



# Communications and Digital Committee

## Corrected oral evidence: The future of news: impartiality, trust and technology

Tuesday 19 March 2024

2.30 pm

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Members present: Baroness Stowell of Beeston (The Chair); Baroness Healy of Primrose Hill; Lord Kamall; Lord Knight of Weymouth; The Lord Bishop of Leeds; Lord McNally; Lord Storey; Lord Young of Norwood Green.

Evidence Session No. 7

Heard in Public

Questions 71 - 87

### Witnesses

**I:** Sebastian Enser-Wight, Chief Strategy Officer, Global; Tom Cheal, Managing Editor, LBC, Global; Sam Shetabi, Creator Network Director, Acast; Shini Pattni, Legal Counsel, Acast.

### USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on [www.parliamentlive.tv](http://www.parliamentlive.tv).

## Examination of witnesses

Sebastian Enser-Wight, Tom Cheal, Sam Shetabi and Shini Pattni.

Q71 **The Chair:** This is the Communications and Digital Committee and we are still carrying out our inquiry on the future of news. Today we are concentrating on radio and podcasts. I will ask the witnesses to introduce themselves. Could you say your name, your title, your role and the organisation that you are from?

**Tom Cheal:** I am the senior managing editor at LBC and the LBC newsroom, which is part of Global.

**Sebastian Enser-Wight:** I am the chief strategy officer at Global.

**Sam Shetabi:** I am the content director for the UK at Acast.

**Shini Pattni:** I am legal counsel for Acast.

**The Chair:** We have four areas of questions that we want to cover this afternoon. We will start in a moment on the role of radio and podcasting in news. Then we will come on to the economic conditions for the radio and podcasting industry, and where you see that going. We will then talk about the relationship between your industry and the tech industry, and the impact of new technology on radio and podcasting. Finally, we will get to the respective roles of the industry, government and regulators as far as securing the future of news in this medium.

Q72 **The Lord Bishop of Leeds:** Thank you for coming to meet with us. Before we get into some of the grain of this, I wonder whether you might each comment on what you think the future of radio is over the next five years. It is a rapidly changing technological and media landscape. I have read a variety of views on what might be happening with radio. We will drill down later into news podcasting and so on, but first the future of radio.

**Tom Cheal:** Thank you for the question and the opportunity to speak to you this afternoon. Radio is as valued and important to its audiences and our advertisers as it has ever been. We can safely say that it has proved very resilient during a period of significant technical change in recent years. That gives us confidence about the future of the medium at Global.

Looking into the audience figures, we can see that, even among 15 to 24 year-olds, more than 70% of them tune into radio each week. That is a cause for some optimism. That is not to say that we do not face challenges, but we are intent on focusing our product and core station brands in the right areas to appeal to those audiences and to continue to engage them.

**Sebastian Enser-Wight:** Tom has summarised that very well. That is Global's house view, so I do not have anything further to add to that.

**Sam Shetabi:** Thank you very much for inviting us today. As it relates to audio generally, Acast works in podcasting. We are a technology company primarily. We work with radio companies and help them to

extend the reach of their audio to new audiences on new platforms. We are concerned about on-demand audio. There are radio companies that make their shows available as on-demand podcasts, but we consider all of audio to be in a very good place. It is commercially very healthy. There is a lot of demand for it and great provision for it across multiple apps and platforms. We are in a very positive place around podcasting in particular but audio generally.

***Shini Pattni:*** Sam has covered everything from my perspective.

**The Lord Bishop of Leeds:** There are two issues that you throw up with your responses. One is in relation to the numbers tuning in. I am interested in the demographic changes in that. I have a son who is 35. He works for the Commonwealth Secretariat and is engaged in elections and politics. He never listens to radio. It is about podcasting. Podcasting packages, if you like, the news. The on-demand element means that you are less open to the surprise of news, perhaps, depending on how you are accessing it. I wonder whether you could comment on that, the relationship between radio and podcasting, and how it reshapes the audience engagement.

**The Chair:** It would be really helpful if you can focus on news as opposed to radio more generally.

**Tom Cheal:** On the specifics of podcasting, in broad terms the age group that you have identified is the one that seems to engage most heavily. The 25 to 34 and 35 to 44 are very heavy users of podcasts when it comes to news. They often go in search of a product that provides more analysis and in-depth context to what is going on in the world. Through Global, we have seen a huge appetite for “The News Agents”, which we launched in August 2022, which is fronted by Emily Maitlis, Jon Sopel and Lewis Goodall, precisely because people want to turn to trusted voices to help them make sense of wider issues and challenges, be it in politics or other broader trends.

In terms of news radio and speech radio, traditionally that has appealed to an older audience. If you take the whole speech market, the only real area of growth—this is combining the BBC and commercial output—consistently over the last 10 years has been among 55-pluses. In some ways, there is a challenge there to try to entice younger audiences into the world of live radio.

Thankfully, at LBC over the last 10 years we have managed to double the audience. We have seen consistent growth among all the demographics. It is something we need to address and take seriously, but, looking at how you create content that appeals to all ages, you make sure you are discussing topics of relevance that engage people across the different demographics. It is possible to, over time, draw them into live radio as a medium for conversation and news.

**The Lord Bishop of Leeds:** Do you admit to the distinction between news and current affairs commentary? Something such as “The News Agents” is commentary rather than giving access to what is going on.

**Tom Cheal:** Yes, it answers a slightly different need state to a news summary in more traditional terms. It is part of how things have moved on. The reality now is that, for people who are looking for news stories, it is quite possible they will have received a headline news alert on their phone or through other means. The on-demand podcast space serves a slightly different purpose. Within a podcast such as "The News Agents", you will still be given the facts of the story, although there is a wider examination of the context behind it and the broader issues as well.

I accept that it is a slightly different proposition to a traditional news bulletin. People consume so much content and information via their phones, and phones is often how people will consume podcasts as well. Seen in that context, it can be complementary.

**Sebastian Enser-Wight:** I do not have anything further to add on that one.

**Sam Shetabi:** It might be useful to give some context of where Acast sits in this. We work with every major UK newspaper publisher for its podcast, so that is the *Guardian*, the *Times*, the *Financial Times* and the *Economist*. The list goes on. If we look back maybe five years, they would have started playing around with podcasts as a new medium, starting to explore audio more seriously as primarily print or digital publications.

There has been a transformative effect in having the freedom of a podcast, as opposed to a schedule like a radio station, to explore all kinds of different formats of delivering the news. That could be daily or weekly. It could be news, opinion or focused on an area such as business news or politics. There is now an abundance of choice for the listener, not just in how they listen but in what they want to listen to from whatever provider they want to. There is an abundance of choice that has come from the revolution in podcasting. It is the on-demand nature you describe that allows for that.

It is very complementary to radio, because radio has also responded in the same way with lots more content of different types, but podcasting has allowed news providers to spread their wings with the kinds of content they can produce. They can tell different kinds of stories and reach audiences in a new way, so it has been very good for reach as well.

