

# BBC Performing Groups Report

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## 1. TASK

This external evaluation of the current performance, rationale and funding of the six performing groups<sup>1</sup> (PGs) was commissioned by the Director of Audio and Music on behalf of the BBC. The aim of this exercise was to provide information and advice to BBC management. It included an examination of the implications of reducing investment in the PGs by up to 20%, and the value delivered to the UK licence payer. It also developed ideas for building the quality and distinctiveness of the PGs as part of the wider UK orchestral sector.

This assessment of the PGs has been undertaken as part of the Delivering Quality First (DQF) process. It was carried out as a discrete piece of work, and was not part of a specific DQF workstream. The BBC recognises that a rudimentary cutting exercise would not be appropriate for the PGs, given the complexity of the area and its wider ramifications, both within and beyond the Corporation.

The exercise has involved detailed consideration of funding and activities of the PGs and scrutiny of their spend and operation. In this, the general managers of the PGs have been unfailingly helpful, even when challenged. Meetings took place with staff across the BBC, including Audio & Music, Vision, Scotland, Wales, Northern Ireland, the North, Radio 2, Radio 3, BBC Proms, and BBC Learning. Some comparisons have been drawn with the wider orchestral sector and with overseas. The information which underpins the assessment has been provided from within the BBC and from our own database and research.

We are grateful for the considerable help we have been given by numerous persons in the BBC during the preparation of this report.

## 2. CONTEXT

A full understanding of the BBC's corporate responsibility in this area needs to recognise the "central role" it holds in British cultural life<sup>2</sup>. In respect of the art form of music, the "central role" has a special history and weight, which applies both to broadcast and to BBC activity as a live presence across the UK. From the outset of broadcasting, the BBC formed ensembles and took on concert promotion, commissioned new pieces and provided music education. The BBC's first public symphony concerts were performed by its augmented staff ensemble, the Wireless Orchestra in 1924. A contemporary series followed in 1926. The BBC took over the Proms in 1927 and founded the BBC Symphony Orchestra in 1930. Such actions extended the corporation's influence well beyond the confines of radio and so the Corporation acquired a central position in the UK's music infrastructure. These developments were encouraged and endorsed by the Crawford (1926) and Ullswater (1935) Committees and by government, in ways which defined the Corporation's continuing cultural remit.

Music was the natural staple of broadcasting from the start. It constituted 58% of broadcast time in 1923 and rose to 67% in 1928. Today, "music and the arts" comprise a not dissimilar 54% of network radio output. The BBC defined its duty from the earliest days of broadcasting as presenting music which catered for all tastes. It also determined to raise standards, develop the art form of music and lead the public, rather than merely reflect the status quo. Challenging the conventions of programming and successfully introducing important, new and unfamiliar work to concert and broadcast audiences became the hallmark of its achievement. This was given concrete expression in the actions of the BBC, not least in the creation of the BBC Symphony Orchestra and the other PGs<sup>3</sup>.

Today the PGs are part of the programme-making infrastructure of the BBC. They are notable both as a free-standing production resource within the BBC and for having a public life beyond Corporation programming. The latter includes a significant volume of concert-giving activity around the UK and much interaction with the wider worlds of orchestral and choral music, music in education and training for professional musicians.

The PGs comprise four symphony orchestras, one concert orchestra and a small, specialist choir. Additionally, two of the symphony orchestras operate large symphony choruses of non-professional singers, the BBC Symphony Chorus and the BBC National Chorus of Wales. The BBC has a partnership arrangement with the Ulster Orchestra, which reflects the Corporation's historic orchestral

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<sup>1</sup> BBC Symphony Orchestra, BBC Philharmonic Orchestra, BBC National Orchestra of Wales, BBC Scottish Symphony Orchestra, BBC Concert Orchestra, and BBC Singers.

<sup>2</sup> BBC Trust, *The BBC's Strategy, Putting Quality First* (2010).

<sup>3</sup> The BBC staff orchestras and ensembles, including today's six PGs and their antecedents, numbered perhaps 14 at their peak in the late 1940s. Employment in the staff orchestras and ensembles appears to have peaked just short of 600 in the 1960s.

responsibility in the Province. The Ulster Orchestra is not a BBC PG as such, and so is not considered in this report. The musician numbers and studio bases of the six PGs are as follows:

|                                 | FTEs | Base                              |
|---------------------------------|------|-----------------------------------|
| BBC Symphony Orchestra          | 99   | Maida Vale Studios, London        |
| BBC Philharmonic Orchestra      | 90   | Salford Quays, Salford            |
| BBC National Orchestra of Wales | 83   | Hoddinott Hall, Cardiff           |
| BBC Scottish Symphony Orchestra | 76   | City Halls, Glasgow               |
| BBC Concert Orchestra           | 56   | Colosseum (90 days only), Watford |
| BBC Singers                     | 22   | Maida Vale Studios, London        |

The PGs are staffed by salaried musicians who are full-time employees of the BBC. The minor exceptions are a few musicians with job-shares and partial contracts. The terms and conditions of the full-time contracts reflect the musicians' specific role and also include BBC benefits. Each PG has a minimum necessary local administration, led by a general manager, with staff who handle production, artistic planning, library, orchestral management, staging, marketing and learning. The merger of the BBC Singers' administration under the general manager of the BBC Symphony Orchestra is already under way.

