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Licensing Terms for the PPL Traditional Radio Licence

PPL is a music industry organisation collecting and distributing airplay and public performance royalties in the UK on behalf of over 3,500 record companies and 40,000 performers. Our repertoire of approximately 2.5 million sound recordings contains almost all of those commercially available in the United Kingdom.

PPL and the Radio Centre (formerly the Commercial Radio Companies Association) have negotiated an agreement for traditional radio services, the terms of which are effective from 1st April 2006.

Eligibility for the Traditional Radio Licence

In order to qualify for the revised Traditional Radio Licence, a station will need to meet the following Eligibility Criteria:

- Its radio service must be made available via one or more of the following delivery platforms in the Territory: AM, FM, DAB, or DTT (such as Freeview);
- It must be licensed under the broadcasting legislation applicable in the UK to provide a terrestrially-transmitted national, regional or local radio service in the UK;
- It must be funded by advertising revenue, donation revenue, sponsorship revenue or promotion revenue (or any combination thereof) from third party companies;
- It must seek actively to generate such revenues;
- It must not be funded by subscription revenue, or by a sole sponsor, advertiser or donor that owns or has a controlling interest in the Station;
- It must include in its radio service a variety of non-music based content (e.g. presenter monologues/dialogues, news/sport/weather reports, other features, etc), such content to:
 - i. be included in at least the proportions required by the terms of its Ofcom licence or, as appropriate, its agreements with relevant multiplex owners; and
 - ii. form a material part of the programme content broadcast in any given Day, included at a variety of times during such Day (including some peak times); and
- Its radio service must not be encrypted.

If a station does not meet all of the above Eligibility Criteria then it will need to be licensed on alternative terms.

Please click [here](#) for details of the licensing terms for those digital and analogue Radio services that do not meet the Eligibility Criteria of the revised PPL Traditional Radio Licence.

Traditional Radio Licence Fees

Stations qualifying for this licence will be charged quarterly based on a percentage of the revenue they generate with minimum annual fees for each of the platforms they are broadcasting on.

The minimum annual fees for each broadcast platform for a Station are as follows:

- if the Station is Broadcast in AM and/or FM format, £550; plus

- if the Station is Broadcast in DAB format and:
 - i. included in one or more local DAB multiplexes:
 - (a) £100 (or, if the service is not also Broadcast in AM and/or FM format, £550) if the Station is included in one local DAB multiplex; and
 - (b) a further £100 for each further local DAB multiplex (if any) in which the Station is included; or
 - ii. included in a national DAB multiplex, £1,000 up to a maximum of £1,000; plus
- if the Station is included in a Satellite Simulcast Service, £1,000; plus
- if the Station is included in a Cable Simulcast Service:
 - i. £100 for each local cable service (if any) in which it is included; or
 - ii. £1,000 if it is included in a national cable service up to a maximum of £1,000; plus
- if the Station is Broadcast via DTT (such as Freeview), £1,000; plus
- if the Station is included in a UK Internet Simulcast Service, £1,000;

The revenue on which fees are based is the Net Broadcasting Revenue (NBR). Net Broadcasting Revenue is defined under the current licence as follows:

- taking 85% of the gross valuable consideration (before any deduction of agency commissions or any other deductions) whether in money or money's worth, and where applicable taking the Notional Value of airtime in place of the actual consideration (including nil) for that airtime, derived and received by the Licensee (or any person, firm, company or entity which is a member, associate, subsidiary or agent of the Licensee) from Broadcasts transmitted, Cable Simulcast Services sent and/or Internet Simulcast Services sent pursuant to this Licence including without limitation and by way of example only advertising, donation, Sponsorship, Barter and Contra Deals and banner adverts on media players and pop up windows associated with media players (save where the content on the media player is not an Internet Simulcast Service); and then
- deducting external costs directly and reasonably incurred by the Licensee in producing sponsored Outside Broadcast events PROVIDED THAT if such costs of an Outside Broadcast event exceed the value of the Sponsorship revenue for that event the Sponsorship revenue shall be nil. The amount by which such costs exceed Sponsorship revenue may not be set off against Sponsorship revenue from any other Outside Broadcast event or other non-Sponsorship revenue.

For the avoidance of doubt where any third party derives and receives gross valuable consideration (as defined above) in respect of advertising or Sponsorship revenue from Broadcasts transmitted, Cable Simulcast Services sent and/or Internet Simulcast Services sent pursuant to this Licence it shall be deemed to be derived and received by the Licensee.

A Station shall pay to PPL the following royalty rates in any given Licence Year (1 October – 30 September):

Net Broadcasting Revenue	Amount Payable to PPL
Less than £27,500	Minimum Annual Fees (as above)
£27,500 - £513,903	2%
£513,904 - £1,027,808	3%
£1,027,808 +	5%
If a Station's broadcast output consists of less than 15% PPL Repertoire, the amount payable will be 1% of the Station's total Net Broadcasting Revenue.	

The above bands are adjusted on 1 October in any given Licence Year in line with inflation (RPI).

Internet Broadcasting

Please note that the Traditional Radio Licence does not permit the broadcast of a Station via the Internet outside of the UK. Any station intending to broadcast via the Internet outside of the UK will require a separate multi-territory licence for which there will be additional fees. Please refer to our website for further information or contact the Rights Negotiation Department directly (contact details listed below).

Music Usage Reporting

All Stations using a digital 'playout system', such as RCS Selector, are required to provide PPL with full reporting of all tracks broadcast on a monthly basis in arrears.

