

- (1) David Cameron
- (2) First
- (3) Exhibits DC1-3
- (4) 4 May 2012

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

WITNESS STATEMENT OF THE RT HON DAVID CAMERON MP

I, **DAVID CAMERON**, of 10 Downing Street, London SW1A 2AA, will say as follows:

1. I have been asked by the Solicitor to the Leveson Inquiry to produce a statement and documents to assist the Chairman in his examination into the culture, practice and ethics of the press.

Introduction

2. On 13 July 2011, I made a statement in Parliament announcing the establishment under the Inquiries Act 2005 of an independent Public Inquiry into the role of the media and its relationship with the public, police and politicians. Since that date, the Inquiry has advanced with great speed and has covered an enormous amount of ground and I am pleased to have been given this opportunity to assist the Chairman in his exploration of the Inquiry's Terms of Reference.

3. The Inquiry has asked me to respond to a total of 24 questions. These questions are densely packed and contain sub-questions, and so in order to assist the Inquiry I have, where appropriate, broken down each question into its constituent parts whilst retaining the same 24-question format used. I will set out in bold and italics, below, each question I have been asked and my response will follow.

4. In producing this witness statement, I have interpreted the Inquiry's Questions to be requests for information from me personally, unless any Question indicates otherwise. In terms of electronic communications, as requested, I have looked for text messages between myself and representatives of News Corporation or News International in relation to the BSkyB bid. I have not found any such texts on my personal phone or office phones. In relation to my e-mails, searches are still being carried out. In terms of my officials at Downing Street, my office is undertaking a search for such records and if any are found, I will make them available to the Inquiry.

5. In relation to Q8 I have been asked to produce "*all available records of meetings and conversations*" I have had with media proprietors, senior editorial and executive staff and political editors within the media. I have asked officials at Number 10 (in relation to my role as Prime Minister from 11 May 2010) and within the Conservative Party (in relation to my role as Leader of the Opposition from 6 December 2005 to 10 May 2010) to address this request and I have been informed by them that they have reviewed the respective diaries held. The diary for my time as Prime Minister is also updated by my officials during the course of each day to reflect what meetings have in fact occurred. As a result this record is as accurate a reflection of my actual meetings as possible, although it may still not be conclusive. My diary as Leader of the Opposition only records intended meetings for each day and so may incorrectly record some meetings which did not in fact occur (for example, due to last minute cancellations) and similarly may not include some

meetings which did occur (for example, due to last minute arrangements). It is worth noting that my diaries as Leader of the Opposition cover four and a half years and thousands of entries. Whilst every care has been taken in compiling them, given this volume of information and the fact that they were never intended to be a definitive record of my time as Leader of the Opposition, it is possible that they may still contain inaccuracies.

6. I exhibit to this statement such records that have been found. I shall refer to these exhibits as: “**DC1**” – a list of my meetings as Prime Minister; and “**DC2**” – a list of my meetings as Leader of the Opposition. In both cases there are no records of what was discussed at the meetings – I deal with this in more detail below.
7. In producing the exhibits, I did not carry out a search of the archives personally and I have relied on the assistance and expertise of my officials in Downing Street and staff at Conservative Campaign Headquarters in producing them. I have no reason to doubt that the searches carried out were anything other than a full and thorough review of the records. I have been told by those officials and staff that the documentation exhibited constitutes all of the information that is available at this time and I have no reason to doubt the veracity of what I have been told. In addition to my official diaries, my constituency office keeps a diary of my local constituency engagements which includes some contact with local press and media. In respect of my personal free time, while I do not have a detailed record of how I spent this time, where I met individuals at Chequers or in Downing Street my official diary does provide some record of whom I have met and I have included this information within **DC1**.
8. I also exhibit to this statement, at “**DC3**”, a list of the hospitality I have received going back to the time when I became Leader of the Opposition. This has also been produced in response to Q8. As with the other exhibits, the list

has been produced by my officials in Downing Street and staff at Conservative Campaign Headquarters at my request and I have been assured by them that it reflects all the information they have been able to locate at this time. I did not carry out a search of the records myself, but I have no reason to doubt the thoroughness of the task carried out on my behalf. I have been informed that there are no records of hospitality I provided as Leader of the Opposition and the only records of the hospitality I received or participated in during this time are the entries I made on the Register of Members' Interests. With respect to my time as Prime Minister, again there are no records of the hospitality I provided and I comment on this below. The list of hospitality I have received or participated in as Prime Minister does not include attendance at functions hosted by the Government or the Royal Household, attendance at diplomatic functions in the UK or abroad hosted by overseas Governments, minor refreshments, and offers of hospitality which were declined. I have been informed records of this type of hospitality are not kept.

The Questions

Inquiry Q1: Who you are and a brief summary of your career history

9. I was elected Leader of the Conservative Party on 6 December 2005 and became Leader of the Opposition on the same date.
10. I became Prime Minister on 11 May 2010 leading a Coalition Government.
11. As a Member of Parliament, I held a number of positions on the Opposition Front Bench before I became Leader. I previously held the positions of Shadow Deputy Leader of the House of Commons (in 2003), Front Bench Spokesman for Local Government Finance (in 2004), and Head of Policy Co-

ordination in the run-up to the General Election of May 2005. After the 2005 General Election, I was appointed Shadow Secretary of State for Education and Skills. I was a member of the House of Commons Home Affairs Select Committee between 2001 and 2003.

12. I became the Member of Parliament for Witney on 7 June 2001 following the General Election. Before this I spent seven years, from 1994 until early 2001, working for Carlton Communications Plc ("Carlton"). Prior to working at Carlton, and after graduating from University, I worked for the Conservative Party Research Department and then as a Special Adviser in Government, first from 1992 to 1993 at the Treasury while Norman Lamont was Chancellor of the Exchequer and then from 1993 to 1994 at the Home Office, while Michael Howard was Home Secretary.

Inquiry Q2(i): In your view, what are the specific benefits to the public to be secured from a relationship between senior politicians at a national level and the media? Please give examples.

13. I consider that one of the central functions of Government is to communicate to the public its values, its policies and how it intends to implement them. A Government has a duty to the public to explain its policies and what it is doing for the country. Indeed, it is an essential part of the democratic process for all politicians to explain themselves to the public. One of the principal ways this is done in a modern democracy is through the media. It is inevitable and necessary, therefore, that senior politicians have a relationship with the media.

14. Such a relationship develops over time and is both the product of interviews, and of background discussions. These discussions are general conversations around a range of issues and serve to provide a contextual explanation of

policies and views. They allow journalists and broadcasters to ask a wide variety of questions to gain a better insight into a politician's beliefs and motivations. They also allow politicians to get across the principles and beliefs which motivate them and to explain in more detail the background to issues and events. The development of a professional relationship through these interactions gives the journalist a deeper view of the politician and the workings of Government when reporting on their actions, and enables them to explain all of this to the public. Similarly, the development of a better working relationship can allow journalists and broadcasters to ask more probing questions of politicians and to have more of an interactive dialogue.

15. From a politician's point of view, it is equally important to build such a relationship. The media plays a vital part in interpreting and explaining Government announcements, policies and events to the public. This is essential for a well-functioning democracy. Building the trust of journalists and broadcasters and having a regular dialogue allows politicians to provide them with a thorough understanding of the issues and facts to enable this to happen. In addition, it is important for politicians to understand the perspectives and approach of the media.

16. The question asks for examples of the benefits. An example of the relationship giving politicians the opportunity to better explain Government policy, and therefore communicate to the public the detail and rationale of its decisions, is an interview I gave to *The Sunday Telegraph* on 14 August 2011. In this interview I talked about how the Government had responded to the summer riots and what had to be done to prevent them from happening again. At the time, it was important for the Government to respond clearly and resolutely to the rioting and the serious issues it raised. I had a good relationship with the journalist from *The Sunday Telegraph*, Matthew D'Ancona, and had known him for many years. He travelled with me on the

train as I went to Salford to view the scene of the rioting there and I believed he would give a fair and honest account of the issues.

17. At other times the media can highlight issues of national importance where the public believe the Government needs to change or develop its current policy. In this function, the media, through its relationship with politicians, both challenges and in some cases supports Government policy-making. An example of this would be the work over the course of the last year by both *The Times* newspaper and the Department for Education on adoption. *The Times* reported on adoption figures published by the Government, and chose to make them the centre of a concerted adoption awareness campaign. *The Times* commissioned Martin Narey, the former Chief Executive Officer of Barnardos, to undertake a two-month review of the adoption system. Their work to raise the profile of, and investigate further, the issue of adoption, captured the public's attention. By engaging with the newspaper's work and Martin Narey, and by carrying out additional detailed policy work and consultation, the Government was then able to design reforms to the system which we are currently implementing and which will be of benefit to children throughout the country desperately in need of adoption.

Inquiry Q2(ii): In your view, how should the specific benefits be maximised?

18. A vigorous and free press is essential to the public interest and the proper functioning of a democracy. There is no doubt that over many years strong and fearless reporting has informed public debate, examined wrongdoing, uncovered scandal, raised issues of public concern and questioned politicians, while at the same time promoting and campaigning on important social issues, and holding up important role models in society. In addition, the social action which newspapers undertake should also not be underestimated

– for example the number of regional and local newspapers which are currently promoting apprenticeships.

19. I believe that in order to maintain and enhance the benefits that I have outlined in my answer to Q2(i), above, it is necessary to ensure that the relationship between politicians and journalists is a healthy one. This has to be based on mutual respect and understanding between politicians and the media of their respective roles and without favours.

20. If we are to avoid excessive regulation which would inhibit both a free press and the important and useful relationships between politicians and the media, then transparency is a key principle by which the benefits can be maximised without serious disadvantages emerging. The links between senior politicians and media should be open to public scrutiny and examination.

21. Such an approach makes clear to the public the extent and nature of important contacts. Making public details of meetings between Government Ministers and senior media figures, as well as declaring hospitality received by Ministers, is an important reform this Government has made to achieve this goal. In producing his Report, I hope that the Chairman will recognise the positive steps this Government has already taken and will take these into account when making his recommendations. In addition to this, to retain the trust of the public, the media must have high ethical and professional standards to promote respect for private life and the law.

Inquiry Q2(iii) What are the risks to the public interest inherent in a relationship between senior politicians at a national level and the media? Please give examples. In your view, how should the risks be minimised and managed?

22. All political parties and politicians have messages they wish to get across to the public. As a result politicians from all parties feel they need to have a strong relationship with media organisations. However, I think that this can carry its own risks and I set out the four key ones below.
23. First, because politicians can focus on media coverage there is a danger they do not devote enough time to considering the wider issues of how the media operates and potential instances of bad practices. An example of this is the reaction of politicians to the Information Commissioner's reports in 2006 called *What Price Privacy?* and *What Price Privacy Now?*. According to Richard Thomas, the Information Commissioner at the time, in compiling his reports his investigators (and those of the police) had "*uncovered evidence of a pervasive and widespread 'industry' devoted to the illegal buying and selling of [personal] information*" often for the use of journalists. Similarly, the Culture, Media and Sport Select Committee examined other media-related issues in 2003. It is not clear that Government Ministers at the time took these concerns seriously enough and they did not take action to change Government policy. Similarly, I regret that opposition front bench politicians failed to devote enough time to scrutinise the Government and hold them to account for their inaction.
24. In my view, such a risk is best mitigated by proper regulation which is effective and suitably independent. As acknowledged above, in the past politicians have not devoted enough attention to creating such a climate, but I believe that this Inquiry's findings will be an important step to remedying this.
25. The second risk is that the necessary relationship between senior politicians and the media, which I believe benefits the public interest as set out in my answer to Q2(i) above, can also lead to the public perception that media proprietors and senior media figures in general, or specific individuals in particular, can have too loud a voice in the country's politics. I set out my

wider views on media influence of politicians in answer to Q12, below. One of the best ways of dealing with this issue is to ensure transparency and openness about meetings, so that the public is aware of what is taking place and can see for themselves the interactions which occur. I think that the public perception of media influence over politicians will become less of a problem as the audience for specific media outlets fragments with the growth of online media. Having said this, there is an argument that as this fragmentation occurs, the role of the BBC and ITV and their evening news bulletins will become more important, as they become one of the few occasions when there is a single mass audience for current affairs and political commentary.

26. I took the decision to make public my meetings with media proprietors, editors and senior executives with the objective of improving the transparency of the relationship between Government Ministers and the media. I was the first Prime Minister to do this. I wanted the public to be aware of who was meeting whom and when. I have published records of meetings since the 2010 General Election, regardless of the nature of the meeting (be it Governmental, political or social).

27. I also ensured this approach is followed by all Ministers across Government by amending the Ministerial Code on 15 July 2011 (published as an addendum to the Code on the Cabinet Office website) to state:

“The Government will be open about its links with the media. All meetings with newspaper and other media proprietors, editors and senior executives will be published quarterly regardless of the purpose of the meeting.”

28. All Government Departments compile the information required by the Ministerial Code set out above and give details of the month the meeting took place, the name of the individual and organisation meeting the Minister, and

the purpose of the meeting. Each list is available for public inspection on the relevant departmental website (as part of a wider list of Ministers' meetings with external organisations), as well as via links on the Number 10 website. In addition, hospitality received by Ministers is also declared and published on the respective websites.