The BBC orchestras form a quarter of the UK's 20 full-time orchestras and make a substantial contribution to the critical mass of the orchestral system. The BBC orchestras might be closely compared to the six "independent" commercial, salaried orchestras based outside London. These include the Hallé, the RSNO and the CBSO. Similar in significance and size are the four London orchestras, which function as full-time symphony orchestras but with a distinctive employment mechanism based on a self-governing membership of freelance players. The BBC employs 404 FTE salaried musicians in its five orchestras, and, so, the Corporation is responsible for 28% of the total salaried orchestral employment in the UK of 1,467 positions. This figure excludes a further two dozen or more freelance, part-time and membership orchestras, which generate additional employment<sup>4</sup>. The group of 20 full-time salaried orchestras includes four which are attached to the mainscale opera companies, including the Royal Opera House and Opera North, and the Northern Sinfonia, a salaried chamber orchestra based in the Sage Gateshead.

### 3. BROADCAST OUTPUT

The BBC's investment in the PGs is principally directed at producing music outputs for BBC radio. The broadcast value includes:

- a secure supply of live and newly recorded inputs, which maintain the necessary quality and enable the BBC to fulfil its public-service obligations;
- an essential and effective means of meeting the distinctive editorial needs, including those of Radio 2 and Radio 3;
- multiple inputs into BBC Scotland, BBC Wales and BBC Vision, and a secure foundation for the planning of the BBC Proms;
- a critical mass of performers who cover the necessary repertoire and can be jointly deployed to powerful effect (as in *Music Nation*).

The programme-making and concert-giving activities of the PGs totalled 470 in 2010/11, of which deliveries for broadcast were 427, or 91% of total activity. 412 deliveries (88%) were for radio, of which 3% were shared with Vision, and a further 3% were delivered exclusively to television, 43 activities (9%) were not for broadcast. The six PGs are fully utilised in meeting the current broadcast volume requirement across the BBC.

The radio deliveries mainly take the form of whole concert programmes. They also include some outputs in other formats and recordings of single works for insertion into portfolio programmes. The majority of the deliveries are for Radio 3, which took 364 in 2010/11, some 77% of total PG activity. Through the longstanding relationship with the BBC Concert Orchestra there are significant deliveries to Radio 2. Radio programmes are also made for BBC Wales and BBC Scotland.

Two of the PGs are regularly involved in Vision, including recording soundtracks, which numbered 10 in 2010/11. The PGs also appear in Vision events, such as *Cardiff Singer of the World* and *BBC Sports Personality of the Year*, and in the TV relays from the Proms, *Proms in the Park* and some music documentaries.

<sup>4</sup> These are mostly orchestras with smaller playing strengths and include specialist groups, such as the London Sinfonietta, the Orchestra of the Age of Enlightenment and the Scottish Chamber Orchestra, as well as a number of ballet bands and popular classical orchestras.

The majority of deliveries to radio by the PGs (330 in 2010/11) arise from the concerts they present in public halls or before invited audiences in broadcast studios. Other programmes (82) are produced in studio settings, without the distraction of an audience, when either the repertoire or the timings are not suitable for concert presentation, or studio atmosphere is needed. These include the 31 deliveries (2010/11) under the all-rights agreements, which all the BBC groups have in order to co-produce with record companies, and result in both programmes for broadcast and commercially released CDs. The other broadcast outputs (15 in 2010/11) include soundtracks and inputs into documentaries and events for Vision.

The PGs each have their own particular pattern of regular relationships across the BBC and together they engage at various times with most parts of the BBC. They all play a significant part in delivering the BBC Proms. The BBC Concert Orchestra has a three-way relationship involving Radio 2, Radio 3 and Vision. The BBC Scottish Symphony Orchestra and the BBC National Orchestra of Wales, in addition to their deliveries for Radio 3, have national Scottish and Welsh responsibilities, the latter including involvement with television production. The BBC Symphony Orchestra, the BBC Philharmonic and the BBC Singers deal mostly with Radio 3. The BBC Philharmonic is adding a new direction of travel, with its radio festival and extensive links to other BBC networks and departments, including research and development, from its new home at Salford Quays.

The BBC's six public purposes are set out in its royal charter. Those most directly relevant to music are providing education and learning, stimulating creativity and cultural excellence and reflecting the UK's nations, regions and communities. Perhaps, it is in Radio 3's service licence that the link between the role of the PGs and the BBC's public-service obligations is most clearly stated. The following targets in Radio 3's service licence are derived from the public-service obligations, namely, 40% of the content of the station's music output to consist of live or specially recorded pieces, at least 20 new musical works broadcast each year and 40% of the relevant spend incurred outside the M25 area.

This translates into an editorial need for a reliable supply of freshly performed pieces from the widest repertoire, including new and recent compositions and unfamiliar pieces. This also entails a large number of unique outputs and generally avoiding repeats. The PGs enable this to be achieved in an efficient and effective way and are a lynchpin to delivering Radio 3's distinctive music programming. Radio 3's world reputation is based on the live element in its broadcasting, its emphasis on new, forgotten and rare repertoire, and its engagement with the moving edge of musical development.

Meeting the editorial requirements of Radio 3 on the part of the PGs is not a passive process and is built on dialogue between Radio 3 and those in the PGs who undertake the imaginative work which turns specific broadcast requirements for new and neglected repertoire into meaningful radio programmes and concert formats. Programming can also be a matter of combining familiar material in creative ways into new sets and fresh relationships. The responsibility is both to the broadcast listener and to concert audiences around the UK<sup>5</sup>. The broadcast concert seasons promoted by the PGs reflect this same spirit of exploration and imagination. Achieving an appropriate balance around the public-service interest and successful audience-facing outcomes is testing. Radio 3 is introducing a new "alignment" process to fine-tune repertoire planning towards this end. The capacity to respond quickly to new developments or recent ideas is also required.

