# THE LEVESON INQUIRY INTO THE CULTURE, PRACTICES AND ETHICS OF THE PRESS

# CLOSING SUBMISSIONS ON BEHALF OF TELEGRAPH MEDIA GROUP LIMITED ('TMG')

### Introduction

- 1. It is appropriate to start where the Inquiry started. The Inquiry was set up, as ministers have explained, because of the revelation that the News of the World ('NOTW') had hacked into the voice-mail messages of Milly Dowler. Telegraph Media Group ("TMG") was and is appalled by this revelation. These acts of some at NOTW expose those involved to criminal liability. They were also unethical. TMG's witnesses at this Inquiry have made clear that when journalists breach the criminal law without any public interest justification they should be punished. There was no public interest justification whatsoever for the hacking of Milly Dowler's mobile phone.
- 2. From this starting point the Inquiry has covered a great deal of ground. Contentious activities of newspapers and their owners have been carefully scrutinised. Different types of journalistic practices, said to be unlawful or unethical, have been considered. The inquiry has looked in particular at:
  - The use of private investigators, investigated in Operation Motorman;
  - Complaints about inappropriate treatment/coverage both of members of the public (such as the McCanns and Mr Jeffries) and celebrities;
  - Relationships between the press, ministers and special advisers (especially at News International including in relation to its BSkyB bid) and between the press and senior police officers;
- 3. There has been no evidence, however, of any improper activity by TMG or its employees in any of these areas. TMG has not been the subject of any meaningful

criticism in relation to any of them. There is no evidence that TMG has ever hacked a phone or employed a private investigator to engage in unlawful or unethical research. Nor has anyone from TMG inappropriately solicited the support of a minister or a senior police officer.

- 4. For these reasons there are many issues about which the Inquiry has heard evidence that we do not deal with in these submissions.
- 5. TMG is nonetheless concerned with, and about, the outcome of this Inquiry. It is a major national newspaper publisher. It has a vital interest in the impact on its business of the work done by the Inquiry. As TMG said at the outset of the inquiry, it is "anxious that this legitimate concern about phone hacking could result in measures which will do long-term damage to our tradition of free journalistic enquiry and freedom to publish". The British newspaper industry is a hugely important and innovative part of the UK's creative economy and has a long and proud history of investigative journalism. It is crucial that the activities of a handful of journalists should not undermine the essential role the robust and vibrant industry national and local plays in our democracy.
- 6. TMG also said in opening that:

While it has served evidence and will be present regularly during the hearings TMG anticipates that most of its involvement in the Inquiry will be in addressing the matters upon which recommendations are sought and putting forward, at the appropriate time and with others in the industry, detailed and constructive submissions on the renewal and regeneration of self regulation, the maintenance of which is vital for the future of a strong and free press.<sup>1</sup>

7. This remains its position. TMG fully supports the proposal for new self-regulatory arrangements put forward by Lord Hunt and its own executive director, Lord Black (as Chairman of PressBof).

### The Evidence of TMG witnesses

8. An overview of TMG's evidence and submissions to the Inquiry is given in the Schedule to these submissions.

<sup>&</sup>lt;sup>1</sup><u>http://www.levesoninguiry.org.uk/wp-content/uploads/2012/02/Opening-Submission-on-behalf-of-Telegraph-</u> <u>Media-Group-Limited1.pdf</u>

- 9. This summary of TMG's evidence addresses the following issues:
  - a. Overview and recent history of TMG then;

### TMG's;

- b. Culture
- c. Corporate Governance;
- d. Financial Governance;
- e. Editorial Governance;
- f. Legal Governance;
- g. Political Stance;

The Inquiry's consideration of:

- h. Relationships with the Police;
- i. Relationship with Politicians;
- j. Operation Motorman, personal data and the role of the TMG in lobbying on behalf of the industry;
- News Corporation's bid for BSkyB and the Vince Cable / Liberal Democrat sting story;
- I. Non-aggression pacts;
- m. Coverage of stories about media issues including phone-hacking;
- n. Parliamentary Expenses;

And finally the future of:

o. Press Regulation.

### Overview and recent history

10. TMG Ltd is the publisher of *The Daily Telegraph*, *The Sunday Telegraph*, *The Weekly Telegraph* and the *Telegraph* website. It is a private company ultimately controlled by Sir David and Sir Frederick Barclay's Family Settlements. Neither Sir David nor Sir Frederick have any operational involvement in TMG or any of the

family's other business interests which include hotels and leisure and property.<sup>2</sup> TMG is run by a board of directors, with Aidan Barclay as its Chairman.<sup>3</sup>

- 11. At the time of its purchase by the Barclay family in July 2004, whilst it was making a profit.<sup>4</sup> the business seemed to be in long-term decline. It was starved of investment and suffered from a rather defeatist culture. The core parts of its operations were split over various different locations. There had been no attempt to embrace the digital revolution and there was a lack of understanding between the editorial and commercial sides of the business.<sup>5</sup>
- 12. Six years later the business has fully embraced the digital revolution and is "one of the most modern newspaper and multimedia operations on the planet".<sup>6</sup> It remains profitable, unlike some of its competitors. In 2010 TMG recorded a profit after taxation of £50 million on a turnover of £324 million. At the end of March 2012 it reported a profit after taxation of £42 million on a turnover of £331 million for the 2011 financial year in what its Chairman described as, "extremely tough conditions and despite having made significant investment in the digital technology we need to embrace in order to survive".<sup>7</sup> TMG currently employs 1,000 plus people and has offices in London, Manchester and Chatham.<sup>8</sup> The Barclay family businesses employ in excess of 20,000 people in the UK.9
- 13. The core business of TMG is the publication of two quality broadsheet newspapers; the publication of a weekly edition for a mainly overseas audience; and the operation of a website at the URL www.telegraph.co.uk. The *Telegraph* titles are well-known, well-read and well-respected in the marketplace.<sup>10</sup>
- 14. As new owners in 2004 the Barclay family identified four priorities for TMG: (a) to operate as one business, (b) to concentrate on customers, both readers and

<sup>&</sup>lt;sup>2</sup> TG ¶41, AB ¶2-3

AB ¶1

MM oral, Day 23, p2, 17-23

AB ¶14-15

MM oral, Day 23, p3,4-5

AB¶18 MM ¶30

<sup>&</sup>lt;sup>9</sup> AB¶3 <sup>10</sup> For instance ABC figures show that *The Daily Telegraph* sold 651,184 copies in January 2011 and 603,901 <sup>10</sup> For instance ABC figures show that *The Daily Telegraph* sold 496 128 copies in January 2011 and 471,894 copies in copies in October 2011 and The Sunday Telegraph sold 496,128 copies in January 2011 and 471,894 copies in October 2011. In May 2012, The Daily Telegraph sold 575,132 copies and The Sunday Telegraph 447,428.

commercial partners, (c) to recognise that the old world of print was declining and (d) to create a winning culture.<sup>11</sup>

- 15. In order to help TMG achieve these objectives Murdoch MacLennan, a highly experienced and respected figure in the newspaper industry, was appointed as Chief Executive.<sup>12</sup> He appointed Mr Will Lewis as editor of *The Daily Telegraph* in 2006 and brought in other leading journalists and editors including the present editors of the daily and Sunday titles, Tony Gallagher and Ian McGregor. In 2006 Mr Lewis was put in charge of moving TMG's editorial operation to new accommodation in Victoria to create 'one newsroom'<sup>13</sup> which allowed departments to be set out in an innovative 'spoke' fashion, like spokes in a wheel running outwards from a central hub.
- 16. Cost management initiatives included removing all casuals, professionalising and downsizing the workforce. TMG also improved training and continuous professional development and rationalised the reporting lines for editorial, finance, legal and compliance functions.<sup>14</sup>
- 17. In common with the entire newspaper publishing sector, TMG's main challenge is to change from a traditional print base to a multi media digital business.<sup>15</sup>
- 18. As indicated above, TMG operates in a highly competitive commercial environment.<sup>16</sup> Its newspapers compete with other national newspapers in the print format. They do so on the internet as well, where they also have to compete against online sources of news.<sup>17</sup> In order to compete, Mr MacLennan told the Inquiry, "we plough our money back into the business to make sure that we stay at the forefront of technological change within our business, because our competitors these days are no longer just other newspapers, but the entire media".<sup>18</sup> In the same vein Mr Ronayne said, it is "a priority for any print business to transition itself into a multimedia business, and I think we've taken the view basically as a board that we would set realistic profit

<sup>&</sup>lt;sup>11</sup> AB¶16. WL oral, Day 23, p44 <sup>12</sup> AB¶18

<sup>&</sup>lt;sup>13</sup> WL oral, Day 23, p45

<sup>&</sup>lt;sup>14</sup> WL ¶4-12, WL oral, Day 23, p45-7

<sup>&</sup>lt;sup>15</sup> FR ¶27

<sup>&</sup>lt;sup>16</sup> BB ¶7

<sup>&</sup>lt;sup>17</sup> TG ¶10

<sup>&</sup>lt;sup>18</sup> MM oral, Day 23, p3

targets for the traditional side of the business and reinvest those profits into technology and digital operations to diversify our revenue systems".<sup>19</sup>

#### Culture

- 19. TMG's owners expect high professional and ethical standards throughout the business.<sup>20</sup> To achieve such standards they have put the best available people in place and encouraged and empowered them to drive change.<sup>21</sup> Both the senior executive team and the senior editorial team are committed to inculcating a culture of accuracy and professionalism and ensuring adherence to the highest standards of governance and of ethical behaviour.<sup>22</sup> TMG's policy is to produce fair, accurate and ethical journalism.<sup>23</sup>
- 20. There is a clear division of responsibility in the business. Whilst Mr Barclay retains a personal interest in the development and success of the business at a strategic level, he does not micro-manage and operational responsibility is devolved to Mr MacLennan and his management team. There is, however, a common commitment from top to bottom in TMG to publish in an ethical and professional manner and to ensure that its staff work in a professional environment.
- 21. TMG recognises that the ownership and publication of newspapers brings great power and that this power must always be exercised responsibly.<sup>24</sup> The titles take their "watchdog" role very seriously indeed and from time to time, have to push boundaries in the pursuit of the public interest. At the same time, it is recognised that when something has gone wrong the newspapers should own up and seek to put it right. Newsgathering and published content must respect individual privacy and particularly the rights of vulnerable groups in society.<sup>25</sup>
- 22. TMG is a strong supporter of the current Editors Code of Practice<sup>26</sup> (which "*our journalists live by*"<sup>27</sup>), of self-regulation of the press and of the **Reynolds** principles of

