

## The possible impact on PLR due to lockdown

The impact of lockdowns and closure of public libraries due to Covid-19 will affect the next two years of PLR payments at least. 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 is expected to straddle the next two years.

### Likely impact on PLR this year (running from 1 July 2020 to 30 June 2021)

As we are using 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.

### Likely impact on PLR next year (running from 1 July 2021 to 30 June 2022)

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

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. Accordingly, we may see a further reflection of the impact of the pandemic, and we will communicate in advance what we expect this to be, once the picture becomes clearer.