29. Third, there is a risk that politicians allow media pressure to shift and therefore shape the political agenda. As I explained above, because the media has a strong voice and a potential ability to shift public opinion, it can challenge politicians on specific policies and put pressure on politicians to modify them. While it is beneficial to the public interest, and a key part of the free speech fundamental to our democracy, for the media to challenge, question and probe politicians and their policies (as I set out in more detail in answer to Q2(ii) above), there are dangers to the public interest if politicians fail to set their own agenda rather than merely respond to media campaigns. The best way this risk is mitigated is by the public themselves and rigorous political debate about the motivations and actions of politicians and how they respond to pressures, including media pressure. The electorate are capable of seeing through politicians who are weak in the face of pressure, including media pressure.

30. Fourth, while all businesses lobby politicians, lobbying by the media industry in support of their business interests has an added angle because the politicians have a relationship with and an interest in the media as explained above (an example of this is the fact that when I am on tour around the country and meet regional and local newspapers, at the same time as conducting an interview with me, the editor or journalist will sometimes complain – justifiably in my view – about free newspapers published by local authorities, which compete for advertising and carry public notices). I think that the best way to mitigate such a risk in Government is to make sure there

is appropriate independent regulation of the media and that competition policy functions properly. I expand on these issues in my response to Q9 below.

Inquiry Q3: Would you distinguish between the position of a senior politician in Government and a senior politician in Opposition for these purposes? If so, please explain how, and why.

31. Clearly, the risks I have set out above apply to politicians both in Government and in Opposition. The dangers are greater for Government as they are making decisions and implementing them, rather than merely discussing ideas and formulating policy as in Opposition.
32. However, there is another relevant distinction. By its nature, the Government of the day has a greater ability than an Opposition party to set the news agenda: it is actually implementing policy rather than just promoting it. In addition, Government has significant resources at its disposal. A Government is supported in its work by official Government media operations, with dedicated press officers in each Department to present the Government's policies and actions to the media and to respond to media enquiries. By way of example, in the year before the General Election of 2010 the Government employees in communications roles numbered in four figures whereas the Conservative Party's could only be counted in double figures.
33. All politicians are keen to have the opportunity to explain the policies they advocate but the media generally considers comments made by Ministers as more newsworthy. In Opposition, political parties operate on a much smaller scale and sometimes struggle to gain media coverage. It is much more difficult to make the public aware of the relevance and impact of Opposition policies. For obvious reasons, attention and focus is directed on the party or parties in power. Senior politicians in Opposition therefore tend to have to

focus even more on developing their relations with the media in order to get their message across. As I said in the Commons on 13 July 2011:

“As Leader of the Opposition, you spend quite a lot of time trying to persuade newspapers and others to support you, because you want to explain your policies, your vision and what you are doing for the country.”

Inquiry Q4(i): What are the specific benefits to the public interest of interaction between the media and politicians in the run up to general elections and other national polls?

34. The media plays an extremely important role in our political system and democracy in the run up to General Elections and other national polls by explaining in simple and clear terms what the different parties and politicians stand for and intend to do should they form a Government.
35. There can often be a large quantity of information put out by the competing political parties, including commentaries on other parties' policies, and the media plays a key role in distilling and summarising this for the general public, as well as exposing inaccurate and exaggerated assertions. A vigorous and free media will investigate and dig into each party's policy proposals and positions and can bring to light relevant information about parties and candidates. Such actions are manifestly in the public interest and support a strong democratic system as they assist the public in choosing between parties and candidates in an informed way.
36. Due to the greater ability of Government to set the agenda and the scale of its press operations, there must be safeguards to ensure the Government of the day does not exploit its position inappropriately. Strict rules therefore apply

during pre-election periods as currently set out in the Cabinet Office's *General Election Guidance 2010* ("The 2010 Guidance"). These rules are to ensure that politicians in the Government cannot use the resources of the state unfairly to assist them for party political purposes and gain advantage or benefits from the media by virtue of being in Government. In general terms, in the run up to a General Election, Ministers cannot use official resources to initiate or announce new policies or actions. The convention is that the Government cannot make announcements on matters of policy or public spending. The *2010 Guidance* came into effect on the day the election was announced (as per paragraph 2 of *The 2010 Guidance*).

37. As participants in a General Election, both the party or parties of the Government of the day and the parties of opposition have a great interest in setting out their election manifestos and proposals to the public. Apart from national and local leaflets, party political broadcasts and advertising paid for by the political party, the main way of doing this is via the media. The key benefit to the public interest is that interaction between senior politicians and the media allows the politicians to get their messages and policies across to the electorate. In turn, the media scrutinises those policies and messages, asking questions and challenging views on behalf of the voting public.

Inquiry Q4(ii): What are the specific risks to the public interest of interaction between the media and politicians in the run up to general elections and other national polls?

38. I have referred to some specific risks in Q4(i), above, (i.e. that the Government could use the resources of the state unfairly) and there are measures in place to protect the public from such risks. I believe these measures are adequate.

39. In addition, I have set out in detail some more general potential risks in my answer to Q2(iii), above. In the run up to a General Election the risks I have highlighted become greater as politicians make even more of an effort to seek a fair hearing, good coverage and active endorsement from commentators, editors and media owners. While the regulatory systems are different for broadcast and print media, this point does apply to both. At no time have I sought endorsement by a newspaper or media organisation or individual proprietor in return for promises to favour the commercial interests of that organisation or person. I have always been clear that the way to win the support of such people and organisations is to explain to them my policy platform and approach as a whole and to demonstrate that I have the character, values and resolve to take the country in the right direction.

Inquiry Q4(iii): Do you have any concerns about the nature and effect of such interaction [between the media and politicians in the run up to general elections and other national polls]?

40. The rules noted in answer to Q4(i) and (ii) above are there to ensure that interactions between the media and politicians of all parties are fair and that those in Government cannot gain unfair advantage by virtue of their office. I believe that those rules work. In addition, the points I made in Q2(iii) about mitigating the risks of contact between politicians and the media apply.

Inquiry Q4(iv): Do you have any concerns about the legal, regulatory or transparency framework within which they [interactions between the media and politicians in the run up to general elections and other national polls] currently take place?

41. As I set out in answer to Q2(iii) above, there are four risks which apply at all times, although these are intensified during the run up to a General Election, which I believe are best mitigated through transparency and appropriate regulation. In addition, in the run up to a General Election there are also issues of fairness and balance on broadcast media which I now also discuss.
42. There are rules for broadcasters about impartiality and balance towards political parties during a General Election campaign. These are contained within the BBC Charter, the S4C Charter and the Ofcom code for other broadcasters. The rules are to ensure that broadcast media does not seek to influence the outcome of a General Election.
43. My view is that these broadcast rules are important as they ensure equal coverage of all major political parties during the General Election campaign preventing the party or parties in Government benefiting by virtue of their incumbency. In my opinion the rules work well in their current form.
44. In relation to print media there are no such impartiality rules. I believe it is right that a distinction is made. The print media, by nature of the technology it uses, is different to the broadcast media. Print media is not supported by a licence fee, and there is no limit on the number of newspaper titles that could, in theory, be published (unlike terrestrial broadcast channels, which are limited by the finite amount of spectrum available). This means that consumers of print or electronic news do not have to pay for opinion with which they disagree. Similarly, it is much easier for providers of newsprint or electronic media to enter the market. Indeed, I believe that it is healthy for democracy to have a wide range of newspapers advocating and debating different views and standpoints. However, I believe this Inquiry is right to look at the issue of whether the current regulatory position for print media is correct.

Inquiry Q4(v): Do you have any views that the Inquiry should take into account when considering recommendations for the future in this regard?

45. I think that the same considerations need to apply in relation to the relationship between politicians and the media in the run up to General Elections and other national polls as at any other time. My thoughts on that broader question are set out in response to Q5(ii) below.

46. However, I also believe we should retain the current requirements for impartial and balanced coverage for broadcast media in the run up to General Elections for the reasons set out in the answers above.

Inquiry Q5(i): What lessons do you think can be learned from the recent history of relations between the politicians and the media, from the perspective of the public interest?

47. As I have said publicly, the recent history of relations between politicians and the media shows that this relationship became too close. This has heightened public concern about the risks that I set out in my answer to Q2(iii) above. Again, I would argue that they can be best mitigated by the steps I set out: better regulation, transparency and rigorous political debate.

48. I think that it is important to note that while the relationship may have been too close this has not resulted in a passive media, uncritical of politicians, their policies or their actions. In relation to Parliamentary expenses for example, the media and especially print journalists have demonstrated that they continue to investigate the actions of politicians in a fearless, rigorous and fair manner. (This issue, like many others, was uncovered by the print media not by regulators. This highlights the importance of a free and vibrant press,

independent from Government interference. Any reforms to the system of media regulation need to get the balance right so as not to restrict the ability of the media to carry out this type of public interest investigation in the future.)

Inquiry Q5(ii): What issues should the Inquiry consider when making recommendations for the future, in relation to the conduct and governance of relationships between politicians and the media in order that the public interest should be best served?

49. My answers to Q2 and Q4, above, set out my views of the risks that the relationship between politicians and the media can cause and how these can be managed and mitigated – especially through transparency and strengthened independent regulation. I think that these are important aspects for the Inquiry to consider.
50. My wider views are already a matter of public record. I remain of the same views, and would repeat these here. I believe that a free and vigorous press is essential for the health of our democracy. This country has a proud history and long tradition of high quality journalism – questioning public figures, and probing and investigating potential wrongdoing in Government, business and national institutions. A continuation of this vital bulwark of British democracy is essential and any dilution of it would be immensely damaging to our society.
51. There needs, of course, to be some form of redress against potential media excesses and wrongdoing particularly for private citizens. By redress I am thinking of things such as provision of proper apologies that are proportionate to the articles that caused any original damage. It ought to be possible to obtain proper redress through a regulatory system that has the confidence of the press and the confidence of the public.

52. I think that the key question which needs to be addressed is how to achieve the right balance between freedom of expression and privacy. Proposals include stronger and better regulation or a privacy law. I think a privacy law would be the wrong course to take. While it might give better protection to ordinary members of the public whose privacy might be invaded, it would afford the same protection to those in positions of power who should be subject to more rigorous scrutiny. Such scrutiny is a key part of our strong democratic process and a privacy law has great potential to damage it. In my view, more effective regulation, independent of Government, is a better option. I do not believe that direct regulation by the Government or a Government-appointed body would be appropriate as it would damage our democracy, inhibit a free press and indeed, it could erode the benefits of the media holding politicians to account and uncovering wrongdoing amongst politicians.

53. It is for the Inquiry to consider the best way of providing effective and sufficiently independent regulation. This could include improved self-regulation or some form of independent regulation. I am open-minded on the options and think it is important to wait for the Chairman's Report and consider the proposals he puts forward on their merits. One specific proposal which has been debated in Parliament and raised in public discourse is removing politicians from decision-making positions in respect of media takeovers. I believe that this idea merits further consideration.

Inquiry Q6: Would you distinguish between the press and other media for these purposes? If so, please explain how, and why

54. As described above, the broadcast media and print media are very different from one another. Broadcast media are subject to requirements around impartiality that do not apply to other forms of media, for reasons I have set

out above. Clearly the media environment is changing as more content goes online – and this is a challenge for traditional formats, especially if different standards and rules apply. The print media are right to be concerned at any difference between how newspaper content and online content is treated as this has the potential to damage them. Similarly, because there is a finite amount of spectrum for terrestrial broadcast media, providers can face the danger of heavy regulation in comparison to very light regulation for internet videos and programme streaming.

55. Traditional news and information providers are embracing the digital age and using new platforms for distributing content. This move raises interesting questions about whether similar services, but from different traditional media providers, should face the same regulatory regime e.g. should the BBC's online content be subject to the same rules and regulation as the Daily Mail's online content. In these areas it may be harder to justify maintaining what may appear a more artificial distinction between different media providers.

56. As I have made clear, all media companies, whether broadcast or print, have concerns about regulatory, media and other policy. For example: the BBC lobbies for the retention of, and increases to, the licence fee; regional newspapers voice worries about competition from the BBC in the provision of local and regional online news and information; ITV raises concerns over regulation of advertising and regional broadcast news; and the issue of copyright protection is pursued by creative industries and internet providers. In considering relationships between politicians and the media it is important to take into account all of these media platforms and their competing interests.

57. Lately, public comment has tended to focus on the relationship between newspapers and politicians, not least because newspapers are able to express strong editorial opinions, and indeed endorse individual politicians and parties, while broadcast outlets are not. However, it is important to

consider broadcast media in this regard. In my view the main news broadcasters on BBC and ITV are absolutely key to political debate and political opinion in the UK. I say more about this below.

58. It is also relevant that the majority of the allegations and issues that have been raised about professional ethics and standards appear to relate to the print media which will no doubt influence the recommendations made.

59. I think it is important for the Inquiry to consider as part of its overall deliberations, whether or not different regulatory provisions should apply in respect of each media format. That said, any recommendations should, in my view, take account of the different regulatory regimes that already apply to each.

