



Kim Brudenell
Solicitor to the Leveson Inquiry
c/o Royal Courts of Justice
Strand
London
WC2A 2LL

16 September 2011

By email (without enclosures) and same day delivery

Dear Ms Brudenell

The Leveson Inquiry (the "Inquiry") into the culture, practices and ethics of the press: Notice under section 21(2) of the Inquiries Act 2005 dated 11 August 2011 (the "Notice")

Introduction

This is the response of Sky News to the Notice. Enclosed with this letter are:

1. a separate word document with an index detailing the documents which are provided in response to the Notice, and indicating (i) which part of the Notice they correspond to and (ii) whether the documents are provided in hard copy format, electronically, or both;
2. a file of the hard copy documents that are provided in response to the Notice, as detailed in the index;
3. two encrypted USB sticks, one containing audio-visual material and the other containing soft copies of a number of documents¹;
4. a CD containing interactive material; and
5. a Confidential Annex.

¹ The passwords for the USB sticks and the documents on them have been sent by separate letter today to the email address of the Solicitor to the Leveson Inquiry.



Executive Summary

Sky News has won a deserved reputation for delivering high-quality, award-winning news coverage to millions of people on television, online, mobile, tablet and radio. Sky News prides itself on not just the objectivity and impartiality of its output, but also the integrity of its entire editorial team. It is only by maintaining such standards that Sky News can ensure the quality and breadth of coverage that our viewers have come to expect.

Sky News takes its responsibilities as a news provider very seriously and expects all of its journalists to strive for the very highest journalistic and ethical standards. Sky News is fully cognisant of the standards of behaviour to which broadcasters must adhere. Indeed, as a licenced broadcaster, it has a regulatory obligation to maintain such standards, in contrast to print and online media.

Sky News welcomes the responsibility that comes with being a broadcast news organisation and guards very closely the trust that it has been able to build with audiences over more than 20 years.

The nature of Sky News' editorial is markedly different to that of national newspapers. As a multi-media news organisation operating 24 hours a day, seven days a week, Sky News' focus is on non-stop, hard, breaking news. The news organisation is not primarily concerned with the types of exposé that are more prevalent in tabloid journalism.

In response to the Notice, we have taken steps to search for and provide responsive documents. In the course of doing so, we have spoken to senior editorial staff and journalists at Sky News. Throughout this process, we have found no evidence of inappropriate relationships with the police or public officials, and no evidence of what has generally been referred to as telephone hacking. It should also be pointed out that at no point in our history have allegations of this nature been made against Sky News.

However, Sky News is not complacent and remains committed to investing in its processes and people to ensure that it sustains the very highest standards of journalism. Further information on Sky News, its operations and policies, and the work we have done in response to the Notice are outlined below.

General comments

Pursuant to the letter that we wrote to the Inquiry on 18 August and the Inquiry's response of 22 August, the work we have done to identify and provide materials has been in relation to Sky News, and not any other part of the British Sky Broadcasting Group plc.

As the Inquiry will know, Sky News, in common with other broadcasters, but in contrast to the printed press, operates under a broadcast licence regime regulated by Ofcom, which has the power to impose financial penalties (and ultimately to revoke the broadcast licence) for breach of the rules governing the editorial content of commercial television services. These rules are set out in a comprehensive code of practice, the Ofcom Broadcasting Code (the "Code") which imposes a wide number of professional and ethical requirements on broadcasters who hold Ofcom broadcast



licences. The Code, which has a statutory basis in the Broadcasting Act 1996 and the Communications Act 2003, runs to over 100 pages and a copy is enclosed with this letter.

When journalists join Sky, they are provided with an introductory pack of materials (also enclosed) which detail the legal and regulatory framework within which Sky News operates, and points them in particular to the Code. All journalists are instructed to familiarise themselves with the Code and keep abreast of Sky News' internal guidance on compliance with it and with the provisions of the law relevant to them. To this end, Sky News has a comprehensive e-learning tool available through its Intranet site, and regular legal training sessions are provided to Sky News journalists by British Sky Broadcasting Limited ("BSkyB") lawyers.

