

Public Lending Right

Business/Corporate Plan

2009/10

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1. Registrar's Introduction

Our primary function for the period of the new Corporate Plan will be to administer the PLR Scheme efficiently, cost-effectively and fairly, with the emphasis, as ever, on providing authors with the best service possible. In fulfilling these functions we face challenges in Years One and Two of the new planning period as we aim to achieve the tough running costs targets set for us by our sponsor department, DCMS. Year 2 (2010-11) promises to be particularly difficult as we anticipate further significant cuts in public expenditure to be implemented by Treasury that year against the background of the global recession.

Grant-in-aid funding and running cost targets for year three (2011-12) will be covered by the next government Spending Review and all the indications are that this too will be a tight settlement for bodies in the DCMS sector.

By meeting our 2008-09 running cost target we have made a significant contribution to maintaining the Rate Per Loan at its existing level of 5.98 pence and we will aim to meet our 2009-19 target with the same hope in mind. To meet the running cost targets set for us we have had to take some difficult decisions on work priorities and staffing levels. We have sought to identify areas of development work and added-value activities that are not strictly essential to meeting our core statutory responsibilities and which can therefore be discontinued. This exercise has provided scope to reduce the present staff complement by the equivalent of 4 posts, mainly through redundancies, and this, along with some limited restructuring of management roles, is being phased in during 2008-09 and 2009-10.

As we introduce these changes we will be reviewing our work practices to identify alternative ways of working that will enable us to cope with fewer staff without impacting on service levels to authors and libraries more than is necessary. This has included bringing our two existing teams together into one Business Services Team to help spread work loads at busy times of year. Staff have undergone the necessary retraining to cover a wider range of duties and I am very grateful to all colleagues at PLR for their willingness to support this new approach which has proved its worth during the busy payment period in January this year.

We continue to see marketing as a core function, particularly the need to build public awareness of PLR and to ensure that authors know of the Scheme's existence and the potential benefits of registration. The 30th anniversary of the passing of the PLR Act in 2009 offers a number of opportunities to publicise PLR and its importance for authors and we already have several initiatives planned. It also allows us to strengthen our partnerships with key stakeholder organizations in the library and authors' rights sectors on whom we rely for help in promoting PLR and with whom we are planning a number of joint events in the coming year.

In this context we look forward to working with the Parliamentary All Party Writers Group in exploring the potential for PLR to be extended to provide remuneration for authors whose work is available in libraries in audio and ebook format and therefore outside the current PLR Scheme. We will also continue to promote take-up of the new LEWIS loans data service by library authorities following its roll-out to the public library community last year.

Our review of how we manage the Scheme has also embraced the role and activities of the PLR Advisory Committee which was first set up in 1982 to advise both the Registrar and government Ministers on the working of the Scheme. Following consultation with DCMS it was agreed that the Committee should be replaced by a smaller Board appointed by the Registrar himself with a more focused remit aimed at advising him in more detail on the management and future development of PLR. We expect the new Board to be up and running during 2009-10.

Scope for initiating new development projects over the period of the new Corporate Plan remains constrained by our reduced staffing and other resources. But we remain committed to completion of our work with the Library Council in Dublin for whom we are developing an Irish PLR system based on the UK model.

2. Aims of the Planning Process

The planning process starts in January each year and, following a series of discussions and consultations with staff, culminates in the production of the Corporate Plan which sets out our strategic programme for the following three years.

The key objective for each year of the Plan is to meet the targets set for us by our sponsor department, DCMS, in respect of the running costs of the Scheme. These key VFM targets are also central to our Funding Agreement with the Department for the current CSR period.

Initial planning meetings with the management team identify any potential new objectives and their impact on available resources and our ability to meet the core operational objectives of the organisation. The impact is fully assessed taking into account the staff and funding resources available. Agreement is then reached on the objectives to be set for the following three years, the main focus being placed on the immediate year ahead – the Business Plan.

The proposed plan is documented and communicated to staff through full team meetings and the Registrar's Annual Review (mid March). These occasions provide the opportunity to promote discussion and collect ideas from the full PLR staff team.

Once finalised, the Corporate Plan is posted onto OSCAR (PLR's intranet) for easy reference for staff. Copies are sent to DCMS, internal and external auditors and Audit Committee members. The Business Services team will then identify and document team objectives within operational areas. Team objectives are also posted onto OSCAR. Progress against the team objectives are monitored and discussed at each of the bi-monthly team meetings. Following the performance appraisal round in early spring, staff and their line managers will identify personal objectives and training needs to enable them to achieve team objectives and ultimately the strategic objectives detailed in the Business Plan.

The PLR team has a number of statutory functions which must be undertaken annually. These are detailed in the core objectives and supported by development objectives, managed by the Registrar and set out in the Plan. A well thought out planning process will identify PLR's key objectives and priorities and successfully communicate them to all staff. This will help to reduce the risk of delay or failure due to misunderstanding. In the event of unplanned circumstances affecting the plan, the management team will be better placed to re-assess priorities at any time during the year.

