

Report on the  
Public Lending Right  
Scheme  
and  
Central Fund Account  
2011 - 2012



# Public Lending Right

## Report on the Public Lending Right Scheme and Central Fund Account 2011-2012

Report presented to Parliament pursuant to Section 3(8) of the Public Lending Right Act 1979.

Account of the Public Lending Right Central Fund presented to Parliament pursuant to Section 2(6) of the Public Lending Right Act 1979.

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## Contents

### **Preface**

The Secretary of State for Culture,  
Olympics, Media and Sport

### **Registrar's Annual Review**

<b>Overview</b>	5
<b>Author and Corporate Services</b>	6
a) Author and Book Registration	
b) Loans Data Collection	
Table 1: Library Sample	
c) Finance	
d) Human Resources	
e) Accommodation and Security	
f) Sustainable Development	
g) Information and Communication	
Technology	
<b>Payments to Authors</b>	10
Table 2: Payment Distribution	
<b>Development of the Scheme</b>	12
<b>Summary of Performance against</b>	13
<b>Funding Agreement Targets</b>	
<b>Public Lending Right</b>	15
<b>Central Fund Account 2011-12</b>	

## Preface

It gives me great pleasure to lay before Parliament this report on the operation of the Public Lending Right (PLR) Scheme for 2011-12.

In this, the twenty-ninth year of the PLR Central Fund, the PLR Registrar, Dr Jim Parker, and his team have continued to provide an excellent service to authors and I thank them for their dedication and professionalism. In the current economic climate, the 15% decrease in PLR's resource grant-in-aid budget over this spending period represents a fair settlement, however, one that is not without its challenges, and I am pleased that Dr Parker has been successful in keeping the costs of running the Scheme below the cap set by my Department.

It is encouraging to read in the Registrar's review that new and innovative ways of working continue to be adopted to help improve and streamline the administration of the Scheme. I am also pleased to see that the popularity of the online registration system continues to grow, and that the level of registrations is at a high as a result of successful publicity for the Scheme, with this year seeing the registration of the 50,000th author.

I would like to congratulate Dr Parker and his team for successfully effecting Irish PLR payments to authors resident in the UK this year, and also for accepting a greater role in the running of the Irish scheme next year. Not only is Irish PLR of benefit to a number of UK authors, but the income generated supplements the PLR funding available for payments.

Finally, in what I recognise is a period which presents significant challenges for Dr Parker and his team, I look forward to working with the PLR team in the interests of authors to safeguard the

future of the Scheme.



**Rt Hon Jeremy Hunt MP**  
Secretary of State for Culture,  
Olympics, Media and Sport

## Overview

This Report covers the first year of our current four-year Funding Agreement with the Department for Culture, Media and Sport (DCMS). Following the government's Comprehensive Spending Review in 2010 we received a funding settlement of £7.2 million for 2011-12. This will fall by 15% in real terms over the four year period covered by our Funding Agreement with DCMS to £7 million in 2014-15. Under the Agreement our principal objective is to cap the running costs of the Scheme at their 2010-11 level of £756,000 in each year covered by the Agreement. Our other objectives are linked closely to administering a number of key statutory functions which make up PLR's annual cycle of author and book registration; collection and processing of data on public library book loans; payment calculation and distribution.

During 2011-12 we were successful both in completing all the work required of us by the Scheme and in keeping the running costs of the Scheme below the cap set for us by DCMS. Indeed, we were able to identify some further administrative savings which, taken with the income derived from our support for the Irish PLR system, went some way towards offsetting the overall reduction in funding. This enabled us to make payments to authors this year at a rate of 6.05 pence.

Overshadowing our management of the Scheme has been the continuing uncertainty over the future governance arrangements for PLR. In October 2010 the government announced its intention to abolish the PLR organisation and transfer responsibility for the PLR operation to another existing public body. The Public Bodies Act, which gives Ministers powers to effect these changes, received royal assent in December 2011. The Act requires DCMS Ministers to undertake a

public consultation on their proposals for PLR's future administrative arrangements. [A 12-week consultation was launched on 8 May 2012.]

Pending a decision on the future administration of the Scheme we have been reluctant to commit to development objectives that may involve long-term commitments. It was therefore only after considerable discussion and risk evaluation that we accepted an invitation to take on an expanded role in the day-to-day administration of the Irish PLR scheme. This followed the decision by the Irish government to abolish The Library Council which had responsibility for PLR in Ireland. Key considerations for us were the extent to which UK authors benefit from the Irish system, and our existing knowledge of Irish PLR following our involvement in its design and implementation.

We see such ventures in income generation as ways of exploiting our technical expertise and reputation for best practice in the international PLR arena to supplement the PLR funding available for payment to authors. We therefore felt it was an opportunity worth taking, initially on a one-year contractual basis pending decisions on our own future operational arrangements. At the end of the financial year we had completed the preparatory work required to take on this enhanced role and look forward to our first year of operations.

Other innovations this year have included the contracting out of the printing and despatch of payment statements to authors. Using the government's centralised procurement service we contracted with UK-Mail to undertake this work on our behalf. This new approach helped us reduce costs and free up front-line staff time.

I would like to pay tribute to PLR colleagues for their continuing professionalism and dedication to providing authors with the best possible service in a difficult period as we await decisions from the government on the future of the PLR operation.

## Author and Corporate Services

### a) Author and Book Registration

To qualify for PLR authors must be resident within the European Economic Area and fulfil the Scheme's requirements for eligibility. Authors must apply for registration and submit their PLR applications either electronically or on our standard printed application form. These applications need to be received here at the PLR office before the end of the PLR year on 30 June.

Over 1,700 new writers, illustrators, editors and translators registered for PLR during the year. This high level of registrations – 29% higher than the annual average over the last decade – continues to reflect the success of our publicity and marketing initiatives. We have put particular emphasis over the last year on working with publishers to help alert new authors to the existence of PLR and with specialist authors' organisations in fields such as crime writing, garden design and romantic fiction. It was satisfying to mark the registration of PLR's 50,000th author this year. In the coming year we aim to explore the potential offered by social media to promote the existence of PLR among authors and to alert them to key dates in the annual PLR timetable.

Our online registration service continues to prove popular with authors. During the year 75% of new authors registered online and over 78% of applications for book registration were submitted electronically. At 30 June 2011 the number of authors who had applied to use PLR's online service and therefore had access to their annual payment information through our website rose to 12,129 from 10,592 in June 2010 (a 14.5% increase). This brought savings in staff time and IT resources by reducing the number of payment statements that we had to generate for distribution to authors.

Our strategy of training staff across the whole PLR office to deal with a range of front-line Author Services tasks continues to work well. Finance, HR and IT colleagues have been able to help with authors' telephone queries and technical issues arising from use of our online registration service. This is proving vital at key times of the year when there are peaks of work.

In the interests of reducing costs and streamlining administration we also reviewed the PLR Register to identify authors who had not received a PLR payment in the last ten years. Many of these had died or no longer had books available in public libraries. The PLR legislation allows for such registrations to be removed. We identified over 4,000 authors who fell into this category and who were duly removed from the Register. Among the benefits of this exercise was a saving of the equivalent of one day's computer processing in the time needed to generate payment statements for authors each year. (Any author removed from the Register by this process is at liberty to re-register at any time.)

### b) Loans Data Collection

The other main responsibility of our Author Services team is the management of the PLR public library sample. This involves selection of new sample library authorities to meet the Scheme's rules on rotation; working with the selected authorities to ensure that all the appropriate ICT and other systems are in place to enable PLR to collect book loans data; and managing the collection of data from the sample authorities during the PLR loans year. Data is received in monthly and two-monthly batches from sample authorities and accumulated by PLR during the PLR year, 1 July to 30 June,

in preparation for the annual 'grossing up' procedures in the autumn. Incoming data must be received, validated, processed and stored on the PLR system.

Loans information for the February 2012 payments came from 35 library authorities across the UK (see Table 1 below for details) and was submitted during the year 1 July 2010 to 30 June 2011. The data collected represented around 19% of all book loans from public libraries in the UK.

Loans data from all 35 authorities was successfully collected and processed in time for the payment calculations in October. At the end of the sampling year seven library authorities were replaced in accordance with the Scheme's rules on rotation. For the 2011-12 sampling year it has proved possible to extend the range of the sample by increasing its size to 42 authorities through the inclusion of consortia such as Libraries West. In these cases PLR can collect loans data at no extra cost from several authorities sharing the same IT system. Payments for books lent out during 2011-12 will be made in February 2013.

Close working relations with public libraries are essential for the efficient and timely collection of the loans data required for calculating the payments made to authors under the PLR Scheme. In recognition of the contribution made by public libraries to the success of the PLR system we provide them with free online access to the unique database of information on book borrowing trends provided by our LEWIS system. Some 140 authorities across the whole of the UK, representing 68% of all library authorities, now use this service.