<sup>&</sup>lt;sup>19</sup> FR oral, Day 23, p38

<sup>&</sup>lt;sup>20</sup> AB¶19, 50, MM ¶7

<sup>&</sup>lt;sup>21</sup> AB¶18-19

<sup>&</sup>lt;sup>22</sup> MM¶19, BB ¶6; IM¶15,AB¶19

<sup>&</sup>lt;sup>23</sup> BB ¶12, IM¶24

<sup>&</sup>lt;sup>24</sup> MM ¶25 <sup>25</sup> MM ¶26-8

<sup>&</sup>lt;sup>26</sup> MM ¶11-13; IM ¶16, MM oral, Day 23, p5, 7-17

<sup>&</sup>lt;sup>27</sup> MM oral, Day 23, p8

responsible journalism.<sup>28</sup> When asked about the practice of giving prior notification to the subject of a story the editor of The Daily Telegraph explained:

"It tends to be our policy, the reason for that being that the Reynolds defence is wellknown. I think hard wired to most members of staff, and giving them prior notice of stories seems to me to be good practice, even to the point where, on occasion, we've held the story out of the paper for 24 hours to ensure that the subject of the story is given full chance to respond in suitable detail. [On exceptions] I can't think of what we've done in reality, but in terms of hypotheses, I suppose if the subject of the story was going to destroy the information or it was no longer going to be material if you waited another day and they were going to change their mind, then there might be examples where you would not go for prior notification, but they would be extremely rare, and in fact I haven't come across them in my time there".<sup>29</sup>

#### **Corporate Governance of TMG**

- 23. Evidence has been provided from the Chairman, the Chief Executive, the Finance Director and documents have been produced by the Company Secretary.
- 24. TMG is run by a Board of Directors. The core role of the board includes strategic planning, corporate governance, annual budgeting and financing.<sup>30</sup> The CEO is responsible for day to day leadership of the company and has all the main reporting lines to both the editorial and commercial side of the business.<sup>31</sup> He holds weekly senior management meetings.<sup>32</sup> The editors report directly to the Chief Executive<sup>33</sup> although all editorial decisions are left to the editor, subject to operating within budgetary constraints.<sup>34</sup>
- 25. There are separate legal departments, with some limited overlap. The corporate department advises TMG's commercial teams and Board on all non-editorial matters and the editorial department deals with editorial related legal advice.<sup>35</sup>
- 26. In order to ensure lawful, professional and ethical conduct by TMG editorial employees<sup>36</sup> both the Board and the senior executive team have sought to inculcate

<sup>&</sup>lt;sup>28</sup> AC ¶31, 46; AWD ¶53-55; IM 35-38

<sup>&</sup>lt;sup>29</sup> TG oral, Day 23, p87-8

<sup>&</sup>lt;sup>30</sup> MM ¶8

<sup>&</sup>lt;sup>31</sup> MM ¶9, AB ¶20-3 <sup>32</sup> MM ¶9

<sup>&</sup>lt;sup>33</sup> TG ¶5

<sup>&</sup>lt;sup>34</sup> TG ¶41; IM¶9; FR ¶10-13

<sup>&</sup>lt;sup>35</sup> AWD ¶7-8; AC ¶8

<sup>&</sup>lt;sup>36</sup> The issues in the WSs are directed towards these matters. As MM explains the Inquiry is focused on the editorial side of the newspaper.

a culture of accuracy and professionalism on the editorial side.<sup>37</sup> In addition, there are formal systems in place. The Editors' Code of Practice has been written into all contracts of employment since 1998 and all new editorial recruits are given a copy of the Code on arrival.<sup>38</sup> Training on the Code is made available to staff.<sup>39</sup> Members of staff have access to the Staff Handbook,<sup>40</sup> which is available on the staff intranet, and which provides guidance, and puts in place procedures, designed to ensure potential issues are identified and dealt with.<sup>41</sup> This includes whistle-blowing within the workplace. There are also policies and procedures in place addressing authority levels and procurement.<sup>42</sup> TMG has an Anti-Bribery and Corruption Code of Conduct;<sup>43</sup> a Data Protection Policy;<sup>44</sup> and a Privacy and Cookies Policy.<sup>45</sup>

- 27. Mr MacLennan issued all editorial staff with a consolidated Code of Conduct, bringing together the core principles from existing policies, on 14 September 2011 and all new staff arriving since then have received a copy when they join.<sup>46</sup> The covering letter explained that "*recent events at the News of the World have placed into a very sharp focus the issues of ethics and integrity*" and reminded recipients that TMG has "always given top priority to ensuring that we maintain the very highest standards in the way we work. That means not just how we gather and report the news, but in the way we do business, too". It re-iterated that "TMG's reputation is its most vital asset and depends for its protection upon the honesty and integrity of each of its employees. We expect all our staff to be honest, to obey the law, and to be committed to our core journalistic values of fairness, thoroughness, accuracy and integrity".<sup>47</sup> Mr MacLennan explained that whilst phone-hacking was "non-existent" within TMG, his letter was a "healthy reminder" to make "very clear to everyone what we stand for".<sup>48</sup>
- 28. Referring to the media interest in phone hacking following the arrests of Clive Goodman and Glen Mulcaire, Mr Lewis said, "TMG's approach to corporate governance did not change as a result of media interest in phone hacking. It was

<sup>&</sup>lt;sup>37</sup> MM ¶19, AB ¶19, 50

<sup>&</sup>lt;sup>38</sup> MM ¶13 and exhibits to his WS; IM ¶16

<sup>&</sup>lt;sup>39</sup> MM ¶13; IM ¶16-17

<sup>40</sup> TMG Vol 1

<sup>&</sup>lt;sup>41</sup> MM ¶18

<sup>&</sup>lt;sup>42</sup> FR ¶8-9

<sup>&</sup>lt;sup>43</sup> Confidential Vol 1, tab 4 (old location: Vol III, tab 41)

<sup>&</sup>lt;sup>44</sup> Staff Handbook, Vol 1, 19

<sup>&</sup>lt;sup>45</sup> Vol 2, 21

<sup>&</sup>lt;sup>46</sup> BB ¶12, MM ¶22 and exhibit, AC ¶42

<sup>&</sup>lt;sup>47</sup> MM exhibit, FR ¶25; AC ¶41-42; IM ¶26

<sup>&</sup>lt;sup>48</sup> MM oral, Day 23, p6-9, see also MH ¶34

driven by these convictions: first, that sound financial management, coupled with a strong commitment to both the letter and the spirit of the PCC Code, would result in good corporate governance; second, that good corporate governance would deliver sharper, smarter journalism, rooted in the public interest; third, that quality journalism could only be delivered in an editorial environment which placed a premium on the highest standards of governance.<sup>749</sup>

29. Mr Oborne, a freelancer, said *"I feel extremely confident that the Telegraph is a reputable, ethical and soundly managed organisation."*<sup>50</sup>

### Financial Governance

- 30. Evidence has been given by the TMG's Finance Director who has also set out in a document entitled *Processing and Payment Procedures*, a brief overview of TMG's financial systems.<sup>51</sup> The Procurement Policy and Expenses and Business Travel Policy<sup>52</sup> were revised in October 2008<sup>53</sup> by the Finance Director. All senior editorial executives and department heads were informed of the outcome and the new authority levels.<sup>54</sup> TMG must act in accordance with the requirements of the Companies Act 2006 and has systems in place to do so.<sup>55</sup>
- 31. TMG's evidence on financial matters identifies the systems in place to ensure that TMG's funds are not used to pay bribes or for the gathering of information by illegal methods. There is no evidence that TMG staff have ever paid bribes or gathered information illegally. The lawyers confirm that these are not matters upon which legal advice has ever needed to be taken.<sup>56</sup>
- 32. The evidence indicates the existence of<sup>57</sup> (i) a comprehensive and robust budgeting process together with rigorous monitoring;<sup>58</sup> (ii) systems to establish appropriate authority levels for expenditure;<sup>59</sup> (iii) systems to establish appropriate policies such

<sup>&</sup>lt;sup>49</sup> WL ¶15

<sup>&</sup>lt;sup>50</sup> PO¶4

<sup>&</sup>lt;sup>51</sup> FR¶6; Confidential Vol 3, tab 46, FR oral, Day 23

<sup>&</sup>lt;sup>52</sup> Confidential Vol 1, tab 2 (old location: Vol 1, tab 16 and 46)

<sup>&</sup>lt;sup>53</sup> FR ¶18-20; AWD ¶64; AC ¶52

<sup>&</sup>lt;sup>54</sup> Confidential Vol 1, tab 5 (old location: Vol III, tab 49)

<sup>&</sup>lt;sup>55</sup> FR ¶8

<sup>&</sup>lt;sup>56</sup> IM ¶43-50; TG ¶54; BB ¶22; AWD ¶21; AC ¶18, AC 52

<sup>&</sup>lt;sup>57</sup> FR ¶9; TG ¶49

<sup>&</sup>lt;sup>58</sup> FR ¶10-13

<sup>&</sup>lt;sup>59</sup> FR ¶14-17

as the Procurement Policy<sup>60</sup> and Expenses and Business Travel Policy referred to above <sup>61</sup> and (iv) central control over key functions, such as litigation.<sup>62</sup> Mr Ronavne explained that the policies were revised when he arrived at TMG in October 2008 in response to the economic climate.63

- 33. The approved budgets of each editorial department are reviewed monthly.<sup>64</sup> Even at senior editorial level authority levels are limited in respect of expenses.<sup>65</sup> Mr Hughes, the former crime reporter (now a foreign correspondent), said, "our company operates a very strict expenses policy which is accessible to all staff via the company intranet. Any hospitality I provide to the police, for example buying lunch, dinner or a round of drinks at a social function, must be supported by a receipt and is submitted by myself via the expenses system and recorded. All of my expenses claims and those of other Telegraph Media Group journalists are checked at a senior level at least by my head of department or by the managing editor."66
- 34. TMG operates a bonus scheme for its senior commercial executives and senior editorial executives. But these bonuses are not contingent on publishing particular stories or exclusives.<sup>67</sup> Peter Oborne agreed with the earlier evidence on this point and said that he has "never encountered any financial or commercial pressure of any kind."68
- 35. TMG has analysed its payments in particular to contributors, retainers, casual staff and suppliers.<sup>69</sup> TMG has also explained its procedures on cash payments;<sup>70</sup> ad hoc payments;<sup>71</sup> and expenses.<sup>72</sup> There are no payments to public officials, save in return for copy - e.g. to Boris Johnson, the Mayor of London, who writes a regular weekly column.73

