



*PRS for Music*

Licensing the Fitness and Dance Sector

**Customer Consultation**

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# 1. Introduction

*PRS for Music* is undertaking a consultation on the charging structure used to license the use of copyright music within the Fitness & Dance sector.

The key objectives of the consultation are to (i) publish the proposed tariff and (ii) invite views on the proposal from those affected.

The consultation is being undertaken in accordance with the *PRS for Music* Code of Conduct. This outlines our commitment to undertake fair, reasonable and proportionate consultations when proposing to introduce a new tariff or to make significant changes to an existing tariff. *PRS for Music* aims to set reasonable terms and to apply and administer all licensing schemes fairly and consistently. The Copyright Tribunal has jurisdiction over all existing and proposed licensing schemes operated by *PRS for Music*.

The consultation will run from a period of 4 weeks from 7th September 2015 until 5th October 2015. *PRS for Music* will review all responses received on or before the closing date. Details on how to respond to the consultation can be found in Section 5.

This consultation does not obligate *PRS for Music* to implement any of the changes proposed. *PRS for Music* may propose an alternative tariff in the light of responses to this consultation.

For the avoidance of doubt this consultation does not include not-for-profit amateur sports clubs, which will continue to be licensed under the joint PRS and PPL "AMS Tariff".

The consultation does not include the license required for the sound recordings, when recorded music, including radio and TV, is played in public. This is administered by the Phonographic Performance Limited (PPL). PPL and *PRS for Music* are two separate independent Collective Management Organisations and in most instances a licence is required from both organisations to lawfully play recorded music in public. While both organisations licence the use of music and collect royalties for the music industry, each represents different rights holders and have separate licences, terms and conditions. PPL collects and distributes money for the use of recorded music on behalf of record companies and performers. *PRS for Music* collects and distributes money for the use of the musical composition and lyrics on behalf of authors, songwriters, composers and publishers. For further details on PPL, please visit [www.ppluk.com](http://www.ppluk.com)

## 2. PRS for Music

*PRS for Music* (Performing Right Society Limited) represents the rights of over 114,000 songwriters, composers and music publishers in the UK. As a membership organisation it ensures creators are paid whenever their music is played, performed or reproduced and champions the importance of copyright to protect and support the UK music industry. *PRS for Music* provides business and community groups with easy access to over 10M songs through its music licences. *PRS for Music* is one of the world's most efficient performing rights organisations. With over 100 representation agreements in place globally, *PRS for Music's* network represents over two million music creators. *PRS for Music* is a not for profit organisation. After deducting running costs, all the income received from licence fees is distributed back to members.

For businesses and organisations, *PRS for Music* plays a valuable role. *PRS for Music* members have entrusted the organisation to make their copyrighted songs available to be used in exchange for fair compensation and *PRS for Music* provide the required licences for this in a simple and cost effective way. This gives businesses and individuals the right to use millions of copyrighted songs from around the world, without the need to negotiate individual licensing terms for these works with the songwriters or publishers.

*PRS for Music* surveys thousands of businesses, including gyms, health clubs, leisure centres and dance schools to find out what music they are playing. Similar information is also supplied by TV and Radio broadcasters, as well as concert venues. Based on this information, *PRS for Music* distributes royalties to the composers and publishers of the music that has been played.

## 3. Rationale for the proposals

The proposals set out in this consultation are part of an extensive programme to review and simplify the *PRS for Music* public performance tariffs. Many public performance tariffs have been in use for many years and ad-hoc updates to keep them up to date with how music is performed and consumed has made most tariffs too long and complicated.

The aim is to create revised tariffs that are easy to understand, simple and efficient for customers to use, whilst fairly reflecting the value of music. Tariff structures overall will be based on a core charge and bolt-on options. The core will be a single metric which covers the main and most frequent music usage, with additional music usage charged for in the "bolt-on"; allowing individual customers to tailor their licence to their particular needs. Tariffs will be based on industry groups, with each tariff designed with a specific sector in mind. This will allow metrics and rates to be aligned and ensure similar customers are charged using the same tariffs. A reduction in the number of questions when applying for a licence and taking part in the annual review will also make the process quicker and simpler.

