### **PRS for Music**

Worship Consultation: Places of Worship Licence & Digital Worship Licence



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### **1. Introduction**

PRS for Music are holding a public consultation on our licences designed specifically for the religious sector. We are proposing two newly designed schemes:

- Places of Worship Licence
- Digital Worship Licence

#### **Places of Worship Licence**

The Places of Worship Licence is being proposed to replace the current PRS Church Licence. The PRS Church Licence was launched in 2001 and covers the use of music in church buildings. It is currently sold exclusively via Christian Copyright Licensing International (CCLI) who act as an agent on our behalf. The new Places of Worship Licence will continue to be available via CCLI, as well as directly from the PRS for Music website.

#### **Digital Worship Licence**

The proposed Digital Worship Licence will allow religious organisations to use music to support their online activities, such as using background music on websites or in the online streaming of worship services.

The proposed new scheme will replace the existing, Limited Online Music Licence (LOML), which is being decommissioned at the end of 2023. Its replacement, the new 'Digital Worship Licence,' has been designed specifically to meet the needs of the religious sector and better reflect how music is used online today.

#### This Consultation

Our aim is to design schemes that are simple for customers to use, inclusive of all faiths and now covers the use of religious buildings as community hubs that host a wide range of activities.

This public consultation provides an opportunity for customers, members, and other stakeholders to give their views on the proposed scheme prior to any changes being implemented.

The consultation is being run in accordance with our <u>Code of Conduct</u>. This outlines our commitment to issue fair, reasonable and proportionate consultations when proposing to introduce a new tariff or to make significant changes to an existing tariff. Our aim is to set reasonable terms and to apply and administer all licensing tariffs fairly and consistently. The Copyright Tribunal has jurisdiction over all existing and proposed licensing schemes and tariffs operated by us.

The consultation will run for 4 weeks from 13 September 2023 until  $11^{\text{th}}$  October 2023. We will review all responses received on or before the closing date. Details on how to respond to the consultation can be found <u>here</u>.

Your feedback and opinions are important to us.

### 2. Rationale for the proposal of the new 'Places of Worship Licence'

#### Background

The PRS Church Licence was last reviewed over 20 years ago, during which time there have been changes in the way communities use and interact with music within religious buildings.

The current PRS Church Licence, sold exclusively through CCLI, covers general music use on church premises, up to 6 live concerts or recitals annually, as well as on-site cafes and bookshops.

If the Church wants to host more than 6 concerts per year, the Church is considered a concert venue and requires a different, supplementary licence from PPL PRS Ltd.

#### **Current fees**

The current PRS Church Licence fees are based on congregation size and increase in bands from AH-I, starting at £29.28 annually.

	The PRS Church Licence	
Congregational sizes	Cat.	Annual Cost
1-14	АН	£29.28
14-49	A	£44.42
50-99	В	£83.16
100-249	С	£137.02
250-499	D	£190.84
500-999	E	£253.13
1000-1,499	F	£313.75
1,500-2,999	G	£389.46
3,000-4,999	Н	£493.78
5,000-9,999	Ι	£670.54

## **3. The Proposed Places of Worship Licence**

Our new Places of Worship Licence will not only be inclusive to all faiths but also a simplified licensing solution. It will help religious communities streamline their purchasing experience whereby they will no longer need additional licences to cover a wide range of purposes outside of the building, for example using associated halls for concerts or dance classes that are organised by the religious organisation. This is due to us extending the audiences covered under the new licence from congregations to the wider community.

The new Places of Worship Licence will continue to cover religious organisations for:

- General music use
- Up to 6 concerts or recitals within the religious building and associated halls
- Bookshops and cafes, provided that they are not a third-party commercially run venture.

This licence doesn't include:

• Commercially run third party activities, for example a third party hiring the hall for a fitness class or a concert promoter organising a classical concert. They will need to purchase their own licence from PPLPRS Ltd.

