



PRESS RECOGNITION PANEL BOARD

CHIEF EXECUTIVE'S REPORT – SEPTEMBER 2018

Meeting: by email

Status: for noting

Lead responsibility: Susie Uppal,
Chief Executive

Contact details: 020 3443 7072

Purpose

1. The purpose of this paper is to provide an update to the Board on Executive activity since the August 2018 CEO report.
2. The Board is invited to **note** the contents of the Chief Executive's report.

Executive summary

3. The Board is being updated in respect of organisational and financial matters.

Corporate updates

4. The Executive have agreed a new contract with Commercial Evaluations Ltd for access to a parliamentary database for communication purposes. The contract will commence for a 12-month period from 29 September 2018 following expiry of the agreement with DeHavilland on the same date.
5. As part of the continuing drive to utilise funds as effectively as possible and as agreed by the Board at its August meeting, the Executive are considering the feasibility of moving to a virtual office with effect from 1 December 2018 and Board papers will now only be provided electronically. The CEO will provide a more detailed breakdown of anticipated cost savings at the Board meeting scheduled for 30 October 2018.

Financial update

6. A bank-reconciled set of management accounts as at 31 August 2018 is attached at Annex A. The deficit for the period to date is £47,313 against the year to date budget of £64,654, representing a positive variance of £17,341. Details and an explanation of why key variances have arisen are detailed against the relevant lines.
7. As previously reported, the High Court Judgment arising from the Judicial Review awarded the PRP full costs that were incurred on the case. Counsel's fees and associated costs (excluding staff time) of £30,892 were incurred as at 31 August 2018. Given the JR is now subject to appeal, the award income has not yet been provided for in the management accounts.
8. At present, the PRP's bankers, Handelsbanken, operate their UK business through a branch of their main Swedish company, Svenska Handelsbanken AB (SHB). On 21 September 2018, Handelsbanken advised that they are proposing to transfer their UK business into a new, wholly owned subsidiary of SHB, the new subsidiary will be called Handlesbanken plc and will need to be authorised by the Prudential Regulation Authority (PRA) to carry out banking business in the UK.
9. The procedure that Handelsbanken are following is a court-based process under Part VII of the Financial Services and Markets Act 2000. The scheme document setting out details of what will be transferred will be considered by the High Court at a hearing on 13 November 2018. If the scheme is approved by the High Court, it will result in the transfer of the UK banking business from the current branch into Handlesbanken plc. The application and any approval by the High Court is subject to authorisation of Handelsbanken plc by the PRA. Handelsbanken have confirmed that the proposed transfer will have no material impact on the terms, conditions rights and obligations under any of the current arrangements. The banking relationship will be with the new legal entity Handelsbanken plc.

Delivery updates

10. As part of the periodic liaison meetings, the Executive met with IMPRESS on 13 September 2018.
11. The Executive met with NAO representatives on 19 September 2018 to review the recent audit. A new audit team for the PRP will be confirmed in October and the audit planning report will be provided prior to the November ARC meeting. Overall the audit had concluded successfully with certification taking

place on time. The good communication between the teams and the timely provision of information from the PRP was noted. Feedback from both the Executive and JS2 was provided on areas of potential improvement and the NAO will provide a response specifically on the points raised and take forward actions as appropriate for next year's audit.

12. The NAO have provided the draft management letter and the management will provide responses in due course. The letter will be considered with the ARC and update provided to the Board in due course.
13. The Board will be aware that the MoJ have stated in their Departmental accounts that from 1 April 2018, the PRP has been designated as within the MoJ Departmental Boundary. The Executive met with MoJ representatives to discuss this on 24 September 2018. The MoJ explained that the designation had been made by the Treasury in view of the continued use of public funds. The CEO provided a detailed summary of the background to the PRP, its unprecedented independence and the accounting and reporting requirements as detailed in the Charter. The Charter set out the PRP's obligations fully, including the requirement to forward the budget to the Lord Chancellor, the obligation to adhering to the requirements of managing public money and submitting to an audit by NAO each year. The MoJ confirmed that, given the PRP's transparency, it was likely that they would be able to obtain all the information it required from the PRP's website. The MoJ reiterated that the Department were fully cognisant of the independence of the PRP from government. This was simply about satisfactory reporting for accounting purposes and if they required further information for consolidation into the Departmental accounts, they would request the information along in line with the Charter or state the basis on which it was requested for consideration by the PRP's CEO and Board.
14. The MoJ noted the potential scenarios where the PRP may consider applying for further funding under the Charter. The CEO reiterated that the Board do not intend to seek further funding as we have been prudent with the grant expenditure.

