

Witness Name: **Kit Malthouse**

Statement no: **First**

Exhibits: **KM1 – KM31**

Date: **29 February 2012**

THE LEVESON INQUIRY

Witness Statement of **Kit Malthouse**

I, Kit Malthouse, will say as follows:

1. I make this statement in my capacity as the statutory Deputy Mayor for Policing and Crime (DMPC). From January 2010 to January 2012, I was Chair of the Metropolitan Police Authority (the "MPA"), having been nominated by the Mayor of London. Prior to that I was Vice Chair of the MPA and (non-statutory) Deputy Mayor for Policing and Crime from October 2008. I am an elected Member of the London Assembly.
2. I have prepared this statement following receipt of a Section 21(2) Notice on 20 January 2012 from the Chairman of the Leveson Inquiry, Lord Justice Leveson, requiring me to provide evidence in respect of 63 questions/issues. This statement focuses on those questions that I am best placed to address, given my role and responsibilities at the MPA and MOPC. The remaining questions are addressed in the statements of two senior officers of the MPA/MOPC: Catherine Crawford, the Chief Executive, and Julie Norgrove, the Director of Audit, Risk and Assurance.
3. I have appended to my statement at Annex A, a document that identifies the sections of my statement (and indeed the statements of Catherine Crawford and Julie Norgrove) that correspond with the relevant Section 21 questions.

Background

4. After completing my degree in politics and economics at Newcastle University, I qualified as a Chartered Accountant with an international firm in the City of London and then worked in the finance industry.

5. In May 1998, I was elected to Westminster City Council, representing St George's ward in the Pimlico area of central London. Shortly thereafter I was appointed as Chief Whip of the Conservative Group, and, following a change of leader to Sir Simon Milton, I was appointed Chairman of the Social Services Committee. Two years later I was elected Deputy Leader of the Council and became Cabinet Member for Finance. I stood down from the Council at the May 2006 elections.
6. On 26 March 2007, I was selected as the Conservative candidate for the London Assembly seat of West Central. The Assembly elections took place on 1 May 2008, and I was duly elected to serve a four year term. The Greater London Authority ("GLA") is the citywide government for London, and the GLA is made up of the Mayor of London and the London Assembly. There is a clear separation of powers within the GLA; the Mayor has an executive role whereas the Assembly's function is to scrutinise the role of the Mayor. The Assembly investigates issues of importance to Londoners, publishes its findings and recommendations, and makes proposals to the Mayor. The Mayor can, however, appoint Assembly Members to positions of authority at the various functional bodies under his control.
7. Separate from my role as a politician and the MPA/MOPC, I am a Director of a number of companies that I founded or co-founded. I am a director of Alpha Strategic plc, Chairman of County Finance Group Limited and a director of a number of its subsidiaries and associated companies. I am also a Director of Dilettante Music Ltd.
8. At the outset, I think it is important to distinguish between the different roles that I fulfill and how they affect the communications and contact that I had, and will have, with the media. As a member of the London Assembly and a politician, many of the tasks that I undertake and the communication that I have with the media revolve around this political role. This is distinct from my various roles with the MPA and now as DMPC.

The MPA and the Metropolitan Police Service

9. A detailed description of the structure of the MPA, and the ways in which it went about its work, is set out in the statement of Catherine Crawford.
10. It is important to appreciate that the MPA was not a regulator in the traditional sense. Rather it was responsible for governance and setting the strategic direction of the Met. It was not responsible for any operational decisions. Further, there was a high level of delegated financial authority to the Commissioner to enter into contracts on the MPA's behalf.

11. In terms of my responsibilities as a Member of the MPA, Catherine Crawford's statement to the Inquiry deals with Members' duties and responsibilities in detail.
12. In addition to these responsibilities, my role as Chair of the MPA also included:
 - Leadership in the development and implementation of the MPA's strategic direction and policies for the Met and policing in London;
 - Chairing MPA meetings, ensuring that business was conducted efficiently and in accordance with standing orders whilst ensuring that members had an opportunity to participate in debates;
 - At the strategic member level, ensuring that the MPA's business was managed effectively and corporately;
 - Conducting regular strategic meetings with the Commissioner and maintaining the tripartite arrangement with the Home Secretary and the Commissioner;
 - Representing the MPA to outside organisations and the media; and
 - Fulfilling formal political responsibilities – essentially delivering the Mayor's Crime Agenda and associated budget.
13. It is fair to say that there were some inherent weaknesses in the MPA's statutory framework, the most significant being the political make-up of its membership, with four political parties being represented alongside eleven independent members (some of whom had political affiliations). The MPA was often unable to adopt a single coherent voice on a topic and therefore it meant that often no decisive action could be taken. This weakness has now been addressed with the creation of MOPC, the removal of the 23 Members, with a directly elected Mayor of London (or, at his nomination a Deputy) being the sole authority. The divided political nature of the MPA also affected relations with the media, as I outline further below.
14. During my first few months in office at the MPA, from 2008 onwards, my focus was on driving forward key crime strategies. I felt there was a need for change in the membership of the MPA and a restructure of the organisation to do this. The independent Members were reaching the end of their tenure, and changes in the political membership of the MPA were also made, including Conservative membership.
15. At this time, much of my energy and focus was on driving the Met to tackle gangs, knife crime and teenage homicide.

