



# **PLR Annual Report 2014-15**

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## 1. Overview

This Report describes the operation of the Public Lending Right (PLR) Scheme during the period 1 April 2014 to 31 March 2015. It has been prepared by the PLR Business Manager for the British Library Board following the Board's assumption of responsibility for the PLR Scheme on 1 October 2013.

The Scheme, which sets out the rules under which PLR operates, was established by the PLR Act (1979) and received parliamentary approval in 1982. The PLR Act provides a legal right for authors to receive payment from public funds for the free lending out of their books by public libraries. Government funding for the Scheme is provided by the Department for Culture, Media and Sport (DCMS) as grant-in-aid.

Following the Public Bodies Act in 2012, DCMS abolished PLR as a separate Non-Departmental Public Body and transferred responsibility for running the PLR Scheme to the British Library. The role of Registrar ceased to exist and the responsibilities of Registrar were transferred to the Board.

The Scheme continues to be run from Stockton with the existing team; however since 1 August 2014, a new structure has been in place with management of the PLR operations and Scheme being led by two senior roles, a Business Manager based in Stockton and a Head of Policy & Advocacy based at St Pancras.

To provide expert advice on the Scheme's administration and to provide an avenue for feedback from stakeholders, the Library has established an Advisory Committee for Public Lending Right. The Committee comprises a Chair and six members: two members representing registered authors, two representing the public library community, and two from the wider PLR constituency. (See Annex 1 for membership of the Committee.)

During the review year, the PLR team has made significant achievements despite a period of uncertainty and change. We are now accepting applications for audio-books following the extension of the Scheme, we have also secured a new lease for the PLR office and introduced new arrangements for the management of our IT provision. In terms of our service to authors, it's been very much business as usual. PLR's annual cycle of activities involving the registration of authors and books, loans data collection, payment calculation and distribution, marketing and advocacy and running the Irish PLR Scheme has carried on as normal against this background and gaining full audit approval of our author payment operations is testament to the high standards that all staff have applied to their work areas.

Running costs for the year were 12% less than the previous year. The reduction in rent negotiated through the new lease has contributed to this, but it is largely due to the efficiency savings that were always planned when the Library took over responsibility 17 months ago and which we are now starting to benefit from. This includes savings made by the reduction in staff numbers following the removal of two senior posts and further savings generated from the recent Voluntary Exit round which two PLR staff opted for.

Finally, the last two years have been primarily focused on transferring PLR into the Library but during the course of the reporting year we have concentrated on bedding in the new arrangements and establishing new ways of working whilst maintaining services. As we go into 2015-16 this is an ideal opportunity to take stock of where we are and where we want to be and review our resource needs considering our future needs and challenges. Over the coming three months we will establish a three-year Corporate Strategy for PLR and supporting resource plan.

I would like to credit the PLR team for their achievements and dedication to providing authors with an excellent service during the year and for their support to the new working arrangements under the Library. Also to Library colleagues for their continued support and finally to two senior staff who left PLR during the reporting year - Jim Parker, former Registrar, and Evelyn Relph, former Principal Finance Officer - for their work in building up such a successful organisation and for passing on the PLR baton to the new management team so positively and helpfully.

Janine Armstrong  
PLR Business Manager  
April 2015

## **2. Service to Authors**

To qualify for payment for loans of their books from public libraries, authors must apply for registration and the author must live in the UK or within the EEA. Eligible authors include writers, illustrators, translators, editors and photographers. Since the Scheme was extended to include audio-books and ebooks, narrators, producers, abridgers and translators are now also eligible to register for the Scheme.

Applicants must be able to demonstrate their eligibility for PLR by being named on a book's title page or entitlement to a royalty payment from their publisher. For audio-books and ebooks they must also be named on the case or within the recording or have a contract in place with the publisher. PLR book applications may be submitted electronically via the PLR website or by using printed application forms. Applications need to be received at the PLR office before the end of the PLR year on 30 June to qualify for payment in the following February.