The programmes commissioned from the PGs trigger a value chain within broadcast, which extends out into the creative economy. Specific elements include: the live concert appearances; online availability, with time-shifted and repeated hearings; learning and outreach preparation and follow-through; commercial CDs with world-wide distribution; important additions to the corpus of new compositions; and critical responses and sustained debates in the press and online.

#### 4. WIDER PUBLIC VALUE

In addition to the public value arising from the broadcasts, the investment in the PGs also generates a significant public value outside broadcast. This wider public value might be summarised as follows:

- a distribution of orchestral resources around the UK, with over half of the PG employment outside the M25;
- enhanced choice in the concert life of Scotland, the North and London, with performances of new and unfamiliar repertoire available live to audiences;
- extended reach for concert life across the UK into centres otherwise poorly served;

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<sup>5</sup> Similar considerations apply to the relationship of the PGs to Radio 2 and in Wales and Scotland and, increasingly, to other radio stations.

- in Cardiff, the only professional symphony orchestra in Wales, and one which has taken on the national role;
- a significant live presence for the BBC in concerts, outreach, support groups, among other things, and strong general engagement in Scotland, Wales, the North of England and London;
- strengthened opportunities for the advanced training of musicians in key centres across the UK;
- articulation of cultural life in the nations and regions in distinctive musical form, and other inputs into the culture of Scotland, Wales and the North.

These wider outcomes demonstrate the broad cultural impact and importance of the BBC's support for the PGs. This results in an enlivened national culture, in which the art form of music is propelled forward on many levels. It includes the encouragement of young composers and other musical talent. The wider public value complements and reinforces the broadcast value. The strong achievement in music is testament to the BBC's firm commitment to promoting its public purposes, which are realised in this area with notable success.

The PGs gave some 365 public concerts in 2010/11, which amounted to 78% of their total performing programme and concert activity. The public following for the concerts is strong and growing. Attendance totals 428k in 2010/11. This represents an increase of some 22% since 2006/07 and constitutes a significant share of classical-concert attendance in the UK.

The four BBC symphony orchestras promote major winter seasons of "subscription" concerts. Those of the BBC Symphony Orchestra were started in 1930. The others became established more recently, mainly in the 1970s. Concerts in the ticketed series promoted by the BBC totalled some 119 in 2010/11 and, together with the 27 Proms' appearances, they constitute a third of the public appearances. A further third of the public performances are "invitation concerts", free events arranged by the PGs open to members of the public. The "invitation concerts" of the BBC orchestras take place mainly in their own studios. The BBC Singers do an "invitation" series drawing attendances of up to 500 a concert in St Paul's Knightsbridge. Most of Radio 2's *Friday Night is Music Night* performances, given by the BBC Concert Orchestra, are currently "invitation concerts". The remaining third of the PG public appearances, which are for broadcast, arise as engagements by festivals and concert promoters. As many as half these engagements, 48 in 2010/11, take the form of overseas tours.

As the only symphony orchestra in Wales, the BBC National Orchestra of Wales has a designated national responsibility in the principality, which means, among other things, its performances are expected to cover the entire country, from Cardiff, to Swansea and to mid- and North Wales. The policy of the BBC Scottish Symphony Orchestra is also to achieve a presence across Scotland, including in some smaller centres. The strong following for the PGs creates a significant live presence for the BBC across the UK. Support for the PGs can take forms additional to concert attendance. Several have friends' organisations, in the case of the BBC Philharmonic Orchestra, for example, with 633 members. The Philharmonic's strong local links and civic engagement with Salford are a further form of positive interaction.

Outreach and education programmes feature generally in the work of all the full-time orchestras in the UK these days. They are standard commitments for the members of the orchestras and for their public. The BBC PGs are no different in this, and they are encouraged to use up to two weeks of their time annually on learning activities. The projects for schools, young people and families for the most part result in work which is typical of that undertaken by the independent orchestras. The participations total almost a hundred thousand (97k) in 2010/11. The BBC Scottish Symphony Orchestra has sought ways of delivering online and broadcast outputs from its learning projects. They also have strong commitments to lifelong-learning activities (choirs and orchestras for adult learners) and are the 'performance partner' of the Sistema Scotland<sup>6</sup> project. The BBC Singers have assumed an important role in supporting the development of choral activities by means of strong involvement with schools, youth and amateur choirs and choral directors. Distinctive positioning by the BBC for the PGs on learning is an opportunity currently being developed.

The PGs apply their energies to developing musical life not only through their concerts but also in professional activity with young artists, composers and conductors, as well as with players and singers. The BBC Singers are very active in this sphere. They provide an important element of continuity in the provision of professional experience in choral practice, working with music conservatoires, university departments and professional choral bodies. In different forms, the BBC orchestras also all engage with the music conservatoires and other professional associations in the vital work of maintaining the tradition and building for the future.

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<sup>6</sup> This project, established in 2008, uses intensive instrumental teaching and music-making to address the cycle of poverty for young people and their families in an economically depressed area.

The BBC orchestras sit both within and apart from the wider orchestral infrastructure. On the former, they measure themselves on pay and conditions against the other orchestras and they are active in the relevant professional associations alongside the independent bands. Conversely, they take a distinctive approach to the repertoire in their public appearances. This reflects both the BBC's broadcast editorial needs and the commitment to driving forward the art form of music. This has particular importance in the major concert series of the BBC orchestras in the Barbican Hall London, the Bridgewater Hall Manchester and City Halls Glasgow, which are constructed on public performances of new and less familiar repertoire.