16. Additionally, I introduced Met Forward, the MPA's strategic approach to policing London. This was the MPA's first ever three year strategic mission statement designed to guide the Met in tackling the issues that mattered most to Londoners. It set out how the MPA wanted the Met to develop and perform to improve services, provide better value for money and fight crime. The strategy was developed from an analysis of performance and an assessment of current and future opportunities and threats, as well as Mayoral and Government priorities, and what Londoners wanted. The Full Authority approved Met Forward on 30th April 2009. A copy of the report and the minutes from that meeting are attached at Exhibit KM1.
17. When I arrived at the MPA, the relationship with the Met was difficult. There had been a number of major incidents, e.g. Stockwell shooting, arrest and shooting of an unarmed man in Forest Gate and disagreements between Sir Ian Blair and some of his senior officers, which saw the senior management team of the Met and the MPA in some degree of disharmony.

The MPA and the Press

18. The MPA's own relationship with the press had two aspects: the formal and the informal relationship. The formal was the MPA's press office and the contact made by journalists using this route. Two press officers worked for the MPA. We were regularly contacted for comments on particularly high profile cases, such as the London riots in August 2011, but would usually agree media lines with the Met beforehand. The only formal media contact that the MPA's press officers would not be aware of was where a journalist might call me directly, although I would often re-route any such calls back to the press office in any event. The MPA's press office was purely a conduit for information. This is covered in more detail in Catherine Crawford's statement.
19. The other side of the MPA's relationship with the press was the informal; that being the uncontrolled contact that individual MPA Members would have with members of the press, providing comments as MPA Members. Many journalists seemed to have obtained Members' direct contact details, particularly London Assembly Members, and would have preferred those contacts to deal with specific issues. Whilst the MPA press office was available to help in such circumstances, Members generally maintained their own relationships.
20. Given this background, I knew little about the full extent of the MPA Members' informal relationship with the press, other than seeing their (often derogatory) comments in the media.
21. The MOPC does not operate a separate press office. The press function for all aspects of Mayoral business is conducted by the Mayor's press office.

22. I understand that the Inquiry is keen to know what level of contact I had with other politicians and the Conservative Party in relation to issues concerning the Met. In my role as Chair, I would have frequent, often daily contact, with the Mayor of London. I interacted, lobbied and discussed matters of budget and policy with ministers of both governments, including the Home Secretary. I would have routine contact with MPs and local authority Borough Leaders in relation to police issues relevant to London. In terms of contact with the Conservative Party as an organisation, the only contact I can recall was in relation to the formation of the Party's manifesto for the 2010 general election, although I obviously have regular contact with party members across my constituency and London. I of course discuss media and the media coverage of issues with other politicians as part of my daily political life. I do not have any sense of a politician ever having attempted to put improper pressure on me to take a particular course of action as a result of lobbying or influence exerted on that politician by the media.
23. I am not aware of any evidence that suggests either Members or staff deliberately leaked information to the press. I am aware there have been leak inquiries in the Met. For the most part these were internal investigations of junior officers and staff for whom the Authority had no direct responsibility. To the best of my knowledge, bribery was never a problem within the MPA.
24. The MPA was frequently copied in to formal communications made by the Met, such as press releases, but the MPA's role was not to monitor or approve the Met's communications.

The Met's Relationship with the Press

25. The Met's Directorate of Public Affairs ("DPA") has a significant budget and employs over 70 people. The DPA has more functions than just dealing with the national media; they need to communicate with local communities (e.g. appealing for information); they run public information advertising campaigns, they are responsible for managing communications with all 50,000 Met staff; as well as being at the sharp end of a daily barrage of reacting to stories that journalists have unearthed, or promulgating responses to ever unfolding critical incidents and events. The department is, however, dominated by its relationship with the "news" media.
26. The MPA had no control over the DPA, other than its budget. However, when I was first appointed Chair of the MPA in October 2008, I made it clear from the outset that, in my view, a change of emphasis was needed. The DPA needed to move away from being a "news" organisation, to become a comprehensive communications organisation of which "news" was merely a part. At the time, I felt that the reputation of the Met had been tarnished with

controversies, and this had affected the confidence and respect of the public, eroding the support and consent on which the police rely.

