



30<sup>th</sup> September 2015

## House of Lords Select Committee on Communications Inquiry into aspects of BBC Charter Renewal

### About UK Music

1. UK Music is the umbrella body representing the collective interests of the UK's commercial music industry, from songwriters and composers to artists and musicians, studio producers, music managers, music publishers, major and independent record labels, music licensing companies and the live music sector.
2. UK Music exists to represent the UK's commercial music sector, to drive economic growth and promote the benefits of music to British society. The members of UK Music are listed in an annex.

### General

3. The future of the BBC and the debates, negotiations and outcomes concerning Charter Review is of great interest to UK Music. We have recently launched a public facing campaign, #LetItBeeb, which highlights the music industry's support for the ongoing diversity of the BBC's music services.<sup>1</sup>
4. The BBC relies heavily across all its platforms (radio, television and online) on the music created and supported by our members, yet it also provides an important platform for listeners to access our member's works. Any changes to the BBC's services and values resulting from the next BBC Charter should strengthen and build upon the BBC's important music services. Without these services there would be diminished music output which would fail to deliver the plurality of outputs so essential to meet the variety of tastes and interests of licence fee payers. It will also have far reaching cultural and economic implications for the UK, disproportionately impacting new artists and reducing the UK's reputation globally.

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<sup>1</sup> <http://letitbeeb.tumblr.com/>

UK Music  
4<sup>th</sup> floor  
49 Whitehall  
London, SW1A 2BX  
T. 020 3713 8454  
M: 07720 496 555  
E. [info@ukmusic.org](mailto:info@ukmusic.org)

[www.ukmusic.org](http://www.ukmusic.org)

5. The BBC has made significant steps in recent years to place music at the heart of its broadcast services, alongside news and sport. Whilst there is room for improvement on television, there are a number of different radio services available on the BBC that cater for audience demand for popular, classical and folk music. The recent BBC Trust Radio Service review into Radio 1, 1Xtra, 2, 3, 6Music and Asian Network acknowledged the extent to which these stations provide a necessary role in introducing new UK music to audiences and in developing musical talent.<sup>2</sup>
6. New content is essential for a vibrant music industry which in turn benefits society as a whole. BBC Introducing is of great merit in terms of showcasing unsigned talent. More than 130,000 artists have uploaded music to the BBC Introducing website and 120 have performed at festival stages. 25 artists that started out on BBC Introducing have signed major record label deals and 8 have achieved number one albums.<sup>3</sup> Florence and the Machine, George Ezra, Jake Bugg, Bombay Bicycle Club, Catfish and the Bottlemen, Royal Bood and James Bay have all benefited from this strand of the BBC's work in helping launch their careers.
7. For classical music, Radio 3 is an essential service whose role in sustaining a healthy classical sector cannot be overstated. Radio 3 is the primary commissioner, programmer and broadcaster of new classical music not only on the UK, but in the world. As a result it is the single most important radio service for listeners who want to access new classical music.
8. The BBC launched "British Bold Creative"<sup>4</sup> in September 2015, setting out the BBC's programmes and services for the next Charter. The document reaffirms the BBC's commitment to music and claims that the BBC is the most significant music broadcaster in the world with over 40,000 hours of content a year, making music the BBC's largest genre by volume. Through Charter Review, the Government should at the very least enable the BBC to fulfil existing commitments to music. If the BBC take their ambitions for music further by proceeding with the development of a digital music service then this must be fully licensed by music rightsholders.

### **Specific Questions of the Committee**

9. Concerning the future of the BBC, UK Music sent a detailed letter<sup>5</sup> on 18<sup>th</sup> September to the Chair of the BBC Trust as part of the Tomorrow's BBC<sup>6</sup> consultation and is responding to the DCMS Green Paper consultation.<sup>7</sup> UK Music is confining its response to the House of Lords Select Committee on Communications inquiry to high level principles on issues relating to the public purposes of the BBC and the licence fee. UK Music would also like to draw the

<sup>2</sup> [http://www.bbc.co.uk/bbctrust/our\\_work/services/radio/service\\_reviews/music\\_radio](http://www.bbc.co.uk/bbctrust/our_work/services/radio/service_reviews/music_radio)

<sup>3</sup> [http://www.bbc.co.uk/bbctrust/our\\_work/services/radio/service\\_reviews/music\\_radio](http://www.bbc.co.uk/bbctrust/our_work/services/radio/service_reviews/music_radio)

<sup>4</sup> <https://downloads.bbc.co.uk/aboutthebbc/reports/pdf/futureofthebbc2015.pdf>

<sup>5</sup> [http://www.ukmusic.org/assets/general/BBCTrust\\_UKMusic\\_September\\_2015.pdf](http://www.ukmusic.org/assets/general/BBCTrust_UKMusic_September_2015.pdf)

<sup>6</sup> <http://www.bbc.co.uk/bbctrust/>

<sup>7</sup> <https://www.gov.uk/government/consultations/bbc-charter-review-public-consultation>

committees attention to evidence of the diversity of music services provided by the BBC.