Our new Places of Worship Licence gives religious groups the rights for more than 38 million works PRS for Music represents, for the purpose of playing or performing music in religious buildings and associated halls.

#### **The New Rates**

The new 'Places of Worship' licence applies to performances of copyright music within the PRS repertoire at venues actively used as a place of worship, with no more than 6 concerts per year.

The new proposed rates will be based on average weekly attendance, rather than congregation size. This metric will better reflect attendance levels at the wide range of activities organised by the religious sector.

The licence will be charged in consistent bands based on 100 persons, apart from band A, which has been separated into two bands to improve affordability for religious organisations with a smaller average weekly attendance.

Places of Worship Licence				
Weekly attendance	Band	Rate		
Under 45	AH	£64.68		
50-99	Α	£94.68		
100-199	В	£154.68		
200-299	С	£214.68		
300-399	D	£274.68		
400-499	E	£334.68		
500-599	F	£394.68		
600-699	G	£454.68		
700-799	Н	£514.68		
800-899	I	£574.68		
900-999	J	£634.68		
Each 100 thereafter £60				

The rates will increase each year with inflation.

#### **Reporting requirements**

Under the new licence, we propose that religious organisations return set list information for the 6 concerts and/or recitals that are included under this scheme. This ensures that we can attribute royalties to PRS for Music members when their work is used in live concerts.

#### Impact

Rates may increase for customers transitioning from the PRS Church Licence to the new Places of Worship Licence. Some customers on the PRS Church Licence may move to a higher band, if their average weekly attendance is higher than their average weekly congregation size.

However, the inclusion of the wider community within the licence means many religious organisations will benefit from only needing to purchase one licence for this music use.

# 4. Rationale for the proposal of the new 'Digital Worship Licence'

The current Limited Online Music Licence (LOML) has been in place for over 15 years, during which time there have been many changes in how religious organisations use music to interact with communities online. For example, many religious organisations now stream their worship services, so that their congregations can view at home.

The current charges and licence requirement for LOML are available on our website.

Earlier this year, we carried out a survey with customers to understand how their needs have changed and what more we can do to improve the purchasing experience. Customers feedback showed a strong demand for a more targeted licensing scheme, one that better reflected how they want to use music, both now and in the future.

As a result of this feedback, we took the decision to decommission the current LOML at the end of 2023 and replace it with more licences which are tailored to specific groups of users. The proposed new licence will continue to provide customers a broad set of rights, covering:

- Communication to the public right
- Mechanical rights for commercial works
- MCPS production music works
- MCPS production music sound recordings

Results from that survey showed that 81% of LOML customers (licensed music users for less than a year) said that music was very important to them whereas only 50% of all customers felt confident they had purchased the right licence. We have taken this feedback into account and this new licence should help customers identify the licence they need.

We have designed a simple solution so customers can benefit from the use of copyright music online in their places of worship. By creating a dedicated digital scheme for the religious sector and naming the licence something more relatable, we can make the purchasing process for customers easier to understand and be able to generate and allocate royalties much more efficiently for members.

## **5. The Proposed Digital Worship Licence**

Our new Digital Worship Licence will help religious groups streamline their licence purchasing experience by offering a bespoke option, so they can use more of the music they love online for the purposes of streaming worship services.

PRS for Music Grant of Rights:

- The communication to the public of PRS repertoire.
- The communication to the public of Production Music Sound Recordings.
- Mechanical rights for MCPS affiliated repertoire.

The new Digital Worship Licence will cover religious organisations for streaming worship services, as well as funerals and weddings, on their own website and third-party platforms in video or audio format.

The licence also includes activities associated with worship (outside of the list of excluded activities), such as sharing links to worship services via email.

Some social media platforms have licences with us for various streaming rights, which means an additional licence may not be required. We will ensure that this is clearly signposted where a licence is not required.

#### The New Rates

The new Digital Worship Licence is charged on the average number of online streams of worship services each week.

The number of streams\* should be calculated based on the combined total number of streams across all platforms.

