March 2024

BBC Public Interest Test consultations on new digital music stations and Radio 5 Sports Extra

UK Music Response

1. UK Music is the collective voice of the UK's world-leading music industry. UK Music represents all sectors of the music industry – bringing them together to collaborate, campaign and champion music. A full list of UK Music members can be found in Annex A.

2. The UK Music industry is a key national asset. In 2022, it contributed £6.7billion to the UK economy, employed 210,000 people and was worth £4 billion in exports. The UK remains one of only three net exporters of music globally and is the second largest exporter of recorded music in the world, after the USA.

3. A supporting element of this success is the strength of the relationship between the BBC and music. The BBC relies heavily on music across all its platforms (radio, television and online), and provides a significantly broader and more distinctive offer for music when compared to its competitors.

4. The BBC is the single largest employer of musicians in the UK. It employs more than 400 contract musicians and many hundreds more on a freelance basis. It also one of the largest commissioners of new music: An Ivors Academy survey of previous winners and nominees of the Composer Awards found that 62% of those composers had received a commission from the BBC.

5. The BBC also fund and organise live music events such as the Proms and Radio 1's Big Weekend, while also providing wide-ranging coverage of music events and festivals. Its network of radio stations provides a platform for artists, producers, songwriters, and composers, allowing them to reach a wider audience and gain exposure.

6. While we are broadly supportive of increasing the provision of music radio, we have several concerns regarding the proposed new digital music stations that we would like to see addressed. The new digital music station proposals come off the back of last year's cuts to BBC Introducing, and the proposed new stations do not provide adequate provision for new, unique, or British music – especially in the context of cutbacks to the BBC Introducing network.

7. Our submission considers the four questions asked in the consultation document. These are detailed in Annex B. UK Music believes strongly in the value of the key partnership between the BBC and the music sector. This relationship thrives when the BBC demonstrates a robust commitment to investing and supporting the nation's music ecosystem.

8. Our key asks are:

a. Reverse cuts to BBC Introducing.
b. Commit to at least a third of tracks across each of the four new stations being new music.
c. To reconsider how BBC Radio 3 Extensions commitment to British composers can be strengthened.
d. Commit to each of the new stations playing around 10,000 unique tracks per year.
e. Increase BBC funding for music projects across the board – maintaining the license fee as a model for achieving this.

Cuts to BBC Introducing

9. Much of the BBC's support for emerging musical talent in recent years has come from its BBC Introducing shows which featured on 32 of its 39 local radio stations.

10. According to the BBC, over 500,000 tracks were uploaded to BBC Introducing since its launch in 2007. In 2020, nearly 2000 emerging music creators received their first ever music royalty because of a BBC play. 7 of the top 10 biggest selling songs of 2022 came from artists championed by their local BBC Introducing show.

11. Florence and the Machine, George Ezra and Jake Bugg are just some of the artists whose careers were launched by BBC Introducing. In addition, producers and engineers, even established ones, are dependent on platforms like BBC Introducing to build their reputations and advance their careers.

12. The BBC Introducing network also plays a crucial role in live music, providing many artists their first festival exposure through the stages they operate at festivals including Reading and Glastonbury.

13. However, in February 2023, the BBC announced that the current 32 BBC Introducing Shows will be replaced by 20. Many Introducing shows started merging towards the end of last year.

14. The cuts to BBC Introducing have been widely criticised by artists including, Nile Rodgers, Sigrid, and Elton John. The latter described the cuts as "a worrying step" that shows a "neglect of musicians".[1]

15. The proposed budget for the four new stations is £3.1 million per year. However, despite this cost, we do not believe the proposals, in their current form, will rectify what is being lost by the current cuts to BBC Introducing. **The cuts to BBC Introducing should be reversed.**

Share of New Music on the New Stations

16. The BBC's operating licence defines music as being considered *"New Music" for a period of either: (a) 12 months from first release (whether by physical, radio,*

[1] NME 2023

download or streaming means), or (b) 6 weeks from the date it first enters the Top 20 of the UK Official Singles Chart, whichever is sooner.