Cairncross review

15. The PRP responded to the Cairncross Review's call for evidence on sustainable high-quality journalism in the UK. The submission is attached at Annex B for information.
16. The Chair wrote to Dame Frances Cairncross to offer a meeting to explain the PRP's work. A copy of the letter is attached at Annex C.

Report on the recognition system 2018

17. On 17 September 2018 the PRP launched a call for information on the success of the recognition system. The feedback that we receive will be used to inform our 2018 report on the recognition system. A copy of the call for information paper is attached at Annex D. The call for information closes on 8 October 2018.
18. The PRP is often asked to give a view on whether (in particular) the complaints (and any arbitration) systems operated by some news organisations meet the Royal Charter criteria and to give an indication of the extent to which the public safeguards intended by the post-Leveson system of regulation are in place on a voluntary basis. As part of our 2018 report on the recognition system, we will provide an assessment of IPSO and some of the major publishers which are not members of IPSO including BuzzFeed UK, Facebook, the Financial Times, Google, the Guardian, HuffPost, the Independent, LADbible, Pink News, Private Eye, Reuters, Snapchat, Twitter and Yahoo! News.
19. We have chosen significant publishers from across the press landscape and we consider it to be in the public interest for us to assess them as part of our Charter requirement to report on the success of the recognition system and as part of our consideration of how far the public is currently protected from potential harm. We will undertake this assessment based on facts available to us, including anything which those organisations provide in response to our requests to them.
20. A copy of the letter sent to IPSO is attached at Annex E. A copy of the letter sent to the above-mentioned publishers is attached at Annex F.

Research update

21. Annex G includes an update on key external matters relevant to our work.

Implications

22. The implications of decisions taken by the Board as set out in this paper are as follows:
 - Budget – There are no specific implications in addition to the issues referenced.
 - Legislation – no specific implications.
 - Resources – any resourcing considerations are referenced and there are no specific implications other than these.

- Equality, Diversity and Inclusion – no specific implications.

Devolved nations

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

Communications

24. There are no other issues to report which have communications implications, so far as I am aware.

Risks

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

Recommendations

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

Attachments

Annex A – Management Accounts as at 30 August 2018

Annex B – Cairncross Review – PRP submission

Annex C – Letter to Dame Frances Cairncross

Annex D – Call for information on the 2018 report on the recognition system

Annex E – Letter to IPSO regarding the 2018 report on the recognition system

Annex F – Letter to BuzzFeed UK regarding the 2018 report on the recognition system. A similar letter was sent to Facebook, the Financial Times, Google, the Guardian, HuffPost, the Independent, LADbible, Pink News, Private Eye, Reuters, Snapchat, Twitter, and Yahoo! News.

