

**THE PRESS STANDARDS BOARD OF FINANCE LIMITED**

**Strictly private and confidential**

Minutes of meeting of Directors  
held at The Press Association, 292  
Vauxhall Bridge Road, London, on  
Wednesday, 9 September 2009 at  
2.45pm.

**PRESENT:** Tim Bowdler (Chairman), Guy Black, Robin Burgess, Nicholas Coleridge, Clive Milner, David Newell, Jim Raeburn and Jonathan Shephard.

1. **MEMBERSHIP:** The Secretary reported that Simon Fairclough had recently stood down as Director of Scottish Newspaper Publishers Association. While he had not formally resigned as a member of the PressBoF Board, his appointment as a Director was deemed to have ended on 31 August.
2. **MINUTES:** The minutes of the Annual General Meeting and the Directors' meeting held on 24 June, copies of which had been previously circulated, were taken as read and were approved.
3. **MATTERS ARISING:**
  - 3.01 **Charter Compliance Panel:** The Chairman reported that he had advised Baroness Buscombe of the Board's view that it would be beneficial to return to the position of the Panel having a third member with industry experience as had been the case when it was first established. She had indicated that the proposal along with the role of the Panel would be considered as part of the governance review.
  - 3.02 **Northern & Shell plc (Express Newspapers):** The Chairman confirmed receipt of payment of [ ] from the company. It was agreed to seek confirmation that the promised payment of [ ] to a charity had also been made.
  - 3.03 **Press Freedom Issues:** Guy Black reported that industry pressure on the government to implement changes in conditional fee arrangements was being maintained.
  - 3.04 **Local Authority Newspapers:** The PCC was expected to discuss the issues at its next meeting on 22 September. It would then be a matter for PressBoF to decide whether such newspapers should come within the remit of the Commission.
4. **CULTURE , MEDIA & SPORT COMMITTEE INQUIRY:** It was understood that having extended its inquiry to deal with allegations of phone message tapping, the Committee was not now expected to publish its report until November. It would be important that PressBoF was ready to respond.

5. **PCC GOVERNANCE REVIEW:** Having considered possible candidates, the Board agreed to leave further time for other nominations before submitting a name to serve as the industry representative on the review group. The group's other members would be Vivien Hepworth (Chairman), Elizabeth Vallance (a new member of the Appointments Commission) and Stephen Haddrill (Director General, ABI).

While the scope of the review specifically excluded those areas which were the responsibility of the Code Committee or PressBoF, it was agreed that PressBoF should make a written submission, after the first meeting of the group, covering previously discussed changes it was seeking to the PCC Articles of Association and the financial realities of the newspaper and magazine publishing industry.

6. **PCC ARTICLES OF ASSOCIATION:** Following discussion, it was agreed that the Secretary would liaise with David Newell with a view to PressBoF appointing its own legal advisors. Their advice on the changes PressBoF was seeking to the PCC Articles could be incorporated in the submission to the governance review referred to in item 5 above.

7. **PCC STAFF RESTRUCTURE:** The Board considered a paper (circulated) from Baroness Buscombe for a restructure of the PCC secretariat in light of Tim Toulmin's intention to leave the PCC. In addition to outlining arrangements for the appointment of a new Director, the paper presented the case for creating a new post of Communications Director to supplement and support the work of both the Chairman and Director.

Board members stressed the need to contain costs; posed question marks over the proposed structure with regard to the relationship between the Director and the Communications Director; commented on the high regard in which the Deputy Director was held; and insisted that the complaints work of the Commission must not be downgraded.

Baroness Buscombe then joined the meeting and explained in detail the necessity for the changes she wished to make. She dealt with members' questions before leaving the meeting.

Following further discussion, the Board noted and agreed the proposals on the basis set out in the Chairman's (Guy Black's) letter of 15 September appended to the minutes.

8. **PCC REMIT – ONLINE-ONLY PUBLICATIONS:** Following the PPA's agreement in principle, the Board approved the proposal the proposal that online-only publications be brought within the remit of the PCC on the following basis:

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.

With regard to the scale of registration fees, it was agreed that where access was limited to subscribers the scale fee should be based on the number of UK subscribers and set at the rate applicable to the circulation and frequency of publication of printed magazines. Where access was open, however, then Jonathan Shepherd advised that the scale fee should be based on 40% or 50% of the number of UK unique users per issue and set at the rate applicable to the circulation of printed magazines.

It was agreed that the proposal should be tested informally with a publisher interested party before returning to the Board for a final decision.

**9. FINANCE:**

**9.01 Registration Fees – Regional Press:** The Treasurer presented a paper demonstrating the significant ongoing loss of income from the regional press sector arising from mainly the closure of free newspapers.

His forecast reduction against budget on an annualised basis was £65k which would continue to deteriorate if there were further closures. He said failure to reach the target figure would in normal circumstances trigger a rebate to the NPA calculated on its share set of 54.2%. Therefore, the greater the shortfall from the regional press, the higher the rebate payable to the NPA. The growing shortfall could not be allowed to continue without seriously affecting the funding needed to maintain the self-regulatory system.

Following discussion, it was agreed to form a working group comprising Clive Milner, David Newell, Jonathan Shepherd and Jim Raeburn to consider market share as a possible future basis for registration fees.

**9.02 Treasurer's Report:** The Board noted the Treasurer's Report as at 31 August, copies of which had been previously circulated.

The Board resolved to open a Community Banking Deposit Account with the Bank of Scotland in order to obtain a higher interest rate on money available for short term deposit.

**10. CHAIRMAN, PRESSBOF:** Clive Milner on behalf of the Board, paid warm tribute to Tim Bowdler for his leadership and stewardship of PressBoF through a difficult and volatile period. He then proposed that Guy Black be appointed the new Chairman.

Guy Black withdrew from the meeting.

Following a brief discussion, the Board unanimously approved Guy's appointment. It was further agreed that the term of the Chairman's appointment should be three years, renewable for a further three year term by mutual agreement. It would be important, however, that the appointment of new Chairmen of the PCC and PressBoF should not coincide.

Guy thanked members for their support said he would aim to promote a good working relationship with the PCC. He then added his thanks to Tim Bowdler for

his immense commitment to self-regulation.

Tim Bowdler, in thanking Board colleagues for their support, said that he had been hugely appreciative at having been given the opportunity as Chairman to contribute to the major commitment the publishing industry makes to the vital process of self-regulation.

It was further agreed that Guy Black should replace Tim Bowdler as an authorised signatory to operate on PressBoF bank accounts.

11. **NEXT MEETING:** 2.30pm Tuesday, 27 October 2009.