17. Radio still ranks as the number one source for adults discovering new music, with 75% of adults relying on radio to explore new music. The enduring importance of radio as a platform for music discovery is underscored by the percentage of adults listening to radio every week remaining relatively stable at 88% in 2023 (compared to 91% in 2010).[2]

18. It is important to strike a balance in providing platforms for emerging artists and ensuring a diverse range of music is showcased to listeners. A radio play for an upcoming artist can act as a career catalyst**,** not just for the artists themselves but also for songwriters, producers and independent labels involved. For some independent labels, one successful track can make a huge a difference to that companies' survival or growth.

19. However, it is disappointing that only two of the four proposed new stations will provide any new content. Both Radio 1 New Extension and Radio 2 Extension will be focussed entirely on music from previous decades and provide no new musical content.

20. As far as the two new stations providing new content are concerned:

    a. Radio 1 Dance – new music will comprise at least a third of tracks.
    b. Radio 3 extension – at least 15% of music will be new recordings.

21. We do not believe the current proposals strike the right balance regarding the quantity of new music they will play. Last year's cuts to BBC introducing make support for new music even more pressing. **We therefore propose a commitment to at least a third of tracks across each of the four new stations being new music.**

Share of British Music on the New Stations

22. With regards to playing British artists, the new proposals are:

    a. Radio 1 Dance – at least 45%
    b. Radio 1 New extension – at least 33%
    c. Radio 2 extension – at least 40%
    d. Radio 3 extension – a broad range of tracks from a variety of British composers

23. As a UK Music industry body that supports opportunities for domestic talent and repertoire, we welcome strong commitments to giving British artists exposure on the new services. We are however disappointed that the commitment for British composers is weaker regarding the Radio 3 extension, where the proposals only call for a "broad range of tracks from a variety of British composers".

[2] Radio Joint Audience Research, Autumn 2023 MIDAS Survey

24. **We ask for a reassessment on this matter and for the BBC to consider how Radio 3 Extensions commitment to British composers may be strengthened.**

Distinctiveness of Content and Impact on the Commercial Sector

25. We believe that both the BBC and the commercial sector can coexist by delivering distinct and complementary services that lead to increased choice for audiences. The health of the commercial sector is not impacted by the BBC offering a range of music services, provided the content offered by the BBC is sufficiently unique.

26. The Government's 2016 market impact study, conducted prior to the last Charter, concluded that greater distinctiveness of the BBC's mainstream services could have not just a positive impact for the commercial market providers of up to £115 million per year by the end of the next Charter, but also an overall positive net market impact.[3]

27. BBC radio provides output that the commercial radio sector often lacks the ability or willingness to supply. This includes live concerts, extended playlists, highlighting new acts, and documentary and current affairs across its music services.

28. According to PRS for Music, 149,059 unique works were played across all BBC radio stations in 2023. 77% of these works were not played on commercial radio.[4]

29. 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.

30. The 2016 Charter Review impact assessment noted this, suggesting that the BBC should compete less for content already offered by the commercial sector and instead focus on providing more content that the commercial sector does not provide.

31. The range of tracks that the new stations will play is:

- Radio 1 Dance – over 3,000 unique tracks per year
- Radio 1 New extension – about 4,000 unique tracks per year
- Radio 2 extension – about 5,000 unique tracks per year
- Radio 3 extension – about 8,000 unique tracks per year

32. BBC analysis shows that the average number of unique tracks played on commercial stations was 2,516. While the proposed new stations will provide more unique content than the commercial average, we still find the proposals insufficiently distinct from the commercial sector, particularly when compared to other BBC radio stations.

[3] FINAL_-_BBC_market_impact_assessment.pdf (publishing.service.gov.uk)
[4] Data obtained from PRS for Music.

33. Radio 2, for example, played 15,759 unique tracks in 2023 – more three times as many as is proposed for Radio 2 extension. Similarly, Radio 1 played 12,248 unique tracks in 2023, also over three times as proposed for Radio 1 New extension.

34. To ensure the BBC provides a diverse range of content and does not undermine the success of the commercial sector, they should increase the allocation of new tracks per year. This reinforces our desire for the new stations to provide a greater share of new and British music.

