



Department  
for Culture  
Media & Sport

# Collated responses to a consultation on the Public Lending Right rate per loan 2017

February 2017

## INTRODUCTION

The consultation ran from 28 October to 26 November 2016. A consultation letter was sent to 20 major groups representing the interests of authors, and the Devolved Administrations.

The Public Lending Right (“PLR”) is the right conferred on authors by authors by the Public Lending Right 1979 to receive from time to time out of a central fund payments for the lending of their work to the public by local library authorities in the UK. Payments are made annually to eligible authors, calculated on the basis of a rate per loan figure. The British Library Board (“the Board”) has been responsible for administering the PLR Scheme (“the Scheme”) since October 2013. The Board recommends the rate per loan for each financial year, taking into account the size of the central fund available that year and the number of qualifying book loans from a sample of public libraries in the UK in a preceding sampling year.

DCMS ran a four-week public consultation on the Board’s recommendation to increase the rate per loan from 7.67p to 7.82p for the 2016-2017 financial year. The consultation ran from 28 October to 25 November 2016. A consultation letter was sent to major groups representing the interests of authors, library authorities and other key stakeholders in the public library sector in the UK, and to the Devolved Administrations. A copy of the consultation letter was made available on the [GOV.UK](http://GOV.UK) website.

11 responses were received, eight that expressed a view were supportive of the proposal to increase the PLR rate per loan to 7.82p. Two did not express a view on the increase. The Government has concluded that stakeholders welcome the proposed increase to the rate per loan, and intends to proceed with the increase. See the summary table of responses below:-

Organisation	Yes	No	No view expressed on the increase	Comments
Arts Council England	X			Changing the rationale of the Scheme to prevent future

				reductions in the rate per loan
Association of Authors Agents	X			Extending PLR to remote lending of e-books and audiobooks, maintaining the PLR fund
Authors' Licensing & Collecting Society	X			Extending PLR to remote lending of e-books and audiobooks, volunteer libraries and maintaining the PLR fund
Booksellers Association	X			Extending PLR to remote lending of e-books and audiobooks
Bradford Libraries	X			
Chartered Institute of Library and Information Professionals	X			Extending PLR to remote lending of e-books

Department of Communities (Northern Ireland)	X			
Member of public			X	Introducing nominal fee to borrow books that can then go to authors
Publishers Association	X			
Society of Chief Librarians	X			
Welsh Government			X	

The responses are reproduced below.

1. **Response from the Arts Council:**

- Arts Council England is the national development agency for arts and culture and, as such, has a clear interest in the PLR rate from the perspective of both authors and libraries. We welcome the proposed increase in PLR rate and the support that this provides for authors in recognition of their creativity.

We note that the rationale for such a change (based on the reduction in the level of borrowing from libraries) provides a mechanism to sustain this important signal of support for authors. However, we would not want this to be interpreted as a support for using the same rationale should the rate of borrowing increase – which would, in theory, result in a potential future reduction in the PLR rate. We would suggest that

the issue be considered afresh in these circumstances, and alternatives be considered to ensure that there is no perception of reduction in the level of support provided by this important scheme.

**2. Response from Association of Author's Agents:**

- The Association of Author's Agents (AAA) supports the proposed increase on the rate per loan next year from 7.67 pence to 7.82 pence per loan. PLR continues to be an important source of earnings for authors and we agree with the Society of Authors' strong recommendation to the Government to ring-fence the PLR Fund in any future spending review, particularly with regard to the extension of PLR to remote lending of ebooks and audiobooks, which have seen significant growth for libraries. It is extremely important that authors are remunerated for these, as they are for print books. We therefore urge the Government to bring into the Digital Economy Bill a clearly defined statutory solution extending PLR to ebooks and audiobooks while preserving the right of authors to control the licensing of their works.

