availability of this breadth of content on 5 Sports Extra will deliver significant value to audiences, particularly those not previously exposed to sports that would typically receive less mainstream coverage, particularly as we expect the station to reach a significantly larger audience than currently received (as described in Section 6). The change will bolster the already significant range of sports BBC networks broadcast on commercial radio and also provide existing licence fee funded content with an additional platform to reach more audiences and grow interest in sport.

5.9 Improving discovery of on-demand sports content on BBC Sounds through prominence on network radio

5.9.1 Our hypothesis

In our February 2024 consultation, we stated that exposure to additional content, some of which is available only on-demand on Sounds, both improves the value of that content itself, but also will act as a bridge drawing listeners to the wider range of content available, that they might be missing out on, on BBC Sounds.

An expanded 5 Sports Extra can act as a valuable tool to help audiences discover a range of BBC sports podcasts on linear radio, and encourage the transition of listeners to BBC Sounds where they can discover further episodes and other relevant BBC content, with a richer, more personalised experience.

This will also specifically provide value for transitioning audiences who primarily listen to linear radio, but are increasingly switching to on-demand. These audiences would benefit from a wider reach of BBC on-demand sports content to facilitate that transition.

We believe this change will provide value for:

- **Individual:** The proposal will provide a 'window' through 5 Sports Extra to further discovery of content on BBC Sounds, delivering more value for money from the licence fee.
- **Societal:** The proposal will support the BBC's Mission to deliver good value for money in return for the licence fee by providing an opportunity to leverage licence funded content to increase reach of the UK Public Services and therefore support the long term future of the BBC.

5.9.2 *Our evidence*

5.9.2.1 Stakeholder responses

In its response, one stakeholder wrote that the increased reach for sports-based Sounds programming is a big positive – as it allows more linear listeners to be drawn into content on Sounds which will improve and make more relevant the BBC’s overall audio offering. It notes this also benefits producers and particularly independent production companies building their profile - by creating another route through which listeners can find their work and adding that with suitable investment in production it will increase the reach, range and quality of sports-based podcasts available on Sounds enabling the BBC to remain competitive in a growing commercial podcast sector.

News Broadcasting were unclear how making podcasts accessible on radio is necessary when Sounds already is widely accessible and is a significant player in the on-demand space. Noting that the podcast market is very competitive already with a huge range of choice available to audiences.

5.9.3 *Our conclusions*

By bringing more of our on-demand content to linear radio, some of which are available only on-demand, we will both improve the value of the content itself, but also provide a bridge drawing listeners to the wider range of content available to them on BBC Sounds that they may have previously missed out on.

Stakeholders agreed that the BBC will benefit in increasing the reach for sports-based podcasts currently limited to Sounds, creating another route for listeners to discover content relevant to their interest. Increasing reach of this content on Sounds will enable the BBC to remain competitive in a growing commercial podcast sector in addition to providing greater value to licence fee funded content.

5.10 Our conclusions on Public Value

The proposed change will deliver high public value with regard to value for money, catering to underserved audiences, improving representation and portrayal, delivering a broad range of sports programming and aiding discoverability of on-demand sports content on BBC Sounds.

6. Potential impact on fair and effective competition

In this Section we set out the potential increase in listening we expect to achieve as a result of our proposed changes, and summarise our analysis, which indicates that this is likely to have a significant adverse impact on fair and effective competition.

6.1 Uplift in listening to 5 Sports Extra

As set out in Section 2 above, and echoed by respondents, sports rights are the main driver of audience to sports radio. 5 Sports Extra is unique in that presently it only broadcasts when there are live sports; the rest of the time the station isn't active. This means the current schedule is variable with those rights. There is not a typical day on 5 Sports Extra as there is on other services. To account for this our modelling process develops a reference week from which the additional consumption has been calculated.

In our initial consultation we estimated an uplift of 52%. In response to stakeholder submissions and further analytical work, we have simplified and improved our uplift methodology. To note, applying this new methodology to the original proposal, i.e. 6am-12am broadcast hours, suggests this would have driven an uplift of 72% to 5 Sports Extra's listening.

However, as discussed in section 4, in order to mitigate the market impact of our proposal we have decided to reduce the proposed additional broadcast hours for 5 Sports Extra. The new broadcasting hours will be from 9am – 7pm every day, rather than 6am – 10:30pm. We estimate the additional hours proposed for the extension that is not live sport commentary will amount to 1,314 hours (about 30% of the total broadcast hours). This is a significant reduction to our previously proposed hours of 2,940 each year.

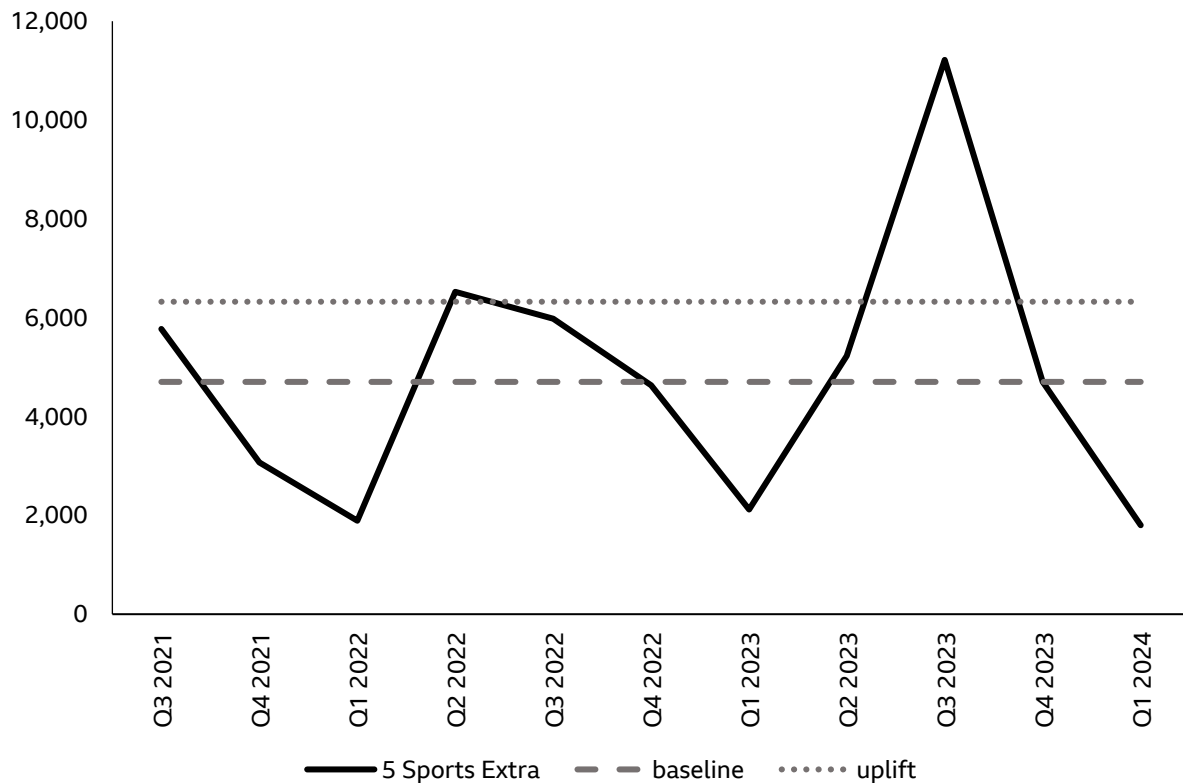
To calculate the reference week, we first calculated the probability of an hour of the day having a broadcast based on the 5 Sports extra schedules for calendar year 2023. We then uplift the observed consumption hours based on the broadcast probability to give an 'always on live sport' station. The additional consumption hours calculated are then down weighted to account for them being non-live sport i.e. we expect the podcast content to attract less listening per broadcast hour than a live sport equivalent. We then compare the reference week to the actual hours observed over calendar year 2023, the difference forms the uplift. We estimate this to be a 33.1% uplift in listening hours. Annex 3 sets out more detail on the approach to modelling.