Annex G – External Matters Update

Press Recognition Panel

MANAGEMENT ACCOUNTS

5 Months to August 2018

Press Recognition Panel
Period ended 31 August 2018

	5 Months to August 2018			Full year to March 2019
	Actual £	Budget £	Variance £	Budget £
Income				
Subscription Fees	92,219	92,219	-	220,000
Bank Interest	834	524	(310)	1,133
Total Income	93,053	92,743	(310)	221,133
Expenditure				
Board costs				
Board Salaries & NIC	25,724	25,655	69	64,572
Board Travel & Subsistence	-	100	(100)	240
Total Board Costs	25,724	25,755	(31)	64,812
Communications				
Consultation Document & Translation	-	-	-	12,200
Website & Visuals	706	700	6	2,480
Total Communications Costs	706	700	6	14,680
Other costs				
Executive team costs	70,364	88,195	(17,831)	226,083
HR & Recruitment	1,734	4,735	(3,001)	8,884
				needed
Office costs	19,184	19,207	(23)	42,021
Meeting rooms	3,797	1,600	2,197	3,200
Travel & Subsistence	126	100	26	240
Information Technology	1,702	1,240	462	2,976
IT hardware	-	1,000	(1,000)	2,000
Accountancy	8,565	8,430	135	23,882
Audit Fees	60	-	60	12,000
Printing & Stationery	2,075	2,575	(500)	3,880
Insurance	831	910	(79)	2,724
Legal	2,544	-	2,544	30,000
				Counsels fees incurred as a result of the defending the appeal to the Court of Appeal. The budget includes a £30,000 legal provision in January 2019
Subscriptions & publications	2,727	2,900	(173)	6,960
Finance charges	48	50	(2)	120
Sundry expenses	179	-	179	227
	113,936	130,942	(17,006)	365,196
Total Expenditure	140,366	157,397	(17,031)	444,688
(Deficit) for the period	(47,313)	(64,654)	17,341	(223,555)
Reserves Bfwd	860,393	860,393		860,393
Reserves Cfwd	813,080	795,739		636,838

Press Recognition Panel
Period ended 31 August 2018

	<u>Aug-18</u>		<u>Mar-18</u>	
	£	£	£	£
Current Assets				
Current account	105,519		87,076	
Barclays account	<u>756,673</u>		<u>805,827</u>	
Cash at bank		862,192		892,903
Prepayments	10,282		12,718	
Outstanding fees	-		110,000	
Accrued Income	171		182	
Third Party Deposit	<u>5,240</u>		<u>7,666</u>	
Sundry debtors		15,693		130,566
Creditors: amounts falling due within one year				
Trade creditors	16,812		5,502	
Deferred income	38,576		130,795	
Credit card	-		64	
Social security and other taxes	4,546		5,632	
Pensions	1,035		1,035	
Sundry creditors and accruals	<u>3,836</u>		<u>20,048</u>	
		64,805		163,076
Net Current Assets		<u><u>813,080</u></u>		<u><u>860,393</u></u>
Funds brought forward				
Funds bought forward at 31 March		860,393		1,246,359
Surplus/(deficit) for the period		(47,313)		(385,966)
		<u><u>813,080</u></u>		<u><u>860,393</u></u>

Press Recognition Panel

Submission to the Cairncross Review

Introduction

1. A sustainable press requires a system of independent self-regulation that protects both the public and the industry. The Press Recognition Panel (PRP) is a vital part of that system and we support high-quality journalism.
2. When we refer to the “press”, we include the range of written news publishers that operate online and in print, and that reach local, national and global audiences. We also include social media platforms who publish news and who an increasing number of commentators agree should be subject to a regulatory framework.

The Leveson Inquiry (2011-2012)

3. The Press Recognition Panel (PRP) was established by Royal Charter in 2014 as part of a new system of regulatory oversight to ensure the freedom of the press whilst also protecting the interests of the public.
4. This followed the Leveson Inquiry (2011-2012) into the culture, practices and ethics of the press. The enquiry was established in the light of phone hacking and other criminal activity by some parts of the industry. Victims included ordinary members of the public.
5. In his independent report, Lord Justice Leveson proposed a genuinely independent and effective system of self-regulation with politics playing no part in it. It is the PRP’s view that full implementation of the post-Leveson system of regulation would support industry sustainability and increase public confidence in the press.

The Royal Charter

6. The Charter gives the PRP a unique independence and our Board was appointed through an independent process with no press or political involvement.
7. Our Charter can only be changed by a two-thirds majority of those who vote in the House of Commons, the House of Lords and the Scottish Parliament, and with the unanimous agreement of our Board. This prevents politicians and others from interfering with our work and decisions.
8. Our Charter sets out 29 criteria based on Leveson’s recommendations. The criteria provide objective measures of independence and effectiveness and ensure that press regulators who comply with them are, among other things:
 - a) Independent;
 - b) Properly funded;
 - c) Able to protect the public; and
 - d) Secure freedom of speech.
9. Our role is to consider applications from regulators who voluntarily apply to be assessed against the recognition criteria.