Inquiry Q7: The Inquiry is interested to understand the extent to which your views about the relationship between the media and politicians have been shaped by your experience as a communications practitioner before you were elected to Parliament. Please describe your relevant business and professional responsibilities during this time, for example while you were working at Carlton Communications, and the specific insights you consider you bring to these issues as a result.

60. While at Carlton, my responsibilities included public affairs, Government relations, investor relations and communicating with the financial press. As part of these, I did some work on the regulation of the media and competition policy to support the Board and executive management team in its own discussions of corporate strategy and the public positions it took on regulation.

61. My experiences at Carlton informed my views on: the regulation of media markets; the appropriate policy to foster a high-quality, successful television industry; the content regulation of TV programmes, including news; and the power of television as a medium more generally.
62. At this time, ITV companies, of which Carlton was one, were limited in the number of licences they could own. They were also prevented from owning newspapers, unlike satellite TV companies. So, on regulation, Carlton and some other TV companies believed deregulation of licensing and ownership rules were needed to allow them to compete with foreign owned and satellite TV companies. I shared that belief and still do. A successful market needs a level playing field and strong competition.
63. In terms of securing a successful television industry, my experiences at Carlton also help explain why I have come to believe so emphatically in the BBC licence fee. A strong, well-funded BBC has helped to set a high standard in terms of national and international news and has promoted investment in original programming, both by the BBC and its principal competitors.
64. With regard to news programming, Carlton also owned 36 per cent of ITN. This meant I had some experience of how that content was regulated by the Independent Television Commission.
65. I believed, and continue to believe, that the limited amount of spectrum available for terrestrial broadcasters, and the particular power of broadcast media to set the news agenda, means that it is appropriate that they are regulated to ensure impartiality in reporting. Daily audience figures demonstrated and continue to demonstrate broadcast's reach. It made clear to me that television is the most important medium by which the public receive information, and is potentially influenced, about politics.

66. This experience has helped shape my general principles and approach to the media and its regulation.

Inquiry Q8: Please also explain the approach you personally have taken to engaging with media proprietors, senior editorial and executive staff, and political editors within the media.

67. In answering this question, the Inquiry has asked that I cover the following areas: (a) the nature and frequency of contacts with media figures, whether formal or informal; (b) details of relevant hospitality given, received or participated in, in particular in relation to my connection and support for the Journalists' Charity by attendance at their lunches and more generally; (c) the value to me of my interactions with media figures; (d) the extent to which political support by the media for any individual, party or policy is discussed at such interactions; and (e) the extent to which the existence and nature of such interactions are or are not placed within the public domain and the reasons for that. I will deal with each issue in turn, below.

68. As set out in answer to Q2 above, all Ministers now declare Government, social and political meetings with newspaper and other media proprietors, editors and senior executives, naming the individual and the organisation they represent. "*Media proprietors*" includes the Chair or owner of newspapers and broadcasters, "*editors*" includes newspaper editors, broadcast editors, channel controllers directors of programming and radio controllers, and "*senior executives*" includes newspaper and broadcast CEOs and broadcaster Director Generals.

69. The only exceptions to this are events such as receptions or some large dinners, where senior media figures may be guests but there is no formal meeting with them.

70. When Ministers meet individuals who are long-standing personal friends but this overlaps in some way with their official role, then such meetings should be included in the published lists or further advice sought from the Cabinet Office Propriety and Ethics team.

71. Since I was elected Leader of the Opposition, I have tried to build a relationship with all the relevant media, including political editors, editors and proprietors. I have focussed on those with the biggest audiences and those best placed to help me get my message across. In terms of news and current affairs, the BBC is the strongest player, and so while I have worked hard to build a relationship with all the media, my interaction with the BBC has been very important. Clearly, in terms of newspapers, my focus has been on those who either already held and supported Conservative views, or could be persuaded to do so.

(a) the nature and frequency of contacts with media figures, whether formal or informal

72. I answer this question in relation to both my time as Prime Minister and prior to that as Leader of the Opposition.

73. Since becoming Prime Minister, I have had frequent contact with a range of media figures, from journalists to proprietors. Such contact may include formal on-the-record interviews, informal background discussions, and coincidental dialogue I may have had at third-party receptions and social functions that I have attended. As set out above, my contact with newspaper and other media proprietors, editors and senior executives, whether in a Government, political or social capacity, is made public on a quarterly basis.

74. The majority of contact in a Governmental or political capacity will have been initiated by my staff, although it is also common for commentators and senior editorial staff to make a request to meet me via my staff. No formal record is kept of who initiated each meeting and so it is not possible to provide a definitive response to the Inquiry's request to do so.
75. Where the meeting or conversation is an on-the-record interview, the record of the meeting will be the end product which enters the public domain as a print article or broadcast. Where the meeting or conversation is a wider general discussion, records are not kept. The purpose of these meetings or conversations is for me to get the message across about the policies and actions of the Government and of the Conservative Party. These meetings generally involve discussion around a range of topics, where I set out my thinking on current issues and answer lots of questions, usually about policy or political strategy.
76. Similarly, as Leader of the Opposition, I had frequent contact with media figures including meetings with editorial staff, executives and proprietors. This contact ranged from formal on the record interviews, to informal background discussions, to coincidental dialogue at third party receptions and social functions I attended. Again, in the majority of cases, the contact was initiated by my staff and no formal records were kept of who initiated each meeting.
77. Apart from published interviews, no formal records were kept of what was discussed in each meeting. The vast majority of the contact I had took the form of general discussions where I set out my thinking on a number of issues and gave explanations of the Conservative Party's approach on policy matters and issues that were in the news at the time.
78. There are occasions where I meet and speak to media figures socially. As stated above, I have kept a record of these meetings since I became Prime

Minister if they took place at Chequers or Number 10. As with the social discussions we all have, I do not keep records of what was said.

79. There is a small number of journalists who are close friends of mine and who I see so frequently that I have not included them systematically in these lists, namely Daniel Finkelstein, Alice Thomson and Sarah Vine from *The Times*, Xan Smiley and Christopher Lockwood from *The Economist*, and Robert Hardman from *The Daily Mail*. While my contacts are mainly social, they are also people with whom I discuss politics and particular projects, such as speeches.

(b) Relevant hospitality given, received or participated in, including the Journalists' Charity

80. Hospitality above the level of minor refreshments or sandwich lunches that I have received in my capacity as Prime Minister (with the exception of hospitality received at the formal and diplomatic events which I refer to above), including where it was provided by media organisations, is made public on a quarterly basis (through publication on the Cabinet Office website) and is exhibited at **DC3**.

81. The Government does not maintain a central record of hospitality provided at Number 10. At most of the meetings listed at **DC1**, it is likely that Number 10 will have provided coffee, sandwiches or possibly a meal. Number 10 provides hospitality to a wide range of people, from visiting school children to Heads of State, and no specific records of this are kept.

82. Government and charity receptions held at Number 10, and the names of those who have visited Chequers who have received official hospitality and also senior media figures, regardless of the nature of their visit, are published on the Cabinet Office website. I have also committed to publish details every

quarter of any meals attended by any major donors to the Conservative Party at any official residence, including Downing Street or Chequers, and a register of those major donors who have attended the Conservative Party's Leader's Group dinners.

83. I attend a number of charity events each year which support a wide range of causes. As part of this I am sure I will have attended some receptions or events which will have been in aid of charities which support journalists.

84. The list of meetings with proprietors, editors and senior media executives that I published on 15 July 2011 shows I attended a Journalists' Charity reception on 3 November 2010. This was at their request. The event was held at the Irish Embassy, where I briefly met with the Ambassador, mingled with guests and made a short speech (which included recognising the importance of a free press holding politicians to account). I have not attended any other events hosted by the Journalists' Charity as Prime Minister and have not received any declarable hospitality.

85. As Leader of the Opposition I attended the Journalists' Charity annual lunch on 6 March 2008. I was accompanied by Andy Coulson, who was then the Conservative Party's Director of Communications and Planning. From looking at my diary, I believe I arrived at around 12.30 in the afternoon where I had lunch, gave a short speech, and answered questions (in total I think I spoke for around half an hour). There were due to be around 80 editors and chief executives present and my table was due to include:

- Bob Warren, Chair of Journalists' Charity, Executive Editor, *News of the World*
- Tina Weaver, Editor, *Sunday Mirror*
- James McManus, Executive Director, News International
- Paul Dacre, Editor, *Daily Mail*

- David Cooney, Irish Ambassador
- David Selves, London Press Club
- Bill Hagerty, Deputy Chair, Journalists' Charity, Editor, *British Journalism Review*
- Robin Esser, London Press Club representative
- Rod Ackrill, West Midlands Charity representative
- David Dinsmore, Glasgow Chairman of the Charity
- Nick Cherrie, Press Golfing Society

86. My diary shows that I was due to leave at around 2.15 in the afternoon and as far as I can recall, this was what happened.

87. As Leader of the Opposition, no formal record was kept of hospitality I received or gave, other than material to be included in the Register of Members' Interests and with the Electoral Commission (both of which are public documents).

(c) the value to me of my interactions with media figures

88. The value to me of my interactions with media figures is that I am able to explain Government policy, and my thinking to them, and answer questions they have. This can mean that media coverage is better informed and reflects more accurately the Government's position and rationale. As I have set out above I believe that there is benefit to the public interest – supporting and enhancing our democratic system – served by a healthy relationship between politicians and the media. My interactions should be seen in the context of playing a role in that relationship.

89. Similarly, as Leader of the Opposition, the value to me of my interactions with media figures was that I was able to explain to them the Conservative Party's

policies and thinking. This meant more precise and accurate coverage of how the Conservative Party would change the country if elected. It also allowed me to set out why I believed I had the values, character and resolve necessary to lead the country.

90. Further detail is set out in my answer to Q2(i) above.

(d) the extent to which political support by the media for any individual, party or policy is discussed at such interactions

91. On the vast majority of occasions my meetings consisted of me putting forward Conservative Party or Government policy and explaining an approach and answering questions. On occasion, media organisations will have a political campaign they want to push. An example would be *The Daily Telegraph's* "Hands Off Our Land" campaign about proposed changes to planning laws, which they raised with me. I think it is important to listen to a range of views and to consider alternative arguments, including those from the media, but I am clear that decisions on policy are for Government Ministers, to be taken after proper advice from impartial Civil Servants and also, in some circumstances, following public consultation. Formulation of policy which is in the national interest is my foremost concern, with presentational considerations a secondary, although important, issue.

92. In Opposition, the same considerations as outlined above apply. In addition, from my own perspective, as the Leader of a Party with free-market and conservative values, I thought that it was important to gain the support of those media organisations which shared those views. As part of the general discussions I had with media figures, I would always advocate why my Party would provide better leadership for the country than the then current Labour Government. I would also try to give those I dealt with a better idea about who

I was and why I believed had the character and judgement necessary for office so that I might gain support from them.

93. Even with those media organisations which were not known for sharing the values of the Conservative Party, it was nonetheless helpful for me to explain what the Party's policies were in order to get a fair wind when they came to report them.

94. As Leader of the Opposition, I met Sly Bailey, the Chief Executive of Trinity Mirror, Richard Wallace, the Editor of *The Mirror*, and Tina Weaver, the Editor of *The Sunday Mirror*, a number of times. I also wrote comment pieces for a wide range of newspapers (for example, I wrote comment pieces for *The Independent* about climate change, political reform and spending restraint) and I have never had any objection to doing so. Indeed as a backbench Member of Parliament I wrote a column for the *Guardian Online*.

(e) the extent to which the existence and nature of such interactions are or are not placed within the public domain and the reasons for that

95. As set out above, my Governmental, political and social meetings are made public on a quarterly basis.

96. In Opposition, details of meetings with media figures were not proactively placed in the public domain. It was not the practice of Government or Opposition parties at the time to publish such details.

Inquiry Q9(i): In your experience, what influence do the media have on the content or timing of the formulation of a party's media policies?

97. In answering this question, I deal only with my time in Opposition. I deal with this question in relation to my time as Prime Minister, in Q10 below.

98. In Opposition, media policy formulation was the responsibility of the relevant Shadow Secretary of State.

99. The formulation of policies relating to the media is only ever going to be a small part of a political party's policy development process. Generally media companies have increased interest in these closer to General Elections when the manifesto is being written. The Conservative Party's 2010 General Election Manifesto, for example, contained only one paragraph on media policy:

"Our plans to decentralise power will only work properly if there is a strong, independent and vibrant local media to hold local authorities to account. We will sweep away the rules that stop local newspapers owning other local media platforms and create a new network of local television stations." (page 76).

100. It also contained a pledge to 'ensure the National Audit Office has full access to the BBC's accounts' and another pledge to 'cut the quango state' and abolish 'any quangos that do not perform a technical function or a function that requires political impartiality, or act independently to establish facts'.

101. Media organisations, including newspapers, commercial broadcasters, the BBC, Producers Alliance for Cinema and Television (PACT) and others, will engage with political parties to promote ideas on media policy. This is the same as for any other industry or sector, which will seek to meet with all political parties to advocate that a party adopts policies which favour that sector. Meeting and hearing what different interest groups or organisations

have to say does not mean that one will necessarily be influenced by or agree with their argument. That position applies equally to any potential influence on both content and timing of policies.