The relationship between the BBC orchestras and the independent bodies is also subject to a degree of self-regulation. The BBC operates fair-trading principles, independently audited, which are intended to achieve appropriate use of public money, whilst safeguarding the interest of the licence-fee payer. Particular attention is paid to the fees charged by the PGs for UK engagements and overseas touring.

By the same token, the BBC orchestras enter into partnerships with their independent colleagues. The BBC Philharmonic Orchestra and the Hallé plan joint concert series in Manchester from time to time. The BBC Symphony Orchestra's concert series is devised within an established collaborative framework involving the Barbican Hall and the London Symphony Orchestra. This relationship has been growing and now includes cost-effective joint marketing.

## 5. DISTINCTIVENESS AND QUALITY

In order to maximise the volume of unique programmes to meet the challenging requirements of BBC broadcast, the BBC orchestras operate their own distinctive model, which differs from that of the independent symphony orchestras. The BBC orchestras prepare 70 to 80 programmes a year, which are usually performed once and only to a limited extent repeated. Public concert appearances by the BBC orchestras average 65 to 70 each a year. In contrast, the independent orchestras perform more concerts, some 115 to 145 a year. But they prepare far fewer new programmes, and these are repeated several times, either at home or on tour. Given the demanding number of programmes they need to prepare, the distinctive model of the BBC PGs is an efficient way of working. The BBC orchestras are able to deliver more than twice the repertory of the independent orchestras and are remarkably skilled at preparing difficult material to the highest standard useful for broadcast. Additionally, the degree of specialisation amongst each of the six PGs and their differentiation in repertoire gives a scale benefit, which makes the overall achievement possible.

Meeting the BBC's public-service obligation also requires a particular approach to the choice of repertoire. And the difference in repertoire between the BBC orchestras and the independent orchestras is profound. The biggest contrast is in the place of rarities and works by living composers in their outputs. For the BBC orchestras, these two elements together comprise 39% of the works broadcast (2010/11). This compares to 21% in the winter seasons of the London orchestras. In the case of orchestras in the regions, the living and rare proportion is smaller. Conversely, the most popular composers comprise 45% of the delivery of the London orchestras, which reduces to 23% in the case of the BBC orchestras. The strong contrast is compounded by the much larger number of total pieces performed by the BBC orchestras. Accordingly, the BBC orchestras each perform an average of 214 pieces by 94 composers, whilst the London orchestras average 97 works and 44 composers (2010/11).

The PGs each have their own role. The BBC Singers are the main suppliers of live and specially recorded choral music for Radio 3, and they also engage with other parts of the BBC. They have an unrivalled reputation in performing new and recent choral scores, of any level of difficulty. They continue to build on a distinguished tradition of creative engagement with key composers.

The BBC Concert Orchestra's mission is to sustain and develop the light-music heritage, with deliveries to Radios 2 and 3, and to explore new contemporary work, some based on links to popular forms and others on new composition sound worlds. The importance of the latter has recently been confirmed by the Southbank residency around *The Rest is Noise*. The BBC Concert Orchestra's unique national role is reflected in the long-running relationship with Radio 2, which is currently being addressed with new purpose.

In the 1930s, when the BBC Symphony Orchestra had just been established, it was considered to be the best orchestra in Europe after the Berlin Philharmonic. Although there have been dull periods, the achievements of this significant institution in its 82 years are massive. It continues to be held in high standing today, with its unique authority in the masterworks of the 20<sup>th</sup> century and the new scores of today. It is in demand on the most important international concert circuits. The BBC Symphony Orchestra performs repertoire on the largest scale, including concert productions of opera. Its concert series at the Barbican Hall, alongside the London Symphony Orchestra, makes a major contribution to the London musical calendar.

The BBC Philharmonic performs large-scale orchestral repertoire, covering the compositions of relatively neglected figures in the context of more familiar work. Based at MediaCity, it is a laboratory for exploring wider partnerships across the BBC. Its composer-conductors have included James MacMillan, and Peter Maxwell Davies and now the illustrious Austrian composer, H K Gruber. The BBC Scottish Symphony Orchestra delivers full-scale engagement with the work of living composers and with the late Romantic repertoire. Its live concerts provide distinctive programming within the overall mix of orchestral life in Scotland. As the only professional symphony orchestra in Wales, the BBC National Orchestra of Wales undertakes a wide range of symphonic repertoire in addressing its national responsibilities across Wales. It has a broad base of engagement within the BBC, which covers programme-making for BBC Wales, soundtrack recordings in Cardiff (*Dr Who*) and participation in BBC Wales-generated television events. The progress made by the BBC's other symphony orchestras during the last 20 years is much commented on by professionals and critics. The BBC's investment in playing strengths, pay aligned to the market and more recently in improved studios has paid off. Their overseas touring began in the 1970s and international standards have been set and achieved by a run of distinguished conductors.

All the orchestras work with artists of high importance. This includes conductors such as Tortelier and Nosedá in Manchester, Vanska in Glasgow, Tadaaki in Cardiff, and Davis and Bělohávek in London. The BBC Scottish Symphony Orchestra's current Chief Conductor Donald Runnicles shares his duties with the Deutsches Oper in Berlin. The BBC National Orchestra of Wales shares Thierry Fischer with orchestras in Japan and the USA. The Concert Orchestra's Keith Lockhart also fronts the Boston Pops. All the PGs have close relationships with important living composers. The BBC Symphony Orchestra's "total immersion days"<sup>7</sup> are an important showcase for this. The high standing is further confirmed by the evidence of their commercial recording contracts and the run of awards received by their CDs. Whilst there is no simple method for measuring quality and performance, peer-assessment of music professionals is perhaps the best guide. On this basis, the conclusion is to confirm the quality of the BBC PGs and the high professional and critical standing in which they are currently held.