Providing an excellent service to authors is at the heart of everything we strive for. We ensure all front line service staff are trained in basic query resolution and password resets and authors can usually get an answer to their query immediately. They can also manage their own applications using our online service. Our information and forms are designed with the author in mind and we provide lots of helpful advice and FAQs on our website.

Just under 1,500 new authors successfully applied for PLR registration by the cut-off date of 30 June 2014 and we registered over 16,000 titles in this period. Take-up of PLR's online registration service continues to grow with over 87% of books (83% in the previous year) now being applied for via the PLR online service.

During the course of the reporting year, the Author Services team have received some interesting and complex queries as authors apply to register their back catalogue of audio-books to be included in the February 2016 payments before the cut-off date of 30 June 2015. We have updated our FAQs as new queries arise and where decisions have been made and we are keeping a precedent log to ensure consistency.

Following the extension of the Scheme to include audio-books, we are seeing an increase in book registrations and have already registered over 14,000 titles so far this year and over 4,000 of these are audio-books.

Three years ago the PLR office took over responsibility for the day-to-day operation of the Irish PLR system under contract to the Local Government Management Agency in Dublin. This involves providing a registration service, collecting loans data from all 32 public library authorities in Ireland and distributing annual PLR payments. There are broad similarities between the British and Irish PLR schemes and methods of operation which provided an opportunity for us to develop synchronised procedures to enable authors to register for both systems and update their details simultaneously. Synchronisation has simplified registration procedures for authors and reduced workloads for PLR staff, however this is becoming increasingly difficult as different eligibility rules develop, for instance non-print material is not eligible under the Irish Scheme.

In December 2014 we distributed €299,000 on behalf of the Irish government to over 6,000 authors at a rate of 6.23 cents per loan.

### **3. Book Loans Data Collection**

The payments made annually to authors under the PLR Scheme are based on how often their books have been lent out by public libraries in the previous year. Book loans data is supplied to the PLR office by a representative sample of public library authorities chosen by the Author Operations Manager on behalf of the British Library Board. The authorities are drawn from every region of the UK and the rules governing their selection are set out in the PLR Scheme. A minimum number of authorities is required from each region and no authority may remain in the sample for more than four years. The composition of the library sample changes each year and this helps the Scheme reflect regional differences in library book stock and borrowing patterns across the whole country. Authorities selected for the sample transmit book loans data electronically to the PLR Office at monthly or bi-monthly intervals during the PLR year which runs from 1 July to 30 June.

As this Annual Report describes the operation of the Scheme over the period 1 April 2014 to 31 March 2015, it takes in two PLR loans years. Data from the loans year 1 July 2013 – 30 June 2014 provided the basis for the February 2015 payments. Data collected for the period 1 July 2014 – 30 June 2015 will be used to calculate payments due in February 2016. In October each year, we run 'grossing up' factors to the data collected from each region to provide a national estimate for the loans of each book. The total loans figure for books registered for PLR can then be divided into the available funding to provide a Rate Per Loan. The library authorities selected for the PLR sample for both years covered by the review period are listed below in Table 1.

Since the first payments were made in 1984, we have increased the data collected from 0.9% of total public library book loans to over 20%. Because the Scheme requires the PLR office to reimburse library authorities for costs incurred in supplying data we have sought to enlarge the sample size by bringing in groups of authorities operating as consortia. This has enabled us to collect loans data from several authorities together at no extra cost. The 2013-14 sample included both the Libraries West (five authorities) and London Libraries Consortia (fifteen authorities), as well as embracing all the public library branches in Northern Ireland which since 2009 have operated under a single authority, Libraries NI.

All loans data supplied by 44 public library authorities across the country for the PLR year 2013-14 was successfully collected and processed in good time for the October 2014 Rate Per Loan.

The 2014-15 sample libraries were also selected during the reporting year and are continuing to send regular data sets.