Table 1  
**Sample Library Authorities**  
 2010/11 and 2011/12

<b>England</b>	
Brighton & Hove*	Blackburn with Darwen
Cornwall*	Lancashire*
Sheffield*	Staffordshire*
Stockton-on-Tees*	Suffolk
Surrey*	Warwickshire
<b>Metropolitan Districts</b>	
Rotherham	Sefton
Sunderland	
<b>Greater London Boroughs</b>	
City of London	Islington
London Consortium <i>(Barking &amp; Dagenham, Brent, Ealing, Enfield, Hackney, Havering, Newham, Redbridge, Richmond Upon Thames, Tower Hamlets, Waltham Forest, Wandsworth)</i>	
<b>Wales</b>	
Cardiff	Denbighshire and Flintshire
Monmouthshire	
<b>Scotland</b>	
East Ayrshire	Glasgow
Scottish Borders	
<b>Northern Ireland</b>	
Northern Ireland Library Authority <i>(replacing the five former library boards in Northern Ireland)</i>	

Authorities marked \* were replaced in July 2011 by:

*East Sussex*  
*Essex (with Southend and Thurrock)*  
*Libraries West (Bath and North-East Somerset, Bristol, North Somerset, Somerset, South Gloucestershire)*  
*Middlesbrough*  
*North Yorkshire*  
*Northamptonshire*  
*Salford*  
*Telford and Wrekin*



### **c) Finance**

Our four-year funding settlement from DCMS arising from the government's 2010 Comprehensive Spending Review provided for grant-in-aid of £7.2 million for 2011-12 falling by 15% to a figure of £7 million in 2014-15. Our Funding Agreement with DCMS capped our running costs at £756,000 for each year of the Funding Agreement period. This figure represented the target figure for running costs in 2010-11 set for us by our previous Funding Agreement which was itself achieved by reducing administrative costs by 3%.

To maintain running costs within this cap has proved demanding for a body of PLR's size given the major savings that we have already achieved in previous years. However, we were successful in keeping running costs within the capped figure and making some additional savings. These additional savings, plus income from support provided to the Irish PLR system, enabled us to supplement the funding available for payment to authors by £51,000.

Part of our success in achieving these financial targets has been down to concentration on financial planning and budgeting. The message from government over the past year is that financial planning is vital to ensure that arm's length bodies like PLR should not end the year with an overspend or underspend, and that any in-year changes in financial forecasts should be reported at the earliest opportunity. In-year movement of funds between administrative and programme expenditure must be cleared in advance with sponsor departments and there is much less flexibility at individual body level to carry unspent funding forward from one financial year to the next. Managing the PLR Fund and taking decisions as early as September on

how much funding can be allocated to author payments and how much will be required for administrative expenditure to the end of the financial year is always difficult. But these decisions have proved particularly challenging this year in the context of the new financial constraints.

In reducing running costs we have been concentrating our efforts on using the new centralised government (e-market place) procurement service to make savings in purchases and services. The use this year of UK-Mail to distribute all payment statements electronically to UK-Mail's local depots to be posted out locally and of Travelex to make international PLR payments provided savings in staff time and costs.

### **d) Human Resources**

There have been no changes in personnel at the PLR office since the staff reductions in 2008-09. This continuity in staffing has proved invaluable. We have relied heavily on the specialist skills and experience of PLR team members to manage the existing PLR operation while preparing for an expanded role in supporting administration of the Irish PLR system from 1 April 2012. Despite the uncertainty about the future administration of the UK PLR Scheme staff have risen to these challenges admirably.

During the year we implemented changes in response to new or updated legislation including the Bribery Act, the Equality Act and the Public Sector Equality Duty. We also introduced a Social Networking policy to modernise our procedures on bullying and harassment, and on information security procedures. We have begun thinking about the Human Resources issues

that are likely to arise from the transfer of PLR responsibilities to another body with a view to formulating a transition strategy when key decisions on our future are made by DCMS Ministers.

2011-12 was the second year in which public sector pay was frozen. However, we were able to make some non-consolidated pay awards within the government guidelines to staff to reflect high levels of performance. Within the rules on pay restraint we were also able to meet our pay progression obligations for staff who had not yet reached their 'rate for the job' pay level and whose annual pay fell below the prescribed threshold.

We have established some core training needs which we meet on an annual basis such as pensions training for all staff, and updates on business continuity and employment law. We also support staff in meeting individual training needs or in response to changing procedures or new objectives. Examples this year include training following the introduction of the Bribery Act, project training in preparation for administration of Irish PLR and procurement training for finance staff following the launch of the Government e-market place. In total, staff received an average of six days training each.

### **e) Accommodation and Security**

During the year we met our responsibilities for PAT testing, fire safety and risk assessment and identified no significant risks. We continue to maintain the office to a high standard and to have repairs carried out quickly.

We reviewed and updated our Business Continuity Plan and undertook 'scenario' testing both with the

management team and their individual deputies. Innovations this year included copying key parts of the PLR system onto a laptop kept securely offsite in case of extended loss of access to the main PLR system. As a result of the training we have also decided to use PLR's electronic *Dropstop* facility to house information in a secure environment which can then be accessed remotely.

In terms of IT Business Continuity we have extended encryption to all data held on external hard disk backups. And we have introduced regular checks on the recoverability of key files from the backup devices.

The lease for our office accommodation in Richard House expires in November 2014. Dependent on how long the PLR operation is to be based here there is scope to downsize our present accommodation and realise further savings in rental. But more detailed discussions with the landlord must await decisions on our future operational arrangements.

#### **f) Sustainable Development**

For an organisation of our size operating from leased office accommodation, we are already achieving a lot in terms of sustainable development. Equipment is switched off when not in use; we recycle most of our waste; we purchase recycled goods wherever possible; and we have paper-saving policies in place. In the last of these areas we have made good progress in recent years by expanding the range and take-up of our electronic services: 78% of applications for book registration are now processed online, as are 94% of payments made to authors. As noted earlier in this Report, payment statements to authors which had in previous years been

processed, printed and despatched from the PLR office were this year uploaded electronically to UK-Mail. They were subsequently distributed electronically to UK-Mail's local depots and posted out from there. Our carbon footprint for 2011-12 was 24.82 tonnes (22.4 tonnes in 2010-11).

#### **g) Information and Communication Technology**

Last year we replaced PLR's web server. The new server increases the storage capacity and overall performance of the websites hosted by PLR at our service provider in Newcastle. We completed the 'gap' analysis outlined in last year's Annual Report and made good progress in building into our PLR system software a number of improvements in functionality that had emerged during our design of the Irish PLR system. This work is now due to be completed during 2012-13.

The replacement of our existing Content Management System by a more flexible and up-to-date application has been extended into 2012-13 due to our giving priority to preparations for providing administrative support to Irish PLR. Our contract with UK-Mail has required substantial involvement from our IT team in amending our systems to enable payment statements to be uploaded and distributed electronically.

## Payments to Authors

As part of PLR's annual operational cycle the PLR computer calculates a rate per loan on which payments to authors are based. The rate is derived from dividing the money available in the PLR Fund by the total number of loans of books registered for PLR.

As a result of the reduction in PLR's grant-in-aid the funding available for payment to authors in February 2012 was £6,513,278, some £231,000 less than in the previous year. This was reflected in the resulting rate per loan recommended to DCMS Ministers by the Registrar which was 6.05 pence, a slight fall from the previous year's rate (6.25 pence).

Ministers undertook a public consultation on the recommended rate of 6.05 pence prior to laying a Statutory Instrument in Parliament to confirm the new rate. After analysis of the feedback from the consultation Ministers decided to accept the Registrar's recommended figure.

DCMS took advantage of the consultation to seek stakeholders' views on PLR's minimum (£1) and maximum (£6,600) payment thresholds. Raising or lowering of the thresholds can have an impact on the level of the rate per loan. Ministers decided not to make changes to the thresholds this year. But several respondents expressed themselves open to a raising of the minimum payment threshold to a more realistic figure to allow the Registrar to make some further savings in payment costs. PLR's Management Board is committed to reviewing the thresholds this year and will be making recommendations to Ministers before next year's payments distribution.

We decided this year to employ UK-Mail to handle the production and despatch of the payment statements that we

are required by the PLR legislation to distribute to registered authors in advance of payment. This contracting out of the work removed the need for the in-house PLR team to print, pack and despatch the statements from the PLR office, a task that has in the past taken some six weeks to complete. Another benefit of outsourcing printing and despatch has been the opportunity it provided to delay processing the statements until nearer the payment date thus allowing more time to incorporate amendments to personal details received from authors.

There was an increase this year in the total number of payments made to authors, up from last year's figure of 23,366 to 23,716. We completed another successful author payment distribution and for the first time made use of Travelex, the world's leading foreign exchange specialist, to process almost £200,000 worth of international PLR payments. Using Travelex reduced time, administration and costs and we hope to move all Euro cheques over to this method before next February.