## 6. FINANCES

The operating cost of the six PGs is £32.3 million (2010/11 budget). This figure does not include premises and corporate services provided by the BBC. The budgets of the BBC orchestras range from £5.0 million for the BBC Concert Orchestra to £8.1 million of BBC Symphony Orchestra. The operating cost of the BBC Singers is much less, at £1.8 million.

Much the largest cost element of the BBC orchestras is the pay of the players. This represents 63% of total spend<sup>8</sup>. Administration and activity costs account for the remainder, at 13% and 24% respectively. Activity spend covers the engagement of artists and conductors, extra players as needed, venue hire for external concerts, travel and subsistence to concerts, event marketing, outside broadcast and spend on learning and outreach. This broadly represents the marginal cost of activity. The cost analysis shows that the fixed spend of the BBC orchestras, the playing staff and the administration, represents 76% of total spend<sup>9</sup>. Accordingly, any change to the funding of the BBC PGs will soon bear in directly onto the fixed-cost element, especially the core establishment.

The average spend of the BBC orchestras at £6.1 million is significantly lower than that of the independent orchestras, which average £9.7 million (2009/10). The principal reason for the lower cost of the BBC orchestras is their lesser investment in public concert-giving and lighter call on their administration, with lesser call on marketing and concert-planning and no need for fundraising. The PG administration staffs average 17 FTEs, which compares to 31 FTEs in the independents. The teams are notably lean and undertake some sharing of services amongst themselves. After taking the differences into account, they appear to represent good value.

The PGs are funded 13% by external income and 87% as a direct charge on the BBC. Within the total funding of £32.3 million, the external income comprises £3.2 million earnings from activities by the PGs, and £0.8 million is provided by Arts Council Wales for delivering the BBC National Orchestra of Wales' national role<sup>10</sup> in Wales. The funding from the BBC of £26.9 million covers the net cost of the PGs and a

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<sup>7</sup> The "total immersion days" explore in one day the full range of compositions by a selected living composer; in 2012/13 the chosen artists will be Oliver Knussen, Toru Takemitsu and, in News from the North, Per Norgard, Hans Abrahamsen and a group of Finnish composers, Magnus Lindberg, Jouni Kalpainen, Kaija Saariaho and Sebastian Fagerlund.

<sup>8</sup> The players in the independent orchestras account for 44% of their spend. The absolute cost of players differs little between the independents and the BBC orchestras. The difference in percentage cost reflects the much higher total expenditure by the independents, covering larger administration and higher activity costs.

<sup>9</sup> The fixed costs in the independent orchestras represent some 55% of their turnover.

<sup>10</sup> The funding covers the Welsh language box office, outreach and education, the National Chorus and artistic fee supplements.

further £1.3 million tariff is paid by the BBC Proms to the PGs for the broadcasting value of their output. These calculations exclude the payments to the Ulster Orchestra from Radio 3 and from BBC Northern Ireland.

The external earnings of the PGs arise from ticket sales, engagement fees and payments for foreign touring. Small, additional sums are earned from the co-produced CD and broadcast sessions. The external income varies from year to year, mainly according to the volume and nature of overseas touring. The external-earning potential of the PGs reflects the BBC's fair-trading principles and the broadcasting commitment which defines the repertoire. The need is to maximise the volume of programme outputs of unique repertoire other than the top ten. The external earnings of the independent orchestras form a much larger proportion of their total income.

The £3.2 million external earnings of the PGs serve to defray most of the £3.5 million spent on undertaking public concerts, the venues, travel and subsistence, marketing and outside broadcasting. Thus, the external income is valuable because it contributes to the vitality of the PGs' operation, creating opportunities outside the studio. Given their broadcast commitments, the PGs make good use of the commercial earnings available to them. This also pays for the distinctive broadcasting that comes from live performances given before an audience.

## 7. VALUE FOR MONEY

The efforts of the PGs are almost wholly directed to feeding the broadcast needs of the BBC. Of the 470 principal programme-making and concert-giving activities in 2010/11, some 427 were delivered to the BBC. Only 43 were not taken for broadcast. Some additional PG time is used for learning activities (eg family concerts) and for professional training, which gives experience in various forms to young musicians. The amount of programme output for the given cost of the PGs appears highly satisfactory.

The non-TX activities of the PGs were mostly repeat concerts, not needed for broadcast. These typically arise on overseas tours. Fifteen of the non-TXs in 2010/11 occurred in one tour of the USA. The BBC Scottish Symphony Orchestra plans a certain level of repeats into its schedules, which are judged essential to delivering concerts across Scotland.

Musicians' pay in the PGs remains broadly competitive with that of the independent groups. This is important in maintaining the quality of the PGs. The pay levels reflect the market realities of the orchestral world, with a significant difference between London and the rest of the UK. Within London, the payments and total reward packages to members of the BBC Symphony Orchestra are intended to be competitive, though the variations in working conditions and pension arrangements amongst the other London orchestras make the comparisons difficult to draw.

