PRS for Music

Worship Consultation: Places of Worship Licence & Digital Music Licence for Worship Summary of consultation responses

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Introduction

On 13th September, PRS for Music launched a 4-week consultation proposing two new PRS licences for Places of Worship:

- A new Places of Worship Licence to replace the PRS Church Licence.
- A new Digital Worship Licence to replace the Limited Online Music Licence (LOML)

As part of the consultation, we invited our customers and members to review and comment on the proposals.

This consultation was undertaken in accordance with our Code of Conduct, which states that we will consult relevant parties whenever significant changes or new licences are proposed.

As part of the consultation, we accepted responses via email or via our <u>website</u> which also hosted all relevant consultation documents.

Summary of feedback

The consultation resulted in a total of 91 responses, of which 7 came from members and 83 from customers. 1 respondent was both a member of PRS for Music and a customer.

85% of customers who responded to the consultation had previously purchased the PRS Church Licence and 51% had previously purchased the Limited Online Music Licence (LOML).

Key feedback from the consultation included suggestions to make the licensing process more straightforward, removing jargon, to be clearer on the licences needed for the sector, changes in the reporting requirements and the proposed charges. This document addresses this feedback and our response to it.

The Proposed Places of Worship Licence

The Places of Worship Licence is designed to replace the PRS Church Licence. The changes are intended to reflect that places of worship are increasingly used as community hubs, hosting a wide range of activities outside of worship services. The new licence will also be available to all faiths to improve parity across the licensing of the religious sector.

Consultation Response:

The majority (48%) selected that they either strongly agreed or agreed with the proposal for the new Places of Worship Licence, whilst 36% neither agreed nor disagreed and 16% disagreed or strongly disagreed.

"The proposed new Places of Worship Licence seems to be a good way forward and more aligned to the current usage of many church buildings that I know of as both church and social hubs."

"The change better reflects how worship is conducted across the community [...]."

The Proposed Digital Music Licence for Worship

The new Digital Music Licence for Worship has been designed as a new bespoke licence in the worship sector for customers who would have previously purchased the Limited Online Music Licence (LOML). The LOML is being decommissioned and replaced by new sector-specific licences in 2024. We believe that the new licences will be more user-friendly and will streamline the purchasing experience for customers.

Consultation Response:

The majority (50%) either strongly agreed or agreed with the proposal for a new Digital Music Licence for Worship, 46% neither agreed nor disagreed and 4% disagreed or strongly disagreed.

"Simplifying this is a really helpful move - the current LOML has too many options for us to navigate so thanks you!"

Our Response:

To remain consistent with other digital licences, we've opted to rename the licence as the Digital Music Licence for Worship to clearly emphasise its purpose as a music licence. (We originally consulted on the title 'Digital Worship Licence'.)

We have conducted a thorough review of the written feedback submitted by all respondents, and believe the proposals to introduce a new Places of Worship Licence as a replacement to the PRS Church Licence, and the Digital Music Licence for Worship to replace the Limited Online Music Licence (LOML), is the best course of action.

The following sections have been written in consideration of the responses, to provide clarification on any areas of uncertainty and, where appropriate, to address feedback received.

Simplifying music copyright licensing

Consultation Response:

A strong theme in the consultation responses was a desire for licences to be as straightforward as possible, and for us to provide guidance and avoid the use of acronyms.

"[...] I get confused by all the acronyms and have an annual panic weekend when I have to check that we are covered for all we do. [...]."

There was also a concern about the number of licences for places of worship, which adds to the complexity of understanding licensing requirements.

"We think that there are too many licences and that it is very confusing. [...]. In our opinion, the whole system needs streamlining to make it easier to administer properly and to bring clarity."

Our response:

We recognise the potential confusion surrounding copyright law, licensing and the differences between particular licences. You may need to buy a number of different licences depending on your music use, as a piece of music is protected by a variation of rights, which is not always covered by one licence. We have designed our new licences with simplicity in mind, ensuring that places of worship can easily understand them and feel confident they understand what they cover. We will aim to remove any unnecessary jargon, will provide clear explanations of terms and provide guidance on the on the other licences you may need to obtain to cover all your music use.

The new Places of Worship Licence only covers the rights managed by us whereas the Digital Music Licence for Worship covers both PRS and MCPS rights making this a more streamlined process for the customer. For more information on these rights, as well as other rights represented by collective management organisations, see Appendix 1.

How to purchase the new licences

Consultation Response:

Consultation responses indicated that there is confusion around where the new licences can be purchased from, and a desire for them to be available from one place.

"It is much easier from a user's point of view if all Licences are handled by one central body".

Our response:

It is currently not possible for these licences to be sold from one central place, but we are committed to providing guidance to help customers with their journey. Where we can, we will make this as simple as possible for customers and will continue to explore opportunities to improve this moving forward.