27. I had been concerned about the increasing divide between the police and the public for some time; a divide that is exacerbated by a news media that largely reports only the negative. In 2010, I gave evidence to the Home Affairs Committee about this very issue, and I attach as Exhibit KM2 an article published on the BBC's website that recorded my comments.
28. In my view, bypassing the news media and communicating with the public in other ways was the way to improve matters. The problem with communicating with the public only via the news media is that ones' message is filtered and critiqued, which in turn leads to a natural desire to try and manipulate coverage in your favour. I felt that more direct forms of communication would avoid this and assist in improving the Met's reputation. The police need to engage with the public, from whom they derive their authority, directly.

Business Interests and former Met Officers

29. The MPA were able to place some restrictions on the business interests of individuals in respect of what they can and cannot do once they leave the Met. For example, the terms and conditions of ACPO officers' contracts prevent them from accepting any appointment with an organisation/firm that provided, or intends to provide, any commercial and contractual services to the Met or MPA, without the approval of the Chief Executive of the MPA. To some extent it is a matter of concern that such officers can leave the Met and then be offered media work, but this is usually offering a professional opinion on policing issues, which, while grating for those still on the front line, would be perfectly reasonable for any other professional, e.g. a sportsman.

My Relationship with the Press

30. As an elected Assembly Member, media coverage is something that I regularly discuss with political colleagues; the media play a very important role in politics. I will often discuss how policies are being managed and promoted in the press, and an effective way to get any policy message across quickly is via the media. Without the media, democracy would be diminished. Having said that, I maintain that there are plenty of other ways to communicate with the electorate and it is foolhardy to rely on the media alone for policy promulgation.
31. On the whole, I do not personally have a great deal of offline contact with journalists. Generally I meet them with a press officer present and my comments are normally noted. Whenever I have been invited to lunch with

journalists in my capacity as MOPC Chair, I have tried to be quite dry and keen to talk about non policing subjects. When I was first appointed as Deputy Mayor I received a flurry of lunch dates and invitations. I decided that I would accept some of these invitations, but I was deliberately boring and therefore, as a source of potential news stories or commentary, something of a disappointment to my hosts. I have not had many repeat invitations.

32. When I do provide a comment to a journalist, I assume that it will be attributed to me personally as Chair or London Assembly Member (now as DMPC). Very occasionally, I do provide briefings or "off the record" statements to journalists in order to provide background context to articles but I do not generally say anything I would not be prepared to see quoted.
33. I have been asked for my views of the practice of police officers or police staff having "off the record" conversations with the media. I think there are circumstances that would justify such conversations. For instance, if a journalist reporting on a particular crime has got the wrong information it would be sensible to correct that. Similarly if he was intending to publish something which could materially interfere with an investigation it would be appropriate to give a briefing. However, a police officer who does speak to the media in this way should note such conversations, as they would with any other investigative actions. I do not believe that such a conversation would necessarily have to be reported to that police officer's superior officer.
34. I myself have written newspaper articles primarily in my capacity as a politician. My GLA Register of Interests records that I undertake "Occasional Writing and Broadcasting." Over the last three or four years I have written around seven or eight articles for The Times. I have also written the occasional article for other newspapers. I have appended to my statement as Annex B full details of the articles that I have written over the last three or four years. I also attach a copy of a bundle of these articles as Exhibit KM3.

Code of Conduct

35. The conduct of MPA Members was governed by the MPA's Code of Conduct, a copy of which I attach as Exhibit KM4. The Code required Members to register any gifts or hospitality worth £25 or more received by them in connection with their official duties as a Member, and this had to be done within 28 days of receipt of the gift or hospitality. Further, as far as I am aware, the rules relating to gifts and hospitality in respect of media individuals or organisations were no different from the rules relating to other third parties.
36. In addition to the MPA's Code of Conduct, I was also subject to the GLA's Code of Conduct (I attach a copy as Exhibit KM5), the terms of which were

similar in respect of gifts and hospitality; GLA members were also required to register any gifts or hospitality received worth £25 or more. In order to avoid anything slipping through the net, as stated, I record everything on the GLA Gifts and Hospitality register, rather than having a separate register for MPA related meetings. Therefore, my GLA register contains the full extent of the gifts and hospitality I have received in all my roles. I attach a copy of the entries recorded on my register as Exhibit KM6 to my statement.

37. I have set out in Annex C (appended to this statement) a little more context to some of the entries in my register where these relate to and/or are associated with media individuals or organisations.
38. There are times when I have paid for lunches that I have attended and these will be recorded on my Gifts and Hospitality register. When I do pay for lunch I use my own money; I have not claimed back the costs of hospitality from the MPA or the GLA. I also claim very few other expenses. I rarely accept non-civic hospitality.