Scrutiny of the schedules shows that the PGs mostly work to the limits of their contracts. An exception is the BBC Singers, but it needs to be understood that maintaining vocal health is a major consideration in interpreting the best approach to scheduling choral activity and achieving the contracted deliveries. In this case, the deliveries are fully met. The PGs also manage to schedule activities with almost no resort to overtime. The analysis of the schedules also confirmed that the establishments of the orchestras are generally fully engaged. The largest orchestras need some respite from the heavy repertoire from time to time in order to refresh themselves with classical disciplines and to deal with noise at work. That apart, there are some issues on the utilisation of third winds in two of the PGs and of a large string strength in another.

Finally, consideration has been given to whether alternative suppliers might be found to address the broadcast editorial needs, especially of Radio 3. Radio 3 has a long-standing commitment to broadcasting live relays from a large number of non-BBC orchestras. The choice is undertaken with the aim of "reflecting really good work, distinctive ideas and important developments". In 2010/11, outwith the Proms, 50 relays were taken. This was a typical year. Constraints are the number of repeats in the concert schedules of the independent orchestras and a focus on the more popular composers.

A high volume of unique repertoire is the key requirement in responding to editorial needs. Adjustment in the balance of PG programmes and relays from the independents might be possible but this would not even begin to address the need. The 50 relays already taken constitute some three-quarters only of the delivery of one of the BBC orchestras. Conversely, it would take an independent orchestra approaching two years under its existing business model to cover the deliveries of even one of the BBC orchestras. A fully rehearsed studio performance by an independent orchestra, charged at full cost with oncost and net of grant (to avoid double-funding), would not offer savings compared to the full (tariff and core) cost of in-house programmes supplied by the PGs.

## 8. SAVINGS POTENTIAL

The BBC's net spend on the PGs is £26.9 million (2010/11) excluding external income and the Proms' tariff, and so a 20% saving would amount to £5.38 million. This could be approached either by making closures in the PGs or by shaving 20% from each of them, or some combination of the two.

Closure of either the BBC Symphony Orchestra or the BBC Philharmonic Orchestra alone would roughly realise the 20% target sum, with "savings" of £6.7 million and £5.0 million respectively. Closures in various combinations in two or three of the other PGs would also produce the "saving". But this level of savings would be realised only if the lost output were not replaced. The specialist repertoire, as supplied by the BBC groups, averaging 72 programmes per symphony orchestra, is essential to meeting editorial needs. The cost of sourcing an equivalent volume of the right repertoire from the independent orchestras would more than eat up the "saving".

The other approach would be to shave 20% off each of the PGs. The difficulty is that the musician establishments of the PGs form a high proportion of their total spend. Savings have already been made in previous efficiency programmes, and so further cuts would quickly reach the bone. The administrations of the PGs are lean. The impact of shaving 20% from the net spend would be in three of the four symphony orchestras to reduce their contracted strengths below recognised symphonic size. This would seriously limit their repertoire. Further, an equivalent squeeze on activity spend would confine the PGs to the studio, end their concert life and limit their choice of artists. They would no longer be able to attract artists of importance. The quality and range of their output would cease to be of editorial interest.

Accordingly, the 20% cut, however approached, would be inconsistent with the Corporation's editorial needs and delivery to audiences. The reduction in the quality, range and volume of live and specially recorded music would jeopardise the output of Radio 3 and other services and contradict the former's service licence agreement. Like-for-like replacement programming, sourced from the independent orchestras in the necessary volume, would more than eat up the savings generated by a closure, and be self-defeating.

More generally, the steps needed to achieve savings of 20% would negate the positive developments of recent years, seriously erode both the broadcast value and the wider public value of the PGs, and call into question the BBC's recent investment in new studios for three of the groups. Closure in Wales would threaten to destroy its orchestral life. Closure in Scotland would seriously limit the scope and achievement of Scottish musical life. Both would reduce the supply of programmes to BBC Wales and BBC Scotland. Similar damage would result from closures in the other centres, both in London and the North. Hollowing out the PGs by shaving 20% from each would fatally diminish their contribution to musical life in broadcast and in live concerts.

Notwithstanding the conclusion on the harmful impact of savings of 20%, it should be possible to achieve a significant level of savings in the PGs. This could be approached by reviewing the operation of the PGs so that they remain sustainable in relation to foreseeable future broadcast and other needs. This could involve some reshaping of the PGs in order to achieve greater effectiveness, fit and flexibility. The necessary steps would be to establish for each PG that its:

- artistic role and rationale continued to be clear, and to make adjustments accordingly;
- resources are fully utilised in relation to the artistic role; and
- external income is fully and appropriately addressed.

Areas to examine for savings and more efficient targeting and fine-tuning of the resource include:

- performing strengths, modified up or down, better to match artistic purpose and appropriate levels of utilisation;
- changes to contracts to deliver better targeting of the resource and easier operation; paid flexible leave, end-of-line contracts, and local travel-and-subsistence payments might be scrutinised;
- introducing new-style contracts (possibly session-based), as appropriate, to achieve simpler operation and more flexibility;
- a pay freeze, which does not affect the competitive position of the groups in the market place for the best players;
- identifying areas for fine-tuning in administration and making further savings from sharing functions, especially among the three PGs in London and the Proms, recognising the essential need for the local administration of PGs outside London;
- adjusting the learning programme and its staffing pending a BBC national music learning strategy being implemented.

On activity spend, savings have already been made under BBC's efficiency programmes and the budget value has been eroded by above-average inflation in artistic costs bearing down on flat budgeting. It would serve public value and quality best to maintain spend on activity, including concert numbers, artists and marketing.