In the six and a half years from 1 January 2005 to the date of the Notice, Sky News has been the subject of viewer complaints to Ofcom in relation to approximately 500 items. Of those complaints, Ofcom has twice found Sky News in breach of the Code's standards (with a further four complaints in such cases resolved to Ofcom's satisfaction), and on a further two occasions fairness and privacy complaints against Sky News were upheld in part. Copies of Ofcom's findings in each of these cases of breach (or upheld in part) are enclosed for completeness. The two upheld cases concerned matters that are entirely unrelated to the remit of the Inquiry (flashing images and inappropriate scheduling of a war report).

We believe that the existence of the Code, and its enforcement by Ofcom, the independent industry regulator, is a key difference between the way in which the broadcast and print journalism industries operate – the latter being largely self-regulated. Although the Code does not, in itself, set down rules which specifically address matters such as telephone hacking and illicit payments to sources, it does regulate matters such as:

- payments to parties who may be witnesses to criminal proceedings,
- due impartiality,
- ensuring that broadcasters avoid unjust and unfair treatment of individuals and organisations in programmes, including, where appropriate, by obtaining the informed consent of contributors to programmes, and
- avoiding unwarranted infringements of privacy.

These rules mean, amongst other things, that Sky News must not make inappropriate or unlawful payments to police, must maintain transparent and neutral relations with politicians at all times, and may only use material obtained covertly, whether directly or via intermediaries such as private investigators, where there is an appropriate justification (as defined in the Code). In addition to providing Sky News with advice on the law and on the Code via its legal department, BSkyB also has a compliance department, one of whose roles is to ensure that all relevant areas of the company remain abreast of changes to the Code and comply with its provisions.

There are a number of other features about the way in which broadcast journalism generally, and Sky News in particular, operates, which inherently restrain journalists' behaviour, so as to reduce the



possibility of telephone hacking or illicit payments occurring. These are set out in an email dated 25 July 2011 sent from John Ryley, the Head of Sky News, to Andrew Griffith, BSKyB's Chief Financial Officer, enclosed with this response.² The reasons include the size of the Sky News coverage budget, the way that payments are scrutinised internally, and the fact that Sky News is predominantly concerned with live daily breaking news, rather than investigative journalism.

This overview of the Code and explanation of the differences between broadcast and print journalism is included at the outset of our response to inform the Inquiry of two matters. The first is that the likelihood of a broadcast journalist employed by Sky News engaging in phone hacking is severely restricted because of the type of news that Sky News delivers and the way in which it gathers and delivers it, as detailed above. The second point is that the Code imposes on Sky News and other broadcast journalists a structured and detailed legal framework specifically tailored for them, which means that there is no need for extensive internal guidance, and in the case of Sky News there is no such additional guidance, in relation to a number of the matters covered in the Notice.

Explanation of work done to identify and provide materials in response to the Notice

We would like to draw the Inquiry's attention to the fact that pursuant to a production agreement between Channel 5 and BSKyB, the latter is responsible for the production of Channel 5 News and certain associated current events programming on that channel. With certain limited exceptions, journalists who work for 5 News, including its editor, are BSKyB employees and use BSKyB computer systems. As set out above, however, this response is confined to Sky News.

Category (a): current training materials, guidance, practices, etc, bearing on the matters listed in the Notice.

We have set out in the general comments above an explanation of the materials provided to journalists who work for Sky, and of the training on editorial compliance issues that they receive. The e-learning tool referred to in the general comments above is called Development Studio. Within Development Studio, there is a section dedicated to Sky News, which contains 184 "modules", which are mainly presentations, documents, guidance, online courses, or references to other learning tools. These modules are designed to be completed by Sky journalists for their professional development. One of the documents provided to the Inquiry contains indices from the Development Studio showing the titles of each of the 184 modules. One of the USB sticks provided to the Inquiry contains the modules which touch on matters that are responsive to the Inquiry and which feature audio-visual material, and the other USB stick provided to the Inquiry contains pdf copies of the responsive modules that are in text format. These include modules in relation to Media Law and Regulation, Compliance, and Data Protection.