Within our method we have not been able to take account of the hours for which the new non-live content will be scheduled against live content on alternative stations, such as talkSPORT which is mainly live content. Pre-recorded and podcast content is not a close substitute for live sports coverage. Given the strong audience preference for live sports content we would expect a lower uplift to be generated at these times. We therefore consider that our estimation is likely to overstate the uplift we'd observe in practice.

In our modelling we've used RAJAR data, using Q4 2023 as a base at 4.7 million hours of average weekly listening. (This is very similar to the average of 4.8 million hours for the data selection set out in the chart below.) Applying the uplift of 33.1% to the base of 4.7 million hours results in total estimated listening of 6.3 million hours, with an uplift of a little under 1.6 million hours. The chart below shows actual listening to 5 Sports Extra, the

baseline of 4.7 million hours and the total estimated listening including the uplift of 6.3 million hours.

Figure 26: Adult 15+ audience quarterly hours of listening for 5 Sports Extra and model baseline hours (000s)



Source: RAJAR

As is shown in the chart above listening on 5 Sports Extra varies greatly depending on the available sports rights from across the year and year to year. For example, the peak in Q3 2023 relates to the Men’s Ashes series in the UK – a high-hours and particularly exciting tournament taking place predominantly through July 2023. We do not believe that the additional consumption on 5 Sports Extra will vary to the same extent as the current live broadcast, nor will it necessarily rise with greater availability of live sports rights in any given year. If anything where rights are available for sports such as the cricket, the availability of airtime for podcast content will be lower due to the duration of the live coverage. As a result, consumption of the podcast content is likely to be lower in those high sports years i.e. we would not anticipate an additional 3.7 million hours in a quarter like Q3 2023 which attracted 11.2 million hours of listening in the average week.

We do not model any ramp up in listening over time; the figures presented are an estimate for the station at three to five years of operation. Impacts in years one and two post launch will be lower as audiences will be less aware of the new offer.

6.1.1 Uplift to BBC Sounds

We consider that there will be some effect on the specific podcasts that we broadcast through greater exposure and listening. This will be promotional for BBC Sounds in the same way our other stations are, and audiences will be able to access the station within

BBC Sounds. The listening to the expanded station on BBC Sounds is captured as part of our modelling. We have not specifically modelled any additional impacts on BBC Sounds on-demand listening.

6.2 Risks that our proposal will crowd out competitors

As set out in Section 2 sports radio is provided by the BBC via Radio 5 Live, 5 Sports Extra and coverage on the BBC Nations and BBC local radio stations, and News Broadcasting via TalkSport and TalkSport 2. There are also a range of independent sports podcast producers, as well as TV live sports coverage, we have excluded these from the diversion analysis as we do not consider them to be close substitutes. We would anticipate TV to draw audiences from radio but consider it unlikely to operate in reverse, particularly given the new linear radio content will be non-live sport content (i.e. podcasts). Whilst listening to podcasts collectively is becoming a mainstream activity, individual podcasts remain niche and are sought out by dedicated audiences. Podcasting is also an on demand as opposed to the linear experience of radio. We therefore consider it unlikely that significant listening will be drawn from sports podcasting.

We have taken a very narrow approach to the assessment of crowding out competitors focusing just on the provision of radio, excluding other weaker substitutes.

In general the BBC’s approach to estimating cannibalisation and diversion uses listening share. Given that sport is a unique audio genre and that there are just two providers of sports radio, the BBC and talkSPORT, we consider this may overstate cannibalisation and concentrate diversion. However, consumers have broad tastes and therefore it is unlikely that all of the listening to the expanded 5 Sports Extra will come from the sports genre stations. We’ve therefore considered a number of data points to consider cannibalisation and diversion. This includes our commissioned research from MTM, analysis of listener journeys in RAJAR and statements made by News Broadcasting in response to the consultation.

We have reviewed the results of the survey we commissioned from MTM. Whilst sport stations feature high in the list of stations from which listening would be taken, it indicates that the majority of the listening would be drawn from music stations and networks that do not provide sports coverage. Only 35% of talkSPORT listeners suggest that they’d reduce their listening to talkSPORT, a similar proportion to those that say they’d take listening from a Global Radio station. The BBC is reported as the largest source of listening.

Figure 27: Where listening will come from for the extended 5 Sports Extra station

Radio Group	Total	talkSPORT listeners	Sports fans
BBC Radio	45%	52%	54%
Commercial Radio	59%	72%	64%
Bauer	27%	30%	27%

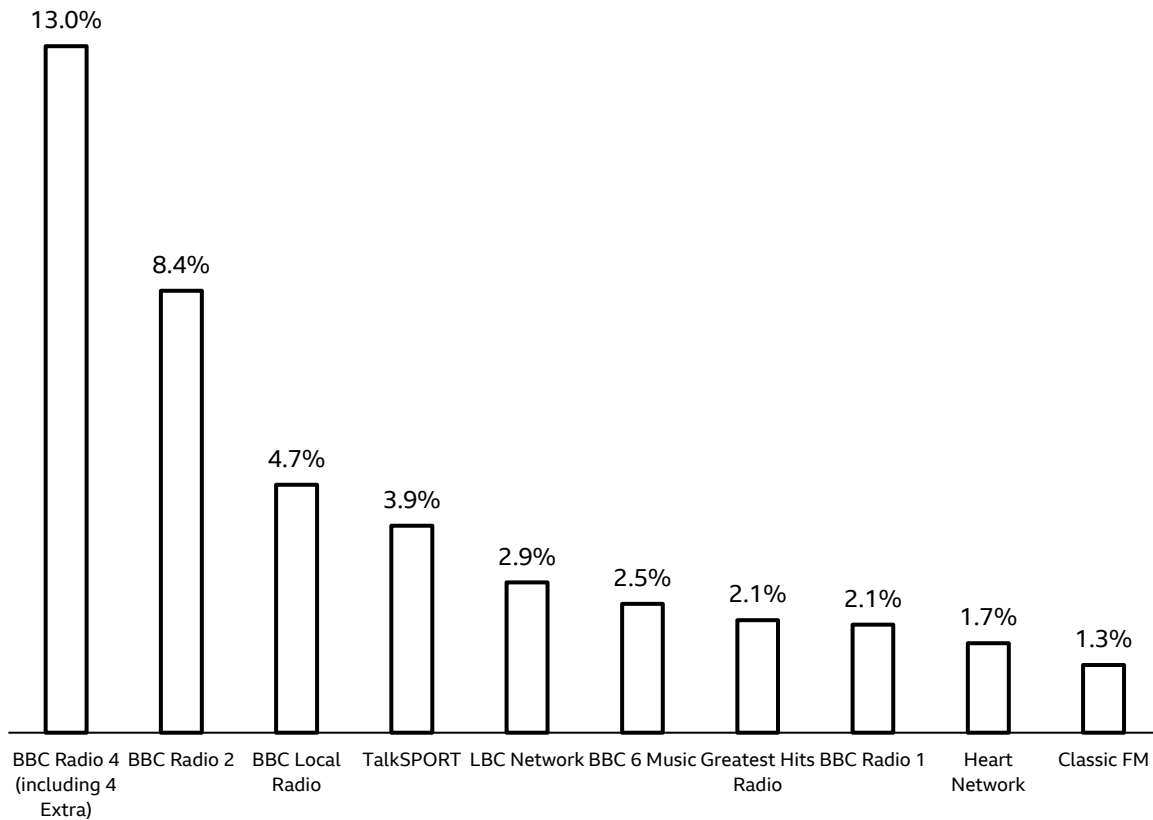
Global	34%	36%	33%
News UK	25%	44%	35%
talkSPORT / talkSPORT2	18%	35%	28%

Source: MTM BBC Radio PIT quantitative analysis (Fieldwork conducted 24th Jan-1st Feb 2024)

Notes: D5_05 You said that you are likely to listen to Sport service. What other station or media would you take that listening time from? Multi-box response totals do not sum to 100

Using RAJAR data we have been able to look at the current destinations of listeners when switching over from both 5 Live and talkSPORT.¹³ This analysis also shows a range of non-sport stations as destinations. For 5 Live the top destinations are BBC Radio 4, BBC Radio 2, BBC Local radio and talkSPORT. For talkSPORT the top destinations are 5 Live, Radio 2, Greatest Hits Radio and Heart.

