BBC Trust Service Review

Radio 1, 1Xtra, Radio 2, Radio 3, 6 Music and Asian Network

March 2015
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BBC Music Radio service review: summary

Introduction

The BBC Trust is the governing body of the BBC and it is our responsibility to get the best out of the BBC for licence fee payers. One of the ways we do this is by carrying out an in-depth review of each of the BBC’s services.

A service review considers how well each service is performing against the terms of its service licence. It also considers whether any changes should be made to the service or its service licence.

We carried out a public consultation at the end of 2014 and received around 2,900 responses from licence fee payers. In addition, we received a number of responses from the industry and other stakeholder organisations. We also commissioned qualitative audience research to inform our thinking for the review and we interviewed members of BBC radio staff. This evidence, alongside performance monitoring and financial analysis, has given us a clear picture of these services.

Headline conclusions

BBC Music Radio

The BBC plays a vital role in the UK’s music sector, both culturally and economically, and we have had a very high level of engagement from a range of organisations in this review. While we heard a very wide range of views, the consistent message is that BBC Music Radio plays a very important role in the development and promotion of UK music, both culturally and economically, due to its high level and consistent support for new, UK and live music. This outcome is fully in line with the BBC’s culture and creativity public purpose.

The BBC’s music radio services provide significant value to their audiences. Perceptions of the quality of the stations are high, and a large number of people listen each week.

Radio remains an important way for people to consume music, although younger audiences in particular use a growing range of other options. Despite these changes, radio is still very important for listeners’ discovery of new music and for its wider entertainment role. In response to changing audience habits, the BBC has developed its online support for the BBC’s radio stations. The BBC will need to consider how it can play a distinctive role online, just as it has in radio, in order to meet audience needs and continue to support UK music.

The BBC’s major role in the music and radio markets means that it has a duty to be distinctive and to consider its impact. We do not think the BBC should be precluded from offering music and other elements in its programming that are also offered by commercial radio, but we are clear that these should be part of an overall offer by each station that is very distinctive. Given its size and public funding, we think BBC Radio could do more to demonstrate awareness of its market impact and give greater certainty over its strategic direction and intended developments, particularly as it develops its online strategy. BBC Radio should therefore engage on a regular basis with the UK music sector and commercial radio.

1 Previous reviews can be found at: http://www.bbc.co.uk/bbctrust/our_work/services/radio/service_reviews.html
2 The service licences can be found at: http://www.bbc.co.uk/bbctrust/our_work/services/radio/service_licences.html
By March 2014 BBC Radio had made almost half of the savings required of it through the BBC’s Delivering Quality First (DQF) strategy. These include efficiencies and cuts to the scope of services. Spending on BBC music radio programmes has fallen, and this has increased the need for collaboration, both between radio stations and with other parts of the BBC; this has potential benefits for audiences, as well as improving value for money. Due to an increase in the stations’ centrally allocated costs, their total spend against service licence budgets has not fallen.

Radio 1

Radio 1 delivers its remit to serve the young by reaching 40% of its target audience of 15-29 year-olds each week. It has made a range of changes since our last service review, and is now more clearly focused on serving a young audience, including by developing its online offer. Reach among its target audience remains the most appropriate measure of Radio 1’s success.

Radio 1 plays a wide range of music, a large amount of which is new and from the UK. In particular, it plays a very significant role in developing new musical talent in the UK.

Radio 1 creates public value by bringing new music to a large audience, which it does by mixing established artists and new and emerging talent. The BBC’s music monitoring shows that the overlap between music played on Radio 1 and commercial stations is low. While commercial radio believes that Radio 1 should play more music in daytime that’s not played on commercial radio, we are content that the current level of overlap is appropriate.

Radio 1 is one of the BBC’s most effective services at bringing high-quality news to young audiences. It delivers social action output effectively in its daytime programmes, although listenership and awareness of some off-peak content, such as documentaries and its advice programme, is fairly low. Radio 1’s daytime speech output helps deliver a range of public purposes within entertainment programmes, but we think it can go further in this respect. This might include ensuring that every documentary broadcast in the evenings is promoted in the daytime output and that more regular opportunities for enriching daytime speech are sought.

Radio 1 now has a range of online activities, both on BBC and third-party sites. We are clear that online has a very important role to play for younger audiences, so Radio 1 should continue to innovate and develop its offer, with appropriate regulatory oversight.

1Xtra

1Xtra is meeting its remit to serve young listeners with a distinctive music and speech offer. Its reach has increased significantly in the last five years to 7.6% of its target audience of 15-24 year-olds each week. Audience perceptions of quality of 1Xtra are high, driven by its specialist music offer and expert presenters.

1Xtra delivers the culture and creativity purpose effectively. It provides a significant amount of new music, and the majority of its music is not played on other UK radio stations. Our audience research showed that it is seen as having a distinctive identity in the music landscape as a home for urban music that is not readily available elsewhere to listeners. In this way, it provides meaningful support to the UK black music sector.

It also delivers the BBC’s other public purposes effectively: it continues to deliver the citizenship purpose well amongst its audience through its news bulletins and it works
closely with Radio 1 to deliver social action output. We think there are benefits in 1Xtra being able to share documentary programming with Radio 1 and are enabling that with a service licence change.

**Radio 2**

Radio 2 reaches a large audience of more than 15 million people each week, representing 35% of its target audience of adults aged 35 and over. Reach has increased slightly over the past five years and the perceived quality of the service is high. In our research, among many positive aspects, listeners praised Radio 2 for its well-established presenters, its mix of music, its high production values and mature tone and focus on current affairs.

In our last service review in 2010, we stated that the BBC should seek to reduce the percentage of Radio 2's audience that falls outside its target. Since then, Radio 2's reach among its older target audience has increased, and the station's average age has remained stable. Although the proportion of listeners under 35 has not fallen, listeners aged over 65 now account for a slightly larger proportion of the total audience. Radio 2 is clearly focusing on listeners aged over 35, and ensuring that those over 65 or 75 are not neglected.

Radio 2's reach remains considerably lower than average among black, Asian and minority ethnic (BAME) audiences. While there has been some growth in reach in the last five years, the disparity with reach amongst white listeners has not reduced. As Radio 2 has a remit to serve a broad audience, we are asking it to address this disparity.

Radio 2 provides a very distinctive music offer in its daytime programmes. It plays a very wide range of music, and its overlap with commercial radio is low, although commercial radio representatives would like the overlap to be even lower when compared with a large number of stations. We think that Radio 2's range and mix of music, in daytime as well as in its specialist programming, is sufficiently distinctive.

The station has a high level of speech in its daytime programmes, and its presenters are key to the delivery of the public purposes, alongside the music played. It promotes education and learning via daytime and evening documentary output, and has been successful in harnessing its popularity to promote a range of public purposes in daytime programming; it should continue to do so.

**6 Music**

6 Music is performing very well indeed. Listeners are very positive about the quality and distinctiveness of the station. Our research showed that listeners value the station for its knowledgeable presenters and its unique music mix.

The number of 6 Music listeners has increased significantly over the last few years – it is the UK's most listened to digital-only radio station, reaching more than 2 million people each week, and, in contrast to many other stations, its average hours per listener have also increased.

6 Music delivers the culture and creativity purpose very effectively through its music. Listeners see it as a sanctuary from chart music and feel it enhances their appreciation of music. Listeners told us that the music played does not feel restricted by a central playlist and that the station feels like a genuine alternative to what's available elsewhere, playing a perfect mix of old and new music.
It also contributes effectively to the education and learning and other public purposes. Listeners are enthusiastic about the content and quality of the speech programming, and the presenters are praised for their depth of knowledge and ability to convey information in an engaging style.

**Radio 3**

Radio 3’s reach has been broadly stable over the last ten years, with around two million people listening each week. While reach has fallen among listeners aged 35-54, this decline has not affected the station’s overall reach.

Radio 3 listeners perceive it to have a range of very high-quality programming. They feel that Radio 3 plays the best classical, opera, jazz and contemporary music, and they believe that the presenters are authoritative and experts in their fields. Live concerts and performances are believed by listeners to be one of the station’s main assets, making it feel unique.

Radio 3 was highly praised by a range of stakeholders for its music, and it is viewed very positively for its role in supporting new musical talent. It is seen to be essential for the UK’s classical music sector, benefitting the creative economy and supporting the employment of UK musicians.

There is an ongoing debate about how Radio 3 delivers its remit, and in particular whether it should aim to be more ‘accessible’ or ‘challenging’. It has made some changes to daytime programmes in order to become more welcoming to new listeners, although the overall audience has not increased. Our view is that, whatever editorial approach is taken, Radio 3 continues to make a very significant contribution to UK classical and other music, as well as culture more broadly, through its high volume of live music, its commissioning and support of new classical music, and its offer of jazz, world music, drama and arts programming.

Radio 3’s distinctiveness from commercial station Classic FM has also been debated extensively. While Radio 3 overall is a distinctive station, in terms of its approach to classical music and mix of other programming, there are some parts of the schedule where similarities exist. Radio 3 should seek to increase choice for radio listeners by minimising any programmes and features that are similar to Classic FM’s. It should focus on its strengths, by maximising its distinctiveness across its whole output, without sacrificing the combination of expertise and accessibility that has been achieved in recent years.

Some stakeholders feel jazz is not treated as a priority by Radio 3. We recognise the importance of Radio 3’s support for jazz and world music, but these are not currently the core of Radio 3’s offer, so we would not necessarily expect them to be a regular part of its daytime offer.

Listeners are positive about Radio 3’s drama and arts speech programming, although some listeners feel such programmes are scheduled too late in the evening. We have agreed to a further slight reduction in the volume of new drama in order to enable savings, but think this is now at the minimum level possible.

**Asian Network**

Asian Network’s reach has increased significantly in the last few years, and it now reaches 17% of its primary target audience of British Asians under 35 each week.
The BBC has made a range of changes to Asian Network in order to make savings, but it has retained its distinctiveness. Through our consultation, we heard that Asian Network is viewed as a unique station, and many listeners praised it for playing a broad range of different music and for its specialist programming.

Listeners see news and current affairs on Asian Network as accurate, engaging and of a high quality. It is felt to keep people up to date with news from Asia as well as from British Asian communities. The debate programmes are very popular, through the choice of relevant topics, handling of sensitive subjects and the range of viewpoints. In order to make savings, the BBC will remove two of the weekday evening news bulletins. In order to provide greater clarity over the station’s commitment to news, we will introduce a minimum service licence condition for the amount of news and current affairs.

Asian Network’s audience value the range of music played on the station for its extensive breadth and variety.

**Actions**

These are the principal actions we are asking the BBC to take as a result of this review.

**Action 1: BBC Radio should continue to develop its online offer**

Given the significant changes in audio listening taking place, the BBC will need to consider how it can play a distinctive role online, just as it has in radio, in order to meet audience needs and continue to support UK music culturally. Some online developments will need regulatory approval from the Trust, and we also wish to be kept informed periodically of the overall development of BBC music online.

*Timing: Ongoing. We will take an update on BBC music online in 12 months.*

**Action 2: BBC Radio should engage on a regular basis both with the UK music sector and commercial radio**

In order to give greater certainty over its strategic direction and intended developments, BBC Radio should engage on a regular basis with the UK music sector and commercial radio. This could be achieved by creating an annual event, or by holding meetings or events scheduled for when the BBC has new plans to announce.

*Timing: Ongoing. We will take an update on BBC radio’s engagement in 12 months.*

**Action 3: Radio 1 should continue to focus on serving a young audience**

We will continue to monitor Radio 1’s reach amongst its target audience as the most important measure of performance, but will also consider median age, alongside other metrics.

We support the BBC’s efforts to improve measurement to be able to look at the station’s reach online, both on BBC Online and third-party sites, as this fits with the development of the service as it meets changing audience needs.

*Timing: Ongoing. We will report on Radio 1’s reach amongst its target audience in each Annual Report and Accounts.*
**Action 4: The BBC should engage with the music industry to find a more appropriate way to define new music on BBC radio**

We are clear that new music is an essential component of Radio 1’s output, and being able to demonstrate the level of its contribution is important. As the current definition of new music is becoming invalid, it is important that the BBC works with the music industry to find the most appropriate way of measuring new music on the BBC.

*Timing: The BBC should report back to us with a recommendation later in 2015.*

**Action 5: We are changing Radio 1’s service licence with regard to its live music commitments**

We have agreed to a reduction in the number of live sessions on Radio 1 from 250 each year to 160 in order to enable savings. We expect Radio 1 to maintain a range of genres and artists within its sessions, including a mix of established and newer artists.

We are also narrowing Radio 1’s quota for coverage of major live events and festivals so that it excludes special editions of live sessions, and includes only BBC and third-party major live events. It will reduce from 25 to 10 events.

*Timing: We will amend the service licence immediately.*

**Action 6: We are approving a service licence change to allow for an increase in the number of documentaries co-commissioned and broadcast on both Radio 1 and 1Xtra**

We are approving this change to the service licences as we think this will allow Radio 1 and 1Xtra to make better use of high cost programmes. We will also amend 1Xtra’s service licence to add a condition for the number of documentaries it must broadcast, as it currently has no numeric condition.

*Timing: We will amend the service licences immediately.*

**Action 7: Radio 1 should find more ways to deliver a range of public purposes in daytime output**

We think Radio 1 could go further in providing speech content that supports a range of public purposes in its daytime entertainment programmes. For example, this might include ensuring that every documentary broadcast is promoted in daytime output and that more regular opportunities for enriching daytime speech are sought.

*Timing: Ongoing. Radio 1 should update us on plans later in 2015.*

**Action 8: Radio 2 should address the disparity in reach among BAME listeners**

Radio 2’s reach among BAME audiences over 35 is significantly lower than it is amongst white audiences. As Radio 2 has a remit to serve a broad audience over the age of 35, it should address this disparity.
Action 9: Radio 3 should maximise its distinctiveness

While individual programme and scheduling decisions are for BBC Radio, not the Trust, we think that the priority for Radio 3 should be to increase choice for radio listeners by maximising its distinctiveness and minimising similarities with other stations.

Timing: We will take an update in 12 months.

Action 10: We have approved a small reduction in the amount of drama on Radio 3

We have agreed to a reduction in the number of new dramas from 25 each year to 20. We think that a small reduction is possible while still maintaining a viable volume of new drama on the station.

Timing: We will amend the service licence immediately.

Action 11: We will introduce a quota to safeguard the amount of news and current affairs coverage on Asian Network

We will introduce a numeric service licence condition for the amount of news and current affairs on Asian Network of 24 hours per week, including regular bulletins on weekdays and weekends.

Timing: We will amend the service licence immediately.
1 BBC Music Radio

1.1 Cultural and economic impact

The BBC plays a vital role in the UK’s music sector, both culturally and economically

1 We have had a very high level of engagement from a range of organisations in this review, including commercial radio and representatives from across the UK music industry – from record labels to producers and genre specialists. While we heard a very wide range of views on the services, the BBC’s critical importance to the current size and health of the UK’s music sector emerged clearly. The consistent message coming to us is that BBC Music Radio plays a very important role in the development and promotion of UK music, both culturally and economically, due to its high level and consistent support for new, UK and live music.

2 The following quotes from organisations who took part in our public consultation illustrate this.

“The BBC is a fundamentally important part of the ecosystem for British music, and for the UK creative industries as a whole. BBC Radio is a critical part of the success of British Music and the recorded music sector.”
BPI (British Recorded Music Industry)

“The BBC radio stations are vital and without them there would be very little quality cultural provision and the promotion of music would suffer greatly… It is also by far the main primary commissioner of new music in the UK and has a strong tradition of investing in talent.”
Musicians’ Union

“The BBC’s commitment to public education through the promotion, commissioning and programming of local, national and international music on its portfolio of music radio stations has been and continues to be of vital importance to the UK music industry”
Arts Council England

3 In this way, these activities are fully in line with the BBC’s culture and creativity public purpose and contribute to a highly successful part of the UK’s creative industries. UK Music (who represents the commercial music sector) reports that the music industry was worth £3.8 billion in gross value added (GVA) to the UK economy in 2013, that it contributed £2.2 billion in exports (second only to the US music industry) and accounted for 110,000 jobs. In 2014, BPI reported that in six of the past seven years, the biggest selling albums globally were from UK artists. The sector is also growing, with GVA increasing by 9% in 2013.

4 The BBC is developing its strategy for music across all BBC services, designed to strengthen its reputation and provide greater value overall. The strategy will include learning initiatives, new partnerships and the development of the BBC’s online music offer. We think it is helpful for the BBC to manage music as a genre, as well as by individual service, as this should serve audiences better.

The BBC’s support for new UK music is core to its overall value

5 The elements that underpin the BBC’s contribution to the UK music sector are also those that help make the BBC’s radio services distinctive from the commercial sector: that is, BBC Radio’s level of support for new, UK and live music.

6 Analysis of the music played by BBC radio stations has been carried out by both the BBC and by commercial radio for this review. We believe these analyses (which we detail later in this

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3 Source: UK Music’s Measuring Music Report, published September 2014
report) show that each BBC station’s offer is distinctive, including in daytime, in terms of its range of music and level of support for new, UK and live music. It is vital that these characteristics are maintained and the numeric minimum conditions in each service licence guarantee this.

7 The BBC’s role in developing new musical talent, both overall and via its specific schemes such as BBC Introducing and New Generation Artists, is widely recognised by external organisations. UK Music states: “Initiatives such as BBC Introducing is of great merit in terms of showcasing unsigned acts”; and the Musicians’ Union states: “It is also an important promoter of new and unsigned artists via BBC Introducing which provides a stage for emerging music talent”.

8 Since BBC Introducing was launched in 2007, it has expanded to feature on daytime playlists and specialist shows across all of the BBC’s popular music stations (Radio 1, 1Xtra, Radio 2, 6 Music and Asian Network) as well as on BBC local radio. It also has a high profile presence at both BBC and independently run major live events.

9 More than 130,000 artists have uploaded music to the BBC Introducing website, and in 2014 more than 120 unsigned artists performed on BBC Introducing festival stages. Since 2013 more than 25 artists have signed major record label deals, and eight Introducing artists have achieved number one albums. The BBC is putting further resource into Introducing, to improve its effectiveness on BBC local radio.

10 Radio 3’s New Generation Artist scheme has been running since 1999. Six or seven artists or groups join each year and are given support and opportunities to develop their careers. Initiatives like Introducing and New Generation Artist are vital to the BBC’s contribution to UK music.

The BBC is important for popular and classical music and for more niche genres

11 Analysis of music played on each station shows that BBC Music Radio provides a wider range of music than available elsewhere, in terms of number of tracks and range of genres. This is recognised by organisations representing musicians.

12 Understandably, some organisations involved in particular genres would like the BBC to increase its coverage or support of their genre. In particular, a number of organisations involved in jazz are concerned that the BBC’s coverage of jazz is reducing or that it isn’t given enough prominence due to late night scheduling. The BBC has commitments to broadcast jazz on Radio 3, and also provides coverage on Radio 2 and a number of BBC local and nations radio stations. While the amount of dedicated jazz coverage on the network stations has reduced slightly in the last five years (down by around one hour per week), it is still providing a large amount of output.

13 The BBC should continue to reflect a broad range of music and be aware that small cuts to more niche genres can have a large impact on those sectors.