102. Nevertheless, hearing the views of businesses, alongside a range of other views, is an important part of the political process. Of course, you will seek to address the recommendations and concerns raised by those affected. But in the end, it is the role of a political party to weigh these ideas up, in the public interest. Above all, it is for a party to bring its own views and principles to bear on the issues in the development of public policy.

103. The principles I started from (informed, as I say in Q7, partly by my experience working for Carlton) included the need for a strong BBC, backed by the licence fee; plurality of provision; proportionate, not artificial, rules on media ownership; and a greater role for local television.

104. In particular in the case of media policy, those affected by the policy also report the policy and communicate it to the electorate. As with any policy you will present and explain that policy to the media and seek to do it in a way that maximises favourable coverage. As with any policy announcement, you will generally try to time the announcement of the policy so as to achieve maximum favourable coverage.

Inquiry Q9(ii): Please describe, with examples, your party's approach to consultation with, and the handling of representations by, media interests in the formulation of policies directly affecting the media.

105. While in Opposition, drawing up the approach and principles of the Conservative Party's policy towards the media was the responsibility of the relevant Shadow Secretary of State and his team. Clearly I had views based

on my experiences at Carlton and from my own principles, values and experience. The relevant Shadow Secretary of State, and other Shadow front bench spokesmen, will have discussed their ideas in areas we as a party were raising, with media interests and a wide range of other interested parties. I set out some examples of Conservative Party policy positions directly affecting the media below.

106. In March 2008, the Conservative Party published a discussion document, *Plurality in a new media age: the future of Public Service Broadcasting*, sometimes referred to as the 'Broadcasting Green Paper', which set out 'current Conservative thinking' on a number of media policy issues. This paper included the ideas on local television which, as noted above, were contained in our manifesto:

"Local TV is also a major opportunity for local newspaper proprietors, perhaps in collaboration with ITV or other independent broadcasters, to establish TV services that serve an important public service." (page 18).

107. In January 2009, speaking to the Oxford Media Convention, the then-Shadow Culture Minister Ed Vaizey asked how could we 'preserve quality public service content in this new media age?' Specifically, he focused on 'the future of our main terrestrial broadcasters, the BBC, ITV, Channel 4 and Five'. He argued that:

"We are fans of the BBC. In an uncertain world, the BBC provides a great resource for publicly-funded high-quality content. When looking for a solution to the future of public service broadcasting, we want one that is the least damaging to the BBC's integrity."

"Although we believe in plurality in public service broadcasting, we do not believe the solution to the challenges presented by the internet age is necessarily to try and create another BBC. Having said that, it is equally important that the BBC stop acting like a friendly monopolist, making noises about partnerships, and engages seriously in discussions about how to ensure plurality in public service broadcasting.

"On other matters: while we support the licence fee, and believe it is the best way to fund the BBC for the foreseeable future, we believe the level of the licence fee is at the top end of what is acceptable to the public.

"The current settlement - which began in 2006 and lasts to 2012 - built in increases of 13 – 15% over that period. That was a generous settlement when times were good. It may start to look prohibitive as times get increasingly bad. The BBC will have to think very hard about whether substantial licence fee increases can be justified in the coming years.

"The BBC Trust, under Sir Michael Lyons, has done a good job, and I would like to congratulate him. So what follows is not personal, it is, as they say, business. We think that there needs to be a clearer divide between the regulation and management of the BBC. The BBC and the BBC Trust should be clearly separate. The BBC should have its own chairman, who can cheer lead for the Corporation, while the head of the regulator gets on with regulating. A truly independent regulator would provide a genuine voice for the licence fee payer.

"Moving on from that, the expansion of the BBC into areas where the private sector is already working needs to be carefully watched. Our

watchword will be simple – if the private sector is already doing a good job in the area, or is developing a market in an area, the BBC should be prevented from going in with all guns blazing.

“Finally, there is the issue of costs. The Ross/Brand row was not just about bad taste, though of course that was important. It was also about the huge amount of money the BBC is paying Jonathan Ross and other stars. A public service broadcaster with guaranteed revenue shouldn't compete with the private sector on top talent salaries. In fact, I would go further and say the BBC actually pushes up the price of talent with its interventions. So we will ensure that the BBC publishes fully audited accounts which will include details of the salaries of all its top talent. The BBC should be prepared to defend salary and indeed all expenditure decisions it makes.”

108. He then went on to argue in favour of liberalising regulations on product placement to support ITV, while floating a number of options to safeguard Channel 4's future:

“There are the solutions that involve the BBC - straightforward top-slicing of the licence fee; partnerships with the BBC and BBC Worldwide, or by using money ring-fenced for digital switchover; or the sharing of resources such as studios and technology.

“Then there are the market solutions – a merger with Five, with BBC Worldwide, changing the terms of trade, or a combination of these.

“We have been careful not to rule out any solution. But as I have indicated, we are less convinced about a solution that involves top slicing of the licence fee.”

109. Two months later, in March 2009, in light of the worsening economic situation, at one of the regular press conferences I held in Opposition, I called on the BBC to set an example to all public institutions by freezing the licence fee:

“...solving Labour’s Debt Crisis by making sure government lives within its means and delivers more for less. And it’s not just government that has to live within its means – we all do.

“So today, I want to make an announcement that shows our expectation that government and all taxpayer-funded institutions should start leading by example.

“The BBC is one of our most important national institutions. It plays a vital role in bringing the country together, and I want to see it prosper and succeed and continue to be a fantastic cultural asset for Britain. But it also needs to maintain public support, and I want to see it leading by example at a time when the whole country is tightening its belt.

“And so I can announce today that we would freeze the BBC licence fee for one year.

“I think that would be an important signal to the country of the need for all public institutions, in these difficult economic circumstances, to do more with less.”

110. On 20 April 2009, Jeremy Hunt launched a review of the Creative Industries chaired by former BBC Director General, Greg Dyke, in order to examine ways in which the Government could ensure that the UK remains an international hub for content creation and distribution. It planned to look beyond the Labour Government’s Digital Britain report and look at how the

creative industries could help lead Britain's recovery. The Task Force was made up of the following members:

- Elisabeth Murdoch, CEO & Chairman of the Shine Group;
- Lucian Grange, Chairman and Chief Executive of Universal Music Group International;
- Charles Dunstone, Chief Executive of The Carphone Warehouse Group PLC;
- Kip Meek, a board member of Ingenious Media and Chair of the Ingenious Consulting Network;
- Brent Hoberman, co-Founder of lastminute.com;
- Rob Dickens, a successful record label executive;
- Darren Henley, the managing director of Classic FM;
- Will Turner, Group CEO of The Hospital Group and Vulcan Capital (Europe);
- Alex Hope, Managing Director and Co-founder of Double Negative Ltd, one of the UK's leading visual effects company;
- Ian Livingstone, one the UK's founding fathers of interactive games and fiction;
- Rupert Dilnott-Cooper, a former director of Carlton, lead advisor to Channel 4 Ventures Division and non-executive director of Zodiak Television; and
- Ashley Highfield, Managing Director and Vice President, Consumer & Online UK at Microsoft

111. However, the Review had not finished its work by the time the General Election.

112. This should be seen in the context of the fact that the Conservative Party had a number of taskforces in Opposition looking at specific policy areas. These included the an Olympic Legacy Taskforce (led by Dame Kelly

Holmes), a Maths Taskforce (led by Carol Vorderman), a Tourism Taskforce, a Music Taskforce, a Democracy Taskforce, and James Dyson's Taskforce looking at how we can make Britain the leading high tech exporter in Europe.

113. On 6 July 2009, following the MPs' expenses crisis, I delivered a speech on quangos to set out how my party planned to redistribute power away from unaccountable institutions and back to people. That speech contained the following section:

"I have asked the Shadow Cabinet to review every independent public body that currently sits within their portfolio. For each one, they will be asking the key questions:

"Does this organisation need to exist?

"If its functions are necessary, which of them should be carried out in a directly accountable way within the department?

"And which, if any, should be carried out independently, at arm's length from political influence?

"If there really is a need for an independent quango, how can we make sure it is as small as possible, operating with maximum efficiency, frugality and respect for taxpayers' money?

"That process of review will go on up to and beyond the election. But today, I want to give you an idea of the scale of change we envisage by setting out what our approach would mean for three specific quangos.

"OFCOM is the regulator for the communications industry, and it's clear that it has an important technical function. It monitors the plurality of media provision for consumers. It licenses the spectrum in the UK. And

it sets the charges and the price caps for BT's control of so much of the industry's infrastructure. OFCOM also has an enforcement function - ruling on breaches of the broadcasting code for instance. These matters relate to the operations of private companies in a commercial market and it is therefore right that they are free from political influence.

"But Jeremy Hunt has concluded that OFCOM currently has many other responsibilities that are matters of public policy, in areas that should be part of a national debate, for example the future of regional news or Channel 4. These should not be determined by an unaccountable bureaucracy, but by ministers [sic] accountable to Parliament.

"So with a Conservative Government, OFCOM as we know it will cease to exist. Its remit will be restricted to its narrow technical and enforcement roles. It will no longer play a role in making policy. And the policy-making functions it has today will be transferred back fully to the Department for Culture, Media and Sport."

114. In October of that year, Jeremy Hunt gave an interview to the *Financial Times* where he argued that *"the regulatory framework [in place for ITV] completely failed to keep up with structural change"* but that he did not approve of the then Labour Government's plans for state-supported local news on ITV by top-slicing the licence fee. He also argued that:

"It might sound well and good for [the BBC] to have, say, an angling website, but if it drove out of business every angling magazine in the country, you would have to question if it was the right sort of thing to do."

115. He then went on to argue that the BBC Trust acted as both the regulator of the BBC and also its main advocate, and should be replaced.
116. As I alluded to above, top-slicing of the licence fee was an idea that in Opposition we did consider and subsequently rejected.
117. In the Conservative Party's March 2008 policy paper, *Plurality in a new media age*, we said that *"One option is to consider whether other organisations should be allowed to bid for small parts of the licence fee. This would ensure a plurality of provision in key genres, such as daytime children's TV and current affairs. However such a model would need to avoid the risk of distorting the commercial television market by mixing public and commercial funding, so it may be preferable for it to fund new channels rather than "top up" funding of existing channels"* (page 4). The press release which accompanied the policy paper put this more straightforwardly: *"The options include top-slicing of the license [sic] fee"* (30 March 2008).
118. Ten months later, it was clear the Party's thinking was moving against this option. In a speech to the Oxford Media Convention on 22 January 2009, Ed Vaizey said:
- "We have been careful not to rule out any solution. But as I have indicated, we are less convinced about a solution that involves top slicing of the licence fee"*.
119. In a blog post on the Conservative Party website 18 months after the idea had been floated, Jeremy Hunt made clear that this was no longer a proposal under consideration: *"on top-slicing... We floated this idea two years ago and rejected it."*

120. As was the practice with other members of my Shadow Cabinet, Jeremy Hunt, the then Shadow Culture, Media and Sport Secretary, gave me updates on his work including some detail of the consultations he undertook with media interests in preparation of *Plurality in a New Media Age* and other areas of policy including top-slicing. This included discussions with Mark Thompson, Director-General of the BBC, Michael Grade, then Executive Chairman of ITV, Andy Duncan, then Chief Executive of Channel 4, and James Murdoch, then non-Executive Chairman of BSkyB. I believe Ed Richards, the Chief Executive of Ofcom, was also consulted regularly, including after the speech I gave on quangos that I reference above.

Inquiry Q10: In your experience, what influence have the media had on the content and timing of Government decision-making on policy or operational issues directly affecting the media? Please provide some examples.

121. As set out in my answer to Q9, media businesses, like all others, seek to make their case and represent their interests to Government and politicians in matters relating to media policy and operational issues. When media businesses make representations to Government on matters relating to media policy, it is right that Government does to an extent take this into account – in the same way that it would in respect of any other sector's representations about policy affecting them. So, for example, the BBC will often raise issues of policy connected to the licence fee. It is right that the Government listens to the arguments they are putting forward in support of their proposition. However, this is only part of the policy-making process and is considered alongside other representations – especially the views of the public (through consultation, research and face-to-face interaction such as canvassing), Civil Service advice, and my own views and experience of the issue.

122. Freedom of the press is essential to the functioning of a democracy. The Government needs to be sensitive in the sphere of media policy-making to ensure that any actions are not interpreted by the media as threats or retaliations by the Government for probing coverage of its policies or actions. However, it is also the Government's role, and a priority, to take decisions which it considers to be in the national interest in relation to media policy and it should not abdicate this responsibility for fear of negative press coverage.

123. In respect of operational issues, such as media ownership or regulatory matters, once a policy has been decided upon, it is a matter for the relevant Secretary of State or independent regulatory bodies to follow the processes, procedures and timescales set out in the relevant Statute or Rules. The decision-maker will need to abide by the Rules and act in a fair way appropriate to the quasi-judicial function of the role.

124. From my perspective as Prime Minister, my concern is that the issues are handled in a proper and correct manner according to the relevant procedures.

