## For Distribution to CPs

Notes of a meeting between Pressbof and the PCC Thursday 21 May

Present Tim Bowdler Clive Milner Baroness Peta Buscombe Tim Toulmin

The meeting was held to discuss developments with Northern & Shell (N&S) over the resumption of their payments to Pressbof and to explore whether the PCC might be willing to withdraw their services from N&S titles if the circumstances demanded.

The trail of events over the past few weeks was described in detail to give a clear understanding of the nature of the difficulties which we had encountered. There was sympathy for our position and for the need to take firmer action against N&S.

Concerns were expressed about the wider implications of withdrawing coverage from N&S titles, in particular the potential damage to the perception of the PCC and self-regulation. However there was a willingness to consider doing so and to the concept of an 'opt-in' system which demonstrated a commitment on the part of participating publishers to maintaining defined standards.

It was noted that in today's broader political climate which views any form of selfregulation with increased scepticism, we should place ever more importance on demonstrating that our system raises standards and has real teeth. This implies a higher level of compliance which in turn carries a risk that some publishers may question their continued financial support.

With whole N&S saga now in the public domain it was recognised that there is a heightened risk, especially in the current economic downturn, of other publishers also withdrawing financial support when they see N&S titles continuing to benefit from the self-regulatory system without making any payment for it.

The PCC would not be willing to take a proactive decision to withdraw services from N&S titles but would put such a proposal from Pressbof to the next meeting of Commissioners on 10 June. They requested a letter from Pressbof accordingly. This is attached.

There was also sympathy for the idea that Pressbof should have greater powers in respect of publishers who refuse to pay their levy and a willingness to discuss the changes to make this possible. This opens up an opportunity for a dialogue with the PCC around changes to the Articles which we have previously discussed.

The Press Standards Board of Finance Ltd 21 Lansdowne Crescent Edinburgh EH12 5 EH

Baroness Peta Buscombe Chairman, Press Complaints Commission Halton House 20/23 Holborn London EC1N 2JD

26<sup>th</sup> May 2009

Dear Peta,

Further to our meeting last Thursday, I thought it would be helpful to summarise our discussion.

Talks with Northern & Shell regarding their resumption of payments to Pressbof have reached an impasse, despite a substantial financial concession on our part.

The reason given by N&S for their unwillingness to accept our terms bears no relation to Peter' Hill's evidence to the recent CMS Select Committee Hearing which referred solely to the original dispute between N&S and the NPA. Their position, which is actually based on a separate dispute with the PCC, demonstrates a total disregard for the basic principles of the self-regulatory system and as such is totally unacceptable to Pressbof as a basis for settling with N&S.

Past experience with N&S suggests that further discussion is unlikely to result in a resolution. With the whole saga now in the public domain there is also a heightened risk, especially in the current economic downturn, of other publishers withdrawing financial support when they see N&S titles continuing to benefit from the self-regulatory system without paying anything for it.

We have reached the stage where firmer action is required. The only meaningful sanction available to us is the withdrawal of PCC services from N&S titles and the threat of their marginalisation as a publisher. In an effort to demonstrate our seriousness and bring pressure for a satisfactory lasting settlement, our strong preference is that the PCC should adopt this course of action.

I would be happy to come to your next Commission meeting to elaborate on the matter and in the meantime look forward to hearing further from you.

Yours sincerely

Tim Bowdler Chairman