*PRS for Music* is intending to simplify its tariffs whilst remaining broadly cost neutral for the average customer (although variances for some customers may occur when moving to the new tariff) and whilst *PRS for Music* is not currently reviewing the value of the rates charged for the Fitness & Dance sector it reserves the right to do so.

Music is of enormous value in fitness and dance activity. Research has shown that music has a profound effect on the body when engaging in physical exercise;

- Music helps to focus and support those undertaking exercise by up to 15%.
- Studies have shown that people work harder when listening to fast music. The average pop song is between 120-140 beats per minute, which has the maximum effect on moderate exercisers.
- Music boosts motivation and helps set and keep a steady pace, meaning energy can be used more efficiently.
- Music helps elevate the mood and increasing endurance through the most difficult of exercises or dance routines.

### ***Based on studies referenced in the Bibliography (Section 6)***

Currently, *PRS for Music* may apply several of its tariffs to the Fitness & Dance sector; i.e. Tariff J – Proprietary Clubs, Tariff GP – General Purpose, Tariff O – Swimming Pools and Tariff DS – Dance Tuition Schools

The key charging element of each current tariff is as follows;

**Tariffs J and GP:**

- Background music charges, based on type and number of device(s) used and square metres
- Aerobic and Dance class charges, based on annual amount and room capacity (Up to 30 persons, over 30 persons)

**Tariff O:**

- Background music charges, based on number of persons capacity (200 or part thereof) per day rate

**Tariff DS:**

- 1% of annual takings for tuition sessions
- 2% of annual takings for practice and social dances

**The Appendix sets out where to view the current tariffs in full.**

## 4. Proposals and Impact

### 4.1 The proposed charging structure

The scope of the proposed Tariff will cover; Gyms, Health Clubs, Leisure Centres, Swimming Pools and Dance Schools. The proposed Tariff will enable premises to perform music how they wish and will no longer be confined to having background music in specific areas and classes, or lessons in studios only. For example, classes can be led on the gym floor (class “bolt on” will apply) and studios that would otherwise be left empty and unused can be opened as extra training space.

The key aspects of the proposed charging structure are as follows:

#### **Background Music, Staff Areas & Staff Training Videos (“Core”)**

The proposed Tariff will allow an unlimited use of background music within Fitness & Dance premises throughout the year with a flat fee dependent on the total audible area. The removal of charging per device (the annual royalty per room for performances by television system, radio, compact disc etc.) allows premises to use multiple devices (instruments) whilst the charge for background music remains unaffected. Therefore creating a ‘future proof’ tariff that allows premises to change, add or remove devices to suit their individual needs.

Charges will range from £195 - £850 per year. Staff areas and staff training films are included within these charges at no extra cost.\*

(\* If a premise does not use background music, but does have music in staff areas and training films, these will be charged under current Tariff I rates and Tariff GP respectively.)

#### **Classes (“Bolt-on 1”)**

The use of music in a fitness class is different to background music. Routines are choreographed to music. *PRS for Music* is removing the “capacity” of classes as a charging criteria in order to create a single charge regardless of class size. The charge will be £1.53 per class.

#### **Lessons & Tuition (“Bolt-on 2”)**

Through consultation *PRS for Music* knows that the function of music used within a ballet lesson is different to that of a spin class, for example. Therefore we have created a “lesson” rate, which is applicable for tuition based activities where knowledge and/or principles can be learned. Within these lessons the music is routinely interrupted for extended periods of teaching. The charge will be £0.95 per lesson

#### **Minimum Charge**

The proposed minimum charge will be set at £50 (£2.06 higher than the current minimum charge of £47.94 under Tariff DS). If there is no “Core” usage then the “Bolt-on” charges will be offset against the £50 minimum charge.

## 4.2 The Proposed Fitness & Dance Tariff

Based on the charging structure the proposed Fitness & Dance Tariff is set out below:

<b>Core</b>				
<ul style="list-style-type: none"> <li>• <b>Background music:</b></li> <li>• Gym floor</li> <li>• Changing rooms</li> <li>• Swimming pools</li> <li>• All other areas*</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Staff Areas</b></li> <li>• <b>Staff Training Films</b></li> </ul>		
<b>Breakdown of charges</b>				
0-99m <sup>2</sup>	100-349 <sup>2</sup>	350-549m <sup>2</sup>	550-699m <sup>2</sup>	700+m <sup>2</sup>
£195	£350	£580	£760	£850
*excluding bars/cafes with a clearly defined parameter, which will continue to be licensed under other applicable PRS for Music tariffs.				



