



April 2008

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Full text of the tariff, from 1st April 2008, for music in community buildings (village halls, community centres, church and similar halls run by voluntary organisations).

Community buildings: PRS price guide



Effective from 1st April 2008

- This price guide outlines PRS charges (before VAT) for music used in community buildings such as village halls, community centres and similar buildings run by *voluntary* organisations.
- It should help you calculate your annual PRS payments under Tariff CB.

Standard royalty charges under Tariff CB (summary)

1. 1% of defined annual income (see notes below).
2. A minimum annual licence royalty of £39.00.
3. A permit royalty for a specific musical performance of £13.00.

- **New licences** Where a community building committee has not applied for and obtained PRS' licence **before** musical performances commence, the standard royalty rates will be increased by 50% but only for the first year of any new licence. To apply for a *new* licence, call **0800 068 48 28**.
- **Musical performances** include all or any of the following: live music by performers in person at concerts, recitals and other events; background music by radio; television; tape, record, disc players; jukeboxes; music at discotheque or karaoke sessions; film and video shows; aerobic, keep fit and dance classes.
- **Income** will normally be extracted from the last available public annual accounts (i.e. full 12 months) of the community building, trust, association, institute, charity or voluntary organisation operating it.
- **Income should include:** door takings and similar takings of the host voluntary organisation (the community association or management committee); hiring charges received from hirers of the building (but not the door takings of those hirers if retained by them); subscriptions; and the net contribution from food and bar takings where they accrue to the voluntary organisation.
- **Income should NOT include:** Value Added Tax; capital grants; revenue grants; interest from accounts; gifts and donations.
- **Don't forget** that using music in public is prohibited without the copyright owner's permission. A PRS Music Licence allows you to use music or permit music to take place legally in your community building.
- **Help** If you already hold an annual PRS Music Licence and require assistance and/or a full print of Tariff CB please call PRS on **0845 309 309 0**.

Community buildings: Notes to Tariff 'CB'



April 2008

1. The value of music in the community

Music soothes and delights us, excites, entertains and inspires us. Concerts, recitals, dances and discos are often part of community activity, including for fund-raising.

It would be dull indeed if all that accompanied an aerobics class was the beat of a metronome instead of a rich choice from a vast international repertoire of musical works. Exhibitions, bazaars, fetes and the like can be enhanced by the playing of music, and what better to enhance the atmosphere of a bar or lounge than the sound of popular music? That's why so much music is heard in halls and centres around the world: and a good thing too.

Of course, what many people don't realise is that the person who writes the music actually owns it and has the right to charge for its use in public and may well rely on that income to live whilst writing more tunes we love to hear. That's why copyright legislation around the world protects Intellectual Property ('IP') which includes the artistic, dramatic, literary and musical works of their original creators.

So, it is fair, right and proper (and legal) that those creators whose work is used to attract and entertain audiences, to provide an atmospheric background or to provide benefits of other kinds, are recognised and rewarded.

2. What is PRS?

The Performing Right Society Limited (PRS), a non-profit association founded in 1914, represents writers (composers of music and authors of words) and publishers of music. PRS administers certain rights granted to them under the Copyright, Designs and Patents Act, 1988, as amended, which superseded the Copyright Act 1956 (previously the Copyright Act 1911).

PRS's principal activity is the collection of royalties for its licence to authorise the public performance, broadcasting and cabling of its members' copyright musical works. Here we are concerned only with the public performance aspect (including the public reception of radio broadcasts or television transmissions). See also www.prs.co.uk

3. How does PRS concern community buildings?

If a community centre, village hall or similar community building (run by a *voluntary* organisation) uses or permits the use of copyright music in any form (e.g. by means of records, compact discs, tapes; radio, television; or by performers in person), the officials of the voluntary organisation concerned have a legal obligation to ensure that the *premises* are suitably licensed to authorise those performances.

4. How are charges set for community buildings?

PRS has a particular tariff ('CB') for music used in community buildings from among more than 40 licensing schemes it operates for various types of commercial and non-commercial premises including pubs, clubs, shops, hotels, restaurants; schools, colleges, universities and so on.

