

PRS for Music
Hair & Beauty Tariff

Response Summary

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Contents

Introduction	3
Hair & Beauty General	4
Background Music	5
General Comments to the Consultation	6
Next Steps	7
List of Respondants	7

Introduction

On 25 April 2016 *PRS for Music* launched a 6 week consultation* proposing a revised Hair and Beauty Tariff as part of its Licence Simplification Programme**. The principal aim of the consultation was to invite customers and trade bodies to review and comment on the proposed charging structure.

The consultation was undertaken in accordance with *PRS for Music*'s Code of Conduct, which provides that PRS will consult relevant parties whenever significant changes regarding our Public Performance Tariffs are proposed.

As part of the consultation process we approached the National Hairdressers Federation, current customers and also invited comments from other interested parties. We accepted responses via email to the consultation inbox or by a web form through the dedicated Hair and Beauty consultation section on the PRS website, which also hosted all relevant consultation materials and documentation. The consultation resulted in a total of 46 responses.

The sections of this document follow the questions asked as part of the response form set out in the consultation. In each section we have gathered the responses received and summarised them. For the responses that didn't follow our prescribed response format, we have allocated them to the appropriate sections. Each summary is followed by *PRS for Music*'s comments and proposed way forward.

The questions asked were designed to highlight the main changes in how *PRS for Music* proposes to license the Hair and Beauty sector.

 $^{*\ \}underline{\text{http://www.prsformusic.com/users/businessesandlive events/tariff-simplification/hair-beauty-consultation/Documents/hair-and-beauty-consultation.pdf}$

^{**}The aim of the programme is to simplify, streamline and consolidate over 40 public performance tariffs, creating a smoother experience for *PRS for Music* customers that makes it easy to purchase and manage a licence, and allows businesses to receive the full benefits and value of music in a simpler way.

Hair and Beauty General

Do you agree that a new tariff is required for the Hair and Beauty sector?

Music users operating in the hair and beauty sector are licensed under tariff HDB (Hairdressers and beauty salons) which was designed specifically for the sector.

Half of the respondents to the consultation agreed a new tariff for the hair and beauty sector is required, with a quarter of respondents unsure.

Do you agree that Stylist Schools should be included under the new Hair & Beauty Tariff?

Stylist Schools are licensed under *PRS for Music*'s General Purposes tariff; the new Hair and Beauty Tariff proposes that they should be included and licensed under the same tariff as a salon.

The majority of respondents agreed that this would be the appropriate way to licence Stylist Schools.

PRS for Music's position: in the light of the responses PRS intends to develop a new tariff for the Hair & Beauty sector, which will include Stylist Schools.

Background Music

Do you agree in removing the charge per device?

To simplify the way *PRS for Music* charges for background music within Hair and Beauty premises, a proposal was made to remove the current provision for charging dependant on audio or audio visual device used.

Respondents were overwhelmingly in favour of removing the charge per audio or audio visual device from background music charges.

Are you content for background music to be charged dependant on the number of stylist chairs/treatment tables?

PRS for Music will continue to charge background music according to the number of stylist chairs/treatment tables, but the number of size bandings will decrease simplifying the arrangements.

The majority of respondents were content with the charge to continue to be based on the number of stylist chairs/treatment tables.

If not content for background music to be charged dependant on the number of stylist chairs/ treatment tables, what alternatives do you think may be suitable?

A small number of respondents suggested alternative methods for calculating the charge, e.g. a charge by the number of employees or by revenue generated by the salon.

PRS for Music response: The simplification programme is designed to create tariffs that are simple and easy to use. Developing a new tariff requires PRS for Music to fulfil certain criteria, such as, deliver cost neutrality for the average customer and seek to align metrics where possible and applicable with PPL. PRS for Music will model the effects of the proposed changes to ensure against significant variances incurred by the customer base. Readily and easily available data will provide and inform PRS for Music of the validity of any proposed metric. The two metrics suggested by respondents to the consultation, i.e. The number of employees or the revenue generated by a salon would require PRS for Music to make a series of high level of assumptions. After review PRS for Music concluded that both proposed metrics would be unfair to the majority customers. With the announcement of the Joint Venture between PRS for Music and PPL, it was decided that moving away from a current common metric applied by both societies would not be a benefit to the customers. Therefore PRS for Music does not propose to explore these methods further.

General Comments to the Consultation

"I have found the license charges very high for my small salon. When I have told clients how much my annual fees are to PRS and PPL they are surprised and feel it is too much for a small business to have to pay, to help create the ideal ambiance. Could it be possible to play music from an IPod if the music downloaded was owned perhaps as a cd, by the proprietor of the beauty salon? After all, what is the difference between playing this and our own CD's that we have purchased?"

Enid Maunder Beauty Salon

As above, some responses reflected this confusion about the necessity to acquire a PRS (and PPL) licence when a customer uses music previously purchased by them as a private consumer, e.g. in the form of a commercially released CD or online subscription service for the purchaser's private and domestic use. The terms on which such recordings or online services are made available usually prohibit the public performance of the recorded music by means of the playing of the recording or service in public without the licence of the relevant copyright owner and customers who wish to enhance the customer experience by doing so require a separate public performance licence (provided by *PRS for Music* and PPL).

"Industries that only use music as a background/atmosphere builder should be charged less than businesses who make money from having devices, for example pubs, clubs"

Rock Paper Scissors

PRS for Music understands that music is consumed differently dependant on the establishment and business sector, which is why PRS for Music operate a number of Public Performance Tariffs. The simplification programme's aim is to create tariffs that reflect the music usage of each industry sector and make it simpler and easier to acquire a licence. However, PRS for Music has a duty not to unreasonably discriminate between licensees or classes of licensees that consume music in a comparable fashion.

Next Steps

PRS for Music will now consider the views and feedback provided through the consultation and will continue discussions with the representative trade body with the aim of agreeing a simplified tariff for the Hair and Beauty sector.

The simplification website will be regularly updated with the progress of the review of the Hair & Beauty Tariff, as well as all the other Public Performance tariffs that are part of the simplification project. Click here for more information.

The simplified Hair & Beauty Tariff is currently scheduled to be implemented and launched in conjunction with the Joint Venture with PPL during 2017.

PRS for Music would like to thank all those who have responded to the consultation and who continue to assist with the development of the Hair and Beauty Tariff.

List of Respondents:

Pokito Limited, Lush Beauty, Eclipz Hair Studio, One Plus One Hair Studio, Lock & Tress, Rock Paper Scissors, James Whitaker Hair, Benjamin Charles Ltd, Pure Beauty, Boilerhouse, Moo Hair, Beauty 4 You, Hairdesign & Beauty Ltd, Perfect Touch, The Dalton Street Salon, Roger's Hair Fashions Limited, Enid Maunder Beauty Salon, Lynda's Hairstylists, plus 28 other respondents who asked to for their names and responses not to be disclosed.



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