



## **PRESS RECOGNITION PANEL BOARD**

### **CHIEF EXECUTIVE'S REPORT – JANUARY 2019**

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**Meeting:** by email

**Status:** for noting

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

**Contact details:** 020 3443 7072

#### **Purpose**

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1. The purpose of this paper is to provide an update to the Board on Executive activity since the CEO report noted during the Board meeting held on 18 December 2018.
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.

#### **Delivery updates**

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##### Judicial Review

4. We have now received the sealed order from the Court of Appeal. The NMA's appeal has been dismissed and they were ordered to pay our costs (see paragraph 11 below for details).
5. We have written to our stakeholders to update them on this.

##### Cyclical Review

6. IMPRESS has provided their submission and supporting evidence for the Cyclical Review.
7. The Call for Information closed on 9 January 2019. No responses were received.
8. The Executive is presently evaluating the evidence provided by IMPRESS and this will be considered by the Board during the public session of its meeting on 26 March 2019.

## Finance Update

9. A bank-reconciled set of management accounts as at 31 December 2018 is attached at Annex A. The management accounts also include the 6-month reforecast carried out in October 2018.
10. The deficit for the period to date is £77,122 against the year to date forecast of £94,041. This represents a positive variance of £16,919 compared to the year to date forecast.
11. In dismissing the NMA's appeal on 15 January 2019, the Court of Appeal ordered the NMA to pay the sum of £46,166.34 in full and final settlement of the costs incurred by the PRP before the Divisional Court and the Court of Appeal within 14 days. Full payment was received from the NMA on 24 January 2019. This income will now be recognised in the management accounts.
12. The Board is invited to **note** the latest position regarding the PRP's finances.

## Report on the Recognition System 2018

13. The draft report was circulated to the Board for feedback on 15 January 2019. A further iteration, updated and including the Introduction, has now been provided to the Board for final review before sign-off by the Chair and Chief Executive.
14. The report will be laid in the Westminster and Scottish Parliaments, on 12 February and we will send copies to the Welsh Assembly and Northern Ireland Assembly.
15. Copies of the report will be posted to Westminster and Scottish parliamentarians and members of the Welsh and Northern Island Assemblies.

## Media inquiries and parliamentary activity

16. As I have reported previously, it was brought to our attention that the Ministry of Justice have stated in their departmental accounts that from 1 April 2018, the Press Recognition Panel (PRP) has been designated as within the 'Departmental Boundary' following a decision by HM Treasury.
17. On 20 December 2018, the Chair wrote to the Permanent Secretary at HM Treasury to inform them that the PRP is independent of the Government, government departments and indeed any other body. As such, the PRP should not be included in any 'departmental boundary'.
18. As part of our commitment to openness and transparency, the letter was published on our website and we subsequently received media enquiries about it. In response, the Chair provided the following statement:

“The independent PRP was created by a Royal Charter which ensures we remain separate from Government, Government departments, the press or any indeed other body.

We should not be included in any ‘Departmental Boundary’, not least because it risks giving the false impression that there is some kind of ongoing relationship between us and the Government or a Government department. We have written to the Treasury to tell them this.

We have not been included in any ‘Departmental Boundary’ previously and it is unclear why we have now been.”

19. On 14 January 2019, Ian C Lucas MP (Labour, Wrexham), asked the Secretary of State for Justice, why the Press Recognition Panel was added to his Ministerial responsibilities; and what assessment he has made of the effect of that decision on the work of the Panel.
20. Edward Argar MP, (Conservative, Charnwood, Parliamentary Under-Secretary (Ministry of Justice)), has responded as follows:

“The Royal Charter establishing the Press Recognition Panel sets out the responsibilities of the Lord Chancellor. Other than in his role as Lord Chancellor, the Secretary of State for Justice does not have any ministerial responsibilities in respect of the Panel.

HM Treasury determined that the Press Recognition Panel should fall under the Ministry of Justice Departmental Boundary for Estimates and Accounts purposes, this is purely an administrative action. There is no change [*sic*] in terms of the Lord Chancellor's responsibilities as set out in the Royal Charter, and the Panel remains outside the Secretary of State's responsibilities.”

### Research update

21. Annex B 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**

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

### **Risks**

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

### **Recommendations**

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

### **Attachments**

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**Annex A – Management accounts as at 31 December 2018**