Sir Paul Stephenson

39. Sir Paul took over as Commissioner from Sir Ian (now Lord) Blair in February 2009. His relationship with the press did not feature greatly in our first few months working together. At the time, our focus was on knife crime, tackling gangs, reducing violence on public transport, and working with the Met to improve performance in these areas.
40. My perception was that Sir Paul saw part of his role as ambassadorial and this was often the approach taken by those officers working for him; they followed his example and engaged with the media in a similar way. Catherine Crawford's statement covers the review of the Commissioner and Deputy Commissioner's Gifts and Hospitality register and expenses.
41. The MPA's relationship with Sir Paul and the Met did come under the media spotlight on 2 September 2009 when the Guardian published an article entitled, "Tories claim: we have seized control of Scotland Yard" and reported on an interview I had given, quoting me as saying that the MPA "have our hands on the tiller" of the Met. I attach a copy of the article as Exhibit KM7. The article took my comments out of context. Although the "hands on the tiller" is a direct quote, this was intended to reflect the MPA's role, i.e. that we were steering the strategic direction of the Met.
42. In response to this, the Daily Mail newspaper published an article on 3 September 2009 reporting the Met's response to the Guardian article. A copy of this article is also attached at Exhibit KM8. The article shows that "senior sources" at the Met "rejected the allegation" that the MPA had seized control of the running of the Met. Eventually, the Guardian did publish a recording of

the full interview with me to put my comments into context. The transcript made it clear that my reference to the "hands on the tiller" had referred to our more strategic role in policing London.

43. Sir Paul and I did discuss the "hands on the tiller" article. We were both out of London when the article was published and we spoke on the telephone. Sir Paul made it clear that he felt that my comment undermined his control of the Met. Whilst I do stand by the comments I had made as a fair description to the MPA's role, I apologised to Sir Paul as they unnecessarily inflamed personal relationships between Sir Paul and me.

The Phone Hacking Investigation undertaken by the Met

44. Every month, Assistant Commissioner (AC) John Yates kept the Mayor and me briefed about developments in Specialist Operations including, occasionally, the phone hacking investigation. During these briefings, John Yates informed us that there was not much in the allegations; he said that two people had been convicted and sent to prison and there was nothing further of concern. There was no reason for us to challenge the word of the one of the nation's most senior police officers. Our role at the MPA was strategic direction and governance, although clearly we would ask questions about a range of issues, operational and non-operational, including the phone hacking investigation.
45. I believe the only specific contact John Yates made in relation to the phone hacking investigation was when he called to inform me that officers had been deployed to the United States to interview Sean Hoare, who had spoken to the New York Times in relation to phone hacking. This was a courtesy call, as the Commissioner, or a senior officer acting on his behalf, was entitled to send officers overseas to pursue an on-going investigation. It was the element of foreign travel that prompted the call, and not any operational aspect.
46. At that time, the monthly Full Authority meetings increasingly featured Members' questions in relation to the phone hacking investigation. For example, I attach a copy of the minutes from a Full Authority meeting on 30 September 2010 as Exhibit KM9. Prior to the meeting, MPA members had submitted questions to the Commissioner in relation to the investigation. In response, the Commissioner assured Members that the issues of phone hacking had been investigated, with two people being convicted. In July 2009, John Yates re-considered if any new evidence had emerged that would justify re-opening the investigation and was satisfied that there was none.
47. A few months later, whilst Sir Paul was away on sick leave, Acting Commissioner, Tim Godwin, re-opened the investigation. The MPA were informed about this at a Full Authority meeting on 27 January 2011, the

minutes of which are attached as Exhibit KM10. The Acting Commissioner informed the MPA that following significant new information from News International, the Met were re-opening the investigation, and that DAC Sue Akers would be leading the investigation.

48. At Full Authority meetings from January to May 2011, MPA Members questioned the Acting Commissioner about the appropriateness of relationships between senior officers at the Met and individuals from the News of the World and News International, in light of the ongoing phone hacking investigation. I attach a copy of Members' questions during this period as Exhibit KM11. The general response was that there was no cause for concern. For example, the minutes of the Full Authority meeting on 24 February 2011 (attached as Exhibit KM12), recorded that senior officers' response was that they could see no issue in providing or accepting hospitality from individuals at these organisations despite the on-going police investigation.
49. I attach a copy of the minutes from the Full Authority's meeting on 31 March 2011 as Exhibit KM13. At the March Full Authority meeting, MPA Members questioned the Acting Commissioner about the precise details of the CPS advice during the original investigation and asked for copies of two letters which John Yates had referred to during his evidence to the Commons Culture, Media and Sport Committee on 24 March 2011. Clarification was sought as to why the Met did not fully examine and collate 'bin bags' of evidence available at the time of the original investigation. There was further questioning in relation to the investigation at a Full Authority meeting on 14 July 2011, the minutes of which are attached as Exhibit KM14.
50. These minutes demonstrate that the MPA was quite prepared to seek further details and challenge the Commissioner or Acting Commissioner, in relation to the robustness of their investigation. However, at no stage would it have been proper for the MPA to seek to instruct any police officers to investigate or not to investigate certain issues, or to bring pressure to bear on them to that effect. It was a question of holding the Commissioner to account.
51. Subsequently, John Yates sent me and the Mayor a letter of apology for saying there was no substance to the phone hacking allegations. As this was some time after the event and a new investigation had commenced, we accepted the apology. I attach a copy of that letter as Exhibit KM15. I understand that John Yates also wrote to the two former Home Secretaries, Jacqui Smith and Alan Johnson, in similar terms.