Inquiry Q11: In your opinion, what is the risk that any measure introduced into Parliament to give effect to Government policy on press regulation would in itself provide an unwarranted opportunity to parliamentarians to restrict the freedom of the press, contrary to the public interest? What measures would you take as a party leader to manage any such risk?

125. In my opinion there are two potential dangers, both of which I have talked about in Parliament as Prime Minister.

126. First, there is the risk that political parties may compete with each other in a process of 'regulatory arbitrage', promising the press less regulation than is necessary because that would be popular with newspapers.
127. Second, as is alluded to in the question, there is an issue that because parliamentarians can be the subject of intense media scrutiny, they could use this as an opportunity to regulate the media excessively.
128. In my view, it is important that politicians rise to the challenge to do the right thing for the country. A free and fearless press is an essential part of our democratic process and politicians must act to maintain this wider principle. The opportunity is for this Inquiry to produce recommendations that all political parties can get behind and get the balance of regulation right. That is why when I set up this Inquiry I agreed the Terms of Reference with the leaders of the Labour and Liberal Democrat parties.
129. I have personally been very clear that I want a strong, free and independent press that is able to challenge and uncover wrongdoing. As Prime Minister, and as Leader of the Conservative Party, I would take a firm stand against any attempt to restrict the freedom of the press contrary to the public interest through any attempted amendments to any Government measure introduced to Parliament to give effect to Government policy on press regulation.

Inquiry Q12: From your various perspectives, what influence have the media had on the formulation and delivery of Government policy more generally?

130. In answering the above question the Inquiry has asked that I cover: (a) the nature of any influence and whether this was exerted through editorial

content, by direct contact with politicians, or in other ways; (b) the extent to which any influence is represented as, or is regarded, as representative of public opinion more generally or of the interests of the media themselves; and (c) the extent to which that influence has in my view advanced or inhibited the public interest. I will deal with each issue in turn, below.

(a) the nature of any influence

131. The media, in particular newspapers, have strong views, and can mount effective campaigns. Usually based on underlying public opinion, these campaigns can highlight issues where the Government can and should do more. Sometimes those campaigns can make you think again. Sometimes rigorous questioning during an interview can bring additional perspectives on a policy and help with its development. That said, in our democracy it is Parliament's and the Government's role to determine policy. Many campaigns have no influence on the formulation and delivery of policy more generally. I have never traded or offered a position on policy in return for the support of any media outlet.

132. I think that *The Times* campaign on adoption, described in my answer to Q2 above, provides a good example of a newspaper conducting a detailed and thoughtful campaign which highlighted an area where the Government needed to up its game. The influence in getting the Government to focus more on this issue came about as a result of editorial content of the newspaper.

133. I have set out in answer to Q8(d) my views on the potential for direct contact with the media to influence Government policy.

(b) whose interests any influence may represent

134. The majority of the media, especially newspapers, operate in a commercial environment. They need to sell sufficient copies and advertising to make a profit. To do that they need to attract enough readers, in part, by appealing to the values and opinions of their readership. The views of newspapers are therefore, in part, representative of a segment of wider public opinion.

135. I appreciate that the views expressed in the media can be influenced by the views of their owners rather than always reflecting the views of their readers. Of course I take this into account, and believe it is an important role of politicians to be able to determine when the views express the national mood as opposed to those of one individual.

(c) the extent any influence has advanced or inhibited the public interest

136. As set out above in my answers to Q2 and Q12(a), I think that there are occasions when the media's influence (in the terms described in Q12(a)) has advanced the public interest. Press campaigns, for example, can actively help the formulation of policy and can help build support for positive policies. Two recent such cases are the *Evening Standard's* campaign for improved literacy in schools, and the role that many newspapers have played in creating a climate where Parliament and the Devolved Administrations are working to actively support and further the Military Covenant.

137. Of course, sustained negative media coverage and public pressure can also make Government and Ministerial decisions difficult. It is important in those situations to take the course you believe to be correct, rather than bow to pressure in search of a favourable headline. In Government, you face competing claims from a wide variety of sources, not just the media, and you have to choose what you believe to be the best course of action for the country.

Inquiry Q13: In your experience, what influence have the media had on public and political appointments, including the tenure and termination of those appointments? Please give examples, including of cases in which in your view the public interest was, and was not, well served by such influence.

138. The media, reflecting public opinion, can have an influence on public and political appointments – most significantly, in cases of political or professional controversy over the conduct and performance of individuals holding public appointments.
139. Media scrutiny of public figures and public appointments is part of the democratic process and tends to serve the public interest. However, there are occasions where media scrutiny can be accompanied by a level of pressure that can also make events move faster than individuals in public life can keep up with.
140. For example, the press made serious allegations about the then Secretary of State for Defence, Liam Fox, last year. When they first came to light, I set out a process to establish the facts before any decision was made to ensure that any decision I took regarding his future was fair, transparent and accountable.
141. I asked the Cabinet Secretary and the Permanent Secretary at the Ministry of Defence to establish the facts of the case in relation to the former Defence Secretary's conduct. An interim report was published on 10 October 2011. In response Liam Fox admitted he had made mistakes and apologised. However, the media pressure continued to grow and he felt he had to resign before the final report was published on 18 October 2011.

142. I think it is important in these cases that there is natural justice – giving those accused an opportunity to be heard. However, I also think it is important that the press can continue to focus on these issues when politicians would rather see an end to the story and it was legitimate for them to do so in this case.
143. There are occasions when the public debate about an individual can help in the process of appointment. One example of this might be the case of Chris Woodhead, formerly a Chief Inspector of Schools. Despite being unpopular with some teachers, he was supported by large sections of the press who praised his approach to school standards. This perhaps made it easier for politicians of all parties to get behind him and ensure he was reappointed to his post at Ofsted by David Blunkett, Labour's then Education Secretary.
144. When it comes to public appointments made by Ministers to the boards of public bodies and positions in statutory office, the Government has a very clear process which ensures that such appointments are fair, open and on merit. Appointments by Ministers to Public Bodies are regulated and monitored by the Commissioner for Public Appointments, who is appointed by the Queen and is independent of the Government and the Civil Service. The Commissioner's powers are set out in the *Public Appointments Order in Council 1995*, which makes clear that his functions have "*the object of maintaining the principle of selection on merit in relation to public appointments*".

Inquiry Q13(iii): The Inquiry would be particularly interested in your experience of the Sharon Shoemith case in this context.

145. In answering this question, I think it will be helpful to remind ourselves briefly of the background to the Sharon Shoemith case.
146. On 11 November 2008, it emerged that three people had been convicted of causing or allowing the death of a then unnamed 17-month-old boy, referred to as 'Baby P'. The child, despite being known to health and social workers in the London Borough of Haringey, had not been put into care. It was reported that just 48 hours before he died a doctor had failed to spot he had a broken spine.
147. At the time of his death, Sharon Shoemith was the Director of Children's Services at Haringey Council. She was also the Chair of the separate board whose functions include conducting Serious Case Reviews of child death cases in the local authority.
148. Following these events, I raised the issue at Prime Minister's Questions on 12 November 2008 to ask the then Prime Minister whether he thought it right that the head of Children's Services could also be in charge of the body that scrutinises the local authority's Children's Services department.
149. The press also covered the case extensively. On 12 November 2008, *The Sun*, *The Guardian*, and *The Times* all ran front page stories on the child's death and how it was allowed to happen. The same day I wrote a piece for *Evening Standard* which included the following statement:

"The Laming report into Victoria Climbié's death recommended that one person should be responsible for the co-ordination of social services, health services and police, to bring these threads together to protect children. They've got to come up with some answers, fast. Why, when the police expressed strong suspicions to social services, was the child not taken into care? Why were they not more sceptical of the mother,

considering her arrest for assault? How could a baby who was on the child protection register end up suffering such neglect that, according to one expert, he had endured injuries similar to the "force of a car crash"? If they can't answer these questions satisfactorily, they shouldn't be in the job."

150. On the same day, the then Secretary of State for Children, Schools, and Families, Ed Balls, ordered an urgent joint inspection.
151. On 26 November 2008, *The Sun* delivered a petition to Number 10 signed by over one million people calling for those responsible for the failure to protect Baby P to be sacked.
152. On 1 December 2008, the joint inspection into safeguarding in Haringey reported to Ed Balls who said that the Inquiry's Report was a "damning verdict on the current management of safeguarding children in Haringey" and ordered Haringey immediately to appoint John Coughlan as their interim Director of Children's Services. Sharon Shoesmith was suspended by the local authority on full pay along with two other senior staff. The local authority's Leader of the Council and Cabinet Member for Children both resigned their posts the same day.
153. The media played a key role in bringing this issue to light. I believe they were right to draw to the attention of politicians and the public the serious shortcomings in this case. This became the subject of significant public concern and it would be wrong for politicians to have ignored that.
154. It was the media's report which brought this issue to my attention. However, the values that I hold were the most important driver in taking the position that I did. I formed my views based on the facts as they were known at the time – which had either been publicised or uncovered by good journalism. I strongly believe that it was the duty of the Opposition to question

the Government about a matter of such strong public interest and it was very much my decision to raise it in the way that I did.

155. As Leader of the Opposition, my role was to hold the Government to account. In this case it was important to ensure there was effective parliamentary scrutiny on an issue of grave public concern. In particular, I was concerned that the same person who was leading the inquiry into the failings of the Children's Services department was also responsible for the running of that department.

Inquiry Q14(i): Have you at any time discussed with Rupert Murdoch, or anyone representing his interests, Conservative Party or Government policy in relation to the BBC licence fee or Ofcom? If so, please give full details.

156. I do not recall specific conversations with Rupert Murdoch about the BBC licence fee or Ofcom. However, given the BBC's pre-eminent position in broadcasting, news and public life, I expect that we must have at some point discussed the BBC in general, a matter on which his and my views are well known.

157. In terms of conversations with anyone representing Rupert Murdoch's interests, again I do not recall specific discussions, but if I had I feel sure I would have made clear my views. These are that I believe the BBC licence fee is important. I have always backed the licence fee and believe it is justified for the BBC to continue receiving it. I also think Ofcom, with its responsibilities towards the communications industry, has important regulatory functions. Its role in monitoring the plurality of media provision for consumers, licensing the spectrum in the UK and ruling on breaches of the broadcasting code is essential.

Inquiry Q15(i): Please confirm the full extent, nature and purpose of any conversations about News International's bid to increase its holding in BSkyB you have had with the proprietor, Chairman, Chief Executive, or any other senior executive of a News International.

158. The News Corporation bid was not launched until 15 June 2010. While I can see that there was some press speculation in advance of this, I do not recall the prospective bid featuring in the public debate and I do not recall any discussions about it with anyone from News Corporation or News International before the announcement.

159. I can only recall one conversation I have had about this issue with News Corporation or News International executives and this was a very short conversation over dinner with James Murdoch on 23 December 2010 which I deal with in more detail in answer to Q15(ii), below. As I have already made clear in Parliament on 20 July 2011, while I do not recall specific conversations, I am confident that I had no inappropriate conversations with anyone from News Corporation or News International. I completely took myself out of any decision making in relation to the bid and would have made that clear in any conversation. The then Cabinet Secretary has confirmed this position as is evidenced by his letter of 19 July 2011 to John Mann.

Inquiry Q15(ii): In particular, please confirm the extent, nature and purpose of any discussion you may have had about the BSkyB bid with Rebekah Brooks and/or James Murdoch in November or December 2010

160. As set out in my answer to Q15(i) above, I am confident that I had no inappropriate conversations on this subject – including with Rebekah Brooks and/or James Murdoch in November or December 2010.

161. On 23 December 2010, I was at the home of Charlie and Rebekah Brooks for a social event. James Murdoch was also present. We did discuss the BSKyB bid briefly. While I cannot remember the exact words, I believe I said that what Vince Cable had said about News Corporation was wrong and I am sure that I would have said that while I had recused myself from the decision it would now be dealt with impartially, properly and in the correct way.

Inquiry Q16: Have you at any time, whether before or after the 2010 General Election, discussed with Jeremy Hunt or Vince Cable the possibility of News International taking a larger stake in BSKyB, or discussed the BSKyB bid specifically? If so, please explain the full extent, nature and purpose of any such discussions.

162. I will break this question down to deal with each of the following issues:
(a) my discussions with Vince Cable; (b) my decision to transfer the decision-making powers from the Secretary of State for Business, Innovation and Skills to the Secretary of State for Culture, Media and Sport; and (c) my discussions with Jeremy Hunt.

(a) Vince Cable

163. I only started to work with Vince Cable following the formation of the Coalition Government in May 2010. I do not recall, however, having any discussions with him on any policy relating to the BSKyB bid before this time or when I appointed him Secretary of State for Business, Innovation and Skills.

164. News Corporation announced the launch of its bid to take a larger stake in BSkyB on 15 June 2010, and Vince Cable, as the relevant Secretary of State, took on the decision-making role in respect of it.