**The Lord Bishop of Leeds:** Is it fair to distinguish between radio as a broadcast medium and podcasting as narrowcasting?

**Sam Shetabi:** It depends on the kind of podcast you are talking about and the purpose of it. There are lots. We look after 100,000 podcasts. Some of them are incredibly niche and cover very narrow subjects, but there are much bigger, broader, more popular podcasts that cover, for example, the day's or week's news analysis, which are very broad and accessible to a very broad audience. These news providers would consider it broadcasting as much as narrowcasting for those particular niche podcasts.

**The Lord Bishop of Leeds:** What do you think the trends will be over

the next five years, particularly the demographic trends, in accessing podcasts or radio? I am interested in the relationship between the two and how that is shifting, because tastes shift and the way people access news shifts.

**Sam Shetabi:** The strictest definition of a podcast is the distribution of an audio file in a feed. I think that, if you asked the average Joe what a podcast was, that answer would be very different today than it was five years ago. That could be consumed as audio in headphones on your commute. It could be in video in long form, watching a podcast. It could be clips on social. You could be going to see that recording live. A podcast is many more things to many more people.

If you think about the future, younger generations of podcast listeners do not necessarily think of themselves as podcast listeners. They are podcast viewers and it is just a kind of content they are consuming. If we look at it in five years' time and see a generation growing up with this, I think that there will be a greater amount of video consumption, particularly around news podcasts.

They serve very different purposes. Audio podcast and the way it is produced lends itself to very different kinds of content. For example, a very sensitive interview can be more carefully handled in audio where there is not an intimidating camera there. There are kinds of content that you would not want to make in video, but that is the general shift that we have seen over the past maybe two years, and I think that that will continue in the next five.

**Sebastian Enser-Wight:** It is a very different need state, as Tom mentioned. Yes, radio is something that people can listen to individually, but it tends to be a more collective experience. People listen to radio in the car or at work. Podcasts tend to be a one-to-one experience, so they are better suited to certain activities. I do not think you will find many people listening to a podcast while doing a school run or working away.

As we see people move through the demographics and as people age and have different lifestyles, we see a resurgence of radio listening. There are certain events, whether it is long commutes, car runs or taking children to school, that perhaps lean more towards radio broadcasting, so we still have a hope and feel that there is a very different need state met by the two. They are complementary.

As podcast listening has risen, we have equally seen our radio listening rise with it. We look at the rise in LBC podcasts. If we were to plot against that the rise in LBC listening, we see they are both on an upward trajectory, so we think that they are complementary. As people begin to learn about a brand such as LBC by listening to an LBC podcast, they may then over time begin to listen in to the radio station.

**The Lord Bishop of Leeds:** I was intrigued in some of the briefing that we were reading that there is sometimes a distinction made between news, current affairs and entertainment. Is that a false distinction in that, increasingly, news has to be entertainment or people do not access it?

**Tom Cheal:** There is a challenge for news providers, in that the demand to gain people's attention now, given that there are more ways of drawing it away from news content or any other type of content, only rises as technology evolves. We do need to think carefully about how we engage audiences, but we always want to make sure that we are doing it, in an LBC capacity, through the primary news stories or issues of the day. The answer is that we need to think creatively about how we engage audiences in some instances.

That said, we have also been through a period of extraordinary news stories over recent years. That has engaged a lot of younger audiences and listeners in the type of content that we provide, whether through radio channels or through podcast channels.

**The Lord Bishop of Leeds:** I am interested in what drives the popularity of news podcasts. I am conscious that I was at the BBC this morning, and I always pick up the cab by that statue of George Orwell. If liberty means anything at all, it is the right to hear what you do not want to hear. With podcasting, you are choosing what you are accessing. Does that mean that people screen out the freedom to hear what they do not want to hear and do you just listen to what you want to listen to? It comes back to this distinction that you may think is false between broadcasting and narrowcasting, and therefore the access that people have to hear, as in traditional radio, what you just turn on and pick up, which may not be what you want to hear, and podcasting, where you choose what you are listening to.

**Sam Shetabi:** That abundance of choice is a really positive thing. You can choose to listen to a news briefing, for example, which is very clearly news, or you can choose to listen to a news or political discussion. If we look at some of the most popular shows on Acast, they are news briefings, but we have some very popular political discussion shows, maybe an independent show such as "Political Currency" or "How to Win an Election" by the *Times*. Those are shows where you can explore these subjects in a more entertaining way, but I do not think there is any particular issue with the distinction between news and opinion in podcasting as it relates to any other media.

We have more tools at our disposal to be able to make that clearer. The benefit of the open podcasting ecosystem and the way it has emerged over the past 20 years is that platforms and companies such as Acast have been able to create labels that podcasters can use when they upload content to distinguish different genres. They can say that something is news, sport or comedy. Within that, they can also say that something is news political commentary. That means that, when you are exploring different news shows that you want to subscribe to on an app, you can decide what kind of show you want to listen to and it has been labelled correctly. We are encouraging that kind of distinction and making sure that sort of media literacy is available to the listener to know what they are listening to.

**The Lord Bishop of Leeds:** Having revealed my luddite qualities, I will hand back to the Chair.

**Q73 Lord Young of Norwood Green:** When you gave that figure for the younger people, is that not partly made up of the fact that you download a lot of news on a variety of social media platforms, whether it is TikTok or Instagram? You are there, so they will access it. Am I right in that?

**Tom Cheal:** The figure regarding the 70% of 15 to 24 year-olds comes from RAJAR, so that is radio listening, as opposed to people who engage with social media content, for instance.

**Lord Young of Norwood Green:** That is impressive. It is a comment really. We talk about radio stations but there is a choice. Whether I flit from Times Radio to Radio 5 Live or I am forced to listen to my wife's early morning selection on Radio 2, I am still getting news through every one of them. Podcasting has certainly changed my life, as I walk the dog in my case.

**Q74 Lord Knight of Weymouth:** Sebastian, I want to press a little bit more on the questioning you had from Bishop Nick around how news might be changing. Predicting the future is a perilous game. Tony just talked about social media. The likes of TikTok and Insta, it would appear, are reducing people's attention span and their appetite to look at content for a long time. Is it likely that that will shorten news bulletins further? At the same time, as people are going over to podcasts for more of their analysis and commentary on the news, do you see those short bulletins and then long-form analysis where people just go somewhere else other than the radio?

**Sebastian Enser-Wight:** Podcasting has perhaps enabled audio as a medium to undertake that long-form analysis that might previously have been available only in editorial or newspapers. We are hopeful that podcasting is a way for people who may otherwise receive these very short, snappy news bulletins to explore in-depth news stories that they may not otherwise through other mediums. We agree that there is a bit of a dichotomy where we see young audiences, on the one hand, engaging with very short-form content, yet equally perhaps more engaged than previous generations have been in terms of deep, in-depth analysis on certain topics. I see podcasting not as detrimental to that but as an additive effect, so people can dive into news.

There are probably three tiers of listening. There are those who want to consume, as your colleague mentioned, something like Radio 2. They are subjected to a news bulletin. They then nowadays have the ability, if they hear something or a topic on a news bulletin, to dive into that in more detail through podcasting.