35. **We therefore propose a commitment for each of the new stations to play around 10,000 unique tracks per year.** This would protect the commercial sector by reducing the risk of directly competing with them for the same audience and content. It will also improve the BBC's offering by allow for broader selection of music and support the growth of emerging British talent.

Funding for Other Musical Initiatives

36. The BBC should be investing more in music. The organisation requires sufficient funding and protection to deliver its music services and allocate its resources effectively. We support the licence fee as a model for achieving this.

37. The BBC is the single largest employer of musicians in the UK. It employs more than 400 contract musicians and many hundreds more on a freelance basis. A key example of the BBC's effective investment in music is the BBC Orchestras and Singers. These represent less than 1% of the BBC's budget, but are an integral part of the organisation's cultural offering.

38. In March 2023, the BBC announced proposed cuts of 20% to the salaried posts of its three English Orchestras – BBC Symphony, BBC Concert, and the Manchester-based Philharmonic. Following a backlash, plans to scrap the BBC singers were revoked.

39. The reaction to these proposed cuts underscores the importance of the BBC investing in a diverse range of music projects. This investment helps nurture emerging talent, preserves our cultural heritage, and ensures access to musical experiences for audiences across the UK.

40. There should be an increase in funding for BBC music projects across the board – maintaining the license fee as a model for achieving this.

Annex A

UK Music's membership comprises:

- **AIM - Association of Independent Music** – The trade body for the independent music sector and community which make up a third of the UK's recorded music market alone. Representing 1000+ independent record labels and associated businesses, AIM's members range from globally recognised brands to the next generation of British music entrepreneurs.

- **BPI - The British Phonographic Industry** - The representative voice of the UK's recorded music sector. Their membership consists of approximately 500 music companies, ranging from hundreds of SME independent labels to the major global record companies Universal, Sony and Warner. They also organise the BRIT Awards, the Mercury Prize and administer the Music Exports Growth Scheme (MEGS).

- **FAC – The Featured Artists Coalition** - UK trade body representing the specific rights and interests of music artists. A not-for-profit organisation, they represent a diverse, global membership of creators at all stages of their careers and provide a strong, collective voice for artists.

- **The Ivors Academy** - An independent association representing professional songwriters and composers. As champions of music creators for over 70 years, the organisation works to support, protect and celebrate music creators including its internationally respected Ivors Awards.

- **MMF – Music Managers Forum** - Representing over 1000 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 music studios, producers, engineers, mixers, remixers, programmers and mastering engineers.

- **MPA - Music Publishers Association** - The representative voice of the UK's music publising sector. Membership includes over 95% of the country's major and independent music publishers and close to 4,000 catalogues across all genres of music.

- **Musicians' Union** - Representing over 32,000 musicians from all genres, both featured and non-featured.

- **PPL** Licenses recorded music in the UK when it is played in public or broadcast and ensures that revenue flows back to our members. These include independent and major record companies, together with performers ranging from emerging musicians to globally renowned artists. In 2021 we collected £252.8 million while also distributing money to 147,000 performers and recording rightsholders.

- **PRS for Music** is a collective management organisation representing the rights of more than 165,000 songwriters, composers and music publishers in the UK and around the globe. It collects and distributes royalties to ensure its members are paid whenever their musical compositions and songs are steamed, downloaded, broadcast, performed and played in public. In 2022, PRS for Music collected £964m and paid out £836.2m in royalties.

- UK Music also has an informal association with **LIVE (Live music Industry Venues & Entertainment)**, the voice of the UK's live music and entertainment business. LIVE members are a federation of 13 live music industry associations representing 3,150 businesses, over 4,000 artists and 2,000 backstage workers.

Annex B

Question 1: What do you think about the potential public value of our proposals for the launch of new music radio stations on DAB+, including the extent to which our proposal contributes to the BBC's mission to serve all audience through the provision of high quality and distinctive output and services which informs, educates, and entertains?

Question 2: What do you think about the benefit to audiences who will listen to the stations, as well as wider potential social and cultural impacts?

Question 3: What impact (positive or negative) do you think our proposal for new music radio stations on DAB+ might have on fair and effective competition on commercial radio stations providing music content on radio?

Question 4: Are there any steps you think we could take to minimise any potential negative effects on fair and effective competition or to promote potential positive impacts?