

**House of Lords Communications Select Committee**  
**Inquiry into Public service broadcasting and video on demand**

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. A full list of UK Music members can be found in annex.
3. As the focus of this enquiry is the future of public service broadcasting in the context of significant changes in video on demand, the focus is understandably on the provision and future of Public Service Broadcasting audio-visual content. We would, however, urge the Committee not to disregard the relevance of its questions to the future of radio, specifically BBC radio. The BBC's national services provide access to a wide range of diverse music, BBC Radio 3 is the largest commissioner of new classical music in the UK, while its Nations and Regions services provide important local news and information. The broader questions about the future scope and funding of Public Service Broadcasters is as relevant to radio as it is of audio-visual services.
4. Whilst we cannot provide viewing figures, in addition to the ones that are publicly available, we would like to stress the importance of the BBC as the main public service broadcaster for the UK music industry. There is little evidence to suggest that greater competition in the audio-visual market has diminished the need for public service broadcasters. The more competitive nature of the audio visual market has its advantages, for example additional investment in new content driven by global online providers. Equally, however, it brings challenges to the traditional Public Service Broadcasting model, where high quality diverse content and national and local news was traded against valuable public spectrum and prominence in the channel listings; or in the case of a BBC, a licence fee.

5. In one of its first acts, following its establishment in the Communications Act 2003, Ofcom conducted a review to determine the characteristics of Public Service Broadcasting. These were defined as follows:
  - Informing our understanding of the world - To inform ourselves and others and to increase our understanding of the world through news, information and analysis of current events and ideas;
  - Stimulating knowledge and learning - To stimulate our interest in and knowledge of arts, science, history and other topics through content that is accessible and can encourage informal learning;
  - Reflecting UK cultural identity - To reflect and strengthen our cultural identity through original programming at UK, national and regional level, on occasion bringing audiences together for shared experiences;
  - Representing diversity and alternative viewpoints - To make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, both within the UK and elsewhere.
6. For the music industry these characteristics remain as important in 2019 as they were in 2003. Public Service Broadcasters, especially the BBC, play an important role in the development, commissioning and promotion of new music and in generally supporting UK creators and performers. Essentially, they invest in diverse types of content, driven by a commitment to cater to a wide range of tastes and interests, rather than pure commercial drivers.
7. UK Music is aware that in many cases the BBC has adopted an aggressively commercial approach to acquisition of rights in musical works, often as a condition of commissioning new works for TV. Composers can be required to transfer some of their rights, commonly the reproduction rights, in order to obtain work from the BBC, and in exchange for a commissioning fee which barely covers the costs of production. Broadcasters directly profit from the acquisition of rights from creators in such a way, at the same time diverting critical funding out of the UK's music industry and away from its creators. Unfortunately, such practices are common in the US, and over the last few years have been exported to the UK by the US content providers, but its impacts are felt actually when they are adopted by the public service broadcasters who have significant control and power over the UK market.
8. We note the Committee's specific question in its call for evidence about the possible implications of the proposed BritBox. We recognise the desire held by public service broadcasters to increase and consolidate their online content provision, and the possible benefits to consumers of a single point of access to the programmes they enjoy. For example, the BBC and ITV should not be able to leverage their existing market control to secure the necessary third-party rights, such as the rights in the sound recording and musical works, at rates below the market rate.
9. These concerns were also set out in our response to the Public Interest Test Consultation on BBC iPlayer Proposals, that music needs to be remunerated whatever

the platform (be it video on demand or public service broadcasting) by appropriate licenses at market value.

10. As regards the specific aims of this consultation, we continue to believe that public service broadcasters have an important role to play in the securing a rich, diverse and informative UK broadcasting industry, to the benefit of the wider creative industries and consumers. In an ever changing media landscape public service broadcasting, TV and radio, must clearly adapt in order to remain relevant and to best reflect the audiences they serve. The challenges for policymakers should be to create a regulatory and funding model for public service broadcasting which allows for such changes whilst preserving principles which encourage diverse and wide-ranging content which supports and promotes the UK's creative sectors.

## **Annex**

UK Music's membership comprises of:-

- AIM – The Association of Independent Music – the trade body for the independent music community, representing over 850 small and medium sized independent record labels and associated music businesses.
- 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 represents and promotes the interests of featured recording artists in the music industry.
- The Ivors Academy of Music Creators - The Ivors Academy exists to support, protect and celebrate music creators in the UK. We are the independent professional association representing songwriters and composers in all genres, whether they create song, symphony or sync. Previously known as BASCA, we can trace our history back over 70 years. As champions of music creators, we have three main activities: campaigning, cultivating and celebrating
- MMF – Music Managers Forum - representing over 650 UK managers of artists, songwriters and producers across the music industry with global businesses.
- MPG - Music Producers Guild - representing and promoting the interests of all those involved in the production of recorded music – including producers, engineers, mixers, remixers, 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 100,000 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 114,000 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

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