165. Decisions on the BSkyB bid were taken in accordance with statute enacted by the previous Labour Government which reserved the decision-making powers to the relevant Secretary of State (initially the Secretary of State for Business, Innovation and Skills and then the Secretary of State for Culture, Media and Sport). The consideration of the Secretary of State was quasi-judicial in nature. This meant that the decision was for the Secretary of State alone based on the merits of the case before him, not subject to Cabinet collective responsibility, nor Ministerial or political discussion, nor subject to the confirmation of Parliament. I had a clear understanding throughout that the decision needed to be handled fairly and impartially.

166. I met with Vince Cable on 21 December 2010, the day on which I decided to transfer Ministerial responsibility for the decision from his Department and at that meeting we discussed the bid in a most general way.

(b) My decision to transfer decision-making responsibility

167. On 21 December 2010, comments made by Vince Cable in respect of News Corporation's bid were made public. He was recorded saying:

"I don't know if you have been following what has been happening with the Murdoch press, where I have declared war on Mr Murdoch and I think we are going to win..."

"I have blocked it [the bid] using the powers that I have got and they are legal powers that I have got. I can't politicise it but from the people that know what is happening this is a big, big thing.

"His [Murdoch's] whole empire is now under attack ... so there are things like that we do in government, that we can't do ... all we can do in opposition is protest."

168. When Vince Cable's comments became public, there was a substantial public and political reaction, with the Labour Party calling for his resignation and many others questioning whether the Government was acting fairly and impartially in respect of its decision-making responsibility. Such a situation had the potential to damage the Government's credibility and it was important to act quickly to address the issue. I had rapid discussions with my senior advisers, including the Permanent Secretary at Number 10 and the Cabinet Secretary, as to the best way forward, as it was clear that Vince Cable could no longer continue in the decision-making role given the nature of his comments.

169. I considered a range of options for how to handle this matter. I did not want to dismiss Vince Cable from his position as, while he had behaved inappropriately by speaking as he had on this particular issue, he dealt with many other issues effectively as Secretary of State and was providing a valuable contribution to the Coalition Government. Jeremy Heywood, the Permanent Secretary at Number 10, suggested the option of transferring responsibility for media competition issues, including the decision-making role, to the Department for Culture, Media and Sport, which already had responsibility for media regulation. It seemed to me that this was the most logical, straightforward and effective option and it made sense for the policy issues of media competition and media regulation to be the responsibility of one department.

170. The issue of Jeremy Hunt's previous statements was raised and I considered this with officials and the Cabinet Secretary. The Cabinet Secretary's advice was that he did not think they caused difficulties, as the key point was not whether Jeremy Hunt had expressed a personal opinion about the bid for BSkyB, privately or publicly in the past, but rather how Jeremy Hunt would conduct himself in the future. However, the Cabinet Secretary said he would seek advice from Government lawyers.

171. This advice confirmed the Cabinet Secretary's initial view and I proceeded on that basis.

172. As the Cabinet Secretary made clear in his response to John Denham's letter on 22 December 2010, in providing advice that there was no impediment to Jeremy Hunt taking on the role, he was aware of the following specific statements from or about Jeremy Hunt:

- a. An interview in the *Financial Times*, published on 16 June 2010, where he was quoted as saying:

"It does seem to me that News Corp do control Sky already, so it isn't clear to me that in terms of media plurality there is a substantive change, but I don't want to second guess what regulators might decide."

- b. An interview in *Broadcast* magazine where he was also quoted as saying:

"Rather than worrying about Rupert Murdoch owning another TV channel, what we should recognise is that he has probably done more to create variety and choice in British TV than any other single person."

- c. The description of Jeremy Hunt in the same *Broadcast* magazine article, which was displayed on his constituency website, as:

"like all good Conservatives Hunt is a cheerleader for Rupert Murdoch's contribution to the health of British television."

173. The Cabinet Secretary subsequently repeated his advice to me in a formal note and he also drew my attention to the fact that Jeremy Hunt had explicitly said in one of his statements that he would not want to "*second guess what the regulators might decide*" (see the previous paragraph).

174. Given the importance and high profile nature of the decision I had to take, I also received official advice on the process that would be followed after the transfer of powers had been made. As a result of this, I understood that the decision whether to approve the proposed News Corporation bid for further shares in BSkyB was one solely for the relevant Secretary of State to take and I made clear I was fully recused from it. Indeed I did not even want to know the timing of any announcements relating to the decision. Though the advice gave me a more formal understanding of the position, I had in practice been following such an approach throughout.

(c) Jeremy Hunt

175. Before the election, Jeremy Hunt was not the Shadow Cabinet Member responsible for competition policy. I do not recall having a conversation with him about any potential bid for BSkyB before the General Election (which is not surprising given that the bid was only launched after the General Election).

176. I do not recall any specific conversations with Jeremy Hunt about the BSkyB bid in the period after the Coalition Government was formed and before or after the decision-making power was transferred to him. I understood that it was a quasi-judicial decision and for the relevant Secretary of State alone.

177. Although I do not recollect any specific conversations with Jeremy Hunt following my decision to transfer the decision-making powers to him, I am sure that I would have wished him well with his new responsibilities and insisted that the process be carried out properly.

178. When I became Leader of the Opposition, I encouraged all Shadow Cabinet Members to share their thoughts both on their specific subject area or more generally with me. A number of them, including Jeremy Hunt, did this by sending me update notes. My office has checked the notes that Jeremy Hunt sent me in Opposition and I have been assured that they contain no reference to any potential bid for BSkyB.

179. Once in Government, Jeremy Hunt continued the practice of sending update notes to me, setting out what he was doing in his Department, his thoughts for future policy and any wider views on the Government's strategy.

180. In compiling the most comprehensive record possible, my office has found four of these update notes from Jeremy Hunt which make reference to BSkyB's bid and I deal with each one below. In each case, I quote the relevant passage in full from the note.

18 June 2010

181. This note is dated 18 June 2010 and makes a passing reference to News Corporation's bid for BSkyB, stating:

"I have met or spoken to most of the big media owners – Michael Lyons/Mark Thompson, [sic] James Murdoch, Archie Norman/Adam Crozier. Following a steer by Nick Clegg, I am sending out signals publicly and privately that our rhetoric will be more generous to the BBC than it was in opposition. But the issues that matter to our own supporters – BBC salaries and profligate use of licence fee money – will be sortable when we have the licence fee negotiations next year. I steered clear of commenting on News Corp's plans to buy out the 61% of Sky they do not own on the grounds it was a competition issue for regulators and not for ministers – but there are likely to be further elephant traps in the media landscape which we must be careful to avoid."

19 November 2010

182. This note was dated 19 November 2010, prior to the transfer of responsibility to Jeremy Hunt. I do not recall this note, and I did not recall it at the time I took the decision to make the transfer of responsibility set out above, but in any event it is consistent with the public statements that Jeremy Hunt had made previously, which the Cabinet Secretary and I had considered. In the note he says:

"A lot has been happening in my sectors so here goes with a brief update:

NewsCorp/Sky bid James Murdoch is pretty furious at Vince's referral to Ofcom. He doesn't think he will get a fair hearing from Ofcom. I am privately concerned about this because NewsCorp are very litigious and we could end up in the wrong place in terms of media policy. Essentially what James Murdoch wants to do is repeat what his father

did with the move to Wapping and create the world's first multi-platform media operator, available from paper to web to TV to iPhone to iPad. Isn't this what all media companies have to do ultimately? And if so, we must be very careful that any attempt to block it is done on plurality grounds and not as a result of lobbying by competitors.

The UK has the chance to lead the way on this as we did in 80s [sic] with the Wapping move but if we block it our media sector will suffer for years. In the end I am sure sensible controls can be put into any merger to ensure there is plurality, but I think it would be totally wrong to cave in to the Mark Thompson [sic] /Channel 4/Guardian line that this represents a substantial change of control given that we all know Sky is controlled by NewsCorp now anyway.

'What next? Ofcom will issue their report saying whether it needs to go to the Competition Commission by 31 December. It would totally wrong [sic] for the government to get involved in a competition issue which has to be decided at arms length. However I do think you, I, Vince and the DPM should meet to discuss the policy issues that are thrown up as a result.'

183. I do not recall responding to Jeremy Hunt's note either in writing or by speaking to him about it. The meeting he suggested take place did not happen and I do not recall any arrangement being made for it to happen. As I have said, this note was produced before he became responsible for the decision and I would note that it says:

"It would totally wrong [sic] for the government to get involved in a competition issue which has to be decided at arms length."

4 March 2011

184. This note was dated 4 March 2011, after Jeremy Hunt had announced his decision to the House of Commons to launch a consultation on News Corporation's Undertakings in Lieu of a reference to the Competition Commission on 3 March 2011. In this note Jeremy Hunt is reporting on the process and reasons for his decision – which had been made public – and the public reaction:

“Now that I am able (at long last!), I thought you might like an update on NewsCorp/BSkyB.

The first point to make is about the politics of this. Everyone is saying there was some kind of “deal” involved between James Murdoch and the Conservatives. The reality is that the politics are if anything quite the opposite. With the Telegraph, Mail, Guardian, Observer, Mirror and BBC – as well as the LibDems – all against the deal, the politically easy thing to do would have been to refer the bid to the Competition Commission. We haven't done that – so the idea that the decision was taken on political grounds is total nonsense. We can also point out that we have just put a well-known Murdoch foe in as Chairman of the BBC Trust.

In fact the people who have been most political in this are not us but Labour. Tom Baldwin sent all Labour front-benchers a note telling them to back off criticising the deal. As I predicted, Labour's reaction has been to criticise the process but not the deal – not easy for them as they set up the process themselves in the Enterprise Act of 2002. Yesterday when the deal was announced, just as Ivan Lewis was trying to sound sceptical in the Commons Miliband's office were briefing out the concessions made by Murdoch satisfied many of their concerns.

However because of the general suspicion about what happens when politicians and media barons meet, I decided right from the outset to take and publish independent advice at every stage. This has meant that the reception from the papers and media analysts has not been anything like as bad as it might have been. Ofcom gave me a report on Tuesday that said the new structure satisfied all their concerns and the OFT said clearly the package works financially. But I don't want to underestimate the noise that will happen in the next 17 days while we have public consultation. I received 55,000 emails in 24 hours...and the left-wing internet campaigning group 38 degrees is mobilising very effectively. Because I was ruling on media plurality, no one can sensibly criticise me for allowing a deal through that makes Sky News more independent than it is now. But of course for other media groups plurality is not the issue – it is Murdoch's market power that worries them. Most of them have failed to understand a crucial point, namely that I was not allowed to look at market power or competition issues – both of which were settled by the EU Commission on 21 December. So I spent yesterday calling all the Editors to make this clear. Paul Dacre was friendlier than I expected but Tony Gallagher charmingly warned me to expect a "bucket of brown stuff" on my head.

If I may suggest the point you should make to them is this: if they are worried about Murdoch's market power –even despite the EU ruling – then they should use competition law. If Murdoch, for example, behaved anti-competitively by bundling products and services, starting a price war etc then that is what the OFT exists to investigate. Without any reference to politicians they can trigger a Competition Commission enquiry. None of this is changed by what I decided.

However the process has identified some issues with the way the law works on media plurality. As it stands at the moment, the Public

Interest Test in the Enterprise Act can only be invoked by a transaction. So if a media group grew organically – as opposed to by an acquisition – to a 70% market share of news, there is no mechanism to investigate it and if necessary force a divestment. I think we need to address this and make the law similar to competition law so that independent regulators can trigger an enquiry if they have grounds to worry about media plurality and b) no politicians are involved at any stage of the process. My statement laid the ground to do this and any changes would have to be part of our new comms act.”

185. I did not reply to the note and do not recall discussing the issue with him. It is worth pointing out that Jeremy Hunt says:

“However because of the general suspicion about what happens when politicians and media barons meet, I decided right from the outset to take and publish independent advice at every stage.”

17 March 2011

186. In his update note of 17 March 2011, Jeremy Hunt set out his further thoughts on the public and political reaction to his announcement on 3 March 2011. My office has confirmed that this note was not passed to me.

187. The note said:

“Nothing huge to report on in the last fortnight. The Newscorp/Sky issue seems to have died completely. Looking back, the fact that we had independent advice at every stage seems to have been decisive in heading off any threat to a judicial review. Certainly none of the newspaper groups are talking about it now. I did hear that Chris Huhne was apoplectic and advocated going to the media to criticise it – but

partly because Don Foster was onside Nick reined him in. The point to make to Nick (which I have also made to Chris) is that if I had referred it to the Competition Commission it would almost certainly have been judicially reviewed by the Newscorp as being unreasonable, given that Ofcom and the OFT had given it the all clear."

Inquiry Q17: References in the published list of official meetings with proprietors, editors and senior media executives, suggest that you met with senior News International figures, and others close to them, such as Matthew Freud and Elizabeth Murdoch, more frequently than the executives of all other newspaper organisations combined. How is that picture affected by your answer to question 8(a) above? How do you account for this priority in the allocation of your time?

188. Since 15 July 2011, Downing Street has published a list of all the senior media figures that I have met since becoming Prime Minister. This list is updated quarterly. The list includes proprietors, senior executives and editors of media organisations. I discuss the list in detail in my response to Q8.