## Table 1

### Sample Library Authorities July 2013-June 2014

(Library authorities marked with a \* left the sample by rotation at 30 June 2014. They were replaced in the 2014-15 sample by the authorities listed at the foot of the page.)

#### England

East Sussex	Blackpool
Northamptonshire*	Norfolk
Essex, Southend and Thurrock	Libraries West (5 authorities)
Middlesbrough	Portsmouth
North Yorkshire	Telford and Wrekin

#### Metropolitan Districts

Gateshead	Manchester
Knowsley	Salford
South Tyneside	

#### Greater London Boroughs

Sutton	Hillingdon
London Consortium* (15 authorities)	

#### Wales

Vale of Glamorgan  
Wrexham  
Ceredigion

#### Scotland

Midlothian  
Scottish Borders\*  
North Lanarkshire

#### Northern Ireland

Northern Ireland Library Authority

#### Authorities joining the sample on 1 July 2014:

Edinburgh  
Hampshire  
Highland  
Southwark  
Tri-boroughs (Hammersmith & Fulham, Kensington & Chelsea, Westminster)  
Warrington

## 4. Finance and Payments to Authors

PLR's grant-in-aid funding from DCMS for 2014-15 was £6,671,000 (£6,832,000 last year). DCMS funding covers both the running costs of the Scheme and the payments made to authors. Running costs for 2014-15 were subject to a cap of £741,000 set by DCMS, and achievement of this target was previously PLR's key performance indicator in its Funding Agreement with DCMS.

In 2014-15 we have been successful in keeping the Scheme's administrative costs significantly below the cap set by DCMS. Running costs for PLR for 2014-15 were just over £600,000 which allowed for additional funds to be included in the Rate Per Loan (RPL).

In October the PLR Business Manager consulted the PLR Advisory Committee about the RPL to be submitted to the Board prior to seeking Ministerial approval. Although there was a reduction in funding of over £161K compared to last year, due to the fall in overall library loans coupled with additional income generated from our contract to run Irish PLR, use of PLR reserve (funds remaining unpaid after being held for 6 years) and the additional savings in running costs, we were able to recommend a higher RPL of 6.66p (6.20p last year). Any underspends in running costs help to support our long term aim of maintaining the RPL level and we are mindful of this when considering the impact of a possible increase in loans due to the extension of the Scheme to include audio-book loans.

Because the RPL was to be changed from the previous year, it required Parliamentary approval and DCMS needed to lay a Statutory Instrument in Parliament following a public consultation process. The Rate of 6.66 pence received broad support from the bodies consulted and was confirmed by DCMS for the February payments.

In total, just over £6 million was paid out to over 22,000 authors in 25 different countries. Public library loans of books registered for PLR fell from the previous year's figure of 121 million to 108 million. The minimum payment threshold was £1 and the maximum payment threshold was £6,600, 190 authors received the maximum payment.

The PLR payment thresholds have remained unchanged since 2007 and in March 2015, the PLR Business Manager presented a paper to the PLR Advisory Committee to take a view on whether the thresholds should be changed for future payment rounds. As a result of the review, the payment thresholds remained at current levels.

Table 2 provides a breakdown of funding and payments, a more detailed breakdown of the payments by earnings is provided below in Tables 3 & 4.