In relation to the matters covered by the Notice, and adopting the sub-paragraph references from the Notice, we comment additionally as follows:

² The email referred to was sent by Mr Ryley at the request of Mr Griffith.



Sub-paragraphs a-d: Sky News is not aware of any written internal guidance on sources, use of sources, use of private detectives or checking of sources, although its guidance documentation includes references to requirements on due accuracy. Additionally, the Code, which is drawn to the attention of all Sky journalists, contains some requirements relevant to sources, such as, for example, not making payments to criminals.

There is an expectation at editorial level that journalists know the importance of verifying the sources that they use, but the lean nature of the management structure means that Sky News editors are close to all stories, and scrutinise and challenge them (as explained in the email from John Ryley to Andrew Griffith, referred to above). Except for the isolated incident detailed in our response to the Category (d) request below, neither the senior Sky News editorial staff nor the BSkyB lawyers who support Sky News are aware of any occasion during the period covered by the Notice when Sky News has used private investigators, and absent a public interest or other exceptional reason which would legally justify the same, such use is not permitted.

Sub-paragraph e: Again, there are no guidance documents of which the senior Sky News editorial staff or the BSkyB lawyers who support Sky News are aware that are concerned with the payment of sources. Senior Sky News editors and financial controllers meet twice weekly to review expenditure against the Sky News coverage budget, and all payments are itemised and scrutinised either in that process or at the earlier stage when a journalist submits expenses to his line manager for review and approval. Further details of the Sky News coverage budget are provided in our response to Category (d) of the Notice. Although not strictly responsive to the Notice, the amount of that budget is set out in the Confidential Annex to this letter.

We have spoken to the line managers for all of Sky's domestic-based reporters, producers and presenters and, except as detailed in this letter, none is aware of any payments to the types of person detailed in Category (d) of the Notice. On payments more generally, Sky News does pay news agencies as part of normal newsgathering; it also pays appearance fees, interview fees, and fixer or tip-off fees for the arrangement or discovery of a news story. These fees are always modest (necessarily by virtue of budget restrictions), legitimate, documented and subject to scrutiny by management, as explained in the preceding paragraph.

BSkyB has been involved in rolling out guidance across the group in relation to the new Bribery Act. Senior editorial staff (including the Head of Sky News) have been provided with an executive summary of the provisions of the new legislation, which is enclosed, and training to all Sky News staff on the same is scheduled to take place this autumn.

Sub-paragraph f: There is no written guidance on the provisions of RIPA. The Sky News editorial and reporting staff to whom we have spoken have never intercepted communications and any proposal to do so would not be countenanced. The legal team that supports Sky News, as part of its day-to-day advice to the same, has advised various editors and journalists on the provisions of RIPA on an *ad hoc* basis.

Sub-paragraph g: BSkyB has a dedicated data protection team. That team has developed a number of training materials for BSkyB staff, including an interactive data protection module which sits on



the Development Studio referred to above, and which is provided to the Inquiry on the enclosed CD. As at 1 September 2011, BSkyB's records show that 94% of the Sky News staff (472 of 501 people) had completed the course. A spreadsheet showing completion data is included in the file of documents accompanying this letter.

Sub-paragraph h: There is no guidance documentation on the Computer Misuse Act 1990. The Sky News editorial and reporting staff to whom we have spoken are aware that unauthorised access to computers is an offence. The legal team that supports Sky News, as part of its day-to-day advice to the same, has advised various editors and journalists on the provisions of the Computer Misuse Act 1990 on an *ad hoc* basis.