**3. Response from Authors' Licensing & Collecting Society:**

- Thank you for writing to us regarding the Public Lending Right (PLR) rate per loan for 2017. We are happy to see your proposal to increase the rate per loan next year to 7.82 pence per loan. We also welcome and support the British Library Board's recommendation that 2017 payments are made at this rate but I would like to take this opportunity to raise areas of concern on the status of Public Lending Right and libraries. It is unfortunate to see a decrease in the estimated loans of books registered for PLR, caused, no doubt, by both the cuts to library services and the exclusion of many volunteer-run libraries from the scheme. We would urge the Government to protect and maintain the library service which is under threat from cuts so that it can fulfil its obligation to provide a comprehensive library service. We would also urge for measures to be made to include volunteer-run libraries within the PLR scheme so that true figures for library lending can be recorded, and so that this oversight does not have a negative impact on authors' remuneration. We understand that the Government is considering plans to establish PLR payments for remote e-lending of ebooks and audiobooks as it has stated its intention to do so in the past; this move is supported across the whole industry. While previous legislation acknowledged ebooks and digital audiobooks this was limited to on-site loans, libraries now remotely lend a significant number of ebooks (2.3 million in the last year alone) and digital audiobooks which should be included in the book loans figures, and authors must be remunerated

for these. We have consistently urged the Government to establish through the Digital Economy Bill a clear solution extending PLR to ebooks and audiobooks while maintaining frictions (which all parties have agreed are essential). While the creative industries have been flourishing, authors' incomes have seen a year on year decrease from a range of factors. With this in mind, PLR continues to be an important source of earnings for authors and we would urge the government to maintain the PLR fund in any future spending review. It is important to consider that while the count of loans has decreased, this trend is largely due to administrative issues mentioned earlier.

#### 4. **Response from Booksellers Association:**

- This note is to advise you that The Booksellers Association supports the British Library Board's recommendation that the 2017 PLR payments are made at a rate of 7.82 pence per loan.

Furthermore, we support PLR being extended to the remote lending of ebooks and audiobooks as long as - following the ECJ judgement - publishers will still be able to impose individual Terms and Condition on Public Lending Libraries when licenses are given to enable their ebooks to be lent – so individual publishers have the right to, for instance:

1. Determine which of their titles might be licensed to the library for e-lending purposes
2. Decide on the length of the loan period (e.g. number of days)
3. Impose any other Terms & Conditions that they think appropriate

We think it very important too to ensure that any extension of PLR to e-books does not end up weakening the position of the rightsholders, as currently set out by the Copyright Directive.

It would help us greatly if DCMS were able to give us the wording of the proposed amendment you are proposing (to the Digital Economy Bill?), which will allow e-lending – while imposing frictions and protecting current licensing models.

We are pleased to learn of the Government's commitment to fulfil its obligation to provide a "comprehensive and efficient" library service and to protect and maintain the library service – as we deem the latter to be under serious threat.

**5. Response from Bradford Libraries:**

- I am responding on behalf of Bradford Libraries to support the proposal as described in your letter re Public Lending Right 2017 to increase the rate per loan to 7.82p.

**6. Response from the Chartered Institute of Library and Information Professionals:**

- This is just to record CILIP's support for the small increase proposed in the PLR rate per loan for 2016. It is a pity it could not be more generous. We trust that, following the recent CJEU court ruling (in regard to e-lending by public libraries - Case C-174/15), it will now be possible to consider again extending PLR payments to the remote loans of e-books by UK public libraries.

**7. Response from Department of Communities Northern Ireland:**

- We can therefore now confirm that DfC is content with the proposal to increase the rate as indicated from February this year.

**8. Response from a Member of the public**

- The consultation seems not to be aimed at the general public but only for relevant interested parties other than the public. I am interested but for a different reason, i.e. the continued existence of our public libraries.

