



House of Commons  
Culture, Media and Sport  
Committee

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**Scrutiny of the draft  
Public Bodies  
(Abolition of the  
Registrar of Public  
Lending Right) Order  
2013**

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**First Report of Session 2013–14**

*Report, together with formal minutes*

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## The Culture, Media and Sport Committee

The Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Culture, Media and Sport and its associated public bodies.

### Current membership

Mr John Whittingdale MP (*Conservative, Maldon*) (Chair)  
Mr Ben Bradshaw MP (*Labour, Exeter*)  
Angie Bray MP (*Conservative, Ealing Central and Acton*)  
Conor Burns MP (*Conservative, Bournemouth West*)  
Tracey Crouch MP (*Conservative, Chatham and Aylesford*)  
Philip Davies MP (*Conservative, Shipley*)  
Paul Farrelly MP (*Labour, Newcastle-under-Lyme*)  
Mr John Leech MP (*Liberal Democrat, Manchester, Withington*)  
Steve Rotherham MP (*Labour, Liverpool, Walton*)  
Jim Sheridan MP (*Labour, Paisley and Renfrewshire North*)  
Mr Gerry Sutcliffe MP (*Labour, Bradford South*)

The following members were also a member of the committee during the parliament:

David Cairns MP (*Labour, Inverclyde*)  
Dr Thérèse Coffey MP (*Conservative, Suffolk Coastal*)  
Damian Collins MP (*Conservative, Folkestone and Hythe*)  
Alan Keen MP (*Labour Co-operative, Feltham and Heston*)  
Louise Mensch MP (*Conservative, Corby*)  
Mr Adrian Sanders MP (*Liberal Democrat, Torbay*)  
Mr Tom Watson MP (*Labour, West Bromwich East*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at [www.parliament.uk/cmscom](http://www.parliament.uk/cmscom). A list of Reports of the Committee in the present Parliament is at the back of this volume.

The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some of the written evidence are available in a printed volume.

Additional written evidence is published on the internet only.

### Committee staff

The current staff of the Committee are Elizabeth Flood (Clerk), Grahame Danby (Second Clerk), Kevin Candy (Inquiry Manager), Emily Gregory (Senior Committee Assistant), Keely Bishop (Committee Assistant) and Jessica Bridges-Palmer (Media Officer).

### Contacts

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# Abolition of the Registrar of Public Lending Right

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## Background

1. In 2010, the Government announced its intention to abolish the Registrar of the Public Lending Right and to transfer its statutory responsibilities for administering the public lending right scheme to another publicly-funded body, unspecified at the time, through the Public Bodies Bill.<sup>1</sup> The public lending right (PLR) is the right of authors to receive an annual payment for loans of their printed<sup>2</sup> books by public libraries.

2. The Registrar of the Public Lending Right is a small, executive non-departmental public body (NDPB) based in Stockton-on-Tees, funded through Grant-in-Aid by the Department for Culture, Media and Sport (DCMS). It is responsible for maintaining the list of authors who have contributed to books lent out by public libraries in the United Kingdom and for making PLR payments to those eligible.

3. In March 2011, we considered the Government's plan to abolish the Registrar of the PLR during our inquiry into funding of the arts and heritage.<sup>3</sup> At that time the Government had not decided to which body it would transfer the PLR: two possible options were the Arts Council and the British Library. The Government quickly conceded that the Arts Council was not a suitable merger partner. In respect of the British Library, we concluded that it was not an appropriate body to take on the work of administering PLR. We considered that the Authors' Licensing and Collection Society (ALCS) was far more appropriate, given it already distributed royalty payments to authors.<sup>4</sup> However, we recognised there were difficulties in this course as the ALCS is a non-statutory, private sector body and we recommended that legislative measures be put in place to allow such a merger.

4. In 2012, DCMS consulted on the Government's proposal to transfer the PLR functions from the Registrar to another body and published the responses received on its website.<sup>5</sup> There were 1,015 responses, of which 948 respondents were against the transfer of the PLR function to another body. The Government attributed the large response to the importance of the PLR scheme to authors and the high esteem in which stakeholders held the office of the Registrar and the service it provided. Several respondents raised concerns about whether the new host organisation's functions would be compatible with those of PLR. These included concerns about the British Library as a larger organisation taking on the role of a dedicated body and how the PLR functions would fit into its overall business and aims. It was also feared that the Library could face difficulties in representing the rights of authors and on issues related to copyright.

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1 Press Release, Cabinet Office, 14 October 2010, Press release, *Public Body Review published*

2 The Government is currently considering extending the Public Lending Right programme to include audio and e-books

3 Culture, Media and Sport Committee, Third Report of the Committee of Session 2010–11, *Funding of the arts and heritage*, HC 464

4 *Ibid*, para 148

5 <https://www.gov.uk/government/consultations/consultation-on-proposals-to-transfer-plr-funding-and-functions>  
Accessed 19 June 2013

5. The Government considers that the Registrar is operating at near maximum efficiency: the Registrar has fewer than nine staff,<sup>6</sup> which the DCMS believes is the minimum number of staff required for it to operate as a stand-alone body, and it is based in a relatively low-cost location, so the capacity for savings is limited. The Government believes that a merger with the British Library would allow the operation to benefit from economies of scale and sharing of back-office services.

