



Sharon White
Chief Executive
OFCOM
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

13th February 2017

Dear Sharon,

BBC OFCOM consultations

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.

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 the annex.

The music industry is worth £4.1 billion to the economy and generated exports of £2.2 billion in 2015. The industry employs 119,020 people and supports an additional 40,000 jobs via music tourism.¹ Based on UK Music's annual Measuring Music report, the value of music the sector has grown by 17% over the past four years, out-performing much of the rest of the UK economy.²

We note the current OFCOM consultations in preparation for regulating the BBC. OFCOM's role as communications regulator in the UK will include responsibility over the BBC as provided in the Charter³ and Framework Agreement covering performance, content standards and competition. UK Music is not making representations regarding the procedural and technical aspects of how OFCOM carries out its supervision but we urge OFCOM to take into account the essential importance of the BBC for music in the UK and its regions when assessing the impact of the BBC.

¹ <http://www.ukmusic.org/research/music-tourism-wish-you-were-here-2016/>

² <http://www.ukmusic.org/research/measuring-music-2016/>

³ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/2016/charter.pdf

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Relevant OFCOM consultations which we are responding to in this letter in particular cover –

- Procedures for enforcement of BBC Competition requirements,⁴
- Handling BBC content standards investigations and sanctions,⁵
- Assessing the impact of the BBC's public service activities,⁶
- BBC's commercial activities,⁷
- Distribution of BBC public services,⁸

According to our stated research, UK music contributes £4.1 billion to the economy and £2.2 billion in exports.⁹ The BBC is a crucial part of the music value chain supporting British composers and performers from the beginning of their careers. Crucially, the BBC plays more new and culturally diverse music from young and developing talent than commercial operators.

As we evidenced in our response to the 2015 consultation¹⁰ on the Charter Review -

"45. 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.*

⁴ <https://www.ofcom.org.uk/consultations-and-statements/category-2/procedures-enforcement-bbc-competition-requirements>

⁵ <https://www.ofcom.org.uk/consultations-and-statements/category-2/review-procedures-handling-content-standards-and-broadcast-licensing>

⁶ <https://www.ofcom.org.uk/consultations-and-statements/category-1/assessing-impact-BBC-public-service-activities>

⁷ <https://www.ofcom.org.uk/consultations-and-statements/category-1/bbc-commercial-activities>

⁸ <https://www.ofcom.org.uk/consultations-and-statements/category-1/bbc-distribution-guidance>

⁹ <http://www.ukmusic.org/assets/general/measuring-music-2016.pdf>

¹⁰ http://www.ukmusic.org/assets/general/UKMusic_BBC_DCMS_FINAL.PDF

46. 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%.

47. 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 201421, whilst comparative figures were in excess of 13,000 songs for Radio 1 and, for Radio 2, over 21,000 songs."

This important role of the BBC has to be considered when assessing the impact on the commercial market for music. Both BBC and the commercial sector offer distinct and complementary services that lead to increased choice for audiences. The health of the commercial sector is not thwarted by the BBC offering a range of music services; however, in the areas where there may be direct competition such as audio and AV streaming, Ofcom should consider whether the BBC's licensing terms should be in line with the market.

We recommend that any assessment considers data provided by the UK licensing societies *PRS for Music* and PPL.

The BBC has made significant steps in recent years to place music at the heart of its radio and broadcast services, alongside news and sport. Whilst there is significant 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 previous 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.

We stress the importance of BBC and in particular radio for classical music not only in relation to regional orchestras and festivals, such as the BBC Proms, but also as commissioner of new classical music. We continue to argue that BBC could improve its service towards music by increasing provision for new music on television rather than only broadcasting popular classics.

BBC Introducing is of great merit in terms of showcasing unsigned music talent. The provision within the Framework agreement for OFCOM to have regard to improving focus on promoting UK talent and new acts on Radio 1 and Radio 2 is welcome,

We would be happy to assist OFCOM in providing data for the assessment of the impact of the BBC and remain at its disposal in relation to this.¹¹ The breadth of our membership and

¹¹ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/2016/agreement.pdf



work is such that that we are in a unique position to assist OFCOM when discharging its functions in relation to the BBC and music.

Yours sincerely,

A handwritten signature in black ink that reads 'Jo Dipple'.

Jo Dipple
CEO, UK Music

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 membership association for music writers and exists to support and protect the professional 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 represents and promotes the interests of featured recording artists in the music industry.
- MMF – Music Managers Forum - representing over 500 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, 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 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