Our licences will be available in the following place:



What licence do I need?

Consultation Response:

It was highlighted that some customers are unsure which licences they need, or what is now available to them. Some customers mistakenly believe that they will not need the Places of Worship Licence if they already have the PPL Church Licence. Others were confused regarding the differences between the proposed Digital Music Licence for Worship and the CCLI Streaming Licence.

"Is the PPL church licence still required with the new Places of Worship licence?"

"We are confused about this licence, and why it is required when we already had a CCLI Streaming Licence."

Several responses demonstrated that there is confusion as to why a licence is required when a CD or printed sheet music have already been purchased.

"[...] Apart from worship services we play CDs etc at some events such as our Youth Club.

So, this [licence] would seem to be unnecessary for us."

Our response:

Customers will still need to purchase the Places of Worship Licence even if you have already bought the PPL Church Licence as these licences cover different rights (1).

How to report music usage

Consultation Response:

Several responses asked what the reporting process is under the new licences and expressed concerns about how to manage additional reporting requirements for concerts.

"We cannot control what an invited choir/band perform. This is a new requirement and feels like extra work."

Our response:

Guidance will be provided to places of worship on how to obtain and submit set list information from concerts and recitals. This information in vital to ensure the correct owner in paid for their music and you will play an important role in this process.

Specific feedback on the proposed Places of Worship Licence

The pricing structure

Consultation Response:

Most respondents want a simple licence to reduce administration.

"I want to pay a yearly fee and have no further administration to do. A church is run mainly by volunteers who have many other commitments and do not have time for lengthy form filling."

However, one respondent wanted to see more selectable options to customise the licence based on their requirements.

"Make the system much more selectable of options that fit the use of the church"

Our response:

Under the new licence, there will be a flat fee that increases in incremental bands. This reduces administrative burden for places of worship while keeping pricing competitive.

Concerns around cost

Consultation Response:

Some respondents are concerned about the increase in cost and whether they will be able to afford to use music.

"I am concerned that this change could mean we pay more for the licence, and if so, would need to consider whether we can justify it, and whether we need to reconsider our use of music."

Our response:

We acknowledge that some customers could see an increase in costs under the new Places of Worship Licence. This licence has been developed to ensure the new rates are comparable to music usage fees seen in other PRS licences.

We also believe that the way the updated rates are broken down into equal tranches (increasing by £60 for each additional 100 people) is fairer for all places of worship than the PRS Church Licence, which effectively favoured larger establishments when looking at the rates on a per-person basis. We have also introduced two initial bands of 50 people each to improve affordability for smaller places of worship with lower attendance levels.

We have also continued to include within the tariff rate the ability to put on six concerts annually for no extra cost, which PRS would typically charge venues for separately.

We believe this is fair and competitive pricing for Places of Worship.

Calculating average weekly attendance

The new Places of Worship Licence is charged according to average weekly attendance. The PRS Church Licence was charged according to congregation size. We believe that average weekly attendance gives a better indication of the amount of music used by a place of worship, as it captures activities taking place outside of religious services, rather than just congregation size.

Consultation Response:

Some customers are unsure about how to calculate average weekly attendance. For instance, customers are not clear whether this calculation should include activities without music and if they should recount individuals who attend multiple activities.

"We have other activities in the church that do not have music - presumably, these numbers need not be added in?"

"[...]20 of the people who attend the cafe also attend the church service and 10 people who attend the mobility class also attend the church service [...] is our attendance 90 or 120?"

Our response:

Attendance should be counted to each activity separately. To calculate average weekly attendance, list all the activities organised by the place of worship. In this example, the place of worship has a weekly service, a café, and a coffee morning:

- 100 people attend weekly services
- The café has a footfall of 10 per day (i.e., 70 per week)
- 8 attend a coffee morning, which occurs twice a week (i.e., 16 per week)

Average weekly attendance is therefore 186, charged under Band B at £154.68.

The calculation does not include third party activities. For example, a fitness instructor hiring the premises for fitness classes. In this scenario, the fitness instructor would be able to obtain their own licence directly from us.

We will publish guidance on how to calculate average weekly attendance alongside the new licence.

Clarification on third party concerts

Consultation Response:

Some responses highlighted that clarification on exclusions would be helpful.

"A local singing group use our church for an annual concert which I believe was covered under the 6 concerts / recitals per year. Will they now be classed as "a

concert promoter organising a classical concert"? and will they need to now provide their own licence?"

Our response:

If your place of worship only hosts worship services and nothing else, you don't need a music license from us. But, if you use copyright music in any other activities or events within a place of worship (not just concerts), then you will need a licence.

The new Places of Worship Licence does not extend to concerts hosted within a place of worship by a third party, who should be directed to PPL-PRS Ltd to obtain their own licence. This is designed to ensure that the licensing of these groups is consistent with our other licences, where they would be expected to pay for royalties associated with their concerts.