The BBC provides a large amount of live music which helps underpin its distinctiveness

14 The BBC music radio stations provide support for live music and performance, and this is guaranteed by minimum service licence conditions. The BBC provides live music through studio sessions, as well as through coverage of BBC and third-party major festivals. The volume of live music on these stations is a key part of their distinctiveness.

15 We heard some concerns from commercial operators that the BBC’s coverage of major live music festivals has a negative effect on commercial radio’s activities. For instance, the industry body for commercial radio, RadioCentre, states that, while 6 Music is capable of providing exemplary coverage of live music and festivals, such as Glastonbury, its coverage of major

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4 Source: BBC management information

5 Source: BBC management information
events may affect its ability to cover smaller events and that it distorts the market, by preventing commercial operators from gaining a foothold.

While 6 Music provides coverage of major festivals, such as Glastonbury, the BBC’s coverage of major festivals is deliberately spread across a range of BBC services, to ensure best value for money and to serve different audience needs. The BBC does not seek exclusive rights to festival coverage or to acts participating at its own events, and we have seen no evidence that the live market is being unnecessarily distorted by BBC events or coverage.

1.2 Value to audiences

Having your say ...

The Trust always consults the public when it reviews BBC services so they can have their say directly.

More than 2,900 people told us what they thought about the BBC’s music radio stations, online or by email or post. For the first time, we also asked people to let us know what they thought of the stations via Twitter. We have used these responses alongside our research and Audience Council input to give us a full picture of how the BBC’s stations serve their audiences.

The BBC’s music radio stations provide significant value to their listeners

Audience perceptions of the quality of the BBC’s music radio stations are high, with listeners in our audience research clearly seeing them as high quality. The BBC’s tracking surveys show that the majority (64%) of listeners are ‘high approvers’ of the services, and that the audience appreciation index (AI) score is high, at an average of 79.5 in 2013-14.

Listening levels to the BBC’s music radio stations are also high. Some 49% of all UK adults listen to at least one of the six music stations each week, and reach has increased over the last few years. Reach is highest amongst younger audiences, but the stations have increased their appeal to older listeners in the past few years and now reach 50% of 55-64 year-olds and 40% of over 65s (see Figure 1).

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6 Source: BBC Accountability and Reputation Tracker, all adults who had listened to the services in the last seven days, 2013-14. High approvers are those rating the service 8 or more out of 10 for their general impression

7 Source: BBC Pulse Survey. Respondents are asked to rate the programme they listened to out of 10. Results are then averaged up to give an ‘AI’ score out of 100.
The BBC’s music radio stations should continue to be partly targeted by age and partly by interest

19 The BBC’s music radio stations consist of a mixture of age targeted stations: Radio 1, 1Xtra and Asian Network should appeal to younger audiences; Radio 2 should be a mainstream service appealing to over 35s; and Radio 3 and 6 Music should appeal to listeners of any age.

20 As shown in the chart above, reach of the BBC music radio stations has fallen slightly among 25-34 year-olds, while it has increased for all other age groups. In our consultation and research we heard from some people who feel there is a gap between Radio 1 and 2 in which some listeners are not served by either station and so not by the BBC at all. While this exists in the stations’ remits (Radio 1 should appeal to 15-29s and Radio 2 should appeal to over 35s), a significant number of 25-34 year-olds still listen to the stations, which suggests they are not actually being ‘under-served’ by the BBC. In addition, there is a sizeable crossover in Radio 1 and 2’s audience, as some 3 million people listen to both stations.

21 The recorded music industry would support an increase in Radio 1’s target age, together with a reduction in the lower end of the age range for Radio 2 in order to ensure there is no gap, while commercial radio would prefer for the gap to be increased, in order for the BBC to leave their core audience of 25-44 year-olds less well served.

22 We do not feel that any change is needed to the age targets of these stations as, together, they serve a wide range of listeners well. In particular, it is important that Radio 1 remains focused on younger listeners.

There are some disparities in reach among different demographic groups

23 Listening levels to the BBC’s music radio stations are lower among black, Asian and minority ethnic (BAME) audiences. Some 34% of BAME adults listen to at least one of the six stations each week. While this has increased slightly in the last five years (from 29%), it remains significantly lower than the overall average of 49%, as shown in Figure 2.
Like BBC television\textsuperscript{5}, BBC radio serves BAME audiences less well than it does white listeners. While Asian Network and 1Xtra should have particular appeal to BAME listeners, as the BBC’s biggest radio station we think Radio 2 has a particular role to play in helping to address this disparity. We consider this further under the Radio 2 section of this report.

By nation/region there are some disparities in reach of the BBC’s music stations, with lower reach in Northern Ireland and Scotland and also in London. In Northern Ireland this is countered by stronger performance of Radio Ulster/Foyle, although overall reach of BBC radio is still slightly lower\textsuperscript{10}. This is particularly evident for Radio 2, a point which we consider later in this report.

The BBC’s music radio stations also have slightly lower reach among women and C2DE audiences, as shown in Figure 2. However, given that the differences are small and reducing, we do not think this is a concern.

\textbf{Radio remains an important way for people to consume music, but younger audiences in particular use a growing range of other options}

The vast majority of adults still listen to the radio: in 2013-14 some 90% of UK adults listened each week. However, the time people spend listening is falling. In particular, young people listen to less radio: 15-24 year-olds’ weekly average has fallen by 8% since 2009-10 from 16.7 to 15.4 hours per week and is down by 29% since 2003-04. The average for all adults has fallen from 21.9 to 21.4 hours and from 24.3 hours in 2003-04\textsuperscript{11}.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure2.png}
\caption{Reach (%) of BBC Music Radio among selected demographic groups, 2009-10 & 2013-14}
\end{figure}

\textsuperscript{5} Source: BARB, in 2013-14 BBC TV reached an average 74% of BAME adults each week, compared with 86% of all adults.
\textsuperscript{10} Source: RAJAR 2013-14
\textsuperscript{11} Source: RAJAR
Figure 3: All Radio average hours per listener by age, 2009-10 & 2013-14

Source: RAJAR

28 These declines have occurred because listeners now have access to music from a much wider range of sources, including digital music downloads, online streaming services, as well as through sites such as YouTube. RAJAR research suggests that radio makes up a much smaller share of audio listening amongst younger audiences: 15-24 year-olds’ time spent with live radio is just 40% of their total, compared to 24% with personally-owned digital music and 14% with on demand music services. All other age groups still spend at least 62% of their audio content listening time with live radio, rising to 86% among those aged 55+.12

29 These changes illustrate the need for the BBC to respond to licence fee payers’ changing habits. We consider this further below.

Despite these changes, radio is still very important for listeners to discover new music and be entertained

30 Our audience research showed that live music radio is still very important to audiences for a variety of reasons. Listeners told us they value the opportunity to discover music they didn’t know they liked, that they follow presenters’ recommendations, and that they considered radio to be a source of inspiration for music. We also heard that presenter speech is very important to add context to the music.

31 Stakeholders such as the BPI see radio’s role in helping listeners discover new music as remaining very important, and emphasised to us that radio is still a mass medium. The BBC is seen to have a particular role in music discovery, due to its focus on new artists. Stakeholders from the recorded music industry see BBC radio as being very important for making hits, supporting new and emerging artists and generally in shaping music consumption.

32 Our research also showed that music radio is viewed positively for providing entertainment, a sense of connection and a human touch in the way that streaming does not. Live performances and events, interviews and information about music all add to this role.

Improvements have been made to the BBC’s online offer, and we think more can be done

33 The BBC has developed its online support for radio. Radio 1 and 1Xtra have the most advanced offer, with a ‘listen, watch, share’ strategy to meet their young audience’s needs. Specific developments have included an increased amount of visualised content, on their own websites, through YouTube channels and the recent launch of a Radio 1 in iPlayer channel, and a very active presence on social media.

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12 Source: RAJAR MIDAS+, Autumn 2014
However, online support for some areas of BBC Radio is less well developed, and usage of some offers is fairly low and has not increased much in recent years. Given the significant changes in audio listening taking place, as highlighted above, the BBC will need to consider how it can play a distinctive role online, just as it has in radio, in order to meet audience needs and continue to support UK music culturally.

Audience groups, such as Voice of the Listeners and Viewer (VLV) and the Trust’s Audience Councils, welcome the BBC radio station’s online activities, although they caution that not everyone has broadband access or can afford the latest devices. We recognise this but think it is important for the BBC to continue to develop the ways in which audiences can access its content.

**Action 1: BBC Radio should continue to develop its online offer**

Given the significant changes in audio listening taking place, the BBC will need to consider how it can play a distinctive role online, just as it has in radio, in order to meet audience needs and continue to support UK music culturally. Some online developments will need regulatory approval from the Trust, and we also wish to be kept informed periodically of the overall development of BBC music online.

*Timing: Ongoing. We will take an update on BBC music online in 12 months.*

The BBC’s major role in the music and radio markets means that it has a duty to be distinctive and to consider its impact

As well as playing a vital role in sustaining the UK’s music sector, culturally and economically, as highlighted above, the BBC has a very major role in the radio market. In fact, the BBC has a larger share of radio listening than it does of any other market in which it operates (in 2013-14 BBC radio accounted for 55% of all radio listening hours). This gives it considerable power to affect commercial radio through its activities.

We have engaged closely with the commercial radio sector in this review, and their view, that the BBC should focus more on activities that commercial stations cannot provide, has been clear. We do not think that BBC radio should be precluded from offering elements that are also provided by commercial radio, as these are core to listeners’ expectations of the pop music radio stations, but we are clear that these should be part of an overall offer by each station that is very distinctive.

We also heard a high level of concern from the commercial radio sector and from representatives of the music industry that the BBC does not show sufficient regard for the potential impact of its evolving digital strategy on the markets in which it operates. As a publicly funded operator in these markets, we think BBC Radio could do more to demonstrate awareness of its potential market impact, particularly as it evolves its online strategy. This could include consideration of when collaboration may be appropriate.

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13 Source: BBC iStats. We provide detail of usage later in this report.
14 Source: RAJAR
Action 2: BBC Radio should engage on a regular basis both with the UK music sector and commercial radio

In order to give greater certainty over its strategic direction and intended developments, BBC Radio should engage on a regular basis with the UK music sector and commercial radio. This could be achieved by creating an annual event, or by holding meetings or events scheduled when the BBC has new plans to announce.

*Timing: Ongoing. We will take an update on BBC radio’s engagement in 12 months.*

1.3 Value for money

By March 2014 BBC Radio had made almost half of the savings required of it

39 In October 2010, the Government set the licence fee at £145.50 until March 2017, and it was agreed that the BBC would fund a range of new activities. In order to accommodate this financial settlement, the BBC agreed a new strategy, Delivering Quality First (DQF), in 2012, which included efficiency savings and cuts to the scope of its services.

40 BBC Radio was set a savings target of £35.5m as part of this. By March 2014, two years into its savings programme, BBC Radio had saved £16.3m, leaving it a further £19.2m to achieve by 2016-1715.

41 BBC Radio’s aim has always been to make the majority of savings from efficiencies, with a smaller proportion coming from cuts to the scope of services, and a minor amount from generating more commercial income. For example, the merging of station management in two new ‘hubs’ will contribute £1.7m to the savings. However, commercial income targets have revised down since 2012 and some additional efficiencies and scope cuts are required16.

42 Some of the further scope cuts proposed are only possible with changes to service licences, so these have been considered by us in this review. We have agreed to a small number of changes, which are detailed later in this report, and include a reduction in the number of live sessions on Radio 1, an increase in the sharing of documentaries on Radio 1 and 1Xtra, and a small reduction to the number of dramas on Radio 3.

Spending on BBC music radio programmes has fallen due to the savings being made

43 In 2013-14 the six BBC music radio stations spent £148.9m on content. After adding the stations’ contributions towards the BBC’s distribution and infrastructure and support costs, total BBC spending on the stations was £202.9m.

44 Of the total content spend, the six stations’ own spending on content was £70.5m. The remaining £78.4m covers the stations’ share of the BBC’s central costs that are related to content making. The majority of this is made up of rights payments and it also includes an allocation of other overheads, such as technology, buildings, studios, insurance and training costs. These costs are not directly controlled by the stations.

45 Since 2011-12, the cost of programme making by the six stations has fallen by £10.1m, as a result of savings. However, the central content-making costs have increased by £12.2m, meaning that the stations’ total content spend has increased by £2.1m. Total spend, including

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15 BBC Radio estimates that by March 2015 it will have made savings of around 61% of its target
16 Source: BBC management data
their contribution to the BBC’s distribution and infrastructure/support costs, has also increased by £3.6m. However, when taking inflation into account, both total content spend and the overall total spend have fallen in real terms.

**Table 1: BBC music radio stations combined spend, 2011-12 to 2013-14 (£millions)**

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Change 11-12 to 13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred making programmes for the BBC music radio stations (1)</td>
<td>£80.6</td>
<td>£76.5</td>
<td>£70.5</td>
<td>-£10.1</td>
</tr>
<tr>
<td>Content-making related overheads allocated to the BBC music radio stations (2)</td>
<td>£66.2</td>
<td>£73.5</td>
<td>£78.4</td>
<td>+£12.2</td>
</tr>
<tr>
<td><strong>Total content spend</strong></td>
<td>146.8</td>
<td>150.0</td>
<td>148.9</td>
<td>+£2.1</td>
</tr>
<tr>
<td><strong>Total Service Licence Budgets</strong></td>
<td>153.6</td>
<td>149.3</td>
<td>143</td>
<td>-£10.6</td>
</tr>
<tr>
<td><strong>Spend vs. budget</strong></td>
<td>-4.6%</td>
<td>+0.5%</td>
<td>+4.0%</td>
<td></td>
</tr>
<tr>
<td>Distribution costs</td>
<td>£18.0</td>
<td>£20.7</td>
<td>£22.3</td>
<td>+£4.3</td>
</tr>
<tr>
<td>Infrastructure/Support</td>
<td>£34.5</td>
<td>£36.2</td>
<td>£31.7</td>
<td>-£2.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£199.3</td>
<td>£206.9</td>
<td>£202.9</td>
<td>+£3.6</td>
</tr>
</tbody>
</table>

Notes: (1) Programme costs include all direct costs of making programmes on the music radio stations, including production and staff costs, commissioning and scheduling, and a contribution to the BBC’s newsgathering costs.

(2) The BBC’s central content-making related costs that are allocated to the BBC music radio stations. This includes their contribution to rights payments and other overheads such as buildings, studios, insurance and training.

Source: BBC Annual Report and Accounts and BBC Finance. Note some small inconsistencies in totals and percentages are due to data rounding.

The growth in the stations’ centrally allocated content-making related spend is due to an increase in the cost of rights and in their allocation of BBC overheads. Rights payments are allocated to the stations each year by the BBC based on an estimate of the amount incurred by each service and are also subject to inflationary increases. These payments account for the majority of the stations’ central content-making related spend, and represent a positive contribution to the UK’s music economy. The growth in overheads is mainly due to increased property costs, as some stations moved into New Broadcasting House, and changes in the allocation of technology costs.

**Budget cuts have increased the need for collaboration between stations; this has potential benefits for audiences as well as improving value for money**

In our discussions with the BBC through the course of this review, it is evident that reductions in programme-making budgets have increased the need for collaboration. We heard many examples of BBC Radio working with other areas of the BBC (both within Radio and across the whole BBC) to make the best use of resources. For instance, Asian Network has produced a number of documentaries in collaboration with other areas (including Radio 4 and the World Service), 1Xtra’s World Cup Freestyles were produced in collaboration with BBC Sport, and the BBC Radio New Comedy Awards are now a collaboration between Radio 2 and 4 Extra.

We think that the BBC Music strategy, along with some changes to the stations’ operations and management present good opportunities for collaboration, which may serve audiences better as well as improve value for money.
The cost per listener hour of the stations varies, but all represent good value for money

49 The cost per listener hour of each BBC music radio station ranges from 0.5 pence for Radio 2, to 6.3 pence for Radio 3, as shown in the table below.

**Table 2: Cost per listener hour of BBC music radio stations (pence), 2009-10 to 2013-14**

<table>
<thead>
<tr>
<th></th>
<th>09-10</th>
<th>10-11</th>
<th>11-12</th>
<th>12-13</th>
<th>13-14</th>
<th>% change 09-10 to 13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radio 1</td>
<td>0.6</td>
<td>0.7</td>
<td>0.8</td>
<td>1.0</td>
<td>1.1</td>
<td>+83%</td>
</tr>
<tr>
<td>Radio 1Xtra</td>
<td>3.6</td>
<td>3.9</td>
<td>2.8</td>
<td>2.7</td>
<td>2.0</td>
<td>-44%</td>
</tr>
<tr>
<td>Radio 2</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>+0%</td>
</tr>
<tr>
<td>Radio 3</td>
<td>6.3</td>
<td>5.9</td>
<td>5.8</td>
<td>5.6</td>
<td>6.3</td>
<td>+0%</td>
</tr>
<tr>
<td>6 Music</td>
<td>2.7</td>
<td>1.4</td>
<td>1.4</td>
<td>1.0</td>
<td>0.9</td>
<td>-67%</td>
</tr>
<tr>
<td>Asian Network</td>
<td>8.5</td>
<td>6.7</td>
<td>4.9</td>
<td>4.9</td>
<td>3.4</td>
<td>-60%</td>
</tr>
</tbody>
</table>

Source: BBC Annual Report and Accounts

50 With the exception of Radio 1 (which we consider later in this report) the cost per listener hour of each service has fallen or remained stable compared with 2009-10. 1Xtra, 6 Music and Asian Network have seen significant declines in their cost per listener hour, due to increased listening hours, and reduced service licence spend for 1Xtra and Asian Network.

51 There are a number of reasons for the varying cost per listener hour shown in the table. For example, while Radio 3’s is higher, we accept that it naturally has a smaller audience than a pop music station. While Asian Network’s remains higher than average, it has fallen significantly, and it plays an important role in serving a hard to reach audience.

52 As noted at the start of this report, the BBC music radio stations make a large contribution to the UK’s culture and creativity, and they provide value to their audiences. We have concluded that each of the BBC’s music radio services provides listeners with good value for money.
2 Radio 1

The remit of Radio 1 is to entertain and engage a broad range of young listeners with a distinctive mix of contemporary music and speech. Its target audience is 15-29 year-olds, and it should also provide some programming for younger teenagers.

It should offer a range of new music, support emerging artists – especially those from the UK – and provide a platform for live music. News, documentaries and advice campaigns should cover areas of relevance to young adults.

2.1 Reach

Radio 1 delivers its remit to serve the young

Radio 1’s reach is high amongst its target audience, as 40% of 15-29 year-olds listen each week. Reach has declined slightly in the past few years, from 43% in 2009-10, and in the longer term it has fallen slightly further. However, Radio 1’s reach among its target audience remains higher than any other radio station, and it is the BBC’s third highest reaching service among this age group, behind BBC One and BBC Online.

Radio 1’s slight decline in reach among 15-29 year-olds since 2009-10 has mainly come from older listeners within the target age range. Reach has remained stable among 15-19 year-olds and has fallen among 20-24 year-olds and 25-29 year-olds, as shown below.

Figure 4: Radio 1’s reach (%) by age, 2009-10 & 2013-14

Source: RAJAR 2009-10 and 2013-14

The median age of listener has remained stable

In our last service licence review (published in 2009) we asked Radio 1 to maintain its reach among 15-29 year-olds, and ensure that the median age of its listeners remains within its target age range. Since then, Radio 1 has made a range of changes to its output designed to increase its appeal to a younger audience: this includes changes to the schedule and presenter line up. It is evident that the station has a clear focus on serving young people, through a range of editorial decisions, management of its music playlists and its online development.

