

**THE PRESS STANDARDS BOARD OF FINANCE LIMITED**

**Strictly private and confidential**

Minutes of meeting of Directors held at the offices of the Telegraph Media Group, 111 Buckingham Palace Road, London on Wednesday, 8 December 2010, at 11am.

**PRESENT:** Lord Black of Brentwood (Chairman), Robin Burgess, Nicholas Coleridge, Paul Dacre, Clive Milner, David Newell, and Paul Vickers.

John Fry and Jim Raeburn participated by telephone conference call.

1. **APOLOGY:** An apology for absence was intimated on behalf of Barry McIlheney.
2. **MINUTES:** The minutes of the Directors' meeting held on 2 November, copies of which had been previously circulated, were taken as read and were approved.
3. **MATTERS ARISING:**

**3.02 Regional press contribution:** David Newell reported that the NS Board, at its meeting on 24 November, had confirmed its support for:

1. the proposed methodology and the £700k contribution for 2011;
2. progressively moving to the target figure of £860k by 2014 but without a pre-determined stepped programme of increases;
3. the proposed group invoicing arrangements.

The Secretary added that those groups due to pay increases of more than 10% would be phased in over two years.

4. **NORTHERN & SHELL plc:** The Chairman reported on the letter, dated 15 November, from Martin Ellice, Joint Managing Director, Northern & Shell plc to Baroness Buscombe informing her that the Group had decided to "withdraw from the PCC" from January 2011 when its current subscription to PressBoF expired. It was the second time in less than three years that the Group had withdrawn from the system. It had done so in January 2008 citing disagreements over the issue of the Madeleine McCann case and a

dispute with the then PCC Chairman, Sir Christopher Meyer. After lengthy and acrimonious discussions, the Company had returned to membership in February 2009.

The Board then considered the Chairman's report (copy attached) covering the background, the implications of Northern & Shell's withdrawal, the financial implications, the impact on the PCC and self-regulation and the impact on the structure of the system.

Following a full discussion, the Board agreed that Northern & Shell could not be allowed to continue within the self-regulatory system without paying full registration fees to PressBoF. The Board then approved the terms of a draft letter to Richard Desmond urging him to re-consider his decision and setting out the implications for Northern & Shell should he decline to do so and his membership lapse on 1 January 2011.

The Chairman would attend a meeting of the PCC later in the day to advise the Commissioners of the letter received from Northern & Shell and the proposed course of action.

It was further agreed:

1. the Chairman would brief Ministers at the DCMS and John Whittingdale, Chairman of the CMS Select Committee;
  2. to prepare a PressBoF press release for issue as soon as possible in the new year;
  3. to prepare a press release communicating the industry's full support for the self-regulatory system for immediate release in the event of leaked information;
  4. to liaise with the PCC regarding its letter to new complainants regarding content of N & S titles.
5. **FINANCE:** It was agreed that copies of the Treasurer's Report would be e-mailed to Board Members.
5. **NEXT MEETING:** 2.30pm Thursday, 10 February at the offices of the NS/NPA.