We also successfully effected Irish PLR payments to authors resident in the UK as part of the support service we provided to the Irish Library Council and we now look forward to playing a greater role in the running of Irish PLR over the next year. A breakdown of the February payments to authors by payment band is provided in Table 2 opposite.

Table 2  
**Payment Distribution**

23,716 authors and assignees (23,366 in 2010-11) qualified for payments. The numbers of authors in the various payment categories were as follows:

<b>Authors Earning:</b>	<b>2011-12 29th Year</b>	<b>2010-11 28th Year</b>
£6,000.00 - £6,600.00	246	263
£5,000.00 - £5,999.99	67	93
£2,500.00 - £4,999.99	393	366
£1,000.00 - £2,499.99	826	877
£500.00 - £999.99	956	938
£100.00 - £499.99	3,640	3,649
£50.00 - £99.99	2,082	2,186
£1.00 - £49.99	15,506	14,994
<b>Total No of Authors</b>	<b>23,716</b>	<b>23,366</b>
<b>Expenditure</b>	<b>6,513,278</b>	<b>6,744,601</b>

An analysis of the distribution of money for the twenty-ninth year to authors by payment category shows:

	<b>£</b>	<b>%</b>
£6,000.00 - £6,600.00	1,613,414	25
£5,000.00 - £5,999.99	369,800	6
£2,500.00 - £4,999.99	1,364,443	21
£1,000.00 - £2,499.99	1,301,892	20
£500.00 - £999.99	679,628	10
£100.00 - £499.99	844,651	13
£50.00 - £99.99	148,440	2
£1.00 - £49.99	191,010	3
<b>Total</b>	<b>6,513,278</b>	<b>100.00</b>

## Development of the Scheme

Understandably our thinking over the last year on future directions in which the Scheme might be developed has been constrained as we await a decision on PLR's future governance arrangements. But we live in a period of great change in the publishing, library and copyright sectors and it is important that the PLR team and the PLR Management Board continue to take a lead in considering the implications of these changes for PLR in the longer term.

We have been monitoring the growing availability and use of ebooks in public libraries. There remain a number of issues to be resolved with publishers over licensing terms but statistics on ebook use are now published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and record over 200,000 'loans' during 2010-11. The changing ways in which authors' works are accessed through libraries was recognised two years ago by the last government in the Digital Economy Act. This enabled the extension of the PLR Scheme to include loans of audio books and certain categories of ebook. Implementation of these changes has been postponed by the present government given the current constraints on public spending. But authors continue to be excluded from remuneration from the PLR fund for the public's use of their work in these formats in libraries, and under current arrangements public libraries are required to negotiate licences with rights holders of these works. We remain confident, therefore, that it will prove possible to return to these issues in the not-too-distant future.

With DCMS we continue to monitor the situation across the UK as local authorities respond to the need to reduce public expenditure by introducing different models for public

library governance and operation. The use of volunteers to staff libraries is emerging as one means by which staff costs can be reduced and several authorities in the current PLR sample have taken this approach. While the local authority retains overall statutory responsibility for the branches manned by volunteers PLR continues to apply. However, should a library branch closed by a local authority be reopened by a voluntary or other group outside the statutory service PLR would not apply and thought would need to be given to how authors would be remunerated in such a situation.

We will also remain open to opportunities for income generation to supplement the government funding that we have available for payment to authors. As described earlier in this Report we accepted an invitation from the Irish government to take on an expanded role in supporting administration of the Irish PLR system, initially on the basis of a one-year contract. Dependent on decisions by our own government on the future management of the UK PLR Scheme, there may be scope to continue this cooperative arrangement with the Irish PLR authorities and to offer similar support to other emerging national systems if asked.

Internationally we aim to continue to play a leading role by coordinating the International PLR Network, promoting the UK PLR approach as a model of best practice and providing objective advice to countries looking to set up PLR systems for the first time. With eight European countries now proving willing to make PLR payments to UK authors through our partner organisation, the Authors' Licensing & Collecting Society (ALCS) we feel our international work continues to pay dividends to British authors. A

record number of countries – 31 in all – attended the 9th International PLR Conference in Brussels in September 2011 which we helped to organise. During the year we have provided technical and best practice advice to a number of countries starting out on the road towards establishment of PLR systems. These have included Albania, Cyprus and Malta.

In tackling all of these issues we continue to benefit from the support of the PLR Board which represents all PLR's principal stakeholder groups and provides advice to the Registrar and his team across the full range of PLR functions.

## Summary of Performance against Funding Agreement Targets

This interim Funding Agreement between the Department for Culture, Media and Sport and Public Lending Right (PLR) runs from 1 April 2011. The Agreement and PLR's Financial Memorandum and Management Statement will remain in force until they are replaced by a framework document

### Financial Allocation

PLR's allocations for 2011-12 to 2014-15 are as set out in the Secretary of State's letter of 20 October 2010 and in any subsequent letters which update the allocations.

### Priorities

The Secretary of State's letter of 20 October 2010 sets out his priorities for this Spending Review period. He expects:

- That PLR will not exceed their administration cap of £0.756m
- That PLR will aim to reduce administration spend during 2011-12

Officials will work with PLR to prepare and deliver the effective transfer of the organisation into another body and will support the Registrar through the transition period.

### Compliance

PLR will undertake to:

- Comply with all relevant legislation;
- Comply with its Management Statement and Financial Memorandum;
- Observe the requirements of *Managing Public Money*.

The Department will expect PLR to comply with the latest controls issued by the Department, which are currently set out in 'Implementing the Additional Spend Controls and Authorisations 2011'. Changes to controls will be notified in writing as and when they

occur.

### Performance and Monitoring

PLR will supply DCMS each year with regular financial information. This information, together with Annual Reports and further reports PLR prepares in relation to progress against its own corporate priorities, will be used to monitor performance.

### Achieved

During 2011-12 PLR did not exceed the administration cap set by the Secretary of State and was able to add an extra £42,000 of efficiency savings from the grant-in-aid allocation to the author fund to supplement the rate per loan.

# Public Lending Right Central Fund Account

2011 - 12

# Public Lending Right

## Central Fund Account 2011-2012

### MANAGEMENT COMMENTARY

These are the accounts for the twenty-ninth year of the Public Lending Right (PLR) Central Fund and cover the annual payments due to authors at 31 March 2012.

#### History and Statutory Background

The Public Lending Right Act 1979 established a right for authors to receive remuneration from public funds in respect of their books lent out from public libraries. The calculation of library loans is estimated from a sample of public libraries where issues are recorded electronically and processed by local authority computers before transmission to the Registrar's computer at Stockton-on-Tees.

The details of eligible books, eligible authors, and payment calculations are set out in The Public Lending Right Scheme 1982, as amended in 1983, 1984, 1988, 1989 and 1990. The consolidated text appears in Statutory Instrument 1990 No 2360. Further amendments were made in Statutory Instruments 1991 No 2618, 1993 No 799, 1996 No 3237, 1997 No 1576, 1998 No 1218, 1999 Nos 420, 905, 3304, 2000 Nos 933, 3319, 2001 No 3984, 2002 No 3123, 2003 No 839, 2003 No 3045, 2004 No 1258, 2004 No 3128, 2005 No 1519, 2005 No 3351, 2006 No 3294, 2009 No 3259, 2011 No 54, 2012 No 63.

The Public Lending Right Management Board advises the Registrar on the operation of the Scheme but has no formal responsibility for the overall performance of PLR. Appointments to the Board are made by the Registrar. Details of the Board's membership at 31 March 2012 are provided in Annex A.

#### Review of Activities

The twenty-ninth year's operations are described in the PLR Annual Report which includes the statutory report on the operation of the Scheme laid before Parliament by the Secretary of State for Culture, Olympics, Media and Sport. We successfully processed all applications for PLR registration from authors and loans data from the 35 authorities in our 2010-11 public library sample in time for rate per loan calculations in October 2011 and payment distribution in February 2012. In October 2010 the government announced plans to abolish the PLR office and to transfer the management of the PLR Scheme to another existing public body. Powers to effect these changes were included in the Public Bodies Act which received royal assent in December 2011. At 31 March 2012 no decision had been taken on which body will take over responsibility for PLR pending a public consultation on the government's proposals. [A 12-week public consultation was launched on 8 May 2012.]

#### Financial Review

PLR seeks to maximise the amount of grant-in-aid made available for distribution to authors. We continue to seek efficiency savings in all aspects of our management of the Scheme and were successful in keeping the running costs of the Scheme below the cap of £756,000 set for us by DCMS in our Funding Agreement. However, the current funding climate meant that it was not possible to maintain or increase the rate per loan in 2011-12.

#### Payments to Authors

PLR's core funding from DCMS was £7.21 million (£7.45 million in 2010-11). As noted above the funding available for payment to authors was less than in the previous year for the reasons given resulting in a reduced rate per loan of 6.05 pence (6.25 pence in 2010-11). A total sum of £6,513,278 (£6,744,601 in 2010-11) was made available from the Central Fund for paying out to 23,716 (23,366 in 2010-11) authors. 82% of the Fund was distributed in payments of £500 or more.