Source: RAJAR

Source: RAJAR, BARB for TV reach and BBC Cross Media Insight Survey (CMI) for BBC Online reach
56 In 2009 we found that the Radio 1’s median age of listener had risen as reach to older listeners was growing. We were concerned then that the station was not sufficiently focused on serving a young audience. Since 2009, reach amongst over 30s has fallen, which we see as an outcome of greater focus on the target audience. During this period, the median age of listener has remained stable at 30\(^{19}\).

57 Radio 1 has some concerns with the use of average age as a primary indicator of success. They state that they’re increasingly reaching young people in other ways (such as through social media and online), which are not measured by RAJAR, and that it is inevitable that the station will also reach listeners outside of the target age range. Clearly, there is only a narrow age range lower than Radio 1’s target (age 10-14) and a much larger number of people older than 29. This makes it very difficult for Radio 1 to lower its median age of listener without reducing the appeal of the station amongst all age groups.

58 As well as reach, other performance metrics show that Radio 1 is reaching a young audience. For example, the most common (mode) age of listener is much younger than the median age, and is consistently within the station’s target age range, it being between 19 and 22 over the last five years\(^{20}\).

59 Through our public consultation we heard from some listeners, largely those aged over 25, who say they feel pushed away from Radio 1, as the station seems to focus more on serving young listeners. However, we do not think this is a widespread impression as, in the audience research we conducted for this review, Radio 1 is felt to serve 15-29 year-olds well while also appealing to older listeners.

**While some stakeholders take a different view, we are clear that Radio 1’s role is to be a youth focused service**

60 Some representatives of the music industry, including from record labels, feel that targeting stations by age is not helpful, as musical tastes spread across age groups. BPI states it is extremely important that BBC is careful that there is not a gap between the young demographic where Radio 1 is targeted and older listeners targeted by Radio 2. However, the industry body for commercial radio, RadioCentre, emphasises the importance of Radio 1’s focus on serving a young audience, stating that it has a vital role to play in providing radio content that is relevant to young people. Commercial radio group Global Radio states Radio 1 should be required to further prioritise the reduction of its median age.

61 Radio 1’s reach among young audiences is high, and it brings a high level of ‘unique reach’ to BBC Radio, as some 56% of its 15-29 year-old listeners don’t listen to any other BBC radio stations. It also helps bring young people to radio, as 11% listen to no other radio at all.\(^{21}\) The BBC’s reach across TV, radio and online is lower among young audiences,\(^{22}\) and Radio 1 plays a key role in bringing this audience to BBC content.

62 We are clear that no change to Radio 1’s target age range is required, and that it is important that it remains focused on serving a young audience.

63 While Radio 1’s primary age target is to reach 15-29s year-olds, its remit states that it should also provide some content for younger teenagers. It is listened to by 27% of 10-14 year-olds each week, and this has remained broadly stable over the last few years.\(^{23}\) Radio 1 agrees that it could be doing more to reach younger teenagers in some parts of the schedule. While it does make some links with CBBC, and has some content dedicated to this audience (such as

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\(^{19}\) Source: RAJAR. This takes into account a change of RAJAR measurement: it now only includes children aged 10+ (rather than 4+). This means that the median age is no longer comparable to previous calculations.

\(^{20}\) Source: RAJAR, 2009-10 to 2013-14

\(^{21}\) Source: RAJAR 2013-14

\(^{22}\) Source: BBC CMI, the BBC reached 96% of adults, compared with 92% of 16-29s each week across TV, radio and online,

\(^{23}\) Source: RAJAR, 2013-14
through the *Radio 1 Teen Awards*), we think there may be further opportunities for providing content for younger teenagers.

**Radio 1 faces increased competition for young listeners’ time and it is responding by developing its online offer**

Average hours of listening to Radio 1 have fallen significantly. Since 2009-10, average hours per listener are down by 27%, from 8.8 hours per listener per week to 6.4 hours. This has mainly come from a fall in at-home listening, while listening in the car and at work and in other places has fallen only slightly.

As noted in section 1.2, average hours of listening are falling, particularly among younger people. This challenge is significant for Radio 1, and increased competition for audiences’ time means it is increasingly important that Radio 1 looks to engage with listeners in different ways if it is to deliver its public purposes.

In the past few years, Radio 1 has developed its online offer in line with its young listeners’ increasing use of these services. The service is, therefore, becoming more multiplatform, with strong support for radio programming online, and some online-only content. It now has a presence on a number of third-party sites, including YouTube and social media: Radio 1’s YouTube channel now has more than 2 million subscribers, and it has more than 2 million followers on Facebook and Twitter.

**Reach among the target audience remains the most appropriate measure of success**

Radio 1 has also made clear its ambition to develop a new methodology for measuring the station’s reach across all platforms. We support these efforts, as this fits with the development of Radio 1 and other BBC services as they meet changing audience needs.

Reach among the target audience will remain the primary measure of success for Radio 1. We will monitor other metrics, including the median age, as supporting evidence.

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**Action 3: Radio 1 should continue to focus on serving a young audience**

We will continue to monitor Radio 1’s reach amongst its target audience as the most important measure of performance, but will also consider median age, alongside other metrics.

We support the BBC’s efforts to improve measurement to be able to look at the station’s reach online, both on BBC Online and third-party sites, as this fits with the development of the service as it meets changing audience needs.

*Timing: Ongoing. We will report on Radio 1’s reach amongst its target audience in each Annual Report and Accounts.*

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**There remain some disparities in reach among different demographic groups**

In our last service review, we stated that we would monitor Radio 1’s reach among ethnic minority listeners, as it was low and had declined in recent years. We stated that we would be concerned if the disparity in reach among listeners from different ethnic backgrounds became more pronounced.

Since then, Radio 1 has worked to develop a more diverse presenter line-up. It now has black, Asian and minority ethnic (BAME) presenters in more prominent positions at the station and representing a higher proportion of the overall presenter line-up. The station has also ensured that documentary output and advice programmes serve the needs of diverse audiences.
Radio 1 also makes significant efforts to attract ethnically diverse candidates to its production staff, via intern schemes, and a wide range of outreach and training schemes and placements. These aim to create a future pipeline of ethnically diverse production talent.

Since the last review, Radio 1’s reach amongst the 15-29 year-old BAME audience has increased, up from 17% in 2009-10 to 23% in 2013-14. It remains much lower than the average reach of 40% amongst this age group. While this growth is a positive outcome, we recognise the significant efforts the station has made to address this issue, so we will continue to track the station’s reach among BAME audiences.

2.2 Quality

Audience perceptions of quality are fairly high, although some metrics have declined in the last few years

Our audience research showed that Radio 1 is seen as a high-quality radio station. Its skilled presenters, commitment to new music and high production values drive positive perceptions of quality. Our consultation also revealed positive perceptions of the station among younger listeners, who praise it for its mixture of contemporary mainstream music genres.

The BBC’s regular audience surveys show that perceptions of quality are fairly high. Some 53% of listeners are ‘high approvers’ of the station, although this has fallen over the last few years. The station’s average audience appreciation index (AI) score has also fallen over the last few years, from an average 78.7 in 2011-12, to 75.2 in 2013-14.

Despite these declines, we don’t think there is an issue with the quality on Radio 1. We think that the decline is likely to be a typical audience reaction to programming changes at the station.

2.3 Distinctiveness and Impact - delivering the public purposes

"I listen to BBC Radio 1 because I enjoy listening to the latest popular and new music, as well as be entertained by chat, features and interviews from the DJs... It is a personality-led station."

"I listen to Radio 1 at work - it provides good background music. I enjoy the DJs and many of their features are fun and unique. It gets good guests and for the most part does interesting interviews that aren’t always run-of-the-mill."

Stimulating creativity and cultural excellence

Radio 1 is required to make a very important contribution to this public purpose, primarily through its contribution to musical creativity in the UK. It should provide a significant platform for new and emerging UK artists across a wide range of music genres, and should seek to support and increase the appreciation of live music through its emphasis on live performance.

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24 Source: RAJAR
25 Source: BBC Accountability and Reputation Tracker, adults 16+ who had listened in the last seven days, 2013-14. ‘High approvers’ are those rating 8 or more out of 10 for general impression.
26 Source: BBC Pulse Survey, adults 16+
Radio 1 plays a wide range of music, including a large amount of new and UK music

Radio 1’s music output is underpinned by several minimum conditions in its service licence: it has a commitment that at least 45% of its music in daytime should be new, and that at least 40% should be from UK artists. It comfortably meets both of these commitments: in 2013-14 approximately 62% of music in daytime was new, and 50% was from UK artists.

The BBC’s analysis of the music played on its popular music stations (Radio 1, 1Xtra, Radio 2 and 6 Music) and on a selection of commercial radio stations shows that Radio 1 plays a wide range of music, and a large amount of new and UK music. The latest results (from June 2014) show that Radio 1 played 307 different tracks across a week in daytime, with music from a variety of genres.

While commercial stations do not have the same commitments to provide new music, Radio 1 is distinctive in this respect, as it provides a higher proportion of new music than the other stations monitored. In the week monitored, Radio 1 played 87 different ‘new’ songs in daytime, almost twice as many as any of the five commercial stations monitored.

The analysis shows that Radio 1 plays a slightly smaller proportion of UK music than some commercial stations, but the amount of new UK music is higher. The latest data shows that 61% of Radio 1’s music played was from UK artists (based on a different time period to figures in paragraph 77). While this was slightly lower than two of the commercial stations monitored (XFM and Absolute), it played more new music from UK artists.

Radio 1 plays a very significant role in developing new musical talent in the UK and so supporting the UK’s music sector, creatively and economically

Radio 1’s remit states that it should support emerging artists, especially those from the UK. The licence also states it should provide a significant platform for new music and emerging UK artists across a wide range of musical genres. In our last service review, we amended Radio 1’s service licence to make its commitment to emerging talent clearer, so that its quota for new music now states that it should ensure that at least 45% of the music in daytime is new each year, with continuous particular support for new and emerging UK artists alongside established acts.

Radio 1 provides considerable support for developing new talent. As noted in section 1.1 of this report, the BBC provides a successful new talent scheme, BBC Introducing, and its role has expanded across all the popular music stations. Radio 1’s playlist now features a track from a BBC Introducing artist each week, and it also has a clear focus on providing tracks from new artists, under its ‘in new music we trust’ section of its playlist.

Evidence we have gathered for this review shows that Radio 1 is very effective in its support for new and emerging musical talent. Most stakeholders we spoke to were positive about Radio 1’s new music and its range of music. Members of the recorded music industry told us that Radio 1 provides a balance between new and established music, which allows new talent to grow a following. They were clear that the BBC takes risks in breaking new artists and that it does so very effectively.

The range and mix of music played in Radio 1 daytime serves its remit and creates public value

Some respondents to our consultation told us that they think the music in daytime feels repetitive and ‘playlisted’. While we accept that there are some negative perceptions of the

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27 New music is defined as either unreleased or less than one month since release date (physical release, not download release).

28 The monitoring is based on a week’s data chosen to represent a ‘typical week’ of output (i.e. outside of major festivals and bank holidays). The station’s music teams are not informed in advance that monitoring will take place.

29 This analysis will contribute towards the 2014-15 service licence quotas, so differ from figures quoted in paragraph 77.
music played amongst listeners, analysis of the range of music played shows that Radio 1 is effective at mixing established artists and new and emerging talent, and so creating public value by bringing new music and artists to a large audience. A centrally managed playlist is how it achieves these goals.

**The BBC is likely to have to change how it defines “new music” in order to reflect changes in the music market**

Radio 1, together with Radio 1Xtra, Radio 2 and Asian Network, has a requirement to play new music. New music is currently defined as either unreleased or less than one month since release, based on a physical release date. As physical release dates may cease to exist soon and pre-release windows are also being reconsidered by the music industry, the BBC recognises that the current definition of new music may become invalid. It is concerned that establishing and tracking digital release dates for all tracks may be more challenging and costly. In addition, the current ‘new music’ measure does not differentiate between new tracks from established artists, which can become hits quickly, and releases from new talent, which may take longer to grow in popularity.

We are clear that new music is an essential component of Radio 1’s output, and being able to demonstrate the level of its contribution is important. As the current definition of new music is becoming invalid, it is important that the BBC works with the music industry to find the most appropriate way of defining and measuring new music on the BBC.

**Action 4: The BBC should engage with the music industry to find a more appropriate way to define new music on BBC radio**

We are clear that new music is an essential component of Radio 1’s output, and being able to demonstrate the level of its contribution is important. As the current definition of new music is becoming invalid, it is important that the BBC works with the music industry to find the most appropriate way of measuring new music on the BBC.

*Timing: The BBC should report back to us with a recommendation later in 2015.*

**Radio 1’s music offer is distinctive from that of commercial radio**

The BBC’s music monitoring shows that the overlap of music played on Radio 1 with commercial stations is low. The analysis shows that the average ‘weighted’ overlap (which takes into account the number of times a song is played) with the five commercial stations monitored was 22%. The overlap was highest with Kiss, at 30%. In addition, of the new tracks played in daytime on Radio 1, a third were not played on any of the commercial stations monitored.

Commercial radio believes that Radio 1 should play more music in daytime that’s not played on commercial radio. As part of its submission to this review, RadioCentre commissioned some analysis, the results of which showed that 40% of tracks played in Radio 1 daytime were unique, when compared against the tracks played in daytime on 87 commercial radio stations. It states that this level is too low, and that the majority of individual tracks on BBC stations in weekday daytime should not be played on commercial radio.

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30 For 1Xtra, underground or emerging UK tracks (which have never been in the top 40) that have been released for less than 6 months may also qualify as new. For Asian Network new music must be released within the last 2 months.
89 We are content that the level of overlap with commercial radio is low, and we don’t think that comparing music played on one station against a large number of stations is a useful comparison, as this is not reflective of audience listening habits.

Radio 1’s specialist music programmes are viewed very positively by listeners and other stakeholders

90 In 2013-14 Radio 1 provided an average 69 hours per week of specialist music programmes against a service licence commitment to provide 60 hours.

91 Listeners’ perceptions of this programming are positive. Respondents in our consultation were positive about the evening programmes, praising them for their diversity of music and depth. Listeners in our audience research stated that the programmes showcase different and unique styles of music, and the presenters of these programmes are experts in their fields, passionate about the music they play, pushing boundaries and so introducing the audience to the latest trends in music. The specialist programmes clearly play a central role in their listeners’ music discovery, bringing them new and cutting edge music.

Radio 1’s live music is a core strength of the station

92 Radio 1 has a commitment to provide 250 live sessions each year, and to broadcast from around 25 major events or festivals. It is consistently meeting these commitments: in 2013-14 it covered 29 major events or festivals, and provided 257 new sessions.

93 Our audience research showed that live music is seen as a key strength of Radio 1. The Live Lounge and Radio 1’s Big Weekend were frequently mentioned as positive examples of Radio 1’s commitment to live music. Our consultation showed that Radio 1’s live music is viewed as a major asset, with enthusiastic feedback for its live events, and the Live Lounge was repeatedly cited as Radio 1 at its best.

94 Radio 1 aims to provide a balance of new and emerging artists at its major events (for example, through its BBC Introducing and In New Music We Trust stages) alongside more established artists, helping attract bigger audiences to new artists. This fits with its overall focus on new music.

We have agreed to a reduction in off-peak music sessions, but wish to see live music remain central to Radio 1’s output

95 In order to make savings, the BBC has proposed a reduction in the number of live sessions on Radio 1. The number of sessions would reduce in evening programmes but not in daytime. The BBC states that these changes will allow Radio 1 to increase the impact of its sessions.

96 We have agreed to a reduction from the current condition to broadcast at least 250 sessions each year to a minimum of 160, as it is in line with the overall BBC strategy of focusing spend on the most listened to programmes in daytime and gaining most impact from expensive output. We expect Radio 1 to maintain a range of genres and artists within its sessions, including a mix of established and newer artists.

97 We are also amending the quota for major live events and festivals. The BBC’s current calculation of this quota includes BBC and third-party major festivals, along with Maida Vale and Live Lounge specials. This range of events does not appear meaningful, as coverage can range from 40 hours of air time from the Big Weekend to one hour from a Live Lounge special. We will, therefore, amend the quota to clarify that it should only include BBC and third-party major events and festivals, but not live specials and sessions. These will in future be counted as part of the quota for live sessions. We will amend the quota to 10 major live events and festivals.
**Action 5: We are changing Radio 1’s service licence with regard to its live music commitments**

We have agreed to a reduction in the number of live sessions on Radio 1 from 250 each year to 160 in order to enable savings. We expect Radio 1 to maintain a range of genres and artists within its sessions, including a mix of established and newer artists.

We are also narrowing Radio 1’s quota for coverage of major live events and festivals so that it excludes special editions of live sessions, and includes only BBC and third-party live events. It will reduce from 25 to 10 events.

*Timing: We will amend the service licence immediately.*

**Sustaining citizenship and civil society; promoting education and learning**

98 Radio 1 is required to make an important contribution to these purposes. It does so primarily via its regular and extended news bulletins and some speech-based programmes in the evenings, including a weekly documentary and a weekly advice programme, *The Surgery.*

**Radio 1 is one of the BBC’s most important services for bringing high-quality news to young audiences**

99 Radio 1 fulfils its service licence commitments to broadcast at least one hour of news on weekdays, including two extended bulletins, and to provide regular bulletins during daytime at weekends. The breakfast show contains an average of five minutes per hour of news, and this reaches 2.4 million 15-29 year-olds each week, more than any other BBC TV or radio news bulletin. Across the week, Radio 1’s news bulletins are listened to by 9 million people. Our research and consultation showed that *Newsbeat* fulfils the citizenship purpose well, being seen as informative and relevant for young people.

100 However, *Newsbeat’s* reach has fallen slightly over the past five years\(^{31}\) and reach of the extended bulletins on weekdays at 12.45pm and 5.45pm has fallen faster, from 4.3m in 2009-10 to 3.4m in 2013-14. This is a reflection of the falling hours per listener of Radio 1 – as people are listening for less time, they are less likely to be reached by different parts of the schedule\(^{32}\).

101 Given the importance of reaching this audience with news content, Radio 1 must look for ways to reach its young audience with news output, including online. The Trust’s review of BBC News and Current Affairs (published April 2014) noted that the *Newsbeat* was under-developed online and on mobile, and that there was a clear opportunity for the BBC to develop these. The BBC will soon be re-launching the *Newsbeat* website, so that it will work more easily on mobile and tablet devices and it is in the process of developing a *Newsbeat* app. We continue to believe that online and mobile news offers for young people are vital for the BBC.

**There is scope to increase Radio 1’s contribution to a range of public purposes in daytime output**

102 Radio 1 delivers social action effectively in its daytime programmes, and it exceeds its service licence commitment to provide at least two major campaigns each year.

103 In 2013-14 it broadcast three campaigns: *The Radio 1 Academy, Happiness Week,* aimed to raise awareness of mental health issues; and *Talk it Out,* a campaign that encouraged young

\(^{31}\) Source: RAJAR, 2009-10 and 2013-14

\(^{32}\) Source: RAJAR, 2009-10 and 2013-14
people to talk about their problems. It also provided a number of other features, including Safer Internet Day, sessions on revision and exams, and it supported Sports Relief and Children in Need. The daytime programmes have found effective ways to reach large numbers of listeners with this output.

