

# THE PRESS STANDARDS BOARD OF FINANCE LIMITED

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**STRICTLY PRIVATE AND CONFIDENTIAL**

The Rt Hon Jeremy Hunt, MP,  
Secretary of State for Culture, Media and Sport  
2-4 Cockspur Street  
London  
SW1Y 5DH

*Dear Jeremy,*

I am writing following a meeting I had with Ed Vaizey yesterday, at which I briefed him on an important issue relating to the Press Complaints Commission. He asked me to write to you about it, and I hope this private background note is helpful.

I write as Chairman of the Press Standards Board of Finance which, as you will know, is responsible for collecting the voluntary industry levy which finances the PCC, and for ensuring industry compliance with it.

- (1) The issue relates to the Northern and Shell group of publications, owned by Richard Desmond, and including The Daily Express, Sunday Express, Daily Star, Daily Star on Sunday and OK! magazine.
- (2) Last month, Richard Desmond told us that he no longer wanted to be part of the system of self regulation or to contribute to the funding of the PCC with effect from 31<sup>st</sup> December this year, when his current subscription expires.
- (3) This is not the first time this has happened. In 2008 he withdrew from the system for about a year, following a disagreement with Sir Christopher Meyer, then PCC Chairman, about the PCC's role in the Madeline McCann

story, but came back in the summer of 2009, paying almost his full contribution for the year. He also paid in full in 2010, during the period in which he was bidding for the Channel 5 licence.

- (4) However, the circumstances this time are different in that he has no argument with the PCC or its Chairman, but simply does not want to contribute to the system or be subject as a result to the jurisdiction of the PCC.
- (5) Last time he was out of the system for a while, the industry – given the circumstances – agreed that the PCC should continue to deal with complaints from members of the public about Northern and Shell titles until a time when the matter was resolved. We are clearly unable to do so this time, for two reasons. First, there is no dispute, simply an unwillingness to participate. Second, to do so would fundamentally threaten the entire financial basis of the system. All publishers are, as you know, having a difficult time, and it is impossible to call on every other publisher – including very stretched local publishers – to subsidise a business that is in fact generating a great deal of cash. We believe the funding structure would be seriously imperiled, threatening all the excellent work the PCC does in protecting members of the public and dealing with their complaints. It is clearly our job to protect that and we will do so.
- (6) We are making every effort to bring Richard Desmond back into the system before 31<sup>st</sup> December, but if he refuses to do so, his titles will – regrettably - at that point cease to be covered by the Code, and the PCC will cease to deal with complaints about them, unless and until he comes back into the system on equal terms with other publishers. The industry will then move to make the implications of this clear to the public.
- (7) I have to tell you that I am not optimistic about our chances of success, and this may therefore become a substantial issue of media coverage, and media policy, early in the new year. You and Ed may be asked for comment and it would be extremely helpful if you were able to voice your strong support for self regulation and for the work of the PCC, and to call on Northern and Shell to return to in the interests of the public, who will be the main losers from his actions.
- (8) There will be consequences for Northern and Shell titles as a result of this as there are certain protections in the Human Rights Act, the Data Protection Act and the Financial Services Act for journalists and editors who abide by the

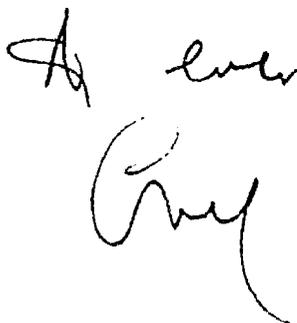
Code, inherent in which is their willingness to be subject to the jurisdiction of the independent Press Complaints Commission. There are also some issues relating to OFCOM, including the application of the AVMS regulations, and the role of ATVOD. If I may, I will write to you again early in the new year about all this, assuming that Northern and Shell carries through on its threat.

- (9) In the meantime, I can assure you that the rest of the industry remains fully committed to self regulation and to the PCC, and will be making clear that commitment as and when this issue becomes public. I should also add that the PCC's budget for 2011, which was agreed with PressBof before Northern and Shell's decision, will be met in full, despite the shortfall that will occur from the Group's withdrawal. The industry is very proud of the success of self regulation and the work of the PCC, and it will be our job to protect that in the interests of the public, and of our readers.

I hope this is helpful. If you would like a word at any point on the phone, or a meeting would be helpful, please get in contact with me direct. I am of course keeping Peta Buscombe and Stephen Abell posted on developments.

I am sending a copy of this letter to Ed Vaizey.

With best wishes.

A handwritten signature in black ink, appearing to read "A Green". The signature is written in a cursive style with a long, sweeping tail on the letter "y".