**Lord Knight of Weymouth:** If voice is their interface, they might just say "more" at the end of each story. Is that something that you are planning for, so a more interactive radio experience where we are all accessing through the internet and all using voice? I accept that smart speakers might be declining slightly, but we are all in the end going, "That's interesting. I'll have more on that one please".

**Sebastian Enser-Wight:** We are certainly exploring more ways to engage through smart speakers. The technology is perhaps not as

advanced as we might think. The early stages of that, which we have implemented only recently, are being able to send comments. If you are listening to LBC or one of our other stations, you can now send a comment or question to the studio. I would like to think that in the long term, yes, there will be more ways to interact and have more in-depth discussions and engagement with our content through smart speakers. Certainly today it is a slow evolution and we are at the level now where we are looking at allowing people to interact a little more through comments. At the risk of crystal ball gazing, I would hope to see a future where there is further interaction available.

**Lord Knight of Weymouth:** I will come back to smart speakers later.

Q75 **The Chair:** We will return to tech in a little while. Before we move on from this topic, could I ask a couple of things myself? Mr Cheal, on LBC radio you offer a range of programming. I assume that your audience base is actually quite broad in terms of demographic, but you said earlier that it is a different demographic when you get to your podcasts. Is that right? The demographic listening to your station is broader or richer.

**Tom Cheal:** In broad brushstrokes, podcast is seeing faster growth among younger audiences. Speech radio as a whole performs strongly among older listeners. LBC has seen pretty consistent growth across all those demographics over the last 10 years or so. We have seen more than 60% growth among 15 to 24 year-olds, but that has been usurped by faster growth higher up the age range.

**The Chair:** That is on the station. When you look at your podcast offering, I wondered whether you consider offering any more choice in news and current affairs podcasting than what you currently provide. I am not suggesting that this is confined to Global. One criticism that gets levelled at the news and current affairs genre on podcasting is that there are an awful lot of centrist dads talking to each other. Do you see a market for something that is a bit more varied than that? Is that something that LBC would even be considering?

**Tom Cheal:** It is a conversation we have had more than once internally about how we can use podcasts as a driver to excite a younger audience and get them more engaged with current affairs and the news agenda more broadly.

**The Chair:** On the question of data and audiences, I wonder whether, as a radio network that is presumably trying to engage a broad demographic—we have talked to the television broadcasters about this—you see any particular demographic groups that have been traditionally part of your audience base moving away from LBC and going elsewhere. Are you losing any particular audience group that traditionally has been quite loyal to you?

**Tom Cheal:** We have not picked up any long-term trend on that front. Inevitably, with each RAJAR card things can move a little bit in one direction or the other, so we track that very carefully. In terms of longer-term trend, we are not seeing a substantial movement in any particular demographic away from LBC's output.



**The Chair:** Is that something that you wanted to add anything more to, Mr Enser-Wight, on demographic change in radio, where you have audience groups, in particular, moving from places where they have been traditionally more connected for their news and current affairs?

**Sebastian Enser-Wight:** In terms of news and LBC, as Tom said, we have been very fortunate to enjoy growth. Certain demographics have grown more slowly than others, but we have not seen any particular demographic decline, and I think that the same can be said for the radio medium overall. We have been very lucky that, perhaps as a result of lockdown, but over the long term too, more and more people are tuning in to radio than ever before. They have rediscovered and fallen in love with the medium, so that may be a blessing in disguise. It may mask some underlying demographic shifts, but certainly at the moment we are seeing consistent growth across all demographics, albeit that the older demographic is experiencing the strongest growth compared to some of the other ones.

Q76 **The Chair:** I wanted to ask one final question to Mr Shetabi and certainly one of you from Global LBC. On this question of opinionated news—let us call it that—in terms of the podcasting where it is a discussion, you may have traditional newscasters, newsreaders or journalists who are now in that space. You mentioned “The News Agents” on LBC. Have you done any research, and if you have are you able to share it with us, about the way that audiences view what you might call opinionated news that they are getting through that kind of medium versus the more straight news that they get more traditionally on radio? You have talked about news briefing podcasts too.

It is in the context of their trust of that content. There is a bit of a debate that goes on about whether some audiences are perhaps trusting more what you might call opinionated news, because they at least recognise and have some kind of existing relationship with the hosts and are interested in their views on a particular topic, versus straight news, where, if they are not seeing the full picture, that might affect what they feel, their loyalty or their sense of confidence in it. I wondered whether you have seen anything like that or whether there is anything that you can share with us.

**Sam Shetabi:** I do not have any research that I can point to, but we can certainly say that one of the unique things about podcasting as a medium is that the intimacy that you experience tends to be through headphones with the connection you have with the host. It is a very unique sort of interactivity you have, where the most loyal and most successful audiences of a podcast tend to be ones where you feel like you have a connection to that host. That lends itself to news opinion perhaps a little bit more, but we have seen that also extend to what we would call more straight news. Shows such as “Today in Focus” from the *Guardian*, for example, have well-loved regular hosts. They are very clearly presenting news, but you have a connection to that news presenter in that same way. The connection for the audience is a hallmark of the podcasting medium itself. The most successful podcasts

tend to have that connection, whether it is a newsreader or a news opinion panel.

**The Chair:** Do you measure audience trust in your products?

**Sam Shetabi:** That would not be for us to measure. Quite probably the publishers we work with do that kind of work themselves. They might be able to provide that kind of information.

**Sebastian Enser-Wight:** I am not aware of any direct research that looks at that. We carry out research on LBC and Ofcom has as well. Certainly we know that that ranks incredibly strongly as a trusted news source, coming out higher than the BBC among its audiences. I have not seen any direct research that compares the two.

**The Chair:** You have not judged whether they trust a podcast-type output more or less than a traditional type.

**Sebastian Enser-Wight:** No, not that I am aware of.

**Tom Cheal:** As a relatively recent development, in terms of news podcasts on the scale that we have seen, it is a piece of work that perhaps would be timely, but I have not seen any specific evidence of it.

Q77 **Lord Storey:** Good afternoon. The advertising market has been tough. I wonder how that is affecting the overall health of the commercial radio and commercial podcast market. Have you had to look at your business plans to reflect those trends?

**Sebastian Enser-Wight:** We are very fortunate in the radio sector and, aside from the two years of Covid, we have seen successive growth in the advertising market for radio. The last published figures for the radio advertising market were 2022 and we generated £740 million of revenue. That was the highest ever amount of revenue generated. We are yet to publish for 2023, but I very much hope and imagine that that was another record year, certainly based on our own performance.

**Lord Storey:** What do you put that down to?

**Sebastian Enser-Wight:** It is broadly linked to an increase in audiences. Ultimately, we sell access to an audience and we have seen more and more people tuning into our radio stations. We have been very fortunate compared to some of the other traditional media to enjoy years of successive growth. It really is because people have discovered and are continuing to listen to radio, more so than perhaps to linear or traditional television.