104 Our public consultation showed that advice programme The Surgery is viewed positively among young listeners. It is effective at reaching a young audience: in 2013-14 the median age of listener was 26, and some 56% of listeners were aged 15-29 – a higher percentage than the station average. But its listening levels are much lower than Radio 1’s average, at around 180,000 per week\(^3\), due to its specialist nature and evening time slot. Radio 1 is considering how to evolve The Surgery online, and we consider this would help ensure this programme continues to serve its audience.

105 Radio 1 has a service licence commitment to broadcast at least 40 new documentaries a year, and it is consistently meeting this target. This is done through its Radio 1 Stories programme, currently broadcast on Tuesday evenings at 9pm. Subject matter can vary from music-based topics to much more challenging material, with recent themes including suicide, anxiety and sexual exploitation. Radio 1 has won a number of awards for this output, including the last Radio Academy Gold award for best news feature or documentary.

106 Our audience research showed that there was low awareness of this output, and listening levels are fairly low due to its evening time slot. We think there is scope for Radio 1 to be making more impact with this output, and that there is an opportunity to promote and use more of the content within daytime programmes.

107 In order to get better value from relatively high cost programming and to achieve some savings, the BBC wants to increase the number of documentaries co-commissioned and broadcast on both Radio 1 and 1Xtra. It states that many of the documentaries cover subjects that are relevant to audiences of both stations, so would be suitable for broadcast on both. Some sharing already takes place, with programmes broadcast first on Radio 1 then repeated on 1Xtra. The BBC has proposed being able to broadcast some first on 1Xtra, then on Radio 1. We are approving this change to the service licence as we think this will make better use of high cost content. We will also amend 1Xtra’s service licence, to add a condition for the number of documentaries it must broadcast, as it currently has no numeric condition.

**Action 6:** We are approving a service licence change to allow for an increase in the number of documentaries co-commissioned and broadcast on both Radio 1 and 1Xtra

We are approving this change to the service licences as we think this will allow Radio 1 and 1Xtra to make better use of high cost programmes. We will also amend 1Xtra’s service licence to add a condition for the number of documentaries it must broadcast, as it currently has no numeric condition.

**Timing:** We will amend the service licences immediately.

Radio 1 provides content supporting a range of public purposes in daytime entertainment programmes; we think the positive examples show that Radio 1 can go even further in this approach

108 We have heard many examples of how Radio 1 provides speech content in daytime, with a tone and format that almost disguises content with educational or informative intent as entertainment. For example, a mental health campaign was promoted as Happiness Week.
think that using features within daytime entertainment programmes is an appropriate and effective way to promote public service content to a large number of young listeners.

However, it does not necessarily mean that audiences can recognise what the station delivers when asked. Our audience research showed that listeners were generally unaware of Radio 1’s documentary output, and Radio 1’s commitment to social action campaigns and advice about important issues were not mentioned spontaneously, although were recognised when prompted. Audience Council Northern Ireland stated also that many listeners were not aware of social action output.

RadioCentre used research findings to conclude that Radio 1 is failing to deliver enough public value in daytime, and that Radio 1 should offer more news, plus documentaries, social action campaigns, advice programmes and other current affairs output in daytime. It states that Radio 1 should deliver more public value via its speech output, particularly in daytime, and that its peak time speech is not challenging the audience as they would expect from a BBC service. Global Radio states that Radio 1 does not feature a suitable number of documentaries or campaign-focused programmes, as set out in the remit.

We think that the positive examples of what Radio 1 can achieve in its daytime output are evidence that it can go further, and provide more content supporting a range of public purposes in daytime entertainment programmes. For example, this might include ensuring that every documentary is promoted in the daytime output.

**Action 7: Radio 1 should find more ways to deliver a range of public purposes in daytime output**

We think Radio 1 could go further in providing speech content that supports a range of public purposes in its daytime entertainment programmes. For example, this might include ensuring that every documentary broadcast is promoted in its daytime output and that more regular opportunities for enriching daytime speech are sought.

*Timing: Ongoing. Radio 1 should update us on plans later in 2015.*

### 2.4 Future developments

**Radio 1 now has a range of online activities, both on BBC and third-party sites**

Radio 1 has developed its online offer, including through its presence on third-party social media sites with a strong following on social media: more than 2 million subscribers to its YouTube site, and more than 2 million followers on Twitter and Facebook. In late 2014, Radio 1 launched a branded space on the BBC’s TV iPlayer.

Radio 1’s own website is used by around 2.5 million unique browsers each week. This is highest of all the BBC’s network radio stations, although it has not grown over the last few years.34

Through our discussions with the BBC and stakeholders, it is clear that Radio 1 has learned how to deliver online music and entertainment very well. This activity is specifically focused on young audiences in line with its remit. These audiences are very aware of, and positive about, the many ways of interacting with Radio 1 online.

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34 Source: BBC iStats, 2013-14
Online is key to Radio 1’s future, given its young audience’s increasing use of this platform

Radio 1 is keen to develop its mobile offer further, and we think there is scope for improvement in its online performance. While Radio 1 is clearly performing very well on its YouTube site, a large proportion of use comes from outside the UK\(^\text{35}\), so the direct value of this offer to its core UK audience is less than it might first appear.

We are clear that online has a very important role to play for Radio 1 and that the station should innovate and develop its offer with appropriate accountability and regulatory oversight.

2.5 Value for money

Radio 1 has cut the cost of its programmes, and plans are in place to deliver further savings

The BBC spent £40.2 million on Radio 1 content in 2013-14, against a service licence budget of £37 million (within its permitted 10% tolerance of over/underspend). When adding in Radio 1’s contribution towards the BBC’s distribution and infrastructure/support costs, its total cost was £52.8 million in 2013-14.

Radio 1’s content costs are comprised of direct costs incurred making its programmes and an allocation of centrally managed content-making related costs. The majority of this relates to Radio 1’s contribution to the BBC’s rights payments and other overheads.

As shown in Table 3, since 2011-12, Radio 1’s programme-making spend has fallen by £1.8 million, although its allocation of central content-making related costs have increased by £3.7 million, meaning that overall content spend has increased slightly since 2011-12.

Table 3: Breakdown of Radio 1’s spend (£millions) 2011-12 to 2013-14

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Change 11-12 to 13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred making Radio 1 programmes (1)</td>
<td>£15.1</td>
<td>£14.4</td>
<td>£13.3</td>
<td>-£1.8</td>
</tr>
<tr>
<td>Content-making related overheads allocated to Radio 1 (2)</td>
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<td>£26.2</td>
<td>£26.9</td>
<td>+3.7</td>
</tr>
<tr>
<td><strong>Total content spend</strong></td>
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<td><strong>£40.7</strong></td>
<td><strong>£40.2</strong></td>
<td>+£1.9</td>
</tr>
<tr>
<td>Service Licence Budget</td>
<td>£41</td>
<td>£37.7</td>
<td>£37</td>
<td>-£4</td>
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<td>Actual spend vs. service licence budget</td>
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<td>+7.3%</td>
<td>+8.0%</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>£4.6</td>
<td>£5.4</td>
<td>£5.8</td>
<td>+£1.2</td>
</tr>
<tr>
<td>Infrastructure/Support</td>
<td>£7.6</td>
<td>£8.1</td>
<td>£6.8</td>
<td>-£0.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£50.6</strong></td>
<td><strong>£54.2</strong></td>
<td><strong>£52.8</strong></td>
<td>+£2.3</td>
</tr>
</tbody>
</table>

Notes: (1) Programme costs include all direct costs of making programmes on Radio 1, including production and staff costs, commissioning and scheduling, and a contribution to the BBC’s newsgathering costs.

(2) The BBC’s central content-making related costs which are allocated to Radio 1. This includes Radio 1’s contribution to rights payments and other overheads such as buildings, studios, insurance and training.

\(^\text{35}\) Source: YouTube data supplied by BBC management
The cost cuts in Radio 1 programme making are largely a result of savings made in production and staff costs, including presenter costs (since 2009, the number of presenters in an average week has fallen from 38 to 28). Some changes to Radio 1’s scope have been made, including the removal of weekly nations opt-out programming.

As noted under paragraph 46, Radio 1’s increase in central content-making related costs is due to an increase in rights payments and in its allocation of the BBC’s overheads costs.

Between 2014-15 and 2016-17, Radio 1 has plans to deliver around £2 million of savings in its programme-making budget as part of its contribution toward the BBC Radio’s overall savings target. These savings will be achieved through a mix of efficiencies and scope savings. Some of this has already been delivered through schedule changes announced in 2014-15. Some further scope savings are required, and we have approved a reduction in the number of live sessions and an increase in sharing of documentaries with 1Xtra.

Radio 1’s cost per listener hour has increased, but it still provides good value for money by reaching an under-served audience

As Radio 1’s listening hours have declined, while its service licence spend has increased a little, its cost per listener hour has increased significantly, from 0.6 pence in 2009-10 to 1.1 pence in 2013-14. Given Radio 1’s remit to serve a young target audience whose listening hours are decreasing, we accept that the cost per listener hour may continue to rise. But even at a higher level, Radio 1 compares well with other BBC music radio stations in this respect and we do not have concerns over its value for money.

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36 Source: BBC management data
37 Source: BBC Annual Report and Accounts
3 1Xtra

1Xtra has a service licence remit to play the best in contemporary black music with a strong emphasis on live music and supporting new UK artists. The schedule should also offer a relevant news service, regular discussion programmes and specially commissioned documentaries relevant to the young target audience (15-24 year-olds), particularly, although not exclusively, those from ethnic minorities.

3.1 Reach

1Xtra is meeting its remit to serve young listeners with a distinctive music and speech offer

124 1Xtra is meeting its remit to serve young listeners well: reach has increased significantly in the last five years, and the station is now listened to by more than 1 million people each week. It reached 7.6% of its target audience of 15-24 year-olds each week in 2013-14, up from 4.7% in 2009-10. The median age of its listeners is 24.

125 1Xtra’s remit states that it should appeal particularly, although not exclusively, to 15-24 year-olds from ethnic minorities. Each week in 2013-14 it reached 11.3% of 15-24 year-old black and minority ethnic (BAME) audiences, up from 10.1% in 2009-10\(^{38}\).

126 Our audience research showed listeners feel 1Xtra has a clear and appropriate target age of 15-24. We also received support from stakeholders that 1Xtra meets its remit in this respect.

Listening to 1Xtra overlaps significantly with Radio 1 but also gives unique reach to the BBC

127 The majority (58%) of listeners to 1Xtra also listen to Radio 1, and this overlap has remained broadly stable since 2009-10. However, 1Xtra still provides a significant level of ‘unique reach’ to BBC radio, as 28% of 1Xtra listeners listen to no other BBC station\(^ {39}\).

128 Our audience research showed that 1Xtra is listened to as part of a portfolio of stations rather than as the listeners’ main station. This is partly because it is a digital-only service, so not available everywhere. However, both in our research and consultation, it was clear that listeners feel it is distinct from Radio 1 and offers a clear proposition for them.

129 As part of the BBC’s DQF strategy, we agreed to Radio 1 and 1Xtra strengthening their relationship with each other, finding ways of making savings while retaining separate identities. Specific measures included sharing of news bulletins, except during their breakfast programmes, and simulcasting some off-peak output.

3.2 Quality and impact – delivering the public purposes

"I like the range of music 1Xtra plays, and I like the mix of underground and popular songs. I also like listening out for future hits as I like to stay on top of what’s good as I am a DJ."

"The type of music 1Xtra plays is the reason why I listen, I have really enjoyed their hip hop month feature too in September. More of the same please”

\(^{38}\) Source: RAJAR 2009-10 and 2013-14

\(^{39}\) Source: RAJAR 2009-10 and 2013-14
The audiences’ perceptions of quality on 1Xtra are high

Our audience research and public consultation showed that 1Xtra’s specialist music offer and expert presenters drive listeners’ perceptions of the station as being of high quality. The BBC’s regular audience surveys also show that perceptions of quality are high. Some 84% of listeners are ‘high approvers’ of the station, higher than any of the BBC’s music radio stations\(^40\). The station achieved an average audience appreciation index (AI) score of 78.1 in 2013-14, although this has fallen slightly, from 81 in 2011-12. Encouragingly, the AI score is highest among younger and BAME audiences\(^41\).

Stimulating creativity and cultural excellence

1Xtra’s main public purpose commitments are to the culture and creativity purpose. It should be the home of black music in the UK and provide a platform for a range of music rarely heard elsewhere. It has lower levels of commitments to the other public purposes.

1Xtra provides a significant amount of new music, and the majority of its music is not played elsewhere

1Xtra has specific service licence commitments to supporting new, black music from the UK and live music. These are supported by minimum commitments for the amount of new and UK music in daytime. It consistently meets its conditions: in 2013-14 it broadcast an average 60% new music (against a quota of 60%) and an average 43% UK music (versus a quota of 35%).

Music monitoring suggests that 1Xtra plays a relatively unique mix of music. The BBC’s music monitoring analysis showed that, in a typical week, 1Xtra played 347 different songs and that its average ‘weighted’ crossover of tracks with other stations monitored was 27%. The highest overlap (just 37%) was with Capital Xtra.

RadioCentre’s submission to the review notes that 1Xtra does appear to broadcast a relatively large number of unique tracks across its schedule. Its analysis shows that, when compared with a large number of commercial stations, 85% of the music played on 1Xtra is not played elsewhere. While this does fall slightly when looking at daytime hours only, it remains high, at 73%. It notes, however, that this analysis does not include the station Kiss, which has some similarities with 1Xtra, and also notes that its 50 most played songs were all played on both Capital Xtra and Kiss. They urge the Trust to monitor the overlap in daytime to ensure its music remains distinctive.

Our audience research showed that 1Xtra is seen as having a distinctive identity in the music landscape, as a home for urban music content that is not readily available elsewhere in the music radio world. It’s seen as a key source for discovering music, is felt to play an influential role in the success of rising artists in the genre, and is seen by listeners as a key destination for discovering new music. The presenters are seen to be knowledgeable about the music they play, and are a trusted source of new music.

While the overall listener feedback on 1Xtra is positive, there are inevitably those who would like it to play a different range or type of music. For example, some long-term listeners told us that they feel 1Xtra has become more ‘mainstream’ over the last few years, and as a consequence it has lost some of its distinctive identity. Some state that the range of music on offer is not necessarily as broad as it could or should be, and some less frequent listeners believe that 1Xtra only plays hip-hop and RnB. The weight of evidence, however, is that 1Xtra serves its listeners well with a largely unique range and mix of music.

1Xtra provides meaningful support for black music in the UK

In our last service review of 1Xtra, we broadened the definition of ‘new’ music for 1Xtra to include underground or emerging tracks (which have not been in the top 40) that have been

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\(^40\) Source: BBC Accountability and Reputation Tracker, adults 16+ who had listened in the last seven days, 2013-14. ‘High approvers’ are those rating 8 or more out of 10 for general impression.

\(^41\) Source: BBC Pulse Survey, adults 16+
released for up to six months. This was to allow 1Xtra to support UK black music better by providing a longer window for new tracks from UK artists to grow support with listeners.

138 Having allowed this change, we asked the BBC to provide further evidence of 1Xtra’s support for UK black music. Evidence provided by the BBC suggests that 1Xtra gives meaningful support to new UK artists by giving them exposure early in their careers by, for example, including them in the ‘Hot for’ lists. Figures from PRS for Music highlight 1Xtra’s positive impact: since 2012, the majority of its grants to urban/dance/world music artists cited 1Xtra’s support in their applications.

1Xtra’s live events and club nights are valued by listeners

139 1Xtra’s service licence states that “live music should be a key part of the schedule” and that, “through its emphasis on live performances and club nights, it should support and increase the appreciation of live music”. It does this through coverage of major events, such as 1Xtra Live, as well through Live Lounge and pre-recorded sessions, freestyles and specially recorded mixes from guest artists and DJs.

140 In our consultation, we heard praise for 1Xtra’s live music, in particular the Live Lounge, and we think that 1Xtra performs well in its provision of live music. As part of the BBC’s DQF plans, we agreed to changes in 1Xtra’s live music, in order that it could focus on fewer, but higher impact events; in line with these changes, we will replace 1Xtra’s service licence reference to “club nights” with “DJ mixes”, as this better reflects its output.

Sustaining citizenship and civil society; promoting education and learning; emerging communications

1Xtra continues to deliver the citizenship purpose well amongst its audience

141 1Xtra now shares its news bulletins with Radio 1, except during breakfast programmes. This change was made as part of the BBC’s DQF strategy, in order to make savings. Our audience research showed that Newsbeat on 1Xtra is felt to deliver the citizenship purpose well, and audiences feel that it encourages feedback and interaction.

We think there are benefits in 1Xtra being able to share documentary programming with Radio 1

142 As noted under the Radio 1 section, we have agreed that Radio 1 and 1Xtra may increase sharing of documentaries in order to get better value from these high cost programmes and to achieve savings. Amongst those aware of them, 1Xtra’s documentaries are highly valued as being interesting and informative. However, listening levels and awareness of 1Xtra’s documentaries are also low, and we think that repeating more programmes on Radio 1 makes good sense.

143 1Xtra’s service licence currently has no numeric condition for its documentary output. Instead, it states it must provide regular documentaries and weekly documentaries. We will now add a quota to safeguard the number of documentaries 1Xtra provides. We think this is more meaningful than the current quota – that 1Xtra must broadcast 20% speech across all programmes – and so are removing this from the service licence.

1Xtra works closely with Radio 1 to deliver social action output

144 1Xtra is required to carry social action campaigns, providing information and advice via engaging speech content placed across the schedule. Radio 1 and 1Xtra have undertaken a number of social action campaigns and we expect these to continue on a regular basis.

42 Source: BBC management information
1Xtra performs well on social media, but we think further improvements may be possible for the BBC’s own offer

1Xtra’s website was used by around 168,000 unique browsers each week in 2013-14. While this has grown slightly over the last few years, it remains relatively low\(^43\). It has 128,000 subscribers to its YouTube channel, and a much larger number of followers on Twitter and Facebook, at 465,000 and 425,000 respectively\(^44\). Some listeners in our public consultation commented positively on 1Xtra’s use of these platforms.

Just over half the usage of 1Xtra’s website is from mobile devices. This is a higher proportion of mobile use than for any other BBC station\(^45\). It is clear that, as with Radio 1, 1Xtra will need to adapt to its target audience’s changing behaviour, both with its programme-related content online and with changing ways in which listeners access the programmes themselves.

1Xtra has a service licence commitment to offer advice to young music makers and practical vocational advice to those wishing to pursue a career in the music industry via dedicated online content.

While 1Xtra does provide this content, we commented in the last review that it was not always clear or easy to find. We agree that there have been some improvements, for instance through a large amount of online content around 1Xtra’s outreach events, as well as other examples, such as DJ Target’s Homegrown show with a presence on Twitter. But a large amount of vocational support can now be found under the BBC Introducing site. Given its growth, we think that vocational support sits better with BBC Introducing, so we will amend 1Xtra’s service licence to reflect this.

3.3 Value for money

1Xtra has made significant savings and represents good value for money

Radio 1Xtra spent £5.6m on content in 2013-14, down 22% from £7.2m in 2011-12.