Expenditure includes £43,793 still to be paid at the year end because the address of some authors is unknown to PLR, or their assignees have not made probate claims. There were 11,175 (11,470 in 2010-11) authors whose books earned no payment. A further £25,936 is a separate PLR reserve which may be used to supplement the Central Fund. The PLR reserve is made up of amounts held as creditors and subsequently renounced by authors, or unclaimed and undistributed after six years (see Note 9).

#### Fixed Assets

No land or buildings are owned. No funds are accumulated for the replacement of other assets. Future replacement will need to be financed from funds voted in the year of acquisition.

Movements on fixed assets are set out in Note 12 to the financial statements.

#### Payment of Creditors

The Registrar has adopted the prompt payment code which aims to pay 80% of invoices received within 5 working days. In 2011-12, 100% of creditor invoices were paid within 30 days (2010-11, 99%), with the average payment time being 3.19 days (88% paid within five working days). Every effort is also made by PLR to effect payments to authors on the annual date fixed by the Registrar. However, as a result of failure by



authors to notify PLR of changes in address or bank details, and of other circumstances outside the control of the Registrar, it may not always be possible to make payment. In such cases, the Registrar is required to hold payments as debts due to the authors concerned for up to six years during which period all reasonable efforts are made by PLR to effect payment.

The Public Lending Right Scheme has suffered no protected personal data incidents during 2011-12 or prior years and has made no report to the Information Commissioner's office.

#### **Superannuation**

The PCSPS is a "pay-as-you-go" statutory unfunded pension scheme. In accordance with Section 40 of the Social Security Pensions Act 1975 such schemes are exempted from the need to set up funds. The liability to pay pensions is underwritten by an understanding that in accordance with existing legislation, in particular the Superannuation Act 1972, the Government is obliged to provide benefits to members of such schemes in accordance with their respective rules.

#### **Results and Appropriations**

The Fund is distributed after deduction of the Registrar's remuneration, administrative costs, and payments to local authorities.

#### **Staffing Matters**

The Registrar of Public Lending Right is committed to promoting effective consultation and communications with his staff. PLR has one operational team which meets regularly to discuss matters relating to PLR's activities. Additionally, staff are briefed on matters discussed at management meetings. PLR recognises the Public and Commercial Services Union for the purpose of collective bargaining.

The Registrar of Public Lending Right makes every effort to employ disabled people in suitable employment and gives full and fair consideration to applications for employment of disabled people.

Average number of days absence per employee due to sickness was 2.80 (2.38 in 2010-11).

#### **The Euro**

The activities of Public Lending Right are mainly within the United Kingdom. Exposure to transactions denominated in the Euro occurs in respect of authors resident overseas. These are treated no differently from transactions in any foreign currency. Public Lending Right's systems are accordingly already Euro-enabled.

#### **Social and Community Issues**

The PLR Scheme provides social and community benefits through its support for authors and public libraries. PLR payments sustain the livelihoods of the country's authors and thereby support the creative economy. A successful creative economy ensures the continued supply of new books to public libraries which play a vital role in community life by providing free access to information, learning and enjoyment to people from all social groups and backgrounds.

#### **Auditors**

The audit of the Public Lending Right Central Fund accounts is carried out by the Comptroller and Auditor General under section 2(6) of the Public Lending Right Act 1979.

As far as the Registrar is aware, there is no relevant audit information of which PLR's auditors are unaware.

The Registrar has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that PLR's auditors are aware of that information.

*J G Parker*  
Registrar  
26 June 2012

## Annex A

### PLR Management Board

The members of the Management Board during the year were:

Dr James Parker, OBE (Chairman)

Ms Tracy Chevalier

Ms Meg Davis

Mr David Philip

Mr Martin Palmer

None of the Management Board members received any remuneration from PLR. However, members are reimbursed for expenses incurred in fulfilling their duties. None of the Management Board members had any significant interests which conflicted with their PLR responsibilities. Details of any significant interests would be recorded on the PLR website.

### PLR Audit Committee

The members of the Audit Committee during the year were:

Mr Brian Dawson (Chairman)

Mr Philip Chamberlin

Dr James Parker, OBE

## Remuneration Report

### Registrar's Salary and Superannuation

As specified in the Act, the Registrar's own remuneration and superannuation costs are charged directly against the annual grant-in-aid of £7,206,000 for 2011-12 (£7,451,000 in 2010-11). As they are not made from the Central Fund, they do not appear in these accounts. A reconciliation to the grant received is shown at Note 2. In 2011-12 the total deduction was £86,395 (2010-11, £85,972).

The Registrar is appointed by the Secretary of State for Culture, Olympics, Media and Sport. He is employed on the basis of a five-year appointment (renewable) and the terms of his appointment are as set out in the schedule to the PLR Act 1979 and his letter of appointment.

A remuneration committee meets annually to assess the Registrar's performance and, if appropriate, to recommend to Ministers a pay award on the basis of criteria set out in the terms of reference provided by DCMS. The whole of any annual pay award to the Registrar is performance-based. Pay awards to the Registrar are dependent on the approval of DCMS Ministers. The committee acts in consultation with DCMS whose advice on wider government pay policy informs the committee's annual recommendations.

The Registrar provides the committee with an annual report setting out in detail his success in meeting key performance indicators agreed with DCMS. The committee may call for further information if required.

Members of the Committee during the year were:

Ms Tracy Chevalier (Chairman)  
Ms Meg Davis  
Mr David Phillip

The Registrar's appointment was renewed for a period of up to five years from 1 August 2011 the length of the appointment being dependent on when the Registrar's position is abolished under current government plans to transfer PLR responsibilities to another public body.

The Registrar's notice period is three months and any termination payments would be in accordance with contractual terms.

*The information in the remainder of the remuneration report is subject to audit*

The Registrar's total remuneration is determined by DCMS. It consisted of a basic salary of £63,257. The Registrar accepted a non-consolidated bonus this year of £2,530 but did not receive a consolidated increase in salary. (2010-11 total emoluments were made up of £63,257 basic salary and £2,530 non-consolidated bonus.) The Registrar's superannuation costs were £13,790 and are charged at 21.8% of annual salary.

Registrar's Pension	Real increase in pension at 60	Real increase in related lump sum at 60	Accrued pension at 60 at 31 March 2012	Accrued lump sum at 60	Cash equivalent transfer value		
					As at 1 April 2011	As at 31 March 2012	Real increase in year
	£'000	£'000	£'000	£'000	£'000	£'000	
Dr James Parker, OBE	0 - 2.5	1 - 3.5	15 - 30	65 - 80	548	582	0

During the year the Registrar received no benefits in kind (nil in 2010-11).

Pension benefits are provided through the PCSPS. Further pension disclosures are made in Note 21. The above table shows the cash equivalent transfer values (CETV) accrued at the beginning and end of the reporting period and the increase in CETV effectively funded by the employer. The closing CETV balance reflects transferred in rights from the Registrar's previous employment.

A CETV is the actuarially assessed capitalised value of the pension benefits accrued by a member at that point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV would be the payment made by a pension scheme to secure pension benefits in another scheme if the member chooses to transfer the benefits accrued to another scheme. The CETV includes the value of any pension benefits which have been transferred in to the PCSPS. They also include any additional benefit accrued as a result of the member's purchase of additional years of pension service at their own cost. The actuarial factors used to calculate CETVs were changed in 2011-12. The CETVs at 31 March 2011 and 31 March 2012 have both been calculated using the new factors for consistency. The CETV at 31 March 2011 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The remuneration of the highest-paid director in Public Lending Right in the financial year 2011-12 was £65,787 (2010-11, £65,787). This was 2.6 times (2010-11, 2.5) the median remuneration of the workforce, which was £25,365 (2010-11, £25,349).

In 2011-12, no (2010-11, none) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £52,122 to £14,910 (2010-11, £52,122 - £14,431).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

**Management Board Members**

None of the Management Board members had any significant interests which conflicted with their PLR responsibilities. Details of any significant interests would be recorded on the PLR website.

*J G Parker*

Registrar

26 June 2012

## RESPONSIBILITIES OF THE REGISTRAR

Under section 2(6) of the Public Lending Right Act 1979, the Registrar, as Accounting Officer, is required to prepare a statement of accounts for the Public Lending Right Central Fund for each financial year in the form and on the basis determined by the Secretary of State for Culture, Olympics, Media and Sport, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Central Fund's state of affairs at the year end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Registrar is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the accounts direction issued\* by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Central Fund will continue in operation.

