EXPLANATORY MEMORANDUM TO

THE PUBLIC LENDING RIGHT SCHEME 1982 (COMMENCEMENT OF VARIATION) (No. 2) ORDER 2012

2012 No. 3123

1. This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.

2. Purpose of the Instrument

2.1 This instrument brings into force a variation to the Public Lending Right Scheme, which increases the 'rate per loan' paid under the Scheme to authors from 6.05p to 6.20p.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None.

4. Legislative Context

4.1 The Public Lending Right Act 1979 ('the 1979 Act') gave the Secretary of State powers to prepare and bring into force a scheme conferring a right known as the 'public lending right' on authors. The Scheme provides for eligible authors of eligible works to share in an annual fund relating to loans of their works through libraries. The Scheme was established by the Public Lending Right Scheme 1982 (Commencement) Order 1982 (SI 1982/719), which sets out in its Appendix the Scheme, including the rate per loan in its article 46. That rate per loan has subsequently been amended by further Orders. The most recent amendment to the rate per loan was made by the Public Lending Right Scheme 1982 (Commencement of Variation) Order 2012. The instrument that is the subject of this Explanatory Memorandum will be the second variation of the Scheme in 2012.

4.2 Section 3(7) of the 1979 Act confers a power on the Secretary of State to vary the Scheme, and to bring that variation into force by an Order. The variation that is brought into force by this instrument will substitute '6.20p' for '6.05p' as the rate per loan in paragraph (1)(a) of article 46 of the Scheme.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

The Public Lending Right Scheme was brought into force on 14th June 1982. It prescribed the rate per loan that should be paid to each author, calculated by dividing the money available in the fund by the total number of loans. The rate per loan has been amended from time to time.

On 3 February 2012 the rate per loan decreased from 6.25 pence to 6.05 pence. The increase for the 2013 payments is in part due to the decrease in the number of loans of registered books, and in part due to savings the Registrar has made in running costs of the scheme.

8. Consultation outcome

The proposed increase in the rate per loan was the subject of a four week consultation (5 November 2012 – 3 December 2012). A letter was sent to major groups representing the interests of authors, the Devolved Administrations and other key stakeholders in the public library sector in the UK. A copy of the consultation letter was made available on the DCMS website, and the link to the webpage was tweeted by the @PLR_UK Twitter account.

6 responses were received: 5 were supportive of the recommended increase in the rate per loan; and 1 did not comment on the recommended rate. A collated version of the responses is available at the following link: http://www.culture.gov.uk/what_we_do/libraries/3417.aspx.

Having considered the consultation responses, the Minister decided to proceed with the introduction of legislation to increase the rate per loan from 6.05p to 6.20p.

9. Guidance

The Public Lending Right Scheme is administered by the Registrar of Public Lending Right. The Minister for Culture has notified the Registrar that he has varied the Scheme to provide for the new rate per loan for the 2011/12 loans year. The Public Lending Right Registrar will ensure that authors and other stakeholders are made aware of the new rate per loan.

10. Impact

10.1 A Regulatory Impact Assessment has not been prepared for this Order as it has no impact on business, charities or voluntary bodies.

10.2 The impact on the public sector is to provide the Public Lending Right Scheme and the Registrar of the Scheme with an altered rate per loan allowing authors to be paid a rate per loan of 6.20p.

11. Regulating small business

The legislation does not apply to small business.

12. Monitoring & review

The appropriateness of the new rate per loan of 6.20p will be considered by the Registrar of Public Lending Right before making recommendations about the rate per loan to be fixed for the 2012/13 loans year.

13. Contact

Kathryn Barrett at the Department for Culture, Media and Sport Tel: 020 7211 6202 or email: kathryn.barrett@culture.gsi.gov.uk can answer any queries regarding the instrument.