4.1 Revision of former Tariff 'VCC'

Former Tariff 'VCC' for music used in village halls, community centres, church and similar halls run by voluntary organisations was introduced in April 1988. It resulted from negotiations between PRS and the then representative bodies: Community Matters (formerly National Federation of Community Organisations); Action with Communities in Rural England (ACRE) which also represented the Village Halls Forum; and the Scottish Council for Voluntary Organisations.

By 1997 various halls and community centres had increasingly voiced that Tariff VCC's complex charging structure (although previously agreed) was involving committee officials in much record-keeping and sometimes detailed annual form-filling, besides raising budgeting issues. There was a general call for simpler administration which PRS welcomed.

4.2 New Tariff 'CB' (from April 2000)

In June 1997 PRS approached representatives of Community Matters, ACRE and WCVA (Wales Council for Voluntary Action). The Scottish Council for Voluntary Action, the Churches Main Committee and the Scout Association were also contacted. There followed a series of detailed meetings and extensive communications between Community Matters, ACRE, WCVA and PRS, including the taking of local soundings by these bodies and PRS surveys of music users under Tariff 'VCC'. PRS thanks all those who provided information and contributed views during that time.

By February 2000 a very much simplified basis of charge had been agreed. It draws upon data which registered charities already prepare, as a matter of course, for their public annual accounts (e.g. to the Charity Commission). Tariff 'CB' (community buildings) replaced Tariff 'VCC' and was applied to account renewals from 6 April 2000 and to subsequent renewal months.

In negotiation with the representative bodies, PRS continued to recognise the non-commercial aspect of activities presented or permitted by voluntary organisations (although some larger establishments do employ paid administrators or managers). Accordingly, the rates and minimum charges under Tariff 'CB' remain at a significantly lower level than those for music used in commercial situations.

In common with other PRS tariffs, the non-percentage rates (flat rate minima) under Tariff 'CB' are adjusted for inflation each April, in accordance with section 6 of the tariff.

5. PRS Music Licence renewal (telephone 0845 309 309 0)

Under Tariff 'CB' - which replaced former Tariff 'VCC' from 6 April 2000 - royalties are payable to PRS annually in advance. This royalty is simply worked out from the income (defined in section 4.1.13 of Tariff 'CB') as extracted from the organisation's last available annual accounts. The end date of such accounts may well not coincide with the renewal month of the PRS Music Licence.

For the following PRS Music Licence-year the next available set of annual accounts will provide the information, and so on in subsequent years. This means that community building officials will no longer have to keep special records solely for PRS purposes of capacities or attendances, types and numbers of musical events or playing equipment, but return a simplified annual review form.

PRS will contact the appropriate community building official for the defined income figure and may resolve any queries over the telephone.

6. Applying for a new PRS Music Licence (telephone 0800 068 48 28)

It is clearly in the interests of voluntary organisations to apply for PRS' licence without waiting to be contacted by PRS. Where an organisation applies for and obtains a PRS Music Licence before musical performances commence, PRS will charge the standard royalty rate for the first year of the new licence. However, where an organisation *does not* so apply, PRS will charge the standard royalty rate plus 50%, but only for the first year of the licence. After the first year of the licence, in either case, PRS will charge the standard royalty rate.

As for existing community building customers (5 above), the royalty will be worked out from the income (defined in section 4.1.13 of Tariff 'CB') as extracted from the organisation's last available annual accounts.

In the less frequent case of a newly-acquired community building, having no previous accounts, a reasonable estimate of the relevant income will be used and, if necessary, reviewed after the first licence-year.

7. What particulars should be provided?

The annual income, as defined in section 4.1.13 of Tariff 'CB'.

Unlike under old Tariff "VCC", it is no longer necessary to ascertain seating and dancing capacities, average attendances, types and numbers of events.

During negotiations between the representative bodies and PRS it was fully recognised that not all activities at community buildings involve the use of music. Were the tariff to have related to specific musical activities, its structure would have returned to the complicated itemisations under Tariff 'VCC' (but not at a low overall percentage rate), whereas the call from customers was clearly for simplification and easier administration.