We all know that libraries are a very important public asset and at the moment the borrowing of books is free but the author gets a nominal amount per loan of £0.07.67p which the above consultation is seeking views on increasing that fee per loan to £0.07.82p per loan. Bearing in mind that local authorities are under pressure to cut costs some have resorted to the closure, or part closure of libraries and/or employ the use of unpaid volunteers in order to staff their libraries. It occurs to me therefore that as payment is quite rightly made to a book's author that the public should pay a nominal sum to borrow a book and thus off-set the costs of the fees to the authors with the benefit of helping to retain their local library. I know that current legislation is such that local authorities are barred from charging residents to borrow books but I think in this modern day and age that policy should be reviewed and overhauled and the public pay a nominal fee to borrow the book.

At the moment the cost of a popular fiction author's new release is around £20 in shops (although it may be cheaper in a supermarket if on promotion and because e-books attract VAT the cost can be £24) and so a nominal fee of 7p is one I would suggest is levied to the borrowing public.

Perhaps you could ask the Minister to consider the above and hopefully implement such. I borrow many books from Maidstone library and would willingly pay a nominal 7p to borrow a book.

**9. Response from the Publishers Association:**

- The Publishers Association fully supports the Board's recommendation to the Secretary of State on the increased amount per loan paid to registered authors, illustrators and other contributors from the PLR Fund to compensate them for the loan of their books from public libraries. We understand that the recommendation is that the 2017 PLR payments are made at an increased rate per loan of 7.82 pence and propose to amend the PLR Scheme, which is set out in the Public Lending Right Scheme 1982 (Commencement) Order 1982 (SI 1982/719), accordingly. We agree and support this recommendation.

**10. Response from the Society of Chief Librarians**

- SCL is supportive of this.

**11. Response from the Welsh Government**

- The Museums, Archives and Libraries Division of the Welsh Government advises the Cabinet Secretary for Economy and Infrastructure on library issues in Wales.

We do not have any comments to make on the proposed changes to the Public Lending Right loan rate. The Cabinet Secretary for Economy & Infrastructure has been informed of your letter.

## **Questions raised in responses to the consultation**

Some of those consulted took the opportunity to raise issues and concerns with regard to England's public library provision. Although such matters fall outside the scope of the consultation, the government's position in relation to each of these issues is as follows:

### **Exclusion of some volunteer-run libraries from the PLR Scheme**

The Public Lending Right is only applicable to loans made from those libraries falling under the statutory service of the relevant local library authority. It is for individual local library authorities to decide whether, in the context of their library service provision, the volunteer-run libraries form part of their statutory service and therefore whether the Public Lending Right would apply to loans from those libraries.

### **Potential extension of PLR to remote (off-site) loans of e-books**

The government is supportive of the extension of PLR to remote loans of e-books. The 2015 Conservative party manifesto commits the Government to assist public libraries in embracing the digital age by working with them to ensure remote access to e-books, without charge and with appropriate compensation for authors that enhances the PLR Scheme. The Minister for Digital and Culture confirmed at the Report stage of the Digital Economy Bill in the House of Commons on 28 November 2016 that the Government intends to legislate as soon as possible to extend PLR to include the remote lending of e-books. DCMS is therefore working to bring forward the necessary legislative amendment as soon as possible.

### **Potential for increasing the PLR Fund**

The 2015 Government spending round confirmed funding of PLR to be retained at same level in cash terms until 2020.

### **Potential for a nominal charge to borrow items from the library**

Section 8(1) of the Public Libraries and Museums Act 1964 restricts local library authorities in England and Wales from charging for library facilities made available by the authority. Section 8(2) of the Act provides that the Secretary of State may by Regulations authorise library authorities to make charges for the provision of library facilities subject to certain restrictions. Section 8(4) provides that nothing in any Regulations may authorise any charge for making library facilities available for reading written materials (without the use of electronic or other apparatus) on library premises. The Government currently has no plans to amend the Public Libraries and Museums Act 1964 to allow local authorities to specifically charge for book loans.



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