Sub-paragraphs i-l: Editorial guidance and decision making is dealt with in a number of the materials on the Development Studio and in the welcome pack provided in hard copy to Sky News journalists. These documents are provided to the Inquiry in hard copy and/or soft copy format as detailed in the attached index.

Sub-paragraph m: Guidance relating to editorial compliance is also included in materials on the Development Studio and in the welcome pack.

Sub-paragraph n: Our understanding, following a discussion with Nicola Enston of the Inquiry team on 25 August, is that this sub-paragraph applies to documents relating to any risk management tool by which Sky News records any risks identified during the course of its operations. Sky News publishes a News Safety Guide which is provided to its journalists, and enclosed with this response.

Sub-paragraph o: There are no policy documents relating to internal inquiries on any of these subjects, nor have there been any formal inquiries with this specific focus. However, as the News Of The World hacking scandal emerged over the course of the last year, John Ryley has made specific enquiries of journalists at Sky News whose specific roles would, to the extent any culture of phone hacking did exist at Sky News, make them most likely to be engaged in it. The statements of the journalists that Mr Ryley contacted are summarised in an email from Mr Ryley to Sophie Turner-Laing, BSkyB's Managing Director of Entertainment, News and Broadcast Operations, sent on 27 April 2011.³ These are to the effect that they have never hacked a phone, nor has Sky News' Head of Home News ever authorised such hacking, nor is Mr Ryley himself aware of a single incident of phone hacking in his 12 years as a senior news executive at Sky News. Further, no Sky News journalist has, to the knowledge of any of the editorial or journalistic staff referred to in this letter, or to the knowledge of the BSkyB personnel referred to in this letter, or the legal team supporting Sky News, ever engaged in bribery or corruption.⁴

³ The email referred to was sent by Mr Ryley at the request of Ms Turner-Laing.

⁴ By bribery and corruption, we mean acts that constitute offences under current legislation (or would have constituted offences under previous legislation). In common with other news organisations, Sky News has, where necessary, for example, to gain access to certain foreign territories, made extremely rare facilitation payments. Such payments have been made only where necessary and at the lowest possible level.



Category (b): past training materials etc, in relation to the same matters listed in category (a).

The Development Studio carries only current materials: any past materials on it are not retained once they have been updated. Searches have been carried out in the hard copy files of the BSKyB lawyers who support Sky News, and Sky News' Editorial Development Manager, who has responsibility for organising legal training of Sky News journalists, and such materials that have been located are provided. Please note that there are a large volume of hard copy presentations given to Sky News journalists on specific legal pitfalls, such as defamation, privacy and contempt, which are considered to be beyond the scope of the Notice and are not provided (although if the Inquiry disagrees we will of course provide them).

Category (c): Any disciplinary action taken by or on behalf of Sky News in the period 1 January 2005 to the date of the Notice to enforce its ethical and/or professional standards in relation to journalism and/or editing and/or use of sources of information.

There are no documents in this category. For completeness, a summary of disciplinary action which Sky News has carried out since 1 January 2005 in cases not relating to the enforcement of its ethical and/or professional standards in relation to the matters described in the Notice is set out in the Confidential Annex to this letter.

Category (d): Any documents recording or relating to fees or expenses paid to private investigators, police, public officials, mobile phone companies or others with access to the same in the period 1 January 2005 to the date of the Notice.

In the wake of the revelations regarding phone hacking at News Of The World, BSKyB conducted an internal audit of Sky News expenses and payments, with the specific focus of identifying any payments to serving police officers. We enclose a hard copy of the draft note from BSKyB's Director of Audit and Risk Management to the Chief Financial Officer of BSKyB setting out the findings of that audit and electronic copies, in Excel format, of the core data on which the audit relied, redacted electronically to remove references to individual BSKyB employees names, as well as suppliers' addresses where they appear. Even redacted, the data provided to the Inquiry contains details of the names of suppliers to BSKyB/Sky News, which is, for self-evident reasons, commercially confidential information and we would ask the Inquiry to not disclose it publicly. It also contains expense claim information, which we request confidentiality over for the same reasons.

