EXPLANATORY MEMORANDUM TO

THE PUBLIC LENDING RIGHT SCHEME 1982 (COMMENCEMENT OF VARIATION) ORDER 2016

2016 No. 15

1. Introduction

1.1 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, the purpose of which is to increase the 'rate per loan' paid to authors from 6.66p to 7.67p.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Other matters of interest to the House of Commons

3.2 As this instrument is subject to negative resolution procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

4.1 The Public Lending Right Act 1979 ("the 1979 Act") gave the Secretary of State power to prepare and bring into force the Public Lending Right Scheme ("the Scheme") which was subsequently established by the Public Lending Right Scheme 1982 (Commencement) Order 1982 (SI 1982/719). The Scheme is set out in the Appendix to that Order, including the rate per loan in its article 46. It confers on authors a right to receive payments from a central fund based on the number of times their books are lent out by public libraries.

4.2 Section 3(7) of the 1979 Act provides the Secretary of State with a power to vary the Scheme, including the rate per loan which is set out in paragraph 1(a) of article 46. Any such variation must be brought into force by Order. The most recent amendment to the Scheme was made by the Public Lending Right Scheme 1982 (Commencement of Variation) Order 2015 (SI 2015/7).

4.3 This Order is required to bring into force a further variation to the Scheme made by the Secretary of State to increase the rate per loan.

5. Extent and Territorial Application

5.1 The extent of this instrument is the whole of the United Kingdom.

5.2 The territorial application of this instrument is the whole of the United Kingdom.

6. European Convention on Human Rights

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

7. Policy background

What is being done and why

7.1 The Scheme was brought into force on 14 June 1982 to provide annual payments from a central fund to authors whose books are loaned by public libraries in the UK. The rate per loan which is the subject of this Order is the sum attributable to each qualifying loan for the purposes of calculating the total payment owed to each author.

7.2 Since 2013 the British Library Board ("the Board") has been responsible for administering the Scheme. The Board recommends the rate per loan to the Secretary of State on an annual basis, as the rate is dependent on the size of the central fund available that year and the number of qualifying book loans in the relevant period, which runs from July to June. The recommended rate per loan is the subject of a consultation with defined stakeholders before the Secretary of State decides whether to vary the Scheme to amend the rate per loan.

7.3 This Order brings into force a variation made by the Secretary of State to increase the rate per loan from 6.66 pence to 7.67 pence. This increase is in part due to savings the Board has made in the costs of running the Scheme this year, and in part due to a decrease in the number of loans of eligible books from public libraries during the period.

7.4 Payments under the Scheme are made to authors annually in arrears, no later than the end of the following financial year. Accordingly, payments made in 2016 will correspond to loans made between July 2014 and June 2015.

7.5 This year is the first in which on site loans of e-books and audio-book loans qualify for payment following variation of the Scheme in 2014.

8. Consultation outcome

8.1 The proposed increase in the rate per loan was the subject of a four week consultation (9 November 2015- 7 December 2015). 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 GOV.UK website. Nine responses were received, all of which were supportive of the recommended increase in the rate per loan. A number of stakeholders raised issues about the Public Lending Right more generally but these are not of direct relevance to this specific consultation. A collated version of the full responses is available at the following link: https://www.gov.uk/government/consultations/public-lending-right-plr-rate-per-loan

8.2 Having considered the consultation responses, the Minister decided to vary the Scheme to increase the rate per loan from 6.66p to 7.67p.

9. Guidance

9.1 The Minister of State for Culture and the Digital Economy has notified the Board of the British Library that he has varied the Scheme to amend the rate per loan for the

2014/2015 loans year. The Board will ensure that authors and other stakeholders are made aware of the new rate per loan.

10. Impact

10.1 There is no impact on business, charities or voluntary bodies.

10.2 The impact on the public sector is to provide the Board of the British Library with an altered rate per loan for the purpose of administering the Scheme. There is no financial impact on the British Library.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to activities that are undertaken by small businesses.

12. Monitoring & review

12.1 The rate per loan will be reviewed by the Board again following the end of the 2015/2016 loan period, and a recommendation will be made to the Secretary of State as to whether the rate per loan should be the subject of further amendment.

13. Contact

13.1 Nigel Wakelin at the Department for Culture, Media and Sport (Tel: 0207 211 6358 or email: nigel.wakelin@culture.gov.uk) can answer any queries regarding the instrument.