

**Authors'
Licensing and
Collecting
Society**

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

16 September 2020

Dear Chancellor

Re: Spending Review Submission – increasing funding for the Public Lending Right (PLR) and zero-rating audiobooks

These are the most difficult of times for everyone and, with over 100,000 authors and writers among our membership, the Authors' Licensing and Collecting Society (ALCS) has welcomed the help the Government has given to our creative and cultural sectors so far.

We have also sought to engage constructively – along with many other representatives of the UK's creative workforce – with Government departments, including DCMS and HM Treasury, and Parliamentary Select Committees conducting their inquiries into Covid-19, its impact and the likely aftermath.

Clearly, there are still many challenges ahead and in this respect we thoroughly endorse the sentiments in the letter to you last week from Julian Knight, the Chair of the DCMS Select Committee, about the continuing need for sector-specific support, as we seek to emerge from the crisis in the best shape possible.

In this submission though, rather than repeat those arguments, we want to draw attention to one measure which, for little cost, would be of great benefit to authors and writers, many of whom are struggling and have contributed to our nation's cultural richness by not just maintaining but increasing funding for PLR.

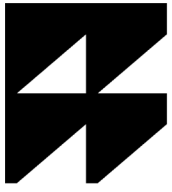
To set the context, writers are central to the success of all our creative industries, yet even before the current crisis, research has shown that authors' incomes had fallen 42% in real terms from 2006 to 2018. Early indicators about the impact of Covid-19 are greatly concerning: surveys by the Society of Authors estimate that 57% of writers have seen their incomes decline since the outbreak, with more being adversely affected with each passing month.

PLR is an ideal area where the Government can support the UK's writers and do it fairly. With payments based on library use of their books, but up to a strict maximum (£6,600 in previous years), the scheme ensures that funds reach a wide range of authors, beyond top-sellers. With the Government now working to include loans of ebooks too, it should even better represent readers and reward the writers who contribute to libraries across the country.

As it is, the size of the PLR fund is relatively small and it has not increased for years. At £6 million, net of administration costs, it compares with the £14 million annually in Germany. Even on a population-adjusted basis, at current exchange rates, Germany's comparative £11.2 million rewards writers almost twice as much for loans of their work.

This year, admittedly, the rate per book loan under the PLR has risen to 9.03p, from 8.52p previously. But this is still modest and a reflection of how counting has been affected by the exclusion of the growing number of community-run libraries. As we seek to remedy this and cater for ebooks, 'levelling up' the fund would help support the income of a wide range of authors who have clearly contributed to the cultural public good and we hope you will consider it.

Before concluding, we would also like to add a thank you for your removal of VAT on ebooks in the Budget in March, to put them on a level playing field with traditional print. This was a measure for which ALCS had campaigned strongly, alongside the publishing industry, for many years.



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It does, however, leave one remaining anomaly: namely that audiobooks, popular with many families and crucial to people with visual impairment, still remain subject to VAT. We would be very grateful if this could be addressed in your forthcoming review too – again for the great benefit of those affected but at little public cost.

With best wishes and yours sincerely

Barbara Ann Hayes.

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Deputy Chief Executive, Authors' Licensing and Collecting Society