Each corporate objective is made up of many parts and there are risks and other issues which can affect our success. We have detailed them below and provided some background to the work involved. Development objectives are given a priority rating in the Business Plan so that the Registrar and his team can make a clear decision on priorities in the event of resource or other unforeseen problems. Any objective given 'project' status will be overseen by a designated Senior Responsible Owner and managed using basic PRINCE2 procedures to emphasise the importance of the objective.

3. Funding Agreement Targets

The PLR legislation provides a closely circumscribed statutory framework within which the Registrar and his team have to operate. But within these constraints, the Scheme's importance for authors and the range of modernising initiatives undertaken by the PLR team provide a natural fit with several DCMS priorities and targets relating to improving efficiency and maximising the contribution of the creative industries to the UK economy. The Funding Agreement formalises the linkage between PLR's objectives and activities and DCMS's wider remit, and identifies key performance targets by which achievement of PLR's business deliverables and objectives can be measured. These measures are subject to formal reporting procedures with DCMS and regular monitoring by the PLR management team.

For more detailed information on DCMS' strategic aims, goals and public value outcomes please visit www.culture.gov.uk

2008 – 2011 Funding Agreement

As set out in section 3 of the Funding Agreement, by providing financial support to writers and other authors, PLR supports the following DCMS Departmental Strategic Objectives:

- DSO 2 - Support talent and excellence in culture, media and sport
- DSO 3 - Realise the economic benefits of the Department's sectors

Through its Value for Money (VFM) Delivery Agreement with HM Treasury, DCMS is committed to generating 3% VFM savings over the three-year period 2008-11, and PLR has therefore been asked to meet the following targets:

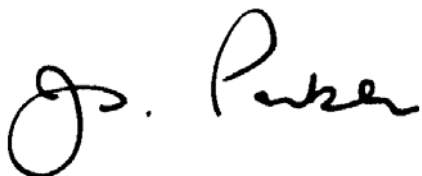
| | 2007-08 baseline | 2008-09 | 2009-10 | 2010-11 |
|----------------------------|---------------------|-----------------|------------|------------|
| VFM savings target (£000s) | 828 | 803 | 779 | 756 |
| Output | | Achieved | | |

The level of scrutiny adopted in monitoring performance during the period of this funding agreement will be commensurate with the outcome of regular joint risk assessment exercises. The documents relevant to this agreement and against which performance will be monitored are:

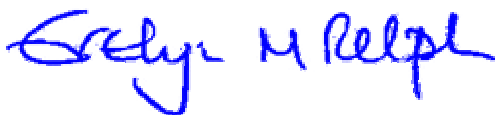
- Allocation letter
- Corporate Plan
- Annual Reports and Accounts
- Risk Assessment
- Management Statement / Financial Memorandum
- Statement on Internal Control
- Managing Public Money

4. Commitment to Achievement

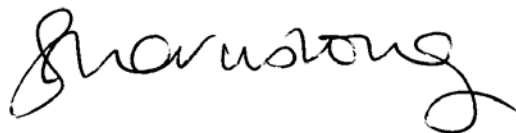
We, the management team at PLR, have been closely involved with the strategic planning involved in compiling the annual Business and Corporate Plan. We have had ample opportunity to contribute our ideas and discuss options with our colleagues and our team members. As such, we are fully committed to the aims of the plan which we feel are reasonable and attainable over the coming year. However, priorities may have to change in order to deal with any unforeseen circumstances.



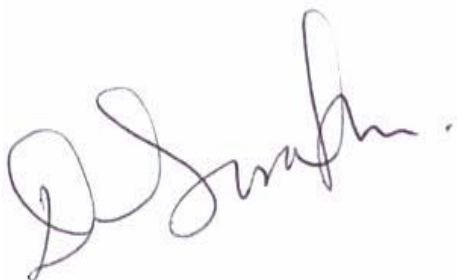
Jim Parker
Registrar



Evelyn Relp
Principal Finance Officer



Janine Armstrong
HR & Finance Manager



Darren Scrafton
IT Manager

5. Business Plan 2009 - 2010

Core Objectives

- 1) Support the Registrar in meeting the requirements of the CSR07 settlement including the VFM targets (£779,000) for administration expenditure thereby maximising funds available to authors (current estimate £6.8 million). Undertake payment calculations to meet target dates, principally completion of payments within the UK and overseas by 28 February 2010;
- 2) Manage PLR's service to authors to meet Scheme requirements, ensuring in particular that all applications for registration received by the closing date are completed by 31 August 2009; and aiming through PLR's marketing strategy to ensure that authors from all backgrounds are aware of their PLR opportunity;
- 3) Manage PLR's loans data collection system to meet Scheme requirements, in particular the introduction of 7 new authorities to the sample on 1 July 2009 and completion of data collection for 2008-09 in time for October 2009 payment calculations;
- 4) Provide financial, IT, human resources, facilities management and admin support services in order to support the delivery of front line services to clients/authors and other organisations (e.g. DCMS, NAO, internal auditors);
- 5) With DCMS finalise appointments to the PLR Management Board and with the new Board review the ongoing operation of the Scheme and plan for the future development of PLR;
- 6) Achieve annual audit approval for the robustness of PLR's control procedures and risk assessment to support the statement of internal control and in line with the Government Internal Audit Manual;

