

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, 30 October 2008
at 2.30 pm.

PRESENT: Tim Bowdler (Chairman), Guy Black, Robin Burgess, Paul Dacre, Simon Fairclough, Clive Milner, David Newell, Jim Raeburn and Jonathan Shephard.

IN ATTENDANCE: Tim Toulmin (PCC Director) for item 10.

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 24 June 2008, copies of which had been previously circulated, were taken as read and were approved.

3. **MATTERS ARISING:**

3.01 House of Lords Communications Committee: David Newell reported that Lord Carter, recently appointed Minister for Communications, Technology and Broadcasting, was expected to speak in a forthcoming debate on the Committee's report into media ownership and news gathering.

3.02 Review of PressBoF and PCC Articles of Association:

While it was considered inappropriate to proceed with the proposed Memorandum of Agreement or to seek changes in the PCC's Articles of Association at the current time, it was agreed that the matter should remain on the agenda for the next Board meeting. In the meantime draft rule changes should be prepared and circulated for comment.

4. **PRESS COMPLAINTS COMMISSION:**

4.01 Appointment of new Chairman: The Chairman reported that following presentations by Odgers, Ray & Berndtson, Egon Zehnder and Spencer Stuart, he and the Secretary had appointed Odgers to undertake the search for a successor to Sir Christopher Meyer. Following negotiations, the agreed fee was £47,500 + VAT. The appointment had also been advertised in The Sunday Times and thanks were due to Clive Milner for kindly agreeing to provide the space free of charge.

Following discussion, the Board agreed:

1. that Baroness Buscombe be offered the appointment, the terms and conditions to be negotiated by the Chairman and Secretary within the range applicable to the present Chairman
2. financial arrangements in the event that Sir Christopher was asked to continue for an interim period beyond 31 March 2009
- 3.

The appointment would remain confidential until mid-November when it would be announced in a press release.

4.02 PCC Director:

4.03 Membership: The Board noted the appointments of Simon Sapper of the Communication Workers Union and former MP and MSP, John Home Robertson, replacing Nick Wilkinson and Dianne Thompson. It was also noted that John McLellan (Edinburgh Evening News) would succeed Derek Tucker (Press & Journal) as the SDNS nominated editor with effect from January.

5. CODE COMMITTEE: Paul Dacre reported that the Committee was due to meet on November 6.

6. PRESS FREEDOM ISSUES: Guy Black reported that PressBoF via the trade associations had circulated a guidance note for editors and journalists on the Data Protection Act. It honoured a commitment made to the Information Commissioner.

It was also noted that following a useful meeting between senior industry figures and Jack Straw, the Minister for Justice, had appeared to accept the industry's case for capping legal fees under conditional fee agreements.

7. **NORTHERN & SHELL PLC (EXPRESS NEWSPAPERS):** The Board agreed that the Chairman should write to Richard Desmond to seek a further meeting urging him to resume paying registration fees to PressBoF.

It was further agreed that in the event of the company being unwilling to resume payment PressBoF would recommend to the PCC that it should cease to deal with complaints against the company's publications from a set date.

8. **PCC REMIT - ONLINE-ONLY PUBLICATIONS:** The Secretary reported that his discussions with JICWEB had confirmed that the number of UK unique users per month as recorded by ABCe would provide a suitable measure for establishing a scale of registration fees if it was decided to bring online-only publications within the remit of the PCC.

The proposals were being progressed on the basis that:

1. such publications must be recognisable as UK based newspapers or magazines which, if in printed form, would come within the jurisdiction of the PCC.
2. the publisher and editor must subscribe to the Editors' Code of Practice.
3. the publisher must agree to pay registration fees to PressBoF.

The Board agreed to invite the views of the PPA on the proposals.

9. **FINANCE:**

9.01 **Treasurer's Report:** The Board noted the Treasurer's report as at 27 October (tabled).

9.02 **Registration Fees:** The Board considered a letter dated 7 October from Sir Christopher Meyer, firstly, forecasting that the 2008 year end position of the PCC would be close to budget and, secondly, setting out its budget of £1.916m, excluding depreciation, for 2009, representing an increase of 2.8% on the previous year.

The Treasurer, in his report, commented that the PCC's forecast expenditure for the current year was in cash terms £4k above budget which, if confirmed, would be a satisfactory outcome. However, consultancy costs of £56k, inclusive of VAT, incurred in connection with the assignment to find the next Chairman of the PCC would be a substantial contributory element to the forecast combined PCC/PressBoF deficit of £138k, which would be reduced by £45k if the contingency provision remained unused. The shortfall in registration fees was due to the non-payment of by Express Newspapers and associated magazines.

Following discussion, the Board, taking into account financial pressures on publishers, instructed the Treasurer to seek savings in the PCC's budget for 2009 with the aim of leaving registration fees unchanged.

9.03 Secretary, Code Committee:

9.04 Operation of Bank Accounts: Following a report by the Treasurer, the Board resolved to open a Community Banking Deposit Account with the Bank of Scotland in order to obtain an improved return from higher interest rates than those available from the Current Account. The authorised signatories to operate on the Account would continue to be Mr TJ Bowdler, Mr D Newell and Mr JB Raeburn.

- 10. PRESS COMPLAINTS COMMISSION:** Tim Toulmin reported that he had appointed an additional complaints officer which would be self financing as a result of other staff changes. He added that Stephen Abell and William Gore, formerly Assistant Directors, had been promoted to Deputy Director and Public Affairs Director respectively.

He went on to say that editorial audio-visual complaints were relatively few in number although recently there had been a spate of complaints regarding misleading cover pages of magazines.

There was concern about a developing law on privacy based on decisions in the courts. He also referred to the PCC's "anti-harrassment" service based on "desist messages". However one such alert ignored by the Daily Star had cost it a £15k settlement.

- 11. NEXT MEETING:** To be advised.

Tim Bowdler withdrew from the meeting.

- 12. CHAIRMAN, PRESSBOF:** The Secretary reported that as the Board was aware Tim Bowdler would retire as Chief Executive of Johnston Press at the end of 2008. The Board therefore had to consider whether he should be invited to continue as Chairman of PressBoF, and, if so, for how long. Tim's position was that he would be happy to continue as Chairman only if that was the wish of the Board.

The Board unanimously agreed that he should continue as Chairman until the end of 2009 which would provide continuity with the new Chairman of the PCC. The position would be reviewed at the Board's June meeting.