

Financial Sustainability Policy

1. Purpose

- 1.1. The purpose of this policy is to set out the steps that IMPRESS: The Independent Monitor for the Press CIC ('IMPRESS') will take with the aim of securing that IMPRESS is sufficiently financially sustainable to achieve its objects without compromising its independence and integrity.
- 1.2. This policy should be read in conjunction with the IMPRESS Articles of Association ('the Articles'), the IMPRESS Financial Policies ('the Financial Policies') and the Royal Charter on Self-Regulation of the Press ('the Charter').
- 1.3. In aiming to secure that IMPRESS is sufficiently financially sustainable to achieve its objects without compromising its independence and integrity, the Board of IMPRESS shall act with particular reference to the relevant provisions in the Articles, the Financial Policies and the Charter, set out below.
- 1.4. If any relevant provisions in the Articles, the Financial Policies or the Charter are amended, then this policy shall be considered to be correspondingly amended.

2. Articles

2.1. The Articles give IMPRESS the following objects:

- 'to promote, for the benefit of the community, the integrity and freedom of the press and to encourage the highest ethical standards in news reporting and news publication in particular, but not exclusively, by operating as an independent press regulator in compliance with the principles and in the form and with the composition and powers and otherwise as recommended, in the Royal Charter.' (Article 4.1)

2.2. The Articles give IMPRESS the following powers (among others):

- To enter into agreements with Participants, charge fees in connection therewith and to be able to levy fines on Participants (6.4)
- To accept gifts and to raise funds (6.13)

- To borrow money (6.14)
- To let or dispose of property of any kind (6.17)
- To deposit or invest its funds in any manner (6.19)
- To enter into contracts to provide services to or on behalf of other bodies (6.25)
- To do anything else within the law which promotes or helps to promote the Objects (6.27)

2.3. The Articles require the Board to consult participating publishers on any proposed changes to the following items (among others):

- The terms and conditions of the Scheme Membership Agreement (10.1.4)
- The annual budget (10.1.7)

2.4. The Articles state that IMPRESS 'shall have regard to any responses made by' participating publishers but 'shall not be bound by such responses' (10.1).

3. Financial Policies

3.1. The Financial Policies impose on the Board of IMPRESS the following duties (among others):

- To maintain adequate free reserves (Article 4)
- To review any grants or donations to ensure that they do not compromise the independence or integrity of IMPRESS (5)
- To gain optimum value for money in the purchase of any goods or services (10)

4. Charter

4.1. The Charter imposes on IMPRESS the following requirements (among others):

- 'Funding for the system should be settled in agreement between the industry and the Board, taking into account the cost of fulfilling the obligations of the regulator and the commercial pressures on the industry. There should be an indicative budget which the Board certifies is adequate for the purpose. Funding settlements should cover a four or five year period and should be negotiated well in advance.' (Schedule 3.6)
- 'It should continue to be the case that complainants are able to bring complaints free of charge.' (3.14)

- ‘The Board should have the power to impose appropriate and proportionate sanctions (including but not limited to financial sanctions up to 1% of turnover attributable to the publication concerned with a maximum of £1,000,000) on any subscriber found to be responsible for serious or systemic breaches of the standards code or governance requirements of the body.’ (3.19)
- ‘The Board should establish a ring-fenced enforcement fund, into which receipts from financial sanctions could be paid, for the purpose of funding investigations.’ (3.19A)
- ‘The Board should provide an arbitral process for civil legal claims against subscribers which [...] operates under the principle that arbitration should be free for complainants to use; ensures that the parties should each bear their own costs or expenses, subject to a successful complainant’s costs or expenses being recoverable; and overall, is inexpensive for all parties.’ (3.22)
- ‘The membership of a regulatory body should be open to all publishers on fair, reasonable and non-discriminatory terms, including making membership potentially available on different terms for different types of publisher.’ (3.23)

5. Financial Sustainability

- 5.1.** Taking into account the requirements identified above, IMPRESS expects to develop a mixed financial model, with income from sources which are likely to include (but may not be limited to) regulatory fees and fees for the delivery of related services such as training and events; fines (which shall be ring-fenced as required by the Charter); grants; donations; and savings and investment income.
- 5.2.** The Board shall review whether any financial arrangement is likely to compromise the independence or integrity of IMPRESS; shall (where possible) take steps to mitigate any such risk; and shall not enter into any financial arrangement where it is impossible to mitigate a risk to the independence or integrity of IMPRESS.
- 5.3.** The Board shall conduct an annual review of financial sustainability which shall commence in October of each year and shall result in:
- A draft Four-Year Forecast, describing, in general terms, how IMPRESS expects to generate the necessary funds to achieve its objects in the four-year period commencing on 1 April of the following year
 - A draft Annual Budget, showing how IMPRESS expects to generate the necessary funds to achieve its objects in the 12-month period commencing on 1 April of the following year

- A draft Tariff Schedule, showing the financial terms on which IMPRESS proposes to make membership available for different types of publisher in the 12-month period commencing on 1 April of the following year

5.4. The Board shall conduct an annual consultation on financial sustainability with participants which shall commence in January of each year and shall include:

- The draft Four-Year Forecast
- The draft Annual Budget
- The draft Tariff Schedule

5.5. Following this consultation, the Board shall adopt and publish the Annual Budget and Tariff Schedule.