<p><b>"Bolt-On 1"</b></p> <p><b>Class - £1.53 per class</b></p> <p>A group instruction by where the music performed is continuous, and the directions are issued throughout the class. Either by means of an instructor, video instruction or otherwise. For example: <b>Spin, Aerobics, Zumba, Legs Bums and Tums</b></p>
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<p><b>"Bolt-On 2"</b></p> <p><b>Lesson - £0.95 per lesson</b></p> <p>A tuition based activity where the music performed is discontinuous and useful knowledge and/or principles can be learned. For example: <b>Ballet, Tap, Modern, Jazz, Ballroom, Street, Latin, Swing.</b></p>
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### Minimum Charge - £50

*N.B All rates are indicative based on 2014 figures and will be adjusted annually in line with inflation.*

### 4.3 The impact of the proposals

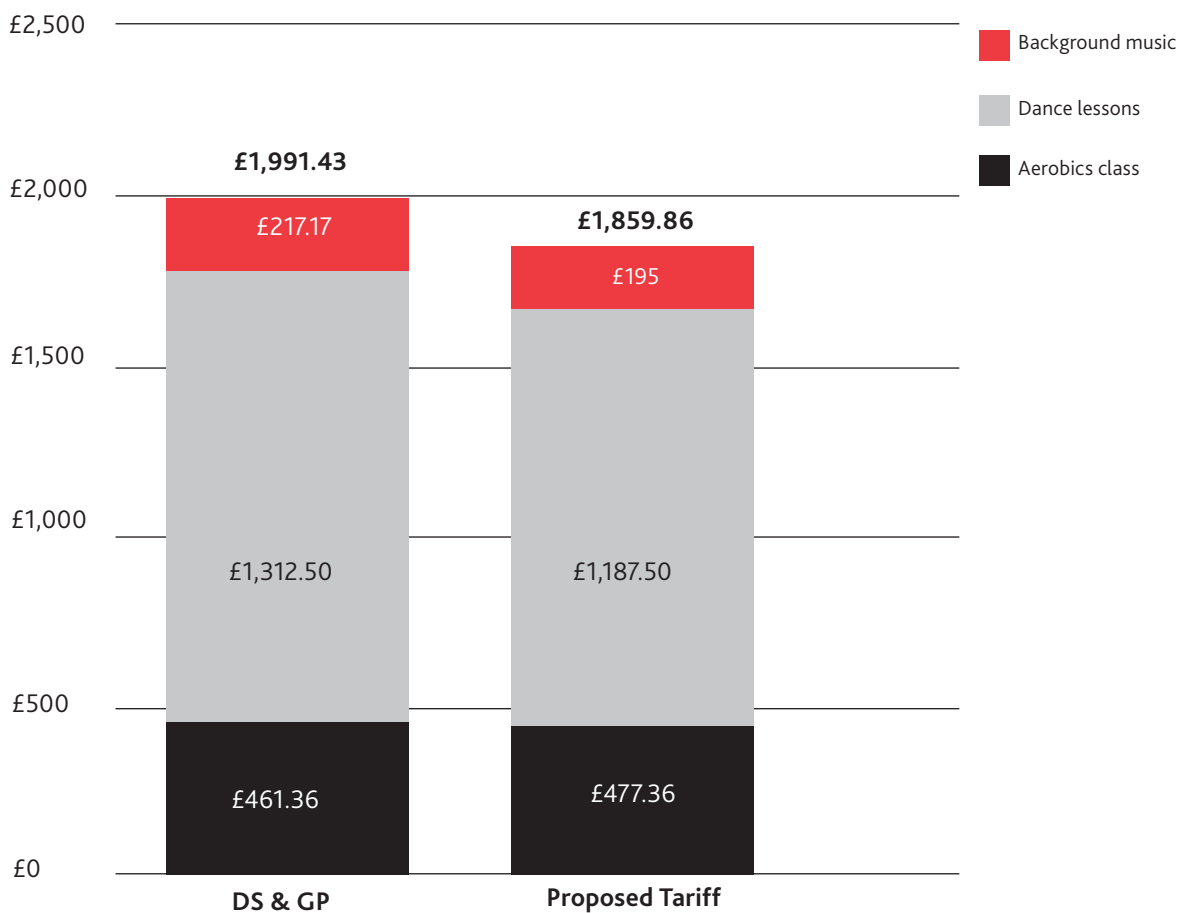
PRS for Music has compared charges under the current Tariffs DS, GP, J, O and the proposed Tariff to illustrate the impact of the proposals in the following four representative examples.

