UKHOSPITALITY

THE VOICE OF BREWERS & PUBS

Industry Guidance and FAQs

Specially Featured Entertainment

Guidance note re PPL Tariff PPLPP299

VERSION 1 – Q1 2023

Introduction

This guidance and FAQ document has been developed by UKHospitality and the British Beer & Pub Association to aid business in implementing PPL tariff PPLPP299, commonly referred to as 'Specially Featured Entertainment' or 'SFE', which came into force from January 2023.

The tariff will be phased in between 2023 and 2031, with transitional discounts applied over this period. Please see Annex 1 for further detail on the transition process.

The new tariff replaces the previous SFE tariff PPLPP001 in force from 1987 to 2022. For further detail on the negotiation process please contact UKHospitality and BBPA. This document does not constitute legal advice.

UKH and BBPA will review the workings of the new tariff with PPL after two years.

Who does this tariff apply to?

PPL is the copyright collection body representing record companies, who collect royalties from businesses using their music. There are a variety of different tariffs (charges) affecting the hospitality sector, including background music, music in hotel bedrooms, staff areas etc.

The SFE tariff to which this guidance relates covers primarily DJ and disco events in nightclubs, hotels, pubs, clubs and restaurants. If your business holds such events, you will have been paying PPL under the existing SFE tariff which will transfer to this new tariff from January 2023.

What is the basis for the new tariff?

PPL has published details regarding the tariff on their website, alongside guidance. These can be found below and we recommend operators review these documents in full:

- PPL Tariff PPLPP299
- PPL Guidance note

The fees for each SFE event under this tariff are based on:

(i) The number of persons attending that SFE event (in units of 25 persons), and
(ii) the duration of that SFE event.

The fees for each unit of 25 persons are based on an underlying rate per person per hour and are subject to the application of temporary discounts for events with attendances of 301 or more persons.

As this is a phased tariff over ten years, the key point to note is that there will be differences in the rate each year up until 2031. A table of the phased increases is included at Annex 1. This guidance will focus on the first year (2023) and be kept updated as the tariff progresses.

When will I start paying the new tariff?

This depends on when your current SFE licence runs to in 2023. For example, if your current SFE licence expires on 1 July 2023 – this will be the date the new 'licence year' begins under the new tariff.

What are the 2023 rates for the new tariff?

For a new SFE licence beginning in 2023, the rate is shown below. **Note that for 2023, no CPI indexation will be applied** to the underlying rate as a result of BBPA and UKH negotiations. For subsequent years, CPI indexation will be applied (expected to be the October CPI rate for the relevant year).

Licence year 2023

- £0.88 per 25 people, multiplied by the duration of the event measured in hours.
- For events of over 300 people attending, a discount is applied

Attendance (persons)	Duration (hours)										
	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5	6
1-25	0.88	1.32	1.76	2.20	2.64	3.08	3.52	3.96	4.40	4.84	5.28
26-50	1.76	2.64	3.52	4.40	5.28	6.16	7.04	7.92	8.80	9.68	10.56
51-75	2.64	3.96	5.28	6.60	7.92	9.24	10.56	11.88	13.20	14.52	15.84
76-100	3.52	5.28	7.04	8.80	10.56	12.32	14.08	15.84	17.60	19.36	21.12
101-125	4.40	6.60	8.80	11.00	13.20	15.40	17.60	19.80	22.00	24.20	26.40
126-150	5.28	7.92	10.56	13.20	15.84	18.48	21.12	23.76	26.40	29.04	31.68
151-175	6.16	9.24	12.32	15.40	18.48	21.56	24.64	27.72	30.80	33.88	36.96
176-200	7.04	10.56	14.08	17.60	21.12	24.64	28.16	31.68	35.20	38.72	42.24
201-225	7.92	11.88	15.84	19.80	23.76	27.72	31.68	35.64	39.60	43.56	47.52
226-250	8.80	13.20	17.60	22.00	26.40	30.80	35.20	39.60	44.00	48.40	52.80
251-275	9.68	14.52	19.36	24.20	29.04	33.88	38.72	43.56	48.40	53.24	58.08
276-300	10.56	15.84	21.12	26.40	31.68	36.96	42.24	47.52	52.80	58.08	63.36
301-325	10.64	15.96	21.28	26.60	31.92	37.24	42.56	47.88	53.20	58.52	63.84
326-350	11.46	17.19	22.92	28.64	34.37	40.10	45.83	51.56	57.29	63.02	68.75
351-375	12.28	18.41	24.55	30.69	36.83	42.97	49.10	55.24	61.38	67.52	73.66
376-400	13.09	19.64	26.19	32.74	39.28	45.83	52.38	58.92	65.47	72.02	78.57
401-425	13.91	20.87	27.83	34.78	41.74	48.69	55.65	62.61	69.56	76.52	83.48
426-450	14.26	21.38	28.51	35.64	42.77	49.90	57.02	64.15	71.28	78.41	85.54
451-475	15.05	22.57	30.10	37.62	45.14	52.67	60.19	67.72	75.24	82.76	90.29
476-500	15.84	23.76	31.68	39.60	47.52	55.44	63.36	71.28	79.20	87.12	95.04