It is worth noting that the audit was a fairly discrete exercise, carried out by reference to specific and narrow interrogations of BSKyB's expense and payments system. In addition, it was concerned only with payments to police, whereas the Notice also seeks information on payments to private investigators, public officials, mobile phone companies, or others with access to the same.⁵ We have

⁵ Our understanding following a telephone call to Nicola Enston of the Inquiry team on 25 August is that "others with access to the same" is designed to capture documents relating to indirect payments to the types of individual listed in request (d), where Sky News was or is aware that those payments would end up or have ended up with the types of individual in question.



spoken to the Head of Sky News, the Deputy Head of Sky News,⁶ Sky News' Executive Editor, Sky News' Head of Home News, the Financial Controller of Sky News, Sky News' two investigative journalists⁷, Sky News' Crime Correspondent, and Sky News' City Editor. With the exceptions of (i) a payment of £100 to a private investigator, made in 2010 in connection with the identification and unmasking of a serial paedophile who was incarcerated as a result; (ii) regular payments to mobile telephone companies for contracts and call charges, and (iii) other modest and lawful payments (for example, a payment of £150 to the police association for a speaker at an event, and appearance fees of up to £75 per appearance for MPs who may appear on Sky News, most of whom do not claim the fee in any event), none of these individuals are aware of any payments to these categories of person. In addition to enquiries made of Sky News personnel, we have also spoken to BSKyB's Director of Audit and Risk Management (who conducted the audit referred to above), BSKyB's Director of Operational Finance, and BSKyB's Director of Security. They are similarly unaware of any such payments.

Since the incident referred to at point (i) above is, to the knowledge of all Sky News staff with whom we have spoken (as well as the legal team which supports Sky News), the only incident of its kind, it is worth explaining the exceptional circumstances of the case. Two journalists became aware of an individual who worked in youth care who was grooming children for sex via the internet. By posing as a child in a forum, the journalists obtained the individual's telephone number, but despite attempts made over the period of a fortnight, were unable to obtain his name or address. Recognising the danger posed by this individual, one of the journalists paid £100 to a private investigator, who was tasked with providing the individual's address to the journalist based on the telephone number that the journalist had. In the event, the information provided by the private investigator was inaccurate and did not assist the journalists, who instead made contact with, and unmasked, the individual directly. They then provided information to the relevant police force, who arrested the individual. He confessed and is now serving a 20 month prison sentence. There was no suggestion of any breach of the Code in relation to this story: the conduct of the journalists was justified by the exceptional public interest in the story. A copy of the expense claim of £100 referred to above is enclosed, redacted to conceal the identity of the journalist.

The Inquiry should note that this story was run as a 5 News story. In particular, the two journalists were working for 5 News at the time of the story (one of them on secondment from Sky News), and key editorial decisions in relation to it were taken by the 5 News editorial team. However, as part of the carriage agreement between BSKyB and Channel 5, Sky News is also entitled to, and did, broadcast the story. If the Inquiry is interested, it is still available on the Sky News website and can be found at the following address:

⁶ At all times relevant to the Inquiry: on 1 September 2011, the then Deputy Head of Sky News, Simon Cole chose to return to an editorial/reporting role within Sky News. Having reached the age of 60 and after 17 years in the role of Deputy Head, Mr Cole wanted to return to a non-management role both for work-life balance reasons and out of a desire to be involved again in day-to-day news gathering before retiring.

⁷ These two journalists have only worked together as Sky News journalists since November 2010.