Under Section 2(1) of the Public Lending Right Act 1979, the Central Fund is placed under the management and control of the Registrar who is also responsible for the keeping of proper records. The Accounting Officer of the Department for Culture, Media and Sport has designated the Registrar as the Accounting Officer for the use of, and expenditure from, the Central Fund. As Accounting Officer he has overall responsibility for the propriety and regularity of the Public Lending Right Central Fund finances for which he is answerable to Parliament and for the keeping of proper records. His responsibilities as Accounting Officer are set out in the Statement of Accounting Officer's Responsibilities issued by the Treasury and published in the *Government Financial Reporting Manual*. The Accounting Officer of the Department for Culture, Media and Sport is the Accounting Officer for remuneration paid to the Registrar.

\* A copy of the accounts direction can be obtained from the following address: Public Lending Right, Richard House, Sorbonne Close, Stockton-on-Tees, TS17 6DA.

*J G Parker*  
Registrar  
26 June 2012

# GOVERNANCE STATEMENT

## 1. Introduction

The Governance Statement replaces and extends the Statement on Internal Control in previous PLR Annual Reports and Accounts. It provides an overview of the arrangements for management of the PLR Scheme and PLR's systems of internal control, and management of PLR's key risks during 2011-12.

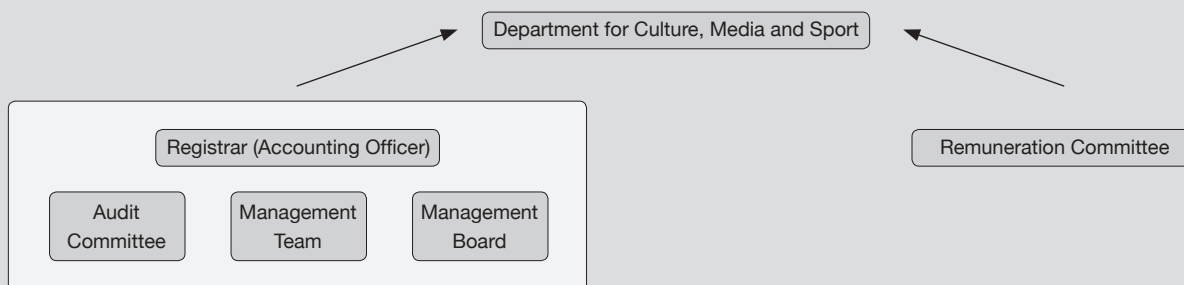
## 2. The Governance Framework

The Public Lending Right Act (1979) created a legal right for authors to receive payment from public funds for the free lending out of their books from public libraries. The Act made provision for the establishment of a Central Fund to cover the running costs of the PLR Scheme and payments to authors. Under the Act full responsibility for the Central Fund and administration of the Scheme is vested in a Registrar who has corporate sole status. The legislation does not make provision for a PLR board.

The Registrar is Accounting Officer for the PLR Central Fund. He is appointed by, and is directly responsible to, the Secretary of State for Culture, Olympics, Media and Sport (the Culture Secretary) for administration of the PLR Scheme. In meeting these responsibilities, the Registrar is supported by an (advisory) Management Board and an Audit Committee. A Remuneration Committee advises DCMS on matters relating to the Registrar's pay.

The Scheme is administered by the Registrar and a small specialist team of managers and staff (9 FTE posts). The small size and discrete nature of the PLR operation enables the Registrar to maintain close overall responsibility for the day-to-day management of PLR. PLR's operational structure ensures that there are clear reporting lines to the Registrar from managers and staff. This is supported by regular progress reports at management team and staff meetings.

PLR's governance framework is illustrated in the diagram below:



## 3. Arrangements for Reporting to DCMS and to Parliament

The Registrar's Funding Agreement with DCMS sets out PLR's funding settlement, the priorities identified by the Culture Secretary for PLR and the means by which the Registrar's performance against these priorities will be judged in the current spending review period. PLR's Funding Agreement targets, and a number of other operational objectives, are included in PLR's Business and Corporate Plans. The performance of the Registrar and his team against Funding Agreement targets is monitored by DCMS by means of PLR's monthly financial outturn reports and through periodic progress meetings with DCMS officials in the course of each year.

The performance of the Registrar and his team against Funding Agreement and Business Plan objectives is reviewed at each meeting of the PLR Audit Committee and Management Board.

The Culture Secretary, in turn, is directly accountable to Parliament for PLR under the PLR Act (1979). The Act requires the Culture Secretary to report to Parliament annually on the operation of the PLR Scheme. The Registrar provides substantial input into this report. The annual report and annual accounts of the PLR Central Fund (which the Registrar is required by the PLR Act to prepare) are laid before Parliament after auditing by the National Audit Office.

## GOVERNANCE STATEMENT (cont'd)

### 4. Operation of PLR's Governance Arrangements

#### 4.1 Management Board

The Management Board provides advice to the Registrar in his administration of the PLR Scheme. The Board is a non-statutory committee and has no formal responsibility for the operation of PLR.

The Board has a prescribed structure (determined by DCMS). It consists of a Chair (the Registrar), PLR's Chief Finance Officer and four other external members. Two members are appointed by the Registrar in accordance with public appointment principles; and two are nominated by stakeholder organisations representing authors and librarians. Details of the Board's membership during 2011-12 are provided in Annex A.

The Board normally meets twice each year but met only once during 2011-12 as the usual June meeting was brought forward to March 2011. Ms Davis was unable to attend the 2011-12 meeting. Additionally, the Registrar may call on members between meetings for advice on specific PLR issues as required.

The Board's Terms of Reference, Code of Practice and Members' Register of Interests are available on the PLR website.

During 2011-12 the Board provided advice to the Registrar on a range of matters relating to the operation of PLR. These included planning for PLR's future governance arrangements in light of government plans to abolish the PLR body; reviewing the rate per loan and PLR's upper and lower payment thresholds; improving awareness of PLR among published authors; and preparations for administering the Irish PLR scheme.

All papers presented to the Board are drafted or checked personally by the Registrar. Data submitted to the Board comes from PLR systems which are subject to independent internal and external audit checks. The Board has not raised any concerns over the quality of the information it receives.

The Board has been in operation since 2009 having replaced the PLR Advisory Committee. In its first years it has been developing its advisory role. To improve effectiveness the Board receives regular written updates from the Registrar between meetings to help Members stay abreast of significant developments; and the Board meets at the PLR office in Stockton-on-Tees every second year to enable members to be updated on system developments. The Board has not undertaken a formal review of its effectiveness as an advisory body, but it will be reviewing its current and possible future role during 2012-13 in preparation for the planned implementation by DCMS of PLR's new governance arrangements from 1 April 2013.

#### 4.2 Audit Committee

The Audit Committee assists and advises the Registrar on issues of risk, control and governance, and associated assurance.

The Committee consists of three members: two external non-executive members appointed by the Registrar in accordance with public appointment principles, one of whom chairs the Committee, and the Registrar as Accounting Officer. Details of the Committee's membership during 2011-12 are provided in Annex A.

The Committee normally meets twice a year, but additional meetings may be called if circumstances require. During 2011-12 the Committee met twice, in June and November 2011. All three members attended the June meeting; the Chair missed the November meeting through illness.

The Committee's Terms of Reference, Code of Practice and Members' Register of Interests are available on the PLR website.

During 2011-12 the Committee reviewed internal audit reports on key PLR systems including author and book registration, loans data collection, payment calculation and distribution, high-level financial controls and fraud policy. To improve its effectiveness the Committee also receives at its meetings reports from the Registrar on key issues and summaries of matters discussed at Management Board meetings. Between Committee meetings the Registrar circulates regular updates to members.

Papers and reports presented to the Committee are drafted by the Registrar, or by the internal and external auditors. Data in these reports derives from PLR systems which have been subject to independent internal and external audit checks. The Committee has not raised any concerns over the quality of the information it receives.

#### 4.3 Remuneration Committee

The Remuneration Committee advises DCMS in relation to the Registrar's pay. It reviews the Registrar's performance annually against Key Performance Indicators and may make recommendations to DCMS for the award of a performance-related bonus.

The Committee has a prescribed structure (determined by DCMS). It consists of a Chair and three other members. The Chair and two of the

## GOVERNANCE STATEMENT (cont'd)

members are appointed from the Management Board. The fourth (ex-officio-member) is PLR's Head of Human Resources. Details of the Committee's membership during 2011-12 are provided in the Remuneration Report.

The Registrar has responsibility for appointing the Chair. The Chair appoints the two other Committee members in consultation with the Registrar. The Committee normally meets once a year.

### 5. Risk Management

#### 5.1 Identification of risks

Risk evaluation informs our actions in managing risks efficiently and effectively as we implement our plans to achieve future objectives. Risks are evaluated using a risk assessment matrix of likelihood and impact. We have incorporated risk management into PLR's strategic planning and decision making processes. The Registrar takes personal responsibility for PLR's key corporate risks which are set out in PLR's Risk Register.