External income makes a useful contribution to the work of the PGs. In particular, this helps fund their public appearances and certain artistic costs. The main opportunity for setting a stretch target for external income is in relation to box-office income from own promotions. This would need to be achieved without breaching the fair trading understandings on repertoire and role. Additional earnings might be sought from further co-production sessions and from engagements. More of the latter could be justified in public-value terms. Private funding and sponsorship are currently ruled out for the PGs.

Three of the PGs are now housed in excellent studios/halls, the value of which has been demonstrated in their pronounced positive impact on performance quality, public interest and appreciation. The PGs in London function in inferior working conditions compared to the PGs based in Salford, Glasgow and Cardiff. The acoustic volume of studio MV1 at Maida Vale is low for its predominant use. The BBC also misses an opportunity in London to excite public interest and present its major corporate commitment to music. Studios/halls for the London PGs, preferably in shared accommodation, probably at Maida Vale, are needed for the PGs to function at the highest level and to realise their full public value.

All things considered, with the areas for change identified in this piece of work, savings of up to 10% should be investigated. This should be achievable but it will not be easy. Careful analysis will be needed to ensure that the savings are achieved in a way that protects distinctiveness and quality. A certain level of essential reinvestment will also be needed. This approach would provide the basis for guaranteeing sustainable value for money for licence fee payers, whilst achieving the full broadcast and wider value from the BBC PGs.

## 9. FUTURE OPPORTUNITY

There was widespread concern some 15 years ago about the state of national musical life in Britain. Falling concert attendances after the peak of the 1980s and the decline in music training and in the place of music in the school were among the issues. Subsequently, the position has changed greatly. Even against the impact of the recession, positive developments continue.

A raft of initiatives in concert life, with experiments in programming and concert timings, and new approaches in marketing and in audience development, has brought about significant change. A new generation of young conductors has enthralled audiences. The box-office takings of the eight English symphony orchestras rose by 34% between 2005/06 and 2009/10. In Liverpool, the growth was 82%. A broader indication of the change is the BMRB Target Group Index, which measures the percentage of adults currently attending classical concerts. This had dipped to a low of 11.6% in 1998/99., since when it has climbed to a peak of 18.1% in 2007/08 and subsequently remains at around 17%. The growth in interest applies to all forms of music, classical up 46%, opera 35%, pop and rock 71% and jazz 82%. A run of new halls is part of the story, Sage in Gateshead, King's Place and Cadogan Hall in London, and the success of City Halls in Glasgow. The BBC Proms are a vivid expression of this positive development, with live audiences jumping from 271k in 2007 to 313k in 2010, including strong progress in attracting young audiences.

Many government initiatives have been taken to address the critical difficulties encountered in music education and training in the 1990s<sup>11</sup>. The proportion of the state-school population playing instruments or having specialist singing tuition rose from 8.4% in 2005 to 17.4% in 2010/11, and the government has been emboldened by the significant rekindling of interest in music to produce in 2012 the first national plan for music education. The national funding for instrumental teaching is being rerouted directly to 122 newly created music-education hubs across England. Scotland has also invested more in music education, including the high-profile Sistema pilot.

The BBC, with its broad national cultural responsibility and central role in music, can claim credit for some of this remarkable turn-round. At this juncture, the change is ongoing. It could constitute a major opportunity for the BBC to continue reinforcing with the full power of the Corporation this positive development in national life.

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<sup>11</sup> The initial government step was to earmark a "music grant" within the central education funding to local authorities and schools. The government's Music and Dance Scheme, which meets the specialist needs of the most talented young people in music, was extended by a network of Centres for Advanced Training, which include new units and encompass the junior schools of the music conservatoires. Within schools, the Wider Opportunities programme provided group instrumental teaching to entire cohorts of Key Stage 2 students, and this was followed by an extensive and effective singing programme.

In this, the BBC PGs are a principal asset. They deliver multiple hours of broadcasting to radio, television and online audiences, and they perform a variety of work, which has developed over the years and stimulated and kept pace with changes in public taste. Their largest audiences, reached by broadcast, are numbered in the millions. They function on a large scale and their live concerts attract significant support and interest.

The brief for this evaluation of the PGs asked for longer-term ideas which could continue to build their quality and distinctiveness as part of the wider orchestral sector. The work of the PGs is realised both in their broadcast outputs, in their other activities outside the BBC, and in supporting actions which encourage understanding, appreciation and enjoyment. The vision for the PGs need not change. They seek to foster the art form of music and to explore in performance at the highest level the widest repertoire of great orchestral and choral music.

This is a UK-wide vision, in which the PGs celebrate the nations and regions where they are based, adding variety and critical mass to the wider orchestral sector. All the PGs will remain heavily committed to performing new and recent compositions. Several will build on their strong traditions of working with key composers. Each will move the art form of music forward in different ways, testing the conventions of innovation and expanding the range, relevance and appeal of new work. Some PGs will find further inspiration from popular forms and popular artists and explore multi-media approaches across old boundaries.

The PGs should continue to invest in the future of music through their professional activity with young artists, composers and conductors. These are arranged through links with the music conservatoires, key university departments and the professional associations. This provides an essential element of continuity in the development of professional experience in these areas.

