

WELCOME TO PLR NEWS WHICH EXPLAINS YOUR STATEMENT AND BRINGS YOU THE LATEST PLR DEVELOPMENTS.

Headlines This Year

RATE PER LOAN RISES TO 5.98 PENCE - We are making payments to 23,869 authors at an increased rate of 5.98 pence per loan.

2007 DISTRIBUTION TO BE MADE 6–16 FEBRUARY 2007 - New minimum (£1) and maximum (£6,600) thresholds apply this year.

CHANGE TO THE FORMAT OF ISBNs - You can find information inside about the new 13 digit format for ISBNs.

Understanding Your Statement

What does my Statement tell me?

- total earnings for the PLR year 1 July 2005-30 June 2006
- estimated national loans and amount earned for each registered ISBN
- how and when I will receive payment
- the nominated bank/building society details to which my payment will be credited

How do I know when I've been paid?

The majority of UK authors are paid through the BACS system and their money is transferred directly to their bank or building society account. Please check your bank statement for a PLR entry – you will find the letters 'PLR', followed by your PLR number.

If you are concerned that your money has not been credited, please check initially with your bank or building society. If it has not been received, please contact us immediately and we will look into it.

What do I do if the bank/building society details in my Statement are incorrect?

Let us know immediately. We have until 29 January 2007 to amend details before payments are processed.

Some of my books are missing from my Statement – what's happened to them?

You will only receive payments in February 2007 for books registered before 30 June 2006. Books registered after that date will be included in your 2008 Statement.

Older books without ISBNs no longer qualify for PLR and therefore do not appear on your Statement.

How are payments calculated?

The PLR computer divides its estimate for the total number of loans of registered books into the available funding. This provides a Rate Per Loan. The calculation process takes account of money freed for redistribution by the operation of the minimum (£1) and maximum (£6,600) payment thresholds.

For example, if your books have been borrowed 50,000 times, you will receive £2,990 (50,000 x 5.98 pence).

How is loans data collected?

We collect loans data from a representative sample of library authorities across the UK. We also rotate the sample to ensure that authors of books of local and regional interest have a periodic chance of receiving payment. In 2005–06 we brought in seven new library authorities and collected data from over 1,000 library branches. See the back page for more details.

What about my privacy and Data Protection?

In accordance with Data Protection legislation the personal information you provide when registering your books is only used for the purposes of administering the PLR Scheme. We will not use personal data provided by you for any other purpose without your consent.

Change to the Format of ISBNs

You will notice that the ISBNs on your Statement look different this year. This is because the format of the ISBN has changed from 10 digits to 13 digits from 1 January 2007. The converted ISBNs are prefixed with '978' and have a different final digit. Instead of having a mixture of old and new format ISBNs, we have taken the decision to convert all the ISBNs held in our system to the new format.

This will not affect the collection of loans data or the calculation of payments. The PLR system is now able to recognise both 10 and 13 digit ISBNs, so you can continue to register books in either format.

A Reminder

- ◆ You can now register on-line through the PLR website at www.plr.uk.com.
- ◆ You must register separately any new editions (eg paperback, large print) of hardback titles you have already registered with us as the new editions will have different ISBNs.
- ◆ The annual closing date for book registrations is 30 June. You must register any new ISBNs with us by this date if you want them to qualify for payment in the following February.
- ◆ If you live in the UK, Income Tax will not have been deducted from your PLR payment. You should declare your payment as income on your tax return.
- ◆ If you live abroad the position with regard to deduction of tax depends on whether you live in a country that has a double tax treaty with the UK, or not. Further information is available from HM Revenue & Customs Centre for Non-Residents (tel: +44 (0) 151 210 2222). Information and forms are also available at www.hmrc.gov.uk/cnr.
- ◆ Please advise us of any change to your e-mail address as this is used to remind you of the 30 June registration deadline.
- ◆ Please check that your name and bank/building society details appear correctly on your Statement, and advise us before 29 January of any change. Remember to quote your PLR number.

New address format

In order to lower postage costs and to reduce the number of returned or undelivered Statements, we have updated our database with software provided by the Postcode Address File (PAF).

You may notice that your address appears in a different format this year on your Statement. Please advise us if any of your address details are printed incorrectly; however please do not advise us if your county is missing as this is not required in order for your Statement to reach you.

PLR Important for Authors' Incomes

We approached the authors whose success in libraries last year qualified them for PLR's maximum payment and asked how important their PLR earnings were for them. Anecdotal evidence had suggested that many of these heavily-borrowed authors were not necessarily also bestsellers in the shops. Over half said that their annual PLR payment represented a **'very significant'** part of their income, with another 30% describing it as **'significant'**.

So PLR remains as important as ever for even the most-borrowed authors in libraries. They include children's illustrators and writers, mid-list genre fiction writers (particularly crime and romantic fiction) and retired authors with loyal library followings. Feedback included:

My PLR income now is significantly more than my royalty income. With a complete down-turn in picture book sales it has been a real life-saver.