Increasing public confidence in new publishers

10. A key Leveson recommendation was that ordinary members of the public needed affordable access to justice if they think they have been legally wronged by a news publisher – for example in civil cases of libel, slander breach of confidence, misuse of private information, malicious falsehood or harassment. The Charter sets out minimum standards for such a system.
11. That is needed because ordinary members of the public cannot currently afford the high legal costs usually associated with action in the courts. Arbitration by a Charter-compliant scheme

would secure proper access to legal redress for all.

12. In order to protect publishers from dealing with vexatious or frivolous challenges, the Charter requires an arbitration scheme to have a filter system to ensure that a claimant has an arguable case before it can be taken forward.
13. Providing low-cost access to justice through an arbitration scheme that has been independently assessed as meeting the Charter criteria will secure the public confidence and contribute to the security of the industry.

Recognising IMPRESS

14. In January 2016, IMPRESS applied to independently assessed by us against the criteria.
15. Following three public calls for information, we carried out a robust assessment and in October 2016, we recognised IMPRESS as an approved regulator because it met all 29 recognition criteria.
16. IMPRESS is subject to our processes for ad hoc and cyclical reviews, which were devised following public consultation.

The current situation

17. Several news publishers remain outside the recognition system. Although IMPRESS' numbers are growing, some publishers have chosen to join IPSO, who do not intend to apply to be independently assessed by the PRP, or to join neither body.

Incentivising the system

18. Leveson anticipated that incentives would be required to encourage news publishers to form or sign up to approved regulators. These incentives are provided by section 40 of the Crime and Courts Act 2013 in England and Wales. The legislation has not yet been commenced, and disappointingly, in March 2018, the Government announced that it planned to ask Parliament to repeal it.

Protecting the industry

19. Section 40 would give financial protections to publishers who are members of an approved regulator. This is because anyone wanting to bring legal action against those publishers could raise the issue through arbitration and avoid a costly court case.
20. If a claimant still chose to pursue the matter through the courts, those publishers would be protected from paying any legal costs. Section 40 supports investigative journalism and removes the chilling effect brought about from the threat of legal action that publishers often face.
21. If fully implemented, the new system of regulation would protect publishers and support freedom of speech.

Protecting the local press

22. The new system of independent regulation includes special protections for the local and regional press to avoid causing them financial hardship. If a financial problem arose, the PRP is empowered to dis-apply the arbitration requirements for these publishers. This would support sustainability.

Political involvement in press regulation

23. The Leveson Inquiry was the seventh time in 70 years that a government-commissioned inquiry was instigated to deal with concerns about the press.
24. In November 2016, the Government announced an eighth review into press matters when it announced its consultation on the Leveson Inquiry and its implementation.

25. The current level of ongoing political involvement in press matters is deeply concerning and is a threat to the longer-term future of the press. The threat of political interference remains, and this is something that everyone agrees should not happen.

Conclusions

26. The Charter identifies 'success' as when all or most 'significant relevant publishers' are members of one or more recognised regulator. This is what we should be working towards, as it would ensure that most news publishers are members of regulators that embody the conclusions of the Leveson inquiry.
27. It is clear that section 40 is needed to incentivise publishers bring about success. Publishers who do not wish to join IMPRESS can for their own recognised regulator. There can be more than one approved regulator.
28. Commencing section 40 of the Crime and Courts Act 2013 would increase sustainability in the press by:
 - a. Protecting ordinary people, not just the rich, and thereby increasing public confidence
 - b. Protecting the press from the chilling effect of large legal costs, and
 - c. Removing political influence on press regulation.



Press Recognition Panel
Mappin House
4 Winsley Street
London W1W 8HF

Dame Frances Cairncross
Cairncross Review Secretariat
Department for Digital, Culture, Media and Sport
4th floor
100 Parliament Street
London SW1A 2BQ

Sent by email

25 September 2018

Dear Dame Frances,

I am the Chair of the Press Recognition Panel (PRP), the body created by Royal Charter following the Leveson Inquiry into the culture, practices and ethics of the press, in the light of alleged criminal activity including phone hacking.

A key recommendation of the Leveson Inquiry was the creation of a 'genuinely independent and effective system of self-regulation'. The new system was debated in Parliament and it received cross-party agreement.

