

THE LORD GRADE OF YARMOUTH C.B.E.



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

**STATEMENT BY MICHAEL GRADE 15<sup>th</sup> September 2011**

Page 1 (1) See attached cv

**The PCC**

Page 2 (2), (3), (4) I refer the Inquiry to the forthcoming formal submission from the PCC

Page 2 (5) I am unable to respond until I see the formal submission from the PCC

Page 2 (a), (b), (c) These will be supplied directly by the PCC

I also refer you to my accompanying letter

**Channel Four**

The constitution of Channel Four changed during my nine plus-year stint as Chief Executive (and, therefore Editor-in-Chief) of the broadcaster. Until 1989 we were a wholly-owned subsidiary of the regulator, the Independent Broadcasting Authority (IBA), which was represented on our Board. The IBA was the publishers at law. Following the Broadcasting Act of 1990, Channel Four became a statutory corporation with an independent Board of Directors and a non-executive Chairman appointed by the IBA's successor, the Independent Television Commission (ITC).

The Channel Four Board delegated all editorial decisions to the Executive and I took full responsibility for any decision to publish (or not). All our editorial staff were trained to understand that they had to comply with statutory Producer Guidelines published by the IBA and, subsequently, the ITC (and, since then, Ofcom). On matters of interpretation of the Code, or if any editorial executive needed advice or was uncertain of their ability to comply in the production and transmission of a programme, they were required "to refer up" to their editorial line executive, who in turn would refer up if they were in any doubt and, if necessary, ultimately, it might get referred to me as Chief Executive.

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Issues where we were most likely to fall foul of the regulator's Guidelines were in matters of taste and decency and the family viewing watershed which are, by their very nature, highly subjective and most often problematic.

On matters of editorial conduct, e.g. investigative journalism, reportage and news, it was clear from the Guidelines that secret filming, secret recording, interviews with known terrorists, payment to criminals for information and such like had to be approved by the Director of Programmes or, ultimately, the Chief Executive before such activity could be employed by reporters. As Chief Executive I would take full responsibility, I would inform the Board of any serious risk on publication. It was clear that if my judgement proved wrong, the Board would hold the Chief Executive responsible and take appropriate action, including dismissal.

The IBA/ITC Guidelines were often revised in the light of experience and to ensure as much clarity as possible.

Channel Four's programmes are supplied by independent production companies. Unlike the BBC, Channel Four does not make any of its own programmes. To the best of my recollection, contracts with producers required them to state that they had read, understood and would comply with, any statutory codes of conduct in respect of compliance. Similarly, editorial staff terms and conditions required them to sign off to the fact that they had read and understood these Guidelines.

In my time at Channel Four, the use of private investigators and 'phone hacking' were not available or were not considered tools of investigative journalism. On one occasion, I recall a putative investigative programme about an alleged Protestant committee, which sanctioned assassinations, was referred to me by my Director of Programmes, worried about the risks associated with researching such a programme. At that time of "the troubles", there was huge political, regulatory and media scrutiny of stories about coverage of Ulster ("Real Lives" and "Panorama" on Carrickmore at the BBC, "Death on the Rock" at Thames TV and "Weekend World's" interview with Gerry Adams caused political reactions of unprecedented proportions).

Once I was satisfied that there was sufficient *prima facie* evidence to justify an investigation, I laid down strict ground rules for evidence gathering. I informed my Board of the programme in preparation and, of the precautions I had taken to ensure a robust defensible approach should we be able to substantiate the story and publish.

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The programme was eventually transmitted and the Board commissioned Michael Beloff QC to audit the process of production. His report delivered a clean bill of health in respect of the evidence gathering, corroborations, interviews with terrorists, criminals etc., etc. No private investigators were employed to my knowledge, nor were 'phones hacked. Secret filming and secret recording may well have been approved along the way by the Director of Programmes, (now Dame) Liz Forgan.

I offer this example as an illustration of how broadcasters can differ from newspapers in terms of the care taken before even embarking on a sensitive investigation. The Channel was eventually fined in the High Court under the Prevention of Terrorism Act for refusing to reveal its sources.

#### ITV

Throughout my two periods within the ITV system, the above regime on ethical behaviour, compliance etc was mirrored.

In my second period at ITV from 2006 to 2009, again, we had the Ofcom Codes but, to the best of my knowledge no editorial use was made of 'phone hacking or private investigators. Any request to use such "techniques", would, I am certain, have come to me as Chief Executive for approval or not.

The premium 'phone competition/voting scandal perhaps matched the current 'phone hacking controversy for general condemnation. I had only just joined ITV as Chairman and Chief Executive when the first exposure appeared in a national newspaper one weekend. On the Monday, I called my relevant executives together and made a number of decisions: we removed all premium 'phone lines from all programmes immediately; I commissioned a major media law firm to carry out an investigation in case of criminal implications and all the evidence was passed on to the police. A firm of forensic accountants was also commissioned to identify who had been misled and to quantify their losses. My Board supported this approach, essentially designed to get to the full ghastly truth as quickly as possible.

This cost many millions of pounds and once we had identified all the wrongdoing, we handed all the evidence we had gathered to our regulator, Ofcom, who then fined us many millions of pounds. The point of this sorry chapter was that I determined ITV get to the bottom of the problem as quickly and as fully as possible. We suffered huge public opprobrium over the months that followed, but we made full and transparent discovery and disclosure. Public trust was eventually restored because we had been open and frank about our failures and had voluntarily opened ourselves up to scrutiny.

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Other broadcasters rejected our approach initially, claiming they had nothing to hide. However, one by one, they all had to concede that abuse of premium 'phone lines and fixing of shows was rife. Even "Blue Peter" was implicated. On reflection, I believe ITV's approach was a model of crisis management.

**BBC**

As Chairman of the Board of Governors from 2004 to 2006, all issues of journalistic ethics and editorial judgements and compliance were delegated by the Board of Governors to the Director-General, who was the Editor-in-Chief. It was the Director-General's responsibility to have in place procedures which made sure that all editorial staff took responsibility for ensuring compliance both in the process of production and in transmission. There was a well understood system of upward referral in the event of any grey areas. The Editorial Policy Unit, reporting to the Director-General, existed (and exists) to be a repository of wisdom and judgement for programme-makers in any doubt about compliance.

The Director-General was in no doubt that the buck stopped with him and that the Governors would call him to account in the event of a serious breach of compliance or lapse of taste. One example: the BBC acquired the television rights to broadcast a production of "Jerry Springer, The Opera", a decision widely denounced by Christian lobby groups, some newspapers, some MPs and some opinion formers. There was intense media pressure on the BBC Governors to ban the programme. In the event, I wrote formally to the Director-General and asked for his written assurance that he personally had satisfied himself that the transmission of this programme would not be in breach of any of the BBC's guidelines on taste and decency and that the legal risk was also minimal. He responded formally that he had personally viewed the programme and was satisfied that it met all the BBC's "rules". The programme was transmitted. Should there have been a breach, the Governors would have called the Director-General to account and held him responsible. This turned out not to be the case.

I cite this example since it illustrates the relationship between the Director-General and the Board of the BBC.

The use of private investigators, 'phone hacking, or related activities would be the sole responsibility of the Director-General and in the event that he sanctioned their use, he would have to account to the Governors or, today, to the BBC Trustees for his actions.