Development Objectives

- 1) Replace all IT hardware for workstation users and PLR database server;
- 2) Aim to meet target dates for development of the Irish PLR system in line with project plan agreed with the Library Council (P);
- 3) Continue with bedding in of structural changes and reassignment of work in light of changes in staff resource to meet VFM target expenditure. Continue to review and change supporting information;
- 4) Mark 30th anniversary of PLR Act (1979) with promotional events supported by external sponsorship aimed at enhancing awareness of PLR among authors and publicising the importance of the Scheme to authors' livelihoods;
- 5) Plan for Comprehensive Spending Review 2010;
- 6) Assist the Parliamentary All Party Writers Group (APWG) in making the case to DCMS for a review of the PLR legislation, and support DCMS in taking forward any emerging review.

6. Three Year Plan of Corporate Objectives (2009-2012)

Core Objectives

2009-2010 (Year 1)

- 1) Support the Registrar in meeting the requirements of the CSR07 settlement including the VFM targets (£779,000) for administration expenditure thereby maximising funds available to authors (current estimate £6.8 million). Undertake payment calculations to meet target dates, principally completion of payments within the UK and overseas by 28 February 2010;

| <i>Year</i> | <i>VFM Target</i> | <i>Authors Fund estimate</i> | <i>Date Paid</i> |
|----------------|-------------------|------------------------------|------------------|
| 2010-11 Year 2 | £756,000 | £6.9 million | 28.2.2011 |
| 2011-12 Year 3 | TBA | TBA | 28.2.2012 |

- 2) Manage PLR's service to authors to meet Scheme requirements, ensuring in particular that all applications for registration received by the closing date are completed by 31 August 2009; and aiming through PLR's marketing strategy to ensure that authors from all backgrounds are aware of their PLR opportunity;

| <i>Year</i> | <i>Closing Date</i> |
|----------------|---------------------|
| 2010-11 Year 2 | 30.6.2010 |
| 2011-12 Year 3 | 30.6.2011 |

- 3) Manage PLR's loans data collection system to meet Scheme requirements, in particular the introduction of 7 new authorities to the sample on 1 July 2009 and completion of data collection for 2008-09 in time for October 2009 payment calculations;

| <i>Year</i> | <i>New Authorities</i> | <i>Introduced by</i> |
|----------------|------------------------|----------------------|
| 2010-11 Year 2 | At least 7 | 1 July 2010 |
| 2011-12 Year 3 | At least 7 | 1 July 2011 |

- 4) Provide financial, IT, human resources, facilities management and admin support services in order to support the delivery of front line services to clients/authors and other organisations (e.g. DCMS, NAO, internal auditors);

- 5) With DCMS finalise appointments to the PLR Management Board and with the new Board review the ongoing operation of the Scheme and plan for the future development of PLR;

- 6) Achieve annual audit approval for the robustness of PLR's control procedures and risk assessment to support the statement of internal control and in line with the Government Internal Audit Manual;

Development Objectives

2009-10 (Year 1)

- 1) Replace all IT hardware for workstation users and PLR database server;
- 2) Aim to meet target dates for development of the Irish PLR system in line with project plan agreed with the Library Council (P);
- 3) Continue with bedding in of structural changes and reassignment of work in light of changes in staff resource to meet VFM target expenditure. Continue to review and change supporting information;
- 4) Mark 30th anniversary of PLR Act (1979) with promotional events supported by external sponsorship aimed at enhancing awareness of PLR among authors and publicising the importance of the Scheme to authors' livelihoods;
- 5) Plan for Comprehensive Spending Review 2010;
- 6) Assist the Parliamentary All Party Writers Group (APWG) in making the case to DCMS for a review of the PLR legislation, and support DCMS in taking forward any emerging review.

2010-11 (Year 2)

- 1) Complete development of Irish PLR system (P);
- 2) Seek Investors in People re-accreditation;
- 3) Replace 'OSCAR' (PLR's intranet) Server;
- 4) Make loans data available through LEWIS accessible online to authors using the online registration service;
- 5) Revisit PLR's EDRMS strategy with a view to agreeing approach for the integration of the Author Services records;
- 6) Research and prepare groundwork for IT system migration away from OpenRoad.

2011-12 (Year 3)

- 1) Perform IT system migration away from OpenRoad;
- 2) Implement decisions arising from 2010-11 review of EDRMS strategy;
- 3) Replace Web Server to support online registration.

7. Risk Management

During 2008 our internal auditors, Baker Tilly, performed a thorough audit of our systems for managing risk within PLR to ensure that our approach to risk and internal control successfully support our organisational goals and objectives and that our key performance indicators can be achieved.

The audit outcomes confirmed that PLR have a positive approach to areas such as regulatory requirements, effective anticipation and response to the changing economic environments and promoting the benefits of appropriate risk management throughout the organisation. The audit recommendations identified areas of improvements to the risk policy to reflect current practice and clarity in reporting procedures, to tighten up scoring scales and definitions and to merge the current registers into one to reflect the change in approach following the recent changes in the organisation. We have agreed to all the audit recommendations and are in the process of implementing them.

