



PRS for Music

Local Authorities, Councils and
Community Services

Response Summary

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Introduction

On 22 June 2016 *PRS for Music* launched a consultation proposing a new Local Authorities, Councils and Community Services tariff. The main aim of the consultation was to invite comments on the proposed charging structure.

We contacted representatives at local authorities and councils, the Local Government Association & COSLA. The responses were received via email and the web form hosted on the *PRS for Music* website, which also hosted all the documents associated to the consultation.

A copy of the consultation document and the questionnaire can be accessed at www.prsformusic.com/local-authorities-consultation

We received 36 responses from the consultation.

We go through the responses to these questions in more detail below. If we received a response not in the proposed format, we have allocated them to the most appropriate section. Each question is followed by *PRS for Music's* comments and proposed way forward.

Local authorities, councils and community services tariff overview

We would be interested to hear your views as to whether a new tariff is required for local authorities?

Two thirds of the respondents to the consultation agreed a new tariff for local authorities, councils and community services is required. Respondents welcomed the simplified tariff and some cited that the new charging structure and revised presentation of the tariff would make it easier for them to calculate their annual royalty rate.

PRS for Music response: *In line with the overall view expressed by respondents, PRS for Music intends to introduce a new tariff for local authorities, councils and community services.*

What are your views regarding the basis on which the new tariff has been proposed?

Most respondents were content with the structure of the new tariff. Many felt that the change would reduce their administrative burden as they would be required to declare less information. One described the structure as a "sound and fair basis in which to set the tariff". Others commented that the proposed tariff required fewer questions than the current collection of tariffs usually applied.

One respondent commented that the proposal tariff still required considerable administrative time to calculate their annual royalty rate. Another respondent questioned why the tariff contained Bolt-on Music rates and suggested that a blanket royalty rate should be used irrespective of what types of music were being used.

PRS for Music response: *During the development of the tariff, we tested several charging metrics and reviewed the financial effects of each metric on the annual royalty rate of our customers. We concluded that the Core Music and Bolt-on Music rates in the proposed tariff offered the best comprise of simplicity and value for our customers, as the royalties rates rendered cost neutral for the average customer.*

A representative from Tiverton Town Council commented “whilst liking the basis for the new tariff I would also like to see introduced flat rates for the exclusion events. This would allow us to raise a charge to those hiring the hall when they book it and would mean that we would collect that royalty rate when they pay for the hire charge and would result in this council being able to pass on such royalty rates to you much quicker. A simple tariff based on admission charges and the capacity of the hall would provide the required royalty rate. So much simpler.”

PRS for Music response: *We understand that music is consumed differently depending on the establishment and business sector, which is why PRS for Music operate several Public Performance Tariffs. Our aim is to create tariffs that reflect the music usage of each industry sector, making it easier to acquire a licence. We would not be able to offer local authorities a flat royalty rate for music usage which we intend to charge using our standard tariffs as we have a duty not to unreasonably discriminate between customers or classes of customers that consume music in a comparable fashion.*

Core Music usage amendment (music in staff only areas)

In the consultation we initially proposed to include music played in local authority and council workplaces within the scope of Core Music royalty rate for the premises. However, we recognise the application of the Core Music royalty rate is not fair and accurate in respect of use of music in the workplace, particularly for large offices where few employees listen to music. Therefore, *PRS for Music* will continue to apply its Music in the Workplace tariff (Tariff I) where this usage takes place in a local authority or council.

What are your views on our intention to remove royalty rates for individual audio and/or audio-visual devices from the proposed tariff?

To simplify the way *PRS for Music* charges for background music within local authority premises, we have removed the requirement to declare different types of audio or audio-visual devices.

Respondents were overwhelmingly in favour of our intention to simplify our background music royalty rates.

Therefore, *PRS for Music* plans to proceed with the proposed royalty rates structure to charge background music.

Bolt-on Music amendment

In the consultation we proposed to include a new fixed royalty rate to cover spontaneous performances by buskers in areas represented by the local authority and council at any given time.

However, we recognise that the application of a fixed annual royalty rate would not be fair and accurate as busking performances and busking zones vary considerably between local authorities and councils. To ensure our charging is reflective of usage, we intend to apply a daily royalty rate to cover all busking in areas represented by the local authority or council.

General comments on the consultation

Two respondents enquired whether they would be required to pay on behalf of any third parties who hired specific rooms in their premises. Both commented that the local authority staff managing these venues would have difficulty monitoring whether the third parties had used background music. They questioned whether their local authority should include the size of these hired out areas in the total audible area declaration for the premises.

PRS for Music response: *We acknowledge the difficulty for local authority staff to record music usage by third parties on their premises. The local authority who holds our licence is obligated to pay the necessary PRS for Music royalty rates to authorise the public performance of copyright music at their premises. It is therefore their responsibility to understand how and where music is used. This includes any music usage by any third parties that may use the local authorities' premises. We have defined audible area as the "total area size of the premises, measured wall to wall in square metres, where music is audible" so any areas where background music is not audible should not be declared.*

We recognised there was confusion from some respondents regarding the scope of the Core Music royalty rates. Several respondents expressed concern that the proposed "audible area" metric would significantly increase their annual royalty rates. We investigated each case and discovered that none of the venues in question used music as defined by the scope of Core Music. All venues held events with featured music such as occasional performances of live music or provided fitness classes or dance lessons.

Music usage excluded from the scope of Core Music within Tariff LA will be charged using the appropriate Tariff LA Bolt-on Music rate or using royalty rates from one of our standard tariffs. For example, we will apply our Fitness and Dance (F&D) tariff to calculate royalty rate to cover music used during fitness classes and dance lessons. Our F&D Tariff can be viewed [here](#). The royalty rate for fitness classes and dance lessons are laid out in section 2.2.s

Next steps

The Local Authorities, Councils and Community Services tariff is scheduled to be launched in April 2020. PRS for Music would like to thank all those who responded to the consultation.



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