 <sup>&</sup>lt;sup>60</sup> Confidential Vol 3, tab 46
 <sup>61</sup> Confidential Vol 1, tab 2 (old location: Vol 1, tab 16)

<sup>&</sup>lt;sup>62</sup> FR ¶18-20

<sup>&</sup>lt;sup>63</sup> FR, oral, Day 23, p36

<sup>&</sup>lt;sup>64</sup> FR ¶11

<sup>&</sup>lt;sup>65</sup> FR ¶14-17 <sup>66</sup> MH, ¶33

<sup>&</sup>lt;sup>67</sup> TG ¶42; IM ¶41-2; AWD ¶58-59; AC ¶48-49

<sup>&</sup>lt;sup>68</sup> PO¶9

<sup>&</sup>lt;sup>69</sup> RM ¶19

<sup>&</sup>lt;sup>70</sup> RM **¶**29-31

<sup>&</sup>lt;sup>71</sup> RM ¶32

<sup>&</sup>lt;sup>72</sup> RM ¶33-38

<sup>&</sup>lt;sup>73</sup> RM ¶59

- 36. TMG has also changed some of its policies as a result of anti-bribery laws. It introduced an Anti-Bribery and Corruption Code of Conduct following the coming into force of the Bribery Act 2010.74
- 37. TMG submitted itself to a thorough review covering the period from 2005 until August 2011 and no evidence that TMG has been involved in any form of hacking or criminal conduct has been found. Nor has any such evidence been adduced at the Inquiry. Mr MacLennan explained that, "we carried out a ... major exercise into our financial systems and have checked back to 2005 to make sure that we could come to this Inquiry with the backing of Slaughter & May and say we are clear."75 Mr Ronayne said the same in his evidence.76

#### **Editorial Governance**

38. Evidence has been given by the Chairman, the former Editor-in-Chief and the editors of the daily and Sunday titles and the deputy editor of the daily. The former Editor-in-Chief Mr Lewis said:

"I believe that TMG set new standards in editorial corporate governance for the industry. It freed itself from the legacy of an unaccountable editor, weak financial controls and poor training. It reached standards that were far more principled, focused and structured than hitherto. It became a model for the news industry as a whole."77

39. The Chairman has explained that the appointment of editors is a matter for Mr MacLennan<sup>78</sup> but that he may meet possible appointees. Editors working for Telegraph titles have the freedom to edit their newspapers as they think fit and make all editorial decisions.<sup>79</sup> Whilst Mr Barclay likes to have a relationship with the editor and to discuss a range of issues about the paper, he does not interfere with their editorial judgment or do anything to compromise their position.<sup>80</sup> This was confirmed by Mr MacLennan who was asked whether the owners have any influence over what goes into the newspaper, to which he replied, "none at all."<sup>81</sup> Mr Gallagher also said that there was no influence from the proprietors. In terms of contact he said "I talk to

<sup>&</sup>lt;sup>74</sup> FR¶24; Confidential Vol 1, tab 4 (old location: Vol III, tab 41)

<sup>&</sup>lt;sup>75</sup> MM oral, Day 23, p14 <sup>76</sup> FR oral, Day 23, 36-7

<sup>&</sup>lt;sup>77</sup> WL ¶15.2

<sup>&</sup>lt;sup>78</sup> AB¶29

<sup>&</sup>lt;sup>79</sup> AB ¶28

<sup>&</sup>lt;sup>80</sup> AB ¶29-31 <sup>81</sup> MM oral, Day 23, p3

the chairman of the Telegraph Media Group, Aidan Barclay, once or twice a month."<sup>82</sup> The same applies to columnists. Mr Oborne's evidence is that, "I have an unusual amount of freedom to craft my columns as I wish, whatever the editorial line or any interests the proprietors (who I have not spoken to ... since joining the Telegraph) may or may not have".<sup>83</sup>

- 40. A former editor, Dominic Lawson, who has not been called to give evidence, told a House of Lords committee in 2007 that during his editorship Mr Barclay had questioned a story relating to David Blunkett MP. Mr Lawson accepted, however, that the story was published. Moreover the account of the conversation was disputed under oath by Mr Barclay, who explained that all he did was to question whether the story about Mr Blunkett had run its course.<sup>84</sup> Mr Barclay's clear evidence to the effect that he does not interfere in editorial maters is supported by Mr Lewis, Mr McGregor, Mr Gallagher, Mr MacLennan and Mr Andrew Neil (publisher of The Spectator). His detachment from editorial decision making is amply illustrated by the fact that he did not know in advance that the Parliamentary expenses story was going to be published.
- 41. The editors head an editorial staff which includes some of the most experienced journalists in Britain at all levels. The *Daily Telegraph* employs approximately 500 editorial staff<sup>85</sup> some of whom also work for the *Sunday Telegraph*.
- 42. Virtually all TMG journalists will have been on a training course accredited by the National Council for the Training of Journalists before joining the newspaper. This will have provided them with a detailed understanding of the PCC Code and the principles of responsible journalism. TMG seeks to reinforce this knowledge through an intensive period of training under its Editorial Graduate Scheme,<sup>86</sup> key elements of which are the PCC Code, the *Reynolds* principles and the legal framework within which the media operates.<sup>87</sup>

<sup>&</sup>lt;sup>82</sup> TG¶41, oral, Day 23, p82

<sup>&</sup>lt;sup>83</sup> PO ¶9

<sup>&</sup>lt;sup>84</sup> AB oral, Day 62, p61-2

<sup>&</sup>lt;sup>85</sup> TG¶24

<sup>&</sup>lt;sup>86</sup> Materials can be found in Vol III, tab1-22

<sup>&</sup>lt;sup>87</sup> AC¶32, AB ¶28

- 43. Below the editor of the daily title are four senior executives, the deputy editor, assistant editor and executive editor. Below them are all the heads of departments.<sup>88</sup> The heads of departments are assisted by deputy editors.<sup>89</sup> The work of all TMG's journalists is closely supervised by the department heads. Their decisions are in turn scrutinised by the senior editorial team. Before publication, stories are tested for accuracy, fairness, balance and legality.<sup>90</sup> This can be done at several levels.<sup>91</sup>
- 44. Ultimately, the decision as to whether to publish a particular story or not rests with the editor. Mr Lewis explained in his evidence how he went about assessing whether a story "felt right."92 Mr Gallagher explained that he sought to lead his highly professional staff from the front. He was present in the office the entire day and was a stickler for accuracy.93 He said, "I have a team that works underneath me that I trust implicitly that carries out a lot of the instructions that I would make in the course of a day, but I think it's fair to say that I'm very hands-on and I'm involved in most of the key decisions of the day, from everything that goes on the front page to the promotional blurbs, to the page leads, to the choice of commentary, to the leaders to the choice of features. Pretty much everything apart from the TV listings."<sup>94</sup> He also explained the different processes when a story was to be published online<sup>95</sup>. He confirmed that if there was a doubt in his mind he would ask where a story came from and would want to probe the basis for the story.96
- 45. When issues arise they are addressed by the editorial and legal teams. All members of staff are told to inform the editor and the editorial legal department of any complaint, whether written or verbal.<sup>97</sup> The editor might issue an 'editorial directive' reminding staff of a particular PCC rule.<sup>98</sup> The Executive Director, Editorial is responsible for ensuring compliance with the procurement and expenses policies and, together with the human resources team, for managing disciplinary issues.<sup>99</sup> Staff performance is reviewed annually.<sup>100</sup> Mr MacLennan explained that "we haven't

<sup>&</sup>lt;sup>88</sup> TG ¶8 <sup>89</sup> TG ¶9

<sup>&</sup>lt;sup>90</sup> BB¶8, this is confirmed by PO¶6

<sup>&</sup>lt;sup>91</sup> IM ¶32-34

<sup>&</sup>lt;sup>92</sup> WL oral, Day 23, p50-3

<sup>&</sup>lt;sup>93</sup> TG oral, Day 23, p79

<sup>&</sup>lt;sup>94</sup> TG oral, Day 23, p73

<sup>&</sup>lt;sup>95</sup> TG oral, Day 23, p73-75 <sup>96</sup> TG oral, Day 23, p81

<sup>&</sup>lt;sup>97</sup> See memos, Vol III, tab 27 & 29

<sup>&</sup>lt;sup>98</sup> TG ¶19-22; see e.g. Vol III, tab 28, tab 31 (suicides), <sup>99</sup> TG ¶22; IM ¶20; for examples, see Confidential Vol IV, tab 9-17

<sup>&</sup>lt;sup>100</sup> IM ¶21

had that many [PCC] complaints.... but when we have had a serious libel action that's gone against us, then a number of lessons are drawn from that and that's taken up by the editorial manager with the staff. And I'm also made aware of the changes."<sup>101</sup>

- 46. Mr Gallagher explained that there was no corrections page, but all corrections came through him and that he considered complaints. Mr MacLennan confirmed that all complaints were handled "at the very top" by the editor.<sup>102</sup> He said he did not have a strong view on the appointment of readers' editor but thought it might add an unnecessary layer of bureaucracy.<sup>103</sup> Mr Gallagher's evidence that he personally considered complaints was supported by that of Mr Crown, the solicitor for the Bowles family. Mr Crown gave evidence that after he had sent a letter to a number of papers about the coverage of the tragic death of Sebastian Bowles in March 2012, Mr Gallagher responded immediately by email making himself available to discuss the matter with Mr Crown. A conversation occurred and immediate steps to address the complaint were taken.<sup>104</sup>
- 47. Witnesses explained that editors are accountable to their readers, indeed, it is in the words of the Chairman, the "key accountability." Mr MacLennan explained that "we are probably one of the most customer-focused businesses... it's very difficult to even change or modify something in the paper without getting a very strong reader reaction... we have the largest reader subscriber base in the newspaper business in this country."105

#### Legal Governance

48. Evidence has been provided by the former and the current Head of the Editorial Legal Department of TMG ("the Department"). The Department is separate from the Corporate Legal Department and each department has distinct responsibilities.<sup>106</sup> The current Head of the Department is, and the former head was until his retirement

<sup>&</sup>lt;sup>101</sup> MM oral, Day 23, p9-10 <sup>102</sup> MM oral, Day 23, p11 <sup>103</sup> TG oral, Day 23, p78

<sup>&</sup>lt;sup>104</sup> Crown ¶19. Mr Crown also accepted that the Telegraph did not publish the 'Helena photographs' and that the conversation was 'slightly strange' since it was all around the publication of a photograph which was not published by the paper: Day 88, p105 <sup>105</sup> MM oral, Day 23, p15 <sup>106</sup> AWD ¶ 8

on 31 July 2011, a practising employed barrister.<sup>107</sup> They are or were required to carry out continued professional development requirements.<sup>108</sup>