The PRP is entirely independent of politicians, Parliament, the press or any other such interest. Our Charter lists 29 criteria for press regulators which, if met, ensure they are independent, properly funded and able to protect the public. Our role is to assess regulators against all 29 criteria. Regulators that meet the criteria are called approved regulators.

In England and Wales, our Charter sits alongside section 40 of the Crime and Courts Act 2013. The legislation provides incentives that would encourage news publishers to participate in the new system of regulation. Section 40 would give financial protections to publishers that are members of an approved regulator. This is because anyone wanting to bring legal action against those publishers could raise the issue through arbitration and avoid a costly court case. However, the legislation has not yet been commenced and in March 2018, the Government announced that it planned to ask Parliament to repeal it.

Our Charter also requires us to report on the extent to which the new system of press regulation has succeeded in its aims. In November 2017, we published our second annual report on the recognition system – please find a copy enclosed. The

report is informed by the views and perspectives of a wide range of people who have an interest in our work.

We recently responded to your call for evidence on sustainable high-quality journalism in the UK. In our submission we explain that a sustainable press requires a system of independent self-regulation that protects both the public and the industry. The PRP is a vital part of that system and we support high-quality journalism.

Our submission also explains why it is vital for Section 40 to be commenced and how the legislation would protect publishers, support brave journalism and protect freedom of speech for members of approved regulators. Section 40 would support the sustainability of the press.

We regularly meet with stakeholders to clarify information about our role to ensure that the recognition system is understood, and we would like to extend the same opportunity to you.

If you would be happy to meet in person, then our teams can liaise to identify a suitable date. We generally hold our meetings with stakeholders in private, but an agreed note of the discussion is published on our website afterwards.

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Wolfe', with a large, sweeping flourish underneath.

David Wolfe QC
Chair of the Press Recognition Panel

Report on the Recognition System 2018

Call for information

Introduction

The independent Press Recognition Panel (PRP) was established in 2014 as part of a new system of regulatory oversight to ensure the freedom of the press whilst also protecting the interests of the public.

Our Royal Charter requires us to report annually on any success or failure of the recognition system, and we will do so when we publish our third report on the system in autumn 2018.

To help inform our thinking, we are gathering views on the extent to which the recognition system has succeeded in its aims.

We would like to hear from anyone with an interest in UK press regulation, including members of the public, journalists, academics, news publishers, media organisation, politicians and campaigners.

Background

Our Charter was granted following the Leveson Inquiry (2011-2012) into the culture, practices and ethics of the press, in the light of phone hacking and other criminal activity. Victims included ordinary members of the public.

In his report, Lord Justice Leveson proposed a genuinely independent and effective system of self-regulation with politics playing no part in it.

The Charter gives the PRP a unique independence. It can only be changed by a two-thirds majority of those who vote in the House of Commons, the House of Lords and the Scottish Parliament, and with the unanimous agreement of our Board. The Charter prevents politicians from interfering with our work and decisions.

The Charter sets out 29 criteria based on Leveson's recommendations. The criteria are part of a scheme of recognition which embodies what the Leveson report considered to be the necessary minimum requirements for effective press regulators.

Our role is to consider applications from regulators who voluntarily apply to be assessed against the recognition criteria. In January 2016, IMPRESS applied.

In October 2016, following three public calls for information and a robust assessment process, we recognised IMPRESS as an approved regulator because it met all 29 recognition criteria. IMPRESS is the only approved regulator.

Leveson anticipated that incentives would be required to encourage news publishers to form or sign up to approved regulators while at the same time offering an alternative route to access to justice in relation to those who chose not to do so. The mechanism provided by section 40 of the Crime and Courts Act 2013 in England and Wales has not yet been commenced. The Government now plans to ask Parliament to repeal section 40.

The range of news-related publications available in the UK is diverse and includes international, national, regional, local and hyperlocal titles, operating across both print and online. The Leveson Inquiry and the new system of regulation considered the full range of relevant publishers, and the system was intended to work for all 'relevant publishers' (as defined in the Crime and Courts Act 2013) that exist today.

It appears to us that several social media platforms may also fall within the definition of relevant publisher at least in relation to their production of news and news-related material.

