

28th April 2006

BBC Charter Review Consultation
DCMS
2-4 Cockspur Street
London
SW1Y 5DH

Re: Music Business Forum response to the DCMS White Paper on the BBC's Royal Charter

The Music Business Forum¹ (MBF) welcomes the opportunity to respond to the White Paper and the Draft Royal Charter and Framework agreement.

1. BBC Trust

The MBF broadly welcomes the establishment of the BBC Trust and the White Paper's clarification with regards to the Trust's role and its relationship with the Executive Board. The Trust has a clear role to represent the interests of the licence-fee payers and to scrutinise the performance of the BBC executive. A key test will be its ability to reflect third party interests in the wider market so that the BBC contributes towards a more vibrant market rather than foreclosing and limiting consumer choice. Much will depend on the quality and integrity of individuals appointed as Trustees and their sensitivity and understanding of the wider creative economy in which the BBC is such a major player.

- **We recommend that the BBC Trust includes at least one Trustee with creative industries knowledge (preferably with music industry experience) in order to reflect the increased commitment to creativity and cultural excellence.**

2. Creative Industries

Rt Hon. Tessa Jowell MP described the BBC as "the nation's venture capital fund for creativity". The key purpose to stimulate creativity and cultural excellence encapsulates that, but, from the description in the Framework Agreement, that seems limited to the BBC working alone. There is no reference to the BBC working in partnership with the rest of the creative industries, despite this being a constant theme during the Charter debate.

- **We would suggest including a specific reference to "the creative industries" in paragraph 9 and/or paragraph 22 of the Framework Agreement.**

¹ The MBF is an informal group of music businesses organisations that has gained a reputation as an effective representation of the interests of the music business in its widest sense to Government. A list of members is annexed.

3. Respect for Rights

With creativity, innovation and new technology at the heart of the new BBC Charter, the BBC will be making even greater use of creative talent across multiple platforms. This has been encapsulated in the recent Creative Futures programme announced by the BBC. Music will play a vital role in joining up both traditional and new media platforms, as well as helping the BBC to reach younger audiences. As the relationship between the BBC and the creative sector becomes more rights-based, it is essential that the BBC respects the rights of all creators.

- **We suggest there should be a specific commitment outlining “Respect for Rights” in paragraphs 32 and/or paragraph 65 of the Framework Agreement.**

4. Music

Despite the fact that music is acknowledged as one of the key elements of public service broadcasting, there is no specific mention of music in the draft Charter or Framework Agreement (apart from the descriptions of existing services). Music is one of the UK’s key cultural strengths and should feature explicitly within the considerations of stimulating creativity and cultural excellence. Whilst the draft Framework Agreement makes an express reference to the Trust seeking to ensure that the BBC has regards to the film strategy and the need for appropriate coverage of sport, music has been omitted, despite the fact that it’s actually pervasive across all the BBC’s platforms and services.

- **We strongly recommend the draft agreement takes account of the BBC’s pan-platform music strategy in paragraph 9 of the Framework Agreement. There could be an appropriate wording included in a new subsection (2) (c).**

5. Market Impact

We welcome the new obligation on the BBC to have regard for the competitive impact of its activities and to adopt a fair trading policy covering both public service and commercial services. We note that this obligation is to be regulated by the BBC Trust. With its independent structure, we expect it to discharge its duties properly but we question how the Trust will act if there is an apparent conflict between its primary obligations to licence-fee payers and its secondary obligations to consumers and the wider market.

- **We would welcome further clarification from the BBC Governance Unit prior to any potential conflict.**

6. BBC Archive

The BBC has a huge and valuable archive which should be made available now that digital technology enables cost-effective business models. The market impact of any release of BBC archive material will be considerable. There should be a default to adopting similar pricing and business models as the rest of the market, using BBC Worldwide as the vehicle.

- **Any BBC (public) service using archive material should be rejected in the market impact assessment and public value test if there is the potential for release under a commercial model. Appropriate wording needs to be reflected in paragraph 84 of the Framework Agreement.**

7. Media Literacy

Media literacy has rightly been recognised as increasingly important with the multiplicity of platforms to access content. Whilst the BBC is a member of the Media Literacy Task Force, there are no specific commitments or duties imposed on the BBC specifically in the White Paper. Our digital economy increasingly relies on copyright as the currency of the creative economy. As the BBC moves further towards user-generated content, it becomes increasingly important for the organisation to communicate the need for copyright education so that individuals and future creators know, understand and therefore can appropriately exploit their rights as a foundation for future commercial success. The BBC should have a responsibility to promote copyright awareness, particularly where there is a perception of material being supplied free of charge. The organisation should act as a beacon of best practice. It has a central role to play as a copyright education facilitator because of its unparalleled access to audiences on a variety of levels and in a multiplicity of ways.

- **We recommend the BBC is obliged to take a lead in the area of media literacy in order to fulfil its public service obligations and act as a beacon of good practice in this area, and more specifically, it has a duty to promote copyright education. We propose a specific duty in the Framework Agreement under the general obligations.**

Annex 1: Contact details for the Music Business Forum

For further information on the Music Business Forum, please contact:

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Annex 2: Membership details for the Music Business Forum

- AIM (Association of Independent Music)
- APRS (Association of Professional Recording Services)
- AURA (Association of United Recording Artists)
- British Academy of Composers & Songwriters
- BARD (British Association of Record Dealers)
- British Music Rights
- BPI (British Phonographic Industry)
- Creative and Cultural Skills (observer status)
- Equity
- The MCPS-PRS Alliance
- Music Education Council
- (MIA) Music Industries Association
- Music Managers Forum (MMF)
- MPA - (Music Publishers Association)
- Musicians' Union
- Music Producers' Guild
- National Music Council
- P@MRA
- PPL (Phonographic Performance Ltd)
- Sound Connections
- VPL (Video Performance Ltd)
- Welsh Music Foundation