- 49. The Department provides editorial related legal advice and support both before and after publication. This includes advice on libel, privacy, contempt and copyright laws as well as compliance with the PCC Code. This advice is provided to the editorial teams of the Daily Telegraph, www.telegraph.co.uk and the Sunday Telegraph.<sup>109</sup>
- 50. Pre-publication the Department is responsible for identifying potential breaches of the PCC Code and advising on legal risks associated with the publication of particular items. The ultimate decision to publish rests with the Editor.<sup>110</sup> The Department's other main area of pre-publication work is drafting and/or advising on agreements for exclusive rights to serialise books or occasionally for the purchase of interviews with notable individuals.<sup>111</sup>
- 51. Post-publication the Department deals with complaints arising from published content, including online material.<sup>112</sup>
- 52. The Department puts systems in place to ensure that legal/ethical advice and guidance is given to the editorial teams as and when it is needed.<sup>113</sup> Examples are (i) pre-publication scrutiny of articles; (ii) the issuing of advice/guidance Editorial Directives; and (iii) the issuing of legal warnings.<sup>114</sup>
- 53. The legal function is advisory only. It is not the responsibility of the Department to ensure compliance. In respect of editorial matters, primary responsibility for compliance rests with the Executive Director, Editorial (Richard Ellis).<sup>115</sup>
- 54. Responsibility for ensuring that journalistic sources are reliable rests with the journalists themselves, their editorial departmental heads and ultimately the Editor.<sup>116</sup> On the unusual occasion where any text or photographs begged any question

<sup>&</sup>lt;sup>107</sup> AC ¶5; AWD ¶5 <sup>108</sup> AWD ¶32; AC ¶22

<sup>&</sup>lt;sup>109</sup> AWD ¶ 11 - ¶13

<sup>&</sup>lt;sup>110</sup>AWD ¶14

AWD ¶15

<sup>&</sup>lt;sup>112</sup> AWD ¶16 - ¶20

AWD ¶43-47; AC ¶30 AWD ¶45-47; AC ¶34-39

<sup>&</sup>lt;sup>115</sup> AWD ¶48; AC ¶40 <sup>116</sup> AWD ¶50; AC ¶43-44

regarding the trustworthiness of the source, an assurance would be sought from the journalist that s/he was satisfied professionally that the source was legitimate and reliable.<sup>117</sup>

### **Political Stance**

- 55. The *Telegraph* titles are conservative newspapers, both with a small and a large 'c'. Decisions on how to cover General Elections are left to editors but it would be a surprise and a concern to the company if an editor was to back another party at a General Election. This is because successful newspapers must understand and take account of their audience<sup>118</sup>. Patrick Hennessy said, "*a newspaper will more likely support the party whose policies, aspirations and leadership most closely represent the wishes of its readers. It would be strange if this was not the case.*"<sup>119</sup>
- 56. Charles Moore says that whilst the *Telegraph* has always advocated a Conservative vote at general elections, "*it is also in the public interest, however, to set out fairly the policies of all parties and to criticise them on their merits. The Telegraph has always tried to do this.*"<sup>120</sup> This supports what Mr Barclay said, namely that "*in 2004, when we arrived at the Telegraph, the Telegraph had managed to get itself in a situation where it never spoke to the Labour party and had fallen out with the Conservative party and I thought that was a daft position to be in for a market-leading broadsheet Conservative paper. So to the extent that anybody asked me, I would insist that they are in touch on a regular basis with politicians right across the board, because that enables them to do their job properly".<sup>121</sup>*
- 57. It also accords with the evidence of the Deputy Prime Minister Mr Clegg who described discussions with a team from *The Telegraph* on 13 January 2010 about the impending General Election. He said:

"They were purely political and purely centred on me trying to persuade the Telegraph, a paper which I never had any illusions would not come anywhere close to ever endorsing the Liberal Democrats -- would nonetheless give us a fair hearing."<sup>122</sup>

<sup>&</sup>lt;sup>117</sup> AWD ¶51

<sup>&</sup>lt;sup>118</sup> AB ¶32

<sup>&</sup>lt;sup>119</sup> PH ¶p7

<sup>&</sup>lt;sup>120</sup> CM ¶p5

<sup>&</sup>lt;sup>121</sup> AB oral, Day 62, p97

<sup>&</sup>lt;sup>122</sup> Clegg oral, Day 85, p27-8

It also accords with documents put to Mr Barclay in the witness-box about the newspapers' coverage of the 2010 election, including feedback from a Labour adviser praising some of the paper's election coverage.<sup>123</sup>

#### **Relationship with the Police**

- 58. Mark Hughes, the Daily Telegraph's former crime correspondent, has explained his dealings with police officers at various levels, mainly in the Metropolitan Police ('MPS'). He explained that his personal contacts with MPS personnel allowed him to better understand their work and particular police investigations. He was able to "run certain pieces of information past them to verify truth against rumour."124
- 59. In relation to the Filkin report, Mr Hughes considered that police press officers already monitor contact from journalists but that if every police officer had to do so it "might become overburdening." He also thought that a "recommendation for a national policy on appropriate levels of interaction strikes me as rather patronisina."125
- 60. He concluded by expressing his fear that:

"...constraining already appropriate relationships even further would lead to a breakdown in communication between the police and the media... if police officers are no longer allowed to speak with the press or have to do so only in the presence of a press officer then an important part of the process for checking the veracity of information and ensuring accuracy of reporting will be lost.... police officers trusted to solve some of the most heinous crimes can also be trusted to speak with the media."126

#### **Relationship with Politicians**

61. Evidence has been provided on this matter from Aidan Barclay, Tony Gallagher, Benedict Brogan, Patrick Hennessy, Charles Moore, Peter Hennessy and Peter Oborne.

<sup>&</sup>lt;sup>123</sup> AB oral, Day 62, p80-1 <sup>124</sup> MH¶18

<sup>&</sup>lt;sup>125</sup> MH¶51-4

<sup>&</sup>lt;sup>126</sup> MH¶55-9

- 62. Some of the evidence is directed at the relationship between proprietors and politicians. Some of it focuses on how journalists and politician interact and how they should do so in the future. Some is theoretical and some relates to specific meetings and contacts.
- 63. Mr Barclay explained that "all businessmen need to be aware of the political environment and to pass on concerns and encouragement to those who make laws and regulations in order to protect their businesses and those whose livelihoods depend on them." He considered that relationships with politicians enable a better understanding of the economic and regulatory framework which they establish and within which businesses like TMG have to operate.<sup>127</sup> He said that "it was beholden sometimes on business people to bring things to the attention of politicians..."<sup>128</sup>
- 64. Mr Barclay has provided a list of his meetings with senior politicians and explained that their discussions "*were largely of a general political and economic nature*".<sup>129</sup> Mr Cameron confirmed that this was so in his case. Mr Barclay has provided evidence about his relationship with the past three Prime Ministers, opposition leaders and other senior politicians.<sup>130</sup> Other lists are available, disclosed by the government, of meetings between politicians, special advisers and Telegraph executives and journalists.<sup>131</sup>
- 65. Mr Barclay has stated that he would have "*no problem in principle with greater transparency in the relationships between politicians and those involved in the media business*" provided commercial confidentiality was protected, though "*publishing companies as businesses should not be subject to any more onerous rules than other businesses where it impinges on their ability to discuss sensitive commercial issues with senior politicians.*"<sup>132</sup> In his second statement Mr Barclay has explained that he agreed with the government's decision to publish details about meetings and said that it should extend to shadow ministers and senior members of the Scottish Executive.

<sup>&</sup>lt;sup>127</sup> AB¶37, AB oral, Day 62, p72

<sup>&</sup>lt;sup>128</sup> AB oral, Day 62, p75

<sup>&</sup>lt;sup>129</sup> AB¶40

<sup>&</sup>lt;sup>130</sup> AB¶41-7

<sup>&</sup>lt;sup>131</sup> Those relating to TMG were included in the Bundle for AB.

<sup>&</sup>lt;sup>132</sup> AB ¶49

- 66. David Cameron gave evidence about his relationship with Mr Barclay. He explained that they met periodically, exchanged text messages and discussed business affairs.
- 67. There was a suggestion that during the 2010 General Election Mr Cameron (then leader of the opposition) spoke to Mr Gallagher on the telephone each day. Mr Cameron said, however, "I think the daily call was between the Conservative Party and Tony Gallagher. I don't know whether it was necessarily going to be me, but I think this was me wanting to make sure that the Telegraph knew our policies and our plans and all the rest of it. I think that's what it was about."133
- 68. On his dealings with Mr Barclay he said, "[Mr Barclay] felt particularly strongly about some of these economic issues and wanted to give me his view. I don't think there's anything particularly improper about that. I think this was the view of him, you know, not really as chairman of a newspaper group but as chairman of a big business heavily invested into the UK with lots of property and other businesses and this was his strong views about the financial situation and I think it's perfectly legitimate. I get a lot of exposure to businesses' views on these sorts of points, some by text, many more by the meetings I have, and that seems to me not a bad thing, as long as you can order them properly in your mind."134
- 69. Mr Gallagher said in evidence,

"We're interested -- you won't be surprised to learn -- as a newspaper, we're terribly interested in politics, so it shouldn't be a great surprise to discover that we have pretty regular meetings with the most senior politicians in the land, who are keen to get exposure for their policies, convince us of their ideas and that their ideas are of merit and so forth, but I think it's important that we see all sides. I would add the following: I never have these dinners on my own, I've never been in their private homes, and nor would I ever have them in my home. It's usually me and senior members of the editorial team. So it's purely work for us."<sup>135</sup>

70. He went on to say that he thought he had "seen the Prime Minister three times in 2011, twice for dinner. George Osborne, a similar number of times. Ed Miliband, a similar number of times. And with my team, we've had lunch or dinner probably with three-guarters of the cabinet, and perhaps 50 per cent of the shadow cabinet over

 <sup>&</sup>lt;sup>133</sup> David Cameron, Day 86, p71
 <sup>134</sup> David Cameron, Day 86, p72
 <sup>135</sup> TG oral, Day 23, p83-84

the previous 18 months."<sup>136</sup> He did not consider that the paper was having a great influence on politicians and that it found itself opposing both the current government and the last one.137