Events Leading to the Resignations of Sir Paul Stephenson and John Yates

Chamneys

52. One of the issues that featured heavily in the press, and raised public concerns about Sir Paul's leadership, was his stay at Champneys Spa.
53. Sir Paul was very unwell in early 2011; he had undergone major surgery to his leg. In the past, Sir Paul had made the mistake of returning to work too soon after unrelated surgery, to the detriment of his swift recovery. He was keen not to repeat that mistake.
54. I did know that Sir Paul was having recuperative treatment at Champneys, but I do not recall being told that his stay was free. I assumed that the cost of the treatment was being paid for by Sir Paul's private healthcare cover, which was part of the terms and conditions package provided to ACPO ranks. The MPA's concern was to get Sir Paul back to work as soon as possible. There was no reason to challenge the terms on which Sir Paul was receiving intensive physiotherapy treatment. However, when the connection was made between Sir Paul's stay at Champneys and Neil Wallis, a former editor from the News of the World from 2003 to 2007 who had been arrested as part of the phone hacking scandal, the whole basis of his stay became a matter of controversy.

The Chamy Media Contract

55. On 14 July 2011, the press widely published stories in relation to the existence of the contract between Chamy Media and the Met. My involvement in this issue is set out in my letter to Jenny Jones, Assembly Member, dated 22 July 2011, Exhibit KM16.

Media Stories

56. The day after the details of the contract with Chamy Media were made public, I received a phone call from Tim Godwin to say that the press would be publishing a story that Sunday in relation to Sir Paul's stay at Champneys and the purported connection with Neil Wallis. We had several further conversations during the weekend, culminating in a meeting at Scotland Yard at 1300 on Sunday 18th July 2011.
57. Around the same time, a further issue concerning John Yates allegedly obtaining a work placement for Neil Wallis's daughter also came to light. This matter was referred directly by the Deputy Commissioner to the MPA's Professional Standards Cases Sub-Committee ("PSCSC") and was tabled for discussion at the pre-scheduled meeting at 10.00 the following Monday.
58. At this stage, the Deputy Commissioner was the MPS lead for investigations into the Chamy Media contract, the Champneys story and the appointment of Amy Wallis and much of my communication was directly with him.

59. I attach a copy of the paper that was presented to the PSCSC on 18 July 2011 as Exhibit KM17 in relation to these matters. The paper records that the PSCSC considered allegations against Commissioner Sir Paul Stephenson, Assistant Commissioner John Yates, Former Assistant Commissioner Andy Hayman and Former Deputy Assistant Commissioner Peter Clarke in relation to the decision not to re-open the phone hacking investigation against the News of the World in 2009 and the accuracy of information provided to Parliament in relation to this matter.

Sir Paul's Resignation

60. On the Sunday before to the PSCSC's meeting, I met Sir Paul at New Scotland Yard and we talked through the various recent issues. He said to me that he was thinking of resigning, as he was becoming a media story and this was a severe distraction for him personally and for the Met. I told him that I did not want him to resign. I did not think Sir Paul had done anything dishonest, and asked Sir Paul to reflect further before he made a final decision. I do not know who else he spoke to, although Catherine Crawford was present for at least some of the discussions.
61. I received a call from Sir Paul later that same day, when he told me that he was going to call the Mayor and offer his resignation. As far as I am aware, no other MPA Members spoke to Sir Paul in relation to his resignation before he made his decision. I am not aware of the press having influenced any MPA Members to encourage or advise Sir Paul to resign. However, I am aware that some MPA Members publicly voiced their concerns about Sir Paul's position. For example, MPA Member Jenny Jones publicly stated that Sir Paul should quit over the Met's errors in the phone hacking investigation, as reported in an article by the Guardian on 14 July 2011 (copy attached as Exhibit KM18).