The Trust monitors annual expenditure against service licence budgets, and any underspend or overspend of more than 10% requires the Trust’s approval. In 2011-12, 1Xtra underspent its service licence by more than 10%, but we were satisfied that the underspend did not affect the scope or quality of the service and was mainly due to the small size of the total budget, which can result in a larger percentage variation.

1Xtra’s content spend is comprised of costs incurred making 1Xtra programmes and an allocation of centrally managed content-making related costs. The majority of this relates to 1Xtra’s contribution to rights payments and central overheads.

As shown in Table 4, since 2011-12, 1Xtra’s costs incurred making programmes has fallen by £1.6 million, and its allocation of centrally managed content-making related costs has remained stable.

### Table 4: Breakdown of 1Xtra’s spend (£millions) 2011-12 to 2013-14

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred making 1Xtra programmes (1)</td>
<td>£4.8</td>
<td>£4.8</td>
<td>£3.2</td>
<td>-£1.6</td>
</tr>
<tr>
<td>Content-making related</td>
<td>£2.4</td>
<td>£2.7</td>
<td>£2.4</td>
<td>+£0.0</td>
</tr>
</tbody>
</table>

\(^{43}\) Source: BBC iStats
\(^{44}\) As at 13 March 2015
\(^{45}\) Source: BBC iStats, January 2014
overheads allocated to 1Xtra (2)

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<tr>
<th></th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total content spend</strong></td>
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<td>£7.5</td>
<td>£5.6</td>
<td>-£1.6</td>
</tr>
<tr>
<td><strong>Service Licence Budget</strong></td>
<td>£8.5</td>
<td>£8.1</td>
<td>£6</td>
<td>-£2.5</td>
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<tr>
<td><strong>Spend vs. budget</strong></td>
<td>-17.8%</td>
<td>-8.3%</td>
<td>-6.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Distribution</strong></td>
<td>£1.3</td>
<td>£1.5</td>
<td>£1.6</td>
<td>+£0.3</td>
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<tr>
<td><strong>Infrastructure/Support</strong></td>
<td>£2.6</td>
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<td><strong>Total spend</strong></td>
<td>£11.1</td>
<td>£11.8</td>
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</table>

Notes: (1) Programme costs include all direct costs of making programmes on 1Xtra, including production and staff costs, commissioning and scheduling.

(2) The BBC’s central content-making related costs which are allocated to 1Xtra. This includes 1Xtra’s contribution to rights payments and other overheads such as buildings, studios, insurance and training.

Source: BBC Annual Report and Accounts and BBC Finance. Note some small inconsistencies in totals and percentages are due to data rounding.

153 1Xtra’s reduction in content spend is mainly due to the large amount of savings from being able to share news outside of breakfast with Radio 1, which the Trust approved in 2012, as well as from productivity savings following a review of its staff structure. As noted in paragraph 142, as further savings are required, we have agreed to an increase in sharing of documentary output with Radio 1.

154 Due to a reduction in service licence spend and an increase in listening hours, 1Xtra’s cost per listener hour has fallen, from 3.6 pence in 2009-10 to 2.0 pence in 2013-14. 1Xtra now sits mid-way in the BBC’s range of music stations on this measure.46

46 Source: BBC Annual Report and Accounts
4 Radio 2

The remit of Radio 2 is to be a distinctive mixed music and speech service, targeted at a broad audience, appealing to all age groups over 35. It should offer entertaining popular music programmes and speech-based content including news, current affairs, documentaries, religion, arts, comedy, readings and social action output.

4.1 Reach

Radio 2 reaches a large audience and its reach has increased over the last five years.

155 Radio 2 is listened to by more than 15 million people each week, representing 29% of UK adults, making it the UK’s most popular radio station in terms of listeners. Reach has increased from 27% in 2009-10. Radio 2 reaches 35% of its target audience (adults aged 35 and over), up from 33% in 2009-10. This is a positive performance, taken together with the very high-quality perception of the service.

156 In our last service review in 2010, we stated the BBC should seek to reduce the percentage of Radio 2’s audience that falls outside of the target audience, as, prior to 2004-05, the 15-34 year-old audience had grown. We also found that Radio 2’s reach among over 65s had fallen. We asked Radio 2 to investigate the reasons for this decline – in particular, among over 75 year-olds – with the aim of addressing this. We also stated that Radio 2’s average listener age should not fall below 50 for any sustained period without corrective action.

157 Since then, Radio 2’s reach among older listeners has increased, and the station’s average age has remained stable, at 51. Although the proportion of listeners under 35 has not fallen (stable at 17%), listeners aged 65+ now account for a slightly larger proportion of Radio 2’s total audience, up from 21.5% in 2009-10 to 23.2% in 2013-14.

158 RadioCentre states that the biggest gains to Radio 2’s breakfast programme have been from listeners younger than its service licence remit, as it has added 38% more 15-24 year-old listeners since 2009, and has reversed a decline in under 35 listening. It also states that it appears that Radio 2 has only produced programming of more appeal to older listeners during off-peak times, and that it is still underperforming in peak times for older listeners.

159 While it is the case that the breakfast programme has increased its reach among younger listeners since 2009-10, this was from a much smaller base (as reach has grown from 7.4% to 8.9% among 15-34 year-olds), compared with growth from 21.6% to 22.6% among adults aged 35+. The average age of listener to the breakfast programme has fallen from 52 to 51 but remains within the range we would expect from the station.

160 It is important that all individual programmes are clearly working within Radio 2’s remit to serve over 35s, and we think that overall performance trends show that Radio 2 is clearly focusing on listeners over 35, and ensuring that those over 65 or 75 are not neglected. We do, however, recognise that some young listeners are likely, as an individual’s taste in radio will not always be defined rigidly by their age, and there are programmes that will serve mixed age groups in shared family listening, for example.

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47 Source: RAJAR
48 Source: RAJAR, adults 15+
49 Source: RAJAR, adults 15+, 2009-10 and 2013-14
Reach amongst BAME listeners remains considerably lower than the average

Radio 2 reaches a large number of people from a range of demographic groups. However, reach is considerably lower among black, Asian and minority ethnic (BAME) audiences. While the average age of the BAME population is younger\(^{50}\), even when looking at reach to BAME listeners among the target audience of adults aged over 35 only, reach is still lower, at just 12% compared with the 35% average, as shown in Figure 5.

**Figure 5: Reach of Radio 2 (%) by selected demographics, among adults aged 35+, 2009-10 & 2013-14**

<table>
<thead>
<tr>
<th>Demographic</th>
<th>2009-10</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>All over 35 year olds</td>
<td>32.6</td>
<td>35.3</td>
</tr>
<tr>
<td>BAME adults</td>
<td>9.9</td>
<td>11.9</td>
</tr>
<tr>
<td>Women</td>
<td>30.4</td>
<td>33.0</td>
</tr>
<tr>
<td>Social grade C2DE</td>
<td>27.6</td>
<td>29.8</td>
</tr>
<tr>
<td>Adults in Northern Ireland</td>
<td>15.7</td>
<td>17.4</td>
</tr>
</tbody>
</table>

Source: RAJAR 2009-10 and 2013-14

While there has been some growth in reach amongst this audience in the past five years, this increase has largely been reflective of the overall growth of the station, and the disparity between reach among BAME and white adults has not reduced. Performance of BBC radio overall is also much lower among BAME audiences. While Radio 2 exists as part of a portfolio of stations, and some have specific remits to appeal to BAME audiences, the station should aim to address this disparity, as Radio 2 has a remit to serve a broad audience.

**Action 8: Radio 2 should address the disparity in reach among BAME listeners**

Radio 2’s reach among BAME audiences over 35 is significantly lower than it is amongst white audiences. As Radio 2 has a remit to serve a broad audience over the age of 35, it should address this disparity.

*Timing: We will take an update in six months on Radio 2’s plans to address the disparity. We will report on progress in the BBC Annual Report and Accounts.*

There are some disparities in reach among other demographic groups

In our last review, we also recommended that Radio 2 aimed to reduce variations in reach between other demographic groups, as reach was lower amongst less well off (C2DE) listeners, people in Northern Ireland and women. As shown in Figure 5, Radio 2’s reach among women is now just under average, and while some disparities remain between ABC1 and C2DE audiences, we don’t think these are large enough to be a concern.

As shown in Figure 5, reach of Radio 2 remains significantly lower among adults in Northern Ireland, at less than half of the UK average. However, this should be taken in the context of

\(^{50}\) RAJAR data for 2013-14 (all adults 15+) shows that the average age of the UK adult population was 46 and the average age of the UK adults BAME population was 36
the very strong performance of BBC Radio Ulster/Foyle, which is listened to by 45% of over 35s in Northern Ireland each week51.

Our audience research showed that some listeners in Northern Ireland felt underrepresented by news, current affairs and traffic on Radio 2, and on hearing Northern Irish artists. While Radio 2 should look for ways to ensure it appeals to audiences throughout the UK, we don’t think that its lower reach in Northern Ireland is a significant issue, given the strong performance of Radio Ulster/Foyle.

**Radio 2’s very strong performance may be having an effect on listening to other BBC services**

Evidence suggests that Radio 2’s growth in listening may be having an effect on listening to other BBC services, including BBC Local Radio and Radio Wales, given they appeal to a similar demographic. We think it is important that the BBC considers how its portfolio of stations serves listeners, and how changes in listening to different stations may affect the BBC’s delivery of its public purposes. We will consider the performance of the BBC Nations and Local Radio services in separate reviews in 2015.

**We received a wide range of comments on Radio 2’s age target but see no reason to change it**

While Radio 1 has a clear remit to focus on a young audience, Radio 2 should target “a broad audience, appealing to all age groups over 35”. We have received a range of comments on whether this is a valid, or correct description of the audience for Radio 2.

Naturally, for many listeners, the idea of a radio station 'targeting' particular age groups is not valid. Some listeners feel that the respective target ages of Radio 1 and Radio 2 leave a gap where the BBC does not serve them properly: they feel too old for Radio 1 and not yet ready to move on to Radio 2. However, in our research many listeners said that they felt Radio 2 appeals to people in their late 20s as well as those aged over 35. Performance data illustrates this, as Radio 2 is listened to by around 17.5% of 25-34s each week52.

We heard from a number of stakeholders, including representatives from the music industry, who feel that there shouldn’t be an age gap in the target audiences between Radio 1 and 2, as the BBC should provide something for everyone. The BPI, for instance, states 6 Music is crucial in that regard and it is growing its audience as a result.

Having considered these views and the performance data showing how BBC radio stations serve different age groups, we conclude that there is not a major problem in terms of listeners in their early 30s not being well served by the BBC (as shown in Figure 1 in section 1.2).

Conversely, commercial radio wants Radio 2’s age target to be increased to 45+ in order that the most valuable audience of 25-44 year-olds can be left to the commercial market to serve. RadioCentre states that Radio 2 has been allowed to skew its content to a younger audience, and that it is time for this to be reversed. It also states that the BBC's pop music stations (Radio 1, Radio 2, 1Xtra and 6 Music) super-serve listeners aged 25-44. We do not agree that the BBC should consciously *not* serve particular age groups, as the licence fee gives it a duty to provide something for everyone across a range of services.

### 4.2 Quality

**Listeners’ perceptions of Radio 2’s quality are high**

In 2013-14, Radio 2’s average audience appreciation index (AI) score was 81. Of the BBC’s music stations, this is behind only 6 Music and Radio 3 and has remained stable over the last

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51 Source: RAJAR 2013-14
52 Source: RAJAR 2009-10 and 2013-14
five years\textsuperscript{53}. More than two thirds (69\%) of Radio 2 listeners are ‘high approvers’ of the service\textsuperscript{54}.

173 Our research showed that the station is seen very positively among listeners – they are enthusiastic and praise its well-established presenters, its mix of music, its high production values and mature tone, and its daily current affairs.

174 Through our consultation Radio 2 also received positive feedback. The majority of listeners were favourable about the variety of music programming and it is felt to be an approachable station that balances music with the right amount of speech and informative discussion.

4.3 Impact - delivering the public purposes

"Radio 2 is the ‘friendly’ station. It’s informal and informative without being superior."

"I enjoy the mix of new and old on Radio 2. The balance of talk/ features/ music is just right."

"Radio 2 covers a diverse range of musical genres with something for everybody. I can’t think of a ‘gap’ that needs to be filled."

175 Radio 2 is expected to make a major contribution to the culture and creativity public purpose through its music, and also with its arts and comedy. It should also make important contributions to the citizenship and education and learning purposes.

**Stimulating creativity and cultural excellence**

**Radio 2 provides a very distinctive music offer in its daytime programmes**

176 The BBC’s latest music monitoring shows that Radio 2 plays a wide range of music. As shown in Figure 6, some 51\% of music played was pop, with the remainder made up of a wide range of different genres. This was wider than any of the commercial stations it was monitored against. Members of the recorded music industry were positive about Radio 2’s music, stating that the station plays a wider range of genres than would be heard elsewhere.

\textsuperscript{53} Source; BBC Pulse Survey, adults 16+

\textsuperscript{54} Source: BBC Accountability and Reputation Tracker, adults 16+ who had listened in the last seven days, 2013-14. ‘High approvers’ are those rating 8 or more out of 10 for general impression.
The analysis showed that Radio 2 played 612 different songs during daytime in the week analysed, and that this was higher than any of the commercial stations with which it was compared. The analysis also shows that the overlap of songs played on Radio 2 with those on commercial stations is extremely low. When weighted to allow for the number of plays each song received, the average overlap between Radio 2's music and the commercial stations was 9%. Of the stations monitored, the overlap was largest with Absolute and Magic, at 12%.

RadioCentre commissioned similar analysis, which showed that 40% of tracks played in Radio 2 daytime were unique, when compared with the tracks played in daytime on 87 different commercial radio stations. It states that this level is too low, and that the majority of individual tracks on BBC stations in weekday daytime should be distinct from commercial radio.

We do not think that the music played on Radio 2 should be more different from a very wide range of commercial radio stations. We think the current levels of overlap show that Radio 2 is highly distinctive from commercial radio in terms of its range and mix of music in daytime, as well as in its specialist programming. The key is to maintain this.

Radio 2 plays a wide range of music

Radio 2 plays music from a very wide range of eras: in daytime hours alone, while 23% of the music played was new, the remaining 77% covered music from several decades. Some 17% was from the 1960s or before, and there was a similar proportion from both 1970s and 1980s music. In addition, as shown in Figure 6 above, it plays a very wide range of different genres of music in its daytime output.

As part of the BBC's overall commitment to new and UK music, Radio 2 has service licence commitments to ensure that at least 40% of its music in daytime is from UK acts, and at least 20% is new. It is consistently meeting these conditions: in 2013-14 an average 48% of music was from UK acts and 23% was new.

The response to our consultation and our audience research showed that listeners are largely positive about the music on Radio 2 and recognise its diversity and the feeling that a mix of new and old music helps the station appeal to listeners of mixed ages. RadioCentre states that Radio 2's music in daytime is not as challenging as it might be and that the station is now defined by a mainstream music playlist. However, we do not think that analysis of the output bears this out.
Radio 2’s music overlap with other BBC stations is low

In our last review of Radio 2 and 6 Music (published in 2010), we asked the BBC to incorporate song overlap into its regular performance reports to ensure that the levels of overlap in daytime remained at a low level.

The BBC’s analysis shows that just 2% of the tracks played by Radio 1 and 2, and 2% of tracks on Radio 2 and 6 Music were shared. The overlap with 1Xtra was much lower, at just 0.7%. Of the 899 songs played across either Radio 1 or Radio 2, just 20 songs were played on both networks, and only five tracks were played more than five times on either.

Radio 2’s specialist music programmes have smaller audiences, but are highly appreciated

Radio 2 has a service licence commitment to provide at least 1,100 hours of specialist music content, and in 2013-14 it broadcast 1,143 hours. This is largely made up of genre specific programming broadcast in evenings and at weekends, and includes, for example, the Jamie Cullum jazz programme, The Folk Show with Mark Radcliffe, Bob Harris Country and Elaine Page on Sunday.

Listeners responding to our consultation and our Audience Councils praise the evening and specialist programmes: they feel that the presenters are passionate and bring a broad range of knowledge on music styles they would not normally hear.

RadioCentre thinks that too much of Radio 2’s specialist UK music is broadcast outside of peak listening times. We think it is natural that programmes catering to specialist interests would be scheduled out of peak time. We note that Radio 2 has brought more specialist music content into daytime programming through initiatives such as the annual 2 Day, in which the schedule is turned around, as well as through regular editorial features and its daytime playlists. While some listeners would like more specialist content in daytime, our research showed that many listeners found the evening content too specialist or niche for their tastes, which suggests why it would not work.

Live music is viewed very positively

Radio 2 has a service licence commitment to broadcast at least 260 hours of live music each year, and in 2013-14 it broadcast 288 hours. Our audience research shows that live music on Radio 2 is viewed very positively: Listeners feel it has excelled in this area in recent years, citing Glastonbury coverage, Proms in the Park and Saturday Sessions as examples.

Sustaining citizenship and civil society; promoting education and learning

Radio 2 has a high level of speech in its daytime programmes and its presenters are key to the delivery of its public purposes

Our research and consultation showed that Radio 2 is viewed very positively for its balance of music and speech. Audiences feel there are well established and high-quality presenters and that Radio 2 is more personality-led than other stations. Listeners clearly tune in primarily to hear their favourite presenters. Our discussions with the BBC also highlighted the importance of the presenters in delivering the station’s remit.

Our audience research showed that Radio 2 is seen to be very effectively delivering its public purpose commitments through presenter speech in daytime programmes as well as evening output. Its news bulletins and its weekday current affairs programme are key to its delivery of the citizenship purpose. The station’s news is positively received by audiences for being accurate, up to date and trustworthy.

Radio 2’s lunchtime current affairs programme, presented by Jeremy Vine, reaches a very large audience and is highly appreciated by its listeners. In 2013-14 some 7.1 million people listened each week, making it the BBC’s highest reaching news and current affairs programme.

Source: BBC analysis, June 2014
In our research, listeners praised Radio 2 for its in-depth coverage of current affairs and its balanced debates, which reflect multiple aspects of an argument.

**Radio 2 promotes education and learning via daytime and evening documentary output**

Radio 2 has service licence quotas to broadcast more than 100 hours of arts programming, at least 130 hours of documentaries, and 170 hours of religious output each year covering a broad range of faiths. It consistently meets these quotas.

In 2013-14, Radio 2 provided 135 hours of new documentary output. These were largely broadcast on weekdays at 10pm, and focused on music and entertainment subjects. Our consultation found that the programmes are valued for being informative, interesting and entertaining. There is no year round strand, but a variety of titles, with recent examples including *Journey to Africa with Idris Elba, Bill Kenwright’s Golden Years,* and *Paper Cuts.* While listening levels to individual programmes are not available, the slot (Mon-Thurs, 10-11pm) reached an audience of 825,000 each week in 2013-14.

In the last service review we introduced a condition to safeguard the amount of documentary programming Radio 2 should provide, as this was previously not specified. The service licence quota does not, however, specify that this should be made up of new programmes, so we will amend the service licence to clarify this.

Radio 2 provided 115 hours of arts programming in 2013-14, largely through *The Radio 2 Arts Show with Claudia Winkleman,* broadcast on Friday evenings. The programme reached a weekly audience of 353,000 in 2013-14, and scored an average AI of 75.