- 71. Mr Brogan has given evidence that the relationship between politicians and the press is paradoxical and fraught with difficulty.<sup>138</sup> But his "*experience has always been that* the more I speak to politicians, the more I learn." He explained that newspapers are free to advance policy arguments, plead their case and launch campaigns. Mr Brogan gave the example of TMG's 'Hands off our land' campaign which he said "persuaded the Government that its relaxation of the planning rules was badly thought through". The Prime Minster, nonetheless, identified it as a campaign he did not agree with. Mr Cameron said that "A recent example of a disagreement [on a newspaper campaign] would be the "hands off our land" campaign by the Telegraph objecting to the planning reforms. I felt we need to reform the planning system, we have to have that argument. Let's listen to their points, but it's an argument we need to have.",139
- 72. Mr Brogan has emphasised that professional relationships should not be allowed to become personal.<sup>140</sup> In his evidence Mr Hennessy agreed and said both sides must guard their professional positions. But he said that he could not do his job without having regular personal contact with politicians and their staff.<sup>141</sup> He said that any self-respecting, professional political journalist should always guard against developing too cosy a relationship. Mr Hennessy also said that The Sunday Telegraph seeks to influence government policy on behalf of readers through editorials and campaigns and cited its 'End the Human Rights Farce' campaign.<sup>142</sup>
- 73. Mr Moore has given evidence that the informality of the inter-relationship is useful and whilst it could be abused, formal governance and oversight would tend to undermine it.<sup>143</sup> He said there is a benefit to the public in a relationship between politicians and senior journalists because it is likely to promote a greater flow of

 <sup>&</sup>lt;sup>136</sup> TG oral, Day 23, p82-3
 <sup>137</sup> TG oral, Day 23, p85
 <sup>138</sup> BB 2<sup>nd</sup> ¶p4
 <sup>139</sup> David Cameron oral, Day 86, p10
 <sup>140</sup> BB 2<sup>nd</sup> ¶4
 <sup>141</sup> David Cameron oral, Day 86, p10

<sup>&</sup>lt;sup>141</sup> PH ¶p4

<sup>&</sup>lt;sup>142</sup> PH p11-12

<sup>&</sup>lt;sup>143</sup> CM ¶p5

information and understanding than would otherwise exist. The relationship was a matter of judgment.<sup>144</sup>

74. Mr Oborne, by contrast, was critical in his evidence of the relationship between some parts of the press and politicians. He considered that the connection between News International and politicians "has done great damage to the public interest."<sup>145</sup> He considered that journalists should pay "more attention to speeches, white papers. public hustings, parliamentary debates etc and less to informal contacts."<sup>146</sup> He thought that members of the parliamentary lobby had become too close to MPs and that political reporting "had become a matter of sort of private deals or private arrangements, invisible to voters."<sup>147</sup> He saw hope for the future suggesting that the "exposure and part collapse of the Murdoch empire may have opened the way to a new decency both in British journalism and our public life." 148

# Operation Motorman, personal data and the role of TMG in lobbying on behalf of the industry

- 75. TMG was the only publisher in the British national press which had no titles in the "league table" produced by the Information Commissioner.
- 76. Nonetheless, Mr Barclay explained that Mr MacLennan and his team took seriously the concerns of the Information Commissioner and were responsible for leading an unprecedented industry campaign of information and education among journalists.<sup>149</sup> Mr Ronayne led an internal review to confirm that no TMG journalists had been involved in making payments for information to private detectives.<sup>150</sup>
- 77. TMG witnesses were not asked about the lobbying of politicians on behalf of the industry. There was, however, evidence of lobbying in relation to possible custodial sentences for Data Protection Act offences and on the availability of conditional fee agreements to libel claimants. The former Justice Secretary Jack Straw said that:

<sup>&</sup>lt;sup>144</sup> CM ¶p4 <sup>145</sup> PO 2<sup>nd</sup> ¶6 <sup>146</sup> PO 2<sup>nd</sup> ¶9

PO oral, Day 73, p22 PO 2<sup>nd</sup> ¶11

<sup>&</sup>lt;sup>149</sup>AB **¶**51

<sup>&</sup>lt;sup>150</sup> AB¶51, FR, ¶30-7

"...the people who came to see me were Mr Dacre, Mrs Brooks, from the Telegraph normally Murdoch MacLennan, who is the chief executive, and sometimes Guy Black, who had been the secretary of the PCC and I think was working an as adviser to the Telegraph. It was those -- those were the core, but I understood from them that they were representing the views of the national press as a whole. I had no reason to think they weren't. .... They plainly were and are – were powerful figures who were representing the generality of the [industry]."

Gordon Brown's evidence was that he had meetings with industry figures and he appeared broadly to agree with their position.<sup>151</sup>

78. Paul Dacre explained in his evidence that.

"I. Mr MacLennan and Mr Hinton, the senior members of the newspaper industry, had become increasingly concerned about potential threats to press freedom, and had asked for a meeting with the then Prime Minister, Gordon Brown. We outlined what our worries were. There were threats to the coroner's reports -- reporting of coroner's courts, there were threats to freedom of information, [that] he were going to charge for it. We were deeply worried, for reasons you well know, about CFAs and we were very worried about the proposal to amend the Data Protection Act so that journalists should be jailed, which we felt would provide a huge chilling effect on journalism and would mean that Britain is the only country in the world which would jail journalists. He was sympathetic to that, said he would arrange a meeting for us with Jack Straw ..."

79. Although Mr MacLennan was not asked about these matters, his witness statement confirms that he had indeed held positions of responsibility within the industry, as Chairman<sup>152</sup> of the Newspaper Publishers Association from 2005 to 2007 and as Chairman of the Press Association since 2010. As Mr Dacre later said, "Every industry sees politicians to put their case and their worries. I don't think it's anything to do with my relationship with Jack Straw. It's very senior members of the newspaper industry were very worried about these developments and he was kind enough to see us, to hear our concerns."

### BSkyB and the Liberal Democrat sting story

80. Mr Barclay explained that TMG was not supportive of News Corporation's proposed takeover of BSkyB. He drew a distinction between the stance of the *Telegraph* titles and his own personal views. The TMG stance was "not necessarily against it, but

2.2.

 $<sup>^{151}</sup>$  Gordon Brown MP, Day 83, p74-75  $^{152}$  MM ¶2, 5

there were a number of fundamental issues which need to be examined".<sup>153</sup> He said that:

"...looking at it purely from the Telegraph point of view, there were potentially two areas that would have concerned me. One was the possibility of the cross-sell advertising, which is across television and newspapers; in other words, bundled advertising that we wouldn't be able to do, and that would give them an advantage. And the second thing was Sky has about 10 million subscribers and there were lots of debates going on at the time and indeed now about how newspapers are going to deliver their content digitally to their readers, and I was concerned that Sky had a lock on 10 million subscribers that could receive solely News International title information and therefore also Telegraph would be excluded. Those were the two areas that concerned me."

Mr Barclay confirmed that the Telegraph had been part of the broad church of media groups opposed to the bid. The controversy surrounding the BSkyB bid could have been avoided if large takeover bids of this sort were automatically referred to the relevant competition authority for consideration. TMG would support such an approach, along with the reintroduction of the "fit and proper test" for newspaper ownership.

81. Mr Barclay was asked in passing why Dr Cable's comments about "declaring war" on the Murdoch empire were not included in the first, as opposed to a subsequent, article to be published arising out of the visit by undercover Telegraph journalists to Dr Cable's surgery. He said that he did not know why. It is assumed that this question, essentially about how and when the editorial team decided to report different parts of Mr Cable conversation with the undercover reporters, is not of any substantial interest to the Inquiry as no other TMG witnesses were asked about it. The PCC adjudication recognised that the newspaper "had chosen not to make it a focus of its first day's coverage".<sup>154</sup> There was a hint in the evidence of James Murdoch, commenting about a note from Fred Michel at the time, that the Telegraph was somehow trying to "blackmail" Mr Cable"<sup>155</sup>. The Inquiry has elicited no evidence whatsoever to support this incoherent and misplaced suggestion. Nor did James Murdoch expand upon it. No doubt this was because he had no evidence to substantiate it either.

<sup>&</sup>lt;sup>153</sup> AB oral, Day 62, p65 <sup>154</sup> MOD100040216.

<sup>&</sup>lt;sup>155</sup> Day 63, 24 April 2012, p23

82. Dr Cable was asked "why do you think the Telegraph came after you and your colleagues?" He responded:

"I don't think that's difficult to understand. The Telegraph, like several other newspapers, was very hostile to the Coalition. They didn't want a Coalition government, they wanted a Conservative government, and felt that the Liberal Democrats were compromising their true Conservative values, and so all the Liberal Democrat ministers in the government, not just me, were subject to this intervention in our private and confidential conversations with constituents."

- 83. The PCC adjudication recorded the Telegraph's position. It said that the paper had "specific information... from parliamentarians and members of the public" pointing to "growing Liberal Democrat private dissatisfaction" with the Coalition. It went on to say that there were claims of a growing divide within the party. The evidence obtained was that "most of the [Liberal Democrat] ministers expressed opinions which were at odds with their public positions and statements". This included Dr Cable. The PCC accepted there was a "broad public interest in the area the newspaper had chosen to investigate: the unity of a Coalition government" but it disagreed with the method chosen (secret filming and recording) considering that it was disproportionately intrusive. The PCC considered that "the newspaper had uncovered material in the public interest regarding the remarks made by Vince Cable about the News *Corporation bid for BSkyB"* but again there were not grounds to justify the subterfuge.
- 84. TMG witnesses have explained that they do not agree with the decision of the PCC in relation to this story. They have, however, respected it. Mr MacLennan explained that the full ruling of the PCC was published in the Telegraph.<sup>156</sup> Mr Gallagher said:

"The PCC ruling, which we accepted but were unhappy with – they required us to publish an abridged version of that ruling. I felt that it was a matter of such public interest that we should publish the entire ruling, which was, from memory, about a third longer than the abridged ruling. We published it in its entirety." He went on to explain that, "It was probably the most important PCC ruling of 2011 and I felt in the interests of justice, we should carry the entire ruling, given that we'd devoted a fair amount of space to the embarrassment of the Liberal Democrats in December 2010."<sup>157</sup>

<sup>&</sup>lt;sup>156</sup> MM oral, Day 23, p18-19 <sup>157</sup> TG oral. Day 32, p77

#### Non-aggression pacts

- 85. Mr MacLennan gave evidence that non-aggression pacts between newspapers do not exist.
- 86. He was asked about a lunch with Mr Desmond when Managing Director of Associated Newspapers Limited.<sup>158</sup> He was quite clear that this had not resulted in any sort of non-aggression pact between The Mail and The Express. He said:

"I've never been in favour of mudslinging. There was no agreement with Mr Desmond, but I did receive at that lunch a series of demands from Mr Desmond to stop the articles that were appearing in [ANL] publications. I said I'd take those demands back to the editor but Mr Desmond must have known that those demands would have been thrown out and completely ignored, because before I even got back to the office, a statement had been issued to other newspapers that an agreement was in existence. There was no such agreement ...."