Figure 28: Listener journey from BBC 5 Live weekday

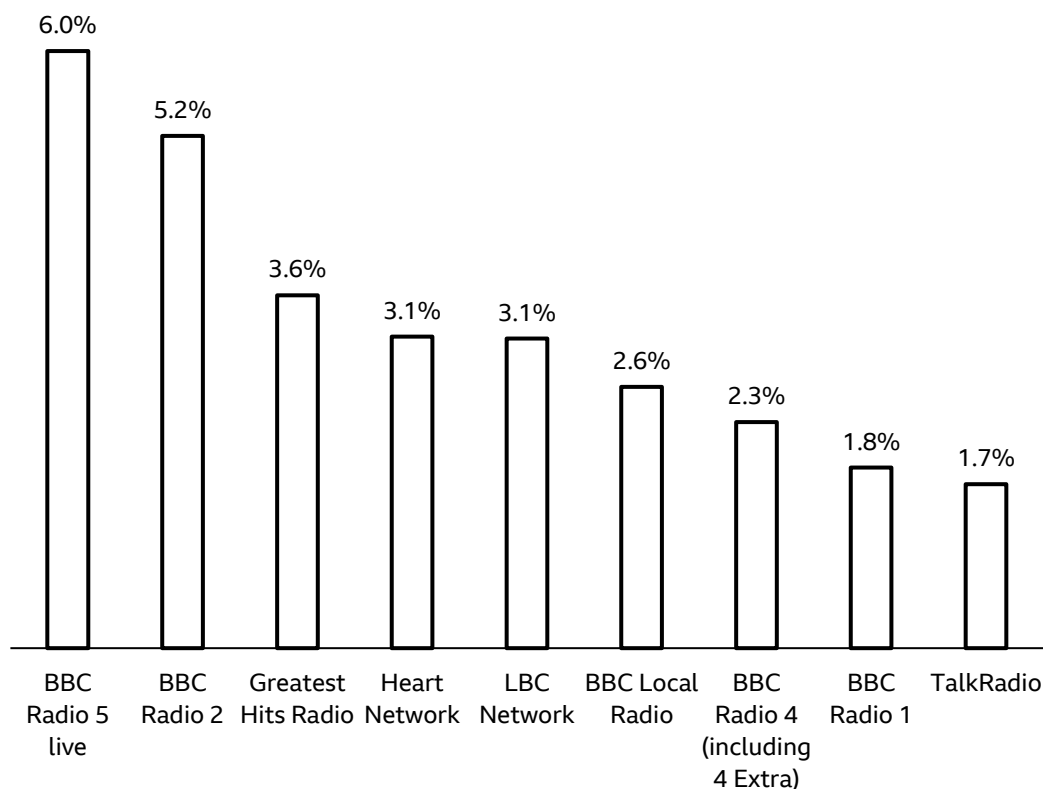


Source: RAJAR

Notes: only includes stations with a minimum of 20 observations. 12 months of data to Q2 2024 The day is broken down into 15 minute intervals. The data looks at those listening to BBC 5 Live in one slot and if not BBC 5 Live where they are in the next 15 minute interval. Data excludes switching off the radio.

¹³ Note the sample size for 5 Sports Extra means it was not possible to look at onward journeys from that station. It is not included in this analysis.

Figure 29: Listener journey from talkSPORT weekday



Source: RAJAR

Notes: only includes stations with a minimum of 20 observations. 12 months of data to Q2 2024 The day is broken down into 15 minute intervals. The data looks at those listening to BBC 5 Live in one slot and if not BBC 5 Live where they are in the next 15 minute interval. Data excludes switching off the radio.

News Broadcasting presented us with research which claims 73% of talkSPORT listeners would listen to a relaunched 5 Sports Extra and 24% would listen to talkSPORT less as a result¹⁴.

Looking at listening share we would see a split between the BBC and talkSPORT of about 60/40¹⁵. However, this does not capture a clear indication of listening from other genre stations. Including these stations would significantly dilute the impact on talkSPORT. These other stations are likely to be second preference and we continue to consider that genre is likely to be a driver of listening.

Taking account of the above we have conducted our analysis on what we consider to be a credible range of cannibalisation and diversion estimates from services other than talkSPORT of 25%, 50% and 75%. Our central estimate of market impact is based on the 50% measure.

¹⁴ News Broadcasting submission to the BBC.

¹⁵ Including listening to non-sport content on BBC Radio 5 Live

6.2.1 Static impacts on revenues and profitability

The most recent accounts for talkSPORT Limited, the operating company for talkSPORT and talkSPORT2, as well as the other News Broadcasting radio brands shows growth in both revenue and profits. In 2023 recording just under £81m in revenue and just under £11.5m EBITDA. This was lower margin than in 2022 after reporting a loss in 2021, likely due to COVID effects on advertising and sport. Over the two years the average margin was 15%. The revenue posted by News Broadcasting is higher than the revenue predicted in our modelling based on revenues reported by Radio Centre and share of listening. Our analysis of profitability is made on the basis of our forecast and an assumed margin of 15%.

We estimate an impact on revenues of News Broadcasting of -1.6% on our central measure of 50% diversion from talkSPORT and talkSPORT2, with a top estimate of up to -2.4%, influenced by the cannibalisation of other BBC services and diversion to other radio groups.

Figure 30: Static impact on revenues and profitability

Cannibalisation and other diversion assumption	Reduction in listening to talkSPORT 1/2	News Broadcasting revenue impact	News Broadcasting Profit impact
25%	-6.3%	-2.4%	-2.3pp
50%	-4.2%	-1.6%	-1.5pp
75%	-2.1%	-0.8%	-0.8pp

Note: percentage points (pp)

Understanding the impact on profitability is difficult. We understand that talkSPORT and talkSPORT 2 due to being both speech and sports rights led will be significantly more costly to operate than other stations in the New UK portfolio. However, it may also be one of the more significant profit centres for News Broadcasting due to the size of audience it attracts driven by live sporting events.

On a static basis there is no room for response. We estimate that the profit margin of News Broadcasting would fall by up to 1.5pp on our central measure. This level of impact is unlikely to affect investment in the main talkSPORT service, which is driven primarily by live sports rights. At the top level it may influence investment in talkSPORT 2 (or potentially other News Broadcasting stations) which is a speech driven service. Without the ability to react we'd therefore expect cost cutting as a result of the change.

The impact on other radio networks is low and as shown in the analysis above likely spread across a wide range of radio services.

6.2.2 Dynamic impacts

There are a number of ways in which dynamic effects may mitigate the impact.

