



Performing rights

A report on the supply in the UK of the services of
administering performing rights and film synchronisation rights



MONOPOLIES AND MERGERS COMMISSION

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A report on the supply in the UK of the services of administering performing rights and film synchronisation rights

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Trade and Industry by Command of Her Majesty
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Part I

Summary and Conclusions

priority to policies which primarily protect the status quo rather than looking to the interests of its members in a rapidly changing environment. We have sought in our recommendations to take account of transparency and efficiency and to strike a fair balance between the needs of the various groups of the membership.

Summary of recommendations

1. The PRS's General Council to step back from the day-to-day management of the Society to concentrate on key policy issues and supervision of the development of the PRS's future strategy.
2. Reduce the number of meetings of the full Council.
3. Formal delegation by the General Council of responsibility for the day-to-day management of the Society to a new Executive Committee comprising the Chief Executive, Chairman, both external directors, the second executive director and no more than two other director members of the General Council.
4. Disband the existing Executive Committee.
5. Reduce the number of committees and groups.
6. Clear differentiation between the roles of the Chairman and Chief Executive.
7. General Council to define objectives of the PRS within three months of publication of this report.
8. General Council to agree a five-year strategy for the PRS within three months of publication of this report.
9. Evaluate, using a cost-benefit analysis, all major proposals for change.
10. Increase the amount of formal management representation on the remaining committees and groups.
11. Set out, with target dates for completion, all key steps necessary to improve efficiency.
12. High priority to be given to the improvement of data.
13. Link consideration of IT strategy to the consideration of the overall five-year strategy. Ensure the objectives of the two programmes are consistent and the timing is synchronized.
14. IT strategy to take into account the need to streamline processes and integrate all major administrative systems.
15. Adopt international standard work code numbers as soon as practicable.
16. Encourage or even require members to adopt these standard work code numbers too.
17. Improve cost appraisal to determine which costs are direct and which are indirect.

18. Implement systems to provide the necessary information for more equitable cost allocations to be made.
19. Publish details of the new cost allocation system within 12 months of publication of this report.
20. Publish sufficient accounting information within 12 months of publication of this report for members to be able to see where costs lie.
21. Targets to be published within two months of publication of this report for reducing administrative costs.
22. Modify the targets described in 21 above as soon as the new cost allocation system is in place.
23. Impose separate annual membership fees for writers and publishers of around £25 plus VAT a year and £125 plus VAT a year respectively.
24. The PRS formally to set out in the Members' Handbook the responsibilities it has to members and the standards of service it aims to achieve.
25. The PRS to work towards accreditation under an approved quality standard.
26. Amend the rules relating to termination of membership to reflect the flexibility inherent in current practices and set out the changes clearly for members in the published Rules and Members' Handbook.
27. State the limitations of the distribution policy in the Society's literature and bring these to the attention of current and prospective members.
28. Published accounting information to include details relating to members' overseas earnings.
29. The PRS to take professional advice about the measurement and sampling of public performances and to distribute this advice to the membership.
30. Initial bench-marks for all major areas of public performance to be drawn up within six months of publication of this report.
31. Regular and statistically valid sampling to take place thereafter.
32. Review the LMDP within nine months of publication of this report in the light of the findings at 30 above and amend where necessary.
33. Establish a special committee, including representatives of a range of minority musical genres, to oversee all sampling work.
34. Put in place a financial model which can assess rapidly the effect of changes in distribution policies.
35. Establish an Appeals Board to resolve the disputes which members may have from time to time with the Society about their personal rights.
36. Members to pay an initial deposit to the Appeals Board, which would be non-returnable for trivial or frivolous cases.

37. Appeals Board to have right of access to relevant papers.
38. Appeals Board to have a specialist accountant if required to deal with disputes concerning self-administration of performing rights.
39. Appeals Board's findings to be binding on all the parties involved.
40. The PRS to introduce a formal consultative process to take members' views on proposed changes in policy or strategy.
41. Voting rules to be amended to allow writer members to send representatives who are not themselves members of the PRS to speak and vote for them at all general meetings.
42. Article 7 of the Articles of Association to be amended to allow self-administration of the live performance right.
43. Article 7 of the Articles of Association to be amended to make it clear that members already have the right to self-administer the categories of performing rights specified in the GEMA decision.
44. The PRS to publicize the changes to Article 7.