To meet the challenges that we have encountered over the last 12 months, we have focused heavily on emerging risks and have ensured that risk awareness takes a high priority throughout the organisation. Risk is an ever-present agenda item at PLR staff and management meetings and we encourage all our staff to contribute to the identification, assessment and treatment of risks. The Risk Register is reviewed at every management team, Management Board and Audit Committee meeting.

Given the narrow focus of the PLR Scheme and the inter-relationship of all our key statutory functions we have chosen not to align individual objectives with particular risks. Each objective is vulnerable to impact from all or any of the key risks identified in the Plan. Our key organisational risks are detailed in PLR's Risk Register. A summary of these key risks and our approach to managing them is provided below.

#### 5.2 Key risks

The government announced its intention in October 2010 to transfer the Registrar's statutory responsibility for the PLR Scheme to another existing public body thereby abolishing the PLR body as a separate organisation. A decision by Ministers on PLR's future governance arrangements is now expected later in 2012 following a public consultation exercise. We have identified a risk of disruption to the PLR operation during the transfer of responsibilities to another body. This could result in restructuring of staff and services and loss of key staff. As soon as a decision on PLR's future is known we shall give priority to finalising a comprehensive transition plan aimed at minimising the risk of disruption.

As a small organisation we rely heavily on external stakeholders and service suppliers to support our operations such as the provision of funding by DCMS and the monthly supply of loans data by public library authorities. Disruption to any of these services could impact on our management of PLR. We mitigate these risks by establishing formal arrangements with service suppliers on what is expected from both parties, by building and maintaining good working relationships with all our service providers, and seeking early warning of any potential problems.

Our funding settlement following the 2010 Comprehensive Spending Review caps our administrative spending at 2010-11 levels for each year of the new 2011-15 Spending Review period. This remains a challenging target and the need to find new areas of savings carries with it the risk of impact on existing services to authors. Careful budgeting and planning are vital here along with a continuing emphasis on exploiting new technologies to reduce costs.

We rely heavily on our small team of experienced specialist staff. The uncertainty about PLR's future operational arrangements adds to the risk of losing key people. Our succession plans and cross-training policies are designed to lessen the risk of operational problems arising from staff absences or departures.

Other key risks include the security issues involved in holding large amounts of personal information about authors registered for PLR both in physical and electronic format. We have detailed security policies in place to mitigate the risk of breaches of security and review these regularly with internal audit and the Audit Committee.

None of these are new risks this year. But the risks arising from the current uncertainty over PLR's future governance arrangements pending a decision from DCMS, and the possible impact on services to authors should we need to find further savings in running costs to meet the targets set for us by DCMS, both require ongoing and close monitoring to take account of new developments.

The potential abolition of the PLR body also creates a material uncertainty over the PLR body's ability as an entity to continue to operate in its current form. (See Note 1.)



## GOVERNANCE STATEMENT (cont'd)

### 5.3 Audit findings and assurance

As Accounting Officer the Registrar has overall responsibility for maintaining a sound system of internal control that supports the achievement of PLR policies, aims and objectives. At the same time he aims to safeguard the public funds and assets for which he is personally responsible in accordance with the responsibilities assigned to him in Managing Public Money. He ensures compliance with the requirements of PLR's Framework Document. A key element here is our use of comprehensive budgeting systems, with an annual budget approved by the Registrar.

PLR's system of internal control is designed to manage risk to a reasonable level rather than to eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. It takes account of Treasury guidance and is based on a process designed to:

- (a) identify the principal risks to the achievement of PLR policies, aims and objectives;
- (b) evaluate the nature and extent of those risks; and
- (c) manage them efficiently, effectively and economically.

The Registrar's assessment of the effectiveness of the system of internal control in place at PLR is informed by the work of the internal auditors; PLR's executive managers who have responsibility for the development and maintenance of the internal control framework; and comments made by the external auditors in their annual reports. The Registrar is also guided in this regard by the Audit Committee which advises him on the effectiveness of PLR's internal control systems.

PLR has been using the services of Baker Tilly to provide internal audit services, operating to standards defined in the Government Internal Audit Standards. The Registrar contributes to the drawing up of an annual Audit Plan which is then approved by the Audit Committee. Baker Tilly provides the Registrar with six-monthly and annual reports on those systems identified in the Plan and these are then presented to the Audit Committee. During 2011-12 the Plan provided for 24 days of internal audit which has been undertaken by Baker Tilly. The internal auditor's reports include their independent view on the adequacy and effectiveness of PLR's system of internal control, as well as on progress in implementing recommendations made in previous financial years.

External audit is undertaken by the National Audit Office in line with an Audit Strategy agreed with the Registrar and presented to the Audit Committee at the beginning of the year. To support their audit of PLR's accounts the National Audit Office undertook on-site investigation of PLR's financial systems and also made use of testing of PLR systems and controls undertaken by Baker Tilly during their internal audit. The National Audit Office's findings are presented to the Registrar and the Audit Committee in the form of an annual report.

For the financial year 2011-12 Baker Tilly found that PLR had adequate and effective risk management control and governance processes to manage the achievement of the organisation's objectives.

In addition to overall annual audit assurance and regular block reports on which to base its advice, the Audit Committee receives copies of PLR's Corporate Plan and other strategy documents; details of key risks and lists of other evidence used by the Registrar to assess the robustness of PLR control systems; and regular progress reports on PLR's implementation of outstanding audit recommendations. The PLR Management Board also reviews PLR's Risk Register and any Priority One internal audit findings.

### 6. Assurance

In light of the evidence available to me, I believe that PLR has had all the necessary risk management and review processes in place throughout 2011-12.

*J G Parker*  
Registrar  
26 June 2012

## **PUBLIC LENDING RIGHT CENTRAL FUND**

### **The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament**

I certify that I have audited the financial statements of the Public Lending Right Central Fund for the year ended 31 March 2012 under the Public Lending Right Act 1979. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### **Respective responsibilities of the Registrar and auditor**

As explained more fully in the Statement of Responsibilities of the Registrar, the Registrar, as Accounting Officer, is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Public Lending Right Act 1979. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Public Lending Right Central Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Public Lending Right Central Fund; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Public Lending Right Central Fund's affairs as at 31 March 2012 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Public Lending Right Act 1979 and the Secretary of State for Culture, Olympics, Media and Sport's directions issued thereunder.

#### **Emphasis of matter**

Without qualifying my opinion, I draw attention to the disclosures made in Note 1 to the financial statements concerning the application of the going concern principle in the light of the Government's announcement in 2010 to abolish the Public Lending Right body and transfer responsibility for management of the scheme to another existing public body. Public consultation on this proposal began in May 2012 and any decision to abolish would be subject to legislation. There is therefore uncertainty over the Public Lending Right body's ability to continue to operate in its current form.

#### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Secretary of State for Culture, Olympics, Media and Sport's directions issued under the Public Lending Right Act 1979; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

#### **Report**

I have no observations to make on these financial statements.

*Amyas C E Morse*  
Comptroller and Auditor General  
28 June 2012

National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London SW1W 9SP

**PUBLIC LENDING RIGHT CENTRAL FUND**

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2012

			2011-12	2010-11
	Note	£	£	£
<b>EXPENDITURE</b>				
<b><u>Administration</u></b>				
Staff Costs	3	(346,181)		(339,538)
Depreciation	12	(23,465)		(21,558)
Other Operating Charges	4	(253,831)		(255,342)
Irish PLR Project Expenditure	7	(10,183)		(15,399)
<b><u>Programme</u></b>				
Public Lending Right to Authors	6	(6,513,278)		(6,744,601)
			<b>(7,146,938)</b>	<b>(7,376,438)</b>
<b>INCOME</b>				
Other Operating Income	5	-		200
Irish PLR Project Income	7	12,742		16,019
Transfer from PLR Reserve	9	1,060		
			13,802	16,219
<b>Operating Deficit</b>			<b>(7,133,136)</b>	<b>(7,360,219)</b>
Interest received	11	842		1,562
<b>Net expenditure after interest</b>			<b>(7,132,294)</b>	<b>(7,358,657)</b>
Corporation Tax	10		(680)	(458)
<b>Net expenditure for the Financial Year</b>			<b>(7,132,974)</b>	<b>(7,359,115)</b>

The income and expenditure relate to continuing activities.  
The notes on pages 31 to 40 form part of these accounts.

**PUBLIC LENDING RIGHT CENTRAL FUND**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

		31 March 2012	31 March 2011
	Note	£	£
<u>None Current Assets</u>			
Property, plant and equipment	12	12,497	35,962
Total Non-Current Assets		12,497	35,962
<u>Current Assets</u>			
Trade and other receivables	14	27,438	25,607
Cash and cash equivalents	15	194,717	162,641
Total Current Assets		222,155	188,248
<b>Total Assets</b>		<b>234,652</b>	<b>224,210</b>
<u>Current Liabilities</u>			
Trade and other payables	16	(156,843)	(139,854)
Taxation	10	(680)	(458)
Total Current Liabilities		(157,523)	(140,312)
Non-current assets plus/less net Current assets/liabilities		<b>77,129</b>	<b>83,898</b>
<b>Assets less liabilities</b>		<b>77,129</b>	<b>83,898</b>
<u>Taxpayers' equity</u>			
General Reserve		51,193	64,562
Public Lending Right Reserve	9	25,936	19,336
		<b>77,129</b>	<b>83,898</b>

The notes on pages 31 to 40 form part of these accounts.

