

1 November 2011

Dear Colleague,

## **PUBLIC LENDING RIGHT (PLR) RATE PER LOAN 2012**

I am writing to seek your views and, if relevant, the views of those you represent on the above matter.

Each year, the Public Lending Right (PLR) Registrar recommends to the Secretary of State an amount to be paid to registered authors from the PLR Fund to compensate them for the loan of their books from public libraries. The amount due to each author is based on a rate per loan calculated from the total number of loans nationally and the size of the fund available.

In the most recent payments distribution, undertaken in February this year, the rate per loan was 6.25 pence. This figure represents the allocation of money to loans having subtracted running costs of the fund, etc.

The Registrar has proposed a rate per loan of 6.05 pence for the February 2012 payments. This represents a reduction of 0.20 pence, or 3.2 per cent, on last year's rate.

In a very difficult economic climate additional funds are not available to maintain the rate per loan at last year's level and we consequently support the Registrar's recommendation. **We are therefore consulting on a reduction in the rate per loan to 6.05p.** We consider that this is the most equitable way to distribute the PLR fund to authors.

Without additional funds to maintain the rate per loan, the only other options for maintaining the rate per loan at its current level or to reduce the proposed decrease in the rate per loan would be to change the maximum and/or minimum payments under the scheme. These are not our preferred options because, in our view, they would unfairly impact on a proportion of authors:

### **Reduce the maximum from £6,600 to £5,900.**

230 authors received a maximum payment in 2011. Contrary to popular opinion, these authors are often not the most successful in terms of commercial sales and consequently view the payment as a significant source of income.

### **Increase the £1 minimum payment to £45.**

The Registrar estimates that in order to maintain the current rate per loan by increasing the minimum payment the number of recipients of PLR would reduce from 23,584 to 8,493.

We recognise that many people will wish to comment on the proposed reduction in the rate per loan and the alternative options outlined above. We are therefore requesting responses to this letter within eight weeks (by 23 December). This means payments will be made during the week commencing 13 February 2012.

If you feel the consultation timetable is inadequate please do let us know so that we can extend the deadline for responses – though please be aware that this will result in a corresponding delay to the payments scheduled for February 2012.

Please send your response to [abigail.smith@culture.gsi.gov.uk](mailto:abigail.smith@culture.gsi.gov.uk).

Head of Libraries