87. This is supported by the evidence of Viscount Rothermere:<sup>159</sup>

"...Paul Dacre felt very strongly that Richard Desmond should not own the Express Newspapers, that the government had -- should have used the fit and proper person clause in order to stop him from doing it because of his other business interests, and sort of expressed that point of view forcibly through the newspaper. Richard Desmond responded by trying to dig up everything he possibly could on my family, my wife's family, you know, making things up about my parents, which we largely took in stride. However -- I largely took in my stride. Murdoch, however, took the view that firstly he was very loyal to my father, and I think that the stuff that Richard was printing about my father, which was very untrue, was very painful to him personally, and secondly, he felt that Richard Desmond was going to be the owner of a national newspaper, we had to work together in all forms of -- you know, and that this unhealthy antagonistic relationship was not in the interests of the readers and not in the interests of the industry. So he decided, I think at Richard Desmond's invitation, to accept a lunch to talk about this to try and pour oil on troubled waters, so to speak. He asked me if I thought that was a good idea. I said I didn't think it would be a good idea, but he had a good commercial rationale for doing it, so he should go along and see what Richard Desmond had to say. He went to lunch at the Howard Hotel. They discussed various issues to do with the industry, and, you know, this mud-slinging, I suspect, although I didn't actually get a full briefing from Murdoch on what was said at lunch. On the way back from the lunch, Richard Desmond announced publicly that there had been some form of truce. I asked Murdoch about that, and he said no truce had been created and no agreement was created and he just thought that Richard Desmond was making trouble, and that is that, really...

...I don't believe there was a truce, and I think the proof is in the pudding, so to speak. You know, the Express continued to attack me, you know, so.'

<sup>&</sup>lt;sup>158</sup> MM oral, Day 23, p16-17 <sup>159</sup> Rothermere oral, Day 68, p33-35

#### Coverage of media stories including phone-hacking

- 88. Mr MacLennan was asked whether newspapers ignore stories about the industry, for instance about phone-hacking or the trade of personal data. He was asked why stories about Mr Whitamore in 2002/2003 and Messrs Mulcaire and Goodman in 2005/2006 were not picked up by the media. He answered, "I think there are far too many stories about the press on the press, almost an obsession to a point... where readers are not as obsessed as we are about our own business".<sup>160</sup>
- 89. Richard Thomas, the Information Commissioner, nonetheless acknowledged that coverage in The Telegraph helped to trigger Operation Motorman investigation. He referred to a "Guardian report in September 2002, indicating a data black market and highlighting a private detective agency which had been found to have sold information from police sources to the News of the World, Daily Mirror and Sunday Mirror. Second, a Sunday Telegraph report in December 2002 that private detectives routinely tapped private telephone calls for the tabloid press, with some agencies deriving the bulk of their income from such work and such clients."<sup>161</sup>
- 90. Mr Oborne considered that there "was a reluctance of one newspaper group to embarrass another" but explained that readers are not "wildly interested in the internal mechanics or the sort of hypocrises or evasions of their rivals."<sup>162</sup>

#### Parliamentary expenses

91. The full story of TMG's investigation and the ensuing national scandal can be found in the book No Expenses Spared, a copy of which has been provided to the Inquiry, and in the articles supplied in response to its request for public interest stories. No Expenses Spared is a detailed account of the investigation, including the purchase of the disc, written after the event by *Telegraph* journalists Robert Winnett and Gordon Rayner. The reporting on this story by TMG is classic example of a newspaper in its "watchdog" role, holding politicians to account and disseminating information and ideas about matters of public importance. As a result a wide-ranging public debate was stimulated.

 <sup>&</sup>lt;sup>160</sup> MM oral, Day 23, p20-1
 <sup>161</sup> Richard Thomas, Day 14, p25
 <sup>162</sup> PO oral Day 73, p12-14

- 92. Mr Brogan said in his evidence that, "The Telegraph's experience of the MPs expenses affair reminded us that at its origin was the refusal of Parliament to proceed with the recommended publication of information about MPs that the public was entitled to know. Had MPs observed the recommendations made to them, the Telegraph would not have needed to take steps it did to expose their activities."<sup>163</sup> Mr Hennessy said it was "the best example in recent years of the press fulfilling its watchdog function"<sup>164</sup> and pointed out that the *Telegraph* titles reported on allowance claims by members all the political parties.
- 93. The Prime Minister said in his oral evidence about regulation, "Now, the last thing you want is a sort of stitch-up by the politicians who sort of rub their hands and think this is a great opportunity to get together and clobber the press, and I totally understand the press' nerve about that. You know, I say in the House of Commons a lot: this must not be kind of revenge for the expenses scandal. The expenses scandal was a scandal, and it was good the press revealed it, however painful that might have been." The vast majority of witnesses to the Inquiry cited the Telegraph's coverage of the parliamentary expenses as one of the most, if not the most, important examples of investigative journalism in recent years.
- 94. Mr MacLennan confirmed that while Mr Barclay did not know of the decision to publish beforehand, he (Mr MacLennan) "was involved in the background to the whole business" and whilst the "final decision to publish was entirely the editors" he had made enquiries of the legal department and the editor so as to satisfy himself that the material obtained from the source was accurate and that publication would not damage the *Telegraph* brand.<sup>165</sup> Mr Barclay was informed by Mr MacLennan after publication of all the steps that had been taken to deal with the legal, regulatory and data protection issues that arose from the purchase of the disc.<sup>166</sup> Mr Ronayne explained his role in signing off on the payments.<sup>167</sup>
- 95. Mr Lewis also gave evidence, as editor-in-chief at the time, of the steps taken before publishing the facts and the decisions made about how to present the material obtained in a fair and balanced way. Several questions were put to him by counsel to the Inquiry suggesting that the motivation for publication may have been financial or

<sup>&</sup>lt;sup>163</sup> BB 2<sup>nd</sup>, p8

<sup>&</sup>lt;sup>164</sup> PH ¶p4

<sup>&</sup>lt;sup>165</sup> MM oral, Day 23, p13-14 <sup>166</sup> AB 2<sup>nd</sup> ¶8 <sup>167</sup> FR oral, Day 23,p38-9

commercial. He strongly disputed this suggestion. He said of the TMG reporting:

"it represents one of the most important bits of public service and public interest journalism in the post-war period that unveiled and revealed such wrongdoing in Parliament that the speaker had to resign and many MPs followed after him...I saw it as my ethical obligation to bring this profound wrongdoing at the heart of the House of Commons into the public domain, and remain passionately of that view now ... it was a way to ensure that the readers of the Telegraph and the broader British public were able to find out about the profound wrongdoing in the House of Commons and how MPs had stolen from the taxpayer...one would expect circulation to go up, but at the heart of the MPs expense story was a desire to ensure that loyal Telegraph readers—and you've already heard about the unusual loyalty of Telegraph readers – were informed about how their MPs were fleecing the taxpayer."

#### Press Regulation

- 96. TMG recognises the need for a new regulatory structure that deals with complaints and enforcement in a manner independent of the industry but within a system of selfregulation in which the industry maintains a role.<sup>168</sup> TMG supports the proposals put forward by Lords Hunt and Black. It is opposed to legislative intervention in industry regulation in any form. TMG has sought to assist the process of changing the selfregulatory arrangements for the industry and participated fully in the financing of the PCC through PressBof.<sup>169</sup> The burden of regulation, however, must not be so great the press becomes over-regulated as a result of public outrage at the actions of a small minority of journalists.<sup>170</sup> As Mr Barclay made clear in his oral evidence: "I find it very difficult to volunteer for more regulation because I think we're over-regulated in a business sense in this country, anyway. ... We don't want to destroy an industry through overregulation"<sup>171</sup>.
- 97. Mr MacLennan accepted in his evidence that the PCC did not handle the phonehacking issue well "because they weren't provided with the facts, and that's why there's going to be changes now."<sup>172</sup> He accepted that there needed to be stronger means of enforcement and had to "take account of the major digital companies that are repurposing news."<sup>173</sup> In a letter to the Inquiry he has argued as follows:

<sup>&</sup>lt;sup>168</sup> AB¶53 <sup>169</sup> BB 2<sup>nd</sup> p9

<sup>&</sup>lt;sup>170</sup> AB ¶54

<sup>&</sup>lt;sup>171</sup> AB oral, Day 62, p103

<sup>&</sup>lt;sup>172</sup> MM oral, Day 23, p21-2

<sup>&</sup>lt;sup>173</sup> MM oral, Day 23, p22-8

First of all, I think any new system of regulation, howsoever configured legally, needs to be flexible enough to accommodate the speed of change within our industry. Our business here has been transformed completely within the space of five years. I suspect it will undergo a similar set of changes within just the next two. Any system of regulation based simply on a print media model is likely to be out of date rapidly. Not only are the ways we gather and disseminate news changing, but the competition from non UK news sources is set to grow rapidly. At the very least, the news aggregators have to be part of the solutions you are seeking, when you consider their importance. According to the most recent survey by The Future Foundation, half of all UK adults share news articles online, and that figure is an astonishing 70% of 16 to 24 year olds, which sets out the trend for the future. And according to UKOM, 2.5 million individuals accessed aggregator sites in the last month of 2011. Those are very significant figures.

....I think that this means that any form of statutory intervention, including statutory underpinning, is likely to be ineffective. To "underpin" a system in legislation Parliament would have to know what was likely to constitute the news media in 2015 and beyond. As we in the media don't know, I don't see how those drafting legislation, no matter how "light touch" it was, could do so. We therefore remain opposed to statutory intervention, even of a "backdrop" nature, as a matter both of principle and practice: statute is statute, and one imposed on the system will only grow, with unacceptable consequences for press freedom.

The Telegraph would certainly be happy to enter into a contractual relationship with the new entity which sets out our obligations in terms of dealing with complaints, of submitting to a new standards regime ......, of establishing key internal governance and standards criteria, and of funding the new system.

Contractual obligations of this sort would produce a real renaissance of internal regulation and governance within all newspapers and magazines because compliance with the Code, with certain key ethical and legal obligations, and with requirements on training would all be open to the public and measurable. ...