*J G Parker*  
Registrar  
26 June 2012

**PUBLIC LENDING RIGHT CENTRAL FUND**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2012

		2011-12	2010-11
	Note	£	£
<b>Cash flows from operating activities</b>			
Net deficit after interest		(7,132,294)	(7,358,657)
Depreciation	12	23,465	21,558
Decrease/(Increase) in trade and other receivables	14	(1,831)	(1,459)
(Decrease)/Increase in trade payables	16	16,989	10,760
(Decrease)/Increase in PLR Reserve	9	<u>6,600</u>	<u>8,426</u>
Net cash outflow from operating activities		<u>(7,087,071)</u>	<u>(7,319,372)</u>
Tax Paid		<u>(458)</u>	<u>(5,876)</u>
<b>Cash Flows from investing activities</b>			
Purchase of property, plant and equipment	12	-	<u>(7,183)</u>
Net cash outflow from investing activities		-	<u>(7,183)</u>
<b>Cash Flows from financing activities</b>			
Grant from DCMS (Net of Registrar's costs)	2	<u>7,119,605</u>	<u>7,365,028</u>
Net Financing		7,119,605	7,365,028
Net increase/(decrease) in cash and cash equivalents in the period	15	32,076	32,597
Cash and cash equivalents at the beginning of the period		<u>162,641</u>	<u>130,044</u>
Cash and cash equivalents at the end of the period		194,717	162,641

The notes on pages 31 to 40 form part of these accounts.

**PUBLIC LENDING RIGHT CENTRAL FUND**

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2012

	General Reserve	PLR Reserve	Total
	£	£	£
<b>Changes in taxpayers' equity 2010 -11</b>			
Balance at 31 March 2010	58,649	10,910	69,559
Net transfer to PLR Reserve	-	8,426	8,426
Net Expenditure	(7,359,115)	-	(7,359,115)
Grant from DCMS (see Note 2 for Registrar's costs)	7,365,028	-	7,365,028
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2011	64,562	19,336	83,898
<b>Changes in taxpayers' equity 2011-12</b>			
Balance at 31 March 2011	64,562	19,336	83,898
Net transfer to PLR Reserve	-	7,696	7,696
Net Expenditure	(7,132,974)	(1,096)	(7,134,070)
Grant from DCMS (see Note 2 for Registrar's costs)	7,119,605	-	7,119,605
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2012	51,193	25,936	77,129

## PUBLIC LENDING RIGHT CENTRAL FUND NOTES TO THE ACCOUNTS AT 31 MARCH 2012

### NOTE 1 STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2011-12 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Public Lending Right for the purpose of giving a true and fair view has been selected. The particular policies adopted by Public Lending Right are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In October 2010 the Government announced its intention to abolish the PLR body and to transfer responsibility for management of the PLR Scheme to another existing public body. In May 2012 DCMS began a 12-week public consultation on this proposal. Pending completion of this process, IAS 1 requires management to disclose that the potential abolition of the PLR body creates a material uncertainty over the PLR body's ability as an entity to continue to operate in its current form. The Registrar understands that it is DCMS's intention to complete the consultation and have secondary legislation in place to implement Ministers' decisions on PLR's future governance arrangements by 31 March 2013. However, this will be dependent upon the outcome of the consultation and upon the requisite legislation being passed. The uncertainty surrounding this outcome means that the Registrar considers it appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements. The government has confirmed its continuing commitment to funding the statutory PLR scheme as contained in PLR's current funding settlement from DCMS for the period 2011-15.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

##### Assets and Depreciation

PLR has no property assets. Items of IT and office equipment and fixtures and fittings costing in excess of £1,000 are added to the tangible assets register. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less the estimated residual value of each asset, over its expected useful life. Depreciation is charged from the date the asset comes into use. Items under £1,000 are expensed in the year of purchase. Items over £1,000 are depreciated over 3 years for computer and office equipment and 10 years for fixtures and fittings. Depreciated historical cost is used as a proxy for current value for named classes of assets (where appropriate). From 1 April 2012 PLR will increase the capitalisation threshold for non-current assets from £1,000 to £5,000.

##### Foreign Exchange

PLR earnings to authors living outside the UK are made in Euros. Payments will be converted to Euros from Sterling at the rate that applies on the day on which they are paid from PLR's bank account.

##### Tax

The tax expense represents the current tax expense.

The tax currently payable is based on deposit account interest received and profit from any trading activities undertaken by PLR. Taxable profit may differ from accounting profit as reported in the net expenditure account because it excludes items of income and expense that are taxable or deductible. The liability for current tax is measured using tax rates that have been enacted or substantively enacted by the balance sheet date.

PLR is not registered for VAT and therefore all costs are shown inclusive of VAT where VAT has been charged.

##### Grant Receivables

The FReM requires Non-Departmental Public Bodies (NDPBs) to account for grants and grant-in-aid as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs.

Grant-in-aid received from DCMS is credited directly to the general reserve after the Registrar's costs have been deducted.

#### Operating Income

Any net profit taken from trading activities undertaken by PLR will be added to the PLR author fund to supplement annual earnings.

#### Leases

Costs relating to operating leases are charged to the income and expenditure account over the life of the lease.

#### Employee Benefits

Costs relating to employee benefits are based on the level of accrued unpaid leave or other accrued employment rights outstanding at 31 March 2012. Costs for unpaid leave are calculated by multiplying employees' daily payment rate by the outstanding number of days. There are no employment rights outstanding.

#### Pensions

Past and present employees are covered by the provisions of the Principle Civil Service Pension Scheme (PCSPS). The defined benefit elements of the scheme are unfunded and are non-contributory except in respect of dependant's benefits. The Central Fund recognises the expected costs of these elements on a systematic and rational basis over the period during which it benefits from the employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

#### Financial Instruments

Financial assets and financial liabilities are recognised on PLR's balance sheet where PLR has become party to the contractual provisions of the instrument.

##### Financial Assets

###### *Trade Receivables*

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

###### *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits.

##### Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of PLR after deducting all of its liabilities.

###### *Trade Payables*

Trade payables are initially recognised at fair value.



**NOTE 2 HM GOVERNMENT GRANT**

	2011-12	2010-11
	£	£
Grant for PLR (DCMS RfR1)	7,206,000	7,451,000
LESS Registrar's Costs	(86,395)	(85,972)
	<u>7,119,605</u>	<u>7,365,028</u>

As specified in the Act, the Registrar's own remuneration and superannuation costs are charged directly against the annual grant-in-aid allocation. As they are not paid from the Central Fund they do not appear in these accounts.

The Registrar's Costs comprise the salary and National Insurance payments of the present Registrar.

The difference between the Registrar's salary and superannuation costs shown in the remuneration report of £79,577 (£79,577 in 2010-11) and the Registrar's Costs shown above of £86,395 (£85,972 in 2010-11) is employer's National Insurance contributions of £6,818 (£6,395 in 2010-11).

**NOTE 3 STAFF NUMBERS AND RELATED COSTS**

	2011-12	2010-11
	£	£
Salaries	278,853	271,181
Employer's National Insurance	17,847	18,170
Superannuation	49,481	50,187
	<u>346,181</u>	<u>339,538</u>

Average number of whole time equivalent persons employed during the year (excluding the Registrar)	9	9
--	---	---

Average number of days absence per employee due to sickness	2.80	2.38
---	------	------

In addition to the above salary costs, £9,943 has been charged directly to project expenditure (see Note 7).

**NOTE 4 OTHER OPERATING CHARGES**

	2011-12	2010-11
	£	£
Administration	95,868	81,227
Accommodation	48,601	53,358
Computer Operating Costs	16,071	16,887
Local Authorities	21,276	19,895
Consultants	-	13,255
Rentals under operating leases	72,015	70,720
	<u>253,831</u>	<u>255,342</u>

Included in administration expenditure is the exchange rate loss of £102 incurred on outstanding payments to PLR authors (loss of £56 in 2010-11).

**NOTE 5 OTHER OPERATING INCOME**

	2011-12	2010-11
	£	£
Sales	-	200
	<u>-</u>	<u>200</u>

**NOTE 6 PLR PAYMENT TO AUTHORS**

A total sum of £6,513,278 (£6,744,601 in 2010-11) was made available from the Central Fund for payment to 23,716 (23,366 in 2010-11) authors.

Expenditure includes £43,793 (2010-11, £36,114) still to be paid at the year end. These authors' addresses are unknown to PLR, or their assignees have not made probate claims.