That is radio as a whole. News radio is not something that is segmented or separately reported on, but certainly I can speak to LBC. We have seen a similar trajectory. It is tougher and historically has been quite difficult to attract advertisers to advertise next to news. Their concern is that, if their brand or advert appears next to a tragedy or horrific story of some form, it may negatively impact it. Luckily, more recently, we have seen advertisers realise that this is not the case and they have a very engaged audience listening to a news channel, perhaps more so than a music channel. Over time, we have seen that view among advertisers

change. Even on LBC we have seen an uptick year-on-year in revenues. We are very pleased. I am sure that we will talk more about distribution and smart speakers, but, subject to nothing changing in the way that we reach our audiences, we hope to see continued growth in revenues.

**Lord Storey:** In terms of podcasts, has the entry of Spotify into the podcast market caused any changes or difficulties?

**Sam Shetabi:** Podcasting is absolutely still a really good growth medium. It is doing very well commercially and it is doing very well among listeners. Spotify came into the market in a big way several years ago. The biggest notable change that maybe is not remarked on as much is that, about five years ago, Spotify was encouraged by companies such as Acast and the industry to support what we call RSS passthrough. Previously, they would cache podcast episodes on their own servers and it would be in a closed environment. It is now in an open environment, what we call RSS passthrough, and that has precipitated an enormous explosion of extra reach.

The perception among younger people who use Spotify and their understanding of podcasts has grown. That has increased the available audience and therefore it is much more attractive to advertisers. Spotify is also a competitor, so therefore it means that there is greater competition in this market for advertising. Generally speaking the last five years is a real indication of how, when open podcasting works well, it can really increase the reach and the available revenue in this industry.

Q78 **Lord Storey:** Our work is the future of news. Could I turn to news and particularly local news? We have seen the BBC, with its 39 local radio stations, see quite large financial cuts and redundancies, and syndicated news in the regions after, I think, 7 pm. We have seen the growth of community radio, but there are issues over the FM frequency.

In terms of commercial local radio, we have seen Global and Bauer use the local commercial radio stations to become, if you like, a networked national radio station with an opt-out for news, traffic and weather on the hour, but I think that it is slightly different at weekends and after 7 pm. That is not particularly local, in the sense that it does not use local journalists or local technicians. It happens from London, does it not? How do you see local news truly reflecting a local community?

That was quite a long question. I apologise for that, but I wanted to paint the picture.

**Tom Cheal:** We have a substantial news operation that serves audiences right across the UK. We have seven main station brands that I touched on earlier and deliver news bulletins through all of them to our audiences. We have 61 licences, which have specific local requirements that we need to meet, and that is something that we take pride in doing. We spend a lot of time focused on trying to turn out the right stories for the audiences in those areas. We are in fact investing more than we have ever done to do that.

**Lord Storey:** What do you mean by that?

**Tom Cheal:** That is in terms of the financial investment in our local news operation across the UK.

**Lord Storey:** Do you mean that that investment happens at a local level?

**Tom Cheal:** It is ensuring that our local teams are equipped to do the best job they can. We have news editors in our regions overseeing teams of broadcast journalists who deliver the news on air, and local correspondents and reporters who are charged with going out and finding stories of relevance to local communities but that also have a resonance beyond those areas. It is something that we put a big focus on and we take very seriously. The team work very hard to deliver more than 5,000 news bulletins a week, many of which are ensuring that we meet those local requirements.

**Lord Storey:** Does Sky do those for you, or do you do them yourselves?

**Tom Cheal:** We do them ourselves.

**Lord Storey:** Does anyone else want to enter into this? No. Can I turn to the subscription model for radio and podcasts, which I am not particularly au fait with? What are your thoughts about its growth and relevance?

**Sebastian Enser-Wight:** I can certainly talk to radio. It is not something that we have explored or that has particularly taken off in the UK or Europe, and that is largely due to distribution. In America, there are satellite radios built into every car. That is similar to Sky television, where there is conditional access. One can pay to hear the radio stations. That infrastructure simply does not exist in Europe. Whenever we have considered it, it is not something that can be done over FM, AM or DAB, and that then limits any potential subscription-type radio station to online. Whenever we have considered it in the past, the economics have not particularly stacked up.

We are also not sure about the experience of the listener. We want to make sure our listeners get the best experience. If we have to alter our on-air product to give a slightly different product to the few subscribers we have, we think that that might actually be damaging to the product. It is not something we have entered into or really given too much thought to entering into.

**Sam Shetabi:** Almost all newspaper publishers we work with have some sort of subscription strategy and podcasting is very much part of that. There is a fantastic array of competition in the subscription podcast business and the kinds of technologies you can use. Acast has its own technology called Access, which in particular allows publishers to integrate our technology into their paywalls. We think that that is the really important thing that publishers we have spoken to want to achieve. They want to have that customer relationship and own that, rather than making that part of a closed subscription from a third party, usually from a bigger technology firm.

We see subscription as a growing and emerging trend in podcasting. The very little that we can say that is universal is that ad-free is not necessarily the enticing option for consumers. They are looking for extra content to get closer to that publication, maybe contribute to that publication or get early access. There are a great number of different ways that that can be done and there is a whole range of publishers exploring different models. We are learning as we go.

**Q79 The Chair:** Could I add a couple of questions to this category? Picking up from what you were just talking about Mr Shetabi, one thing that we have heard when it comes to subscriptions in the newspaper industry is that there is this fear that the winner takes all, in that the success of the ones who are succeeding in getting the subscriptions is at the expense of everybody else. As I understand it, in the podcasting industry 1% take 99% of the downloads, and presumably therefore a massive chunk of the advertising revenue. What is your reaction to that kind of picture?

**Sam Shetabi:** I would not necessarily agree with the 1% to 99% ratio. We have found, and this is particularly interesting for our publishers, that part of the reason why they have a long-term podcasting strategy is that it reaches new audiences. Many of our newspaper partners are doing podcasting—primarily, in some cases—to reach younger audiences who would not access them in any other way, whether that be print, digital or even on social. When they are able to successfully convert that not just to a free listener but to a paid listener, that is new audience for them.

The kinds of content that they are seeking out might be a true crime podcast produced by a news publisher and they can get the next episode slightly early by subscribing. That kind of mechanism works really well. In terms of how much of that is being siphoned off to news publishers over any other, there is a very rich ecosystem of independent podcasters who also do subscriptions. Subscriptions is a really popular way of sustaining smaller podcasts. That intimate connection I was talking about between the host and the listener really lends itself to subscriptions. I would not say that news or bigger news publishers are outweighed in the overall number of subscriptions for podcasts generally.

**The Chair:** Moving away from purely the news podcasters and towards the economy of podcasting generally, is it more true that a tiny percentage are getting all of the spoils from this industry versus the vast majority?

**Sam Shetabi:** The model that we work to is a cost per thousand listens. The more listens you have, the more you can earn. If you are a popular podcaster with tens of thousands or millions of listens, you will, by its very nature, earn more money. We do not charge more or less depending on the size of a show if you are going to buy a sponsorship.

