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**Re: Music Business Forum (MBF) response to Lords Select Committee Extended Inquiry on the BBC Charter Review**

The Music Business Forum<sup>1</sup> welcomes the opportunity to respond to the Committee's extended inquiry into the BBC Charter Review.

Given we have already responded to the broader terms of reference for this inquiry, our comments focus specifically on broadcasting in the Nations and Regions and the BBC's role as a commissioner and broadcaster.

**1. Broadcasting in the Nations and Regions:**

1.1. Generally, we support the general objective to substantially increase the BBC's presence outside of London in terms of production, commissioning, and staff location. The BBC's Out of London strategy rightly aims to spend the licence fee money more equitably across the UK to reflect the diversity of its audiences. The BBC's response to the Green Paper recognition that 'a balance must be achieved between maintaining the quality of output for licence fee payers and meeting the BBC's ambitions for greater regional diversity in production', is welcomed. However, the BBC needs to develop its strategy in terms of its effectiveness in other regional centres beyond Manchester.

1.2. It is crucial that wherever the BBC is based, it must be fully accessible to the creative community and local talent. Given that the DCMS has also indicated that there is an emerging body of evidence to suggest that culture is a key driver in the regeneration process which can help create sustainable communities<sup>2</sup>, this places more importance on the BBC to be able to develop relationships with local and regional providers. The BBC should fulfil its duty to stimulate local creative economies and engage local partners and businesses to ensure that such relationships continue to develop in terms of creative clusters.

1.3. In terms of music provision specifically, from our perspective we want to see the BBC promoting local musical talent - composers, songwriters, performers across all music genres. With this in mind, we would like to see greater opportunities for people to access what could be classed as diverse or minority areas of creativity. This would make a major contribution to the need for new talent to gain exposure to be seen and heard, understood, appreciated, and shared. In the past there has been a tendency for the more popular areas of creativity to squeeze out the minority ones.

<sup>1</sup> The MBF is an informal group of music business organisations that, since its inception in the spring of 2002, has gained a reputation as an effective representation of the interests of the music business in its widest sense to Government.

<sup>2</sup> DCMS consultation document: '*Culture at the Heart of Regeneration*'.

1.4. We therefore point to the BBC local radio schemes under the recently developed initiative "Raw Talent" banner that are currently running at BBC Humber, BBC Leeds, BBC North Yorkshire, BBC South Yorkshire, and BBC West Yorkshire, as excellent examples of best practice at a local level which can be further encouraged. We would like to see more examples of local radio stations working together in this way as well as exchanging and sharing material from station to station and providing more material for the national radio networks, and for the BBC to explore its relationship with the newly developing community radio stations across the country. The BBC should work in partnership with non-profit making organisations and play its role as venture capital for the creative economy throughout the UK.

1.5. This is especially relevant as regards the multi-cultural scene with there being large concentrations of different communities in specific geographical pockets. Therefore, we would like to see the BBC pursue opportunities to promote new and interesting (local) music in order for it to be shared with a wider audience. In these respects, we also would like to see the BBC actively promoting more "joined up thinking" between radio and TV in order to present further opportunities for local talent. To this end we would particularly welcome the strategic positioning of small and highly mobile TV film crews within the local radio environment.

1.6. In terms of the BBC developing its ultra local services, we acknowledge the potential role the BBC might have to play here, as a conduit and platform for local talent, but the BBC must ensure that it recognises the potential impact on existing local service provision.

## **2. The BBC as commissioner versus broadcaster:**

2.1. The MBF recognises that the BBC must continue to play important roles as both a producer / commissioner, as well as a broadcaster.

2.2. The role of the BBC as a 'broadcaster' should be in the widest possible context of the word. Hitherto, the BBC has been at the vanguard of the digital revolution and will continue to adjust to the new paradigm in which content and the services attached to it connect and interact with audiences in new ways. Creative services should be continually employed by the BBC to ensure reach and access and thus guarantee the long term viability of the corporation. Against the background of more and more niche programming or 'narrowcasting', the BBC has a vital role to play in ensuring that viewers and listeners are skilfully encouraged to broaden their interests. This will require sophisticated signposting in all areas of the BBC's output.

2.3. In this new era and the increased use of content produced by third parties, the BBC's role as a commissioner and broadcaster will become as important as its role as a creative producer. It is therefore vital that the BBC acts upon its obligation as a beacon of good practice in terms of promoting the respect for the rights of creators and contributors. This means clearing the rights of creators, paying market rates and accounting properly - these principles should apply both to in-house productions and to those commissioned from independent producers.

2.4. As the MBF noted in its initial response to the Committee in May this year, the BBC's role as a commissioner of music is extremely important to the UK's communal, economic and cultural life given the key responsibility in the public service broadcasting ecology to foster and promote new talent. As an example, the role of the BBC as a commissioner of music is vital, particularly with respect to Radio 3 – the world's biggest commissioner of new classical music.

2.5. Making programmes is a key element of the BBC's role and a strong in-house production base must be retained for the sake of creative risk and experimentation, particularly given that the licence fee has been correctly perceived as “the venture capital for creativity”.

2.6. We agree with the BBC that the success of the organisation in terms of range of programming is very much based on the achievement of 'critical mass' in terms of the BBC's infrastructure. We therefore believe it to be vital that this 'critical mass' should not be overly challenged by allowing any in-house facility to dwindle to cover only those programmes that no independent company finds itself commercially viable to produce. In this respect we do not welcome the BBC's new Window of Creative Competition (WOCC). We believe that there is a serious risk that the BBC's in house percentage share of production may well fall to as little as 60% or even less of overall production which we consider to be exceptionally dangerous in terms of preserving the 'critical mass' referred to above. We share also the concerns expressed in a Work Foundation report earlier this year that: “*once the independent production sector is larger than the BBC in-house production, with a capacity to produce every genre and out-producing it in some, the BBC will reach a tipping point at which it will find it very difficult to justify in-house production capacity even on its reduced relative scale*”.<sup>3</sup> With a reduced scale, the capacity of the BBC to sustain high infrastructure costs of maintaining many diverse genres may well be threatened in the long term.

2.7. The potential long term dangers to the wider broadcasting ecology by reforming a BBC commissioning structure should also be recognised so far as this ‘*risks a serious hollowing-out as a creative organisation by a rapidly growing and newly empowered independent sector who will be obliged to poach its talent because of the paucity of its own training, while driving a hard bargain over both programme provision and re-use of content in service provision – and the more the independent sector grows, the greater this impact will be.*’<sup>4</sup>”

2.8. Again, we recognise the value of the BBC's commitment to training, diversity and the broad development of opportunities in comparison to some of the independent producers.

<sup>3</sup> *The Tipping Point: How much is broadcast creativity at risk?* The Work Foundation, July 2005.

<sup>4</sup> *The Tipping Point: How much is broadcast creativity at risk?* The Work Foundation, July 2005.