So, the PRS Music Licence cover is all-embracing and automatically includes, for example, music at youth clubs and telephone music-on-hold, which would otherwise have incurred supplementary charges under additional tariffs. Voluntary organisations running community buildings now have the opportunity to introduce at no extra charge, for example, background music at events, meetings, exhibitions and the like where additional PRS royalties might have been a factor in deterring organisers from using music in the past.

8. Phonographic Performance Limited (PPL)

PPL is the licensing body formed by the British recording industry for the collection and distribution of revenue in respect of the UK public performance and broadcasting of *sound recordings* (which mostly carry original copyright musical works the public performance of which is controlled by PRS). On 31 October 2003, the Copyright and Related Rights Regulations 2003 came into force. The Regulations, which gave effect to the **European Copyright Directive**, made certain changes to the Copyright, Designs and Patents Act 1988. Although the Regulations did not affect PRS' public performance rights in musical works, they introduced important provisions relating to rights in *sound recordings* (sound carriers such as CDs, records and tapes), notably in limiting the scope of the exceptions to copyright protection set out in section 67 (playing of *sound recordings* for the purposes of a club, etc) and section 72 (public playing of broadcast *sound recordings*). For more information about these changes, please refer direct to PPL:

Phonographic Performance Limited
1 Upper James Street, London, W1F 9DE
Tel: 020 7534 1000 Fax: 020 7534 1111 Website: www.ppluk.com

9. Licensing Act 2003

From 24 November 2005 the Licensing Act 2003 came fully into force in England and Wales. Local authorities process applications for Premises Licences, Club Premises Certificates and Temporary Event Notices for "licensable activities" including "regulated entertainments" as defined in the Licensing Act. The new arrangements replaced, for example, the former Public Entertainment Licence (PEL) and local magistrates' liquor licences. For the avoidance of doubt, the Licensing Act 2003 brought about no change to existing copyright legislation, the Copyright, Designs and Patents Act 1988 (see Note 2. above). For advice on the Licensing Act 2003, please consult the licensing department of your local licensing authority.

10. Aerobics, keep fit & exercise-to-music classes

In case of doubt, the vast majority of music played at these classes or sessions is controlled by PRS. Some confusion may be found among visiting fitness instructors in fully understanding the difference between licences issued by PRS and by PPL (Phonographic Performance Limited). On behalf of record producers PPL licenses the use of commercial *sound recordings*, while on behalf of music creators and publishers PRS licenses the public performance of original musical works which may happen to be carried on a sound recording or performed in any other way including by public reception of radio or television, or live by performers in person.

If an instructor claims that the music they use does not need a PRS Music Licence, please check first that there is no confusion with PPL's requirements, and if in doubt, seek further advice by calling PPL or PRS.

11. What about theatrical presentations?

PRS does not control 'grand right works', being: 'dramatico-musical works' (operas, musical plays, pantomimes and revues insofar as they consist of words and music written expressly for them) and staged ballets, for which *prior* permission must be sought direct from the stage rights owner or music publisher.

12. How is payment to be made to PRS?

Although you may wish to budget by calculating your own royalty charge, please do **not** send in an 'appropriate' remittance but wait until you receive an invoice from PRS. It will include VAT. The PRS licence-contract does not specify the amount of the VAT payable, just the royalty charge at the start of the first licence-year.

Please do attach the 'payment slip' part of the invoice to your remittance as this ensures that PRS makes immediate and positive identification of your account. Although committees meet at varying intervals, and it sometimes happens that an account may not be settled until presented and approved by a particular committee, please remember that PRS invoices [like most others] are due and payable within 28 days from the date of invoice. After that date final demands are automatically issued and subsequent debt recovery action will follow if the invoice remains unpaid.

13. Occasional licence-permits

If, very occasionally, a community building holds or allows a single music-using event or function with music during the year and does not require an annual licence, PRS can issue a permit for each such event (see section 4.2.2 of Tariff 'CB').