189. The published list shows that I met a range of proprietors, senior executives and senior editors from a wide range of media organisations and not just from News International. In addition to meeting with Rupert Murdoch shortly after forming the Government (on this, see below), in my first months as Prime Minister I also had meetings with the following senior media figures who had no involvement with News International: Deborah Turness (Editor of ITV news); Aidan Barclay and Murdoch MacLennan (Chairman and Chief Executive of Telegraph Media Group respectively); Lord Rothermere and Paul Dacre (Chairman of the Daily Mail and General Trust plc and Editor of *The*

Daily Mail respectively); Geordie Grieg (Editor of the *Evening Standard*); and Lord Burns (Chairman of C4).

190. Before the closure of the *News of the World*, News International accounted for almost one-third of the national newspaper market and as such it was logical when I did meet with media figures that I would be meeting with News International personnel more often than with others. No politician who wishes to get his message across to the public could afford not to take into account the scope of News International's coverage when deciding which people to meet. In addition to this, as the leader of a centre right party, it is understandable that I would seek to ensure the support of newspapers that supported centre right values. However, as the published list shows, I also met figures from a wide range of media organisations including from newspapers that did not support the Government.

191. The published list also includes large social events where I was invited as a guest, such as the "*News International summer party*", and the "*Sun Police Bravery Awards Reception and Dinner*". Any conversations I had with senior News International figures at these was likely to be in passing and brief.

Inquiry Q18(i): Please describe the nature of your relationship with Rupert Murdoch.

192. Rupert Murdoch and I know each other as a result of our mutual positions. When we speak we get on well but we meet in the context of my being a politician and him a media proprietor. We both share free market and conservative views but there are also a number of areas where we disagree. For instance, his best selling newspaper, *The Sun*, did not support my stance on detention without trial and ID cards, and opposition to my policies on these

issues was aired in his newspapers. I do not adopt any views on Conservative Party or Government policy on the basis of Rupert Murdoch's views. I make my own decisions on policy, some of which will be agreeable to him and some of which will not.

Inquiry Q18(ii): It is reported that you first met with Rupert Murdoch at a dinner at your home in Kensington in 2007 and then next met him when you flew to Santorini to meet him in 2008. Can you confirm this?

Inquiry Q18(iii): If so, please set out for the Inquiry at whose request these meetings took place, your purpose in making these engagements, and what was discussed at them.

193. It is not correct that I first met with Rupert Murdoch at a dinner at my home in 2007. He has never been to my home. The first recollection I have of meeting him is at a lunch in October 2005 at *The Sun's* offices during my campaign to become Leader of the Conservative Party.

194. I cannot recall who initiated this meeting but it was probably my office in conjunction with editorial staff and senior journalists at *The Sun*. It was part of my campaign to win the leadership of the Conservative Party. I imagine we discussed what I would do as Leader of the Party and how I would seek to change the country if I eventually became Prime Minister – as I was discussing with other potential supporters in the Party and the media.

195. After my initial meeting with Rupert Murdoch, I met with him a few more times, as documented in exhibit **DC2** before meeting him in Santorini in 2008 (of which I say more in answer to Q18(iv)). I recall that Matthew Freud initiated this meeting and its purpose was to get to know Rupert Murdoch better. I cannot remember what was discussed but it was basically a social occasion.

196. At the time I became Leader of the Conservative Party, I did not have widespread support in the media. I wanted to meet media figures (not just Rupert Murdoch) to make sure the Conservative Party got a fair hearing in the press and on broadcast and to ensure I could get across to the public the scope of my vision for the Party and for the country. I also considered it was important to have good relations with Rupert Murdoch at this time as his newspapers were supporting the Labour Government and I wanted to raise awareness of what I perceived to be the faults in that administration and in their policies. One key way of doing this was via the media. But above all I wanted to convince them that the Conservative Party's approach and my leadership of the Party should be supported by them. I did hope that, in time, we would have the support of News International's papers. After all, these papers fundamentally share the same views on society and the free market as the Conservative Party.

197. I cannot now recall in detail what was discussed in my meetings with Rupert Murdoch but I expect that I discussed with him my vision for the future and what my policy aims and interests were.

198. As the 2010 General Election neared, I was also keen to win the support of Rupert Murdoch's newspapers for the Conservative Party. I thought this was important if I was to increase positive media coverage of my Party's campaign. As Rupert Murdoch was someone who shared my Party's free market and conservative views I thought it was a realistic aim to win this support and so it proved to be the case.

Inquiry Q18(iv) Please comment on reports that you were flown to Santorini on Mr Freud's private jet, and met with Mr Freud on his yacht prior to meeting Rupert Murdoch

199. My wife and two of my children flew on Mr Freud's jet from Farnborough to Istanbul, where I met them on the way back from a visit to Georgia (which had recently been invaded by Russia). We then flew on the jet to Santorini where I met Mr Freud on his yacht before meeting Rupert Murdoch. After that we returned on the jet to Dalaman for a family holiday. My family and I did not fly back to London on the jet and I paid for my air fare as well as that of my family.

Inquiry Q18(v) If confirmed, to what extent were the details of these engagements placed into the public domain, whether by entry in any publicly available register or otherwise?

200. My flight to Santorini was declared and made public at the time. My entry in the Register of Members' Interests, which is in the public domain, reads:

"16 August 2008, private plane from Farnborough to Istanbul for my wife and two children. Then from Istanbul to Santorini, and return to Dalaman, for myself, my wife and two children; provided by Matthew Freud, of London." (registered 15 September 2008)

201. There was no publicly available register at the time for meetings with media proprietors. However, my staff confirmed I had met Rupert Murdoch in Santorini when asked by journalists in 2008. I did not seek to keep the meeting secret and I never had any intention of doing so. Indeed, because of the Register, I always knew that it would be made public.

Inquiry Q19: In October 2008, an article appeared in the Sun newspaper, in your name, entitled "Tory chief hits out - Bloated BBC out of touch"

with viewers". Please explain the contribution, if any, of discussions with, or what you understood to be the thinking of, News International figures to the content and tone of this article.

202. This article was representative of what I and the Conservative Party were thinking at the time. Indeed, while I am always closely involved in the drafting of my speeches, I recall that I wrote most of this article myself. While it was critical of aspects of the BBC's performance, it also reflected my support for the BBC:

"I AM a slightly rare creature - a lifelong Conservative who is a fan of the BBC.

I don't just mean the quality stuff - Blue Planet and Radio 3 - that politicians tend to trot out when defending the corporation.

I watch lots of what the BBC pumps out, whether it is contemporary thrillers like Silent Witness or costume dramas like Lark Rise To Candleford.

I loved John Motson's commentaries and still love Jeremy Clarkson's cars and Michael Palin's travels.

If I tot it all up: rummaging around the BBC news website, Radio 4 every morning, Radio 5 on a Sunday, The Big Cat Diaries and whatever Andrew Davies has written up recently, I get a huge amount from the full range of what the BBC has to offer.

And yes, I even approve of the way the BBC is funded."

203. Where I did make criticisms of the BBC in this article, they were criticisms I had made previously, repeatedly and in public. For example, in 2006, I told the Newspaper Society's annual lunch that:

"We've all seen in our own constituencies small internet businesses, often involved in education or other information provision, working away to create a market, to make some money, and then the BBC comes along and squish, like a big foot on an ant, that business goes out".

204. And that there needed to be:

"a better set of rules that stops the BBC from charging in ... and actually putting other people who are struggling to provide a market, out of work"

205. As discussed above in Q9, in 2009, I called for the BBC to freeze the licence fee. A year later, I told the Radio Times that:

"I worked at ITV (in public relations) for seven years and you learn to respect the incredibly important role the BBC plays. Competitors like the BBC because you're competing up here on quality rather than down here on price.

"I would never do anything to put the BBC at risk. Conservatives should be as proud of establishing the BBC as Labour are of establishing the NHS."

" [the BBC is] trying to do too many things and they're right to focus on doing good things well. There was a moment the BBC had overreached on magazines, websites, (buying) Lonely Planet. I think

they do need to retrench a bit and focus on what matters most. So while I might like listening to Radio 6 because it's my sort of music, you can't do everything."

Inquiry Q20: It has been reported that Rupert Murdoch visited you at Number Ten on the day after your election victory in May 2010. Is this correct? What was the purpose of the visit? Please comment on reports that he entered via the 'back door' of Number Ten.

206. I did not meet Rupert Murdoch at Downing Street on 7 May 2010, the day after the General Election. I did, however, meet him shortly after, on 18 May, and this was made public in my first quarterly release of general external meetings on 28 October 2010. I met several other newspaper proprietors and senior media executives in the period immediately after the General Election, including; Deborah Turness (Editor of ITV news); Aidan Barclay and Murdoch MacLennan (Chairman and Chief Executive of Telegraph Media Group respectively); Lord Rothermere and Paul Dacre (Chairman of the Daily Mail and General Trust plc and Editor of *The Daily Mail* respectively); Geordie Grieg (Editor of the *Evening Standard*); and Lord Burns (Chairman of C4).

207. The reason for Rupert Murdoch's visit was that he was in London and in common with the reasons for my other meetings with newspaper proprietors and senior media executives, to set out the challenges that I and my Government saw the country facing and our broad approach to addressing them. I also wanted to thank him for his support. As far as I can recall, this meeting covered similar ground to my other meetings with newspaper proprietors and senior media executives at the time.

208. I was not responsible for arrangements for Rupert Murdoch's visit to Downing Street, though I understand that it is not uncommon for people to

come in through alternative entrances such as the Cabinet Office at 70 Whitehall or in some circumstances through the gate onto Horse Guards Road. This has been the case with visitors in this administration and those prior to it.

Inquiry Q21(i): You are reported to be a personal friend of Rebekah Brooks and Charlie Brooks, to enjoy time with them socially and to have attended their wedding. Please describe the nature and extent of these friendships, and the extent to which, if any, they affect or are affected by the conduct of your public functions; and please describe in particular the extent to which, if any, you discuss media, political and/or Government affairs when you meet socially.

209. I have known Charlie Brooks, who was at the school I went to (Eton College), at the same time as my brother, for over 30 years. He is a good friend and he lives in my constituency; we live a few miles apart. We see each other quite often, including at social occasions arranged by mutual friends.

210. I first got to know Rebekah Brooks in a professional capacity when she was editor of *The Sun* newspaper and we subsequently became friends. When Rebekah began a personal relationship with Charlie Brooks I got to know her better as I began to see more of her when I saw Charlie.

211. I have always tried to ensure that these friendships, as with my others, have had no undue influence on my public functions.

212. When I meet with the Brooks we talk about politics just as we talk about many other things. We do not always agree about politics and when Rebekah was editor of *The Sun* my Party's policies were often criticised in her newspaper; for example, *The Sun* was critical of the Conservative Party's

opposition to extending the detention time for terrorist suspects to 42 days (*The Sun*, 14 October 2008). I did not take this personally. I try to separate my private life from my public life.

213. I am always careful to make clear in discussions with any friends where a subject matter is inappropriate because of my public office and to limit the nature of any such discussion.

Inquiry Q21(ii) Please comment on the significance, if any, for public life of the fact that both the Prime Minister and the Leader of the Opposition attended the Brooks' wedding.

214. I attended Charlie and Rebekah Brooks' wedding in a personal capacity due to the friendships that I have with them, as set out in answer to Q21(i) above. As a friend and neighbour of Charlie Brooks, I would like to think that I would have been invited to his wedding irrespective of my public position at the time.

215. I am not aware of the reasons for the invitation of the then Prime Minister and so do not feel able to make any comment on the significance for public life of his attendance at the wedding.

Inquiry Q22(i): What do you perceive to have been the benefits to the public interest of your relationship with senior News International figures?

216. I believe it has delivered the same benefits to the public interest as my relationship with senior figures at other news organisations. I set out these benefits in my answer to Q2.

Inquiry Q22 (ii): What, if any, have been the risks to the public interest, and how have you managed those risks?

217. I believe it has carried the same risks to the public interest as my relationship with senior figures at other news organisations. I set out these risks in my answer to Q2.

Inquiry Q23: On 6 September 2011, you appear to have acknowledged that you personally became "too close" to leading executives of media organisations; you said to the House of Commons Liaison Committee: "I think what is clear is that the relationship became too close in that the politicians were spending a lot of time trying to get their message across and win support, but the issues of regulation were being put on the back burner". Please explain your thinking in describing your, or your Party's, relationship between the press and politicians as having been "too close".

218. As the quotation of my response to the House of Commons Liaison Committee set out in the question shows, I believe the overall relationship between politicians on the one hand and the media on the other got too close. I set this out more detail in my answers to Q2, Q4 and Q5 above,

Inquiry Q24(i) and (ii): Please assist the Inquiry with a full account of your knowledge of Andy Coulson before his appointment as your communications chief, and the reasons for and circumstances of his appointment. Include in that account full details of any consultations

you undertook or caused to be undertaken, and any advice you received, about that appointment.

219. It might help if I first explain the circumstances in which we came to employ Andy Coulson as the Conservative Party's Director of Communications and Planning.

220. I first met Andy Coulson when he was Editor of the *News of the World*. During this period the *News of the World*, for the most part, was not supportive of the Conservative Party and we would often be in strong disagreement over political and personal stories it ran.