#### Example 1.

A dance school requires a licence for the following activities:

1. 25 dance lessons per week, 50 weeks a year with 15 attendees paying £7 each
2. 6 fitness class per week with 25 attendees
3. Background music through an MP3 player in a reception area which is 80m<sup>2</sup>

**Fig 1. Comparison of a dance school assessed using Tariffs DS & GP against the proposed tariff**



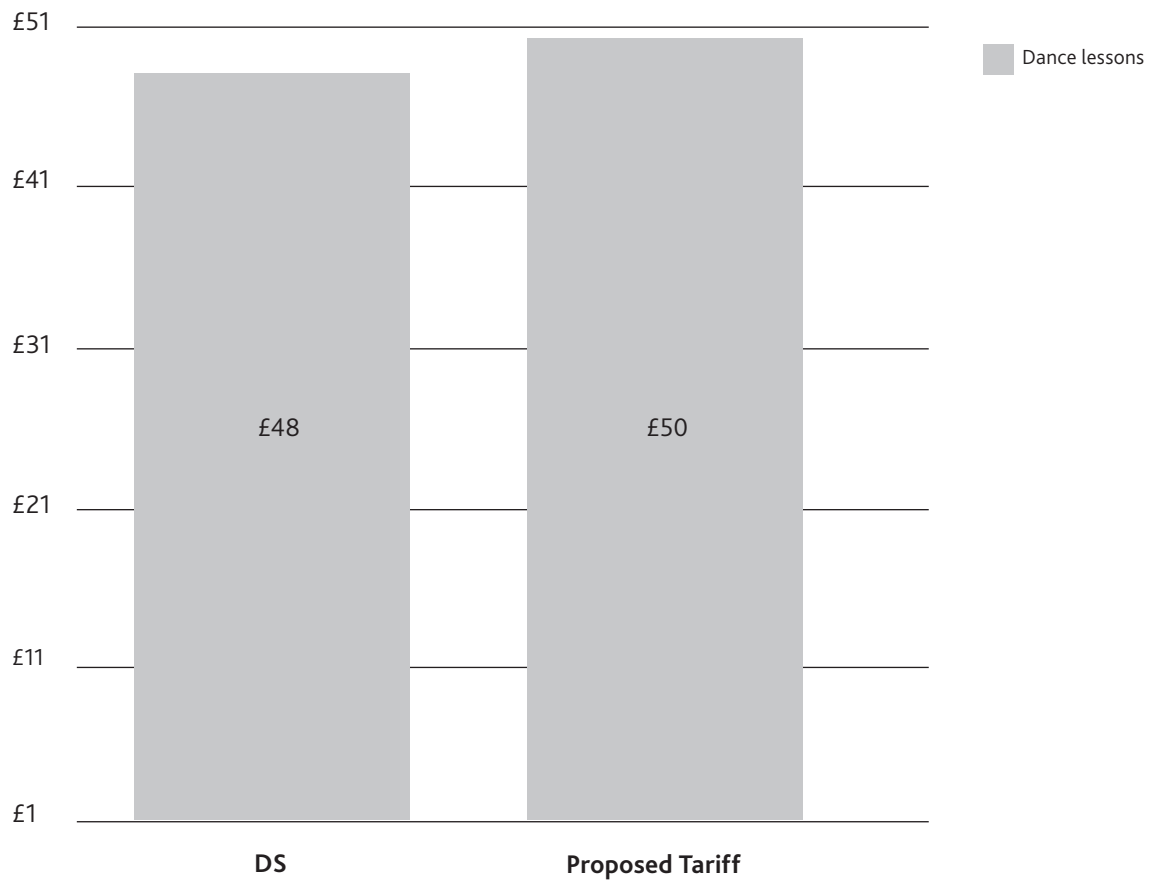


### Example 2.

A small village dance school requires a licence for 50 dance lessons a year with 10 attendees all paying £5 each.