The PRP is often asked to give a view on whether (in particular) the complaints (and any arbitration) systems operated by some news organisations meet the Royal Charter criteria and to give an indication of the extent to which the public safeguards intended by the post-Leveson system of regulation are in place on a voluntary basis.

As part of our 2018 report on the recognition system, we will provide an assessment of IPSO and some of the major publishers which are not members of IPSO including BuzzFeed UK, Facebook, the Financial Times, Google, the Guardian, HuffPost, the Independent, LADBible, Pink News, Private Eye, Reuters, Snapchat, Twitter, and Yahoo! News.

We have chosen significant publishers from across the press landscape and we consider it to be in the public interest for us to assess them as part of our Charter requirement to report on the success of the recognition system and as part of our consideration of how far the public is currently protected from potential harm. We will undertake this assessment based on facts available to us, including anything which those organisations provide in response to our requests to them.

Share your views

In producing this report, we would like to consider the full range of perspectives on the success of the recognition system so far.

We would also welcome views in response to the following questions:

- To what extent does the new system of genuinely independent and effective system of press self-regulation recommended by Leveson exist today?
- How much confidence can the public have in the systems that are currently in place to protect it from potential harm caused by the press?
- To what extent and in what way are social media platforms that publish news “relevant publishers” for the purposes of the Crime and Courts Act 2013 and what implications, if any, does that have for them, the PRP and/or the public?
- Are you aware of any facts or evidence related to the following organisations that would be useful in assessing their compliance with the Royal Charter criteria: BuzzFeed UK, Facebook, the Financial Times, Google, the Guardian, HuffPost, the Independent, IPSO, LADBible, Pink News, Private Eye, Reuters, Snapchat, Twitter, Yahoo! News?

How to respond to this call for information

If you have any information that you would like us to consider, we are happy to receive feedback in writing, by phone, or face-to-face.

Write to us: Mappin House, 4 Winsley Street, London W1W 8HF

Email: Consultation@pressrecognitionpanel.org.uk

Phone: 020 3443 7072

If you would like to meet with us, please contact us using the details above to arrange.

The closing date for the call for information is 8 October 2018.

Confidentiality

Where appropriate, the PRP wishes to publish a list of respondents and their responses. We may also quote or refer to specific responses in our final report. When providing information, please indicate whether you do not wish your name and/or response to be published.



Press Recognition Panel
Mappin House
4 Winsley Street
London W1W 8HF

Alan Moses
Chair
IPSO

Sent by email

17 September 2018

The independent Press Recognition Panel (PRP) was established by Royal Charter as part of the new system of regulatory oversight to ensure the freedom of the press whilst also protecting the interests of the public.

Our Charter requires us to report annually on any success or failure of the recognition system, and we will fulfil this requirement when we publish our third report on the system in autumn 2018.

To help inform the report, we are gathering views on the extent to which the recognition system has succeeded in its aims. We welcome IPSO's views.

As have our previous reports and some of our other public briefings, the report will refer to IPSO and the extent to which IPSO meets the Royal Charter recognition criteria, based on any facts or evidence available to us. Given recent public interest and comment by IPSO itself on IPSO's arbitration scheme, that scheme (including both its coverage of publishers and operational rules) is likely to be a particular area of focus for us.

We are obviously keen to ensure that what we say is as fully informed as possible. Is there is any information that you would like to provide to assist us with this? We will obviously publish your response and any information supplied. We are also making similar inquiries of a number of relevant publishers which are not members of IPSO.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Wolfe', is positioned below the text 'Yours sincerely,'.

David Wolfe
Chair
Press Recognition Panel



Press Recognition Panel
Mappin House
4 Winsley Street
London W1W 8HF

Janine Gibson
Editor-in-Chief
Buzzfeed UK

Sent by email

17 September 2018

The independent Press Recognition Panel (PRP) was established by Royal Charter following the Leveson Inquiry as part of the new system of regulatory oversight to ensure the freedom of the press whilst also protecting the interests of the public.

The PRP is entirely independent of politicians, Parliament, the press or any other such interest. Our Charter lists 29 criteria for press regulators which, if met, ensure they are independent, properly funded and able to protect the public. The PRP's role is to assess regulators against the 29 criteria and to recognise them, if they meet them all.