The RiskWatch data base lists the 5 key risks (see table 3 below) which the Registrar and management team feel are the greatest potential hazards which, if realized, could adversely affect the whole PLR operation. These risks and their controls are considered in depth by PLR's management team and the Audit Committee. Our current highest concern is with the safety of the confidential data held on our IT systems and within the office environment. We are confident that we meet all the requirements of the Data Protection Act and have introduced our own Information Security Policy based on recent government guidelines and best practice. This has been communicated to staff through awareness training and by continually emphasizing the importance of information security.

Following the reductions in resources from April 2008, another key risk is the reduced size of the PLR organisation and our ability to meet our statutory obligations and provide the best possible service to our authors. Through detailed budgeting and a restricted spending programme we are working hard to achieve our funding agreement targets on administrative expenditure. The reduced size of PLR brings an increased risk of maintaining the PLR process where so much reliance is placed on the skills of key staff. To mitigate this risk we continue to build on the effectiveness of our Business Continuity Plan with detailed succession planning for staff absences, in-house training and problem scenario testing. This enables us to effectively plan for problems as they arise and identify weaknesses which can be resolved quickly.

As we move into year 2 of the CSR07 spending round we are aware of the pressure on all government agencies and NDPBs to continue to find further efficiency savings. Although we strive to find further savings we must be aware and manage the risk of further reductions in funding and the impact on our operation.

The revised team structure within PLR will enhance risk assessment through better communication and greater understanding of the risks we face and will produce improvements and effective controls to successfully minimise risk.

8. Current Issues

In this section of the Business Plan we identify the risks and issues that have a bearing on our ability to achieve the objectives that fall in our main operational areas.

Services to authors and loans data sampling

Services to authors:

With the departure of staff last year we took the opportunity to review all our systems and procedures covering the services we provide to authors to help mitigate any risk of not being able to cope with workloads, particularly at busy times of year. This resulted in our discontinuing some non-essential procedures and providing training for colleagues in other areas of the PLR office to provide help with the high volume of enquiries generated during the payment period in January and February. This approach proved successful and has provided some further pointers to how we can ease the impact on our smaller team at peak times in future years. At other times of year we have been able to maintain the previously high levels of service offered to authors. A further change for 2009-10 will be the transfer of management responsibility for services to authors and loans data collection to the Registrar. To minimize the impact on author services and smooth the transition, the Registrar has been shadowing the outgoing Author Services Manager in the run up to the transfer of duties.

Take-up of the PLR online registration service (OLGA) by authors continues to grow. Over 7,000 authors now use the service and we expect this to increase in the coming year as around 70% of new authors already register online. Growing use of the online service (and our decision last year to stop sending statements to authors who had not qualified for a PLR payment) has reduced the work involved with printing and packing statements. But it has also had an impact on the types of queries received. In the busy January pre-payment period a substantial number of calls related to forgotten passwords and other issues related to accessing online accounts. This will have a bearing on the type of training provided to staff next year in dealing with this busy period with more emphasis on resolving the sorts of technical queries raised by online users.

Other issues include the continuing need to ensure that authors from all backgrounds are made aware of PLR's existence. Our Marketing Strategy is aimed at publicising PLR and within the context of our more limited resources of staff time we will aim to continue with our policy of alerting publishers and literary agents to the importance of informing new authors about PLR. We will also continue to explore ways to target BME authors and build on the work begun last year in identifying BME authors who could potentially apply for PLR.

With the current focus on security of personal data held by government agencies we remain vigilant to any attempt to access authors' data in the PLR database. An unusual case during the year involving an alleged attempt to divert an author's payment information to a third party. Following an investigation we were satisfied

with the robustness of our security procedures which are now documented in PLR's Information Security Policy.

Loans data sampling:

To help meet our overall running cost target we have made savings in the costs of loan data collection through the departure last year of one member of staff and by reducing the number of participating authorities to the minimum required by the Scheme. This is not ideal as previous studies have indicated that the larger the sample size the more representative it is. However, we remain alert to the possibilities of increasing the sample size by bringing in groups of authorities operating as consortia which seems to be a growing trend. We are also seeking simplification of the Scheme's outdated and over-prescriptive rules on management of the sample as part of a wider review of PLR currently being taken forward with the Parliamentary All Party Writers Group. The intention here is to make administration of the sample more efficient and cost-effective and to give us more flexibility to increase the sample size within existing running cost constraints.

We are also aware of a growing interest on the part of some commercial firms operating in the library supply area in developing services for library authorities based on using their loans data as management information. There are obvious areas of common interest here for PLR and the suppliers both in terms of data collection and the LEWIS service which was rolled out to the public library sector in September 2008. We will continue to be alert to the potential for PLR to take advantage of these emerging services as an alternative means of supplying the loans data that we require as a basis for calculating PLR payments.

Development of the Scheme

Our priority over the coming year will be to meet our statutory and other legal obligations while implementing the savings in running costs agreed with DCMS. Development of the Scheme will take second place to this, with particular emphasis on maintaining the high levels of service to authors for which we have become well known.

