



## PRESS RECOGNITION PANEL BOARD

### CHIEF EXECUTIVE'S REPORT – JULY 2017

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28 July 2017

**Status:** for noting

**Lead responsibility:** Susie Uppal,  
Chief Executive

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#### **Purpose**

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1. The purpose of this paper is to provide an update to the Board on Executive activity since the June CEO report.
2. The Board is invited to **note** the contents of the Chief Executive's report.

#### **Executive Summary**

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3. The Board is being updated in respect of organisational and financial matters that have progressed since the last CEO Report (noted by the Board at its meeting on 4 July 2017).

#### **Delivery updates**

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##### Fee charging consultation

4. The Board considered the Executive analysis during the Board meeting on 4 July 2017 and delegated sign off of the final decision and fee charging scheme to the Chair and CEO. The decision document and fee charging scheme will be published shortly.

##### Judicial Review

5. The Judicial Review was heard on 29 and 30 June 2017 and the Court reserved judgment. It is usual for the Court to get Judgments out before the end of term (31 July 2017). However, given the relatively recent nature of the hearing and the proximity of the end of term, that is unlikely in this case.

## Annual Report and Accounts

6. The PRP's Annual Report and Financial Statements for the year ended 31 March 2017 were laid in both Westminster and Scottish Parliaments on 18 July 2017. Hard and electronic copies were also provided to the Northern Ireland and Welsh Assemblies. A copy has also been put on our website.

## Stakeholder engagement

7. I met with Hacked Off on 20 July 2017 following a meeting request from them. During the meeting, I updated attendees on the PRP's work.
8. I wrote to DCMS to inquire when the outcome of the Government's consultation would be published. I received a response on 17 July 2017, which explained that ministers were still considering the outcome of the consultation.

## Annual report on the recognition system 2017

9. On 10 July 2017, we launched a call for information on the recognition system to gather views from others. We wrote to everyone on our stakeholder database, and promoted the consultation on Twitter. Respondents can provide feedback to us in writing, on the phone, or in person. The call for information closes on 8 September 2017.
10. A further update on the progress of this year's annual report on the recognition system will be provided at the Board's August meeting.

## Research update

11. Annex A includes an update on key external matters relevant to our work.

## Finance

12. The Chair wrote to the Lord Chancellor on 18 May 2017 and enclosed a copy of this year's business plan and budget and the PRP's annual report on the recognition system. We stated our intention to deploy part of the Exchequer funds after November 2017 to support our work until the recognition system is in place. This letter was copied to the Permanent Secretary to HM Treasury. In the absence of a response, a further letter was sent on 10 July 2017 and the correspondence was emailed to the Secretary of State's Ministerial Correspondence Team on 17 July 2017. The Team confirmed by email on the same day that the correspondence will be actioned as quickly as possible.
13. The Chair wrote to the Permanent Secretary to HM Treasury on 10 July 2017 to explain that the Board intends to continue the CEO's appointment as its Accounting Officer (including in relation to the spending of the grant Exchequer funds) after November 2017. The correspondence was emailed to the

Permanent Secretary on 18 July 2017 and his Private Secretary confirmed on the 19 July 2017 that this has been passed to the Treasury Officer of Accounts for action.

14. A bank reconciled set of management accounts as at 30 June 2017 is attached at Annex B.
15. The deficit for the period ended 30 June 2017 is £128,000 against the budgeted deficit for the year to date of £176,154. This represents a positive variance of £48,154. Details and an explanation of why key variances have arisen are detailed against the relevant budget lines.
16. The application for Judicial Review will have some impact on the forecast for HR and legal costs. Counsel's fees and associated costs of £15,196 have been incurred in the period to 30 June, with further costs of £11,280 invoiced to the PRP in early July and not included in the June management accounts. I acted as the PRP's solicitor which has meant a significant cost saving in respect of legal fees.
17. The Chair has written to Handelsbanken to arrange the transfer of the remaining funds in the deposit account to the current account. The PRP holds around £1.05m in a deposit account with Barclays. We are making arrangements for £200,000 of this to be transferred to the Handelsbanken current account.
18. At the meeting held on 4 July 2017, the Board approved NEST as the nominated workplace pension scheme for auto enrolment. The scheme is being set up by the Panel's payroll provider, Easy pay.
19. Easy pay will calculate pension deductions as part of the monthly payroll process, and these will be reviewed and checked by JS2. On agreement of the CEO, Easy pay will upload the pension calculations to the NEST website. Payments will be made by direct debit, with the CEO having the facility to cancel or delay payments if needed.

