

## FINAL

### PRESS RECOGNITION PANEL

#### Minutes of the 8<sup>th</sup> meeting of the Press Recognition Panel Board held on 30 June 2015 at 107-111 Fleet Street, London EC4A 2AB

**Present:** Dr David Wolfe QC (Chair), Harry Cayton (except part of paragraph 17), Emma Gilpin-Jacobs (except paragraphs 13 to 15), Carolyn Regan, Harry Rich (except part of paragraph 17) and Tim Suter

**In attendance:** Susie Uppal (Executive Director), Sadie East (Communications and Stakeholder Manager), Holly Perry (Head of Governance), Hamish Pringle (Programme Support Manager) (paragraphs 11 to 15), John Speed (JS2 Ltd) (paragraphs 17 to 27), Megan Archer (JS2 Ltd) (paragraphs 17 to 27).

### BOARD MEETING – PUBLIC SESSION

#### Welcome

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1. The Chair **welcomed** Members and attendees to the eighth meeting of the Press Recognition Panel Board.
2. The Chair also **welcomed** the members of the public who were in attendance, who confirmed that they were happy to be named as having been present:
  - Alistair Brett, Early Resolution CIC
  - Alex Cisneros, IMPRESS
  - James Connal, Capital PR
  - Nathan Sparkes, Hacked Off Campaign (from paragraph 8)
  - Dr Evan Harris, Associate Director, Hacked Off Campaign (from paragraph 11)

#### Declaration of members' interests

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3. There were no new declarations to note.

#### Minutes of the meeting held on 26 May 2015, outstanding actions and matters arising

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4. The minutes of the meeting held on 26 May 2015 were **approved**. The Chair would sign a copy of the minutes as a correct record.

5. The log of outstanding Board actions was **noted** and **agreed**.
6. In relation to matters arising, the Board **noted** that:
  - action 2 – visual identity work – it was **agreed** that the PRP logo would now be added to Board papers;
  - action 13 – update on stakeholder meetings – engagement with adjacent regulators. To date, only ASA had agreed to input, although not at Chief Executive level. Susie Uppal would contact the Chief Executive’s office again. In addition, Tim Suter **agreed** to follow up contacts at Ofcom and ATVOD. In addition, the Information Commissioner’s Office had been in contact about specific exemptions relating to the PCC code and Ofcom code and whether these might need to be extended to include other codes;
  - action 25 – live streaming of public Board meetings. The Board noted the prohibitive costs, and **agreed** that the action could be closed.

#### **Update on the forward plan of work – paper PRP33(15)**

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7. The Board **considered** a paper prepared by Rosalind Stevens and Sadie East which updated the Board on the work that needed to be undertaken and decisions made to ensure that the PRP was ready to receive applications for recognition from September 2015. In introducing the item, Susie Uppal explained that there was a full programme of work ahead, and further detail would be presented to the July meeting of the Board. The Board **noted** the eight main themes:
  - summary of consultation responses and PRP response;
  - guide for applicants;
  - operational manual for staff and Board Members on the handling of applications;
  - consultation on fees and charging;
  - preliminary work required for recognition annual report; and
  - assessment of applications received for recognition.
8. The following points were **noted** in discussion:
  - there was a separate workstream on fees and charging which was being worked on to a slower timetable – research would be started in early 2016, for report to the Board in autumn 2016;
  - the team would circulate the outline Guide for applicants to the Board on 16 July 2015, for discussion at the 23 July Board, with a final draft version to be submitted to the Board’s 25 August meeting for approval. The final draft version would take account of the consultation responses;

- in terms of level of detail, the team were looking at other forms of guidance on applications, including the PSA's guidance. Currently, the guide was expected to be 15 to 20 pages in length;
- the opportunity for the Board to review all key elements of the work plan on two separate occasions was welcomed, and it was **agreed** that the operational manual would be approved by the Board at its 22 September 2015 meeting rather than simply noted; and
- the acronym ARA would be spelt out in full in future papers (annual report and accounts).

9. The Board **noted** the high-level work plan.

**Update on consultation events to date and stakeholder meetings – paper PRP34(15)**

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10. The Board received a paper which provided the Board with an update on progress to date with delivery of the PRP's consultation on receiving and assessing applications for recognition. The paper also provided an update on recent stakeholder meetings. The Chair **thanked** the team for all their work on supporting the events that had taken place to date.

11. The following points were raised in discussion:

- the Chair would submit some drafting amends in relation to the notes of the consultation events attached at Annex A;
- it was **agreed** that the LSE launch event had been very successful, and had generated a good level of engaged, thoughtful discussion;
- the low level of attendance in Belfast was **noted**;
- the event in Glasgow had generated constructive discussion and some probing questions. It was clear that attendees had understood the complexities of the challenge facing the PRP, and the conditioning effect of the Royal Charter criteria on those regulators not intending to apply for recognition;
- the follow up discussion with Scottish Government officials had been helpful; we will continue to keep them informed of what is happening;
- the event in Manchester had attracted an interesting range of people, including helpful input from the NUJ. Members of the public had helped to draw out the key role that the PRP had in respect of public education.

