

PO-CH/NL/0215



PART A



Part A.

**CONFIDENTIAL**  
(Circulate under cover and notify REGISTRY of movement)

Begins : 9/12/67.  
Ends : 11/11/88.

  
PO -CH /NL/0215  
  
PART A

Chancellor's (Lawson) Papers :

RADIO POLICY  
*Radio Policy*

PO -CH /NL/0215  
PART A

Disposal Directions : 25 yrs

*Phillips*  
12/9/95.



CONFIDENTIAL

11/12 9/12/87

minutes of X  
pt. m



CH/EXCHEQUER	
REC.	09 DEC 1987 ✓ 9/12
ACTION	MR BURR
COPIES TO	CSFFST SIR P. MIDDLETON MR ANSON MR KEMP MR GILMORE MR SPACKMAN MR CAVE MRS PUGH MR KERLEY MR KAUFMAN M TYRRE MR ALL

bf 14/12

Prime Minister

RADIO POLICY

X At its meeting on 25 November MISC 128 considered the issues left open in our radio Green Paper or arising from the subsequent consultation process. The Group agreed most of the proposals in my paper, MISC 128(87)13, but invited me to bring forward further proposals on financial contributions to independent radio stations and on the arrangements for awarding national radio licences. This minute does so and seeks agreement to my making an early Parliamentary announcement about our conclusions on radio policy.

Financial contributions to independent stations

2. Paragraph 4 of MISC 128(87)13 suggested that, as proposed in the Green Paper, public authorities, political organisations and groups affiliated to such organisations should not be allowed to own or invest in radio stations, but saw a good case for allowing such bodies to make financial contributions in aggregate not exceeding 10% of a station's annual income. The Group did not wish local authorities in particular to be able to exercise the degree of financial influence that this might entail, although it did not want public authorities in general to be precluded from fielding representatives to participate in projects serving the public interest.

3. On further consideration, I believe that political organisations and groups affiliated to such organisations should be allowed no connection with licensed radio stations, whether by way of shareholding or funding. It is hard to envisage examples of such a connection which would not be objectionable in one way or another.

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4. In contrast, so far as public authorities are concerned, it is important to bear in mind that there are already various examples of financial contribution which are acceptable to the public. These include the funding of drugs, hypothermia and AIDS prevention campaigns, and local job search schemes. Some of these projects could be sustained on the basis of the provision of staff support, but others could not.

5. In considering controls on such financial contributions it is also important to bear in mind that:

- (a) the radio authority will be under a duty to secure that no licence is operated by a body which appears to be subject to the control or undue influence of a public authority, a political party or a body whose objects are mainly of a political nature (Green Paper, paragraph 7.10); and
- (b) as a condition of their licences to broadcast all stations will be required to ensure that any news in any form is presented with accuracy and impartiality, not to editorialise on any matters of political or industrial controversy or which relate to current public policy, and to avoid allowing particular sets of views on such matters to predominate in programme output (Green Paper, paragraph 7.7).

6. Against this background I propose the following controls on the licensing of stations:

- (a) a prohibition on any financial connection of any kind with political bodies or their affiliates (paragraph 3 above);

/(b)



- (b) a prohibition on any shareholding or financial contribution towards general running costs by a public authority;
- (c) provision for public authorities (and voluntary bodies in receipt of public funds) to give reasonable support of a financial or other kind to individual projects intended to provide a specific benefit to the community, to promote the arts or to provide training under a scheme approved by the Government; and
- (d) a requirement on all stations to notify the radio authority of all contributions under (c).

7. It would be possible to go further and rule out under (c) any support of any kind by local as opposed to other public authorities. But this could give rise to anomalies which it would be hard to defend. I believe that the controls in paragraphs 5 and 6 above respond to our discussion in MISC 128, are workable and in combination would command general support.

#### National commercial radio licence arrangements

8. The Group agreed that national services should incorporate a reasonable diversity of programming with the radio authority having discretion to award licences to an applicant whose tender was not the highest.

9. To give effect to this I propose the following arrangements governing the award of national licences:

- (a) the radio authority would have a duty to secure that each national commercial radio licensee provides a programme service which is calculated to appeal to a wide variety of tastes and

/interests



interests and is not limited to a single, though popular, format. (The current public service requirement to provide a particular combination of education, information and entertainment would not of course apply.)