Some possibilities for considered development are as follows:

- the live presence of the PGs might be extended further, including more opportunities to hear the BBC Symphony Orchestra, *FNIM* and the BBC Concert Orchestra outside London; touring work might increasingly take the form of residencies and projects, including overseas, where model schemes are planned in Berlin and India;
- a BBC music learning strategy might be devised to coordinate the efforts of the PGs in outreach and learning and to deliver a further step change over a period of years in music understanding and appreciation; the BBC should seek distinctive positioning for the BBC PGs on learning within the multi-platform and new digital-technology worlds;
- the broadcast activity of the PGs already triggers live concerts and legacies through online availability, outreach follow-through, commercial CDs, significant additions to the corpus of new compositions and critical responses and sustained debates in the press on online; the BBC PGs might address ways of further extending the impact of this value chain;
- within the BBC, the PGs might seek ways of becoming more readily available and easier to use as a production resource and as artistic partners across the organisation;
- the PGs might be jointly deployed more often as an integrated resource in One BBC projects and initiatives;
- ways should be found for bringing the three London PGs closer together, a development already commenced in merging the managements of two of them; co-location, say, in a BBC music hub, would bring benefits and opportunities; improvements to their accommodation are needed to enable them to function at the highest level and realise their full value.

The artistic positioning of the PGs in the future will be driven in part by the changing roster of conductors and by evolving broadcast editorial interests and needs. It is recognised that there are specialist areas, not least in early and Baroque music, in which independent groups excel. Within this context, the future role and purpose of each group might be further clarified. This would not mean departing from the current character and core strengths of the PGs, but offering sharper focus in places. As indicated previously, this should be borne fully in mind in addressing the savings.

## 10. CONCLUSION

This report has considered the current operation, rationale and funding of the BBC's six performing groups. The PGs are part of the programme-making infrastructure of the BBC. They deliver multiple hours of broadcasting to radio, television and online audiences, and perform a variety of work which has developed over the years, stimulating and keeping pace with changes in public taste. They function on a large scale and their largest audiences, reached by broadcasting, are numbered in millions. .

The PGs each have a unique character and are differentiated in role and repertoire. The degree of specialisation gives a scale benefit which makes possible a greater overall achievement in covering the

necessary repertoire. The PGs are fully utilised in meeting the current broadcast requirements across the BBC. The small number of non-broadcast outputs includes successful learning and outreach programmes and strategic engagement with the professional mentoring and training of young artists, composers and conductors.

The BBC's six public purposes most directly related to music are to provide education and learning, stimulate creativity and excellence and to reflect the UK's nations, regions and communities. These continue to give a strong rationale for the PGs, which are a vital resource in enabling the BBC to fulfil its public-service obligation in music. They provide a secure supply of live and newly recorded inputs, which are an effective and essential means of meeting editorial needs within the BBC. They are a key foundation for the planning of the BBC Proms, and a lynchpin in maintaining the distinctive quality and exceptional international reputation of Radio 3. This includes Radio 3's need for a large volume of specialist repertoire, unfamiliar work and new and recent compositions. Within the central role held by the BBC in British cultural life, a special weight and a long history attaches to the Corporation's structural responsibility for the art form of music. The BBC's exceptional achievement in this area is evidence of the firm commitment with which its public purposes are addressed.

The report has examined the cost base of the PGs, the utilisation of the resource and alternative sources of supply. The PGs function differently from the independent orchestras. To meet the demanding requirements of BBC broadcast, they deliver more than twice the repertoire of the independents, and the content is distinctive, with a much larger place for rarities and work by living composers. The budgets of the BBC orchestras are significantly lower than those of comparable independents. The PGs make good use of commercial earnings available to them. Given the specific requirements placed on them, especially the high volume of programmes required, the operation of the PGs appears cost-effective and efficient.

In addition to their broadcast value, the PGs have a life beyond broadcasting, which delivers a wider public value. The majority of the programmes made by the PGs derive from the numerous performances they give before live audiences. The PGs are well distributed around the UK, and they add critical mass to orchestral resources in key centres, Glasgow, Salford, Cardiff and also London. The concert seasons and the invitation concerts mounted by the PGs provide complementary choice in the concert life of the UK and make available concerts in centres otherwise poorly served. The BBC orchestras form an essential part of the UK's wider orchestral infrastructure.

The report examined both closures of the PGs and equal cost reductions across the groups as a means of decreasing investment. It found that either way a severe diminution would result in the quality, range and volume of live and specially recorded music available to the BBC. This would be inconsistent with the Corporation's editorial needs and delivery to audiences. Savings would only be achieved were the lost output not to be replaced, and like-for-like replacement programming, sourced elsewhere, would more than eat up savings generated by in-house closures. As long as the editorial needs of Radio 3 continue to require large volumes of specialist repertoire, a 20% saving in the PGs would not be achievable.

Notwithstanding the conclusions on 20% savings, a number of areas are identified where savings might be sought. Whilst recent efficiency programmes have already made cuts and further changes will be hard to achieve, there should be scope for more efficient targeting of the resource if this were combined with further clarification of the role and purpose of each PG. This would not involve departing from the current character and core strengths of the groups, but offer some greater clarity and sharper focus in places. The resulting changes would differ across the area.

There was widespread concern some 15 years ago about the state of musical life in Britain. Falling concert attendance and decline in the place of music in schools were among the issues. Subsequently, the position has changed greatly, with a growth in attending concerts for all kinds of music and rekindled interest in music education. The BBC Proms are a vivid example/indicator of this positive development, with strong growth in the audience and progress in attracting young people.

A strong future in this is envisaged for all the PGs. Some proposals are outlined for further building the creative vision of the PGs. Together with the other ideas in the report, these are intended for further discussion within the BBC under the DQF process, including identifying the means of achieving a viable savings and reinvestment plan. For the BBC, the sea change in musical life represents a timely opportunity to confirm its commitment to the PGs. This would foster the quality and distinctiveness of their contribution to the BBC's outstanding music broadcasting and reinforce the BBC's continuing contribution to the positive development of the musical life of the UK's nations and regions.