The most important component would be a new standards and compliance mechanism designed to enforce standards where there has been a systemic breakdown of internal regulation or Code compliance, with powers of sanction including possibly the ability to fine. This mechanism would probably be activated only very rarely, but would have real teeth, derived from the contract, when it was. Investigative powers to call for printed and digital documents, and to interview witnesses, would be required and again these powers could derive from the terms of the contract.

This would be a real departure for press self regulation in the UK, giving an independent body significant powers for the first time. For publishers with sound internal systems, there should be nothing to fear. But for those who wish to flout the Code, a standards inquiry would be extremely serious.

.....There is the real possibility of a third component, which would be an arbitral arm to deal with the most serious disputes that would normally be the preserve of the Courts. This would provide a compulsory arbitration service for libel disputes into which complainants, for whom it would obviously be a far cheaper and quicker route to justice, would enter before their claim could be heard in Court. This is one of the more complex initiatives that could be part of the new system, and needs scrutiny. In

particular, it would probably need a Defamation Bill to go through Parliament, and it is not yet clear when that is going to happen. But the key point is that the flexibility is inherent in this architecture to allow it to happen. Because it would be available only to those who enter the new system as part of a contract it would also be an important incentive for responsible publishers to join.

...These are radical propositions, and it may be that they will not all be practical. Further work needs to be undertaken particularly on the contract terms. If it can be made to work, however, it will benefit the public because standards will be raised and there will be a guarantee, based on contract, that their complaints will be heard. It will also avoid the need for statutory intervention, to which the press is almost unanimously opposed. And it will provide the flexibility to evolve and adapt in the future as legislation changes, and indeed, to go back to my original point, as technology develops.

- 98. In his evidence Mr Lewis cautioned against a rush to judgment and said, "we must not throw the baby out with the bathwater. There is tremendous work good work that, for example, the PCC has done over the years that we mustn't lose." He also believed that the future regulator should be "self-legislated" though there was a need to define "the best practice newsroom behaviour". He accepted that there is a need to ensure that newsrooms are transparent and accountable. Mr Lewis considered that a new regulator should have control of advertising figures.<sup>174</sup>
- 99. Mr Hennessy said in his evidence that "independent, self-regulation is the best way to regulate the print media… Decision-making bodies within the two sectors (politics and media) should be kept apart. I firmly believe that any form of state imposition could have dangerous consequences for the freedom of the press."<sup>175</sup>
- 100.Mr Gallagher praised the relationship the paper had with the PCC and the speed with which they alerted the paper to privacy issues.<sup>176</sup> He explained that legal cases were very expensive and expressed his support for a cheap, efficient and fair arbitration system as part of the self-regulatory system.<sup>177</sup>
- 101.Mr Brogan warned that "*if the press is to fulfil its function as a source of scrutiny of those elected or appointed to govern us, then it must be free to do so.*" He cited the situation in France as one to avoid and added, "*Already here in Britain the press is circumscribed by the limitations of the PCC Code, then by the law. The current state of libel law places a heavy burden on newspapers… the law of contempt can also at*

<sup>&</sup>lt;sup>174</sup> WL oral, Day 23, p66-70

<sup>&</sup>lt;sup>175</sup> PH p5

<sup>&</sup>lt;sup>176</sup> TG oral, Day 23, p76

<sup>&</sup>lt;sup>177</sup> TG oral, Day 23, p89-92

times stifle proper scrutiny ... the Government is able to use the Freedom of Information Act to withhold information... the regulatory environment for newspapers is far more hostile than the public realise."<sup>178</sup>

102.Mr Oborne, referring to Rupert Murdoch and the Telegraph's previous owner, Lord (Conrad) Black thought that "one reason why newspapers have ceased to provide a proper civic function is that too many of them have been owned by people whose true interests do not lie in this country."<sup>179</sup> He considered that there should be an internal standing committee of four senior figures - editor, managing editor, legal head and one old hand - set up which should approve any possibly unlawful actions thought to be in the public interest.<sup>180</sup>

#### Submissions

- 103.No company or newspaper is perfect. TMG accepts that, like any publisher of thousands of stories each week, it makes mistakes. But the evidence at this Inquiry unquestionably shows the following.
- 104.TMG is a well-run, profitable organisation with strong internal corporate governance in all areas of its activities. It produces high quality content. Much of its content is public interest journalism in the true sense of the term. This content is produced responsibly and efficiently. TMG actively advocates and promotes good corporate/ journalistic practices.
- 105.All of this is reflected in the facts that: TMG was the only publisher in the British national press which had no titles listed in the 'league table' produced by the Information Commissioner in respect of Operation Motorman; it has barely been mentioned in the evidence about mistreatment of the public by newspapers; there is no evidence that it has ever had an improper relationship with the police; no allegations have been made that it has an improper or questionable relationship with politicians.
- 106.TMG has had legitimate concerns about News Corp's BSkyB bid. But there is no evidence whatsoever that the Barclay family have used their ownership of TMG

<sup>&</sup>lt;sup>178</sup> BB 2<sup>nd</sup>, p5 <sup>179</sup> PO, oral Day 73, p71 <sup>180</sup> PO 2<sup>nd</sup> , p10¶

improperly to influence politicians on this or any other issue, whether directly or through TMG's executives/editors. The Prime Minister has admitted in evidence that he and other senior politicians got too close to News International. But he said that there was never anything improper about his dealings with Mr Barclay.

- 107. Whilst the *Telegraph* tiles are conservative-leaning newspapers, the evidence before the Inquiry demonstrates that they are willing to, and do, publish widely-varying opinion on political and public interest issues. This is apparent from the range of views amongst its regular columnists such as Peter Oborne, Boris Johnson, Charles Moore,<sup>181</sup> Mary Riddell,<sup>182</sup> Alison Pearson<sup>183</sup> or Dan Hodges.<sup>184</sup> On the environment, for example, TMG publishes articles and comment by both Geoffrey Lean, a respected and veteran environment correspondent and Christopher Booker and James Delingpole, leading global warming sceptics.
- 108.TMG also gives a platform for occasional commentators and writers to express a wide range of views, often far from the editorial line. This is done through its letters page and interaction with the public on its website/blogs. The newspapers have published opinion pieces, for example by the Argentine ambassador (about the Falklands),<sup>185</sup> Ed Miliband, Vince Cable and Lord Ashdown.
- 109.TMG is able to continue disseminating high quality public interest factual journalism and comment in this way because it is profitable. This should not be forgotten. It is profitable because it has built a proper corporate and business structure to allow it to compete in the digital age and because it understands its readers who are loyal to the paper and its values. The style of the paper as well as the content appeals to readers and a whole range of subjects are covered in its pages and on its website.

<sup>&</sup>lt;sup>181</sup> Who, in September 2011, for instance, wrote a column disagreeing with the newspaper's own Hands Off Our land campaign, <u>http://www.telegraph.co.uk/earth/greenpolitics/planning/8737657/For-the-good-of-rural-life-we-must-build-houses-in-the-English-countryside.html</u>
<sup>182</sup> Not known to be sympathetic to either the Conservative Party or to the core readership's political views. See

<sup>&</sup>lt;sup>182</sup> Not known to be sympathetic to either the Conservative Party or to the core readership's political views. See e.g. <u>http://www.telegraph.co.uk/news/politics/9324402/For-one-day-only-at-the-Leveson-Inquiry-the-Iron-and-Rubber-Chancellor-double-act.html</u>
<sup>183</sup> Who, in the week when the paper supported the monarchy's jubilee celebrations was given space to argue

<sup>&</sup>lt;sup>183</sup> Who, in the week when the paper supported the monarchy's jubilee celebrations was given space to argue that the Prince of Wales 'presents a real danger to the monarchy.'

<sup>&</sup>lt;sup>184</sup> Dan Hodges describes himself as "a Blairite cuckoo in the Miliband nest. He has worked for the Labour Party, the GMB trade union and managed numerous independent political campaigns. He writes about Labour with tribal loyalty and without reservation. <u>http://blogs.telegraph.co.uk/news/danhodges/</u>

<sup>&</sup>lt;sup>185</sup> http://www.telegraph.co.uk/news/worldnews/southamerica/argentina/9214154/Warmongering-wont-settle-thisold-dispute.html

As Mr Gallagher explained, there is a need to cover Downton Abbey and War Horse as well as serious topics.186

#### No single culture

- 110.As TMG stressed in its submission on the Rule 13 issues, the British press is an industry but it is not a single entity. Counsel to the Inquiry put the same point in a different way in opening, acknowledging that there is "a danger of appearing to treat a series of separate organisations as if they were a single monolithic institution...The dangers of stereotyping are obvious and will be avoided..."187 TMG agrees with this argument and hopes that this sentiment will be reflected in the report of the Inquiry.
- 111. The diversity of the British press means that there is no uniform culture or set of journalistic practices within the industry. There is a single set of ethical rules, reflected in the Editors Code, but the evidence before the Inquiry shows that different editors interpret and apply the Code in different ways. The evidence from and about TMG shows that its editors interpret and apply the Code strictly, both in its letter and spirit.

### The future of press regulation

112.TMG's high standards mean that it has no reason to be concerned about the changes to the industry's self-regulatory proposed by Lords Hunt and Black. But the same is not true about statutory regulation. TMG has legitimate concerns both in principle and in practice about the latter.

### Self regulation

113.TMG's support for self regulation is founded in principle. Self regulation guarantees the freedom and independence of the press from the state. The risk of a slide down the slope of more and more statutory intervention, mentioned by TMG witnesses, simply does not arise if there is self-regulation. This risk exists once the principle of self-regulation is breached and Parliament starts to legislate. As press witnesses have said time and time again to the Inquiry, the job of the press is to hold to account

<sup>&</sup>lt;sup>186</sup> TG oral, Day 23, p75-6 <sup>187</sup> 14 November 2011 at 21-2

those in positions of power and influence in society, especially politicians. It must be free to do this without state intervention, in any form, in the process of regulating editorial content. Once the door is opened to such intervention there is inevitably a chilling effect. Journalists and editors will be concerned that, if they carry out their watchdog role without fear or favour, politicians may respond to attacks on them by tightening statutory regulation.