12. The Board:

- **noted** the update on the consultation, which would close on 31 July;
- **noted** the recent stakeholder meetings.

13. The Board<sup>1</sup> considered a paper prepared by Holly Perry and Hamish Pringle which updated the Board on the options for premises from the end of September 2015. In introducing the item, the Executive Director explained that a key issue for the Board to determine was the preferred length of term of the next contract for premises. The main options were set out in the paper.
14. The Board raised the following points in discussion:
- it was **noted** that a number of service issues were causing difficulties at the Regus Wood Street office including a lack of meeting rooms and poor internet speed and Wi-Fi access;
  - it was **agreed** that the paper made a robust case for remaining in serviced offices however the service levels at Regus Wood Street suggested alternative options needed to be pursued;
  - it was **agreed** that a Regus option beyond Wood Street could be pursued however service levels would need to be built in the contract;
  - it was **noted** that the space at the PSA was no longer available as the current tenants had decided to remain for a further term;
  - the Crown Estate had been slow to respond to requests for information about shared space currently available – it was **agreed** that Carolyn Regan would pursue a contact within the Crown Estate to assist with pursuing this option, although the optics of taking on government owned space would need careful consideration in the context of the PRP's independence;
  - it was **agreed** that the un-serviced office option should be ruled out;
  - in relation to the shortcomings at the Wood Street office, it was **noted** that the Executive Director had negotiated £500 of free meeting room space per month by way of financial compensation.
15. The Board:
- **agreed** that notice should be served by 30 June 2015 on the Wood Street offices;
  - **agreed** a period of 15 months for the next contract term, from end of September 2015 to end of November 2016, to tie in with the PRP's autumn cycle of work;
  - **delegated authority** to the Executive Director to enter into negotiations and finalise a more suitable office solution from the end of September 2015.

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<sup>1</sup> On the basis that Emma Gilpin-Jacobs is employed by Regus PLC as Group Corporate Affairs Director, she recused herself from the discussions relating to this item.

16. The Board considered a paper which updated the Board on a range of governance issues, including in relation to the accounting framework, internal and external audit, draft terms of reference for a proposed Audit and Risk Committee and a draft business continuity policy for the PRP.
17. The following points were raised in discussion:

*Audit and Risk Committee terms of reference*

- the Board **agreed** to the establishment of an Audit and Risk Committee as a sub committee of the Board;
- the Board **agreed** that Harry Rich, already identified as Board Member with responsibility for financial issues on behalf of the Board, would be appointed as Chair of the ARC;
- the Board **agreed** that Harry Cayton would be appointed as a member of the ARC;
- the Board **agreed** that an external member would be recruited, on a day rate equivalent to the notional Board Member daily rate;
- it was **agreed** that the annual time commitment for the external member of the ARC was 2 to 3 days;
- it was **agreed** that Harry Rich and Harry Cayton would be involved in the recruitment of the external member;
- it was **agreed** that the first meeting of the ARC would take place in September 2015, and would meet at least twice a year; and
- it was **agreed** that if an external member was not identified in time, Carolyn Regan would join the ARC as the third member of the Committee.

*Business continuity policy*

- it was **noted** that occupation of serviced offices was beneficial in a business continuity context;
- the Board **agreed** the business continuity policy and **noted** that action plans would now be populated by the executive for the key areas of work, for review by the Board once completed.

*Accounting framework update*

- Megan Archer reported that JS2 Ltd had written to NAO regarding the appropriate accounting framework for the PRP to follow, and a written response from NAO was expected by 3 July;
- the Board **noted** that NAO was expected to confirm that the PRP could follow the *Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)*; and

- the Board **agreed** that as soon as the NAO had provided a response, JS2 Ltd could start work on preparing the financial statements for 2014/15.

*Internal and external audit arrangements*

- the Board **noted** the extracts from the draft Finance policy relating to internal and external audit arrangements.

18. In summary, the Board
- **noted** the update on the proposed format for the financial statements and the position in relation to internal and external audit arrangements;
  - **approved** as interim positions to be adopted pending further consideration in the light of public consultation the draft terms of reference for the PRP Audit and Risk Committee and the draft business continuity policy; and
  - in relation to the business continuity plan and annual report and accounts, **delegated authority** to the Head of Governance and Executive Director to progress the next steps.