Any scope for initiating new development projects will be constrained by our reduced staffing resources. However, to discontinue all work of a development nature could endanger the continuing relevance of the Scheme, and run the risk of failing to take account of the growing number of alternative ways in which authors' works are accessed by the public in libraries. Last year we reviewed with DCMS the continuing need for an Advisory Committee providing broadly based advice to both Ministers and the Registrar on aspects of the operation of the Scheme. We agreed that the Committee should be replaced by a Management Board appointed by the Registrar and with a remit more closely focused on supporting the Registrar in his management of the Scheme and meeting the particular challenges that we face in the coming years.

Working with the Board and our principal stakeholder organisations we will be looking to stay abreast of new trends in library use, publishing and copyright to ensure that the Scheme reflects this changing world. This coincides with the 30th anniversary of

the 1979 PLR Act. We will be working with the Parliamentary All Party Writers Group to make recommendations to DCMS on the future direction of PLR, principally in relation to the digital revolution, and seeking agreement for a simplification and streamlining of the existing Scheme's provisions to support our efforts to further improve the cost-effectiveness and efficiency of the PLR operation.

We will continue with our project to develop an Irish PLR system based on the UK model on behalf of the Library Council in Dublin which has been given responsibility for PLR in Ireland. The project offers a first opportunity for us to make UK best practice available to another Member State through the development of a tailor-made and fully operational PLR system. The result will be a new PLR system from which UK authors stand to derive substantial benefits by way of payments. There are risks around our taking on a project of this type when our own resources have been reduced but we are using best-practice project management techniques to manage the project and have ensured that we commit to targets that are achievable within existing resources.

PLR's Marketing Strategy is at the heart of our planning process and aims to ensure that authors from every background are aware of their PLR opportunity. Planning for 2009-10 is focused on a programme of events to celebrate PLR's 30th anniversary to be organised in partnership with stakeholder organizations in the library and authors' rights sectors. Our aim will be to promote awareness of PLR among new authors and publicise the importance and value of PLR for authors.

Finance and Author Payments

A substantial amount of planning was undertaken prior to the current CSR period so that we could be confident of meeting the new efficiency cost targets as well as maintaining the Rate Per Loan to authors. We reviewed our accommodation provision, author services processes, procurement and suppliers, financial policies and staff numbers. We found efficiencies in all these areas and made significant savings allowing us to meet our running cost target and maintain the current RPL.

However this wasn't without difficulty and careful financial planning right up to year end. The uncertainty over when the income for the Irish project would be received, a change of government policy regarding the carrying forward of funds and a significant reduction in bank interest meant that we had to make even more savings than expected. A major risk here was committing to a Rate Per Loan which was dependent on income from the Irish PLR project which had not yet been received. The alternative was not to take account of unreceived income in calculating the Rate and being left with unspent surpluses at the year end. A careful balance between both positions needs to be maintained.

As we enter into year two of the current CSR period (2009-10) we are confident of maintaining the RPL. The increase in our GIA funding of £150K will support this. And we are committed to further reductions in our running costs.

Human Resources

Staff and structure

The redundancy strategy was put into place during 2008-09 and staff have come through this difficult period, coping well with the peaks of work that arise at author payment time. The merging of the Author and Corporate services teams and the willingness of staff to learn new skills and help out in unfamiliar roles helped us through this busy period.

The coming year will see the Registrar taking direct responsibility for services to authors and loans data collection and processing. This follows a long period of shadowing of the Author Services Manager by the Registrar prior to her departure and has paved the way for a smooth handover. To reinforce the move to a 'one team' approach colleagues from the former Author and Corporate Services teams now share the same work space.

Under the new arrangements, the Assistant Registrar's job title has been changed to that of Principal Finance Officer to better reflect her role.

Pay

In line with the National Pay Agenda a lower pay offer than the previous year proved unacceptable to staff during 2008-09 but was implemented by the Registrar. On the positive side Management continue to work with staff and unions to achieve a system which everyone is happy with and we enjoy good working relations with union officials. We will continue to review our pay systems to ensure they adapt as our workforce "makeup" changes as we go into a period during which there will be continuing pressure from government to keep pay settlements low.

Accommodation

Changes have been made to the First floor to facilitate better working and a one team approach. We will remain in the current premises until our lease runs out in 2014, before which another review will need to be undertaken. As for now, the current premises meet our business needs.

Health and Safety

During the year we met all our Health and Safety responsibilities. As tenants in Richard House we remain alert to any issues that require the attention of the landlord in an ageing building. A potentially serious incident in January 2009 was narrowly avoided. The electricity supply was found to be overloaded causing the electrics in the lift maintenance room to smoulder. A quick response by staff meant an electrician was on site before the incident got out of hand and no evacuation was necessary. A risk assessment was soon carried out and action taken to obtain assurances from the landlord that steps were being taken to ensure that the situation could not arise again.

Sustainable Development

We are committed to the government's priorities for sustainable development. We contribute to the targets for consumption and production and climate change/energy. We are limited by our tenancy of Richard House in the range of measures we can take but

have prioritised waste reduction, paper use and energy consumption are well bedded in to our everyday working practices and we have introduced carbon footprint monitoring. For 2007-08 our carbon footprint was calculated to be just under 34 tonnes. We improved this to 17.15 tonnes for 08-09 and will aim to reduce it again next year.

