



**From:** Jim Raeburn [mailto: [redacted]]  
**Sent:** 11 January 2011 10:43  
**To:** 'Barry McIlheney'; Clive Milner [redacted]; David Newell (E-mail); Guy Black  
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[redacted] Paul Dacre [redacted]; Paul Vickers  
[redacted] Robin Burgess [redacted]

**Subject:** Northern & Shell

Dear Board Member

Please find attached press statements about to be issued by PressBoF and the industry relating to Northern & Shell. The PCC statement is appended below.

Best regards,

Jim Raeburn

PressBoF  
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**PCC statement on Northern & Shell's withdrawal from press self-regulatory system**

The Press Complaints Commission has today responded to the news that Northern & Shell is withdrawing its subscription to the Press Standards Board of Finance and, accordingly, its financial support for the system of press self-regulation. To preserve its independence, the PCC does not involve itself directly in obtaining funding from publishers. However, a refusal to support the self-regulatory system financially means that a newspaper publisher effectively withdraws from the PCC's formal jurisdiction, which the PCC considers regrettable.

The recent independent Governance Review into the PCC made a clear recommendation about funding disputes:

'A publisher who persistently withholds funding for the PCC should be considered outside the self-regulatory process. In these circumstances, it would be a matter for the funding body to seek to restore relations with the publisher. It should give every reasonable opportunity for payment to be restored. Should this not happen, the Commission should be informed of the position. Following consultation with the Commission, and only as a last resort, PressBoF could then make clear to the publisher that defaulting on payment would mean it was no

longer part of the system. The Commission would as a result formally decline to consider complaints about the relevant titles, or offer guidance to their editors.’

The Commission has accepted this recommendation and, therefore, must now regard Northern & Shell as being outside its jurisdiction. As a result, the PCC will be unable to deal formally with new complaints about Northern & Shell titles until the funding dispute is resolved. The Commission will continue to assist individuals to frame their complaints about published articles and will direct individuals to the relevant departments of the titles within the Northern & Shell group. The PCC will endeavour to resolve amicably its current workload of investigated complaints where possible.

Baroness Buscombe, Chairman of the PCC, said:

“It is disappointing that Northern & Shell no longer wishes to provide funding for the PCC so as to be part of the system of self-regulation in order to demonstrate to their readers that they are committed to adhere to the set of standards which are independently enforced by the Commission. We hope that they will resume their subscription to the Press Standards Board of Finance as soon as possible. In the meantime, the PCC will continue to work to consider complaints against all other major publishers, both national and regional. We will also continue our proactive programme to offer guidance on editorial issues and train journalists within the system, and to seek to raise standards in the industry.”

**ENDS**

#### Notes to editors

1. The PCC is an independent body which administers the system of self-regulation for the press. It does so primarily by dealing with complaints, framed within the terms of the [Editors' Code of Practice - link to Code], about the editorial content of newspapers and magazines (and their websites, including editorial audio-visual material) and the conduct of journalists. There is more information about the PCC at <http://www.pcc.org.uk/AboutthePCC/WhatisthePCC.html>.
2. Two main industry bodies form central parts of the self-regulatory system. The Press Standards Board of Finance (PressBof) is charged with raising a levy on the newspaper and periodical industries to finance the Press Complaints Commission. The Editors' Code of Practice Committee writes the Code of Practice, and reviews it on an annual basis following public consultation. (The consultation is currently open – see [http://www.editorscode.org.uk/downloads/press\\_releases/CodeReview2011PR.pdf](http://www.editorscode.org.uk/downloads/press_releases/CodeReview2011PR.pdf) for full details). Both PressBof and the Editors' Code Committee operate separately to the PCC and are not involved in the day-to-day running of the PCC.
3. A statement issued by PressBof is pasted below for reference.
4. The titles affected are: Daily Express; Sunday Express; Scottish Daily Express; Scottish Sunday Express; Daily Star; Daily Star Sunday; OK!; New magazine; and Star magazine.
5. The PCC will endeavour to resolve amicably its current workload of investigated complaints where possible. For new complaints, the PCC will pass on the relevant Northern & Shell contact details to the complainant.
6. The report of the independent Governance Review can be viewed at [http://www.pcc.org.uk/assets/441/Independent\\_Governance\\_Review\\_Report.pdf](http://www.pcc.org.uk/assets/441/Independent_Governance_Review_Report.pdf). The recommendation cited in the press release above can be found on page 12 (paragraphs 62 and 63).
7. For further information please contact Jonathan Collett on

# THE PRESS STANDARDS BOARD OF FINANCE LIMITED

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TUESDAY 11<sup>TH</sup> JANUARY 2011

## **PRESSBOF EXCLUDES NORTHERN & SHELL PUBLICATIONS FROM THE PRESS INDUSTRY'S SELF REGULATORY SYSTEM**

The Press Standards Board of Finance (PressBoF) – the newspaper and magazine industry body responsible for the financing of the Press Complaints Commission (PCC) and the industry's compliance with self regulation – has moved to exclude the newspaper and magazine titles owned by the Northern & Shell Group from the system of industry self regulation. These titles include The Daily Express, Sunday Express, Daily Star, Star on Sunday and OK! magazine.