Our modelling takes into account current dynamics between BBC and commercial radio. This means that a proportion of the impact is reduced by the expected flow of listeners from BBC to commercial radio services. For example, in our underlying model digital listening grows by an average of 3.9% a year for the BBC but 9.2% a year for News

Broadcasting. This means that the impact lowers revenue growth rather than static profits.

The proposals have also been known since the point of publication of our consultation, i.e. for about six months, and it will be further six months until Ofcom opine on a decision. While the set up time for 5 Sports Extra as an extended service will be shorter than for a wholly new service, it is unlikely to launch immediately. As noted above, there will be a further period of time as audiences become aware of the service. In that timeframe News Broadcasting have sufficient agency to react to the proposal, through changes and innovation within its own scheduling and operations. For example, in its latest press release on performance, News Broadcasting noted the strength of the operation in IP delivery and being the market leader in areas such as broadcast via YouTube.¹⁶

We have considered the likely responses that News Broadcasting may make. We do not consider it likely that News Broadcasting could invest in sport to mitigate the impact of the expansion of the BBC services. While an expansion of live sports rights on the talkSPORT network, would likely reduce the instance of diversion, we do not think this is a viable response given the availability of popular sports rights and scheduling challenges. For example, rights to popular sports such as football, rugby and cricket are expensive or have already been acquired in the market. On scheduling, talkSPORT would also be reluctant to schedule its own sports offering in competition to not dilute its audience and there are only limited slots available in the schedule at times when audiences wish to listen. Live sport generally being scheduled at evenings and weekends.

Niche or overseas sports may mitigate some of these challenges, with lower rights costs and different match times, new audiences and sponsorship arrangements could be developed. However, News Broadcasting would have likely made some of these investments already were that the case, talkSPORT2 has remained primarily a talk station.

That said, this year we have seen rights innovation from News Broadcasting in bringing the Paris Olympics to radio. This is the first time that a commercial radio station has carried the Olympics. With a broader speech network News Broadcasting has the opportunity to exploit these rights over a wider network.¹⁷ Its ability to exploit rights across its entire portfolio may unlock new service propositions and new revenue streams.

While the likely level of impact on a single company is higher than we've previously seen, we consider that News Broadcasting will have options available to it other than cost cutting and retrenchment. However, there remains a risk of News Broadcasting reducing the service of talkSPORT 2 if it cannot respond strategically.

6.2.3 Potential vertical supply chain impacts

In this section we consider whether there are likely impacts within the supply chain following the expansion of 5 Sports Extra and potential impacts on production companies, talent and rights holders.

¹⁶ As stated in the 1 August 2024 press release <https://www.news.co.uk/latest-news/another-record-breaking-round-of-rajarr-results-for-news-broadcasting/>

¹⁷As stated in the February 2024 press release <https://talksport.com/sport/1768335/talksport-secure-radio-coverage-olympic-games-paris-2024/>

Overall, we consider there will be a small positive impact on the supply chain driven by the additional exposure an expanded 5 Sports Extra will bring.

The 5 Sports Extra expansion does not create any additional commissioning or rights acquisition budget. It will be utilising content that has already been commissioned by other BBC services. It is therefore unlikely to directly incentivise additional investment by producers, talent or right holders.

The expansion to DAB does however provide a wider audience for programming already commissioned. This is likely to raise the profile of producers, on air talent and sports coverage associated with the content. This will likely have the largest impact on talent and rights holders. The additional exposure over time is also likely to drive more interest in those sports, which in turn may grow the sport, grow participation and eventually, the value of rights. Presenting talent associated with those sports may also see an increase in opportunities. This has occurred, with huge success, in recent years with women's football in the UK, driven largely by the coverage from free-to-air broadcasters and by the success of the Lionesses. While the exposure on 5 Sports Extra will not be as great, there is potential for benefits to accrue.

6.3 Conclusions on the BBC's potential impact of fair and effective competition

With consideration of the audience research and our market impact analysis, we consider that the 5 Sports Extra proposals would generate significant public value, predominantly through greater value for money for licence fee payers, and greater reach of currently underserved BBC audiences and broadcasting of voices and stories from across the UK's nations and regions.

However, the potential market impact of the proposal is also significant, with an estimated impact on profit margin of 1.5pp from the only other provider of dedicated Sports radio based on our central measure.

7. The Public Interest Test

7.1 Background

The Charter and Agreement place a number of obligations on the BBC when it would like to make changes to its UK public services. In particular the Agreement¹⁸ stipulates that the BBC may only make a material change to its UK public services where:

- The BBC has carried out a Public Interest Test on the proposed change;
- The BBC has determined that the Public Interest Test is satisfied; and
- Ofcom determine that the BBC may carry out the proposed change.

A material change is defined to include:

- a) the carrying out of any activity as a new UK Public Service; and
- b) any change to a UK Public Service which may have a significant adverse impact on fair and effective competition.

The Agreement¹⁹ also explains what a Public Interest Test involves. Specifically the BBC must be satisfied that:

- The proposed change to the UK public services contributes to the fulfilment of the Mission and the promotion of one or more of the BBC's Public Purposes;
- It has taken reasonable steps to ensure that the proposed change has no adverse impact on fair and effective competition which is not necessary for the effective fulfilment of the Mission and the promotion of the Public Purposes; and
- The public value of the proposed change justifies any adverse impact on fair and effective competition.

In addition, the Agreement²⁰ also requires that the BBC, in carrying out the Public Interest Test, must consider the scale and likelihood of any public value relative to the scale and likelihood of any adverse impact on fair and effective competition. It is recognised that the determination 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.

We have conducted a Public Interest Test regarding our proposals to improve our 5 Sports Extra offer to deliver greater value to audiences. We set out below our findings under the Public Interest Test in the light of the research and analysis we have conducted and the consultation process.

7.2 Is the proposed change a material change?

Once the BBC publishes the proposed change, "Ofcom must assess whether the change is a material change". If Ofcom decide that the proposed change is a material change, Ofcom must carry out a Competition Assessment or Shorter Assessment. "Where Ofcom has

¹⁸ Agreement, Clause 7

¹⁹ Agreement, Clause 8 (1)

²⁰ Agreement, Clause ()

notified the BBC that they do not consider that a proposed change is a material change, the BBC may carry out the proposed change”, and “Where a period of six weeks has elapsed since the publication of the proposed change, and Ofcom has not notified the BBC as to whether it considers the proposed change is a material change, the BBC may carry out the proposed change.”²¹

Based on the market impact analysis set out in Section 6, we consider that the 5 Sports Extra proposals would generate significant public value, predominantly through greater value for money, reaching currently underserved audiences and broadcasting voices and stories from across the UK’s nations and regions.

Our analysis of market impact demonstrates a potential adverse impact on the fair and effective competition. Our model of the increase (as set out in Section 6) suggests an impact on the single commercial sports radio broadcaster in the market (talkSPORT and talkSPORT 2 owned wholly by News Broadcasting), leading to reductions to talkSPORT’s listening of 4.2%, and News Broadcasting’s revenues of 1.6% and profit margin of 1.5pp.

We consider this potential market impact of the proposal to be material due to the nature of the proposal and that there is only one competitor in the sports radio market on whom the entire impact would fall.

7.3 Does the proposed change contribute to the fulfilment of the Mission and the promotion of the Public Purposes?

With consideration of audience research, responses to our consultation, economic analysis and assessment of our five public value hypotheses, we consider that the 5 Sports Extra proposals would generate significant public value and contribute to the fulfilment of the Mission and the promotion of its Public Purposes. It will achieve this predominantly through greater value for money, reaching currently underserved audiences and broadcasting voices and stories from across the UK’s nations and regions.