Radio 2’s religious output quota is met through programming including *The Sunday Hour* and *Good Morning Sunday,* which reach around 444,000 and 2.2 million people each week respectively, as well as *Pause for Thought,* which is broadcast throughout the week. Each year it also broadcasts a short season of religious programming in its *Faith in the World Week.*

**Radio 2 has successfully harnessed its popularity to promote a range of public purposes in daytime programming and should continue to do so**

In our last service review, we stated that Radio 2 could enhance delivery of the BBC’s public purposes by further integrating peak and off-peak programming. The BBC developed plans to take elements of off-peak content, such as comedy, the arts and documentaries, and include them as part of peak time programming.

RadioCentre feels that there is still more scope for Radio 2 to use its speech output more effectively to promote the public purposes, and considers that there is a lack of content of real substance outside the dedicated current affairs and documentary programming. However, we do not feel that this is the case. We think there is greater public value in including elements of specialist output in broad-interest daytime programmes, which reach a large audience, than in placing full-length documentaries into the schedule where they would inevitably attract a much smaller number of listeners. Listeners appear to recognise this, as Radio 2 is seen as a key source of information and education for its audience, who feel they learn a great deal about the music played.

Since the last service review, Radio 2 has made significant progress in bringing more distinctive content into daytime programming. Radio 2’s ‘creative calendar’ shows how this happens across the year, with examples every week, including: a large amount of programming around the World War 1 centenary; programming throughout daytime marking

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56 Source: RAJAR
57 Source: RAJAR
58 Source: RAJAR and BBC Pulse Survey, 2013-14
59 Source: RAJAR
the 70th anniversary of D-Day; the children’s writing competition 500 Words; the Radio 2 Book Club at drivetime; and the Radio 2 Comedy Awards.

200 We also note that the majority of promotional trails on the station are for specialist, off-peak content60. We are content that Radio 2 has been successful at harnessing its popularity to promote a range of public purposes within daytime entertainment programmes, and we expect it to continue doing so.

We will change Radio 2’s service licence to more accurately reflect its comedy and readings

201 In 2012, as part of the BBC’s Delivering Quality First (DQF) plan, we agreed to a reduction in the volume of comedy on Radio 2, with some comedy programmes replaced by showcases and ad-hoc series. Radio 2 now has the annual comedy awards, which is now featured in daytime, along with some other ad hoc programming. To reflect this change we will amend Radio 2’s service licence to remove reference to “regular” comedy programming.

202 We will also remove the reference to readings in Radio 2’s remit. While the station still features readings – such as those from the children’s writing competition, 500 Words, in its breakfast show – there is no longer a regular readings slot on the station. We will include a commitment to readings under part 2 of the service licence, within its contribution to the culture and creativity purpose.

Radio 2 provides social action output through pan-BBC and its own initiatives

203 Radio 2 has service licence commitments for providing social action output. It should actively support pan-BBC learning and social action initiatives, and work with partners on its own social action campaigns to increase impact. In our last service review, Radio 2 stated that it would adopt a more ambitious approach to social action campaigns, and that these would seek to bring cultural, as well as social, benefits.

204 Radio 2 delivers social action and learning output through a range of programmes in peak time, including support for pan-BBC campaigns such as Safer Internet Day and the classical music learning initiative Ten Pieces, as well as with its own initiatives including its digital literacy Mail; a My Favourite Painting campaign, which encouraged listeners to consider the world’s most famous paintings; a Guitar Season, which included online learning tutorials, and regular features such as The Radio 2 Book Club.

205 RadioCentre’s submission highlights low audience awareness of social action output, and states that Radio 2 should increase the volume, ambition and prominence of its social action output. We do not agree that awareness of social action is a valid measure of success, as it is often not labelled as such, and we think Radio 2 has been affective at providing a wide range of features with social and learning benefits.

4.4 Online and future challenges

Online is not currently a major part of Radio 2’s offer

206 Usage of Radio 2’s website is relatively low, given the number of listeners: in 2013-14 it reached an average 586,000 unique browsers each week. While this has increased by around 21% on the previous year, it is significantly lower than Radio 1 or Radio 4’s sites, despite the station reaching a larger audience61.

207 As noted in section 1.2, radio listening hours are falling, as listeners now have access to music from a much wider range of sources. However, this challenge is not currently as significant to Radio 2 as it is for other stations. The station has the highest hours per listener of any BBC

60 Source: BBC management information

61 Source: BBC iStats
radio station, and this has remained broadly stable over the last five years, while many other stations have seen listening hours decline.

In discussions with Radio 2, the station agreed that its online performance is not that strong, but noted that it appears to be less important to its audience, who value Radio 2 as a traditional radio station. We agree that online does not currently need to be a priority for the station.

There are some aspects of Radio 2’s digital offer that perform very well. Its Red Button coverage is very popular and achieves large audiences. For instance, Red Button coverage of Radio 2 in Hyde Park reached 1.2 million people, while Status Quo, Radio 2 in Concert reached 1.3 million.62

4.5 Value for money

Radio 2’s programme-making spend has fallen over the last three years and it has plans for further savings

Radio 2 spent £47.8 million in 2013-14 against its service licence budget of £47 million. When including Radio 2’s contribution towards the BBC’s central costs of distribution and infrastructure/support costs, the total cost of Radio 2 was £60.8 million in 2013-14.

Radio 2’s content spend is comprised of programme-making costs directly controlled by Radio 2 and an allocation of centrally managed content-making related costs, the majority of which consist of rights payments and centrally allocated overheads. As shown in Table 5, the majority of Radio 2’s content spend goes towards the BBC’s centrally allocated content-making related costs, accounting for £29.4 million out of the total £47.8 million in 2013-14, with the remaining £18.4 million spent directly by Radio 2 on its programmes.

Table 5: Breakdown of Radio 2’s spend, 2011-12 to 2013-14 (£millions)

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Change 2011-12 to 2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred making Radio 2 programmes (1)</td>
<td>21.7</td>
<td>20.6</td>
<td>18.4</td>
<td>-3.3</td>
</tr>
<tr>
<td>Content-making related overheads allocated to Radio 2 (2)</td>
<td>25.5</td>
<td>27.2</td>
<td>29.4</td>
<td>+3.9</td>
</tr>
<tr>
<td><strong>Total content spend</strong></td>
<td><strong>47.2</strong></td>
<td><strong>47.8</strong></td>
<td><strong>47.8</strong></td>
<td><strong>+0.6</strong></td>
</tr>
<tr>
<td><strong>Service Licence Budget</strong></td>
<td>48.3</td>
<td>47.7</td>
<td>47</td>
<td>-1.3</td>
</tr>
<tr>
<td>Spend vs. budget</td>
<td>-2.3%</td>
<td>0.2%</td>
<td>1.6%</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>4.6</td>
<td>5.3</td>
<td>5.7</td>
<td>+1.1</td>
</tr>
<tr>
<td>Infrastructure/Support</td>
<td>8.7</td>
<td>9.0</td>
<td>7.3</td>
<td>-1.4</td>
</tr>
<tr>
<td><strong>Total spend</strong></td>
<td><strong>60.5</strong></td>
<td><strong>62.1</strong></td>
<td><strong>60.8</strong></td>
<td><strong>+0.3</strong></td>
</tr>
</tbody>
</table>

Notes: (1) Programme costs include all direct costs of making programmes on Radio 2, including production and staff costs, commissioning and scheduling, and a contribution to the BBC’s newsgathering costs.

(2) The BBC’s central content-making related costs that are allocated to Radio 2. This includes Radio 2’s contribution to rights payments and other overheads such as buildings, studios, insurance and training.

Source: BBC management data, BARB / TRP, 1+ minute reach
Radio 2’s content spend has remained broadly stable since 2011-12. The cost of making Radio 2 programmes has fallen by £3.3 million, while the BBC’s centrally managed costs allocated to Radio 2 have increased by £3.9 million.

Radio 2’s reduction in direct programme-making costs is largely due to productivity savings, including reduced production staffing and supplier re-negotiations. Some changes in scope have been required, including the removal of some comedy programming (approved by the Trust in 2012), schedule changes and a reduction in spend on Friday Night is Music Night.

In the longer term, since 2009-10, Radio 2 has reduced production costs by around £3.4 million, including a reduction of more than £2 million in talent costs. Further savings of around £3 million, mostly from productivities, are planned for Radio 2’s programme-making spend between 2014-15 and 2016-17 in order to meet BBC Radio’s overall savings target.

Radio 2’s increase in central content-making related costs is due to an increase in the rights payments and BBC overheads costs, as noted in paragraph 46.

Radio 2’s cost per listener hour is very low, and it provides very good value for money

Due to its very high levels of listening, Radio 2’s cost per listener hour was 0.5 pence in 2013-14, the lowest of any of the BBC’s radio stations. It has been stable at this level since 2009-10. We have concluded that Radio 2 is providing listeners with very good value for money. While making savings required, it has maintained a distinctive proposition, and has increased its audience.

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63 Source: BBC Management financial data
64 Source; BBC Annual Report and Accounts
5 BBC 6 Music

The remit of BBC 6 Music is to entertain lovers of popular music with a service that celebrates the alternative spirit in popular music from the 1960s to the present day. Its programmes juxtapose current releases outside the mainstream with earlier recordings, including music from the BBC Sound Archive. It should provide context for the music it plays, and support live music and new artists.

5.1 Reach and Quality

6 Music is performing very well indeed, with a growing, very loyal and appreciative audience

217 All evidence we have gathered for this review shows that 6 Music is performing very well. Listeners have high perceptions of quality, driven by the station’s music offer and its knowledgeable presenters. Our research showed that listeners value the station for its unique music offer, and see it as a home for people who really love music. Similarly, respondents to our consultation were overwhelmingly positive about the station, and demonstrate a very strong sense of loyalty and appreciation of the station’s music and presenters.

218 The BBC’s regular audience surveys also reveal extremely positive perceptions: some 83% of listeners are ‘high approvers’ of the station, and this has increased slightly in the last few years. The audience appreciation index (AI) score is highest of any of the BBC’s music radio stations, with an average of 82.3 in 2013-14.

219 6 Music has increased its reach significantly over the last few years, and it is now the UK’s most popular digital-only radio station. By the end of 2014, it reached 2.1 million adults each week, equating to 3.9% of UK adults. This has almost trebled since 2009-10, when it reached 722,000 adults.

220 In contrast to many other stations, 6 Music has also increased its average hours per listener from 6.5 hours per week in 2009-10 to almost 9 hours of the station per week, (although it has fallen in the latest quarter). This is higher than any other digital radio station, and demonstrates listeners’ increasing loyalty to 6 Music.

Reach has increased among all demographic groups; while some groups are more likely to listen than others, we don’t think this is a problem

221 The increase in 6 Music’s reach has come from all age groups and demographics, although it remains higher among some demographic groups. Reach is higher among 25-44 year-olds and among ABC1 listeners, men and white listeners, as illustrated below:

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65 Source: BBC Accountability and Reputation Tracker, adults 16+ who had listened in the last seven days, 2013-14. ‘High approvers’ are those rating 8 or more out of 10 for general impression.
66 Source: BBC Pulse Survey, adults 16+
67 Source: RAJAR
68 Source: RAJAR
6 Music's current audience profile does not raise any particular concerns, although, as the station grows further, we would not wish to see it become more imbalanced in ethnicity in particular, as this is an issue that affects most BBC radio stations.

5.2 Impact - delivering the public purposes

"6 Music is a fantastic service, which for me justifies the licence fee alone. It has a broad range of musical genres, excellent, knowledgeable presenters, and a brilliant mix of new artists and music from the past."

"Plays a huge range of less mainstream music not available on other stations"

6 Music delivers the culture and creativity purpose very effectively through its strong focus on music

6 Music is required to make a very important contribution to the creativity and cultural excellence purpose, and it does this largely through its focus on music. It should reflect the evolution of popular music through extensive use of the BBC archive, and should reflect the breadth of work produced by iconic artists, including a high proportion of less familiar tracks.

Our consultation and research showed that listeners view 6 Music very positively for the diverse range of music it provides. Listeners see it as a sanctuary from chart music and feel that the station enhances their appreciation of music. They told us that the music played does not feel restricted by a central playlist, and that it feels like a genuine alternative to what’s available elsewhere.

A range of organisations in the music industry also expressed strong support for 6 Music. The Musicians’ Union states that 6 Music is important, and provides a service which the commercial sector does not; and the British Academy of Songwriters, Composers & Authors (BASCA) states they welcome and encourage the development of alternative music broadcasting, and that many of their members rely on it for airtime.

The BBC’s music analysis shows that 6 Music plays a very wide range of music: it played 648 different songs during daytime in the latest week analysed, higher than any of the other stations monitored, and its music is clearly distinctive when compared with commercial radio stations. RadioCentre’s submission to the review highlights how 6 Music clearly seeks to
provide different music output to that played on other radio stations. Its analysis showed that 81% of its tracks are not played on the other stations it analysed, although it notes that this falls to 69% in daytime.

6 Music’s crossover of music played in daytime with other BBC stations is also low, as just 2% of its tracks played in daytime are shared with Radio 1 and Radio 2, and there is a very low overlap with 1Xtra (at 0.4%).

Listeners think that 6 Music plays the perfect blend of old and new music

6 Music has a service licence commitment that no more than 30% of all music played each year should be new, and it consistently meets this quota. In 2013-14, 28.5% of its music was new. Respondents to our consultation and research were positive about 6 Music’s blend of old and new music. Our research showed that listeners feel they can discover new music in all 6 Music programmes and that the station does well in supporting new talent, although some feel it could be doing even more to champion unsigned and underground artists.

6 Music provides a large amount of live music and archive sessions

6 Music has a commitment to broadcast at least 300 new live sessions each year, which it is consistently meeting: in 2013-14 it provided 314 new sessions. This is done through sessions throughout the year, across its schedule, and through its annual 6 Music Live event. Respondents in the consultation were very positive about the live music on the station.

However, our research showed that, while audiences feel there is a good amount of live music to be heard, some feel that the scheduling of live music is not very prominent. We think that 6 Music should consider how it can make more impact with the live sessions it broadcasts, both on air and online.

6 Music also has commitments to play music from the BBC archive. It must provide at least 400 hours of archive performance each year, and 15% of all music played must be tracks or sessions from the BBC archive. In 2013-14 it provided 416 hours of archive concert performance, and 15% of music broadcast was from the BBC’s archive.

The BBC would like to change the way it measures the amount of tracks or sessions from the BBC archive, as measuring it as a percentage of its total music output is time consuming and costly. We have agreed to change the condition from a percentage quota to a measurement of the number of tracks or sessions, as this would be simpler to track. It would not result in any change to the amount of archive output.

As an equivalent to 15% of music coming from the archive, in future the station will be required to broadcast at least 6,500 archive tracks or sessions, with at least 1,150 of these in daytime. This will ensure that archive music is featured throughout the station’s schedule. We will amend the service licence to reflect this change in measurement.

In our last service review, the Trust stated that there was scope for 6 Music to better reflect musical creativity from different parts of the UK. Evidence we have gathered for this review shows that 6 Music is doing better in this respect, both with its live events coverage from across the UK and as a result of a number of 6 Music’s programmes now being broadcast from Salford.

6 Music also contributes to the education and citizenship purposes

6 Music should make an important contribution to the education purpose, by significantly extending the range of music available to its audience, by providing context for the music it plays with regular documentary slots, and by providing social action campaigns.

Our research and consultation show it is doing this very effectively. In our consultation, listeners were enthusiastic about the content and quality of the speech programming, and the presenters were praised for their depth and knowledge and ability to convey information in an engaging style. Research shows it is seen to introduce and showcase alternative music for its audience, who feel they learn about music from it.
6 Music has a service licence commitment to provide at least 10 hours each week of speech-based features, documentaries and essays. This is largely made up of archive documentaries, which are played out overnight. As such, listening levels are low: we estimate that 6 Music’s weekday overnight slot (1 to 5am) reached around 43,000 adults each week in 2013-14.

In addition to its documentary slots, 6 Music is increasingly bringing a wider range of editorial content into daytime programming, through features and seasons of programming (with recent examples including features around Libraries and Cycling). Evidence we have gathered shows that 6 Music’s speech output is highly valued, and we think this approach is an appropriate way to bring strong editorial content to a larger audience.

Listeners also feel that 6 Music delivers the citizenship purpose through its trusted and accurate news updates.

5.3 Future developments and online

Use of 6 Music’s website is fairly strong and it performs well on social media

In 2013-14, 6 Music’s website was used by around 250,000 unique browsers each week and this has increased from around 200,000 in 2012-13. Alongside this, 6 Music’s performance on social media is fairly strong, with around 250,000 followers on Twitter, and almost 200,000 on Facebook. As with other BBC radio stations, we think it is important for 6 Music to seek opportunities to deliver its remit online as well as by broadcasting.

5.4 Value for money

6 Music’s spend on content has been stable over the last three years, although some savings have been made and some further savings are planned

6 Music spent £7.9 million in 2013-14 against a service licence budget of £8.0 million. When adding in 6 Music’s contribution towards the BBC’s distribution and infrastructure/support costs, the total cost of 6 Music in 2013-14 was £12 million.

As shown in Table 6, some £4.7 million of 6 Music’s total content spend in 2013-14 was from direct programme-making costs; the remainder of £3.2 million was for centrally managed BBC costs, including overheads and royalty payments.

<table>
<thead>
<tr>
<th>Table 6: Breakdown of 6 Music’s spend, 2011-12 to 2013-14 (£millions)</th>
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<td><strong>Spend vs. budget</strong></td>
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Source: RAJAR, 2013-14
Source: BBC iStats
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Notes: (1) Programme costs include all direct costs of making programmes on 6 Music, including production and staff costs, commissioning and scheduling, and a contribution to the BBC’s newsgathering costs.

(2) The BBC’s central content-making related costs that are allocated to 6 Music. This includes 6 Music’s contribution to rights payments and other overheads such as buildings, studios, insurance and training.

Source: BBC Annual Report and Accounts and BBC Finance. Note some small inconsistencies in totals and percentages are due to data rounding.

243 6 Music’s programme-making spend has fallen by £0.4 million since 2011-12. Due to a £0.5 million increase in 6 Music’s contribution to centrally managed costs, its overall content spend has remained broadly stable.

244 As agreed in 2012, 6 Music is making a smaller contribution than other stations to the BBC’s overall savings target. Most of its contribution is from productivity savings, although some changes in scope, including a small reduction in spend on live music, have been necessary. BBC Radio has plans for 6 Music to make further savings of around £0.2 million between 2014-15 and 2016-17.

245 6 Music’s relatively low budget in comparison with the BBC’s mainstream network stations means that it must work collaboratively with other areas of the BBC. For instance, as it has no specific documentary budget of its own, it collaborates with other stations on some programmes.

**6 Music’s cost per listener hour has fallen and it is providing very good value for money**

246 Due to a sizeable increase in listening hours, 6 Music’s cost per listener hour has fallen significantly over the last few years, down from 2.7 pence in 2009-10, to 0.9 pence in 2013-14. It now has the second lowest cost per listener hour, behind only Radio 2, of the BBC’s music radio stations.

247 6 Music’s low spend compared with other network stations and its increased listening levels mean it is providing very good value for money to licence fee payers.

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21 Source; BBC Management financial data
22 Source: BBC Annual Report and Accounts
6 Radio 3

The remit of Radio 3 is to offer a mix of music and cultural programming in order to engage and entertain its audience. Around its core proposition of classical music, its speech-based programming should inform and educate the audience about music and culture. Jazz, world music, drama, the arts and ideas, and religious programming should feature in its output.