We have really open monetisation policies where anyone can upload a podcast and if you meet a very low bar you can monetise. Because it is on that proportional basis, that might be some of what you are relating to. We have other competitors in our industry who focus on boutique sponsorships for smaller shows that do extremely well. There is a really

rich ecology there for different kinds of podcasts to cover their costs or to make money, whether that is through advertising or subscription.

**The Chair:** While we are still on the topic of market impacts and what have you, it would be wrong not to give Global at least the opportunity to respond to the latest news about the BBC's decision to introduce advertising on its podcasts that are available on any platform except for BBC Sounds. I wondered whether you wanted to give us your view on that, Mr Enser-Wight.

**Sebastian Enser-Wight:** We were outraged and really surprised to hear this yesterday in the news. It is, in our view, the thin end of the wedge. This is the first time we will have ever seen the BBC carrying advertising on its content that is also available through BBC platforms. This is analogous to BBC One putting all of its content on YouTube and telling the viewers they can either watch it on YouTube and it will be ad-supported or they can watch it on iPlayer. This is no different from that. We are surprised to hear that the BBC thinks that this is something that will be approved and very much hope that Ofcom or indeed government will intervene.

Our concerns about it are really the simple economics. If the market is suddenly flooded with an influx of new inventory, ultimately the prices will go down. It is basic supply and demand economics. There may be a little more revenue overall, but it will be spread far more thinly so the likes of Global will certainly suffer. Some of the small independent producers that Sam referred to will be in real trouble. That is not to say that there will not be one or two winners that take it all, and that is perhaps the other concern here.

One company will likely be awarded the sales contract to sell these adverts and it will obviously benefit from that. Likewise, there will be one or two producers who have their content chosen by the BBC to be available on BBC Sounds but also on other platforms and to have advertising sold on it. It is a matter of deep concern for us and I know not just for the radio industry but also television broadcasters. They can see clearly that, if adverts are allowed on one content form, the logical progression is that advertising will be carried on all BBC formats.

**The Chair:** Do you want to add anything, Mr Shetabi, in terms of the impact of that on your business?

**Sam Shetabi:** We work with the BBC outside of the UK to support its shows through advertising for its podcasts, so I do not think that it would be particularly appropriate for us to comment on this further. We have nothing to add.

**The Chair:** There is one final question from me in this category, which is what views you might want to offer on access on to BBC Sounds, in terms of that as a platform for non-BBC podcasts. Is there anything you wanted to offer by way of that? I know that it is something that you have discussed in the radio industry in the past but did not go anywhere and I am not sure I understand why. What happened?

**Sebastian Enser-Wight:** As an industry, for radio we have Radioplayer, which is an industry body funded jointly by the BBC and the commercial radio sector. That is perhaps the best means we have to ensure that our radio content is distributed widely and available to all. In past negotiations with the BBC we saw similar issues about access to data transparency that we see with tech giants. We had not made a decision on whether it would be the right thing to be carried on its platform. I do not think that the economics would have worked, so it is certainly not something we are actively pursuing.

**The Chair:** It is not something you would want to see happen.

**Sebastian Enser-Wight:** Not particularly, no. We have a long wish list when it comes to the BBC, but that is not at the top of it.

**The Chair:** Now is your opportunity if there is anything else that you want to get off your chest.

**Sebastian Enser-Wight:** We will come on to some of the other matters later, but no. I would just reiterate this concern about the use of licence fee payers' money to generate content that is then supported by advertising. We really see that as a market distortion. I am not sure whether later we will talk about the launch of its new radio stations or whether now is an appropriate juncture to talk about that too.

**The Chair:** Just in case there is not an opportunity, you might as well go for it.

**Sebastian Enser-Wight:** Our other area of concern is that, as I think the committee will be aware, the BBC has announced that it will launch four new radio stations this coming year. They are brand extensions. One of them, for example, is a Radio 3 brand extension doing classical music, so it will be very similar to and, I would argue, almost duplicative of commercial radio's output. We recognise that the BBC produces some fantastic-quality programming and some truly public-value content, especially around news. We have seen that cut considerably over recent years. There is then the launch of these stations that will almost entirely mirror commercial outputs but will not carry any news whatsoever. Whereas the commercial stations carry news, the BBC has said that these four new stations will carry no news.

Again, we do not view that as a great use of licence fee payers' money. We would much rather see that reinvested into some of the more unique public service news-type content that the BBC was known and loved for historically, rather than producing output that duplicates what is already well served, not just by Global but by small independent stations such as Boom Radio, which could well see themselves put out of business by the Radio 2 spinoff that is going to be launched.

**The Chair:** We will come back later to issues about the regulator. We should acknowledge that that is something that is being actively consulted on at this moment.

Q80 **Lord Knight of Weymouth:** I want move into the issues relating to the tech platforms. Clearly, online listening to radio and, by its very

definition, podcasts is growing and increasingly important. We have these gatekeepers of the internet, particularly the mobile internet in the form of Apple, Google and YouTube in particular, but Spotify—it would argue through Apple and Google via the App Store—and to an extent Amazon too through Audible and some of its own content. How much is all of that gatekeeping, if you like, affecting the way that news on radio and podcasts is being delivered? What concerns do you have about their role and their power as the intermediary between you and your listeners?

**Sam Shetabi:** Podcasting has been remarkably resilient to this kind of pressure. The reason for that is because it has built on this open podcast ecosystem over the past 20 odd years, which means that it is, by its very nature, fragmented. No one company has control over podcasting.

If you look at where Acast sits in the chain, publishers or independent creators upload their content to Acast. We host that content and then distribute that content to wherever the creator wants that to be, so that could be Apple, Spotify, Amazon Music or any number of small independent apps. Then the listener can choose where they want to listen to all of that content on their own terms. They can then choose based on the features of an app as opposed to what is available. Anything that is available on Acast is therefore available anywhere you listen to your podcasts, as long as it is on an open platform. We then monetise those listens on an equal basis. If you are listening on Amazon or on Apple, the value of that to the advertiser and the creator is exactly the same.

The impact of big tech is quite minimal if we look at the past 20 years. We would want to see the open podcast ecosystem continue. That is based on this idea that podcast companies work very well together in a self-regulatory way to introduce new frameworks and technologies that are open to all, which has ensured that there is not actually this barrier that many other mediums have seen.

**Lord Knight of Weymouth:** My understanding is that, using both Spotify and Amazon Music as examples, if you are a music creator and your content is found through the algorithm recommending it, you get paid less than if someone specifically searched for you and your content. Does the same apply to podcasts?

**Sam Shetabi:** I could not comment on any podcasts that were hosted, say, by Spotify and its companies. If you listen to an Acast podcast, so that could be any one of the newspaper publishers we talked about today, the *Telegraph*, the *Guardian* or whoever it might be, whether you are listening to that because it has been recommended to you on a player or because you have subscribed proactively, the listen is equal. That is because we decided as an industry body what defines a listen and under what conditions. There is no change in the value of that, whether you are a subscriber to any of those apps or otherwise.

