

Musicians' Union

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A response from the Musicians' Union to Ofcom's Second Public Service Broadcasting Review - Phase Two: Preparing for the digital future

1. The Musicians' Union (MU) welcomes the opportunity to contribute to the discussions surrounding public service broadcasting.
2. The MU has over 30,000 members who work as full or part-time professional musicians. Virtually all of our members will work for the BBC at some time during their careers and the BBC remains the single largest employer of professional musicians in Europe.
3. Our response to this consultation touches on a number of the questions posed in the document, but focuses on the areas that may directly affect the professional activities of our members.
4. In addition to submitting our own response, the MU would like to support the submissions made by our colleagues from the other entertainment unions and the submission made by UK Music, of which we are a member.

Section 4: Models

1) Do you agree that public service provision and funding beyond the BBC is an important part of any future system?

5. The MU accepts the benefits of plurality in public service broadcasting (PSB), and the fact that stakeholders and audiences have made it clear that they want alternatives to the BBC. Public service broadcasters (PSBs) other than the BBC do employ significant numbers of musicians and ideally we would favour a system which retains plurality in public service broadcasting.
6. However, we would strongly argue against any reduction in the scope of the BBC's activities and against any redeployment of its resources to ensure continued funding for plural provision of public service content. We believe that the BBC is and should remain the cornerstone of public service broadcasting, and we welcome the fact that Ofcom has explicitly stated in this consultation document that 'the BBC should

remain the cornerstone of public service content, and its core programme and services budget should be secure.'

7. The BBC is the biggest single employer of MU members in the UK and is in the unique position of supporting five full-time orchestras. The BBC orchestras alone employ 382 contract musicians and many hundreds more on a free-lance basis. Virtually all MU members will work for the BBC at one stage of their career. Any reduction in the scope or funding of the BBC would therefore impact negatively on the employment of musicians.
8. The BBC is also by far the main primary commissioner of new music in the UK and it should be supported to continue to present new music in exciting and innovative ways. The BBC has always had a strong tradition of investing in talent, and it is vital that it retains the funds to be able to continue to do so.
9. The MU would also like to stress the vital cultural role played by the BBC radio stations, which often get overlooked in discussions about public service broadcasting. Without the BBC's presence on analogue radio, there would be very little quality cultural provision and the promotion of music would suffer greatly.
10. The importance of the BBC as a global brand and, consequently, its export power for much of the creative sector must also not be overlooked. The BBC needs to be of sufficient size to fulfil this role and we must not weaken it domestically.
11. In a future system that included public service provision and funding beyond the BBC, the MU hopes that public service broadcasters other than the BBC would be encouraged to reach the BBC's high standards of cultural programming and investment, and that they would employ greater numbers of musicians and other performers as a result.
12. We would also like to press Ofcom for a renewed commitment to UK music as part of public service broadcasting obligations, particularly as PSB expands to the digital environment.

2) Which of the three refined models do you think is most appropriate?

13. In line with our response to Phase One of this consultation, the MU believes that an enhanced Evolution model is the most appropriate for the future of public service broadcasting, since we believe it is the option most likely to provide plurality in public service broadcasting without adversely affecting the BBC.

Section Six – Funding

1) Do you agree with our assessment of each possible funding source, in terms of its scale, advantages and disadvantages?

14. The MU agrees that it will be vital to find new ways of funding public service broadcasting in the future, especially in light of the research presented in Section Six of this consultation document, which demonstrates that many areas of public service broadcasting will be unprofitable or marginal by 2012/2015.

15. We welcome some of the suggestions made in this consultation document, although we believe that several of the possible funding sources mentioned have inherent disadvantages that may not have been fully recognised by Ofcom and we will detail these in the following paragraphs.

2) What source or sources of funding do you think are most appropriate for the future provision of public service content beyond the BBC?

16. The MU would support the use of regulatory assets as source of funding for the future provision of public service content beyond the BBC. We believe that privileged access to DTT spectrum and other assets such as the relaxation of PSB advertising minutage, EPG prominence and must carry status on cable, will all retain some value in the future and that these assets can be used to help fund public service broadcasters beyond the BBC. We would also urge Ofcom to investigate further regulatory assets that might be used in this way.