The service should appeal to listeners of any age seeking to expand their cultural horizons through engagement with the world of music and the arts.

6.1 Reach

Radio 3’s reach is stable, although there has been some decline in listening among younger people

Radio 3’s reach has overall been broadly stable over the last ten years, as around 2 million people listen each week, or 3.8% of all UK adults. On a quarterly basis, while listening levels have fluctuated, reach has stayed between 1.7 million and 2.3 million, as shown in figure 8 below, so that on an annual basis it has been stable since 2004.

Figure 8: Radio 3 reach (millions) by quarter, Q1 2004 to Q3 2014

Source: RAJAR

By demographic, Radio 3’s reach is higher amongst older, white, ABC1 listeners, and people in the South of England.

By age, Radio 3’s reach has fallen among listeners aged 35-54, who have been seen by the station as ‘replenishers’ to its existing audience. In 2013-14 reach among this age group was down to 2.7%, from 2.9% in 2009-10 and from 3.9% in 2003-04. However, this decline has not affected the station’s overall reach. The disparities among other demographic groups have remained fairly stable over the last five years.

Radio 3 does not have any requirement to target a broad audience, as its remit is to serve “listeners of any age seeking to expand their cultural horizons through engagement with the world of music and the arts”. We think that new listeners to Radio 3 might be found from any age group, and that Radio 3 should continue to think broadly about ways to increase its

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73 Source: RAJAR
74 Source: RAJAR
appeal to a diverse audience, without compromising its delivery of the public purposes, and that this can be done by emphasising its distinctiveness.

252 The average hours of listening to Radio 3 have remained largely stable over the last five years, at just over 6 hours per week. While this is lower than some of the other BBC stations, this reflects Radio 3’s high overlap in listeners with other BBC stations: 73% of its audience also listen to Radio 475.

6.2 Quality and distinctiveness

Radio 3 listeners perceive it to have very high-quality programming

253 Our audience research and public consultation showed that listeners see Radio 3 as very high quality. This perception covers both the music – where Radio 3 is seen to play the best classical, opera, jazz and contemporary music – and the presenters, who are felt by listeners to be authoritative and expert in their field. Audience group Voice of the Listener and Viewer (VLV) state it members are loyal supporters of Radio 3, and that a great strength is the wide range of music genres played each week.

254 Regular audience surveys also show that perceptions of quality are very high. Some 62% of listeners are ‘high approvers’ of the service76. and the average AI is second highest of all of the BBC’s network radio stations, at an average 81.9 in 2013-1477.

255 We received a large amount of praise from stakeholders regarding the quality of Radio 3, with many organisations commenting that it is high quality and provides distinctive output. The Association of British Orchestras, for example, feels it performs extremely well against the terms of its service licence, delivers high-quality, distinctive content and plays a vital role in ensuring the full diversity of music and cultural programming is delivered by the BBC. The Music Publishers Association (MPA) states its members fully support and applaud the work of Radio 3, while UK Music states that Radio 3 is an essential service whose role in sustaining a healthy classical sector cannot be overstated.

Radio 3’s contribution to UK music and culture is significant, although there is an ongoing debate about how it delivers its remit

256 Since its establishment in 1967, Radio 3 has been the subject of a debate about whether it should be unashamedly ‘challenging’ in delivering its remit of music and culture, or whether it should aim to make its remit more accessible to a wider range of listeners.

257 When we completed our last service review in 2011, Radio 3 was making some editorial changes to some daytime programmes in order to become more accessible and welcoming to new listeners. While these changes were criticised by some listeners and stakeholders, we endorsed the station’s general aim. However, we warned that any changes should not result in a reduction of the high levels of quality and distinctiveness on Radio 3, nor alienate the core audience.

258 Some further small programming changes have been made since then. The changes do not appear to have attracted many new listeners, as Radio 3’s audience size has not increased. (Of course, we do not know the counter-factual in terms of listening levels if the changes had not been made.) Listening levels for the breakfast and afternoon programmes have been fairly stable over the last few years, although they fluctuate on a quarterly basis78.

75 Source; RAJAR
76 Source: BBC Accountability and Reputation Tracker, adults 16+ who had listened in the last seven days, 2013-14. ‘High approvers’ are those rating 8 or more out of 10 for general impression.
77 Source: BBC Pulse Survey, adults 16+
78 Source: RAJAR
In its submission to this review, listener group Friends of Radio 3 asserts that the main focus of Radio 3’s classical music output (with the exception of Hear and Now) is not on being ‘challenging’, but being ‘accessible’. They also state that industry and audiences have complained that Radio 3’s strategy [of becoming more accessible and welcoming] has damaged elements of the station that were highly valued.

Our view is that, whatever editorial approach is taken, Radio 3 continues to make a very significant contribution to UK classical music, as well as to other music and culture through its programming, as detailed below.

- In 2013-14 around 57% of its musical output was live or specially recorded, coming from around 150 venues. With live music performances every weekday lunchtime and evening, the station provided 593 live or specially recorded performances.
- It is a major commissioner and platform for new classical music: last year, in 2013-14, it commissioned 28 new music works; the BBC Orchestras and Singers gave 65 world premieres, and a further 36 UK premieres via its weekly new music programme.
- Its programming beyond classical music includes jazz and world music, a range of speech programming, including more than 30 documentaries and 25 long-form dramas, as well as around 90 full length operas each year.

This demonstrates the range of ‘challenging’ output that Radio 3 provides, for instance through its new music output, its live broadcasts, which often contain new or rare music, as well as through its wide range of speech programming. Because Radio 3 makes such an important contribution to UK culture, it is inevitable and healthy that there is debate about how Radio 3 delivers its remit to provide classical music, arts and culture. The debate will undoubtedly continue, with listener and stakeholder groups offering opinions about what is right for the station.

Radio 3’s distinctiveness from Classic FM has also been debated extensively

Since the launch of Classic FM in 1992, there has also been a debate about the extent to which Radio 3 is distinctive from this service. During this review, there has been considerable comment, particularly from Classic FM itself and the commercial radio trade body RadioCentre, on this matter.

We have investigated the allegation that Radio 3’s music has become similar to Classic FM’s in peak listening periods by analysing the classical music played on the two stations over a two-week period in September 2014 in order to test whether the stations are similar to each other.79

The analysis shows that Radio 3’s classical music is different to Classic FM’s in terms of type and range, as outlined below.

- The average length of a piece of classical music played on Radio 3 is longer, at around 9.5 minutes compared with around 5.5 minutes on Classic FM, reflecting that Radio 3 often plays full length works.
- The type of music played on Radio 3 was more varied too: around 80% of pieces played on Classic FM were orchestral, compared with around 40% on Radio 3, which also features chamber, choral and piano music prominently.

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79 This analysis used a log of music played on Radio 3 provided by the BBC, along with information gathered from Classic FM’s playlist, published on its website. (Note we substituted a small amount of content for Classic FM from a later week, due to some gaps in the published data at the time of sourcing). This analysis only looked at Radio 3’s classical music programmes (and excluded review-type programmes, such as CD review, where short excerpts of music are played), but included all of Classic FM’s output. We estimated the average length of track on Classic FM using the published start times of each piece, then subtracting the estimated amount of speech content, based on a sample of six hours of listening. The categorisation of ‘type of music’ was undertaken by the BBC.
• Despite playing fewer pieces overall, Radio 3 plays a wider range of composers: over the two weeks monitored, Radio 3 featured around 1,400 plays of classical pieces compared with around 2,600 on Classic FM, but in this time Radio 3 played music by around 420 different composers, compared with around 360 on Classic FM. We, therefore, estimate that Radio 3 played around three pieces from each composer, compared with an estimated seven per composer for Classic FM.

264 While this analysis revealed clear differences between the classical music played by the two stations across the schedule, it showed that, at breakfast time, Radio 3’s approach to music is more similar to Classic FM’s, as the length of track is the same at just under 5 minutes on both stations. However, the range of music is different, with around 50% of Radio 3’s music being orchestral pieces, compared with around 80% on Classic FM.

265 Respondents to our consultation, including Classic FM, also mention a range of other changes made by Radio 3, which, in the past few years, they believe have gradually eroded the gap between the two stations. Classic FM states that these include: Radio 3 having greater interaction from listeners, including requests, dedications and on-air phone calls; the introduction of features and programming pioneered by Classic FM in the area of classical music radio, such as a CD of the Week feature, a weekly album sales chart, the introduction of listener-voted polls, and a film music programme. Classic FM also conducted research among Radio 3 listeners, and found that more than a third think it has become more populist recently.

266 Radio 3’s breakfast programme has one on-air phone call each day, with a small amount of other interaction by means of email or social media. The breakfast programme also includes a segment covering the specialist classical chart and Radio 3 reintroduced a film music programme on Saturdays, which runs just before Classic FM’s own film programme.

267 While each of these programmes or features represents something similar to what is offered on Classic FM, we think that the two stations remain very different overall. Our research showed that Radio 3 is seen as distinctive by its listeners, on the basis of the approach it takes to presentation of music, which is seen as expert and sophisticated, and its wider range of programming to cover other genres of music, as well as arts and culture. Radio 3 should seek to focus on its strengths by maximising its distinctiveness across its whole output, without sacrificing the combination of expertise and accessibility that has been achieved in recent years.

Action 9: Radio 3 should maximise its distinctiveness

While individual programme and scheduling decisions are for BBC Radio, not the Trust, we think that the priority for Radio 3 should be to increase choice for radio listeners by maximising its distinctiveness and minimising similarities with other stations.

Timing: We will take an update in 12 months.

6.2 Impact - delivering the public purposes

"The presenters have a perfectly judged tone and are just friendly enough and expert enough to be the ideal companion to introduce the music."

"The range of music is remarkable. There are few days when I don’t hear something on Radio 3 for the first time"

"Like everything on Radio 3 the speech programming is high quality and often thought provoking and challenging. I have loved the Words and Music series"
Radio 3’s main contribution to the delivery of the public purposes is to culture and creativity. It should do so via its focus on music, live performance and the commissioning of new music. It should also commission new dramas and shape the UK’s arts agenda.

It should also make an important contribution to the education and learning purpose. It should support listeners’ exploration of music and arts, and should offer documentaries on arts and cultural topics.

Radio 3 has significant commitments to providing live classical music, and this is a key strength of the station

Radio 3 has a range of service licence commitments for the music it should provide: 40% of its music should be live or specially recorded, it should broadcast at least 400 live or specially recorded performances each year and should commission at least 20 new music works each year. It is comfortably meeting these commitments, as highlighted in paragraph 259.

In our consultation, Radio 3 received very strong praise from a range of stakeholders for its music. It is viewed positively for its role in nurturing and supporting new musical talent through schemes such as New Generation Artists and for its support of a wide range of orchestras in the UK. Radio 3 and the BBC’s performing groups are seen to be essential for the UK’s classical music sector, benefitting the creative economy and acting as a vital employer of musicians.

Listeners praise Radio 3’s music, in terms of its range and its sound quality. Our research showed that live concerts and performances, particularly Radio 3 Live in Concert and Lunchtime Concert, are seen by listeners to be major assets for the station. Listeners say that the broadcast performances give a unique feeling of being there.

The range of non-classical music on Radio 3 is strong and distinctive

Radio 3’s remit states that, as well as its core proposition of classical music, jazz and world music should feature in its output. It currently provides this through programmes on weekday evenings, including Late Junction, Jazz on 3 and World on 3, as well as through Jazz Record Requests and Jazz Line-Up on Saturdays.

In our research, listeners were positive about Radio 3’s wide variety of music. It was commended for going beyond classical, opera and contemporary music to include jazz and world music. Listeners feel this output makes it distinct from Classic FM. Some listeners responding to the public consultation did not support Radio 3 offering jazz music; however, many appreciated it.

Some stakeholders feel that jazz and world music has been reduced or marginalised

Through our consultation, we received a large amount of comment, largely from organisations with interests in jazz, as well as from some individuals, about the amount of jazz on BBC radio. Many feel that the BBC’s commitment to jazz music has reduced in recent years. This is a concern for them, as the BBC’s coverage is seen to be very important to the genre and to the UK’s musical culture more widely. While many praise Radio 3’s jazz coverage, we heard from some organisations that feel it is not seen as a priority, and some would like to see more jazz programming in daytime. RadioCentre states that Radio 3 should offer jazz and world music in daytime, and Classic FM states that Radio 3 should be required to broadcast the full range of its music output, including jazz and world music, across weekday peak-time hours.
We recognise the importance of Radio 3’s support for a range of types of music, but they are not currently the core of Radio 3’s offer, as set out in its service licence. Therefore, we would not necessarily expect jazz and world music to be a regular part of Radio 3’s daytime offer.

In their submission to this review, Friends of Radio 3 give a view that Radio 3 has reduced its more special interest programming, including for jazz and world music, while ‘entry level’ programming for new listeners has expanded. We do not think that this is true across the Radio 3 schedule, as most programmes are very clearly aimed at music enthusiasts.

While the provision of world music is reflected in the body of Radio 3’s service licence, jazz is mentioned only in its remit. While we do not intend to stipulate the amount of coverage Radio 3 should give to these genres, we will amend the service licence to include mention of providing jazz coverage under the “stimulating creativity and cultural excellence” part of the licence, in order to better reflect its importance.

Radio 3’s drama and arts are highly appreciated, although some listeners feel they are scheduled too late in the evening

Radio 3 has service licence commitments to broadcast at least 25 new drama productions each year and at least 30 new documentaries on arts and cultural topics. It is meeting these quotas: in 2013-14 it broadcast 32 new dramas and 47 documentaries.

Radio 3 offers smaller volume of new drama than Radio 4, which offers 600 hours of new drama and readings each year. However, Radio 3 offers a different type of longer-form drama than Radio 4, and adds to the BBC’s range in this genre overall.

Listener feedback in our consultation and research was positive about Radio 3’s speech programming, seeing it as a strength of the station and very distinctive. They told us that the programmes are of a high quality and are informative, challenging and interesting.

Radio 3 provides a wide range of speech programmes, which are mostly broadcast quite late in the evening. Weekly dramas are broadcast at 10pm on Sundays (outside of the Proms season), while its arts and ideas programme Free Thinking is broadcast on Tuesdays to Thursdays at 10pm, arts programme The Verb is broadcast on Fridays at 10pm, and documentary programme Sunday Feature is usually at 6.45pm on Sundays.

Reflecting such off-peak slots, reach of these programmes is fairly low. We estimate that Drama on 3 is listened to by around 74,000 people each week, Free Thinking by around 153,000, The Verb by around 67,000, and Sunday Feature by around 104,000. This output reaches a larger audience when taking catch-up into account: Radio 3’s weekly Arts and Ideas podcast is its most popular, with around 106,000 downloads per month in 2013-14.

Some listeners are frustrated by the late night scheduling of speech programming, and the audience groups Friends of Radio 3 and VLV comment on the late scheduling of drama. The drama slot was recently moved later, in order to fulfil Radio 3’s aim to broadcast a new live concert every night. Balancing Radio 3’s commitment to live music with its other programming requirements is challenging, and the BBC should look to ensure that it makes an impact with Radio 3’s speech programming.

We have agreed to a further slight reduction in the volume of new drama, but think this is now at the minimum viable level

In order to meet Radio 3’s internal savings targets, the BBC has proposed reducing the number of new dramas on Radio 3. We have agreed to a small reduction from its current quota of 25 per year to 20. This follows a reduction from 35 to 25 in 2012. The station intends offering a further 20 repeats, so that 40 dramas are broadcast each year in a weekly slot outside of the Proms season. The alternative to this cut would be cuts to Radio 3’s live music.

\[\text{Source: RAJAR 2013-14}\]
While we have heard concern from stakeholders, including Friends of Radio 3 and VLV, about the reduction in drama on Radio 3 that has already taken place, we think that a small further reduction is possible while still maintaining a viable volume of new drama on the station. We support the greater use of repeats, as drama programmes are high cost and so single transmissions do not represent good value for money.

**Action 10: We have approved a small reduction in the amount of drama on Radio 3**

We have agreed to a reduction in the number of new dramas from 25 each year to 20. We think that a small reduction is possible while still maintaining a viable volume of new drama on the station.

*Timing: We will amend the service licence immediately.*

### 6.3 Online performance

**Radio 3’s online performance is reasonable; there is an opportunity for improvements**

In 2013-14 Radio 3’s website was used by around 192,000 unique browsers each week, growing considerably from around 146,000 the previous year. Radio 3 has a relatively low number of followers on social media and relatively low volumes of online live listening. However, Radio 3’s download requests are increasing steadily.

Figures for various types of online access and interaction with Radio 3 suggest that these are less important to Radio 3 listeners than for listeners to some other stations. In our research, we heard that listeners’ primary consumption of Radio 3 is via traditional radio, and audiences feel Radio 3 is already available on all the platforms that want to consume from. In our consultation, a minority of Radio 3 listeners told us that they enjoy using iPlayer and BBC podcasts to catch up on missed programmes, but some find the station’s use of social media during programmes intrusive. In addition, we note that classical music sales are still predominantly physical (CD) sales.

However, there are opportunities for Radio 3 to be part of the BBC’s wider use of online to support arts and music, and there may be opportunities for Radio 3’s podcast and other digital offers to reach wider audiences.

### 6.4 Value for money

**Radio 3’s total content costs have increased slightly in the last few years, although savings have been made in programme making**

In 2013-14, the BBC spent £40.8 million on Radio 3 content. The station was also allocated a further £5.8 million of distribution costs and £10.1 million of infrastructure and support, giving a total cost of £56.7 million.

Of the total £40.8 million Radio 3 content spend in 2013-14, some £26.7 million was spent by Radio 3: £14 million was spent directly by the station on programmes, and a contribution of £8.5 million was made to the BBC Performing Groups and £4.2 million to The Proms. The remaining £14.1 million of content spend was controlled centrally by the BBC and included music royalties and overheads.

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81 Source: BBC iStats
Table 7: Breakdown of Radio 3’s spend 2011-12 to 2013-14 (£millions)

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</table>

Notes: (1) Programme costs include all direct costs of making programmes on Radio 3, including production and staff costs, commissioning and scheduling, and a contribution to the BBC’s newsgathering costs. It also includes Radio 3’s contribution towards the Proms and Performing Groups.

(2) The BBC’s central content-making related costs that are allocated to Radio 3. This includes Radio 3’s contribution to rights payments and other overheads such as buildings, studios, insurance and training.

Source: BBC Annual Report and Accounts and BBC Finance. Note some small inconsistencies in totals and percentages are due to data rounding.

As shown in Table 7, Radio 3’s programme costs have fallen by £1.1 million since 2011-12, largely due to savings achieved by making better use of live recordings, reducing production staff and through restructuring management and support functions. The majority of Radio 3’s savings have been made through efficiencies. Some changes in scope have included a reduction in drama originations (approved by the Trust in 2012) and programme changes, including decommissioning two strands, *Discovering Music* and *The Wire*. Radio 3’s contribution towards the Proms and Performing Groups has fallen slightly since 2011-12, and they now account for a smaller proportion of Radio 3’s content spend, down from 35% in 2011-12 to 31% in 2013-14.\(^2\)

Radio 3’s centrally allocated content-making related costs have increased by £4.1 million since 2011-12, reflecting the overall increase in the music radio stations’ allocation, as noted in section 1.3. This means that the BBC’s total content spend on Radio 3 has increased by £3 million.

