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19 December 2011
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IN THE MATTER OF THE LEVESON INQUIRY

SECOND WITNESS STATEMENT OF PAUL ASHFORD

I, **PAUL ASHFORD**, of The Northern and Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN, **WILL SAY AS FOLLOWS:**

- A. I am the Editorial Director of Northern & Shell. I make this statement in response to a request of the Leveson Inquiry (the "Inquiry") to the solicitors for Northern & Shell dated 25 November 2011 to provide witnesses who might attest to the circumstances surrounding the decision by Northern & Shell to withdraw from the Press Complaints Commission ["the PCC"].
- B. I confirm that all matters in this statement are true and, unless I specify to the contrary, are based upon my own knowledge and a review of the relevant documents. Where matters are not within my own knowledge, I state the source and believe the same to be true.

Background

- 1 In order to provide context to the circumstances of our withdrawal, it is important to note that Northern & Shell was a publisher of magazines before it ventured into newspaper ownership in November 2000. We were not part of the established group of newspapers; the established newspapers had a set of assumptions including a sense that their profession carried certain privileges, that we did not share. We had come from the outside both

geographically and culturally, into an industry whose traditions incline its members to close ranks and claim a special status in society – the designation ‘fourth estate’ perhaps betrays this. Despite their contrasting political positions and interests, it seemed to us that papers were to a greater or lesser extent colluding in a ‘Fleet Street’ culture which was only partly designed to further the commercial interests of respective publishing businesses and for the rest was designed to sustain and preserve the interests of a relatively small group of like-minded individuals. As publishers pure and simple, this attitude was foreign to us.

- 2 However, when we first became involved with Express Newspapers, we noted the strong system of so-called self regulation that was in place. This was not self-regulation by companies so much as acquiescence to rules policed by an industry body. As a magazine publisher, we had never been part of a regulatory body or association. Upon our purchase of the Express titles we felt we could easily have continued to regulate ourselves independently based on rules shared by editors, but we were prepared to accept that our participation in an industry body gave comfort to members of the public who might require it, especially given some of the comments that competitors were making at the time. As newcomers we were in any case committed to operate within the rules of decent behaviour and exert a high standard of stewardship of the papers, so we saw little downside in submitting ourselves to a body that was prescribing rules we would have followed anyway.
- 3 The only reason we had to begrudge doing this was that existing competitive newspaper owners united in demonising us when we took over Express Newspapers, probably because key players had counted on either acquiring or bringing about the demise of the group. The coverage we received from papers belonging to the News International group, and also by the Daily Mail was as hurtful and damaging as they could contrive, and was conducted on a very personal level. These attacks somewhat relented when our own editors showed that they were capable of responding in kind, but we were left with an underlying sense that the people who most advocated our membership of the PCC definitely did not have our best interests at heart.
- 4 However, while we did not appreciate our treatment by our rivals in the press, nor did we like the club aspect of the PCC, we decided that it served no purpose to rock the boat at that time. Further we could understand that if newspapers were not seen to regulate themselves

the industry might be subject to statutory regulation which we suspected could be cumbersome and inappropriate. We had no doubt about our ability to regulate ourselves with or without the PCC, but membership helped make self-regulation visible. It might be helpful to note that in the last five years the PCC has had a number of occasions to censure newspapers and of those only a handful have been to do with the Express Group.

The reporting of the disappearance of Madeleine McCann

- 5 It is acknowledged that mistakes were made by Express Newspapers with regard to the McCann story. That has been admitted and accepted. Regardless, we found the behavior of the PCC in this case to be wholly hypocritical and unhelpful. Most British newspapers were running stories of a similar nature to those which were published by The Daily Express and The Daily Star which largely resulted from briefing by the Portuguese Police. Arguably the Daily Express ran most stories overall, and therefore would have run more of the kind of stories the McCanns tended to object to, but also more of the kind of stories that promoted the hunt for Madeleine. Examples of such articles are exhibited at PA1.
- 6 Throughout the period of time such stories were running in newspapers, the PCC engaged in no discussions whatsoever with the then editor of The Daily Express, Peter Hill, or indeed with any other of the newspaper editors who subsequently had to make amends to the McCanns, to Murat, or to the 'Tapas Seven'. They might argue it was not in their remit as the McCanns had not complained, but they were clearly in a position to have brought up the topic as an exceptional matter that merited discussion. Despite this, after Express Newspapers had been in receipt of legal proceedings, settled, and apologized, the PCC's then Chairman, Sir Christopher Meyer, openly attacked Mr Hill in an interview with the BBC. Again, I repeat that mistakes were made by our newspapers, mistakes that we have paid for and for which we remain sincerely apologetic. But the combination of inaction when something might have been done and gratuitous comment after the event was particularly galling.
- 7 We did not resign from the PCC immediately. We continued with it for a while longer. However having joined a body made up of those with vested interests and long standing relationships to which we were most definitely not a party, we felt our original misgivings

about the PCC had been confirmed. We felt that Sir Christopher Meyer's remarks had made a scapegoat of the Express group while other newspapers had been able to settle discretely and without publicity.