Our Charter requires us to report annually on any success or failure of the recognition system, and we will fulfil this requirement when we publish our third report on the system in autumn 2018.

To help inform the report, we are gathering views on the extent to which the recognition system has succeeded in its aims. We welcome BuzzFeed UK's views.

We are often asked to give a view on whether (in particular) the complaints (and any arbitration) systems operated by some news organisations meet the Charter criteria and to give an indication of the extent to which the public safeguards intended by the post-Leveson system of regulation are in place on a voluntary basis.

As part of our report, we will provide a high-level assessment of BuzzFeed UK and other significant publishers from across the press landscape. We consider it to be in the public interest for us to assess them as part of our consideration of how far the public is currently protected from potential harm. We will undertake this assessment based on facts available to us.

We are obviously keen to ensure that what we say is as fully informed as possible. Is there any information that you would like to provide to assist us with this? We will obviously publish your response and any information supplied.

If there is anything that you would find it useful for us to clarify in relation to our work, please let me know.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Wolfe', written in a cursive style.

David Wolfe
Chair
Press Recognition Panel

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. Press Gazette reported that the free Evening Standard and Metro newspapers were the only UK titles to see a growth in circulation in August, according to the latest ABC figures. The Evening Standard saw the biggest growth of 1 per cent year-on-year to a distribution of 858,557. The Metro topped the circulation figures for the fourth consecutive month, growing slightly year-on-year with a distribution of 1,453,926 (up from 1,450,004 in August 2017).

Political

3. Speaking at the Royal Television Society earlier this month, Culture Secretary Jeremy Wright said he would not rule out a levy on tech giants to fund responsible journalism. He said that it would be unwise to limit his options when considering how to address the issue of fake news.
4. The Labour Party has proposed a new duty of care for social media firms, demanding digital giants act to protect children from online harms. The party has called for the creation of a single internet regulator to marshal the power of the nine different regulators with responsibility for the online world in the UK. It said that currently Ofcom, the Information Commissioner's Office, the Competition and Markets Authority, the Payment Systems Regulator, the Financial Conduct Authority, the Electoral Commission, the Advertising Standards Agency, the Independent Press Standards Organisation, as well as a host of non-regulatory bodies have some kind of responsibility for online regulation.

Cairncross Review

5. The Cairncross Review is examining the sustainability of high-quality journalism in the UK. It held a call for evidence from 28 June 2018 to 14 September 2018. Some people and organisations who responded to the consultation have published their submissions.
6. Hacked Off's response called on the Review to recommend that:
 - a) Any financial support for publishers is conditional on press membership of an independent regulator as Leveson recommended. Without restoring independence of regulation, newspapers can have no hope of regaining public trust. And without public trust, circulations will continue to decline.

- b) The nature of any provisions of financial support for publishers should be decided by the Press Recognition Panel, as the independently-established auditing body for press regulators. Any system which gives the Government any discretion over financial provisions would allow unacceptable interference in press freedom.
 - c) The Government should avoid any attempt to define “quality journalism” subjectively, and instead rely upon the objective criteria of press membership of an independent regulator. Membership of such a regulator guarantees standards of accuracy and reliability (including correction where there is inaccuracy).
7. In the summary of his submission, Brian Cathcart, Professor of Journalism at Kingston University London, states: “My submission addresses an issue that is central to the remit of the Review but is not addressed directly in any of the questions put forward in the call for evidence (though it is relevant to question 6): how can the Review and the government define the ‘high quality journalism’ referred to in the Review’s Terms of Reference? A definition is essential but, for both the Review and the government, practically and ethically problematic. The answer to this problem is to allow the Press Recognition Panel to be the definer. This is also the key to addressing a second vital problem: how to disburse public money, or publicly-directed money, in such a way that it will benefit groups and individuals that the public will be able to recognise and accept as providers of high quality journalism. Journalism that is regulated to Leveson and Royal Charter standards is capable of being defined, more objectively than by any other means, as journalism of high quality. The submission therefore proposes that the Review should recommend that any future support provided to high quality journalism from the public purse or by government agency, direct or indirect, should be given exclusively to news publishers regulated by bodies recognised by the Press Recognition Panel.”
8. The Ferret submitted evidence which states:
- a) The Ferret Media Ltd continues to support the NUJ position on the Leveson proposals, which backed a partial enactment of Section 40 of the Crime and Courts Act 2013.⁹ We would broadly support any regulatory changes that will confer additional protections to publishers working to the higher standards offered by Press Recognition Panel compliant regulators. Where the UK Government declines to act, we would urge the Scottish Government to enact equivalent proposals in areas of law that are devolved.
 - b) It is also vital that publishers who choose to be regulated to the higher standards offered by Press Recognition Panel compliant regulators are at least provided with equivalent standing as publishers regulated by non-compliant regulators, or those that are not regulated at all, in related laws when they are reformed.