Stations that do not use 'playout systems' are required to provide PPL with full usage reporting if they have generated Net Broadcasting Revenues in excess of £2,790,417 in the previous Licence year. PPL will accept music returns in the format of Excel spreadsheets set out in a specific template (details of which can be provided on request).

If you have any problems or questions regarding how to supply this information please do not hesitate to contact us.

Application form

NBR Return Form & Notes

For Further Information Please Contact:

Rights Negotiation Department
PPL / VPL
1 Upper James Street
London
W1F 9DE
T: 020 7534 1204
F: 020 7534 1111
e: broadcasting.info@ppluk.com

Commercial Radio (PRS Agreement)

An agreement has been negotiated between PRS and the Commercial Radio Companies Association (CRCA). A short synopsis of this agreement is shown below and applies to 30th September 2006.

Net Broadcasting Revenue (NBR)	Rate of Royalty
below £513,904	3%
£513,905 - £1,027,808	4%
£1,027,809 and over	5.25%
Where the total music use is less than 15% of the broadcast then regardless of the level of the NBR the percentage rate to be applied will be	1%

Note:

1. The royalty is based on a percentage of **NBR** as per the above table.
2. The definition of **Net Broadcasting Revenue (NBR)** is 85% of the gross valuable consideration (before any deduction of agency commissions or any other deductions) whether in money or money's worth derived and received by the Licensee from broadcasts pursuant to this Licence including advertising sponsorship donations barter and contra deals and other revenue directly related to the programmes broadcast and then deducting external cost directly and reasonably incurred by the licensee in producing sponsored Outside Broadcast events provided that if such costs exceed the value of the sponsorship revenue the value of the said sponsorship revenue shall be nil. The amount by which such costs exceed sponsorship revenue may not be set off against other non-sponsorship revenue.
3. The NBR bands are adjusted yearly by reference to inflation (RPI).
- 4 (a) Where a broadcaster's NBR moves in one licence year from below the first threshold shown above to, in the next licence year, above that threshold by £4,000 or less then for that next licence year only the royalty will stay at the lower rate of 3% of NBR and not 4%.

(b) Where a broadcaster's NBR moves in one licence year from below the second threshold to, in the next licence year, above the threshold by £8,000 or less then for that next licence year only the royalty will stay at the lower rate of 4% of NBR and not 5.25%.
5. Payment is monthly in advance and a discount will apply where payment is made by Direct Debit or Standing Order **and** where music returns are sent to PRS promptly and accurately. This discount is calculated at the rate of 2/3rds of the Bank rate subject to a maximum of 6% and a minimum of 2.5%.

How to apply

If you require more details or wish to apply for a licence send an email to radiolicensing@mcps-prs-alliance.co.uk, or fax 020 7306 4347 or tel. 020 7306 4601

Digital Radio (PRS Agreement)

A short synopsis of this agreement is shown below and applies to 30th September 2006.

Net Broadcasting Revenue (NBR)	Rate of Royalty
below £513,904	3%
£513,905 - £1,027,808	4%
£1,027,809 and over	5.25%

Where the total music use is less than 15% of the broadcast then regardless of the level of the station's broadcast airtime the percentage rate to be applied will be 1%

Note:

1. The royalty is based on a percentage of **NBR** as per the above table.
2. The definition of **Net Broadcasting Revenue (NBR)** is 85% of the gross valuable consideration (before any deduction of agency commissions or any other deductions) whether in money or money's worth derived and received by the Licensee from broadcasts pursuant to this Licence including advertising sponsorship donations barter and contra deals and other revenue directly related to the programmes broadcast.
3. The NBR bands are adjusted yearly by reference to inflation (RPI).
4. Payment is monthly in advance and a discount will apply where payment is made by Direct Debit or Standing Order **and** where music returns are sent to PRS promptly and accurately. This discount is calculated at the rate of 2/3rds of the Bank rate subject to a maximum of 6% and a minimum of 2.5%.
5. The above is subject to a minimum annual royalty of £546.

How to apply

If you require more details or wish to apply for a licence email us at radiolicensing@mcps-prs-alliance.co.uk, fax 020 7306 4347 or tel. 020 7306 4601.

Satellite Radio (PRS Agreement)

The charge is as follows and applies to the 30th September 2006:

Net Broadcasting Revenue (NBR)	Rate of Royalty
below £513,904	3%
£513,905 - £1,027,808	4%
£1,027,809 and over	5.25%

Note:

1. The royalty is based on a percentage of **NBR** as per the above table.
2. The definition of **Net Broadcasting Revenue (NBR)** is 85% of the gross valuable consideration (before any deduction of agency commissions or any other deductions) whether in money or money's worth derived and received by the Licensee from broadcasts pursuant to this Licence including advertising sponsorship donations subscriptions fees barter and contra deals and other revenue directly related to the programmes broadcast.
3. The NBR bands are adjusted yearly by reference to inflation (RPI).
4. Payment is monthly in advance and a discount will apply where payment is made by Direct Debit or Standing Order and where music returns are sent to PRS promptly and accurately. This discount is calculated at the rate of 2/3rds of the Bank rate subject to a maximum of 6% and a minimum of 2.5%, subject to a minimum annual royalty of £546

How to apply

If you require more details or wish to apply for a licence, email us at radiolicensing@mcps-prs-alliance.co.uk or fax 020 7306 4347 or tel. 020 7306 4601 or download and return the questionnaire.

To open the questionnaire you require Adobe Acrobat Reader. If you do not have Acrobat the software can be obtained free from www.adobe.com