EXPLANATORY MEMORANDUM TO

THE PUBLIC LENDING RIGHT SCHEME 1982 (COMMENCEMENT OF VARIATION) ORDER 2025

2025 No. 11

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 His Majesty.

2. Declaration

2.1 Stephanie Peacock MP, Minister for Sport, Media, Civil Society and Youth, at the Department for Culture, Media and Sport confirms that this Explanatory Memorandum meets the required standard.

2.2 Rosa Schiller-Crawhurst, Deputy Director for Arts and Libraries at the Department for Culture, Media and Sport confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Nigel Wakelin at the Department for Culture, Media and Sport email: libraries@dcms.go.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument brings into force a variation of the Public Lending Right Scheme ("the Scheme"), made by the Secretary of State to reduce the rate per loan from 13.69p to 11.76p.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the whole of the United Kingdom.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the whole of the United Kingdom.

5. Policy Context

What is being done and why?

5.1 The Public Lending Right Act 1979 ("the 1979 Act") gave the Secretary of State power to prepare and bring into force the Scheme to provide annual payments from a central fund to authors whose books are loaned by public libraries in the UK. The right to such payments is known as the 'public lending right' ("PLR"). The Scheme was brought into force by the Public Lending Right Scheme 1982 (Commencement) Order 1982 (S.I. 1982/719) on 14 June 1982, and is set out in the Appendix to that

Order. Since 2013 the British Library Board ("the Board") has been responsible for administering the Scheme.

5.2 The rate per loan, which is set out in paragraph 1(a) of article 46 of the Scheme, is the sum attributable to each qualifying loan for the purposes of calculating the total payment owed to each author. Section 3(7) of the 1979 Act provides the Secretary of State with a power to vary the Scheme, including the rate per loan. Any such variation must be brought into force by Order. The most recent variation of the Scheme was brought into force by the Public Lending Right Scheme 1982 (Commencement of Variation) Order 2024 (S.I. 2024/34).

5.3 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 sampling period, which runs from 1st July of one year to 30th June of the next. The recommended rate per loan is the subject of a consultation with interested parties, as required by sections 1(2) and 3(7) of the 1979 Act, before the Secretary of State decides whether to vary the Scheme to amend the rate per loan.

5.4 This Order brings into force a variation of the Scheme to reduce the rate per loan amount from 13.69p to 11.76p. The reason for the reduction, which was recommended by the Board, is that there has been an increase in the number of estimated loans of registered books across the UK compared with the number from the previous year. If the rate per loan were not reduced, the total payments due under the Scheme this year would exceed the funds available.

6. Legislative and Legal Context

How has the law changed?

6.1 The rate per loan amount used by the Board to calculate the payments due to authors under the Scheme is specified in paragraph 1(a) of article 46 of the Scheme. To change the rate per loan amount, the Scheme must be varied using the power in section 3(7) of the 1979 Act, and the variation brought into force by Order. This Order brings into force a variation which will replace the current rate per loan amount of 13.69p with a new rate per loan amount of 11.76p.

Why was this approach taken to change the law?

6.2 This is the only possible approach to make the necessary change.

7. Consultation

Summary of consultation outcome and methodology

7.1 The proposed reduction in the rate per loan was the subject of a four-week consultation which ran from 21/10/2024 to 17/11/2024. A letter was sent to 14 organisations representative of authors, public libraries and other key stakeholders relating to the public library sector in the UK, including the Devolved Administrations. A copy of the consultation letter was made available on the GOV.UK website. 14 responses were received, of which only six specifically indicated a view on the recommended rate. Four supported the proposed new rate (including two Devolved Administrations), two did not support it, while the remaining eight (including one of the Devolved Administrations) did not indicate whether they were in favour of the proposal. A summary of consultation responses and the Government response is available at the following link:

https://www.gov.uk/government/consultations/consultation-on-the-proposed-rate-per-loan-for-the-2023-to-2024-public-lending-right-scheme-year#:~:text=The%20British%20Library%20Board%20has,(in%202022%2F23).

7.2 In relation to the Department's engagement with the Devolved Administrations about the proposed variation, in accordance with long-established practice in this area, the Department consulted in particular with Northern Ireland, as the subject matter of the Public Lending Right is a transferred matter in respect of Northern Ireland. Northern Ireland's Department for Communities responded to confirm that it is content with the variation.

8. Applicable Guidance

8.1 Not Applicable.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because it is out of scope of the Better Regulation Framework, which states that "Provisions and their impacts are out of scope from the definition of Regulatory Provisions where they are in connection with grants or other financial assistance by or on behalf of a public authority". On this basis, proportionate analysis has been undertaken by the Department to assess the costs and benefits of the proposed amendment.

Impact on businesses, charities and voluntary bodies

9.2 There is no significant impact on business, charities or voluntary bodies. Proportionate analysis has been undertaken by the Department to assess the costs and benefits of maintaining the current PLR rate, compared to adjusting it to the new recommended rate, given the latest data on qualifying loans.

9.3 The legislation does impact small or micro businesses. For the purpose of this statutory instrument we have considered all authors to be small or micro businesses

9.4 There is no significant impact on the public sector. The impact on the public sector is that the Board will apply the new rate per loan when administering the Scheme. There is no financial impact on the British Library.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring of this legislation is that the rate per loan will be reviewed by the Board again following the end of the 2024/2025 PLR Scheme year 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 variation.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

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

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").