## Public Purposes

10. Under Charter Review, the Government will consider the case for reform of the BBC's public purposes and whether there should be a defined set of values for the Corporation. This should not be treated as an "either/or" exercise. Creativity should be at the heart of any values the BBC represents and be maintained as part of its public purposes.
11. In 2014, the BBC launched its music strategy.<sup>8</sup> There are three core activities of the strategy – (i) emerging talent, (ii) digital and (iii) landmark programming. Through new initiatives such as the Ten Pieces projects, BBC Introducing partnerships, the development of BBC Playlist and the BBC Music Awards, as well as existing broadcast services and programming, music is increasingly a focus for the BBC's output. The strategy is proving to be suitable for the BBC to deliver its public purpose objectives. Any changes to the BBC's public purposes could have a profound impact on the delivery of the strategy.
12. It is crucial that the "Stimulating Creativity and Cultural Excellence" objective is maintained as a public purpose for the BBC. Any dilution of this purpose will disincentivise the work that the BBC currently provides regarding music. We estimate the UK music industry contributes £3.8 billion to the economy and £2.2 billion in exports.<sup>9</sup> Having a plethora of legal licensed platforms and services that enable audiences to enjoy and discover music helps to maintain a strong national economic contribution. That the BBC contributes a number of services underpinned by such an objective demonstrates the significance of this public purpose for music.
13. Also important is the public purpose to "promote education and learning". The likes of Ten Pieces<sup>10</sup>, that aims to open up classical music to 7 to 11-year-olds, Radio 2's 'learn to play guitar' courses<sup>11</sup>, Radio 1's series of Academy workshops<sup>12</sup> and BBC Introducing's online tutorials<sup>13</sup> all potentially complement the existing work of UK Music members and we would support and welcome further involvement in these and other initiatives. Given that we can provide the expertise, the BBC should be required to work with us to ensure the music they deliver across all formats is the most diverse and challenging. It is important that the younger generation learn about music in an engaging way and that programming is not seen as patronising or dumbed down for children.

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<sup>8</sup> <http://www.bbc.co.uk/mediacentre/mediapacks/bbcmusic>

<sup>9</sup> <http://www.ukmusic.org/research/measuring-music/>

<sup>10</sup> <http://www.bbc.co.uk/programmes/p01vs08w>

<sup>11</sup> <http://www.bbc.co.uk/programmes/articles/3yMSBMmDqBCJdVYLrMlnCH3/radio-2s-guitar-pick-up-lessons>

<sup>12</sup> <http://www.bbc.co.uk/programmes/p017f6dt>

<sup>13</sup> <http://www.bbc.co.uk/introducing/advice>

14. A further existing public purpose of the BBC is “bringing the UK to the world and the world to the UK”. The BBC is the window through which those from overseas can learn about UK music. The UK economy benefits from having high caliber and diverse international BBC services. This should continue to be encouraged.
15. Music services such as Radio 3 are essential for the BBC to fulfil the “representing the UK, its nations, regions and communities” public purpose. The BBC’s six performing groups are based in London, Manchester, Glasgow and Cardiff; while the station also supports live music events outside London, including Lichfield Festival, Huddersfield Contemporary Music Festival, Cheltenham Festival, and Bath Festival.
16. If clarity to the public purposes of the BBC is to be sought then UK Music would propose that the remit for “Stimulating Creativity and Cultural Excellence” should directly reference the BBC music strategy and its three core activities. This will provide greater focus for what the BBC intends to do to deliver its objective for music.
17. Other objectives, such as “Representing the UK, its Nations, Regions and Communities” and “Delivering to the Public the Benefit of Emerging Communications Technologies and Services”, could also be recalibrated given that they may interact with the BBC’s creativity output and so make this relationship explicit.
18. The BBC’s existing popular coverage of Glastonbury demonstrates the huge appetite for televised festival live music coverage. According to UK Music’s Wish You Were Here 2015 report, music tourism to festivals contributed £1.7 billion to the economy in 2014.<sup>14</sup> There are festivals in every region of the UK yet only a handful benefit from televised coverage on the BBC. More consideration should be given to extending broadcast coverage across all existing platforms for small, boutique and independent festivals. This would enable the BBC to further fulfil their “representing the UK, its nations, regions and communities” public purpose.
19. The BBC has estimated that £2.2 billion of the licence fee income is invested in the creative industries.<sup>15</sup> Whilst it may not be possible to place an exact value on the BBC’s contribution to creativity, it is clear that it is at the heart of much of what it does. Any values established for the BBC should be reflective of this, which the BBC is then held to account for.

## **The Licence Fee**

20. The BBC should be investing more in music. UK Music believes that the BBC should be adequately funded and protected for the delivery of its music services, supporting effective targeting of resources. We support the licence fee as a model for achieving this.