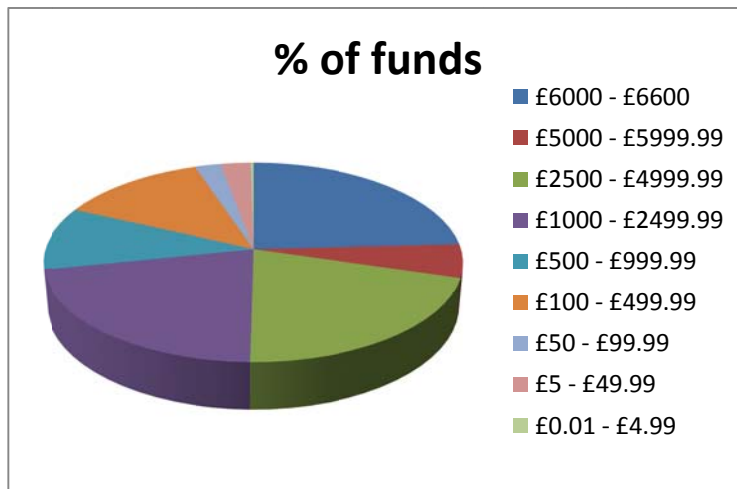
**Table 2**

**Funding and Payment Distribution February 2015**

<b>Funding</b>	
GIA	£5,989,600
Irish Income	£27,386
Use of Reserve	£13,270
<b>Total</b>	<b>£6,030,256</b>
<b>Payments</b>	
UK Bacs	£5,794,322
International Credit	£197,160
On hold	£38,774
<b>Total</b>	<b>£6,030,256</b>

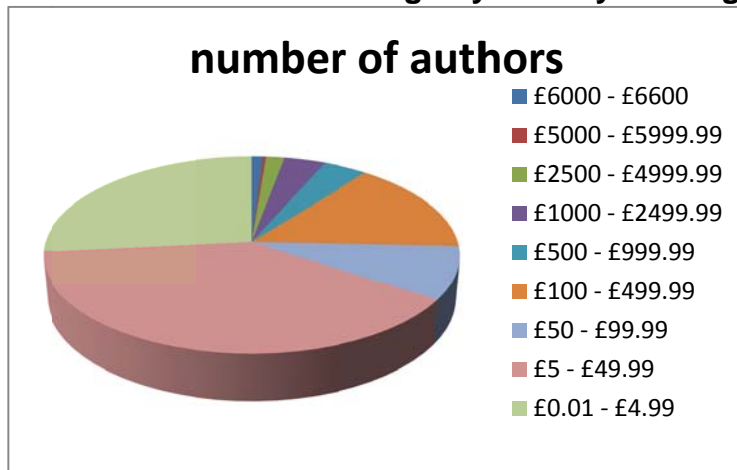
**Table 3**

**Allocation of Funding by Earnings Category**



**Table 4**

**Numbers of Authors Receiving Payment by Earnings Category**



## **5. Advocacy & Marketing**

The PLR marketing plan is designed to promote PLR as widely as possible to ensure that all authors are aware of their PLR rights and how to access them and to help those who are already registered keep up to date with new developments such as the recent extension in the PLR legislation to include audio and e books.

The annual media campaign took place in February to coincide with the annual PLR payments to authors and it generated a high degree of interest from national and local media. As in previous years this helped to raise wider public awareness of PLR and its importance for authors in terms of income and recognition. It also highlighted the additional value of PLR as an insight into the use of libraries nationally and the snap shot it provides of regional variations in borrowing habits. The momentum of the media campaign continued with supportive tweets and retweets from authors, journalists and other organisations such as ALCS and the Society of Authors. As a result, in that one week we saw an 80% increase in numbers of new authors registering for PLR which demonstrates the importance of the media campaign. In order to build on the momentum and publicity generated by the February release, we plan to issue a mid-year release to generate more stories about PLR and its importance to authors and libraries. If we can sustain year-round interest in PLR we are more likely to maintain high numbers of authors joining the Scheme and thereby increasing the number of registered book loans.

Throughout the year we have also used Twitter to remind authors about the opportunities to register audio-books following the extension of PLR in July. In addition, direct contact has been made with BECS (British Equity Collecting Society) and Equity to reach narrators, performers, producers and all others involved in creating audio-books who are now eligible to benefit from the Scheme.

During the year there has also been a drive to promote the work of PLR within the Library by delivering staff talks throughout the year so that colleagues across all sites are aware of the Scheme and how we operate. We received some positive feedback and colleagues made useful suggestions about areas where the BL and PLR could work more closely together.

