

APPENDIX D

Note from Jim Raeburn, Secretary and Treasurer of
PressBof, on levy collection

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Funding of the Press Complaints Commission

1. As explained in the main body of the Witness Statement, it is the responsibility of PressBoF to provide the funding, by way of a levy or subscription, to meet the running costs of the PCC on the basis of an agreed budget.
2. The funding is shared on the following basis: national newspapers 54%, regional newspapers 39% and magazines 7%. These figures are based on an assessment of the PCC's workload in dealing with reader complaints across the three sectors. While high profile cases more usually involve national newspapers, a significant proportion of what might be termed "standard" complaints relate to the regional press.
3. The Newspaper Publishers Association, representing national newspapers, pays its share in a half-yearly lump sum according to an internal formula agreed by its member companies.
4. Until 2010, regional newspapers and magazines were invoiced – and magazines still are invoiced – according to circulation bandings, frequency of publication and whether paid or free.
5. However, for 2011 regional newspaper publishers accepted a new formula designed to overcome problems arising from declining circulations and the closure of titles. It is based on determining the sum to be contributed by the regional press, which is then shared between each group or company on the basis of its circulation as a proportion of the aggregate industry figure calculated in the following manner:
 - * paid daily newspaper – actual circulation
 - * free daily newspapers - half of actual circulation
 - * paid weekly newspaper - one quarter of actual circulation
 - * free weekly newspapers - one eighth of actual circulation.

6. Therefore, if using the above formula a company's circulation accounts for 5% of the aggregate industry figure it will be invoiced for 5% of the amount to be contributed by the regional press.

7. The new formula, while resulting in significantly higher subscriptions for some companies, has been accepted as demonstrably fair. The calculation of subscriptions for magazines published weekly is as follows:

<i>Circulation</i>	<i>Half-yearly Subscription</i>
Over 1,000,000	£734
500,001-1,000,000	599
250,001-500,000	445
100,001-250,000	299
50,001-100,000	223
20,001-50,000	188
Up to 20,000	153

8. Magazines published at less frequent periods pay proportionately less.

Jim Raeburn

Secretary & Treasurer

The Press Standards Board of Finance Ltd.