Using the above grid to complete a worked example (no discount eligible):

A venue holds a disco once per week, three hours duration, 100 attendees.

Weekly fee to PPL (£10.56 x 1): £10.56

Annual fee to PPL (£10.56 x 52): £549.12

Discounts

For each year until 2031, discounts for events of over 300 attendees is applied. The discounts for 2023 are illustrated below:

	Year 1
Start of customer's Licence Year	1 Jan 2023
301-400 actual attendance	7%
401-500 actual attendance	10%
501-600 actual attendance	12%
601-700 actual attendance	14%
701-800 actual attendance	16%
801-900 actual attendance	18%
901-1,000 actual attendance	20%
1,001+ actual attendance	21.5%

Using the grid and discounts to complete a worked example:

A venue holds four club nights per week, five hours long, 400 attendees at each night.

Weekly fee to PPL (£65.47 x 4, minus 7% discount per event): £243.55

Annual fee to PPL (£243.55 x 52): £12,664.52

How is attendance defined?

The key difference between the previous tariff and the new tariff is that from 2023 attendance is calculated on an actual attendance basis.

PPL's tariff states:

*"The attendance for each SFE event is to be reported on the basis of actual admission figures. The total number of persons admitted for an SFE event includes all persons admitted to the premises/*relevant part of the premises *for the SFE event, including those present at the start of the event, and excluding staff on duty at the event.*

*In order to do this, you must count all persons in the premises/*relevant part of the premises *(including guests but excluding staff) when the SFE event starts and then count every additional person (excluding staff), subject to exemptions, that enter the premises/*relevant part of the premises *during the SFE event. The total attendance for that event is the sum of the original persons in the venue plus any additional attendees who arrive throughout the event."*

Where venues are not able to count all persons attending the event, **a best assessment of the total attendance at the event should be made and recorded at the conclusion of the event.** You are not required to have doorstaff or other staff manually counting attendees if you are not able to do so.

Exemptions

Staff are exempt from the event attendance. If a customer exits the premises/relevant part of the premises for a brief time e.g. to smoke/vape or use their phone, then they should not be counted as an additional attendee once they return.

What is the 'premises?

The attendance calculation only relates to the area of the venue where the SFE event is clearly audible. For example, if a venue has a separate room or area where the SFE event is being held, and a public bar area where the event is not clearly audible, it is only the attendance at the event itself that should be recorded rather than all customers within the building at the time.

Capacity of the venue should only be used as a secondary consideration if required as part of a wider assessment, with the onus being on the actual (or best assessment if this is not possible) of the total attendance at the SFE event itself (within its relevant area).

Do I have to keep records?

Yes. You must record the date, duration and total attendance of each event, and the capacity of the area where the event took place. This must be in written or electronic format. Records should be kept for six years following the end of the relevant licence year.

If this is now actual attendance, for the first year how will this work if I have not held these events yet?

For year one, PPL will review the events held over the last year for which you were charged under the existing tariff. This will be used to create an estimate for 2023.

You will then calculate and record the data for the 2023 events based on the revised methodology outlined in this guidance note.

At the start of the 2024 licence year, the original estimate and actual data for 2023 will be compared, and the difference will be credited or invoiced as appropriate.

Annex 1 – future tariff structure

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Start of Customer's Licence Year	1 January 2023 to 31 December 2023	1 January 2024 to 31 December 2024	1 January 2025 to 31 December 2025	1 January 2026 to 31 December 2026	1 January 2027 to 31 December 2027	1 January 2028 to 31 December 2028
Underlying rate per person per hour	3.5 pence	4 pence	4.5 pence	5 pence	5.5 pence	5.75 pence
Fee per unit of 1-25 persons per hour	£0.88	With effect from Year 2, the fees in this tariff will adjusted for indexation using the Consumer Prices Index (All Items), comparing the rate in September of the preceding year to the rate in September 2022.				