- 114.Self-regulation ensures that minimum standards on accuracy, ethics, privacy and other personal rights (balancing these against freedom of expression) can be set independently of the law and with wholehearted press input. All of the stakeholders owners, journalists and civil society (as media consumers) can be involved without external interference. This is an important achievement for civic engagement and democracy. It is recognised that the effectiveness of self-regulation depends on the cooperation of all three groups involved. Once this is achieved, however, self-regulatory mechanisms build trust and credibility in the press.
- 115. The Government and Parliament, by contrast, are not stakeholders in press regulation, but are held to public account by, the press. Self-regulation enables the public to influence the press to behave responsibly and fairly (through the role played by lay members on self-regulatory bodies in standards setting/enforcement and conciliating/adjudicating on complaints). It ensures that the industry will fund the regulation rather than the taxpayer.
- 116. The fact that the audiovisual media is regulated though statute does not affect the case against statutory intervention in press regulation. It has long been recognised, including in domestic and European law, that the audiovisual media has much greater power to offend, intrude and influence the public or sections of the public (including children and consumers). This is why across the western world regulation of the audiovisual media through licensing conditions is regarded as necessary and acceptable, while state regulation of the press is not. The cornerstone of broadcasting regulation is impartial political coverage. This means that government / politicians are less likely to want to curb free speech in this area in their own self-interests. The print press is and must be, by contrast, free to be partial and to attack politicians. This makes it a more attractive target for political / governmental interference.

- 117. Nor does the fact that other professions are regulated through statute undermine the case against statutory intervention in press regulation. This is because journalism is the professional exercise of a fundamental human right (to free speech including the dissemination of ideas and information to the public). Other professions do not exercise fundamental human rights. Nor are they charged with the responsibility of holding politicians to account. All of this means that limitations on journalists should be self-imposed rather than imposed through state intervention.
- 118. TMG also has practical concerns about statutory intervention in press regulation. Once the regulatory process has a statutory basis, the door is open to judicial review challenges in pursuit of public law remedies. Litigation is costly and time-consuming for all concerned. Where statute has intervened in other areas, such through the creation of Ofcom, the result has been a slow, cumbersome and semi-legalistic process of resolving complaints. TMG would not wish to be liable to be caught up in a regulatory system with any of these characteristics. TMG believes that an independent self-regulatory system of the sort proposed by Lord Hunt, starting with improved self-regulation within the newspapers themselves, will always be more flexible and speedier than a system underpinned by statute.

GAVIN MILLAR QC ADAM SPEKER

19 July 2012

#### **SCHEDULE**

- Witness statements for Module 1, answering the questions posed by the Inquiry in Notices under section 21(2) of the Inquiries Act 2005 dated 8 August 2011, were filed for:
  - a. Murdoch MacLennan, Chief Executive Officer of TMG ('MM'), who gave oral evidence in the afternoon on Day 23, 10 January 2012;<sup>188</sup>
  - b. Finbarr Ronayne, finance director of TMG ('FR'), who gave oral evidence on the same day;<sup>189</sup>
  - c. Arthur Wynn Davies, former editorial legal manager of TMG ('AWD');<sup>190</sup>
  - d. Adam Cannon, editorial legal director of TMG ('AC');191
  - e. Tony Gallagher, editor of *The Daily Telegraph* ('TG'), who gave oral evidence on the same day;<sup>192</sup>
  - f. Ian McGregor, editor of *The Sunday Telegraph* ('IM');<sup>193</sup>
  - g. Benedict Brogan, deputy editor of The Daily Telegraph ('BB'),<sup>194</sup>
  - h. Peter Oborne, Chief Political Correspondent and columnist ('PO'); and
  - i. Will Lewis ('WL'), former Daily Telegraph editor and Editor in Chief, who gave evidence on 10 January 2012.<sup>195</sup>

TMG also submitted various documents requested to be produced by the Company Secretary, and an accompanying letter signed by Rigel Mowatt ('RM').

- 2. Written non-confidential documentation submitted includes:
  - a. Parts of TMG staff handbook (Vol 1);
  - b. Data Protection Act policies (Vol 2, 19-25);
  - c. Editorial Code of Conduct (Vol 3, 42);
  - d. Bribery Act materials (Vol 2, 26-27);
  - e. No Expenses Spared (2009) by Robert Winnett and Gordon Rayner, an account of the Parliamentary expenses scandal.

<sup>&</sup>lt;sup>188</sup> http://www.levesoninquiry.org.uk/evidence/?witness=murdoch-maclennan

<sup>&</sup>lt;sup>189</sup> http://www.levesoninquiry.org.uk/evidence/?witness=finbarr-ronayne

<sup>&</sup>lt;sup>190</sup> http://www.levesoninquiry.org.uk/evidence/?witness=arthur-wynn-davies

<sup>&</sup>lt;sup>191</sup> http://www.levesoninquiry.org.uk/evidence/?witness=adam-cannon

<sup>&</sup>lt;sup>192</sup> http://www.levesoninquiry.org.uk/evidence/?witness=tony-gallagher <sup>193</sup> http://www.levesoninquiry.org.uk/evidence/?witness=ian-mcgregor

<sup>&</sup>lt;sup>194</sup> http://www.levesoninquiry.org.uk/evidence/?witness=benedict-brogan

<sup>&</sup>lt;sup>195</sup> http://www.levesoninquiry.org.uk/evidence/?witness=william-lewis

- 3. Written confidential documentation<sup>196</sup> includes:
  - a. Employment Contracts (Vol 2, 1-18);
  - b. Editorial Training Guides (Vol 3, 1-22);
  - c. Editorial Directives (Vol 3, 23-36);
  - d. Training Courses attended by Adam Cannon (Vol 3, 37-40);
  - e. Recent Anti-Bribery and Corruption Code of Conduct (Vol 3, 41);
  - Financial Polices (Vol 3, 43-49); f.
  - g. Documents relating to bonus payments (Vol 6, 1-24);
  - h. Invoices recording or relating to fees or expenses paid to private investigators and others (Vol 5, 1-9);
  - Documents relating to disciplinary action (Vol 4, 1-17). İ.
- 4. By an email dated 29 November 2011 the Inquiry sought from each core participant a Skeleton Argument summarising the evidence filed for the purposes of Module 1, covering, in particular, the evidence bearing on systems and corporate governance. TMG served its Skeleton Argument in response on 21 December 2011.
- 5. Since then the Inquiry has served further notices under section 21(2) of the Inquiries Act 2005 on:
  - a. Mark Hughes ('MH'), the crime correspondent of The Daily Telegraph, dated 3 January 2012 who provided a witness statement dated 30 January 2012 for Module 2;197
  - b. Aidan Barclay ('AB'), the Chairman of TMG, dated 19 March 2002, who provided a witness statement to the Inquiry dated 4 April 2012 and gave oral evidence on the afternoon of Day 62, 23 April 2012 for the purpose of Module 3 or 'proprietors evidence'.<sup>198</sup> Mr Barclay also provided a short supplementary witness statement in May 2012.
  - c. Peter Oborne, Chief Political Correspondent on The Daily Telegraph and columnist on both the daily and Sunday papers, who provided a second

<sup>&</sup>lt;sup>196</sup> Reference to these documents here does not constitute any waiver of confidentiality as agreed between TMG and the Inquiry

 <sup>&</sup>lt;sup>197</sup> http://www.levesoninquiry.org.uk/evidence/?witness=mark-hughes-the-telegraph
 <sup>198</sup> http://www.levesoninquiry.org.uk/evidence/?witness=aidan-barclay

witness statement to the Inquiry dated 23 April 2012 for the purpose of Module 3 and gave oral evidence in the morning of Day 73, 17 May 2012.<sup>199</sup>

- d. Charles Moore ('CM'), Group Consulting Editor and columnist on The Daily Telegraph, who provided a witness statement to the Inquiry dated 23 April 2012 for the purpose of Module 3;
- e. Benedict Brogan, deputy editor of The Daily Telegraph, who provided a second witness statement to the Inquiry dated 24 April 2012 for the purpose of Module 3;
- f. Patrick Hennessy ('PH'), political editor on The Sunday Telegraph, who provided a witness statement to the Inquiry dated 24 April 2012 for the purpose of Module 3;
- g. Tony Gallagher, editor of The Daily Telegraph, on matters relating to the Hunt/ Black plan, who provided a witness statement to the Inquiry dated 10 July 2012;
- h. Ian McGregor, editor of The Sunday Telegraph, on matters relating to the Hunt/ Black plan, who provided a witness statement to the Inquiry dated 9 July 2012;
- i. TMG for classes of documents defined in letter dated 28 June 2012, such documents to be provided to the Inquiry on 27 July 2012;
- Tony Gallagher, editor of *The Daily Telegraph*, in relation to a particular story j. published on 2 July 2012, who provided a witness statement to the Inquiry on 12 July 2012.
- 6. In addition, TMG has provided the following documents to the Inquiry:
  - a. A written opening on 14 November 2012;<sup>200</sup>

<sup>&</sup>lt;sup>199</sup> http://www.levesoninquiry.org.uk/evidence/?witness=peter-oborne <sup>200</sup> http://www.levesoninquiry.org.uk/evidence/?witness=telegraph

- b. Answers to questions posed in Module 1 during the opening of Mr Alan Rusbridger on 17 January 2012 on anonymous evidence; privacy; a conscience clause; editorial decisions about the public interest; prior notice; an arbitration system to resolve disputes; whether there is a third way between state and self-regulation; and plurality.
- c. A table setting out the libel actions TMG papers have been involved in since 2005 on 31 January 2012;
- d. A letter to the Chairman from Mr MacLennan, following his evidence, about future regulation dated 19 January 2012;
- e. Together with ANL and Guardian News and Media, on 5 March 2012, submissions on aspects of media law directed towards the following: issues arising when reporting allegations, suspicions and investigations; newspaper headlines; defining the public interest in defamation and the regulatory codes; concurrent legal and regulatory proceedings; prior notification; the assessment of damages in libel and privacy cases; and apologies and adjudications;<sup>201</sup>
- f. Five public interest stories as requested by the Chairman on 9 May 2012 on: illegal abortion of foetuses in abortion clinics; how examiners cheat the education system; the conduct of a stem cell clinic; parliamentary expenses and how a chronic lack of equipment put the lives of British soldiers at risk; and
- g. Legal Submissions on Rule 13 dated 20 March 2012;
- h. Submissions on Public Interest and Ethics for Module 4 on 2 July 2012;
- i. Submission on what constitutes the national press dated 10 July 2012;
- j. Submission on moral rights dated 19 July 2012.

<sup>&</sup>lt;sup>201</sup> These are not summarised in this skeleton.

 Finally, although not called as a TMG witness, TMG Executive Director, Lord (Guy) Black of Brentwood has provided four witness statements (with exhibits) and oral evidence on the morning of Day 35, 1 February 2012 and Day 89, 9 July 2012 as Chairman of PressBof.<sup>202</sup>

<sup>202</sup> http://www.levesoninquiry.org.uk/evidence/?witness=lord-black