John Yates' Resignation

62. On 18 July 2011, the MPA's PSCSC met to consider the allegations against John Yates and the three other current or former senior officers, and the two misconduct cases, referred to it by the Deputy Commissioner. As is recorded in a subsequent report presented to the PSCSC on 20 July 2011 (copy attached as my Exhibit KM19), at this meeting the Members resolved to record two conduct matters against John Yates; first concerning John Yates' involvement in the investigation into allegations of phone hacking by the News of the World reporters; and second concerning the circumstances leading to the employment in the Met of the daughter of Neil Wallis. Having considered the case, the PSCSC decided to refer the case to the Independent Police Complaints Commission ("IPCC"). They then took the decision to suspend him.

63. As is recorded in the report to the PSCSC on 20 July 2011, a decision was taken by the Members that Catherine Crawford (who had been delegated the responsibility of suspending John Yates) defer doing so until after John Yates appeared before the Home Affairs Select Committee. Catherine Crawford refers to this decision in more detail in her statement, but I understand that this decision was taken in order to allow John Yates to prepare properly for questioning before the Home Affairs Select Committee.
64. On that same day, as I was meeting with the Mayor to discuss these matters, I received a call from, and made a call to, John Yates, the gist of which was that he was about to announce his intention to resign. Later that same day, he did so. This was the only occasion that I had discussed John Yates' resignation with him. Some Members of the MPA had made public statements during the hours prior to John Yates' resignation, saying that he should resign. For example, as reported in an article in The Spy Report on 18 July 2011 (copy attached as Exhibit KM20), Chris Boothman, an MPA Member, told reporters that he believed Mr Yates' position was 'untenable'. Dee Doocey, a Liberal Democrat Member of the MPA, had also publicly called for John Yates to quit a few days earlier, as reported by the Guardian on 13 July 2011 (copy of the relevant article is attached as Exhibit KM21). I do not know what the Members' motivations were for making these public statements and whether or not they were influenced by the press or any desire to seek personal publicity.
65. There remained some confusion as to the circumstances of John Yates' resignation and whether or not the decision to suspend him was effective before his resignation. In order to clear up this confusion, I suggested that the PSCSC re-consider their decision to suspend John Yates, in light of his resignation, which they did on 20 July 2011. Ultimately, the PSCSC decided no further action was necessary, and the suspension was not implemented, but the conduct matters were still referred to the IPCC. The IPCC concluded that the referrals they had received did not amount to a recordable matter.
66. I understand that the Inquiry is interested to know the extent to which any press coverage influenced Sir Paul Stephenson's and John Yates' decisions to resign. I had no formal involvement in Sir Paul's decision to resign, although it seems obvious that the "revelations" of Sunday 16th July 2011 were pivotal in his decision-making. I only spoke to John Yates once about his resignation when he informed me of his decision. He did not elaborate on the extent to which he was influenced by press coverage.

The Met's Gifts and Hospitality

67. The MPA was only responsible for monitoring and reviewing the Commissioner's and Deputy Commissioner's Gifts and Hospitality registers.

The Met was itself responsible for monitoring and scrutinising all registers below this level. The full extent of the MPA's responsibilities with regards gifts and hospitality are set out in Catherine Crawford's witness statement.

68. However, I attach a copy of the Met's policy as Exhibit KM22, and note at page 1 of Annex A of the policy that it states "*offers of gifts and hospitality should typically be politely declined with an explanation of the MPS policy in this area..., except where there is a valid reason to believe that to refuse the offer may cause offence or damage working relationships*". Personally, I cannot envisage a situation where turning down hospitality from a journalist would damage your relationship with them, but I am not sure that the Met accepted this approach when considering whether to accept gifts and hospitality. More than once I asked Sir Paul why it was necessary to have lunches or drinks with journalists, rather than just meeting them at the office for a coffee. Sir Paul felt these occasions were important and he needed the media's support for operational and reputational purposes. I was not entirely convinced, but this was ultimately an issue for personal judgement.
69. Given subsequent press interest, this inevitably became a subject for Members at a Full Authority meeting on 26 May 2011. At that meeting they asked a number of questions relating to the ACPO officers' Gifts and Hospitality registers. In particular, the MPA again pressed the Commissioner to publish copies of ACPO Gifts and Hospitality registers, which he agreed to do. I attach a copy of the minutes from this meeting as Exhibit KM23. In fact, copies of the ACPO Gifts and Hospitality registers were provided to the MPA just a few days before they were published on the Met's website in September 2011. Catherine Crawford's statement to the Inquiry deals with the contents of these registers.
70. During an MPA Full Authority meeting (minutes from which are already attached at Exhibit KM14) in July 2011, the MPA again questioned the Commissioner in relation to the Met's receipt of Gifts and Hospitality. One MPA member asked Sir Paul whether he regretted having lunch with Neil Wallis during periods when News International was being investigated. In response, the minutes note that Sir Paul, "*noted that it is his belief that the MPS should use relationships with the media to set the context for policing and policing issues and to properly promote the image and the reputation of the organisation he leads but expressed awareness that the perception could be different - and that is why action is being taken... He agreed that all details of meetings between officers and the media would and a register of gifts would be published online [sic].*"
71. I can understand that the public perception could well be that the level of hospitality enjoyed by senior officers was unnecessary. I would have thought twice myself before accepting hospitality at this level were I a police officer,

but in the final analysis this must be a matter for personal judgment. This issue was dealt with by separate reports by Elizabeth Filkin and Her Majesty's Inspector of Constabulary (HMIC).