17. The MU would cautiously support Ofcom looking into the potential contribution that could be made to PSB funding from industry levies collected from organisations such as cable and satellite broadcasters or internet service providers (ISPs), which benefit from public service content. We would support this research with the caveat that any such levies should not interfere with other levy systems that are intended to benefit the rights' holders. The MU would, for example, object to levies on consumer hardware that would fund public service broadcasters to the exclusion of levies that are intended to provide income to the creators and performers, such as European private copy levies.

18. We would not support any use of licence fee money to fund other public service broadcasters, and we would not support the idea that money currently being used for digitisation by the BBC could in future be used to fund other PSBs. We believe that after digitisation, this money should go towards benefiting the high quality programming that the BBC is known for. This would be an ideal opportunity to remedy some of the funding issues that the BBC has had as a result of the last below inflation licence fee settlement. We also believe that the strong link between the BBC and the licence fee would be broken if any of this money were to be used to fund third parties.

19. We would support investigations into the possibility of funding public service content beyond the BBC by direct public funding, as long as this remained entirely separated from the licence fee. The MU does, however, believe that the current economic climate does not favour this funding option.
20. We would not support any funding of public service broadcasting through the use of National Lottery money after 2012. The partial funding of the Olympics through National Lottery money has already had a significant detrimental effect on funding for the Arts, and using National Lottery funds to finance public service broadcasting after 2012 would prevent this money from being directed back into the Arts. In addition to this concern, we also believe that National Lottery funding is too precarious a funding model for public service broadcasting, since it is impossible to make long term guarantees about the future existence of the National Lottery.
21. The MU would support the BBC's proposals for partnerships and the sharing of expertise with other public service broadcasters, and we hope that these would have some degree of positive financial impact on other providers.

3) Which of the potential approaches to funding for Channel 4 do you favour?

22. We would support any funding approaches that do not impact on the BBC's funding. Therefore, the MU would be in favour of Channel Four benefiting from regulatory assets and possible industry levies. We would be heavily critical of any use of the licence fee to fund Channel Four, as set out in paragraph 18.
23. We would also strongly oppose the development of any financial link between Channel Four and BBC Worldwide and we believe that BBC Worldwide should not be discussed as part of this consultation into public service broadcasting. We believe that the link between BBC and BBC Worldwide should be maintained and that any attempt to involve Channel Four would be hugely detrimental to music in the UK.
24. BBC Worldwide provides significant income for musical creators. In 2007-08 it paid a total of £2.3 million to MU members, up from £1.7 million in 2006-07 and £1.5 million in 2005-06. BBC Worldwide has also helped to raise the profile of some of the BBC orchestras, for example the BBC Concert Orchestra, which was featured on the highly successful Blue Planet documentary series.
25. BBC Worldwide also provides additional income for music writers. A programme format which is sold abroad but retains the same signature tune means that the composer receives royalty payments from the overseas collecting societies. Examples of this include Dancing with the Stars and Top Gear.

26. Aside from the direct financial benefits to musicians, BBC Worldwide also helps to secure the BBC's position. Since the BBC is such a major employer of musicians, it is vital to us that it should be financially stable. BBC Worldwide is therefore important because it provides an additional source of funding to the licence fee. These additional funds would help to make the BBC less vulnerable to a poor licence fee settlement, or a settlement that has been overtaken by economic developments. This safety net is likely to be of real benefit to MU members employed by the BBC because it will protect BBC core funding, which provides so many opportunities for musicians.
27. We would be supportive of the cross promotion of Channel Four content from the BBC, but we believe that this should result from an industry settlement rather than from Government legislation.

Conclusion

28. Although we would support a system of public service broadcasting that allowed for plurality, our primary concern remains the protection of core BBC funding. In addition to the employment opportunities that the BBC provides for musicians, we also believe that it has been instrumental in bringing music to the masses. The BBC plays a crucial role in audience building for music, and it is no exaggeration to say that many first experience the thrill of live performance by listening to the BBC. It should be encouraged to maintain and enhance this role.

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