Resource Planning

With smaller PLR team we routinely work shadow within our HR and finance area of activity and will continue to support colleagues providing services to authors at busy times of year in line with the new one-team approach to working.

Training & Development

Over the reporting year staff have completed an average of 6 days training per person. This has mainly been internal, on-the-job cross training between staff involved in author services and HR and finance to enable the new office structure to bed in. It has also helped to emphasize the one-team approach and gives authors a better service as many queries can now be dealt with without the need to transfer the caller. Training has also been arranged to support people in their roles and to develop their skills. An example of this is IFRS training undertaken by the Registrar and Principal Finance Officer to prepare them for the substantial changes in our accounts necessary to bring them in line with the new regulations.

IT and e-Business

Irish PLR

The majority of our time has been spent on the creation of a new system for the Irish PLR Scheme. The first stage of the three stage project is to be live April 2009. This will enable the library loans data to be processed and checked from Ireland whilst UK PLR is providing the infrastructure and support for the software and the storage of the data.

The Service Oriented Architecture (SOA) approach was used to fully exploit a more intuitive and easier to support system and is based around the .NET development environment.

The timetable for the delivery has been tight and the uncertainty of requirements has had an impact on the development process, and meant other work has been postponed in order to get the system working for the Irish PLR.

The delivery of the next modules will be working towards helping the Irish have all the functionality required in their system to pay authors before the end of 2009. This is an ambitious goal to meet and leaves very little scope for those 'unforeseen' problems. The impact of applying resources more directly to the Irish PLR will see enhancements and new facilities for the UK system being put on hold until the Irish system is in place.

Business Continuity

The Technical Specialist has been trained more fully in the procedures and potential pitfalls that surround the PLR timetable, in order to provide additional support in the IT

Managers absence. This is an ongoing programme of development for the Technical Specialist.

Electronic Timecards

The implementation of an intranet based electronic timecard system was carried out, with the software developed internally to provide a more accurate and easier system of time logging than the previous spreadsheet system. This has proved very successful and will be further developed to incorporate additional facilities such as workflow based sickness and holiday forms.

Payment Statements

The production of a statement of author earnings is the culmination of all the work done by PLR and was previously a complicated task. We have now included a number of additional facilities to ease the production of the statements to remove the dependency on IT needing to be involved in the printing. The number of templates has also been reduced from 10 different options down to two, one for authors and one for assignees.

9. Review of Performance 2008-2009

| AUTHOR SERVICES | PROGRESS |
|---|---|
| <p>Complete by 31 August 2008 the registration of all application forms received on or before the closing date of 30 June 2008;</p> | <p>Achieved: All 7,514 applications and online transactions received before 30 June 2008 were registered by 31 July. This included 262 assignment forms.</p> |
| <p>Introduce 8 new library authorities to the 2008-09 sample on 1 July 2008; complete loans data collection from all the 2008-09 sample authorities in time for annual payment calculations in October 2008 as a basis for the February 2009 payments to authors. At the same time, reduce the size of the library sample in order to achieve efficiency targets;</p> | <p>Achieved: All new 2008-09 sample authorities provided satisfactory test data and went 'live' on 1 July 2008. All loans data collection for July 2007- June 2008 was completed in time for annual calculations. No loans data was lost during the year. The sample size was reduced from 41 to 30 authorities.</p> |
| <p>Achieve annual audit approval for the control systems in place for registration, assignment, sample selection and loans data collection.</p> | <p>Achieved: Audit approval achieved for all AS systems from both internal and external auditors with no significant recommendations.</p> |

| CORPORATE SERVICES | PROGRESS |
|---|---|
| <p>Support the Registrar in meeting the requirements of the CSR07 settlement including the VFM targets (£803,000) for administration expenditure thereby maximising funds available to authors (current estimate £6.6 million);</p> | <p>Achieved: VFM target of £803,000 achieved and £6.63 million made available to the author fund for distribution.</p> |
| <p>Undertake payment calculations to meet target dates, principally completion of payments within the UK and overseas by 28 February 2009;</p> | <p>Achieved: All payments to UK and overseas authors complete by 28 February.</p> |
| <p>Provide financial, IT, human resources, facilities management and admin support services in order to support the delivery of front line services to clients/authors and other organisations (e.g. DCMS, NAO, internal auditors);</p> | <p>Achieved: On target/met</p> |
| <p>Achieve annual audit approval for the robustness of PLR's control procedures and risk assessment to support the statement of internal control and in line with the Government Internal Audit Manual.</p> | <p>Achieved: Annual audit approval achieved with recommendations for improvement to some systems but no significant recommendations.</p> |

DEVELOPMENT OF THE SCHEME

With the PLR Advisory Committee plan for the future development of the Scheme taking account of current government policy, changes in the library and copyright scene and the interests of rightsholders whose creative works are freely borrowed;

Provide best practice advice to emerging PLR countries as resources permit with the aim of encouraging the development of reciprocal PLR arrangements with other national PLR schemes. Work towards the establishment of a separate authority to manage the international PLR network and relieve the PLR office of its current responsibility in this area;

Manage PLR's marketing strategy, including provision of loans data to public libraries and other agencies, and review current commitments in this area;

Plan structural changes and reassignment of work in light of changes in staff resource taking into account reductions to meet VFM target expenditure. Plan changes to office layout following changes in staff resource. Review procedures and other supporting documentation.