9. In its submission, the School of Journalism at Goldsmith's University of London states: 'Targeting of subsidies should be mainly at local level because this is where economies of scale and innovations in funding methods have demonstrably caused damage to news reporting. However, as the media economist Robert Picard has found, subsidies that deal with variable costs, rather than the fixed costs of employing journalists, tend to fail. It is important to ensure that subsidies go towards enhancing the news supply rather than merely towards offsetting shareholder losses. Stringent regulations should therefore be incorporated into the provision of subsidies to ensure that money is spent only on the direct provision of genuinely local reporting within a defined geographic area. Preference should go to independent local news providers that can demonstrate that they already attract a certain number of readers in the locality, or that they enhance the news supply to other publications locally and nationally. The income should also be tied to a commitment to ethical standards in the form of membership of a Leveson-compliant complaints service. Monitoring of jobs before and after should ensure that subsidy has not been used to substitute for existing journalism roles.'

Social media regulation

10. Ofcom has joined calls for independent internet regulation, following new research warning that 20% of Britons have been harmed by web content. The regulator's chief executive, Sharon White, has published a discussion document claiming 12 million people in the UK have experienced harassment, fraud and abuse online. Ofcom suggested that principles from broadcasting regulation could be relevant as the government begins to consider how to legislate to tackle this abuse.
11. The Telegraph reported that ministers have started drafting proposals for new laws to regulate social media and the internet following a campaign that they have been running. It said that the move has been prompted by widespread consumer concerns over a range of online harms including child abuse, bullying, fake news and internet addiction. It added that the white paper is being drafted by three government departments – the home office, culture and health – but it is still unclear if they will introduce a wide-ranging statutory duty of care.
12. Social media platforms such as Facebook and Twitter will be forced to take terrorist content off their sites within an hour or face multimillion-pound fines under EU proposals. The European commission is proposing legislation to ensure all member states bring in sanctions against those who repeatedly fail to respond to the new removal orders within an hour of them being issued, with platforms facing penalties of up to 4% of their global revenue. The commission believes the legislation will come into statute across the EU in 2019 during the UK's 21-month transition period after Brexit, meaning it will become part of British law.

Research

13. Hacked Off published a new report on 21 September 2018 to mark the fourth anniversary of the creation of IPSO. The report details a number of recent cases of press abuse.
14. Latest PAMCo data covering July 2017 to June 2018 shows that 52% of the population is consuming newsbrands via smartphones and tablets every week. The majority of the nation are reading newsbrands on a multi-platform basis – 48% every day (25.2 million), 77% every week (40.9 million) and 85% (45.1 million) every month.
15. As summarised by Newsworks, mobile is the most popular platform for consuming newsbrands – on a daily, weekly and monthly basis. One in four Britons (25%, 13.3 million) read newsbrands via their smartphones and tablets every single day, half the population (52%, 27.4 million) read via mobile devices every week and 63% (33.5 million) read every month. Smartphones are favoured over tablets, with 85% (11.3 million) of the total mobile audience accessing newsbrands this way every day.
16. Print remains popular with one in three (4.8 million) young people (18-34s) reading newspapers every week – and half of daily 18-34 readers (1.1 million) agreeing that print newsbrands offer them something they cannot get elsewhere. In fact, over half of us (53%, 23 million) young and old, are picking up and reading a newspaper every single month, with 79% (10 million) of daily readers saying that it's time well spent.