221. After my first year or so as Leader of the Party, it became increasingly clear that the Conservative Party needed a heavyweight media operator, someone who had operated at the highest levels and who knew how a newsroom was run. Political parties of all persuasions have typically employed in their most senior media role people who have worked at very senior levels in the media industry. They know how the industry works and know how to respond to breaking news stories.

222. There were a range of considerations in appointing the right person. One was the need to handle tough stories and meet fast deadlines, particularly for tabloid newspapers. The other was the need to engage more systematically with the broadcast media, who, as I argue above, have huge influence in terms of political coverage and discussion.

223. In particular, in 2007, in the months after Andy Coulson resigned from the *News of the World*, George Osborne, Steve Hilton and I separately had conversations with him. We discussed him working at Conservative Campaign Headquarters.

224. As a result of these conversations, I decided in principle that I wanted to appoint Andy Coulson as the Conservative Party's Director of Communications and Planning. I therefore asked the then Party Chairman, Francis Maude, and my Chief of Staff, Ed Llewellyn, to meet with him to discuss the practical arrangements, such as salary and job title.
225. I believe that three such meetings took place: one with both Francis Maude and Ed Llewellyn, one with just Francis Maude, and one with just Ed Llewellyn. These were about the terms and conditions of the appointment. In the meeting they held together, they also asked him specifically about his involvement in the well-publicised hacking that had taken place while he was Editor of the *News of the World* and which had led to the convictions of Clive Goodman and Glenn Mulcaire. He denied any knowledge of the hacking but said that he took responsibility for what had happened on his watch and had therefore resigned. This was consistent with what he had said at the time of his resignation as Editor.
226. They reported these assurances orally to me, but said that since these were serious allegations I should personally satisfy myself as to these assurances by putting these questions directly to Andy Coulson in my own conversations with him, and before formally offering him the job.
227. I then had a further conversation with Andy Coulson in which I also asked him specifically about his involvement in the hacking case. He repeated what I understood he had said to Francis Maude and Ed Llewellyn, that he had no knowledge of the hacking but said that he took responsibility for what had happened on his watch and had therefore resigned as Editor. I also recall asking him at the same time whether there was anything else which I should be aware of which might embarrass the Conservative Party. He said he did not believe that there was.

228. I accepted those assurances. As I have said before, these allegations had already been investigated by the police and had been the subject of a criminal prosecution that resulted in two people being sent to prison. The same assurance that Andy Coulson had no knowledge of hacking was given to the Culture Media and Sport Select Committee in July 2009, where he said *"I never condoned the use of 'phone hacking and nor do I have any recollection of incidences where 'phone hacking took place"*. In the Select Committee's subsequent Report they concluded that they had *"seen no evidence that Andy Coulson knew that phone-hacking was taking place"*. Similarly, he denied any knowledge of hacking under oath in the Tommy Sheridan trial in December 2009: *"I'm saying that I had absolutely no knowledge of it [phone-hacking]. I certainly didn't instruct anyone to do anything at the time or anything else which was untoward."*

229. The responsibility for employing him on the basis of the assurances that he gave is mine. I took the view that because he had given me repeated assurances that he had no knowledge of hacking, he deserved a second chance.

230. If anyone had given me any evidence that Andy Coulson knew about or was in any way involved with phone hacking, I would not have employed him.

231. And as I said in my statement in the Commons on 20 July 2011, with 20:20 hindsight and all that has followed, I would not have offered him the job, and I expect that he would not have taken it. As I said then, you do not make decisions in hindsight; you make them in the present.

Inquiry Q24(iii): Your account should in particular include details about the following:

(a) whether Mr Coulson was recommended for the role by George Osborne, and if so what you understood to be the full extent of his reasons for doing so and how you took his recommendations into account;

232. As outlined above, George Osborne was involved in the recruitment of Andy Coulson and recommended him. He believed that Andy Coulson would be effective in the communications role.

233. As with all recommendations I receive from the people I trust and work closely with, I took George Osborne's recommendation seriously. However, the final decision rested with me.

234. As I said in Parliament on 20 July 2011:

"The Chancellor has many bright ideas and he and I discuss many things, but in the end I never seek to shuffle off my responsibilities. This was my decision and I am accountable for it."

(b) whether Lord Ashdown or Nick Clegg advised you in relation to the prospective appointment, and if so what you understood by that advice and how you took it into account;

235. In the days following the formation of the Coalition Government, Nick Clegg asked me in general terms if I thought it was a satisfactory appointment to make Andy Coulson Director of Government Communications, given the speculation about him. Of course, the decision to employ the former Editor of a tabloid newspaper who had resigned in the circumstances I have described above meant that questions would be raised. However, I explained that the police had looked at the allegations and had found no grounds to re-open their inquiry. He had been effective as Director of Communications and

Planning in Opposition and I believed he would do the job effectively in Government.

236. Lord Ashdown did not advise me about the appointment. Shortly after the formation of the Government, and after the appointment of Andy Coulson as a Special Adviser, Lord Ashdown met for a coffee with my Chief of Staff, Ed Llewellyn. Ed had previously worked for him when he was in Bosnia and they had remained friends. They discussed the general political situation and the recent formation of the Government. Specifically on Andy Coulson, he observed to Ed Llewellyn in general terms that this was a decision that I might well come to regret. However, he offered no new specific information and on that basis Ed Llewellyn did not mention this conversation to me. After Lord Ashdown's public comments last summer about his warning over Andy Coulson's appointment, Ed Llewellyn told me about this conversation.

(c) in light of the fact that Mr Coulson had resigned as editor of the News of the World following the conviction of Glenn Mulcaire and Clive Goodman, what steps you took to satisfy yourself that he had no personal responsibility for, involvement in or knowledge of that, or any, unlawful conduct; and in particular what conversations, if any, you had with senior figures at News International about the matter;

237. I have outlined above the steps that I took. Of course, as a former Editor of a newspaper owned by News International, he was well regarded by colleagues including Rebekah Wade (now Brooks), the then Editor of *The Sun*. Though I do not recall the times and dates, I am sure that we would have discussed his appointment. In any conversation about Andy Coulson's conduct, my question was always whether any new information or evidence had been disclosed to suggest any knowledge of hacking. If such evidence had been revealed, I would not have employed him.

238. As I have said, these allegations had already been investigated by the police and had been the subject of a criminal prosecution that resulted in two people being sent to prison.

(d) any conversations or correspondence you had with senior members of the Civil Service prior to or at the time of the appointment;

239. I did not have any such conversations or correspondence.

(e) the formal vetting procedures to which he was made subject before or at the time of his appointment;

240. In respect of Andy Coulson's appointment as Director of Communications and Planning for the Conservative Party, the Conservative Party's HR Department commissioned a routine background check on Andy Coulson from Control Risks. This was one of their standard types of check drawing on published material. Before the check was completed, news of his impending appointment was leaked to the media and I decided to go ahead with the appointment and confirm it. However, the check did not reveal any information that was contrary to the assurance that I had received from him and subsequently accepted.

241. In respect of Andy Coulson's appointment as a Special Adviser in his role as Director of Communications at Number 10, Special Advisers are temporary Civil Servants appointed under the Constitutional Reform and Governance Act 2010. There is no formal 'vetting' process for Special Advisers and as such, in accordance with usual practice, Andy Coulson was not vetted prior to his appointment.

242. On appointment to the Civil Service, Special Advisers, as with all Civil Servants, are security cleared to the appropriate level for their specific role.

243. Decisions on security vetting are based on the level of security clearance an individual requires in order to access the information they need to undertake their job.
244. I have been informed that National Security Vetting work is managed by the Cabinet Office's in-house Personnel Security Team which reports to the Departmental Security Office. That team is responsible for overseeing the vetting process and for advising the Departmental Security Officer on whether or not a security clearance should be granted.
245. Andy Coulson was cleared to Security Check level. Security Check clearance provides for regular access to Secret material. Security Check clearance also allows for occasional, supervised, access to Top Secret material including Top Secret material discussed in briefings and meetings.
246. Developed Vetting is not a standard vetting even for Special Advisers and senior officials in Downing Street. Only a very small minority of officials and Special Advisers in Number 10 are cleared to Developed Vetting level. It is required for those who need frequent access to the highest classification of material.
247. However, clearances are kept under review and can be upgraded at any time.
248. Following a well-publicised counter-terrorism incident at East Midlands airport it was decided that Andy Coulson should undergo Developed Vetting given the importance of communications in handling a terrorist incident. This process was started in November 2010. It can take up to six months to complete. It is in the public domain (see the then Cabinet Secretary's letter to

Ivan Lewis of 22 July 2011) that it had not been completed by the time of Andy Coulson's departure at the end of January 2011.

249. In considering these points on security vetting, it is important to recall that, as the then Cabinet Secretary said: *"the purpose of security vetting ... is about access to information not suitability for a job"*.

250. In any event, I have been informed by my officials, that we have no reason to believe that had Andy Coulson been subject to the complete Developed Vetting procedure, that any material would have come to light which would have indicated that he had been involved in, or had knowledge of, illegal practices such as those that have been discussed in this context.

(f) your own awareness, and that of anyone else within the Government or the Conservative Party, of the extent to which Mr Coulson was continuing to receive payment or other benefits from News International after his appointment, and what investigations if any were made into that issue

251. As Leader of the Opposition, I had no knowledge of Andy Coulson's severance arrangements.

252. When this issue was raised in August 2011, a Conservative Party spokesman said on 23 August 2011:

"We were not aware until last night of allegations that Andy Coulson's severance package, agreed with News International before he was employed by the Conservative Party, was paid in instalments that continued into the time he was employed by the Conservative Party. Any payments made to Andy Coulson as part of his severance package with News International would not constitute donations in kind

to the party as they were linked to his previous employment with NI, not with the Conservative Party.”

253. No investigations were commenced by the Conservative Party or by the Government to determine the nature of Andy Coulson's severance arrangements as by the time this allegation was made, he had already left the employment of both the Party and the Government and was under investigation by the police.

(g) any steps you took in relation to Mr Coulson's position when the Guardian ran its phone hacking articles in 2009; and

254. I was, of course, aware of the phone hacking related articles *The Guardian* began publishing in July 2009.

255. The question I asked myself all the way through was, 'Is there new information that Andy Coulson knew about hacking at the *News of the World* while he was the Editor?'

256. As I have said above, I made the decision to employ Andy Coulson in good faith, because of the assurances he gave me. I did not see any information in those articles that would have led me to change my mind about those assurances.

257. Nevertheless, in light of these stories I asked Andy Coulson to repeat the assurances that he gave me when I first employed him and which I have outlined above. He repeated those assurances. As I have said above, it is also worth noting that at around the same time in July 2009, Andy Coulson gave an assurance that he had no knowledge of hacking to the Culture Media and Sport Select Committee, where he said "*I never condoned the use of 'phone hacking and nor do I have any recollection of incidences where 'phone*

hacking took place". In their subsequent report they concluded that they had "seen no evidence that Andy Coulson knew that phone-hacking was taking place". Furthermore, in December that year during the Tommy Sheridan trial, Andy Coulson denied any knowledge of hacking under oath: "I'm saying that I had absolutely no knowledge of it [phone-hacking]. I certainly didn't instruct anyone to do anything at the time or anything else which was untoward."

258. In the end, because there were so many allegations and because he was not able to get on with his job, he left. The second chance I gave him did not work.

(h-i) when and how you learned of Mr Coulson's employment of private detective Jonathan Rees while editor of the News of the World.

259. I understand that the first newspaper reference to the employment of Jonathan Rees by the *News of the World* was on 12 March 2011 (seven weeks after Andy Coulson resigned from Downing Street) when the story appeared on the front page of *The Guardian*. As far as I can recall, this was the first time I became aware of this matter.

(h-ii) Please comment on reports that deputy editor of the Guardian Ian Katz informed Steve Hilton of the connection between Mr Coulson and Mr Rees in February 2010, and that Mr Hilton passed this information to Ed Llewellyn; and that Ian Katz had a further conversation with Mr Llewellyn about Mr Coulson's connections with Mr Rees in October 2010. Your account should include details of what if anything Mr Hilton or Mr Llewellyn relayed to you in turn.

260. On the evening of 24 February 2010, *The Guardian* ran an article stating that during the time Andy Coulson was editor of the *News of the World*, the paper had "employed [an unnamed] freelance private investigator

even though he had been accused of corrupting police officers and had just been released from a seven-year prison sentence for blackmail” .

261. My understanding is that Ian Katz discussed the issue with Steve Hilton in February 2010 and he also discussed it with Ed Llewellyn in October 2010. The information was not passed to me. As I explained in the House of Commons on 13 July 2011:

“First, this information was not passed on to me, but let me be clear that this was not some secret stash of information; almost all of it was published in The Guardian in February 2010, at the same time my office was approached.

‘It contained no allegations directly linking Andy Coulson to illegal behaviour and it did not shed any further light on the issue of phone hacking, so it was not drawn to my attention by my office.’

260. As I also said in the House of Commons, when I met the Editor of *The Guardian* the month after the article was published and also a year later, he did not raise the subject with me.

Statement of Truth

I believe the facts stated in this witness statement are true.

Signed:



(David Cameron)

Dated:

4th May, 2012