Do you need a separate licence for the associated hall?

One customer asked for clarification on whether they will still need to purchase a separate licence from us if they have the new Places of Worship Licence.

"Our church hall is a community building at a different location to our church and we have bought a PRS licence separately because it is a different building. Will this situation stay the same or can the new licence incorporate PRS for our separate church hall?"

Our response:

Under the new Places of Worship Licence, a separate hall is covered, provided that the activities are organised by the place of worship, if this is the case then no additional PRS licence is required.

"From what I can see the proposals might encourage collaboration between different religious organisations that share premises."

The average weekly attendance of the hall should be included within the calculation. However, third parties hiring the hall are not covered and will need the relevant licence.

Specific Feedback on the proposed Digital Music Licence for Worship

While most supported the idea of a new Digital Music Licence for Worship, there were a few area that asked for clarification.

Calculating the number of streams

Consultation Response:

Some responses expressed concern around how to calculate the number of streams, and how long someone needs to view to count as a stream.

"[...] The proposed DWL price is better; on the other hand, counting the number of streams is going to be more hassle"

"[...] The "pay per stream" needs to indicate how long someone has to watch to count as a stream"

Our response:

The Limited Online Music Licence (LOML) is also based on the number of streams. We believe that the number of streams is the fairest assessment of the number of people watching online. Any length of time that a person view counts towards a stream.

Clarification on what platforms the licence covers Consultation Response:

Whilst many respondents felt that the new licence is clearer than the Limited Online Music Licence (LOML), some responses asked for further clarification on what platforms require a licence, and what the licence covers.

"Clarification required on what platforms need a licence.

Please ensure guidance in relation to the areas covered by each and all of your licences is clear [...]"

Our response:

The licence does not cover social media platforms like YouTube or Facebook, including embedded links from these websites. These sites tend to have their own direct licensing agreements, and so you would not usually need a licence to cover this kind of activity, but please get in touch with us if you would like specific clarification.

The licence does cover streaming directly to your own website and to third-party platforms (other than social media), such as Zoom or MS Teams etc. If you have this type of usage please get in touch for clarification.

Concerns around the pricing structure

Consultation Response:

Several responses stated that they did not approve of the new pricing structure being based on the number of music tracks included.

"[...] the split at five songs is awkward. Many churches would straddle that line week by week."

Some of the responses also asked for a lower cost entry point.

"[...] We'd need a much lower us/lower cost entry point."

"[...] Usual Sunday service have 1 to 3 live viewers on Zoom and no recording made. So nowhere near minimum of 300 weekly viewers. Seem expensive for small users".

Our response:

Based on this feedback, we have revised the new Digital Music Licence for Worship:

License Category	Average Monthly Streams Included	Rate (per annum)
A	Up to 1000	£117
В	Up to 2000	£235
С	Up to 3000	£352
D	Up to 4000	£469
E	Up to 5000	£704
F	Over 5000	£939

The new rates continue to offer better flexibility and value than the options under the Limited Online Music Licence (LOML) which started at £173 for an annual licence on Band A, moving to £345 for band B.

Next steps

We intend to introduce the Places of Worship Licence and Digital Music Licence for Worship at the beginning of 2024. We will notify all affected PRS for Music customers one month in advance of the launch date per our <u>Code of Conduct</u>. The existing Limited Online Music Licence (LOML) licence will remain in place until such time. Customers are only required to take action once their existing licence expires.

We would like to thank all those who have responded to our consultation for our proposed Places of Worship Licence and Digital Music Licence for Worship.

Appendix

1) PRS for Music is the home of the Performing Rights Society (PRS) and we manage the copyright for public performance rights and communication to the public rights on behalf of songwriter and publisher members.

We also partner with the Mechanical Copyright Protection Society (MCPS) who are appointed to manage mechanical rights (e.g. The right to make copies of music) for their members.

PRS pay royalties to members when their works are:

- Broadcast on TV or radio
- · Performed or played in public, whether live or through a recording
- Streamed or downloaded

MCPS pay royalties to their members when their music is:

- Copied as physical products, such as cds and dvds
- Streamed or downloaded
- Used in TV, film or radio

Phonographic Performance Limited (PPL) who represents the copyright in sound recordings (for example, in the PPL Church Licence).

Printed Music Licensing Limited (PMLL) who represent the copyright in printed sheet music on behalf of music publishers.

PPL PRS Ltd is equally owned by PPL and PRS for Music. It has been created to provide customers with a streamlined music licensing service – themusiclicence – with a single point of contact to make it easier to legally play and perform music in public.

Christian Copyright Licensing International (CCLI), is an organisation who sells the 'PRS Church Licence' on our behalf, alongside other licences from their own direct agreements with music publishers (i.e. Publishers which are not represented by PRS).



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