- 8 We expressed our dissatisfaction and indicated our desire to leave, and through various channels attempts were made to dissuade us on the grounds it might break the solidarity of the industry. We were unclear as to the extent that the mediating function of the body was helpful, and as has been previously indicated we knew that our track record with compliance was better than that of our peers simply due to our internal controls. There were also cases of individuals using the PCC to assist with litigation rather than to resolve complaints and we feared this would become a trend. We stopped making our monetary contributions and finally in January 2011, a formal break with the body was made.
- 9 One thing I would certainly like to stress is that our decision to withdraw from the PCC had nothing to do with any regular censure that we were supposedly receiving from that body. On the contrary, the facts bear out that (notwithstanding the double standards set out above) we were one of the least censured titles throughout its history. Indeed, since Northern & Shell acquired Express Newspapers in November 2000, there have been over 450 adjudications by the PCC on all newspapers. Only 22 of those adjudications related to our newspapers and magazines. Of those 22, only 5 adjudications have been made against the newspapers. I summarise below the 22 adjudications broken down between the various Express titles:
- a) The Daily Express - 5 (1 complaint upheld in 2007);
 - b) The Daily Star - 7 (1 complaint upheld in 2000, 1 upheld in 2008 and 1 upheld in 2010);
 - c) The Sunday Express - 3 (1 complaint upheld in 2009 – Scottish Edition);
 - d) Daily Star Sunday - zero;
 - e) OK! Magazine - 4 (3 complaints upheld);
 - f) New Magazine - zero;
 - g) Star Magazine - 2.

Press Regulation

- 10 Firstly, I would note that a regulatory body, such as the PCC, is but one component part of what in reality influences the behavior and practices of the press. The press is primarily governed by (a) the law, and (b) their own corporate governance, ethical principles, and desire to maintain a good reputation to protect newspaper brands. The scope of the PCC has been therefore very narrow.
- 11 The law and corporate governance are by far the more important considerations. Corporate governance is necessitated by the papers' self interest. If a newspaper is seen to be doing something wrong for short term gain, that paper may lose out heavily in the long term. We have recently seen an example of that with the fall of the News Of The World.
- 12 I do see a role for a press regulatory body, whose task it is to see that papers adhere to a strong code of conduct in areas where laws are not infringed, but competitors need to agree standards ensure members do not compete for readership by pushing back behavioural boundaries. I see no issue with the PCC in principle; it is rather its composition that renders, in our view, unfit for purpose.

Criticisms of the PCC

- 13 Issues of impartiality either conscious or unconscious, will inevitably emerge in any press regulatory body that is itself made up by currently serving newspaper editors. I do not think that I need to go into much detail here, the result is self explanatory. I would however note that as well as other inevitable failings that will result from such a system, there is an issue for newcomers to the industry, in that the members of the regulatory body have over many years, indeed over the course of the history of their long standing titles, built up relationships and working arrangements to which newcomers are not party.
- 14 In order for the PCC to better serve the newspapers and their readers, it is essential to remove from it the industry politics which, from the beginning to the end of our membership, left us disaffected. I do not consider it appropriate for serving editors or indeed other newspaper executives to be on the panel. The psychology of a regulatory body is rendered

awkward when that body is comprised of people who are, naturally, actively competing in the same industry.

15 The reality therefore is that the PCC requires the editors of the National papers to sit in a room, and attempt to perform the role of a proper regulatory body. However an issue naturally arises when talk turns to the behavior of a particular paper; that paper's editor will leave the room, leaving his competitors to discuss what should be done to censure his title. It will not be known by that editor what is being discussed, or indeed which title is suggesting what action. For the Express titles the result of that regime was open and public censure from the PCC for the publication of stories which were also found on the front and inside pages of many of our rivals' papers.

16 The position can therefore be quite easily compared with the composition of most other regulatory bodies, and the most pertinent example of such would be OFCOM. That is a detached regulatory body; its members do not work for our commercial rivals, and its sole brief is to look at what broadcasters are doing, and try to guide them. Of course, they also have a statutory role, which I am not suggesting for a newspaper body since newspapers do not have the privileged media position or universal free access of mainstream television. That responsibility is impossible to carry out properly when the body tasked with such responsibility is comprised of editors from rival newspapers.

Suggested composition of the PCC

17 To say that only editors can understand the work of newspapers and therefore properly carry out the supervisory role of the PCC is not right, even leaving aside for a moment the fact that these editors for the period of their stewardship of the regulatory body, edit the papers that the body is tasked with regulating. The body can consider the principles involved, as, for example, set out in the Editors Code (a code it should be noted by which the Express Newspapers continue to abide). The role of the PCC should simply be to assess how best to apply a sensible code of conduct. And indeed, there are good reasons, which I believe I have touched on above, for barring serving editors from the board of the PCC.

18 I see no reason however why retired editors should not serve on the PCC. As I have said, serving editors are subject to conflicts of interest, and are likely to have contrasting relationships with their various peers. However there are a great many retired editors and indeed publishers who have shown themselves to be fair minded and independent, and if working for the PCC would not be subject to such conflicts. Equally such persons have a specialist body of knowledge that can be put to good use, and drawn upon, by the other members of the body.

19 I think also that there is a strong argument that the membership of the PCC panel should be extended to persons with a legal background. There are a great number of lawyers, whose role it is to know and understand what can and cannot be done in the media. Such individuals possess the ideal qualifications for a regulatory body. Specialist lawyers are aware of the rules and the precedents relevant to newspaper publishing; they can therefore provide proper advice, and censure where appropriate. A key qualification is independence from the industry regulated and it is this quality that, in my view, makes Ofcom a more effective regulator. I also think that there is an argument for representatives of consumer groups, and perhaps media academics.

STATEMENT OF TRUTH

I believe th
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PAUL ASHFORD
Dated: 19 December 2011

Witness Statement are true.

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