### Implications

20. The implications of decisions taken by the Board as set out in this paper are as follows:
  - Budget – any budget considerations are referenced in individual Board papers. There are no specific implications in addition to the issues referenced;
  - Legislation – no specific implications;

- Resources – any resourcing considerations are referenced in individual Board papers. There are no specific implications other than these;
- Equality, Diversity and Inclusion – no specific implications.

### **Devolved Nations**

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21. There are no implications/differences in relation to the areas of work covered in this paper and the devolved nations.

### **Communications**

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22. Communications issues are dealt with at paragraphs 7-10 of the Paper. There are no other issues to report which have communications implications, so far as I am aware.

### **Risks**

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23. There are a range of risks involved in the areas of work covered in this Paper.

### **Recommendations**

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24. The Board is asked to **note** the contents of the Chief Executive's report.

### **Attachments**

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**Annex A – Update on key external matters**

**Annex B – Management accounts as at 30 June 2017**

### **Update on key external matters**

1. The update on key external matters is a research-informed piece based on a sample of information available in the public domain.

### **Commercial Landscape**

2. New data from the latest National Readership Survey shows that The Daily Telegraph has overtaken The Guardian to become the most-read 'quality' newspaper brand in the UK. The Daily Mail/Mail Online top the list with 31.1m UK readers per month across print and online. The Sun is in second place with 28.8m readers per month in print and online followed by the Mirror on 26.1m. The Mirror is on 26.1m, the Telegraph on 24.6m, and the Guardian is on 24.2m. With a monthly print reach of 10.6m, the free daily Metro is the most read print newspaper in the UK.
3. A media report by KPMG has suggests that there is rising public concern at the rise of fake news, with half of consumers now troubled by the phenomenon. The report showed television to be the single most trusted media source with 65% having faith in the format versus 13% who were sceptical. Social media trailed in last place as far as trust is concerned with 46% 'apprehensive' about what they read compared to just 13% who said they were happy with all that they saw.
4. The Reuters Digital News Report has found a sharp fall in trust for UK news media over the last year. It reported that that 43 per cent said they trust news (down 7 per cent compared with the previous year). Around 50 per cent now use smartphones to access news (level with desktop computers). The survey found that Facebook is both the most popular social network overall and as a source of news. Some 29 per cent of people responding to the survey which informed the report said they use Facebook to access news, followed by Twitter on 12 per cent and the YouTube on 7 per cent.
5. Germany has passed a law that holds Facebook, Twitter, and other social media platforms accountable for the content they host. The approved Network Enforcement Act provides for fines of up to \$57 million (€50 million) to companies that fail to take down "obviously illegal" content within 24 hours, and will come into effect in October. Social media companies will also be required to publish semi-annual reports on how many related complaints they have received about their content, and what was done about them.
6. Fifteen hyperlocal news providers have been deemed eligible to bid to employ one of 150 local democracy reporters in partnership with the BBC. The initiative will give regional and local publishers access to £8m a year of license fee money to employ reporters to cover public bodies such as local councils. Content will be shared with the BBC, while the local newspapers and websites involved will also get access to BBC content.

## **Political**

7. Jim Cunningham MP (Coventry South, Labour) asked the Secretary of State for Digital, Culture, Media and Sport when she planned to publish her response to the Leveson Inquiry and its implementation. The Parliamentary Question was answered on 17 July 2017. Matt Hancock (Minister of State for Digital) explained that the government is currently considering over 140,000 responses to the consultation on the Leveson Inquiry and its implementation.
8. Both Houses of Parliament rose for Summer Recess on Thursday 20 July 2017. Both Houses are expected to return on Tuesday 5 September 2017.

## **Legal and regulatory**

9. On 13 July 2017, IMPRESS announced that an arbitrator has made an award of damages in the first legal dispute to be resolved under the approved regulator's arbitration scheme. Dennis Rice, the claimant, contacted IMPRESS to make a request for arbitration to settle a legal claim of defamation, harassment and malicious falsehood, arising from two tweets sent out from the Byline Media Twitter account on 6 March 2017. In the award, the arbitrator upheld the claim in part. He found one of the two tweets to be defamatory and ordered that damages of £2,500 be awarded to Mr Rice. The claims for harassment and malicious falsehood were withdrawn by consent following the directions hearing held on 16 May 2017.