Streams per week	Up to 5 music tracks per service	5+ music tracks per service
300-599	£117	£235
600-899	£235	£470
900-1199	£352	£704
1200+	£470	£939

\* a stream per viewer per service. For example, a worship service being live streamed on their own website receiving 150 views per week, and the same service is streamed on another website owned by the same establishment which also receives 150 views per week, this will total 300 streams. If a worship service is streamed via another website, not owned by the religious establishment, they may also need to purchase a licence.

The rates have been calculated based on the underlying LOML interactive webcast stream rate. Whilst LOML is presented based on the number of annual streams, we have presented the new rates based on the number of streams per week, as we believe it will be easier for

places of worship to quantify average weekly views than that in an entire year. We have based the rates on the allowance of up to 5 music tracks per service, or over 5 for those using more music.

As the rates have been calculated based on the underlying LOML interactive webcast stream rate, we do not expect that there will be a noticeable impact for existing LOML customers.

#### **Restrictions & Exclusions**

Our proposed licence does not cover B2B, for example, a business supplying music to places of worship for use in worship services. It does not permit the use of general entertainment content, such as TV programmes, or the use of music in advertising campaigns, sponsorship, or in corporate videos for conferences.

Synchronisation rights are not included under this licence and can be obtained under a separate licence, where appropriate, either directly from the rightsholders or via our website where we are mandated to do so.

Music usage excluded within the scope of this licence is:

- Podcasts
- Internet radio stations
- Digital education
- Fitness providers
- On demand music streaming & music downloads
- Online Live Concerts

Organisations creating or providing any of these services will be required to take out the relevant licence.

## 6. How to respond to the consultation

All the details of this review, and any updates, are available on our <u>website</u>. Please complete the response form on the website above. Online responses are preferred. Written responses can be posted to:

#### **Worship Consultation Responses**

PRS for Music 1st Floor Goldings House 2 Hays Lane London SE1 2HB

Or by email to: <u>Worship.Consultation@prsformusic.com</u>

Please title your response 'Worship Consultation'

Or visit: <a href="http://www.prsformusic.com/worship">www.prsformusic.com/worship</a>

#### All responses should be received by 11 October 2023

We will consider all comments received and we have also supplied some questions for you to consider when formulating your response which can be found on our <u>website</u>. We may publish comments in our formal response. If you wish for your response to not be published, please say so on the form.

This consultation does not compel us to implement any of the changes proposed. We may propose an alternative scheme in the light of responses to this consultation.

#### **Next Steps**

Following the deadline for submission, we will carry out a review of all the responses received and publish a summary of these on our website. We will look to hold discussions with customers and representative bodies, as needed, and will announce the new licensing schemes based on this.

## 7. PRS for Music and MCPS

PRS for Music is a world leading music collective management organisation representing the rights of more than 165,000 talented songwriters, composers, and music publishers around the globe. Headquartered in the UK, we work diligently on behalf of members to grow and protect the value of their rights. With a focus on innovation and integrity, we are redefining the global standard for music royalties to ensure creators are paid whenever their musical compositions and songs are streamed, downloaded, broadcast, performed and played in public.

The Mechanical Copyright Protection Society (MCPS) collects and distributes mechanical royalties to songwriters, composers, and music publishers when their works have been copied or reproduced. We operate as an agent for MCPS under a service agreement to provide licence and tariff development alongside licensing and distribution services.

For businesses and organisations, we play a valuable role. Songwriters, composers and music publishers have entrusted us to make their music and songs available for use in exchange for fair remuneration. We provide the required licences for this in a simple and cost-effective way. This gives businesses and individuals the right to use millions of copyright songs from around the world, without the need to negotiate individual licensing terms for these works with the songwriters or music publishers. We survey thousands of businesses to find out what music they are playing. Similar music use information is also supplied by TV and Radio broadcasters, as well as concert venues. Based on this information, we distribute royalties to the songwriters, composers and publishers of the music that has been played.



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### www.prsformusic.com

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