**Lord Knight of Weymouth:** How is it in radio?

**Sebastian Enser-Wight:** Radio is a slightly different picture. We are reliant on and have benefited from tech platforms so far. Now 17% of all



radio listening is through a smart speaker. There are other means that we rely on tech platforms for distribution too, so finding our apps to be able to listen to our content and social platforms in terms of distributing some of our content.

Taking each in turn, on smart speakers we are very grateful to the Government and this committee for their support of the Media Bill. I think that that will do a lot to protect against some of our fears there and some of the practices we have seen in America. Our concerns there were that, having established this great new medium to listen through, there was a risk that the tech giants could turn around and either start charging for carriage or overlaying advertisements.

One thing they do not do and unfortunately the Media Bill does not look at, but perhaps the DMU might, is sharing of data. We do not see much data when someone listens through this channel. We are overall happy that we have seen this growth. So long as nothing changes—the Media Bill will very much give us protection on that—we hope that that it is a platform for good.

**Lord Knight of Weymouth:** Can I pause you and check in with Sam as to whether you share the concerns on data transparency from the platforms?

**Sam Shetabi:** The kinds of data that we use, whether that is, from the creator's point of view, understanding how big their show is, how many listens it is getting or where those listens are, are based on standards that are built on this open podcasting infrastructure. It does not matter what the app or player is doing. We can understand what that listen means. That does not mean that there is not more data that we would like to have access to, but we would want to do that in a way that was open.

**Lord Knight of Weymouth:** There are no issues if I am accessing a podcast through Alexa or through Google Cast, whatever it is called. You get the data.

**Sam Shetabi:** We still record that as a listen and we can see where that listen has come from.

**Lord Knight of Weymouth:** Un-pause.

**Sebastian Enser-Wight:** The direct distribution of our stations through smart speakers is covered via the Media Bill. I think that the next evolution we are going to see of technology for listening is going to be the car dashboard. Again, the Media Bill offers some protection on voice assistance in the car dashboard.

We are seeing certainly Google invest a lot of money into what is called the connected dashboard. In the future, rather than having a car dashboard with a radio button, the vision—we are indeed seeing this being rolled out across cars—is an app that drives the whole car, whether it is changing the temperature or fans, using your sat nav or indeed listening to radio. We have concerns there that, in future, we could see similar practices that we have seen in the US, in terms of either being

charged to appear on the car dashboard, so paying for prominence, or having our adverts interjected by adverts of the car platform.

**Lord Knight of Weymouth:** In terms of that prominence issue, do you have a sense that these are rules set in the US, in Silicon Valley or wherever, and they are not alive to some of the local, regional or even national demands in a country such as this, which is just different? Therefore they are setting the prominence rules in a way that does not really apply for our territory.

**Sebastian Enser-Wight:** It is partially that and partially purely driven by funding. Many of you may own a smart TV and you will have certain buttons on there, whether it is for a Netflix or an Amazon. The way those are allocated is by who pays the most, so it is not impossible to see a similar situation in car, where the highest bidder will be the platform, whether it is a Spotify, the BBC or Global, that has its media appear at the centre of the dashboard. That is a future concern for us in terms of distribution.

Quickly moving on to the other ways we interact with and rely on the tech giants, listening through apps is also very important to us. We have an app, Global Player, and that can be used to listen to any of our content, whether it is LBC, our podcasts or any of our other stations. The way to download that app is to search in an app store, usually on Android or Apple. Today, we are seeing, I guess, the thin end of the wedge, where one can purchase search results. If you were to search for LBC, the first result that comes up these days is often BBC News or BBC Sounds, because they have purchased that result. To us that is the thin end of the wedge and raises two questions.

One is whether there is a risk that in the future all results will be paid for, so not just the first one. Could we be in a world where, in order to appear in these search results, we have to pay the platforms? We hope that the DMCC will give the DMU powers to intervene if this ever happens. I guess that a slightly secondary concern for us is whether the BBC should really be trying to misdirect customers explicitly searching for LBC towards its own apps, but that is probably slightly outside the remit in terms of big tech giants. That is the second thing.

The final thing is that we use lots of our content to try to generate new listeners. We will take clips of our content from LBC or from interviews and put those on to social media platforms. The real goal of that is to build the brand, so directly to generate traffic to our websites and in turn generate listeners, and indirectly to make sure that LBC, for example, is perceived and known by people who then choose to tune in at a later date. There, we are very beholden to algorithms.

Facebook has recently deprioritised news from its news feeds. I think that this committee has heard about this from previous guests. We have seen a considerable drop-off in the size of the audience coming to our websites from Facebook. Generally speaking, it is not an equitable footing, so we are beholden to these big tech giants and their algorithms. What they decide to do—sometimes we have notice and sometimes we do not—alters the amount of traffic and visibility that we get.

**Lord Knight of Weymouth:** Let me ask two final questions. First, clearly the platforms are really important for you in accessing audience. Google, as an example, owns a significant amount of the programmatic advertising infrastructure, or some of it. Do you have any sense that there are issues attached to your revenue source through that dominance within the advertising market and the whole infrastructure that is fed?

**Sebastian Enser-Wight:** I would say not in audio. We have perhaps been fortunate that digital audio is still a relatively small market compared to, say, display advertising so we have not seen the likes of Google entering it in such a dominant way. It is a fairly fragmented landscape. The platform we are perhaps more concerned about is Amazon again, because we know that it is trying to build up its audio advertising capabilities. Without the protections that the Media Bill would offer, we could see ourselves in a situation as you describe.

**Lord Knight of Weymouth:** Sam and Shini, clearly you have a huge amount of inventory. You must have a lot of programmatic advertising to populate that inventory. Do you have any concerns on that?

**Sam Shetabi:** From our point of view, I would echo that Google is not a major concern for us right now in terms of audio ads. It is not a major player. We have been able to build our own ad tech based on open standards that power all of Acast advertising. It is not an immediate concern.

**Shini Pattni:** Maybe visual and online advertising is where Google is more prominent and we are currently not particularly active in that space programmatically. Visual podcasts is somewhere that we might have concern.

**Lord Knight of Weymouth:** We have not touched on visual podcasts much. Could you say a little bit more about how that trend will arise and where some of the dangers might lie with the tech companies?

**Shini Pattni:** I will maybe take a step back and describe the podcasting industry, how that works and how visual might fit into that. In theory, anyone could make a podcast, as Sam has already said. They then upload that file to a company such as Acast, which will host and distribute the audio file as an RSS feed. An RSS feed is like a bunch of code that has the audio file in it.

We then, as Acast and similar platforms, would partner with Spotify, Apple Podcasts and other listening apps to spit out the RSS feed on to those apps. That is what we mean when we say open podcasting or the open ecosystem. You could listen on any of these apps to the same audio file that the podcaster has uploaded to Acast.