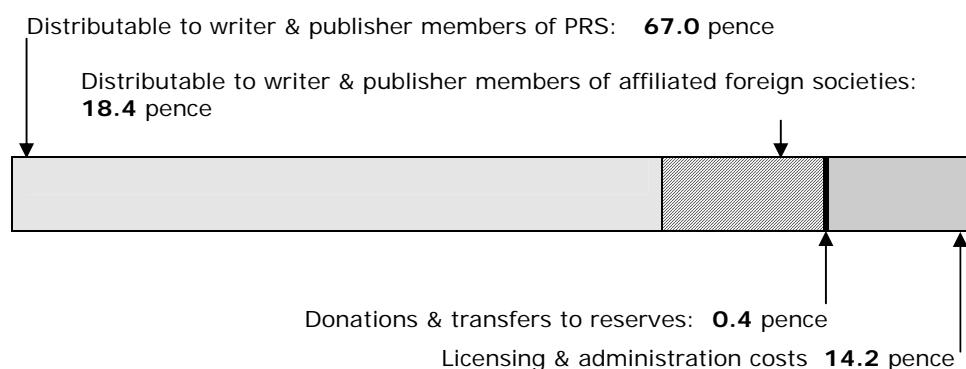
14. Registered charities

Where a community building is run by a registered charity this does **not** alter its legal obligation to pay royalty charges for music performed at the premises. From time to time, enquirers refer us to the special provisions in section 67 of the Copyright, Designs and Patents Act 1988. These relate to *sound recordings*, not to *original musical works* (recorded or otherwise) which are indeed licensable by PRS. PRS's income, after deduction of expenses, represents the earnings of its composer and publisher members who have preferred to exercise an individual choice as to which charities they wish to support rather than have their earnings reduced at source.

15. What does PRS do with its income?

PRS is a commercial but non-profit making organisation representing at the end of 2006 c. 45,000 UK members. All the money it receives is paid out in royalties to copyright owners, with only its essential administration costs (14.2% in 2006) being deducted. Through affiliation with other national societies and as a leading member of the international rights societies' body CISAC, PRS represents in the UK almost a million music creators and publishers around the world, and millions of registered works.

15.1 How PRS used each £1 of its receipts in 2006 (diagram approx to scale)



16. Returns of music performed (programme returns)

Programme returns are simply lists ('set lists') of the music performed. Unless specifically requested, PRS does **not** normally require programme returns from community buildings. However, should PRS, or its authorised agent, request particular programme return(s), please ensure that the Customer Reference Number of the community building is written on the programme.

17. How will PRS contact us?

To help PRS provide a better service, it is essential that it has an up to date record of the right official to contact. When PRS began to implement Tariff 'CB' from April 2000, it requested voluntary organisations to return a special form to show particulars of the appropriate official who could provide the required income figure.

PRS does not wish to trouble previous officials with requests unnecessarily when responsibilities have passed to others.

18. Contacting PRS Public Performance Sales

Customer Sales Line

For existing customers holding a PRS Music Licence, telephone: **0845 309 309 0**

New Licence Hotline

For new customers who wish to apply for a PRS Music Licence, tel: **0800 068 48 28**

Fax

020 7598 3640

E-mail

musiclicence@prs.co.uk

PRS website

For more information, please visit our website at any time:

<http://www.prs.co.uk>

CB Notes 2008.04 edition

Community buildings (village halls, community centres, church and similar halls) Tariff 'CB' (2008.04)



Effective from 1st April 2008 to 31st March 2009

1. Scope of tariff

This tariff applies to performances of copyright music (including any words associated therewith) within the repertoire controlled by the Performing Right Society Limited ('PRS') at: community buildings *run by voluntary organisations*, such as community centres, village, memorial, parochial halls, separate church halls serving the community at large, women's institutes, welfare institutes and comparable premises in respect of their use for a miscellany of entertainments or functions at which music is publicly performed (where the organisation's defined income is not greater than £50,000 per year).