# **Press Recognition Panel**

## **MANAGEMENT ACCOUNTS**

3 Months to June 2017

**Press Recognition Panel**  
**Period ended 30 June 2017**

	3 Months to June 2017			Full year to March 2018
	Actual £	Budget £	Variance £	Budget £
<b>Income</b>				
Subscription Fees	-	-	-	95,874
Bank Interest	633	1,020	387	3,540
<b>Total Income</b>	<b>633</b>	<b>1,020</b>	<b>387</b>	<b>99,414</b>
<b>Expenditure</b>				
<b>Board costs</b>				
Board Salaries & NIC	16,728	16,428	300	65,410
Board Travel & Subsistence	-	60	(60)	240
<b>Total Board Costs</b>	<b>16,728</b>	<b>16,488</b>	<b>240</b>	<b>65,650</b>
<b>Communications</b>				
Consultation Document & Translation	-	4,530	(4,530)	14,630
				Budgeted costs of £1,530 for consultation on charging will not be incurred, £3,000 for polling not yet incurred.
Website & Visuals	680	681	(1)	2,724
<b>Total Communications Costs</b>	<b>680</b>	<b>5,211</b>	<b>(4,531)</b>	<b>17,354</b>
<b>Other costs</b>				
Executive team costs	68,321	113,371	(45,050)	258,306
				Lower than anticipated costs of regulatory and communications support. Budgeted costs of legal support for Judicial Review not incurred.
HR & Recruitment	1,040	1,641	(601)	8,064
Serviced and Virtual Offices	19,742	19,500	242	73,320
Meeting rooms	348	554	(206)	3,702
Travel & Subsistence	-	150	(150)	600
Information Technology	1,374	2,253	(879)	7,509
IT hardware	3,198	3,600	(402)	3,600
Audit & Accountancy	6,023	6,048	(25)	39,992
Printing & Stationery	499	4,440	(3,941)	8,711
				Costs for design of annual report have not yet been incurred.
Insurance	1,534	1,566	(32)	8,152
Legal	7,366	-	7,366	50,000
				Costs relating to Judicial Review. The budget for the full year included a £50,000 legal contingency.
Subscriptions & publications	1,725	1,842	(117)	7,368
Finance charges	44	60	(16)	240
Sundry expenses	11	450	(439)	1,800
	<b>111,225</b>	<b>155,475</b>	<b>(44,250)</b>	<b>471,364</b>
<b>Total Expenditure</b>	<b>128,633</b>	<b>177,174</b>	<b>(48,541)</b>	<b>554,368</b>
<b>(Deficit) for the period</b>	<b>(128,000)</b>	<b>(176,154)</b>	<b>48,154</b>	<b>(454,954)</b>
<b>Reserves Bfwd</b>	<b>1,246,359</b>	<b>1,954,072</b>		<b>1,246,359</b>
<b>Reserves Cfwd</b>	<b>1,118,359</b>	<b>1,777,918</b>		<b>791,405</b>

**Press Recognition Panel**  
**Period ended 30 June 2017**

	<u>Jun-17</u>		<u>Mar-17</u>	
	£	£	£	£
<b>Current Assets</b>				
Current account	104,439		92,340	
Deposit account	28,302		158,304	
Barclays account	<u>1,004,410</u>		<u>-</u>	
<b>Cash at bank</b>		1,137,151		1,254,421
Prepayments	15,637		26,292	
Accrued Income	227		227	
Third Party Deposit	<u>7,000</u>		<u>12,600</u>	
<b>Sundry debtors</b>		22,864		39,119
<b>Creditors: amounts falling due within one year</b>				
Trade creditors	11,750		9,034	
Credit card	52		1,103	
Social security and other taxes	9,290		13,524	
Pensions	1,725		2,310	
Sundry creditors and accruals	<u>18,839</u>		<u>21,210</u>	
		41,656		47,181
<b>Net Current Assets</b>		<u><u>1,118,359</u></u>		<u><u>1,246,359</u></u>
<b>Funds brought forward</b>				
Funds bought forward at 31 March		1,246,359		1,954,072
Surplus/(deficit) for the period to date		(128,000)		(707,713)
		<u><u>1,118,359</u></u>		<u><u>1,246,359</u></u>