The charge for Tariff DS is calculated as  $50 \times 10 \times 5 = 2500 \div 1\% = £25$

**Fig 2. Comparison of a dance school assessed using Tariff DS against the proposed Tariff**  
(Both subject to minimum charge)

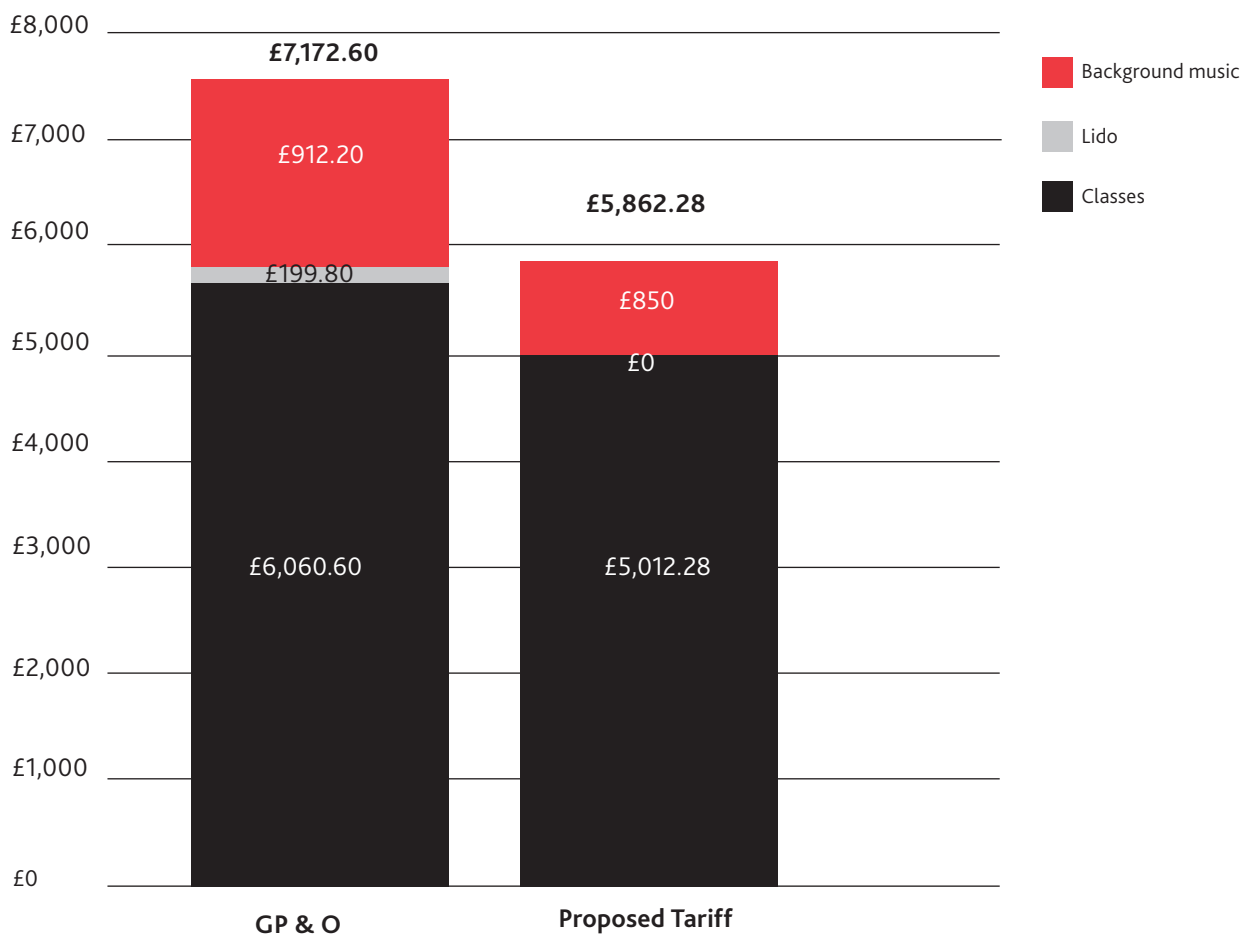


### Example 3.

A large leisure centre requires a licence for:

1. Background music played throughout the reception via a CD player.
2. Background music in the gym through several televisions and an MP3 player.
3. A lido which is open 3 months of a year with a 325 person capacity
4. 3,276 fitness classes all with a capacity of 45 people within a year.

**Fig 3. Comparison of a large leisure centre assessed using Tariffs GP & O against the proposed Tariff**

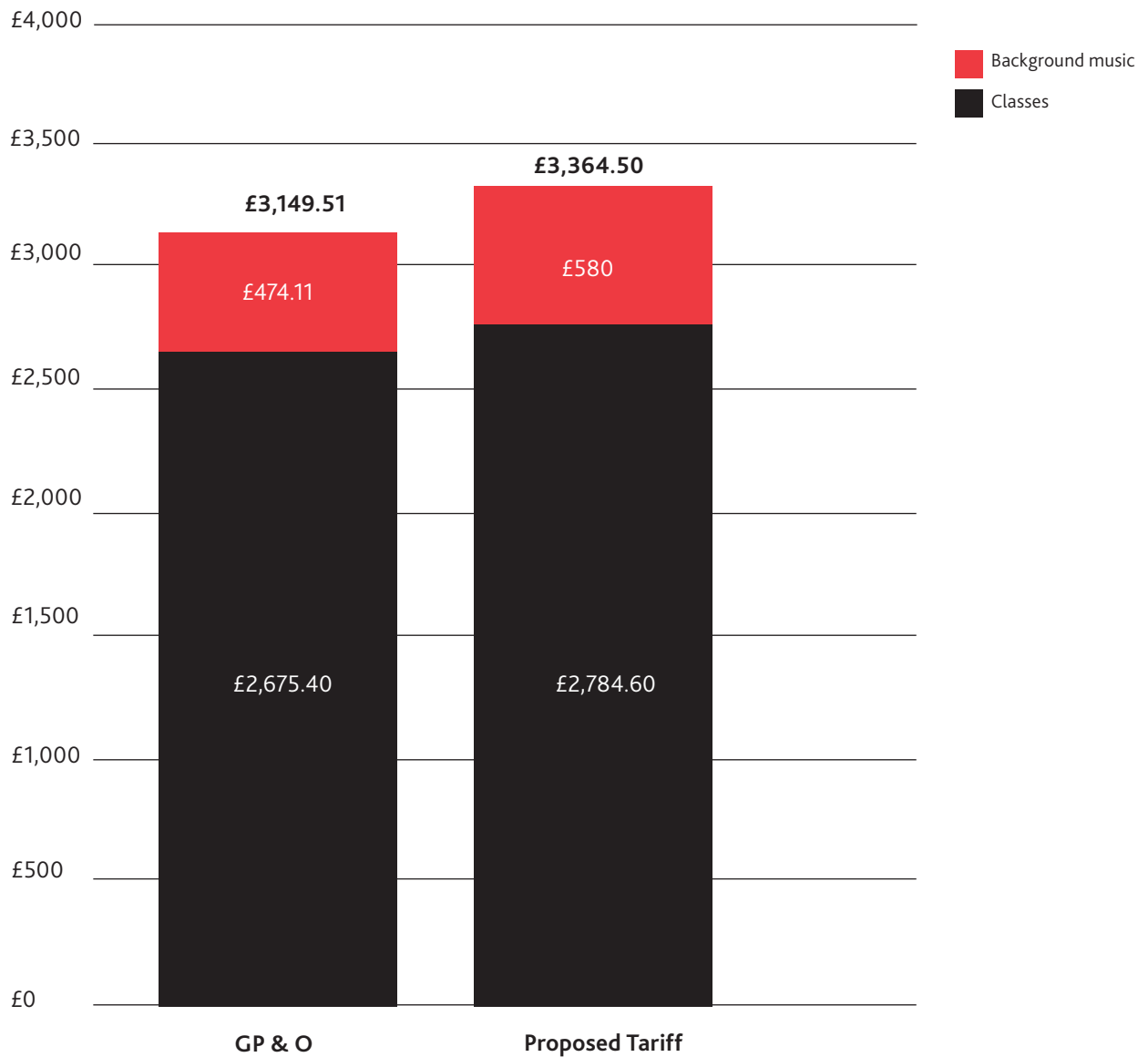


#### Example 4.

A private members gym requires a license for:

1. Background music performed via a streaming service and televisions in an area of 400m<sup>2</sup>.
2. 5 classes per day, 7 days a week with up to 30 attendees.

**Fig 4. Comparison of a medium sized gym assessed using Tariff J against the proposed Tariff**



## 5. How to respond to the consultation

All the details of this review, and any updates, are available on the *PRS for Music* website:

**[www.prsformusic.com/fitnessanddanceconsultation](http://www.prsformusic.com/fitnessanddanceconsultation)**

It has been agreed that an invitation to participate will be sent to ukactive and the Sport and Recreation Alliance's Dance and Movement division, which will then be distributed within each Association's membership. The Council for Dance Education and Training will also be distributing this consultation to its membership.

Respondents should complete the response form on the website above.

Online responses are preferred.

Written responses can be posted to:

### **Tariff Consultation Responses**

**PRS for Music**

**2 Pancras Square**

**London**

**N1C 4AG**

Or by email to:

**[FandD.consultation@prsformusic.com](mailto:FandD.consultation@prsformusic.com)**

Please entitle your response 'Fitness & Dance Consultation'

**[Click here to download a paper form](#)**

Or visit: **[www.prsformusic.com/fitnessanddanceconsultation](http://www.prsformusic.com/fitnessanddanceconsultation)**

**All responses should be received by 5th October 2015**

*PRS for Music* will consider all comments received and we have also provided some questions for you to consider when formulating your response which can be found on the website above. If you would like *PRS for Music* to keep your response confidential, or if you wish to provide confidential data in support of your response, please let *PRS for Music* know by stating this on the response form.

## 6. Appendix and Bibliography

Full details of the current Tariffs can be found as follows:

### GP – General purpose

<https://www.prsformusic.com/SiteCollectionDocuments/PPS%20Tariffs/gp-tariff.pdf>

### J – Proprietary clubs

<https://www.prsformusic.com/SiteCollectionDocuments/PPS%20Tariffs/j-tariff.pdf>

### O – Open air places, parks and Pools

<https://www.prsformusic.com/SiteCollectionDocuments/PPS%20Tariffs/o-tariff.pdf>

### DS – Dance tuition schools

<https://www.prsformusic.com/SiteCollectionDocuments/PPS%20Tariffs/ds-tariff.pdf>

### The studies referenced in Section 3 are as follows:

- Karageorghis, C. and Priest, D. (2012). Music in the exercise domain: a review and synthesis (Part I). *International Review of Sport and Exercise Psychology*, 5(1), pp.44-66.
- Karageorghis, C., Hutchinson, J., Jones, L., Farmer, H., Ayhan, M., Wilson, R., Rance, J., Hepworth, C. and Bailey, S. (2013). Psychological, psychophysical, and ergogenic effects of music in swimming. *Psychology of Sport and Exercise*, 14(4), pp.560-568.
- Kurton, M. and Blair, S. (2013). Running with music: the case for and against. *The Guardian*.
- Schäfer, T., Sedlmeier, P., Städtler, C. and Huron, D. (2013). The psychological functions of music listening. *Frontiers in Psychology*, 4.
- Stupacher, J., Hove, M., Novembre, G., Schütz-Bosbach, S. and Keller, P. (2013). Musical groove modulates motor cortex excitability: A TMS investigation. *Brain and Cognition*, 82(2), pp.127-136.
- Waterhouse, J., Hudson, P. and Edwards, B. (2009). Effects of music tempo upon submaximal cycling performance. *Scandinavian Journal of Medicine & Science in Sports*, 20(4), pp.662-669.



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