7.4 Has the BBC taken reasonable steps to ensure that the proposed change has no adverse impact on fair and effective competition which is not necessary for the effective fulfilment of the Mission and promotion of the Public Purposes?

We have taken reasonable steps to ensure that the proposed change has no adverse impact on fair and effective competition which is not necessary for the effective fulfilment of the mission and the promotion of the public purposes. Specifically, we have addressed the potential adverse impact on fair and effective competition by reducing the broadcasting hours of the proposed extended station and limiting the time the station is on air to the minimum we consider consistent with delivering public value, and fulfilling our mission and promoting our public purposes.

²¹ Agreement, Clause 9

7.5 Does the public value of the proposed changes justify any adverse impact on fair and effective competition?

Our evidence suggest the proposed change may cause a material adverse impact on fair and effective competition, however, we maintain that the proposal demonstrates the fulfilment of the BBC's Mission and Public Purposes and the delivery of high public value for audiences and licence fee payers – as demonstrated through our Public Value analysis detailed in Section 5. As such, we conclude that the Public Interest Test is met.

7.6 Conclusion

The BBC is satisfied that the Public Interest Test is met based on its fulfilment of the BBC's Mission and Public Purposes and the generating of significant public value to justify any adverse impact on fair and effective competition.

Annex 1: Consultation responses

Summary of responses

On 14 February 2024 the BBC launched a Public Interest Test consultation on plans to extend the broadcasting hours of 5 Sports Extra.

The purpose of our consultation was to seek views, primarily from industry stakeholders, to help us to refine our proposals. This was a necessary step, given the need for us to undertake robust analysis on both the public value of our proposals as well as the potential impact on fair and effective competition, as required by the Public Interest Test.

We received 10 responses to our consultation. There were 8 from industry stakeholders, a further 6 industry stakeholders confirmed that that they would not be making a submission to the consultation. There were 3 responses from members of the public. A summary of those responses follows below. Non-confidential responses from stakeholders have been published on our website alongside this document.

Advertising Association

The Advertising Association is a trade association representing advertisers, agencies, media and research services in the UK advertising industry.

The response related primarily to the public interest test on four digital music stations on DAB+, however they a number of points in regard to the 5 Sports Extra proposal.

The Advertising Association suggested that the proposal was not distinctive in that it was a repurposing on content that already existed on BBC Sounds.

In terms of mitigations, they suggested that the BBC could propose a more distinctive offer that covered a wide range of under-covered and minority sports.

IMG Productions

IMG is a global sports and culture company.

Their response was supportive of the proposal. They argued that it would add public value by giving the opportunity for high quality content to be heard by more people and would add extra value to sports content produced.

They also suggested that it would give an opportunity for more live sport to be broadcast in addition to the portfolio that 5 Live already offered.

Left Peg Media

Left Peg Media is an independent production company.

Their response was supportive of the proposal. They argued that it had huge potential to add value to audiences by supplementing live content on the station with existing podcasts without extra expense to the BBC and the licence fee payer.

They suggested it would add public value by allowing audiences to have greater choice in listening, giving them an opportunity to sample other BBC Sport content that they may not have known about.

They also believed that it would improve choice for the listener without negative competitive impact, as it proposed to fill the gaps of an existing station rather than set up a new one. They suggested, however, to minimise any potential impacts the BBC should not promote content on the network that was not live sport, although the audience could still be educated about the station's new offer. They also suggested that the station should not carry original content, only that already produced for Sounds and 5 Live.

Rugby League (commercial)

In their response, Rugby League (commercial) suggested the proposal could add public value if it led to the broadcast of more hours of Rugby League on the station as it would offer more content that would appeal to C2DE audiences outside of the south-east of England and could offer the opportunity to broadcast more BBC Local Radio coverage, Women's and Wheelchair Rugby League. They suggested, however, that this should not be at the expense of coverage on 5 Live which should remain the national hub for sport coverage.

They suggested that Rugby League followers in the North of England would benefit from enhanced Rugby League coverage and additional coverage of Women's and Wheelchair Rugby League.

Rugby League (commercial) stated that increased broadcast of BBC Local Radio coverage should be recognised in existing and future rights agreements.

In terms of competitive impact, Rugby League (commercial) referenced their relationship with talkSPORT and that any changes to the level of live coverage through 5 Sports Extra would have to take that relationship into account.

Shooting Shark Productions

Shooting Shark are an independent production company.

Shooting Shark were supportive of the proposal arguing that increased choice was better for the consumer and would benefit the production sector.

It would give more choice to audiences and a chance for diverse content to have a wider audience. They suggested that it would add value by providing a boost to the independent sector acting as an additional platform for independent content and (if additional budget is available to 5 Sports Extra in the future) it would offer an opportunity for more independent commissions, leading to an increase in jobs and opportunities for the independent production sector.

They pointed out that as consumption of audio changed and evolved, it was right and proper that such changes were made.

On competitive impact they stated that the proposal did not show any sign that it would compete on similar content with other networks. That there would be sports content but different from offers elsewhere, and was therefore providing more choice.

They stated that the network should be distinctive to other commercial offerings. They also made the point that the company provided many hours of content to 5 Sports Extra and found it frustrating that this picked up or handed off to a loop, which impacted audience engagement. They felt that the proposal would make 5 Sports Extra more distinctive and providing audiences with more choice and would support the independent sector.

Confidential stakeholder

The stakeholder is an independent production company.

The stakeholder felt that the proposal would increase public value by increasing the quality and variety of programming for linear audiences especially for underserved audiences. Additionally it would increase the reach of sports-based BBC Sounds programming – allowing more linear listeners to be drawn into content on Sounds and improve and make more relevant the BBC's overall audio offering.

On the benefit to audiences and wider social and cultural impacts, they felt that audiences would benefit from increased sports content and curated content given the obligation for 5 Live to deliver 70% content focused on news and current affairs. That it would increase awareness of Sounds-first podcasts which linear listeners may not be switched on to yet which would in turn increase value derived from the licence fee. They also felt that it would benefit the independent production sector by creating another route through which listeners can find their work.

On possible competitive impact, the stakeholder suggested that with suitable investment in production it would increase the reach, range and quality of sports-based podcasts available on Sounds which would enable the BBC to remain competitive in a growing commercial podcast sector. It would allow the BBC to increase the range of sports covered, rights permitting.

On mitigations for possible negative impacts, the stakeholder recommended that the BBC operate a fair and balanced approach to winning and paying for sports rights one that wouldn't artificially inflate prices and potentially exclude commercial operators from the market. To promote positive impacts, they suggested a launch to increase awareness of BBC podcasts and servicing of C2DE audiences would bring positive competition to the market.

In other points raised, the stakeholder argued that the BBC would need to avoid anything approaching commercial airtime becoming part of the BBC landscape.

VLV (Voice of the Listener & Viewer)

The Voice of the Listener and Viewer (VLV) is an independent, not for profit membership based charity that supports high quality broadcasting which maintains the democratic and cultural traditions of the UK.

The VLV welcomed the proposal, which they believed would provide listeners with a more consistent service and a wider range of content on a live radio station. They argued that it would increase the public value of BBC services.

They suggested that the proposal would make better use of content, already produced by the BBC and therefore provide greater value for money to licence fee payers. They also argued that it would allow for better representation and provision of sports content from the nations and regions; that it would increase the range of sports represented on BBC linear audio services and; would increase provision for those currently underprovided for by BBC services.

On possible competitive impact, the VLV stated that they believed the proposal could potentially have a negative impact on TalkSport. They did not believe it would have a negative impact on existing sports podcasts since much of the non-live sports content the BBC would be broadcasting was already available on BBC Sounds.

