

## [GB] Ofcom issues new terms for the BBC's operating licence to reflect changing habits of viewers and listeners

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Ofcom has introduced the BBC's new operating licence which came into effect on 1 April 2023. The new licence will hold the BBC responsible for delivering its remit, and takes account of innovative ways of distributing content. The licence reflects the changing habits of listeners and viewers, who depend less on linear programme scheduling.

Ofcom became the first independent regulator of the BBC under the current BBC Charter and Agreement, which began on 1 January 2017 and will end on 31 December 2027. Ofcom's power to regulate the BBC is derived from Section 192 of the Communications Act 2003.

Under the BBC Charter and Agreement, strategic and editorial decisions are a matter for the BBC, whilst the operating licence issued by Ofcom is designed to ensure that it effectively fulfils its mission and promotes its Public Purposes: to provide impartial news and information; to support learning; to show creative, high-quality and distinctive output; and to reflect, represent and serve the UK's diverse communities and support the creative economy across the UK.

For the first time, the licence sets comprehensive new requirements on the BBC's online services, or platforms, including BBC iPlayer, BBC Sounds and the BBC website. Licence conditions safeguard important content on the BBC's broadcast TV and radio services, including the use of quotas to ensure the broadcaster delivers a minimum volume of news and current affairs, and original UK programme content.

The updated licence imposes transparency criteria to counter concerns that there was insufficient clarity about how the BBC planned changes to its programmes and services. The BBC will have to explain in more detail how it is fulfilling its obligations for audiences. This includes publishing in advance its plans before making a significant change to services.

The new operating licence gives the BBC flexibility to determine content to reflect changing audience behaviours. However, this flexibility is subject to stringent reporting conditions and other safeguards. The licence criteria balances online audiences' expectations for high-quality content, but maintain standards for

broadcast or linear TV and radio.

The licence requires the BBC to ensure important content availability for online audiences, including for the nations and regions and at-risk programming such as arts, children's, comedy, music, religion, and specialist factual content. Content should be easy to find online. The BBC is required to identify in its Annual Plan the number of hours it will provide for important content on its services. Ofcom specifies in detail the information to be provided in the Annual Plan and Annual Report.

If the BBC plans significant changes during the course of the year, outside the Annual Plan process, it must report to Ofcom on these changes as soon as reasonably practicable.

The licence retains strict regulatory safeguards to maintain high-quality news and current affairs; to preserve the distinctiveness of the BBC's radio services with quotas on music and sports and to protect original UK programmes. Quotas also ensure that the BBC commissions a minimum amount of content outside London and in Wales, Scotland and Northern Ireland. There are about 70 quotas listed in the operating licence.

The operation of the licence requirements will be overseen by Ofcom throughout the year including extensive research about available content and services, audience viewing and listening choices, as well as assessing their satisfaction. Ofcom will remain receptive to any concerns from other broadcasters and industry organisations about the BBC's annual plans.

Ofcom will react quickly if there are concerns about the BBC's audience delivery and, if necessary, impose additional licence requirements. In serious cases of non-compliance, Ofcom can take enforcement action.

As part of its digital-first strategy, the BBC has made several changes to BBC News and local radio in response to Ofcom's concerns. The operating licence stipulates that BBC News must provide high quality local, regional, national, UK and international news to UK audiences. The BBC must also ensure that it meets its commitments on local radio in England relating to news and travel, breaking news and major incidents, and its contribution to local democracy. During the breakfast peak on local radio in England the BBC is to retain a quota that only speech content is broadcast.

### ***Ofcom's Modernising the BBC's Operating Licence***

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