Parliamentarians may have received a misleading letter from Gary Shipton of “Sussex Newspapers” arguing that the commencement of section 40 and the amendments tabled to the Investigatory Powers Bill by Baroness Hollins with Cross-Party support would be economically damaging to small local newspapers. This is not true and in fact the opposite is the case.

In fact, Mr Shipton is the Deputy Chairman of a large corporation Johnston Press which owns national and regional titles and has an annual turnover approaching £250m.

His company is a leading member of the News Media Association which represents mainly the large national newspaper groups (News UK, The Mail, Telegraph, Express, etc). It was the NMA which sent around the letter.

Mr Shipton makes nine misleading or erroneous points in his letter to Baroness Hollins. These are set out below.

Dear Lady Hollins

At the debate in the House of Lords on the IP Bill [yesterday], you were reported as saying that ‘the local newspaper threat is a smokescreen’ and that local newspapers were not at risk as they could choose to join a recognised regulator.

This is indeed the case.

As the editor of many highly respected and long-established local newspapers can I say that this is anything but a smokescreen.

1) In his determination of the phone-hacking inquiry, Lord Justice Leveson made clear that local newspapers were guilty of no wrongdoing

Leveson did not say this.
It is true that they were not guilty of wide-spread hacking and libel, and no one ever claimed otherwise.
But there were hundreds of Standards complaints against local papers every year where the PCC did not give their readers adequate remedy – corrections were “buried inside” for example.

2) ...and should not be penalised as a result of his report.

The recommendations offer all newspapers new protections, not new penalties.

3) Yet we face huge financial hardship if the proposed cost sanctions outlined in the Crime and Courts Act 2013 proceed - and similar hardship if we are forced to join a recognised regulator.
Neither of these claims is correct or credible. Newspapers are making a political decision to reject Leveson and carry on with PCC-style press regulation. But they are seeking to dress it up as commercial or ethical.

4) The reasons for the former are clear;

for the latter may be less so. Regulation under Royal Charter requires newspapers to participate in compensatory arbitration.

In the only approved scheme from IMPRESS this would require us to pay all the costs of an arbitrated complaint, up to £3,500, plus potentially the successful complainant's costs of up to £3,000, in addition to unspecified damages.

This is much less then it would cost a newspaper if it were sued in the courts; and the threshold for being allowed to make an arbitral claim is no lower than being able to make a court claim. There is no evidence that local newspapers would face an avalanche of arbitral claims when they are not facing any court claims now.

For that to be true, local papers would have to be guilty of multiple breaches of the rights of individuals and we do not believe that is true.

5) For tiny papers who have seen readers and classified advertisements migrate to entirely unregulated websites and social media, these are enormous sums.

Johnston Press is not a tiny paper – it is a huge company. Turnover £242.3 million last year.

6) It is rare for our titles to incur any legal fees during the course of a year - we have always set the highest standards and when we make a mistake are quick to correct or apologise.

Exactly, so there is no reason to expect any need for your readers to use arbitration. If they did need to, then they could already use the courts now and that would cost much more.

7) IPSO, our independent regulator of choice, is piloting an independent arbitration scheme without the requirement for the local press to join as it knows we have no need of it and could not afford it.

If local papers face no claims they would not need to use the system, but it still should be available to readers to use if a case were to arise. The cost of the arbitral scheme should be paid for by those who are sued there (the big national titles) and especially those lose (the polluter pays).

But in any event these fears were dealt with in the negotiations for the Royal Charter (Schedule 2 para 7 (c)) specifies however that after 2 years of operation of the arbitrations
scheme is causing hardship to local/regional papers then they need not belong to the scheme. This was after representations were made by the press industry.

8) I have been a local newspaper journalist for 35 years and an editor for 25 of those. I am proud of the service we provide to our communities despite the tiny resources with which we now operate.

Johnston Press is a very large company so this sentence is a pretence. It has 250 titles and a turnover of hundreds of millions of pounds.

9) In the debate you acknowledged that small newspapers 'don't hack phones'. Nor do large ones.

This is clearly wrong. The News of the World, the People, the Sunday Mirror, The Daily Mirror have all admitted hacking phones. The Sun stands accused. So large newspapers have done so.

Please do not allow newspapers, a vital component of every local community, to be further eroded because of a scandal which engulfed the News of the World - a title a world away from ourselves.

The views in this letter are not merely my own but reflect those of the editor in chief of Johnston Press Jeremy Clifford who represents some 250 titles across the UK.

My very best wishes

Gary

Gary Shipton