VLV argued that given a lack of plurality of supply of live sporting events and non-live sporting content on live audio stations in the UK, they considered that the potential negative impact on competitors would be justified by the need to ensure a better plurality of supply for the benefit of citizens.

News Broadcasting

News Broadcasting is a media business owned by News UK, operating in the UK and Ireland, and runs the national broadcasting brands talkSPORT, Talk, Times Radio and Virgin Radio UK.

News Broadcasting were completely opposed to the 5 Sports Extra proposals. They stated that they believed the proposals would further strengthen the BBC's position in the market at a significant cost to competition and plurality. They stated that the BBC has the leading position when comparing listening to all BBC radio stations vs all commercial radio stations (54.8% to 43.2% RAJAR Q42023), 77% in speech compared to commercial. They also argued that the proposal risked growing listeners to BBC Sounds at a significant cost to the wider sports podcasting market.

News Broadcasting argued that the BBC would effectively be launching a new station with this extension, and that changes to Ofcom's operating licence system meant that there would be no checks and balances to ensure that 5 Sports Extra only broadcast pre-existing podcast content and simulcasts of 5 Live. They commented that the BBC had made no commitment about the proportion of Nations and Regions content it would broadcast on the station and the sample schedules indicated that proportion would be very low. That it was also unlikely to offer improved benefit because it replicated what is already available in the commercial radio market, and that the content is better accessed on BBC Sounds.

On competitive impact, News Broadcasting argued that virtually all of the uplift in listening to 5 Sports Extra would come from the talkSPORT network, as the only direct

competitor to the BBC Sport stations. The risk of cannibalisation to other BBC radio services was low and it was unlikely that on-demand audio listeners would switch to listening to live radio. Based on their own research with talkSPORT listeners they found that the proposal would appeal to a significant proportion of talkSPORT listeners, that 73% of talkSPORT listeners would listen to a relaunch of 5 Sports Extra and 24% would listen to talkSPORT less as a result.

News Broadcasting stated that they believed the significant loss of listening hours would have a material impact on talkSport revenues, impacting News Broadcasting's to invest in talkSPORT and sustain talkSPORT 2 and to invest in their broader audio portfolio and erode their position in the audio sports rights market.

They argued that whilst talkSPORT and talkSPORT 2 had performed well, listening for talkSPORT 2 was static year on year and that the talkSPORT networks hold 2.1% network share compared to 5L and 5 Sports Extra's 3.6%.

They argued that the cost of this would come without the BBC providing any net additional public value, that the BBC had failed to demonstrate how the proposal would be distinctive and had not provided any qualitative or quantitative evidence of how it would appeal to the tastes of the target audience and was very unlikely to help the BBC achieve its objective of better serving younger, C2DE audiences based outside of London.

They suggested that the range of sports covered was very limited and the BBC should use its existing hours of sports coverage on 5 Live and 5 Sports Extra to showcase sports not well-covered elsewhere in the market. They were unclear how making podcasts accessible on radio was necessary when BBC Sounds was already widely accessible. They also argued the podcast market was very competitive already with a huge range of choice available to audiences. They also believed that the BBC promoting its podcasts more and bringing more audiences to Sounds would be detrimental to the sports podcast market in the UK, as they believe BBC Sounds is a walled garden as no other broadcaster has access to the platform.

News Broadcasting stated that they believed the proposed changes could lead to format slippage, where the BBC would build up 5 Sports Extra as a full-time sports channel, while 5 Live increasingly focused on news and current affairs coverage, that it would replicate talkSPORT's offer, specifically in terms of the type of content it proposes broadcasting and the mainstream sports it intends to focus on. They also suggested that the proposal to simulcast would deliver very little public value and was an inefficient use of spectrum.

They were critical of the level of detail in the proposal arguing that this made it more difficult to assess the impact of the proposal. They suggested that the BBC should consider providing information on the demographic profile of listeners to its sports podcasts (which they believe is missing from the Public Interest Test). They also suggested that the proposed budget was not an insignificant amount and there was a lack of transparency around where any newly commissioned sports podcast content would be accounted for. They also remarked that the budget earmarked for BBC to promote 5 Sports Extra did not include the BBC's valuable ability to cross-promote its services.

They argued that the additional spend on extending the station felt counter to the BBC's digital first strategy.

Overall News Broadcasting believed the change would result in significant negative impacts on commercial radio and would be entirely disproportionate to the minimal public value of the proposal. They argued that the BBC had not done enough to differentiate its proposals from past attempts to extend 5 Sports Extra which were rejected on the basis the change would negatively impact competition for talkSPORT and talkSPORT 2.

In terms of mitigations they suggested that an alternative approach would be for the BBC to carry independent UK music, news and sports radio stations on BBC Sounds, which they believe would improve diversity of the BBC's offer.

News Broadcasting also argued that migrating listeners from DAB to online should be done in partnership with the industry and that this proposal reduced the ability for the BBC to collaborate with other broadcasters on DAB coverage buildout and capacity sharing. They suggested that there would be greater incremental net public value if the BBC were to licence its spare DAB capacity to third party radio operators

Summary of responses from members of the public

The BBC received 3 responses from members of the public to the consultation on 5 Sports Extra.

Two of the responses welcomed the proposal that more of the podcasts already available on Sounds would be picked up by 5 Sports Extra. One argued that it would also improve the social impact for listeners engaging with content before big events such as the Euros or World Cup. That this would be distinctive when compared to other providers.

Another respondent, whilst supportive, did not support the proposed simulcast element as they would prefer to listen to new content rather than listen to 5 Live.

Responding on competitive impact, one respondent stated that they did not believe the proposal would affect talkSPORT as podcasts were not live content/not able to react to news like the shows on talkSPORT. It could be helpful for the BBC to broadcast reminders that podcasts are not live content.

A further responded suggested that the BBC should do more to support local radio rather than extend existing public services.

Annex 2: Modelling

Data

Our modelling for 5 Sport Extra we additionally uses RAJAR and BBC Scheduling data. It is also informed by TouchPoints and our MTM survey.

RAJAR remains the main data source for broadcast radio consumption in the UK. It is a diary-based survey complimented with a passive panel with audio listening reported across week for a large representative sample of the UK population. The data is used as the basis for commercial revenue generation from the sale of advertisements, to sponsorship and 'takeovers' on commercial broadcast radio.

To be present with the RAJAR data a station needs to fulfil certain criteria, it must be an Ofcom licenced radio station, must be able to have a suitable sampling framework in place. There is also a minimum 5-minute listening threshold for data to be captured. Most on-line only streams are not licenced by Ofcom as radio stations and are not therefore captured in the data. The current Radio 1 Dance stream on BBC Sounds is an example of a BBC service that isn't separately tracked within RAJAR.

The majority of the modelling is conducted in Microsoft Excel.

Counterfactual forecasts growth in digital listening

Our modelling is based on digital listening, i.e. we exclude AM/FM as the new stations will not be present on that service. Listening is moving from AM/FM to digital means. Digital listening now makes up the majority of listening to linear Radio. Our counterfactual model forecasts the growth trend in digital listening.