72. In my view, there are three factors to consider when weighing up whether hospitality is appropriate: (a) is the police officer being targeted specifically for information; (b) is the event of a public nature and the sort which it was appropriate for a police officer to attend; and (c) is the object of the event a social engagement as opposed to the exchange of information? In terms of media hospitality, my view is that polite refusal is the best policy for police officers to adopt.

Proposed Changes to Police Governance

73. In 2008, the system of police governance was enshrined in a tripartite structure: (a) the Home Secretary was required to promote the efficiency and effectiveness of the police; (b) the Commissioner/Chief Constables were required to direct and control the force; and (c) police authorities were required to secure the maintenance of an efficient and effective force.
74. In January 2008, the Home Affairs Select Committee announced its intention to conduct a wide-ranging inquiry to consider how expectations of the police service in the 21st century had changed and the resources the police had to meet these expectations. The findings from the inquiry were published in the Home Affairs Committee's report entitled "Policing in the 21st Century", published on 30 October 2008. I attach a copy of the report as Exhibit KM24.
75. At page eight of the report, the Committee noted that *"Police representatives have argued against the current system of Government targets as ineffective in driving police performance, and what they view as excessive interference from the centre to the detriment of local autonomy."*
76. The overall summary of the Committee's inquiry is set out at pages four and five of the report. One of the notable conclusions reached by the Committee was that *"After examining the structures through which policing is organised and governed, we conclude that the tripartite governance structure should be rebalanced to return more control to local forces. There should be greater accountability of policing at a local level."*
77. Following this report, on 29 June 2010, the Home Secretary delivered a speech to the Association of Chief Police Officers and Association of Police Authorities at the National Policing Conference in Manchester. In that speech, she announced the Government would be *"swapping bureaucratic accountability for local, democratic accountability"*, by introducing a directly-elected individual at force level, setting the force budget, agreeing the local

strategic plan, playing a role in questions of community safety and appointing – and if necessary removing the local chief constable.

78. I also wrote to the Home Secretary on 18 June 2010 and 19 July 2010, setting out my views on the proposed changes to police governance. I attach a copy of my letters as Exhibit KM25.
79. In July 2010, the Home Office presented to Parliament the consultation paper "Policing in the 21st Century: Reconnecting People and the Police". The consultation paper set out the Government's plans for reform, including elements which were to be included in the Police Reform and Social Responsibility Bill, inviting responses as to how these reforms could best be implemented. I attach a copy of the consultation paper as my Exhibit KM26.
80. The MPA submitted a formal response to the consultation on 20 September 2010, a copy of which I attach as Exhibit KM27. Whilst I supported much of the MPA's submission, there were certain elements I did not agree with. This was recognised at a meeting of the Full Authority on 30 September 2010, and a copy of the minutes from this meeting are already at Exhibit KM9. The Mayor, Dee Doocey (as Chair of the GLA) and I also submitted our thoughts on the consultation by way of a joint letter sent to the Home Secretary on 20 September 2010, a copy of which I attach as Exhibit KM28.

The Police Reform and Social Responsibility Bill (the "PRSR Bill")

81. The PRSR Bill was then introduced in the House of Commons on 30 November 2010.
82. The key provisions were the abolition of police authorities, and their replacement with directly elected Police and Crime Commissioners ("PCCs"), the aim being to improve police accountability. In London, the Bill included provisions to create the Mayor's Office of Policing and Crime as a new functional body of the GLA, and the abolition of the MPA. It also proposed the creation of a Police and Crime Panel within the GLA to scrutinise MOPC.
83. The Bill also proposed that whereas the MPA currently dealt with complaints relating to the conduct of ACPO officers, the MOPC would only deal with complaints made in respect of the Commissioner or an officer to whom the Commissioner's functions have been delegated, and it was proposed that any other ACPO level complaints (and indeed complaints below that level) were to be dealt with by the Commissioner himself.
84. The Bill also changed the process for appointing ACPO officers below the rank of Commissioner. Previously these appointments were made by the MPA: in the future these were to be the responsibility of the Commissioner alone.

