



PPL FEES TARIFF

- Phonographic Performance Limited (PPL) has published a consultation paper setting out proposed changes to the fees applied to specially featured entertainment (Tariff 001). Licences for the broadcast of such music are separate from and additional to the licences required for the broadcast of general background music (Tariff 110)
- The proposed changes relate to the structure and scope of the tariff and, once agreed, will be used as the basis for revising the fee levels charged. This paper summarises the main proposals of relevance to licensed retailers.

Scope of Tariff

- Currently, Tariff 001 applies where recorded music played as an attraction in its own right. It was designed specifically to cover traditional nightclub operators. An event is automatically subject to the tariff if it involves the presence of a DJ or where there is dancing.
- PPL is proposing to apply additional criteria to determine whether an event falls within the scope of the tariff. In particular, it will look at whether an outlet provides "facilities" for dancing and this will lead to a further automatic application of the tariff. It is not clear whether the tariff would be applied regardless of whether the facilities were used.
- In addition, PPL are suggesting that the volume at which music is played will be a determining factor in assessing whether an event falls within the scope of the tariff. No details have been provided, but it is likely that PPL would set a decibel level above which the music would be deemed to be foreground rather than background. It is not clear whether volume alone would be sufficient to subject an event to the additional charge.
- The level of fees applied to an event or business under the tariff is currently determined by the number of events being held, their duration and the average audience. PPL are proposing changing this and basing fee levels instead on the number of events and an outlet's actual capacity.

Implications for Licensed Retailers

- The changes are significant in that they are likely to result in more bar operators being covered by the tariff and in higher fees being levied. Once agreed, a separate consultation on actual fee levels will be launched and this is clearly preparing the ground for fee increases.
- The use of volume as a criterion is likely to see large numbers of traditional pubs being brought within the scope of the tariff for the first time. This move is being explicitly targeted at late night bar operators. The use of capacity rather will also increase fee levels.

ALMR Position

- To strongly resist the proposed changes, in particular the use of volume as a stand alone criteria and to lobby for the retention of actual audience or capacity of audible area
- To liaise closely with BEDA and other trade associations.

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