In addition to Radio 3’s allocation to the six Performing Groups, the BBC spent a further £27.9 million on them in 2013-14, of which £22.8 million was spent on content and £5.1 million on infrastructure/support costs. To fund the Proms, the BBC contributed a further £1.7 million towards their cost in 2013-14, after income (e.g. from ticket sales) and Radio 3’s contribution.

We heard some comments from stakeholders on Radio 3’s contribution towards the costs of the Proms and Performing Groups. Friends of Radio 3 feels that more of their costs should come from the BBC’s central budget, rather than Radio 3’s, although, conversely, the Association of British Orchestras (ABO) states that it would make sense, both strategically and as a cost-effective measure, for Radio 3’s service licence to be extended to include the Proms and Performing Groups. We agree with the logic of keeping an allocation of funding within

\(^2\) Source: BBC Management financial data
Radio 3’s budget, as these activities form a large amount of the station’s output, but we do not think that the full cost should be included.

In our last review of Radio 3 (published 2011), we stated that the station should review the levels of broadcast output from the BBC performing groups. This was completed as a separate, independent review to assess whether savings could be made to the Performing Groups. This review highlighted the BBC Performing Groups’ unique role and contribution to public value, so the BBC decided to cut back the savings required from them.

Radio 3 is required to find a further £1.4 million of savings. Plans in place to deliver this include a further cut to drama (as noted in section 6.2), as well as some efficiency savings.

Radio 3’s cost per listener hour is highest of the BBC’s network stations due to its smaller audience size; however, on the basis of its significant public value, we think Radio 3 represents good value for money.

Radio 3’s relatively high service licence spend, along with its lower reach and listening hours mean that its cost per listener hour is the highest of any of the BBC’s network radio stations. In 2013-14 Radio 3’s cost per listener hour was 6.3 pence, at the same level as 2009-10, but up slightly from 5.6 pence in 2012-13.

However, as highlighted above, Radio 3 makes a significant contribution to the BBC’s public purposes, and in delivering public value to audiences. Its service licence spend also reflects its contribution to the Performing Groups and the Proms. On the basis of Radio 3’s important role in UK arts and culture, and its provision of high-quality programming, we think that it provides good value for money to licence fee payers.

83 Source: BBC Annual Report and Accounts
7 Asian Network

The remit of BBC Asian Network is to provide speech and music output appealing to British Asians, with a strong focus on news and current affairs. It should be primarily in English, but some programming should be provided in a range of South Asian languages.

The primary target audience is British Asians under 35, but the station should also appeal to anyone with an interest in British Asian issues, music and culture.

7.1 Reach

Asian Network’s reach has increased significantly and it effectively reaches an audience that often listens to no other BBC radio station

In 2013-14 an average 588,000 people listened to Asian Network each week, up from 368,000 in 2009-10 (a growth of 60%). During the current year, reach has increased further to 629,000 each week. In line with its service licence remit to appeal to British Asians, the station reached 15% of British Asian adults each week, and this had increased from 12% in 2009-10. Asian audiences account for around 85% of all listeners to the station, up from 76% in 2009-10. Due to its strong reach amongst Asian adults, the station brings a high level of unique reach to BBC Radio. In an average week, 45% of Asian Network’s audience listen to no other BBC radio station.

Figure 9: Trend in reach of Asian Network (000s), 2009-10 to first half of 2014-15

In line with the station’s remit to appeal primarily to listeners under 35, reach is highest among 15-34 year-old British Asians, listened to by 16% each week (up from 13% in 2009-10). The median age of listener is 33.

Asian Network’s hours per listener have increased, showing greater loyalty to the station amongst its audience. The average listener tuned in for 6.3 hours of the station per week, up from 5.5 hours in 2009-10. The station’s increase in reach and hours have contributed to its share of listening increasing from 0.2% of radio listening hours, to 0.36% in 2009-10. Among Asian audiences only, Asian Network now accounts for 9.5% of total radio listening hours, up from 5.9% in 2009-10.

84 This report refers to British Asians as the primary audience group for the service, meaning the British South Asian community (i.e. listeners primarily with roots in India, Pakistan, Bangladesh and Sri Lanka)
85 Source: RAJAR
86 Source: RAJAR
7.2 Quality and distinctiveness

There is mixed evidence on listeners’ perceptions of the station’s quality

Our audience research indicated that listeners’ perceptions of the Asian Network’s quality are high for both its music and news and speech. Its sound quality and high production values also appear to drive positive perceptions of the station.

While sample sizes are fairly low, the BBC’s tracking surveys show that the majority (72%) of listeners to Asian Network are ‘high approvers’ of the station. However, its average audience appreciation index (AI) score has fallen from 75.6 in 2011-12 to 71.3 in 2013-14 – although it has risen to 74.0 so far in 2014-15. We think that the decline is likely to be a reflection of the programming changes made at the station. Other evidence suggests that the station is seen as high quality.

Asian Network has made a range of changes to its service in order to make savings but has retained its distinctiveness

In order to make substantial savings, the Trust approved a number of changes to Asian Network in 2012. These included: a reduction in the station's hours of transmission, with it opting to Radio 5 live from midnight to 6am; simplification of the schedule through reducing the number of documentaries, and decommissioning drama, sports coverage and daily devotional programmes; an increase in the overall proportion of music on the station, changing the balance of music to speech from 50:50 to 60:40. We also agreed to changes in the profile of music played, with more non-UK music alongside the current volume of British Asian music.

We stated that, in making these changes, the challenge for the service would be to preserve the distinctiveness of the service and continue to improve quality while reaching some new listeners and reducing the station’s costs.

Through our consultation, we heard that Asian Network is viewed as a unique station, offering something different to other BBC radio stations and from commercial radio. Many listeners praised the station for striking a balance between playing a broad range of different music and specialist programming. Our research also showed it is felt by audiences to have no real competitors in terms of its pan-UK, British Asian identity and high-quality programming. The BBC states that serving all British Asians, rather than a particular South Asian audience group, is what makes it distinctive.

Stakeholders who responded to our consultation were generally positive about Asian Network’s value and distinctiveness. The BPI states that it provides classic public service broadcasting, while VLV believes it provides an important service. UK Music states that the existence of Asian Network is important and should be preserved.

However, RadioCentre states that Asian Network has lost some of its most distinctive output, and that cuts have made the service more like commercial offerings. It also states that Asian Network should be required to serve Asian listeners over 40, who are not catered for elsewhere on the BBC or commercial radio. We do not agree that Asian Network is no longer distinctive and this is supported by listener views in our audience research and public consultation.

7.3 Impact – delivering the public purposes

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87 Source: BBC Accountability and Reputation Tracker, adults 16+ who had listened in the last seven days, 2013-14. ‘High approvers’ are those rating 8 or more out of 10 for general impression.

"I listen to Asian Network because it keeps me in touch with the South Asian culture and I enjoy listening to the music"

"The Asian network is unique; as a British Asian I cannot find any similar outlet that specifically caters to my needs as much as the BBC Asian network. It bridges the gap between my British and south Asian identity...."

"....I always enjoy listening to the discussions, documentaries and the news and current affairs. [The presenters do] a fantastic job. I find that [they] tackle issues that people want to talk about and discuss but are too scared"

**Sustaining citizenship and civil society**

310 Asian Network is required to make a very important contribution to this purpose, primarily through its strong focus on accurate, impartial and independent new and current affairs, presented in an accessible style for its target audience.

**Listeners see news and current affairs on Asian Network as being high quality, accurate and engaging**

311 Asian Network is meeting its service licence requirements to the citizenship public purpose by providing regular news updates throughout the day, along with dedicated news and current affairs programmes, including *Asian Network Reports* and its weekday morning discussion and debate programme.

312 Our research and consultation shows that the speech-based content on Asian Network is very highly valued by listeners. It is felt to keep people up to date with news from Asia, as well as within British Asian communities. The debates are very popular, through the choice of relevant topics, handling of sensitive subjects and the range of viewpoints. This high-quality speech content is seen to set Asian Network apart from commercial stations.

313 Since 2012 Asian Network has aimed to bring news stories with an Asian dimension to the rest of the BBC. There are now regular examples of Asian Network’s journalists appearing on other BBC news outlets, and we are content that Asian Network has been successful in this regard.

314 Asian Network is also required to provide specially commissioned documentaries, providing in-depth analysis on issues of relevance to its audience. In our last service review we stated that we expected Asian Network to continue to seek audience impact with its documentary output, as it remains an important element of the station’s speech and journalism output. Asian Network provides news documentary output in its *Asian Network Reports* programme, which reaches more than 200,000 people each week. It also provides music and entertainment documentary output and specials in its *Asian Network Presents* programme, although sample sizes are too small to provide audience figures.

**We will introduce a quota to safeguard the amount of news and current affairs coverage on Asian Network**

315 In order to make savings, the BBC is intending to remove two of Asian Network’s weekday news bulletins at 8pm and 9pm, meaning that the total amount of news would be reduced by 6 minutes per day. The station will still be able to offer news if a major news story breaks in the evening.

316 Asian Network currently has no numeric quota for the amount of news and current affairs coverage it should provide, so this change does not require a service licence alteration. However, the station does have a remit to have a “strong focus on news and current affairs”, and, in order to provide greater clarity over the amount of news and current affairs the station

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89 Source: RAJAR 2013-14
should provide, we will introduce a minimum service licence condition for the amount of news and current affairs on Asian Network.

**Action 11: We will introduce a quota to safeguard the amount of news and current affairs coverage on Asian Network**

We will introduce a numeric service licence condition for the amount of news and current affairs on Asian Network of 24 hours per week, including regular bulletins on weekdays and weekends.

*Timing: We will amend the service licence immediately.

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**Stimulating creativity and cultural excellence**

317 Asian Network is required to make an important contribution to this purpose, by providing a platform for new and established British Asian talent. Its music output should cover a wide range of genres, with an emphasis on new music and on nurturing and developing new acts. Through its broadcasts of live performances, it should seek to support and increase appreciation of live music.

**The range of music played on Asian Network is valued by its audience**

318 In our last service review, we agreed to an increase in the proportion of music to speech on the station. To ensure that the increase in music output did not damage the distinctiveness of the station, we added new and revised conditions to the service licence. In particular, programming during core daytime hours will provide an approximately 50:50 split between music and speech.

319 We also stated that 30 per cent of overall output should be British Asian music (reduced from 40 per cent, but with no reduction in the current number of tracks played); 30 per cent of daytime music output should be new music; 10 per cent of daytime music output should be ‘regional South Asian music’; and that Asian Network should broadcast upwards of 10 Asian live events or festivals in the UK each year. It consistently meets these conditions.

320 Audience perceptions of music on Asian Network are positive. Our research shows that Asian Network is felt to be unique in its presentation of Asian music. It is seen to play an extensive range of Asian music, and achieve variety through playing a mix of cutting edge music as well as old favourites. It is also seen to play a pivotal role in launching British Asian acts into the mainstream. Respondents to our consultation commended the broad range of music played.

321 Naturally, some listeners would prefer a different mix of music: in our consultation, some people called for more South Indian and Sri Lankan music. Commercial radio stakeholder RadioCentre states that music output on Asian Network is dominated by the Bollywood genre and that a limit should be set on the amount of Bollywood music. We do not agree that Bollywood is over-dominant and are confident that the station’s commitments to UK and to South Asian music, added to its service licence in 2012, safeguard this.

**Reflecting the UK’s nations, regions and communities**

322 Asian Network should make an important contribution to this purpose by reflecting the diversity of the British Asian population in terms of geography, interests, ethnicity and religion. It is also required to provide some language programming.

**Asian Network contributes to this purpose effectively, through its speech, music and language programming**

323 As noted above, listeners perceive Asian Network positively for its unique presentation of Asian music, and its speech output is viewed positively for its ability to tackle complex issues
affecting British Asians. It is seen to help listeners feel connected to the Asian community, and help keep them well informed on news from both home and abroad.

324 Asian Network has a service licence commitment to provide at least 20 hours of language programming a week, including a mixture of Hindu/Urdu and English and other regional languages. It is meeting this commitment, and provided 23 hours per week in 2013-14. The regional-language programmes moved in 2012 to a weekend ‘language zone’ slot, instead of being daily on weekdays. Our evidence indicates that Asian Network’s language programming is performing well. In our consultation, most listeners praised Asian Network’s provision of programming in a range of languages.

7.4 Future developments

The BBC would like to increase the Asian Network’s focus on serving a younger audience

325 Asian Network has a service licence remit to primarily serve British Asians under 35, but should also appeal to anyone with an interest in British Asian issues, music and culture.

326 From 2012, the BBC was following a ‘friend of the family’ editorial strategy for Asian Network, in which it sought to appeal to older Asian household members as well as the younger primary target audience. We judged that this was permissible within the service remit, but stated that we would monitor the age profile of the audience to ensure that the station continues to serve its primary target audience.

327 Since the last review, the median age of listener has remained stable, at 33. The target audience of 15-34 year-olds makes up 56% of the station’s audience, and this has remained broadly stable over the last few years. Our audience research found that the appeal of the station can vary by age group, as some younger listeners feel that the station is aimed at older people, due to the more serious tone in daytime. Older audiences feel it should, and does, cater to the whole British Asian community.

328 We received some comment from MixTogether (a support network that helps mixed couples to overcome opposition from family or community to their relationship) that the ‘friend of the family’ editorial strategy may mean the station will hold back from supporting the full range of lifestyle choices that are open to British Asians under 35 in the UK.

329 RadioCentre states that Asian Network should focus on Asian listeners aged over 40, and that an undue focus on young audiences risks duplicating the commercial sector. We do not think this is straightforward, as many other Asian radio stations are focused on older listeners.

330 The BBC has informed us that it wants to sharpen Asian Network’s editorial focus on its younger target audience of British Asians under 35. This, it thinks, will help make the station even more distinctive, and is appropriate due to the younger average age of the British Asian population. As long as the station retains its focus on the current stated target audience, we think some editorial shift can be made away from the ‘friend of the family’ approach.

Use of Asian Network online is low and nearly half of listening takes place via analogue radio, rather than DAB

331 Usage of Asian Network’s website is fairly low: in 2013-14 it was used by around 54,000 unique browsers per week. It has almost 90,000 followers on Facebook, and 50,000 on Twitter. We think these figures are fairly low, given Asian Network’s focus on young people, and that the station should seek to develop its offer for listeners online, seeking Trust approval

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90 Source: BBC iStats
for developments where necessary. Its Red Button coverage is popular and, while reach can vary depending on the content available, it peaked in March 2014, reaching 661,000 people.

Although Asian Network is only available on analogue radio in some areas of the UK, the majority of its listening takes place via an analogue platform. In Q4 2014, 67% of listeners tuned in to Asian Network via analogue radio, while 50% listened via digital (note percentages add up to more than 100, as some listeners use both analogue and digital). Of all listening hours, 53% was via AM/FM, 38% via digital (and a further 8% unspecified). The proportion via analogue, however, has fallen from around 58% in Q4 2010.

Our audience research showed that distribution of Asian Network is felt to be an issue for some. We heard that listeners were typically listening to a lot of radio when in the car, and, due to access being limited to digital in most areas of the UK, were having to resort to other radio stations. We heard similar comments through our consultation. Growth of DAB coverage and greater availability in cars should help with these challenges.

7.5 Value for money

Asian Network has delivered a large amount of savings, and its content spend has fallen significantly

In 2013-14 Asian Network’s total service licence spend was £6.6 million, down 22% from £8.5 million in 2011-12. When including Asian Network’s contribution to the BBC’s central costs of distribution and infrastructure/support, the total cost of Asian Network was £10.8 million, down from £13 million in 2011-12.

In 2012-13, Asian Network underspent its service licence by over 10%; having investigated the reasons for this, we were satisfied that the scope and quality of the service was not affected.

The cost of making Asian Network’s programming has fallen by £1.9 million since 2011-12, with the largest reduction in 2013-14. Centrally allocated content-making related costs remained stable, as shown in the table below.

**Table 8: Breakdown of Asian Network’s spend, 2011-12 to 2013-14 (£millions)**

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Change 2011-12 to 2013-14 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred making Asian Network programmes (1)</td>
<td>6.2</td>
<td>5.7</td>
<td>4.3</td>
<td>-1.9</td>
</tr>
<tr>
<td>Content-making related overheads allocated to Asian Network (2)</td>
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<td>2.6</td>
<td>2.3</td>
<td>+0.0</td>
</tr>
<tr>
<td><strong>Total content spend</strong></td>
<td><strong>8.5</strong></td>
<td><strong>8.3</strong></td>
<td><strong>6.6</strong></td>
<td><strong>-1.9</strong></td>
</tr>
<tr>
<td><strong>Service Licence Budget</strong></td>
<td>9.2</td>
<td>9.3</td>
<td>6</td>
<td>-3.2</td>
</tr>
<tr>
<td><strong>Spend vs. budget</strong></td>
<td>-8.4%</td>
<td>-12.3%</td>
<td>+9.2%</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>1.5</td>
<td>1.7</td>
<td>1.8</td>
<td>+0.3</td>
</tr>
<tr>
<td>Infrastructure/Support</td>
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<td>3</td>
<td>2.4</td>
<td>-0.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13</strong></td>
<td><strong>13</strong></td>
<td><strong>10.8</strong></td>
<td><strong>-2.2</strong></td>
</tr>
</tbody>
</table>

91 Source: BBC management data, BARB / TRP, 1+ minute reach
92 Source: RAJAR. Note, data can fluctuate on a quarterly basis.
Notes: (1) Programme costs include all direct costs of making programmes on Asian Network, including production and staff costs, commissioning and scheduling.

(2) The BBC’s central content-making related costs that are allocated to Asian Network. This includes Asian Network’s contribution to rights payments and other overheads such as buildings, studios, insurance and training.

Source: BBC Annual Report and Accounts and BBC Finance. Note some small inconsistencies in totals and percentages are due to data rounding.

337 This reduction in spend has been due to a large amount of savings, including: approved scope changes such as reduced hours of transmission; simplification of the schedule by reducing the number of documentaries and decommissioning drama, sports coverage and daily devotional programmes; and an increase in the amount of music on the station. Asian Network has also made a number of efficiency savings, including a reduction in the number of senior posts and re-tendering of independent programmes, with prices benchmarked across digital networks to ensure the best value.

338 Asian Network has already made the majority of its savings, with only around £0.6 million of further savings required from 2014-15 to 2016-17, with most of these already made in 2014-15. These include a small reduction in news (as highlighted under paragraph 315), as well as further productivity savings. The BBC forecasts that of Asian Network’s total DQF savings to 2016-17, some 26% will be from efficiencies and 74% from scope.

Asian Network’s cost per listener hour has fallen, and we conclude that it provides good value for money

339 Asian Network’s cost per listener hour has fallen by 60% in recent years from 8.5 pence in 2009-10 to 3.4 pence in 2013-14 due to a combination of lower spending and increased listening levels. While its cost per listener hour remains second highest of the BBC music stations after Radio 3, the disparity is much smaller than it was previously and, on current trends, may fall further in 2014-15.

340 We have concluded that Asian Network represents good value for money as, while its cost per listener hour remains higher than many BBC radio stations, it provides a distinctive service, and plays an important role in reaching an under-served audience.

93 Source: BBC Management financial data
94 Source: BBC Annual Report and Accounts