We also continue to support the work of the International PLR network and maintain the PLR international website on their behalf.

## 6. Looking Ahead

There have been huge achievements made over the last 2 years in terms of bringing PLR under the umbrella of the Library and ensuring standards for governance, operations and service to authors are not unduly affected.

The focus over the reporting year has been to integrate PLR's financial, IT and Human Resource functions into the Library's systems, implement the extension of the PLR Scheme and agree a new lease on PLR's premises. A new structure which would incorporate all the functions required to run an independent office, meet the statutory obligations in the Scheme and work alongside wider Library needs, initiatives and priorities was also required. I am pleased to report that all of these priorities have been successfully met and the new structure, established in August, is working well.

With the launch of Living Knowledge in January and the subsequent changes to the executive team and leadership arrangements, 2015-16 is very much a year of new opportunities and looking forward. We will incorporate links with Living Knowledge in our three-year Corporate Plan and funding for PLR has continued to be treated as a separate ring fenced fund in the Library's submission to DCMS for the next five years. We will also review our staff resource needs to enable us to operate the PLR Scheme, meet peaks in demand, meet our development requirements and make a meaningful contribution to wider Library initiatives and projects.

As well as meeting our core purposes for running the PLR Scheme, we will continue to provide full administration services for Irish PLR which provides additional income for authors registered under the UK Scheme. The February 2016 payments will incorporate audio-book loans for the first time and we can only speculate on the affect this might have on overall loans figures and Rate Per Loan. However having made financial planning arrangements we are hoping to maintain the Rate at current levels. We will continue to monitor any developments in eLending policy and maintain dialogue with DCMS regarding their commitment to implementing the Seighart recommendations for a change in copyright legislation.

There is also a lot to look forward to in terms of PLR's advocacy and marketing with plans for more media releases, better use of our loans figures held in LEWIS and working with Library colleagues on the Digital Visualisation Project with a view to presenting the LEWIS data in new and enhanced formats. The next PLR International Conference will be held in the Hague in September 2015 and UK PLR will be represented by the Head of PLR Policy & Advocacy. Over the coming years we would also like to enhance the PLR website and bring it more in line with the Library's website with more interactive content and a more modern look and feel. There is also a strong desire within the team to look at ways of boosting the numbers of authors registering for PLR and investigating why some high profile or popular authors do not take advantage of the Scheme.

On an operational level and considering the risk in terms of business continuity, there is a clear need to review our IT systems and model for providing services. Work was undertaken last year to formalise our IT services and we established an IT SLA which is still in working progress. There have also been improvements in level and scope of support following the transfer of our systems onto Library networks and servers. However PLR's main applications which hold our UK and Irish databases are bespoke systems which are in need of substantial updates in order to cope with the changing requirements in the Scheme, streamline services and meet user needs. An upgrade is also necessary

if we were ever be in a position to offer enhanced services to Irish PLR or take over additional PLR Schemes on behalf of other countries.

There is real potential for PLR to develop services, improve systems and enhance our presence and looking ahead there may even be opportunities to create additional income streams. However, we must be mindful of our ability to expand with limited resources and we must not lose sight of our key purpose of running the PLR Scheme successfully, efficiently and with full audit approval.

We look forward to another busy year ahead working under the British Library.

## **Annex 1**

Membership of the Advisory Committee for Public Lending Right

### Chair

Tracy Chevalier (author)

### Members

Meg Davis (literary agent; former member of PLR Management Board)

David Philip (former Finance Director, National Maritime Museum, and former member of PLR Management Board)

Nick Stopforth (Head of Libraries and Information, Doncaster; nominated by the Society of Chief Librarians)

Jim Thompson (Information and Digital Services Manager, Edinburgh City Libraries; nominated by the Chartered Institute of Library and Information Professionals)

Tony Bradman (author; nominated by the Society of Authors)

Bernie Corbett (General Secretary, The Writers' Guild of Great Britain (WGGB); nominated by WGGB)