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<sup>14</sup> <http://www.ukmusic.org/research/music-tourism-wish-you-were-here-2015/>

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[http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/reports/pdf/bbc\\_report\\_contribution\\_to\\_the\\_UK\\_creative\\_industries.pdf](http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/reports/pdf/bbc_report_contribution_to_the_UK_creative_industries.pdf)

21. The BBC is the single biggest employer of professional musicians in the UK. Virtually all members of the Musicians' Union will interface with the BBC at one stage of their career. The BBC's impact is beyond employment however, it is a vital part of cultural life. Without it there would be limited quality cultural broadcast provision. Music and culture in the UK would suffer without it.
22. Other aspects of the BBC's music work should not be ignored. The BBC Orchestras and Singers last year gave 65 world premieres and a further 36 UK premieres via its weekly new music programme. Their budget, which is around 1% of the licence fee, is often under threat and requires stability.

### **Diversity of BBC music services**

23. Collectively Radio 1, 1Xtra, Radio 2, Radio 3, 6Music, Asian Network, Proms, BBC Introducing, Glastonbury and festival coverage, music broadcast programming and documentaries represent a diverse range of services which provide access to a wide variety of programming and music for licence fee payers.
24. The BBC's radio services operate in a densely populated market, serving audiences alongside national, local commercial radio and community radio services. All parts of the market can, and do, meet the needs and expectations of listeners in different ways. However, the onus must always be on the BBC to ensure its services are distinctive.
25. Data from music licensing company (and UK Music member) PPL about the use of recorded music in radio broadcasts in 2014 indicates that:
- Overall, 75% of all tracks played across the full range of BBC radio services were not broadcast on commercial radio.
  - Over half the tracks played across Radio 1, Radio 2 and BBC national and local radio stations were not broadcast on commercial radio.
  - For 1Xtra, that proportion was almost two thirds of the tracks played. For the Asian Network, it was three quarters. For Radio 3, it was 93%.
  - 6Music was the most eclectic radio station, playing 29,000 distinct tracks.
26. PPL's data also indicates that, 64% of artists whose tracks were played on BBC radio did not have their tracks broadcast on commercial radio. For Radio 1, this was 39% of artists and, for Radio 2, 41%.
27. A further analysis provided to UK Music from *PRS for Music* about the use of musical compositions in radio broadcasts indicates that commercial radio stations played on average 1,800 unique songs in 2014<sup>16</sup>, whilst comparative

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<sup>16</sup> Based on a sample of four representative stations in 2014 and determined by reported song and music usage between 3 and 6 minutes.

figures were in excess of 13,000 songs for Radio 1 and, for Radio 2, over 21,000 songs.

28. Therefore, we believe the evidence supports the view that the BBC is sufficiently distinct from commercial radio in the music it plays and that while this distinctiveness is maintained both the BBC and commercial sector can grow and thrive together.
29. Crucially, output of individual BBC radio stations is also significantly distinctive from each other.
30. For instance, although there is some minor overlap between Radio 1 and Radio 2, the majority of tracks played on each station remains unique. At the time of writing, the combined A, B and C Lists for both stations equate to a total of 69 individual tracks. Of these, there is a crossover of only 5.8% (or 4 tracks in total).
31. This is consistent with the findings of the BBC Trust Service Review 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.”*<sup>17</sup>
32. Similarly, the recent BBC response to the Charter Review, “British Bold Creative”, found that Radio 1 shares just 6% of music tracks with Radio 2, while Radio 2 shares 5% of tracks with Radio 1. Just 13% of the combined Radio 1 and Radio 2 audience listens to both stations.<sup>18</sup>

## Annex

UK Music’s membership comprises of:-

- AIM – Association of Independent Music - representing over 850 small and medium sized independent music companies
- BASCA - British Academy of Songwriters, Composers and Authors – BASCA is the professional association for music writers and exists to support and protect the artistic, professional, commercial and copyright interests of songwriters, lyricists and composers of all genres of music and to celebrate and encourage excellence in British music writing
- BPI - the trade body of the recorded music industry representing 3 major record labels and over 300 independent record labels.
- FAC – The Featured Artists Coalition – the voice of the featured artists.
- MMF - Music Managers Forum - representing 425 managers throughout the music Industry

<sup>17</sup> [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our\\_work/music\\_radio/music\\_radio.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/music_radio/music_radio.pdf)

<sup>18</sup> <http://downloads.bbc.co.uk/aboutthebbc/reports/pdf/futureofthebbc2015.pdf>

- MPG - Music Producers Guild - representing and promoting the interests of all those involved in the production of recorded music – including producers, engineers, mixers, re-mixers, programmers and mastering engineers
- MPA - Music Publishers Association - with 260 major and independent music publishers in membership, representing close to 4,000 catalogues across all genres of music
- Musicians' Union representing 30,000 musicians
- PPL is the music licensing company which works on behalf of over 90,000 record companies and performers to license recorded music played in public (at pubs, nightclubs, restaurants, shops, offices and many other business types) and broadcast (TV and radio) in the UK.
- *PRS for Music* is responsible for the collective licensing of rights in the musical works of 100,000 composers, songwriters and publishers and an international repertoire of 10 million songs
- UK Live Music Group, representing the main trade associations and representative bodies of the live music sector

For more information please contact Tom Kiehl, Director of Government and Public Affairs, UK Music on [tom.kiehl@ukmusic.org](mailto:tom.kiehl@ukmusic.org) or 020 3713 8454.