PLR is valuable to me because my books - family sagas - do not sell in vast numbers; but reach a very wide audience through the libraries. PLR is my largest single payment of the year.

The PLR Year

The Registrar, Jim Parker gives an overview

It is pleasing to be able to report an increase in the Rate Per Loan to 5.98 pence, up from last year's figure of 5.57. A combination of the extra funding provided by DCMS this year, our success in keeping on top of the running costs of the Scheme, and last year's decision to hold back some of our funding to supplement this year's calculations (bearing in mind the likely impact of the new payment thresholds) have all contributed. The higher maximum threshold recognises that there has been no increase since 1989, while the lowering of the minimum threshold reflects the Advisory Committee's views that as many authors as possible be brought into payment and has been facilitated by the ease and cheapness of making payments direct to authors' bank accounts through the BACS system. In all, over 23,000 authors get a payment this year.

Costs and Efficiencies

A big challenge this year has been keeping our running costs in line with targets agreed with the Department for Culture, Media and Sport (DCMS) which provides PLR's funding. As our running costs come out of the same fund as the payments to authors, it is incumbent on us to keep these to a minimum. As you will see from the Table on the back page, we achieved our target of £858,000. We are always looking for new ways to streamline the Scheme's operation to help us keep costs down. A good example is the on-line registration service. Introduced in 2003, it now accounts for over 50% of registrations and allows us to meet the needs of the growing number of authors who have access to the Internet.

Another major challenge for us this year has been the conversion of our systems to cope with the book trade's move from 10-digit to 13-digit ISBNs. The ISBN is present in almost everything we do at PLR, most crucially enabling us to credit registered authors with the correct book loans data and payments each February. We completed conversion work in time for the rate per loan calculations in October, and further guidance on how you can register new books is provided both in this Newsletter and in your attached payment Statement.

International News

Internationally we continue to offer help and advice to countries looking to set up their own PLR systems. There are now 21 countries with working PLR systems, and three of these – Austria, Germany and the Netherlands – now make payments to UK authors via the Authors' Licensing and Collecting Society (ALCS). Proposed PLR legislation in Ireland, expected during 2006, has been delayed, but arrangements for the new French PLR system are well advanced and first payments are expected later this year.

Your Views

The PLR Advisory Committee, appointed by the Secretary of State for Culture, Media and Sport and chaired by writer Simon Brett, provides expert advice to DCMS on the running of the Scheme. If you have any views on the Scheme's provisions or how it is run that you would like to communicate to the Committee, please feel free to contact me (jim.parker@plr.uk.com) and I will be happy to pass these on.

Each February, as your payments arrive, we run an extensive media campaign to promote awareness of PLR. I hope you catch some of the media coverage that we anticipate.

On-line Registration System

Thanks to all of you who have made suggestions for enhancements to the on-line service. Over 50% of book registrations are now being made on-line. We are working on a number of additional features which will enable you to view details of books that you have registered in the past or which you have submitted and await registration; add a new edition quickly using just the ISBN; update your address and bank details; and amend your registered book details (including percentage shares).

Anyone with an on-line account already enabled will receive an e-mail from us shortly before the new service is launched. The e-mail will advise you to re-enter some of your details into the secure area of the website and to re-set your password. You will then be able to enjoy the enhanced facilities detailed above.

PLR Facts and Figures

Payment Date	February 2006	February 2007
Expenditure		
Government Funding	£7.41 million	£7.65 million
Payments to Authors	£6.54 million	£6.81 million
Running Costs	£822,000	£858,000
Rate Per Loan	5.57 pence	5.98 pence
Payment 'Bands'		
	<u>No of authors</u>	<u>No of authors</u>
£5,000 - £6,600 (£6,000 in Feb 2006)	349 *	363 *
£2,500 - £4,999.99	390	397
£1,000 - £2,499.99	782	788
£500 - £999.99	959	922
£100 - £499.99	3,725	3,661
£1 - £99.99 (£5 - £99.99 in Feb 2006)	12,379	17,738
Total Recipients	18,584	23,869
Nil or below minimum threshold	15,871	10,386
Book Loans Data		
Total UK loans	341 million	330 million
Loans of registered books	148 million	142 million

* Includes 262 authors this year and 286 in February 2006 whose payments were subject to the maximum payment threshold (£6,000 in Feb 2006 and £6,600 in Feb 2007).

The following library authorities participated in the PLR sample during 2005-06

Wales

Pembrokeshire, Conwy, Swansea

Scotland

Argyll & Bute, Fife, Edinburgh, Orkney

Northern Ireland

All five Education and Library Boards

English Counties

South East Oxfordshire, Windsor & Maidenhead, Milton Keynes/Buckinghamshire, Kent, West Sussex

South West Gloucestershire, Hampshire, Worcestershire, Stoke-on-Trent

Northern Lincolnshire, Northumberland, Derbyshire/Derby, Nottinghamshire/Nottingham

Metropolitan Boroughs

Coventry, Wigan, North Tyneside, Bolton, The Wirral

London

Bexley, Brent, Harrow, Redbridge/Havering/Wandsworth