6. In March 2013, the Government confirmed that, subject to Parliamentary approval, the PLR body would cease to exist as a separate organisation and it would become part of the British Library.<sup>7</sup> In line with this, DCMS laid the Public Bodies (Abolition of the Registrar of Public Lending Right) Order 2013 before the House on 9 May 2013. The Government's case for abolition of the Registrar and how it satisfied the requirements of 2011 Act was provided in an Explanatory Note and an Impact Assessment. It argued that transfer of PLR to the ALCS would not achieve the policy objective of reducing public bodies as it would be necessary for the ALCS to be transformed from a private company into an NDPB to take on this statutory role.<sup>8</sup>

7. So far the office of the Registrar has been successful in keeping its operating costs below the budget cap of £756,000 per annum which was set at the last comprehensive spending review.<sup>9</sup> Operating costs in 2011/12 represented 11.6% of the PLR payments (£6.513 million) made to authors. The Registrar has identified savings that will bring annual running costs down further to £687,000 from 2014/15 onwards.<sup>10</sup>

8. The principal saving from bringing the PLR function into the British Library would be through abolishing the registrar's position. It is proposed that management of the PLR would be undertaken by a member of the British Library board. Other relatively small savings would be made through sharing finance, HR and IT functions. The Department estimates that under its proposal running costs could reduce to £504,000 from 2018/19.<sup>11</sup> In real terms the additional savings derived from the transfer would be approximately £750,000 over a ten-year period.<sup>12</sup>

9. It is not easy to assess in advance how a remote management structure would fare in practice given that the new head of PLR would operate at a distance from the rest of the operation. We believe that much of the success of the Registrar of the Public Lending Right has been due to it being a small, discrete body which has been well run by the current Registrar. Changing this management arrangement could indeed be detrimental to the current efficiency and effectiveness of the administration of the PLR scheme.

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6 8.74 Full-time equivalent

7 Press Release, DCMS, 27 March 2013, "Ed Vaizey announces transfer of authors' Public Lending Right to British Library"

8 DCMS Impact Assessment

9 Period between April 2011 to April 2015

10 Explanatory Document, para 8

11 Explanatory Document, para 8.1

12 DCMS Impact Assessment

## Conclusions

10. House of Commons' departmental select committees have a responsibility to consider draft orders that fall within their corresponding department's remit. Under the Act, once a draft order has been laid, it may not be approved by either House until the end of the laying period which is initially 40 days but may be extended to 60 days. On this occasion, we did not see a need to take evidence on this proposal, given we had considered it earlier in the Parliament. Since then our view has not changed.

### 11. We conclude that:

- **It was resoundingly clear from the public consultation that there was overwhelming opposition to the Government's proposal to abolish the Registrar of Public Lending Right and to transfer its functions to another public body. We continue to believe that the British Library is not a suitable host organisation for the PLR function given its many responsibilities and the risk that these could take priority over the PLR function.**
- **The success of the Registrar of the Public Lending Right is due to it being a small, discrete body whose purpose is focused on the authors and the right-holders which it supports. Much of its success must be attributable to the PLR workforce in Stockton-on-Tees and the way they have been led by the Registrar. We believe that introducing a remote management structure from the British Library's base in Boston Spa could jeopardise this success.**
- **Additionally, given that the scope for further efficiency, effectiveness and economy is limited, we do not believe there is a strong case for transferring responsibility of this PLR function to the British Library. Accordingly, we conclude that the Government should not proceed with this draft order.**

# Formal Minutes

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**Tuesday 25 June 2013**

Members present:

Mr John Whittingdale, in the Chair

Mr Ben Bradshaw  
Angie Bray  
Conor Burns  
Philip Davies

Paul Farrelly  
Mr John Leech  
Steve Rotheram  
Mr Gerry Sutcliffe

\* \* \*

Draft Report (*Scrutiny of the draft Public Bodies (Abolition of the Registrar of Public Lending Right) Order 2013*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 11 read and agreed to.

*Resolved*, That the Report be the First Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

\* \* \*

[Adjourned till Tuesday 2 July at 10.00 am

# List of Reports from the Committee during the current Parliament

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The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

## Session 2012–13

First Report	The Gambling Act 2005: A bet worth taking?	HC 421
Second Report	Racism in football	HC 89
Third Report	Library Closures	HC 587
Fourth Report	Football Governance Follow-Up	HC 509
Fifth Report	Scrutiny of the Draft Public Bodies (Merger of the Gambling Commission and the National Lottery Commission) Order 2013	HC 1104
Sixth Report	Pre-legislative scrutiny of the draft Gambling (Licensing and Advertising) Bill	HC 905

## Session 2013–14

First Special Report	Football Governance Follow-Up: Government Response to the Committee's Fourth Report of Session 2012–13	HC 156
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