The impact on PLR due to lockdown

The impact of lockdowns and closure of public libraries due to Covid-19 has affected the last two years of PLR payments. This is because the annual figures are worked out as follows:

1. The national number of qualifying loans is calculated based on Chartered Institute of Public Finance and Accountancy (CIPFA) data from the previous financial year (1 April to 31 March) and is used to determine the Rate Per Loan.
2. Overall PLR payments are then calculated using actual borrowing figures from a sample of UK libraries between 1 July and 30 June.
3. A grossing-up calculation is applied at the end of the PLR reporting year in order to provide a national estimate.

Therefore, as the Rate Per Loan is dependent on two data sets, which have been collected in different years, the impact of the library closures has straddled two years.

Impact on PLR year 1 July 2020 to 30 June 2021

As we used CIPFA figures from 1 April 2019 to 31 March 2020, the national number of qualifying loans weren't majorly affected by the public library closures. However, the borrowing figures from the sample libraries, which were recorded between 1 July 2020 and 30 June 2021, were reduced due to the lockdowns and library closures. Therefore, the recorded reduction in loans has led to an increase in the Rate Per Loan to 11.26p with 20,475 rightsholders (20,911 in 2019/20) within the payment threshold.

Impact on PLR year 1 July 2021 to 30 June 2022

In a similar way, the PLR sample data for this period has returned to near normal and we will have collected a full year's worth of loans information. However, we used CIPFA data from 1 April 2020 to 31 March 2021, which is significantly reduced due to the extended periods when public libraries were closed.

This decrease in the national library loans figures has led to an increase in the Rate Per Loan to 30.53p with 21,119 rightsholders (20,475 in 2020/21) within the payment threshold.

Each rightsholder's payment is based on the sampled number of loans of their registered works, grossed up and multiplied by the Rate Per Loan – and so both factors influence the final payments. Whilst the increase in the Rate Per Loan will have minimal impact on the overall distribution of earnings, some users may see the temporary increase in the Rate Per Loan reflected in their PLR statement and resulting payment.