

**EXPLANATORY MEMORANDUM TO THE
PUBLIC LENDING RIGHT SCHEME 1982 (COMMENCEMENT OF
VARIATIONS) ORDER 2005**

2005 No. 1519

1. This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.

2 Description

2.1 The Public Lending Right Scheme 1982 (“the Scheme”) provides for authors to receive payments according to the number of times their books are borrowed from libraries. This instrument brings into force amendments to the Scheme to take account of the fact that records of lendings of books from virtually all libraries in Northern Ireland (except some very small libraries) will be collected and used in the calculation of the sums due to authors, rather than samples of lendings from a smaller number of libraries, which will remain the method in other areas.

2.2 It also brings into force amendments to payment thresholds in the Scheme by decreasing the minimum amount payable to authors from £5 to £1, and increasing the maximum payment threshold from £6,000 to £6,600.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Background

4.1 The Public Lending Right Act 1979 (“the 1979 Act”) gave the Secretary of State powers to prepare the Scheme and bring it into force, to confer a right known as the ‘public lending right’ on authors. The Scheme provides for eligible authors of eligible works to share in an annual fund relating to the number of loans of their works from sample libraries. The Scheme was established by the Public Lending Right Scheme 1982 (Commencement) Order 1982 (SI 1982/719), which set out the Scheme in its Appendix. The Scheme has been amended several times since this date; amendments to the Scheme up to December 1990 are set out in Appendix 2 to the Public Lending Right Scheme 1982 (Commencement of Variations) Order 1990 (SI 1990/2360).

4.2 Section 3(7) of the 1979 Act confers a power on the Secretary of State to vary the Scheme: such a variation is brought into force by an order which is subject to the negative resolution procedure in both Houses.

4.3 This Order brings into force variations to the Scheme. The variations in Part 1 of the Appendix will alter the way in which sampling of loans is carried out in Northern Ireland, allowing records of loans from virtually all libraries in Northern Ireland to be used, rather than records from a smaller number of libraries. This comes into force on 1st July 2005.

4.4 The first variation in Part 2 of the Appendix will substitute £6,600 for £6,000 in sub-paragraph (2)(b) of article 46 of the Scheme, increasing the maximum possible payment to any one author in any year under the Scheme.

4.5 The second variation in Part 2 will substitute £1 for £5 in paragraph (3) of article 46 of the Scheme. This will have the effect of reducing the minimum possible payment made under the Scheme.

4.6 Both the variations in Part 2 come into force on 1st September 2006.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 Not applicable.

7. Policy Background

7.1 The Public Lending Right Scheme was brought into force on 14th June 1982. It prescribed the minimum payment amount as £1 but in 1997 this was increased to £5. This was due to the high cost of making low value payments. Since then the cost of BACS payments has dropped significantly making a return to the original minimum payment amount possible. The Scheme also prescribed the maximum payment amount, which has since been increased once, in 1988. Additional Grant in Aid funding has been made available to PLR to allow these changes to be introduced in 2006/07 without them having a negative impact on the rate per loan.

7.2 The 2002 Quinquennial Review of PLR recommended that the maximum payment threshold be raised, and a carry-forward mechanism be introduced to benefit authors below the minimum payment amount. The carry-forward mechanism was found to be too complex and in 2004 the PLR Advisory Committee agreed that the minimum payment amount should be reduced instead. These proposals were consulted on and following the consultations the PLR Advisory Committee, which is comprised of authors, library professionals and publishers, recommended to ministers that these changes be made.

7.3 The Public Lending Right Scheme divided the local library authorities into eight, mostly geographical, groups. It prescribed the minimum number of

sampling points that were to be active in each group, and how often the sampling points were to be rotated.

7.4 The PLR Registrar informed the Department that the Northern Ireland Group was able to collect loans data from nearly all of the libraries in the group. The Scheme is being amended to allow all this information to be used every year when calculating PLR payments, rather than samples of loans from a smaller number of libraries. The amendments needed are that, in Northern Ireland, there will no longer be a requirement for sampling points to be rotated every year, and accordingly, across the rest of the United Kingdom the number of such points that must be rotated each year is reduced from eight to seven.

8. Impact

8.1 This Order has no impact on business, charities or voluntary bodies.

8.2 The impact on the public sector is to provide the Public Lending Right Scheme and the Registrar of the Scheme with altered payment thresholds, which will allow PLR to make payments to more authors, and make increased payments to the authors at the maximum payment threshold.

8.3 The alteration to the Scheme will allow PLR to use almost 100% loans data provided by Northern Ireland.

9. Contact

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