**Update on resourcing issues – Paper PRP37(15)**

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19. The Board received a paper which provided an update on actions taken since the 26 May 2015 meeting in relation to resourcing to support the overall work programme.
20. The following points were raised in discussion:
- *insurance* – the Board **noted** the work that was ongoing with an insurance broker to secure the necessary insurance and to identify areas where additional cover might be required. The Board **noted** that some areas were more expensive than others, and that there was no specific need for cyber cover. The executive **noted** the need to ensure that there was no overlap in cover arising from serviced office provision. A further update would be provided to the 23 July meeting;
  - *HR policies and contracts* – the Executive Director reported that the updated contract paperwork was expected to be circulated to colleagues by 3 July;
  - *Premises* – the issues had been discussed in relation to paper PRP35(15) Premises options for September 2015;
  - *Website* – the Board **noted** that the next phase of the website redesign was now underway, as referenced in paper PRP33(15) Update on the forward plan of work. The Board **noted** that accessibility and analytics were issues that were being incorporated in this phase of the work;
  - *Paperless Board papers* – the Board **agreed** that PDF only was not an

option for papers, given the limits to the functionality of PDF documents. The Board agreed to receive a demonstration from BoadPad at the 23 July 2015 Board meeting

21. In summary, the Board:
- **noted** the update on insurance;
  - **noted** the update in relation to premises;
  - **noted** the update in relation to HR policies and contracts;
  - **noted** the update in relation to the Panel's website; and
  - **agreed** the next steps in relation to electronic Board papers.

### **Finance report June 2015 – Paper PRP38(15)**

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22. The Board received a paper which updated the Board on the finance position as at 31 May 2015.
23. The following points were raised in discussion:
- the Board noted the adjustment to the 2015/16 budget – total budget expenditure for the year was now expected to be £934k;
  - JS2 Ltd confirmed that there were no significant elements to draw to the Board's attention at this point in the year;
  - in some areas, actuals were better than forecast (e.g. recruitment) but in other areas there had been slight overspend (e.g. IT);
  - JS2 Ltd confirmed that a re-balance of the forecast against the budget would take place at the six-month point rather on a quarterly basis;
  - Harry Rich, as Board Member with responsibility for finance issues on behalf of the Board, **reported** that he had met JS2 Ltd in early June. Meetings would continue take place on a quarterly basis, to include the Executive Director and timed to take place ahead of Board and ARC meetings; and
  - in relation to the second bank account, the Board **noted** that JS2 Ltd intended to approach a selection of the main clearing banks to secure a deposit account, and a grid framework would be prepared for approving the account. A further update would be provided at the Board's next meeting.
24. The Board **noted** the latest financial position, including the adjustment to the budget for 2015/16.

### **Closing discussion**

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25. The Chair invited the members of the public who were in attendance to make any observations and to raise any questions. following points were

made by the visitors:

*Alistair Brett, Early Resolution CIC*

Alistair Brett sought confirmation from the Chair that the PRP were consulting with the judiciary, following Mr Brett's submission to the PRP of details of the key members of the judiciary to approach. The Chair confirmed that he would check what was happening. Alistair Brett reiterated his concern about the possibility of a number of different arbitration schemes emerging for different areas, which could result in poor access to justice for individuals. He added that arbitration was a complicated area of law, and the playing field was uneven. The Chair confirmed that these concerns would be recorded as a consultation response, and asked Mr Brett to encourage as many individuals with similar concerns to respond to the PRP's consultation.

*Evan Harris, Hacked Off*

- Dr Harris noted that reference was made in the consultation document to 28 separate Royal Charter criteria, whereas in fact there were 29. This point was **noted**;
- in relation to paragraph 4 of the consultation document, the reference relating to changes to the Charter were not correct. Changes to the Charter in fact required a two-thirds majority of both Houses of Parliament, the Scottish Parliament and the Board of the Panel itself;
- in relation to paragraphs 63 and 64 of the consultation document, reference was made to 'sustainable operation' however this wording was not referenced anywhere else in the document;
- it was preferable for the PRP to undertake an ad hoc review in reaction to a regulator failing. Any concerns about a regulator would therefore be picked up as part of an ad hoc review. The Chair confirmed that the PRP had considered 'conditional recognition' however there was no provision in the Charter for this type of approval – recognition either had to be granted or rejected;
- in relation to the 'call for evidence', Dr Harris considered that there were two options: (a) on the one hand, the PRP could not issue a call for evidence at all, as there was no obligation to do so, (b) on the other hand, if a call for evidence was to be issued, the most appropriate mechanism for facilitating this was for the application to be published in full on the website, with some changes to the proposed process. The Executive Director stated that confidential and commercially sensitive information would need to be withheld. The Chair responded that the PRP would very much welcome a consultation response relating to these issues;
- in relation to incomplete applications, the Chair confirmed that informal

discussions would take place with the regulator ahead of a formal application, and it was therefore unlikely that the PRP would receive a formal application that was incomplete – the process would nevertheless be as transparent as possible; and

- in terms of Figure 1, Process for recognition, Dr Harris tabled an alternative process, which the Chair requested that he submit formally as a consultation response.

### **Any other business**

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26. There was no other business.

### **Date and time of next meeting**

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27. The Board **noted** that the next scheduled meeting of the Board would be held on Thursday 23 July 2015, 10.00 to 17.00 (exact timings to be confirmed).