Where visual podcasting fits into that is that a company such as YouTube, which is the dominant player in this industry, does not currently work with RSS. We cannot put podcasts on YouTube in the same way that we do with audio platforms. Big tech has been a really great partner when it comes to audio podcasting, in that we have relationships with Spotify, Apple and other podcasting apps to allow our

content to appear on their platforms. When it comes to visual, that is where we might be concerned around a closed ecosystem in which a company such as Acast cannot access its audiences in the same way that we can do with audio.

Q81 **The Chair:** On that, in terms of YouTube, from what you have just said—so I understand it—you have to have special contract with YouTube to have a visual version of that podcast available on YouTube. Is that what you are saying?

**Shini Pattni:** It is essentially that, as a podcaster, you would have to work solely with YouTube. You just have to sign up with YouTube and work with it, whereas, if you were doing an audio-only podcast, you could work with us and then your podcast would appear everywhere.

**The Chair:** I see—understood. We are going to move on to Lord McNally and I failed miserably, when you were answering questions about the market, to go to Lord McNally, who had a supplementary then. He may want to start with that.

**Lord McNally:** I am always fascinated by how the *Times* and Times Radio now cross market in a way that they were not able to when the *Times* first started in its ownership. We are worried about news deserts. Is there scope for a partnership between the radio companies, local newspapers and local podcasters to create a more viable unit of locally sourced news and programming?

I will tell you what strikes me. I was looking, after yesterday's catastrophe, at the *Liverpool Echo*, much beloved by Lord Storey. In the big cities such as Liverpool and Manchester, you could put the commercial radio station, the newspaper and perhaps podcasting together as very marketable unit. You can have that idea for free.

**The Chair:** Take that as a gift from Lord McNally.

Q82 **Lord McNally:** Let us leave it hanging in the air. Lord Knight has slightly shot my fox, because I was going to allow Shini to have a word. You had been silent up to then, but you have really come into your own at the last question. I am also interested, given that you have had experience with the evolving regulatory landscape, in whether you think there needs to be change in Ofcom's regulatory oversight. For example, does it make sense for Ofcom's codes to apply to broadcast radio, but not online content?

**Shini Pattni:** It is a great question and there is probably quite a complex answer when it comes to podcasting, because of the nature of the industry. It is generally open, in the way that I described. Anyone can make a podcast and upload it. You could be a creator with one listen and still have your podcast out there on Spotify. The fragmentation of the market means it is really difficult to know what stage to regulate at. We still have the laws that already exist around libel, defamation and other types of harmful content, which would be regulated at the creator level.

Then, you go to the Acast level of the podcast platform that hosts and distributes the podcast. At this level, we have things like the Digital Services Act and the Online Safety Bill, which the platforms can implement regulation around. Implementing more regulation on the Ofcom side would be quite difficult, because it could stifle the creativity and diversity of the industry, given the size of podcasters at the smaller end. Larger podcasters, such as news outlets, might be subject to different regulations already. Influencer regulations are another good one that Ofcom already has, which would apply to the creators, but the podcasting industry itself would be very difficult to regulate.

**Lord McNally:** Others can answer this broader question as well. It has worried a number of us. Does anything need to change in the relationship between tech platforms and content producers? That is a donkey drop for you all to hit for six.

**Shini Pattni:** The one thing that we might have concerns around is, on the platforms, if there are priority algorithms. You might see certain content being prioritised over another. Currently, we do not see this happening that much with podcasts, but it is a very logical and feasible thing that platforms could start doing in future. That is probably one area of concern when it comes to the tech platforms that otherwise work quite well in podcasting within the open ecosystem.

**Lord McNally:** What about the broader industry?

**Sebastian Enser-Wight:** I would echo your concerns there. All our concerns boil down to ensuring that there is equal prominence and there is not self-preferencing by these tech platforms. Later this year, I hope, the Media Bill will give some level of protection to that. The key things we would like to see changed going forwards are more availability of data and protection over data.

There are two elements to the data argument. One is that it would be great to understand a little more about our listeners, but the second is to make sure that the platforms cannot adopt a practice called Sherlocking, where they learn more and more about what audiences enjoy and do not enjoy about our content and then use it to produce their own. We would look to the DMU in the future to give some protection around data.

Ultimately, whatever new device or current technology is used to consume our products, which is provided by big tech, it really comes down to making sure that there is no self-preferencing or specifically paid for advertising that sets an unlevel playing field.

**Lord McNally:** Tom, do you have any further thoughts?

**Tom Cheal:** No. Seb has covered it all.

**Lord McNally:** When we get big tech along, it just says, "We're just humble technicians laying pipes for others to deliver stuff". It is beginning to wear a bit thin.

**Sebastian Enser-Wight:** So long as they are open and transparent pipes, we are very happy.

**Lord McNally:** Do you have any concerns about AI-generated audio cloning news presenters, hosts, other parts of the industry? Is action needed to address this?

**Tom Cheal:** This is a very live conversation among journalists and content producers. It is something we are looking closely at. We have seen high-profile politicians having their voices cloned in recent months and, heading towards an election, it is vital that all responsible broadcasters and journalists make sure they have a robust approach to prevent the intended harm from happening and this polluting our public discourse.

Yes, it is a challenge. I cannot pretend that we have come up with what we see as the answers, but we have been very mindful of its potential impact. We have internal guidance for our teams. We are also opening dialogues with the political parties that I know are looking at this, because of the depth of their concerns. There is also something that, in our capacity in LBC, we can do, which is talk about it. We can air this as a potential issue and concern, and, in a sense, help educate the public as to what is going on.

Fundamentally, this is about making sure that our journalism continues to carry out robust checks on all sources to prevent this from becoming a serious threat in the heat of an election.

**Lord McNally:** I see nods there. I have been asked to ask whether you think it would be possible and desirable to have a kitemark, for online audiences to identify trusted news content.

**Shini Pattni:** We would be, in theory, in favour of anything that promotes openness when it comes to the use of AI in audio. There is a place for AI audio in podcasting, if it is used to enhance the story, rather than cloning a news presenter. The latter leads to concerns around eroding trust in the industry. As we were saying earlier, podcasting is a medium that really generates audience loyalty, which would be eroded by the use of AI to deepfake a news presenter.

A kitemark would be a good idea, but some thought would have to be given as to how it would be implemented, given the nature of podcasting as being so fragmented. Acast could not necessarily be the one that applies the kitemark. It could be a slightly tricky thing to implement.

**Sebastian Enser-Wight:** I share the sentiment. It is an appealing idea. The implementation would be tough, because it requires three things. First, somebody would have to be the trusted arbiter of what trusted content is or is not. Secondly, the platforms on which content is distributed then need to agree to display or not display this kitemark based on guidance from that arbiter. Finally, of course, audiences need to trust this kitemark. There are a lot of hurdles to get over. It is certainly an appealing idea, but we would need to understand a bit more how it could be implemented in practicality.

**Lord McNally:** Since this is the end of my slot, can I just leave you with the thought that I agree entirely with the two points raised by Mr Enser-Wight? I am a supporter of the BBC, but one is a poison pill and the

other, as you rightly said, is money that could be spent far better.