Resources permitting, reach agreement with the Irish Library Council for the provision of advice and expertise in the setting up of the Irish PLR system;

PROGRESS

On-going: The Committee was wound up at 31 December 2008 and replaced by a new Management Board. The Board will advise the Registrar on the operation of the Scheme and will take forward continuing work on ebooks.

On-going: Registrar advised on PLR conference in Romania, and on development of new PLR systems in Hungary, Croatia, Turkey and South Africa. Future governance arrangements for the international PLR network not yet finalised, but some aspects of website management have been delegated to other PLR offices.

On-going: Marketing strategy remained essential to PLR planning with successful publication of *Writers Talk*, media release 1 February 2009 and preparation for 30th anniversary of PLR Act in 2009.

Completed: Structural changes, office layout alterations, bringing AS and CS teams together and review of procedures all achieved by 31 March. Fine tuning of new systems will continue during 2009-10.

Ongoing: Specifications for new systems agreed with Library Council and work on loans data systems completed by 31 March. Work will continue during 2009-10.

ROSA - Revisit with the Advisory Committee and DCMS the recommendations arising from the review of the PLR legislation undertaken in 2006 (ROSA project) with a view to focusing on proposals most likely to contribute to modernising and streamlining the Scheme's administration;

Completed: Replaced by review of PLR by Parliamentary All Party Writers Group in consultation with the Registrar aimed at producing recommendations for DCMS Minister to consider during 2009-10.

Table 1 - Summary Projected Operating Costs & Author Payments

2009 - 2012

| Planning Year | Year 1 | Year 2 | Year 3 |
|--------------------------------|------------------|------------------|------------------|
| | 2009-10 Plan | 2010-11 Plan | 2011-12 Plan |
| <u>Income</u> | | | |
| Grant in Aid | 7,582,000 | 7,682,000 | 7,682,000 |
| Other | 5,500 | 8,000 | 8,000 |
| Total income | 7,587,500 | 7,690,000 | 7,690,000 |
| <u>Expenditure</u> | | | |
| Other operating charges | 314,889 | 292,830 | 281,066 |
| Staff Costs | 441,611 | 455,970 | 468,934 |
| Capital | 22,500 | 7,200 | 6,000 |
| Total Admin Expenditure | 779,000 | 756,000 | 756,000 |
| As % of GIA | 10.13 | 9.85 | 9.85 |
| Efficiency Cost Target | 779,000 | 756,000 | 756,000 |
| Other expenditure | 72,710 | 0 | 0 |
| PLR to Authors | 6,735,790 | 6,934,000 | 6,934,000 |

N.B. These figures fluctuate throughout the year


Table 2 – Key Business Risks at 1 April 2009

| <u>Risk Ranking : 1</u> | |  Threat to Registrar's ability to meet his statutory responsibilities under the PLR Scheme as a result of need to meet challenging running cost targets under PLR's CSR settlement for 2008/09-2010/11 and unplanned for changes to funding regulations by DCMS or HMT. | | | |
|---|-----|---|-------|--|--|
| Existing Controls | Sig | Prob | Score | Action Plan | |
| Ensure Registrar makes DCMS aware of impact of any proposed cuts; regular monitoring of agreed efficiency and VFM targets by management team and early identification of potential problems; monitoring of Scheme by Registrar's Management Board and Audit Committee. | 5 | 4 | 20 | Regular monitoring of progress against targets and of impact on workload of reduced staffing levels. Review all services to identify any that may be discontinued without being in breach of statutory functions. Be aware of work pressures at peak times of year and explore different ways for teams to support each other. Owner : James Parker Category : Financial | |
| <u>Risk Ranking : 2</u> | |  Security of stored documentation on internal and external systems being breached including by malicious attack. | | | |
| Existing Controls | Sig | Prob | Score | Action Plan | |
| Network permissions. Documents stored on need to know basis. EDRM retention schedules. Procedures in place. Audit trail. Firewalls. Authentication access. In built Audit into DORIS. Login procedures and password resets functions built into online system. Account lockouts for multiple login attempts. Encrypted communications (SSL). | 5 | 3 | 15 | DORIS utilised for storage of electronic documentation. Only details for users registered with online service have details uploaded to webserver. Full staff training completed in March 2008. Information Security Management Policy completed and awaiting implementation. Owner : James Parker Category : Strategic | |
| <u>Risk Ranking : 3</u> | |  Reliance on external support and service providers e.g. DCMS, Sample Libraries, DWP etc | | | |
| Existing Controls | Sig | Prob | Score | Action Plan | |
| For DCMS, and other non-commercial external suppliers of services, importance of building good working relations and ensuring suppliers understand our business and requirements of the PLR legislation. Regular contact. Check availability of services regularly e.g. post office. For commercial suppliers, using OGC approved/ recommended suppliers. Emphasis on good contractual terms. Maintain good working relations with suppliers. | 5 | 3 | 15 | Maintain effective working relations with all external contacts. Timetable significant milestones. Assess risk. Continue to review performance of 3rd party suppliers, take remedial action and re-tender when necessary. Owner : James Parker Category : Operational | |

| <u>Risk Ranking : 4</u> |  Failure by either party, to the Irish project, to meet contractual obligations agreed under the terms of the contract resulting in delayed payments or late deadlines. Risk to reputation of UK PLR if project fails/is late. | | | |
|--------------------------------|--|------|-------|-------------|
| Existing Controls | Sig | Prob | Score | Action Plan |