During the course of speaking with senior Sky News staff as part of responding to the Notice, we were alerted to an email sent by the Sky News Crime Correspondent to the entire Sky News staff on 9 August 2011. That email, which we enclose, apparently made reference to the writer making regular payments to police. In the wake of the email, both the Head of Sky News and the Financial Controller of Sky News spoke to the correspondent, who confirmed that the reference was a joke, a matter which is supported by other sentences in the email (for example references to police brutality) and the fact that it was sent to the entire Sky News distribution list. The Head of Sky News also emailed the correspondent to confirm that the line was a joke. That email, and the follow-up confirmation from the correspondent, is enclosed, as is an email exchange between the Financial Controller of Sky News and the Head of Sky News in the aftermath of the email. The emails have been manually redacted to remove the names of those involved (except that of the Head of Sky News).

In relation to the regular payments made to mobile telephone companies, we have carried out searches, going back to 2005, of all payments made to the same. These searches were carried out by interrogating Sky's expense and payment systems (known as ARIBA and JD Edwards) for payments to O2 and Vodafone, BSkyB's past and present providers of mobile telephone equipment, as well as the other major mobile telephone companies, including Orange, T-Mobile Virgin Mobile Talktalk and 3. The results of that search run to over 400 pages, and are not specific to Sky News but relate to payments made by BSkyB as a whole. As such, we have not included the results in our response, but can provide them to the Inquiry if it wishes. Isolation of payments to phone companies from Sky News cannot easily be done through the BSkyB expense and payment systems as the systems do not allocate expenditure to any specific area of the BSkyB group. If data specific to Sky News were required, it would be necessary to manually interrogate the system by reference to the names of all present and past Sky News journalists. This would be a time-consuming exercise, and given (i) the twice-weekly scrutiny of expenses by senior Sky News Management (as explained in Category (a) sub-paragraph e above), and (ii) that we have been told by the Sky News editorial and journalistic staff to whom we have spoken that no illicit payments to telephone companies have been made, we have not considered it proportionate to pursue this search. If the Inquiry wishes us to do so, we can of course revisit that decision.

We have searched for expense claims made by Sky News journalists in relation to telephones for the period in question, and enclose the results, with the column containing the name of the individual journalist electronically redacted. We also carried out searches of BSkyB's expense system for cheques made payable to all of the major UK mobile phone companies (as listed above). No relevant results were returned. The results of the search are not included for this reason, but can be provided on request. We would ask the Inquiry not to publicly produce the expense claims referred to in this paragraph, since they are, again self-evidently, commercially confidential and we do not believe they disclose any activity which would make their publication necessary for the advancement of the Inquiry.

In relation to payments to public officials, as noted above, none of the Sky News editors and journalists to whom we have spoken, which include those people who would or should have an awareness of the same, are aware of any such payments. There are two possible ways of pursuing



this search further: the first would be to search for specific terms in the ARIBA expense system. The second is that Sky News has twice weekly meetings of its senior editorial and financial staff, the purpose of which is to review expenditure against budget (as explained in Category (a), subparagraph e above). For each such meeting, a "coverage sheet" is produced detailing recently incurred expenses. An example of such a coverage sheet is enclosed (with manual redactions to remove references to individual journalists' names) and a search of all coverage sheets could be undertaken. There are, however, difficulties in pursuing either route in the case of payments to public officials. First, a search in ARIBA, which is BSKyB's, and not just Sky News', expense system, would need precisely defined terms, such that thousands of irrelevant hits were not returned. Secondly, the coverage sheets do not normally contain sufficient detail to identify the profession of any expense or payment recipient. In light of this, and in light of the comments by the Sky News staff to whom we have spoken, in particular the close scrutiny by their line managers of all expense claims submitted by journalists, we have not pursued such searches further at this stage, but remain at the Inquiry's disposal to discuss such matters further. In relation to the coverage sheet we have submitted, we request confidentiality for the same reasons set out in relation to expense claims in the preceding paragraph.