2. Exclusions

This tariff does not apply to:

- 2.1 buildings run by statutory bodies such as local authorities (e.g. county, district, town, borough, parish, or similar councils);
- 2.2 church halls confined to activities of an associated church congregation
- 2.3 musical performances or events for which the price of admission (whether by ticket, programme or otherwise) is £20 or more, chargeable under PRS's appropriate tariff(s);
- 2.4 certain theatrical performances in which the performing right is not administered by PRS, such as but not limited to: ballet, and dramatico-musical works (operas, operettas, musical plays, revues or pantomimes) in so far as they consist of music specially written for them, when staged in their entirety, as potted versions, or in dramatic excerpts.

3. General conditions

This tariff is subject to PRS's General Conditions applicable to tariffs and licences, available on request from PRS.

4. Royalty rates

Where the music user *has* applied for and obtained PRS's licence before musical performances commence, the **standard** royalty rate will be charged and payable for the first year of the licence.

Where the music user *has not* applied for and obtained PRS's licence before musical performances commence, the **higher** royalty rate will be charged and payable for the first year of the licence.

After the first year of the licence, in either case, the **standard** royalty rate will be charged and payable.

The following rates of charge apply to all royalties falling due between 1st April 2008 and 31st March 2009 inclusive of both dates.

4.1	Featured and/or background music	Higher royalty	Standard royalty
	For musical performances at, or by all or any of the following:		
4.1.1	live events with performers in person such as concerts, gigs and recitals;		
4.1.2	variety shows, talent contests and pantomimes (if within the rights administered by PRS);		
4.1.3	balls, dances, discotheques, and other social events with dancing;		
4.1.4	karaoke sessions; music quizzes and other events with featured recorded music;		
4.1.5	aerobic, keep fit and exercise classes;		
4.1.6	bingo sessions; bazaars and exhibitions;		
4.1.7	video and film shows;		
4.1.8	jukeboxes (audio or video) with or without background music facility;		
4.1.9	public reception of radio broadcasts and television transmissions (terrestrial, satellite or cable, whether analogue or digital);		
4.1.10	digitally-delivered music systems;		
4.1.11	background mechanical music by means of record, CD, CD-Rom, DVD, tape players or similar equipment; radio-cassettes, music centres and the like;		
4.1.12	telephone music on hold;		
	where the income of the voluntary organisation operating the community building is not greater than £50,000 per year, the royalty is	1.5% of income	1% of income

4.1.13 **Income** will *normally* be extracted from the last available public annual accounts (i.e. full 12 months) of the voluntary organisation, association, trust, charity, institute or other body operating the community building.

Income should include: door takings and similar takings of the host voluntary organisation (the community association or management committee); hiring charges received from hirers of the building (but not the door takings of those hirers if retained by them); subscriptions; and the net contribution from food and bar takings where they accrue to the voluntary organisation.

Income should NOT include: Value Added Tax; capital grants; revenue grants; interest from accounts; gifts and donations whether or not specified by the donor for a particular purpose (such as capital building work or assets, legacies and bequests).

	Higher royalty	Standard royalty
4.2 Minimum royalties		
4.2.1 For a licence continuing from year to year the minimum royalty under this tariff is	£58.50 (£55.50)	£39.00 (37.00)
4.2.2 For a permit for an occasional performance	£19.50 (£18.00)	£13.00 (£12.00)

5. Value Added Tax

Every licensee under this tariff will pay to PRS, in addition to the royalty due under this tariff, a sum in respect of Value Added Tax calculated at the relevant rate on the royalty payable.

6. Inflation adjustment

Every year on 1st April the standard rates in section 4.2 will be adjusted for inflation and will be rounded to the nearest pound. The adjustment formula will apply to these rates the mean (to the nearest whole percentage point) of the percentages by which the Retail Prices Index and the Average Earnings Index (unadjusted) change for each November when compared with the *base* figure for November 1999. The minima in Tariff CB 2000.04 edition were £30.00 and £10.00.

November is the latest month prior to the following 1st April for which figures are likely to be published for both indices.

All royalties are charged at the royalty rate in force at the beginning of the licence-year.

2008.04 edition