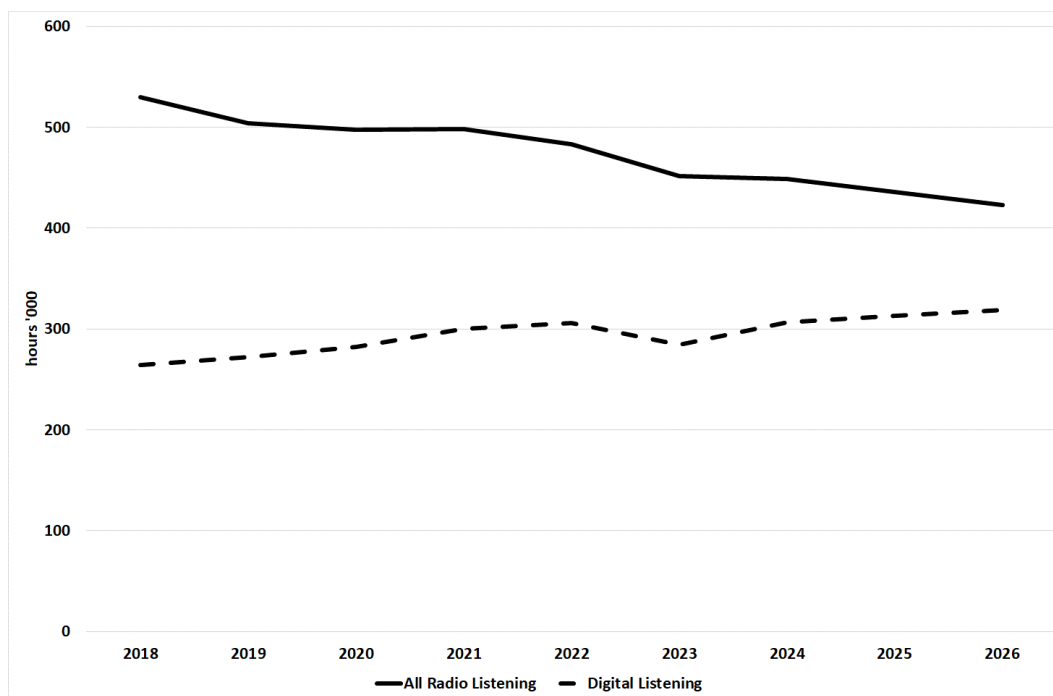
Analysis of RAJAR data shows that from 2022 to 2023 digital listening to BBC radio shrank by 7.2% whereas commercial radio grew by 12.8%. Prior growth in digital listening to BBC Radio was c.2%. We forecast that from 2023 to 2026 BBC radio will grow by an average of 3.9% with commercial radio growing by an average of 6.1%.

Our forecast is a simple linear regression based on historical RAJAR data aggregated across a year from 2018 to 2023. We generate the forecast based on major groups like the BBC, Global, Bauer, New UK and other radio broadcasters. We do not forecast individual station growth. Given the limited time span of the forecast we do not cap the forecast at an overall radio market size. Our approach would not be suitable for long-range forecasting.

There is a gap in the RAJAR series due to COVID. Rather than rely on single quarters we have calculated averages for the affected years incorporating the leading and preceding quarters.

- The 2020 average consists of Q4 2019, Q1 2020 and Q3 2021
- The 2021 average consists of Q1 2020, Q3 2021, Q4 2021 and Q2 2022
- The 2022 average consists of Q2 2022, Q3 2022 and Q4 2022
- All other year averages are made up of their aggregate quarters

Figure 31: Counterfactual forecast



Source: BBC Analysis

Uplift for an expanded 5 Sports Extra service

We estimate the uplift of an expanded 5 Sports Extra based on a reference week. This week is calculated based on the current schedule of 5 Sports Extra. Gaps in the schedule populated with an estimate of non-live sport listening hours.

Step 1: using 5 Sports Extra schedules for calendar year 2023 we calculate the chance for each hour that 5 Sports Extra was broadcasting.

Step 2: we collect RAJAR data for the average listening per hour across the same year. It is important that the RAJAR year matches the schedule year as peaks across the day in listening should coincide with the instance of broadcast. This forms out baseline hours.

Step 3: For the new operating hours of the station. We uprate the listening in each hour as if it was a broadcast all the time and take the increment. For example, if an hour had a 60% broadcast chance and generated 60 hours of listening this would equate to 100 hours of listening if it broadcast 100% of the time or a 40-hour increment.

Step 4: we next down-weight that incremental time to account for the non-live sport nature of the new content. For this we use Touch Points to calculate the average popularity of live sports vs other sports content. Only 59.3% of the time is kept. The sum of these is then the uplifted hours

Step 5: Finally, we divide the uplifted hours by the baseline hours to provide the uplift.

This uplift does not consider any competitive pressure in those hours, i.e. the type of podcast content or what it is scheduled against. We would, for example, expect that podcast content would draw a smaller audience when scheduled against live-sports content on other services either BBC or talkSPORT. Nor does it account for diminishing

returns to broadcast hours where each additional hour contributes less than the prior hour. Both of these would act to lower the estimate. As a result, this uplift is likely to overestimate the uplift because of the changes to the 5 Sports Extra.

5 Sport Extra cannibalisation and diversion

In general the BBC’s approach to estimating cannibalisation and diversion uses listening share. Given that sport is a unique audio genre and that there are just two providers of sports radio, the BBC and talkSPORT, we consider this may overstate cannibalisation and concentrate diversion. However, consumers have broad tastes and therefore it is unlikely that all of the listening to the expanded 5 Sports Extra will come from the sports genre stations. We’ve therefore considered a number of data points to consider cannibalisation and diversion. This includes our commissioned research from MTM, analysis of listener journeys in RAJAR and statements made by News Broadcasting in response to the consultation.

We have reviewed the results of the survey we commissioned from MTM. Whilst sport stations feature high in the list of stations from which listening would be taken, it indicates that the majority of the listening would be drawn from music stations and networks that do not provide sports coverage. Only 35% of talkSPORT listeners suggest that they’d reduce their listening to talkSPORT, a similar proportion to those that say they’d take listening from a Global Radio station. The BBC is reported as the largest source of listening.

Figure 32: Where listening will come from for the extended 5 Sports Extra station

Radio Group	Total	talkSPORT listeners	Sports fans
BBC Radio	45%	52%	54%
Commercial Radio	59%	72%	64%
Bauer	27%	30%	27%
Global	34%	36%	33%
News UK	25%	44%	35%
talkSPORT / talkSPORT2	18%	35%	28%

Source: MTM BBC Radio PIT quantitative analysis (Fieldwork conducted 24th Jan-1st Feb 2024)