**Annex B - External Matters Update**

**Press Recognition Panel**  
**Period ended 31 December 2018**

	9 Months to December 2018			Full year to March 2019	
	Reforecast			Budget	Reforecast Oct 2018
	Actual	Oct 2018	Variance		
	£	£	£	£	£
<b>Income</b>					
Subscription Fees	165,753	165,753	-	220,000	220,000
Bank Interest	1,683	1,269	(414)	1,133	1,659
<b>Total Income</b>	<b>167,436</b>	<b>167,022</b>	<b>(414)</b>	<b>221,133</b>	<b>221,659</b>
<b>Expenditure</b>					
<b>Board costs</b>					
Board Salaries & NIC	46,604	46,944	(340)	64,572	62,675
Board Travel & Subsistence	48	108	(60)	240	168
<b>Total Board Costs</b>	<b>46,652</b>	<b>47,052</b>	<b>(400)</b>	<b>64,812</b>	<b>62,843</b>
<b>Communications</b>					
Consultation Document & Translation	-	9,600	(9,600)	12,200	10,900
Website & Visuals	1,265	1,260	5	2,480	1,680
<b>Total Communications Costs</b>	<b>1,265</b>	<b>10,860</b>	<b>(9,595)</b>	<b>14,680</b>	<b>12,580</b>
<b>Other costs</b>					
Executive team costs	127,471	133,137	(5,666)	226,083	185,734
HR & Recruitment	3,763	4,042	(279)	8,884	5,336
Office costs	30,526	29,997	529	42,021	31,716
Meeting rooms	5,003	5,097	(94)	3,200	5,897
Travel & Subsistence	125	185	(60)	240	245
Information Technology	3,035	3,363	(328)	2,976	4,107
IT hardware	-	1,000	(1,000)	2,000	1,000
Accountancy	15,652	15,657	(5)	23,882	24,015
Audit Fees	60	60	-	12,000	12,060
Printing & Stationery	2,159	2,270	(111)	3,880	2,465
Insurance	1,494	1,540	(46)	2,724	2,626
Legal	2,862	2,544	318	30,000	30,000
Subscriptions & publications	3,851	3,845	6	6,960	4,355
Finance charges	114	114	-	120	144
Sundry expenses	526	300	226	227	632
	<b>196,641</b>	<b>203,151</b>	<b>(6,510)</b>	<b>365,196</b>	<b>310,332</b>
<b>Total Expenditure</b>	<b>244,558</b>	<b>261,063</b>	<b>(16,505)</b>	<b>444,688</b>	<b>385,755</b>
<b>(Deficit) for the period</b>	<b>(77,122)</b>	<b>(94,041)</b>	<b>16,919</b>	<b>(223,555)</b>	<b>(164,097)</b>
<b>Reserves Bfwd</b>	<b>860,393</b>	<b>860,393</b>		<b>860,393</b>	<b>860,393</b>
<b>Reserves Cfwd</b>	<b>783,271</b>	<b>766,352</b>		<b>636,838</b>	<b>696,296</b>

**Press Recognition Panel**  
**Period ended 31 December 2018**

	Dec-18		Mar-18	
	£	£	£	£
<b>Current Assets</b>				
Current account	105,884		87,076	
Barclays account	757,403		805,827	
<b>Cash at bank</b>		863,287		892,903
Prepayments	3,817		12,718	
Outstanding fees	-		110,000	
Accrued Income	266		182	
Third Party Deposit	5,609		7,666	
<b>Sundry debtors</b>		9,692		130,566
<b>Creditors: amounts falling due within one year</b>				
Trade creditors	1,953		5,502	
Deferred income	75,041		130,795	
Credit card	-		64	
Social security and other taxes	5,614		5,632	
Pensions	1,844		1,035	
Sundry creditors and accruals	5,256		20,048	
		89,708		163,076
<b>Net Current Assets</b>		783,271		860,393
<b>Funds brought forward</b>				
Funds bought forward at 31 March		860,393		1,246,359
Surplus/(deficit) for the period		(77,122)		(385,966)
		783,271		860,393

### **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. The BBC and others reported that the Times and the Sunday Times are asking the government for permission to share resources, including journalists, between the two titles. The application to the Department for Digital, Culture, Media and Sport (DCMS) is necessary as legal undertakings were made to keep them separate when he bought them in 1981. The DCMS is seeking public views on whether the changes are warranted.
3. Press Gazette reported that BBC-funded local democracy reporters (LDRs) have filed 50,000 news stories in the scheme's first year, although the scheme has yet to fill every role. LDRs are contracted by a specific publisher as part of the Local News Partnership between the BBC and News Media Association, launched to support local journalism and increase scrutiny of public bodies.
4. Press Gazette also reported that Facebook has launched a UK arm to its international fact-checking initiative following more than two years of criticism about how the social network has handled the spread of misinformation on its platform. Full Fact, a fact-checking charity founded in 2010, will review stories, images and videos which have been flagged by users and rate them based on their accuracy.
5. The publisher of the Sun and the Sun on Sunday has more than tripled its pre-tax losses to £91.2m in 2018. The Times reported that increased turnover and reduced expenses helped the publisher of The Times and The Sunday Times to make an annual after-tax profit of £9.6 million, compared with a loss of £8 million in the previous financial year.
6. The i newspaper has announced that it will run articles from The Economist, both in print and online, as part of a new deal between the two publications. The agreement will see the i carry an average of two Economist stories a week, ranging from politics to culture.

### **Legal and regulatory**

7. The Guardian reported that the couple arrested and released without charge in relation to the Gatwick drone incident could win at least £75,000 from the newspapers who identified them. The couple were identified in many newspapers and the Mail on Sunday ran the couple's picture on its front page next to the headline: "Are these the morons who ruined Christmas?"

8. Following this Anna Soubry MP stated her view that couple should not have been named in the media and that a new law was needed to make it a criminal offence to name suspects before charge unless it is in the interests of justice.

### **Political**

9. Press Gazette reported that Prime Minister Theresa May met with newspaper editors from nearly every major pro-Brexit newspaper over the summer, including both the current and former editors of the Daily Mail. May's meetings with the Sun, Telegraph, Mail and Spectator were revealed in transparency data. She did not however meet with the Express. The Times, Guardian and Mirror editors were also not listed