**Q83 Lord Knight of Weymouth:** I have a very quick question. You said that the political parties are in conversation about concerns about the use of AI. I understand their concern about some of their representatives being misrepresented by AI, but has that included them using AI in political communication themselves? What is your view on that?

**Tom Cheal:** That is not something that I am yet aware of, but now you have raised the point I might take it away and investigate a bit further.

**Q84 Lord Young of Norwood Green:** This is a variation on that theme. The AI genie is out of the bottle, is it not? It is not going back. We are not having a six-month moratorium or anything like that. It is going to be used as a general research tool and whatever. We are going to have to get used to it. I share the concern about copyright, et cetera, but am I right in that assessment? I do not mean to be glib. It is really about saying what I feel exists at the moment.

**Sam Shetabi:** We are quite optimistic about AI and its potential to help in the production of audio, but also open up new avenues. AI translation into alternative languages is an interesting opportunity that we are going to see a lot more of, because it is so much more available and cost effective than it would have been in the past. There are tremendous opportunities to use AI for good, while keeping an eye on the potential challenges.

**Tom Cheal:** It has potential value as a research tool and in doing some of the heavy lifting around data journalism, for instance. Our view is that we are interested in where it may lead, but it is not an area in which we are looking to pioneer. We have touched on the role of trust. As radio broadcasters and audio broadcasters, the voices of our presenters and reporters are very important, and the character and personality they bring to the output is very important. There are good reasons for us to proceed very cautiously around it.

**Q85 Lord Kamall:** Throughout this inquiry, when we have been questioning witnesses, the BBC has come up. We have had witnesses from the BBC, who tell us that they are unique compared to commercial competitors, but we also hear concerns, some expressed by Mr Enser-Wight. This is not a "bash the BBC" session or anything, because people trust it and love it, but I just wanted to give all the panellists an opportunity to raise any other commercial concerns you have about the BBC using licence fee payers to perhaps act in an anti-competitive way against commercial providers.

I know Mr Enser-Wight had some concerns. I will start with you and then the others can join in. I am not trying to bash the BBC here. It is purely concerns about the subsidisation of licence fee payers to be anti-competitive.

**Sebastian Enser-Wight:** The key concerns have been raised and it is a theme we see again and again. There is this dichotomy. There is a part

of the BBC that produces excellent output and there is another part that seems to be more inclined to infringe on commercial behaviours. We would just urge that, whether it is launching new podcasts or new radio stations that duplicate our content or whether it is—even worse, perhaps—using licence fee payers’ money to generate content that then distorts or dilutes the advertising market, the BBC and Ofcom proceed with caution.

As you say, it has some truly unique and distinctive content. It is a shame that we see that being underinvested in and, in fact, having its funding cut at the same time as other elements of the BBC are looking to mirror our output.

**Q86 Lord Storey:** Tom, I just wanted to clarify something you said earlier. You said you were investing in local news, but, on the back of a really healthy position in the last financial year, you actually cut 40 jobs at local news stations and established what you called news hubs. Where are these news hubs based? Are they based on a regional basis?

**Tom Cheal:** We did not cut 40 jobs. There was a process through which a number of jobs and roles were put at risk as part of that move towards reshaping our regional news teams. We moved from just over 100 journalists to 102 journalists working across Global’s newsroom, two-thirds of whom are based outside London. We have 12 regions from which we broadcast and produce our local and, in some cases, regional news, of which 11 are outside London.

They have the news editors that I talked about, the bulletin readers and the enhanced reporting capacity, which was where the added investment as a result of that reorganisation went. Our overall investment in that team did in fact increase, although the headcount meant that we said goodbye to a few valued colleagues at the time. The intention was to beef up our journalism right around the country, to ensure that we are identifying and telling the right stories through our local news bulletins and feeding into the LBC operation nationally.

**Q87 The Chair:** If I may, just before we conclude, I will come back to a topic that I raised earlier and direct this to Mr Shetabi. When we were talking about the range of opinionated news/current affairs-type podcasts out there, it is seemingly quite narrow in terms of the most popular ones that get featured in the top 10 listed on Apple Podcasts and what have you. Is Acast producing any opinionated news-type podcasts, which offer something other than—forgive me—the centrist dad-type chatting? If not, is that because you just do not see a market for it?

**Sam Shetabi:** We are quite unique in the podcast landscape in that we do not produce podcasts ourselves. We are the hosts, distributors and monetisers of podcasts, but we do not ourselves do that. We do provide all kinds of services and assistance to podcasters of all ranges of size, whether they want to use our studio in our offices to produce their podcast, whether they want to use the editorial advice that our teams can give or whether it is about educating the advertising industry about



the strengths of the podcasting and the reasons why advertising on a news podcast is so effective.

We ourselves do not produce podcasts and that is a strategic decision we have made. We want to be working with creators and producers, rather than being the producers ourselves. Our competitors are not the same. They do produce more of that content.

**The Chair:** Are those podcasts that would offer an alternative to “The News Agents”, and all the others that we know about, coming only from the very independent, specific content generators themselves? Is that where they emerge from? They are not emerging from any of the mainstream news providers.

**Sam Shetabi:** I would not agree with that. The variety of news podcasts available, whether they are briefing style or opinion style, is very extensive. Even news publishers have a real variety within their catalogues. If you look at the *Times*, it has news briefings, but it also has comedy with Matt Chorley, with “Politics Without The Boring Bits”. It has “How to Win an Election”, which is in the style of “Political Currency”, where it is more conversational and giving insight from former politicians.

You even have providers like Tortoise. One of its flagship shows is called “The News Meeting”, which is about what makes news newsworthy. It is a conversational format that really works for that brand. That is an example of how podcasting itself allows you to be much more creative in the kind of output you have. You can work out how you want to deliver a story in a more creative way.

I would not agree that you have to be an independent podcaster, outside of a news provider. There are some very successful ones and the barrier to entry in podcasts is so low that it means that anyone can really create their own news or opinion podcast with very limited resources. The news publishers we work with are using the newsrooms they have and all the expertise they have to be able to do that for straight news as well as opinion and all kinds of genres in between.

**The Chair:** What is the main competitor to “The News Agents” on LBC?

**Tom Cheal:** We watch the charts closely. “The Rest Is Politics” seems to be the principal challenger.

**The Chair:** It sounds pretty similar to me.

**Lord Young of Norwood Green:** Do you see YouTube as a competitor?

**The Chair:** It is a competitor platform.

**Lord Young of Norwood Green:** That is what I meant, yes.

**Tom Cheal:** It is a potential draw on people’s attention, which pulls them away from listening to any one of our products or channels. We partner with it in some regards but, in the digital world, it is also a means of drawing attention away from our own platforms.

**Lord Young of Norwood Green:** It has very low start-up for anybody who wants to.

**The Chair:** Thank you. We are going to draw it to a close. Thank you, all four of you, very much for your testimony this afternoon. It has been very interesting and we are very grateful to you. If there is anything that we have not covered this afternoon that you did want to submit to us in writing as a follow up then, please, by all means, do that.