Basic PRINCE2 project planning methods used. Registrar is Senior Responsible Owner and takes broad overview. Risks and issues identified and monitored closely by Project Manager. Project plan communicated to all parties.

| | | | |
|---|---|----|--|
| 4 | 3 | 12 | Continue with high standard of project monitoring. Anticipate and plan for resource shortages. Maintain good working relationship with Irish PLR colleagues. Owner : James Parker Category : Operational |
|---|---|----|--|

| <u>Risk Ranking : 5</u> |  Resources inappropriate to deliver strategic objectives. Over reliance on Registrar and key staff. Inability to retain, recruit, train appropriate specialist staff. | | | |
|--------------------------------|---|------|-------|-------------|
| Existing Controls | Sig | Prob | Score | Action Plan |

Clear timetable for operational matters. Business continuity plan staff resource in place. Clear support roles in place. Clear documentation of IT matters/Programme specs. Long notice periods. Competitive salary package. Clear documentation across all depts. Staff BCP.

| | | | |
|---|---|----|---|
| 5 | 2 | 10 | Continuous development of support roles. Ensure full documentation of projects. Owner : James Parker Category : Strategic |
|---|---|----|---|

| <u>Risk Ranking : 6</u> |  Inability to ensure business continuity from various events including catastrophic (fire, flood, pandemic), loss of key staff and damage from break-in to office. | | | |
|--------------------------------|--|------|-------|-------------|
| Existing Controls | Sig | Prob | Score | Action Plan |

Business continuity plan: regular updates and walkthroughs: reviewed by Registrar and Management team in planning meetings. Other contingency plans include succession planning (e.g. Appointment of deputies for key posts), skills audits to identify skills vital for PLR business needs etc. Introduced scenario testing in 2006.

| | | | |
|---|---|----|--|
| 5 | 2 | 10 | Current detailed plan and training in place to cover changes to IT systems and to transfer the responsibility of running year-end jobs to managers. Training to be complete by May 2009. Owner : James Parker Category Strategic |
|---|---|----|--|

Annex 1 – PLR Charter and Mission Statement

PLR exists to give effect to the PLR Act (1979) and the PLR Scheme (1982) under which authors have a legal right to receive payment from government for the free lending of their books by public libraries.

This right is administered by the Registrar of PLR and his staff from offices in Stockton-on-Tees.

PLR is funded by the Department for Culture, Media and Sport and the Registrar is responsible to the Secretary of State for the administration of the Scheme. An Advisory Committee, appointed by the Secretary of State, advises her and the Registrar on the PLR operation, but has no formal responsibility for the Scheme.

To meet the statutory requirements of the PLR legislation and the policy requirements of the Department, the Registrar and his staff, functioning as Corporate Services and Author Services teams, undertake to do the following:

- manage the PLR Fund
- administer the Scheme's eligibility rules, and maintain a register of eligible authors, assignees and books
- manage PLR's public library sample and collect loans data on which to base payments to authors
- calculate annually the payments due to registered authors, notify them of the sums they are to receive and make the payments to them
- with the Advisory Committee review the continuing relevance, effectiveness and equity of the Scheme's operation, and make recommendations as appropriate to Ministers
- by the Scheme's support for authors and libraries, contribute to the Department's broader aims for improving the quality of life for all through cultural activities and strengthening the creative industries; help raise the UK's profile abroad by playing a leading role in the extension of the PLR principle internationally.

PLR's aim is to provide an excellent service to all our stakeholders making annual payments to writers and other creators whose works are freely available in libraries. We will achieve this by maintaining a highly skilled team and making efficient use of all our resources.

Annex 2 – Organisation Chart

| Management Team | Business Services Team |
|---|--|
| <p data-bbox="97 577 261 613">Registrar</p> <p data-bbox="97 920 539 956">Principal Finance Officer</p> <p data-bbox="97 1048 555 1084">HR & Resources Manager</p> <p data-bbox="97 1272 296 1308">IT Manager</p> | <p data-bbox="663 577 879 613">Registrar's PA</p> <p data-bbox="663 651 927 687">Library Specialist</p> <p data-bbox="663 725 1007 761">Registration Specialist</p> <p data-bbox="759 799 1054 835">Registration Officer</p> <p data-bbox="759 873 1054 909">Registration Officer</p> <p data-bbox="663 1055 1046 1090">Business Support Officer</p> <p data-bbox="759 1128 1182 1164">Business Support Assistant</p> <p data-bbox="871 1202 1118 1238">Admin Assistant</p> <p data-bbox="663 1272 967 1308">Technical Specialist</p> |