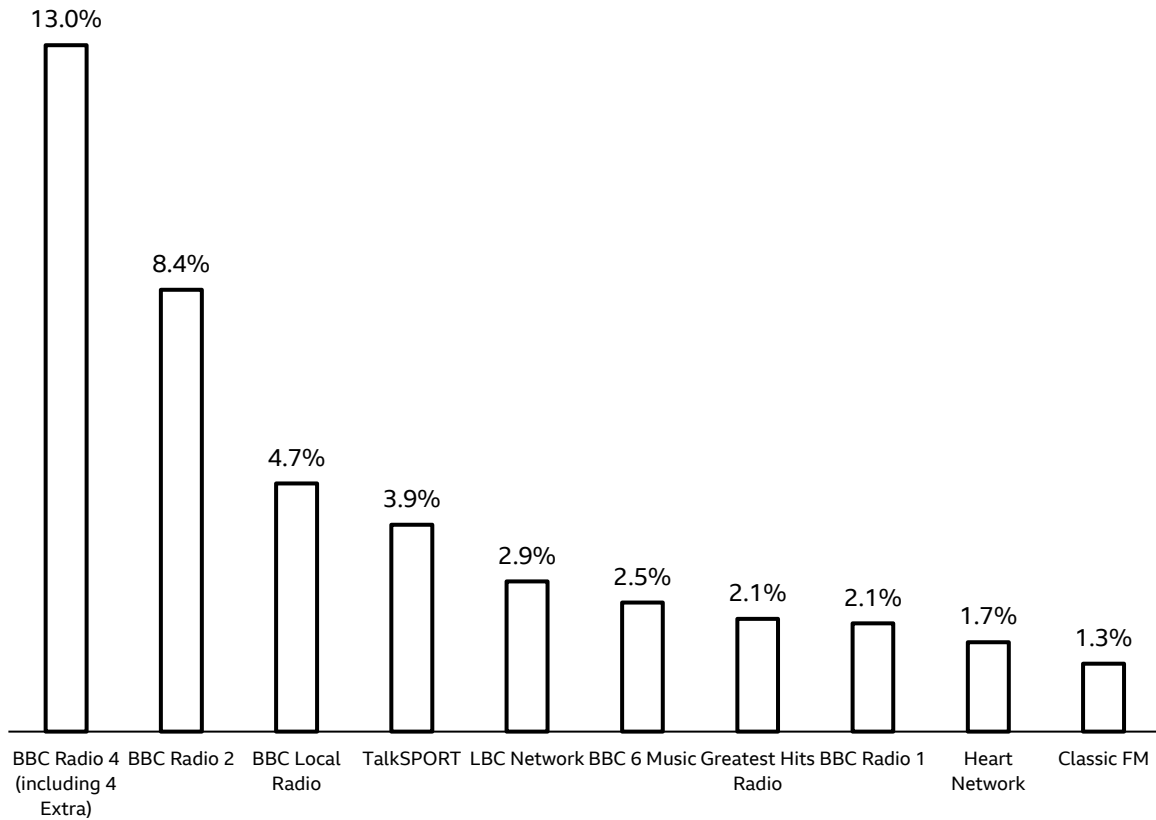
Notes: D5_05 You said that you are likely to listen to Sport service. What other station or media would you take that listening time from? Multi-box response totals do not sum to 100

Using RAJAR data we have been able to look at the current destinations of listeners when switching over from both 5 Live and talkSPORT.²² This analysis also shows a range of non-sport stations as destinations. For 5 Live the top destinations are BBC Radio 4, BBC Radio

²² Note sample size for 5 Sports Extra means it was not possible to look at onward journeys from that station. It is not included within this analysis.

2, BBC Local radio and talkSPORT. For talkSPORT the top destinations are 5 Live, Radio 2, Greatest Hits Radio and Heart.

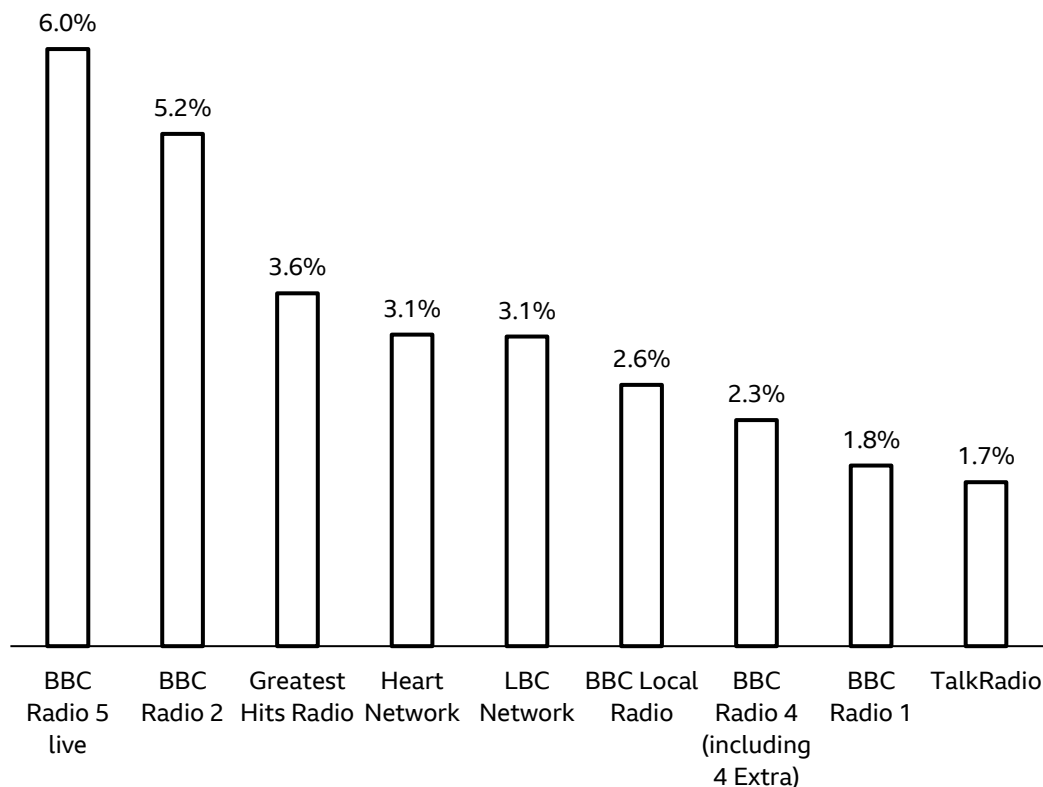
Figure 33: Listener journey from BBC 5 Live weekday



Source: RAJAR

Notes: only includes stations with a minimum of 20 observations. 12 months of data to Q2 2024 The day is broken down into 15 minute intervals. The data looks at those listening to BBC 5 Live in one slot and if not BBC 5 Live where they are in the next 15 minute interval. Data excludes switching off the radio.

Figure 34: Listener journey from talkSPORT weekday



Source: RAJAR

Notes: only includes stations with a minimum of 20 observations. 12 months of data to Q2 2024 The day is broken down into 15 minute intervals. The data looks at those listening to BBC 5 Live in one slot and if not BBC 5 Live where they are in the next 15 minute interval. Data excludes switching off the radio.

News Broadcasting presented us with research which claims 73% of talkSPORT listeners would listen to a relaunched 5 Sports Extra and 24% would listen to talkSPORT less as a result²³.

Looking at listening share we would see a split between the BBC and talkSPORT of about 60/40²⁴. However, this does not capture a clear indication of listening from other genre stations. Including these stations would significantly dilute the impact on talkSPORT. These other stations are likely to be second preference, and we continue to consider that genre is likely to be a driver of listening.

Taking account of the above we have conducted our analysis on what we consider to be a credible range of cannibalisation and diversion estimates from services other than talkSPORT of 25%, 50% and 75%. Our central estimate of market impact is based on the 50% measure.

²³ News Broadcasting submission to the BBC.

²⁴ Including listening to non-sport content on BBC Radio 5 Live

Assessing profitability

Commercial radio revenues and profitability

Commercial Radio generated £715.5m in revenue in 2023. With revenues above £700m for the past three years.²⁵ Over half of the revenue is delivered via national advertising, but with significant contributions from Branded Content (21%), Local advertising (16%) and digital advertising (10%). In our counterfactual this rises to £754.6m in 2026 driven by growth in listening.

The most recent accounts for News Broadcasting²⁶ the operating company for News Broadcasting's radio stations, shows growth in both revenue and profits. In 2023 recording just under £81m in revenue and just under £11.5m EBITDA. This was a lower margin than in 2022 after reporting a loss in 2021, due to COVIDs effects on advertising and sport. Over the two years the average margin was 15%.

To ensure comparability with other radio groups model we have relied on Radiocentre industry level revenue figures. We've assigned revenue to the three major groups and 'other' based on their total listening as measured by RAJAR. This is a lower revenue estimate than posted by News Broadcasting's accounts.

Profit calculations are based on the 15% margin derived from their accounts.

²⁵ <https://www.radiocentre.org/the-audio-market/ad-revenues-and-forecasts/>

²⁶ Accounts posted as talkSPORT Limited