The final observation to make about Category (d) relates to cash expenses. Sky News keeps a quantity of currency on site for use by journalists in pursuing stories in situations where they may need money but do not have the time or ability to procure it. This money is typically used for short-term expenses, including for the acquisition of visas. A spreadsheet of all sterling withdrawals from the Sky News safe during the relevant period is enclosed, together with the underlying receipts, where these are still available. Both documents have been manually redacted to remove the names of the individual journalists who have incurred the expenses. So far as we can establish none of them relate to payments to the types of individual listed in Category (d). For the same reasons as already explained, we request confidentiality over these documents, such that they are not publicly disclosed.

Category (e): Any documents recording or relating to the payment of bonuses or other performance incentives to editors, sub-editors or journalists and/or the qualifying requirements for such payments.

Sky News staff's rewards are aligned with the policies applicable to all BSKyB staff. Bonuses are typically paid once annually, at the same time as a general salary review and, if applicable, share awards. The level of these are driven in part by the performance of the BSKyB group as a whole, in part on the individual journalist's own performance, as recorded annually in that journalist's Performance and Development Plan (PDP), and in part by the seniority of the journalist. It is almost unheard of for a journalist to be awarded a bonus outside of the ordinary BSKyB bonus cycle, although we have been informed of two exceptions, the details of which are set out in the Confidential Annex to this letter.

We enclose two spreadsheets detailing all bonuses paid to Sky News staff since 1 January 2005, as provided by Sky News' Head of HR. We also enclose a spreadsheet showing awards of "LTIPs" (Long Term Incentive Plans – essentially BSKyB shares) made to Sky News journalists over the same period.



Both documents have been electronically redacted to remove the names of individual journalists. Again, the information in these spreadsheets, even redacted for individuals' names, is commercially confidential to Sky and we do not consider that its publication is likely to advance the Inquiry. We accordingly ask the Inquiry not to disclose the information publicly.

Category (f): Any minutes of board meetings at which matters within the scope of this inquiry were discussed in the period from 1 January 2005 to the date of the Notice.

There are no documents in this category. The lack of board minutes dealing with matters within the scope of the Inquiry is attributable to the fact that the board is that of British Sky Broadcasting Group plc, of which Sky News is a small part of one group company. It is extremely rare for issues relating to Sky News to be discussed in such board meetings, still less issues that are responsive to the Notice.

Other matters set out in the Notice

We confirm that, save for internal communications generated for the purposes of responding to the Notice, we have not withheld any document from production to the Inquiry on the grounds of privilege or for any other reason which would have justified its withholding under section 22 of the Inquiries Act 2005. We have redacted parts of certain documents as expressly set out above, such redactions in all but two cases (relating to suppliers' address details) being for the purpose of protecting the identity of individual journalists. We believe such redaction is justified, as we do not understand the redacted information to be necessary to the Inquiry, and it constitutes personal data under the Data Protection Act 1998.

We invite Lord Justice Leveson to treat as confidential, and, pursuant to section 19 of the Inquiries Act 2005, not publicly disclose details of, all documentation (even redacted documentation) which relates to the specifics of remuneration and expense claims, and other documentation which is commercially confidential to Sky News and BSkyB. Documents supplied to the Inquiry which we consider to fall within that category include documents showing the amount of the Sky News' coverage budget, the coverage sheets themselves, the list of suppliers to BSkyB, the levels of annual bonuses and LTIPs awards to journalists, and the details and amounts of journalists' routine and lawful expense claims. In addition to these documents, the information set out in the Confidential Annex to this letter is information which is commercially confidential and which, while not necessarily strictly responsive to the Notice, may be useful to the Inquiry. We do not consider that any of this, or any other information over which we seek confidentiality needs to be published in order to further the ends of the Inquiry and we ask Lord Justice Leveson not to publicly disclose it. We would be grateful if the Inquiry could give us notice and an opportunity to make representations to it if, contrary to this request, it is intended that any of this information or documentation be publicly disclosed.

We hope that the above explanation and attached documents assist the Inquiry, and remain at its disposal for any further queries that it may have.



Yours sincerely



Matthew Hibbert

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