PressBoF's move follows a decision by the publisher – the second occasion on which this has happened since 2008 - that it no longer wishes to pay the voluntary industry levy to support the work of the PCC. Every effort was made by the PressBoF Board to reverse that decision before Northern & Shell's membership of the system lapsed on 31<sup>st</sup> December 2010.

This decision means that the Northern & Shell titles will now automatically cease to be covered by the work of the PCC, which will as a result of the publisher's decision no longer deal with complaints from members of the public about them, or of the Editors' Code Committee.

The PCC will be issuing a press notice on how it will handle any complaints that are received about Northern & Shell titles.

Lord Black of Brentwood, Chairman of PressBoF, said:

“This deeply regrettable decision to exclude Northern & Shell from the system was taken only as a last resort following the publisher's decision not to pay the industry levy which funds the work of the PCC. Payment of this levy is a vital sign not just of a publisher's commitment to the Code of Practice and the ethical standards contained in it, but also of a commitment to the protection of the public, as it is the levy which allows the PCC to deal with complaints it receives free of charge.

“The rest of the industry – covering the overwhelming majority of the newspapers and magazines produced in the UK – remains totally committed to effective self regulation, to the Code of Practice, and to the work of the independent PCC under the Chairmanship of Baroness Buscombe. As a result, the PCC’s funding will be unaffected by the move, and the public will continue to receive the exceptionally high standards of service that have become the hallmark of the Commission.”

## NOTES

1. PressBoF, whose Board comprises senior newspaper and magazine industry executives, is responsible for setting the remit of and funding arrangements for press self-regulation in the United Kingdom.
2. The Press Complaints Commission (PCC) is an independently-run body which enforces the terms of the Editors’ Code of Practice. It has a Board of 17 members – seven editors and 10 members of the public (including the Chairman).
3. PressBoF raises the funding for the PCC through the payment of a levy – also referred to as registration fees – by national and regional newspaper and magazine publishers for each title they publish, substantially based on circulation and frequency of publication. Although the levy is voluntary, compliance has always been extremely high.
4. Since it was established in 1991, the industry, through PressBoF, has invested £33 million in the work of the PCC.
5. This is the second time in three years that Northern & Shell has refused to pay the industry levy. In January 2008, after Express Group Newspapers was ejected from membership of the Newspaper Publishers Association following disagreements over unpaid fees, the company intimated that it would not pay the levy even though the grounds for its decision were unrelated to the self-regulatory system. The company paid no levy from 1 January 2008 until 15 February 2009 (amounting to nearly £200,000) when it agreed to resume payment.
6. The House of Commons Culture, Media and Sport Committee in its report *Press standards, privacy and libel*, published in February 2010, was highly critical of Northern & Shell’s actions when it concluded: “*we believe that the fact that the Express Group did not pay subscriptions into the self-regulatory system for a prolonged period is deplorable, even though the PCC continued to issue judgements on articles in Express Group papers.*”
7. For more information, please call Lord Black of Brentwood (Chairman of PressBoF) on 0207 931 3806 or Jim Raeburn (Secretary of PressBoF) on 0131 535 1064.

[FINAL DRAFT – TO BE ISSUED FOLLOWING PCC & PRESSBOF STATEMENTS]

Tuesday 11 January 2011

## **NEWSPAPER AND MAGAZINE INDUSTRY CONFIRMS TOTAL COMMITMENT TO PCC**

National newspapers, regional and local newspapers, and magazines confirmed today their total support for the Press Complaints Commission following statements from the PCC and the Press Standards Board of Finance (PressBof) in relation to Northern and Shell plc.

**Clive Milner, chairman of the NPA, said:**

“The PCC exists to ensure national newspapers conform to clear editorial standards which are independently regulated. All NPA members are committed to upholding this system of press self-regulation which protects and serves members of the public so effectively and maintains a free, responsible press.”

**Georgina Harvey, president of the Newspaper Society, said:**

“Over 1000 regional and local newspaper titles subscribe to the self-regulatory process and agree to be bound by PCC decisions for the benefit of the public. For the regional and local media sector it is business as usual – independent and responsible journalism subject to adjudication by the PCC.”

**Michael Johnston, president of the Scottish Newspaper Society, said:**

“The raison d’être of the PCC is a deep-seated belief in the importance of freedom of the press and thus in self-regulation. It is illogical for any publisher to withdraw from the system and thereby deny readers of his publications the right to an independent means of resolving complaints.”

**Barry McIlheney, CEO of the PPA, said:**

“The magazine industry totally supports the PCC and the UK’s self-regulatory system. It provides a unique service to readers and ensures we meet the highest possible standards.”

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