NOTE 7 IRISH PLR PROJECT – COSTS OF SALES AND PROFIT

	2011-12	2010-11
	£	£
Income from Support and Development	12,742	16,019
Cost of sales		
Development	-	1,918
Support	9,943	13,108
Other	<u>240</u>	<u>373</u>
	<u>10,183</u>	<u>15,399</u>
Net Income	<u><u>2,559</u></u>	<u><u>620</u></u>

Fees charged for each stage of the project and support contract includes full cost recovery for all staff resource expenditure involved.

Net Income received will be used to supplement funds available for payments to authors.

The Registrar retains full ownership of all intellectual property of the hosted PLR software.

NOTE 8 OPERATING DEFICIT

	2011-12	2010-11
	£	£
The Operating Deficit of is stated after charging	(7,132,974)	(7,359,115)
External Auditor's remuneration -		
Audit Fee - statutory audit	20,000	18,000
Operating Leases -		
- Premises Rental	72,015	70,720
Travel & Subsistence	11,804	14,176
Staff Costs	351,295	344,653
Depreciation	23,465	21,558

NOTE 9 PUBLIC LENDING RIGHT RESERVE

	Balance b/f	Transferred from Creditors: PLR Renounced, Returned or Undistributed after 6 years	Public Lending Right Paid	Transfer to Income and Expenditure Account	Balance c/f
	£	£	£	£	£
Balance at 31.3.11	10,910	8,661	235	-	19,336
Balance at 31.3.12	19,336	7,696	36	1,060	25,936

During 2011-12, £1,060 was transferred from the PLR Reserve to supplement the main author payment distribution (2010-11 Nil).

The Public Lending Right Reserve is to cover probable further claims for payment of PLR. This is a statutory right enforceable by law - authors have the right to demand payment from the Registrar. Amounts held as creditors and subsequently renounced by authors, or unclaimed and undistributed after six years are transferred to the Reserve. If this is insufficient to meet claims in the year, an appropriation is made from the Net Expenditure Account. Funds will be transferred from the PLR reserve to the Net Expenditure Account to supplement the PLR author fund when necessary. Under the arrangements of the Scheme any unclaimed payments due will lapse after six years. Such amounts are retained in the Reserve for the benefit of authors. The Registrar considers that the Reserve carried forward is sufficient to meet probable claims.

NOTE 10 TAXATION

	2011-12	2010-11
	£	£
Current Tax		
UK – Current Year	680	458

The charge for the year can be reconciled to the profits chargeable to income tax as follows:

Interest Receivable	842	1,562
Profit from trading activities	2,559	620
	<u>3,401</u>	<u>2,182</u>
Tax at the domestic corporation tax rate of 20% (2010-11 – 21%)	<u>680</u>	<u>458</u>

NOTE 11 INTEREST RECEIVED

	2011-12	2010-11
	£	£
Interest on bank deposits	842	1,562

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

	IT & Equipment	Fixtures & Fittings	TOTALS
	£	£	£
Cost or Valuation			
At 1 April 2011	83,717	66,092	149,809
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2012</b>	<u>83,717</u>	<u>66,092</u>	<u>149,809</u>
Depreciation			
At 1 April 2011	59,102	54,745	113,847
Charge in year	13,358	10,107	23,465
Disposals	-	-	-
<b>At 31 March 2012</b>	<u>72,460</u>	<u>64,852</u>	<u>137,312</u>
Net Book Value at 31 March 2012	11,257	1,240	12,497
Net Book Value at 31 March 2011	24,615	11,347	35,962
Cost or Valuation			
At 1 April 2010	104,852	64,701	169,553
Additions	5,792	1,391	7,183
Disposals	(26,927)	-	(26,927)
<b>At 31 March 2011</b>	<u>83,717</u>	<u>66,092</u>	<u>149,809</u>
Depreciation			
At 1 April 2010	72,869	46,347	119,216
Charge in year	13,160	8,398	21,558
Disposals	(26,927)	-	(26,927)
<b>At 31 March 2011</b>	<u>59,102</u>	<u>54,745</u>	<u>113,847</u>
Net Book Value at 31 March 2011	24,615	11,347	35,962
Net Book Value at 31 March 2010	31,983	18,354	50,337

#### NOTE 13 FINANCIAL INSTRUMENTS

As the cash requirements of Public Lending Right are met through grant-in-aid provided by the Department for Culture, Media and Sport, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with PLR's expected purchase and usage requirements and PLR is therefore exposed to little credit, liquidity or market risk. As payments to authors resident overseas are made in Euros, there are some risks associated with exchange rate variances.

PLR has a statutory obligation to hold unclaimed author payments for up to six years. These payments are not classed as a financial instrument as there is no contractual liability existing.

#### NOTE 14 TRADE AND OTHER RECEIVABLES

	31 March 2012	31 March 2011
	£	£
Sundry Prepayments	5,089	3,242
Rent and Service Charge Prepayments	19,339	19,356
Sundry and Trade Receivables	3,010	3,009
	<u>27,438</u>	<u>25,607</u>

The fair value of trade and other receivables is not considered to be materially different from their carrying value.

The average credit period taken is 5 days (2010-11 4 days).

There were no amounts falling due after one year.

#### NOTE 15 CASH AND CASH EQUIVALENTS

	2011-12	2010-11
	£	£
Balance at 1 April	162,641	130,044
Net change in cash and cash equivalent balances	32,076	32,597
Balance at 31 March	<u>194,717</u>	<u>162,641</u>

These balances were held at commercial banks and cash in hand and are held in sterling.

The carrying value of cash and cash equivalents approximates to their fair value.

**NOTE 16 TRADE AND OTHER PAYABLES**

	31 March 2012	31 March 2011
	£	£
Amounts falling due within one year:		
Trade payables	1,009	1,106
Accruals	20,000	18,000
Employee benefits – unpaid leave	9,719	7,394
Public Lending Right - Undistributed:		
05/06	-	8,358
(1,009 authors) 06/07	12,559	14,530
(1,047 authors) 07/08	15,580	17,067
(1,055 authors) 08/09	16,110	18,150
(1,020 authors) 09/10	15,079	19,135
(1,059 authors) 10/11	22,994	36,114
(1,149 authors) 11/12	43,793	-
	<u>156,843</u>	<u>139,854</u>

**NOTE 17 CAPITAL COMMITMENTS**

At 31 March 2012 there were no capital commitments contracted for, or capital commitments approved but not contracted for (none at 31 March 2011).

**NOTE 18 COMMITMENTS UNDER LEASES**

As at 31 March total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2011-12	2010-11
	£	£
Building		
Not later than one year	72,000	72,000
Later than one year but not later then five years	120,000	192,000
Later than five years	-	-
Other		
Not later than one year	-	-
Later than one year but not later then five years	-	-
Later than five years	-	-
	<u>192,000</u>	<u>264,000</u>

Lease agreement was renewed in November 2009 for a period of five years. Public Lending Right has no finance leases.

#### **NOTE 19 CONTINGENT LIABILITIES DISCLOSED UNDER IAS 17**

At 31 March 2012 there were no contingent liabilities (£nil at 31 March 2011).

#### **NOTE 20 RELATED PARTY TRANSACTIONS**

Public Lending Right is a Non-Departmental Public Body (NDPB) sponsored by the Department for Culture, Media and Sport. The DCMS is regarded as a related party. During the year PLR has had various transactions with DCMS and with other entities for which DCMS is regarded as the parent Department:

British Library - provision of bibliographic data

In addition, PLR has had a number of material transactions with other government bodies:

Local authorities - provision of loan sample

During the year, no Management Board member, Audit Committee member, key manager or other related party has undertaken any material transactions with PLR.

#### **NOTE 21 PENSIONS**

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but Public Lending Right is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservice.gov.uk/pensions>).

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. However formal actuarial valuations for unfunded public service pension schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes in public service pensions and while future scheme changes are developed as part of the reforms to public service pension provision. The primary purpose of the formal actuarial valuations is to set employee and employer contribution rates, and these are currently being determined under the new scheme design. The contribution rates are set to meet the cost of the benefits accruing during 2011/12 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

For 2011-12, the employers' contributions of £49,481 were payable to the PCSPS (2010-11, £50,187) at one of four rates in the range 16.7% to 24.3% of pensionable pay (the rates in 2010-11 were 16.7% to 24.3%). Employer contributions are to be reviewed every four years following a full scheme valuation by the scheme Actuary.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employers' contributions were paid in the year. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. No employer contributions were payable to the PCSPS to cover the cost of the future provision of lump sum death benefits on death in service and ill health retirement of employees.

Contributions due to the partnership pension providers at the balance sheet date were nil. Contributions prepaid at that date were nil.

#### **NOTE 22 POST BALANCE SHEET EVENTS**

The annual report and accounts were authorised for issue by the Accounting Officer on 28 June 2012.

There were no other post balance sheet events.





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