

THE PRESS STANDARDS BOARD OF FINANCE LIMITED

Strictly private and confidential

Minutes of meeting of Directors
held at Halton House, 20/23 Holborn,
London, on Thursday 15 November
2007 at 2.30 pm.

PRESENT

Tim Bowdler (Chairman), Guy Black, Robin Burgess, Paul Dacre, Simon Fairclough, Leslie Hinton, Ian Locks, Clive Milner, David Newell and James Raeburn.

IN ATTENDANCE (for item 8):

Sir Christopher Meyer (PCC Chairman) and Tim Toulmin (PCC Director)

The Chairman congratulated Ian Locks on being presented with the Marcus Morris Award for services to the magazine industry. Ian, a founding director of PressBoF, confirmed that he would be leaving the Board following the appointment of his successor at the Periodical Publishers Association.

1. APOLOGY

An apology for absence was intimated on behalf of Nicholas Coleridge.

2. MINUTES

The minutes of the Annual General Meeting and the Directors' meeting held on 21 June 2007, copies of which had been previously circulated, were approved.

3. MATTERS ARISING

3.01 Complaints against non-subscribing publications: The Board, having considered a paper submitted by the Secretary, accepted the recommendation that the PCC's existing practice of generally not considering readers' complaints where the publisher concerned refused to pay registration fees to PressBoF should be allowed to continue. It was also recognised, however, that the PCC should retain a discretion to act flexibly in appropriate circumstances.

It was further agreed that the Board would revisit the whole practice if any major subscriber was to cease paying registration fees. Additionally, the Secretary was asked to report to the next meeting on policy with regard to exclusively online publications.

3.02 PCC consultancy and website costs: The Board noted the breakdowns previously circulated.

3.03 Self Regulation: Paul Dacre reported that following representations made by senior industry figures at the highest political level it was most encouraging that the Prime Minister had publicly stated his explicit support for self regulation of the press. He had also announced:

- scrapping proposals to increase the number of Freedom of Information requests rejected on cost grounds
- the Government would consult on whether additional organisations should be brought within the scope of FoI legislation
- the Government would not proceed with proposals to limit media access to coroners' courts and the position in family courts would be put out to consultation
- proposals to prevent criminals profiting from publishing books about their crimes would be re-considered to ensure that the freedom of the press to investigate and report was maintained.

The Prime Minister had made no announcement about withdrawing custodial sentences of up to two years included in the Criminal Justice and Immigration Bill for the wilful abuse of personal data. The matter would be pursued further at a meeting with Jack Straw who had asked the Information Commissioner to produce guidance in consultation with the PCC, to make sure that legitimate investigative journalism was not impeded.

The Chairman congratulated those concerned on their successful lobbying work which had vindicated the decision taken at the previous Board meeting that PressBoF should take a lead role in promoting press freedom.

4. PRESS COMPLAINTS COMMISSION

4.01 Chairman's letter: The Board noted Sir Christopher Meyer's letter to industry executives seeking feedback on, firstly, the PCC's recommendations arising from its subterfuge report and, secondly, on publicity for the Commission in newspapers and magazines and on websites.

In a follow-up letter to the Chairman of PressBoF (circulated), Sir Christopher commented that while some of the national newspaper groups were expected to respond following further discussion the substantive reaction to the recommendations had been universally positive. He had also been extremely encouraged by a broad welcome for the idea of publishing a statement on publications' websites, making clear that they subscribed to the Code and including a link to the PCC site.

The Board supported the proposal that online newspapers and magazines should be encouraged to include the PCC logo.

4.02 Membership: It was noted that Esther Roberton had replaced Adam Phillips as a public member of the Commission. Lindsay Nicholson, Editorial Director of the National Magazine Company, had joined the Commission with effect from 1 November as the PPA nominated editor.

4.03 Appointments Commission: The Chairman reported that he would be happy to receive suggested names to replace Baroness Smith who had intimated her resignation as a member of the Appointments Commission.

4.04 Chairman, PCC: It was agreed that the position would be discussed at the next Board meeting.

5. SELF REGULATION

5.01 Culture, Media & Sport Committee: The Board noted with satisfaction that the Government in responding to the Committee's report had said it agreed the over-arching conclusion that self-regulation of the press should be maintained. It had further agreed that there was no case for statutory regulation and that a free press was a hallmark of democracy.

5.02 House of Lords Communications Committee: The Board noted that the Committee's inquiry into media ownership and news gathering was under way. Those directors who in their occupational capacity had been invited to give evidence observed that the Committee's approach had not been confrontational.

6. CODE COMMITTEE

Les Hinton reported on the meeting of the Code Committee held on 11 October, the minutes of which had been previously circulated.

The Treasurer said that he had authorised some additional expenditure to enable the completion of the Code Committee website.

7. FINANCE

7.01 Treasurer's Report: The Board noted the Treasurer's report as at 31 October (circulated). He also referred to the refusal of City A.M. to pay registration fees.

7.02 Registration Fees: The Board considered a letter dated 6 November from Sir Christopher Meyer setting out the PCC's forecast of expenditure for 2007 and its budget for 2008. The former was expected to be in line with the 2007 budget of £1.813M excluding depreciation.

The PCC's 2008 budget of £1.864M, again excluding depreciation, represented an increase of 2.9%.

The Board then approved the Treasurer's recommendation to increase registration fees by 2% for 2008 which was forecast to yield a cash surplus of £102k.

The Treasurer commented that reserves at current levels covered approximately three months operating costs. It was his view, based on the assumption that PCC costs remained at current levels in real terms, that the Board should be looking to apply modest increases on an annual basis with the aim of building reserves over the next five years covering six months' costs.

Sir Christopher Meyer and Tim Toulmin joined the meeting.

8. PRESS COMPLAINTS COMMISSION

Sir Christopher referred to his letter of 7 November (circulated) covering the positive reception given to the decision to extend the PCC's remit to include editorial audio visual material on newspaper and magazine websites, the strong industry support for the recommendations in the PCC's subterfuge report and the willingness of publishers and editors to include a statement on publications' websites making clear that they subscribe to the code.

9. NEXT MEETING

To be advised.