85. On 1 December 2010, I published a statement responding to the proposals under the Bill:

"We are on the verge of a new era of dynamism and accountability in UK policing. This Bill will create an important new sense of ownership and investment by the public in the police, and will provide one, clear unequivocal voice of authority in setting the priorities, strategy and tax precept level in each force area. We have already seen the benefits of more assertive democratic input into policing by the Mayor of London, and we welcome the strengthening of his role yet further. The current policing world is confused and opaque. This Bill will bring clarity, transparency and focus. But most importantly it will give local people a direct say in how they are policed, something they have been thirsting after for many years."

86. As the Bill progressed through Parliament, I continued to raise any concerns I had about its contents with the Home Secretary. For example, on 18 July 2011 I wrote about the concerns that the Mayor and I had regarding the proposed lack of involvement of the MOPC in Met officers' appointments and conduct matters, according to the Bill. I attach a copy of my letter as Exhibit KM29.
87. The Home Secretary responded to my letter on 21 July 2011, and I attach a copy of her reply as my Exhibit KM30. In her response, she maintained that the Commissioner should be responsible for appointing ACPO officers and the employer of Met staff under the new regime, for complaints and conduct matters. But the MOPC would have the power to direct the Commissioner to take action if it believed he had not complied with its obligations in this regard.

The MOPC

88. The overarching duty of MOPC has not drastically changed from that of the MPA: with public accountability for governance and the delivery and performance of the police service. Critically, the Mayor, as occupant of the MOPC, is now directly accountable to the electorate for the delivery of policing in London. In turn, the MOPC is responsible to the Police and Crime Committee, a body of elected Members of the GLA. The thrust of the new regime is not to impose any role on the MOPC in the oversight of the Met's communications and relations with the media. The MOPC's role is to ensure that, by putting in place appropriate systems, controls and governance, the Met comprises a body of officers that are respected by the public and who focus on the priorities of Londoners. The conduct of such officers and the monitoring of it rest squarely with the Commissioner.

89. Having said that, as part of the MOPC Audit Panel function we will review the Commissioner's and Deputy Commissioner's Gifts and Hospitality registers on a quarterly basis.
90. My only concern about the changes is the fact MOPC will not deal with the complaints and conduct concerning senior police officers; I think there is a real risk that this does not give the public confidence that complaints and conduct issues will be dealt with sufficient independence.

The Future

The MPA's Anti-Corruption Project

91. The MPA carried out some research work relating to corruption within the Met. This work has now been taken over by MOPC.
92. When I was first appointed, I had seen repeated stories in the press reporting on police officers being convicted for fraud and corruption offences, so tackling fraud and anti-corruption issues was an issue that I felt should be considered by the MPA.
93. On 25 March 2010, I confirmed in an article for the Evening Standard that I would be launching an investigation into corruption at the Met. I attach a copy of this article as Exhibit KM31. The article confirmed my concerns regarding the robustness of the Met's internal structures to prevent corruption. There was no particular catalyst for this, although the minutes of the MPA's Full Authority meeting on 30 September 2010 (already attached as Exhibit KM9), show that the terms of reference for this work were being discussed as early as 2010 (see item 25.8 of the minutes). Work on the MPA's Anti-Corruption Project was actually initiated in early 2011, with the work being completed in autumn 2011. Julie Norgrove deals with this more fully in her statement.

HMIC's Report "Without Fear or Favour"

94. This is also covered in Julie Norgrove's statement. I have read the HMIC's report, "Without Fear or Favour". I generally agree with the recommendations in that report, and I note that the HMIC felt that Police and Crime Commissioners (in London the MOPC) will need to play a key role to assure themselves that forces have embedded integrity considerations in all that they do, supported by effective checks and balances. This is certainly something that I agree with and something that forms part of the MOPC's duty.

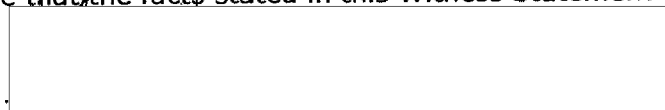
Elizabeth Filkin's Report

95. This is covered in Julie Norgrove's statement. Before Sir Paul resigned, he proposed that he should appoint an independent ethics advisor to review the Met's approach to gifts and hospitality, codes of conduct etc. I understand that Sir Paul was concerned that there was a lack of clarity around what was and what was not appropriate, and he was keen to get an outside view on these matters to help reinforce the Met's policies in this area. I felt this was a useful initiative and I agree with Ms Filkin's recommendations.
96. I would be very happy to provide any further information that would be useful or relevant to the Leveson Inquiry.

Statement of Truth

I believe that ^{the} facts stated in this Witness Statement are true.

Signed



Kit Malthouse

Dated 29/02/12 .