- (b) the authority would award national licences on the basis of competitive tender, subject to a limited discretion to license an applicant whose programme plans promise a substantially higher level of service and a greater enlargement of consumer choice over what is already available at national level;
- (c) the authority would be under a duty to publish a statement of its reasons where it awards a licence other than on the basis of highest tender;
- (d) it would be for the authority itself to determine both the form of the tender procedure it employed and the timing of the advertisement of national licences for tender, having regard to the spectrum at its disposal; and
- (e) each national station, once licensed, would be subject to the same supervision by the radio authority, including scrutiny of its adherence to the programme plans underpinning its licence applications, as local stations.

#### Next Steps

10. My preference would be to make an early Parliamentary announcement of our conclusions, rather than await next year's White Paper. There is a strong argument for an earlier

/announcement



announcement to keep up the momentum and end uncertainty. I attach a draft of such an announcement and invite colleagues to agree that I should take an early opportunity to make it.

Conclusion

11. If you and colleagues agree with the proposals in this Minute I hope that a further meeting of MISC 128 on radio will not be necessary. After my announcement of our general conclusions it would then be for my Department to work them up into legislative proposals, consulting other Departments as necessary.

12. I am copying this minute to the other members of MISC 128 and Sir Robert Armstrong.

*Glin R. Miller*

APPROVED BY THE HOME SECRETARY  
AND SIGNED IN HIS ABSENCE

9 December 1987



Draft Announcement

In February 1987 we published a Green Paper entitled "Radio: Choices and Opportunities". It set out, as a basis for public discussion, proposals for the development of new and less regulated radio services with the aim of broadening the range of choice for listeners.

There were over 500 responses, most from individual members of the public. I am grateful to all those who contributed their comments and ideas.

The response to the Green Paper confirms our view that the time is now right for major change. We have been well served by radio broadcasters. Standards have been high. But we have less radio than other countries. In many parts of the country listeners have no services other than the BBC. There are many tastes and interests which existing services can at best satisfy only to a limited extent. New frequencies will soon be available for broadcasting. In due course several hundred new stations are in prospect. We need to have a framework in place within which opportunities for new and more diverse services can be taken up, and existing commercial broadcasters can be given much greater freedom to develop their services.

We shall accordingly bring before Parliament legislative proposals based on the Green Paper. We aim to provide, alongside the existing BBC services, opportunities for national commercial radio and for the expansion and deregulation of local radio. All these services will be free of the existing constricting statutory requirements which have applied to independent local radio. They will instead be subject to light regulation designed to protect the consumer rather than direct the broadcaster. Programme operators, at the national and the local level, will be responsible for their own services, subject to requirements of



accuracy, balance and decency. The key test which stations will have to pass, to obtain a licence to broadcast, is that of widening the range of consumer choice. They will have to live up to their promises to their audiences if they want to keep those licences. Radio stations will also be able to organise their own transmission arrangements, rather than having them provided by the IBA under the constraints imposed by the 1981 Act.

At the national level, spectrum will be available for at least three services operating alongside the BBC. Each service will be expected to provide a diverse programme service calculated to appeal to a variety of tastes and interests and not limited to a single format. They will provide the BBC with the stimulus of competition on a broad range of its services. We propose that these licences should be assigned by a form of competitive tender, under which a new Radio Authority would be able to take account of programming diversity in assessing the tender bids. As envisaged in the Green Paper, a new VHF frequency will be available for one of these services; for the other two, frequencies will need to be reassigned from the BBC.

So far as local and community services are concerned, deregulation will have two effects. First, existing independent local radio stations will be given, on the basis canvassed in the Green Paper, the freedom to develop new styles of broadcasting which they have sought. Second, new local and community services will be given the opportunity to start broadcasting, to enhance the range of programming and the diversity of consumer choice. The number of services, and their scale, will depend on local demand and wishes. We want the Authority to operate flexibly, encouraging partnership and frequency sharing where this seems sensible.

Many people were disappointed last year when we did not proceed with an experiment on community radio in advance of legislation. Our proposals now will provide the basis for a lively future for



community radio, to strengthen that combination of local identity and cultural diversity which lies at the heart of a flourishing community.

There will be a continuing need for an Authority to issue licences and supervise performance. The Green Paper identified a number of options for its constitution. After careful thought we have concluded that it would be right to establish a new Radio Authority, with radio at the centre of its attention. The IBA has earned our respect and gratitude for its development of local radio services under the duties laid upon it 15 years ago. But it has major challenges ahead of it in the field of television. We have judged that it would not be sensible to ask the IBA at the same time to take on the task of developing a new and greatly expanded radio system, operating under a new and much lighter set of rules.

The Authority will be assigned frequencies suitable for sound broadcasting. On the basis of these frequencies it will invite applications for licences to broadcast at national and local levels. To ensure that spectrum is used efficiently, and that listeners have as wide a choice as possible, stations will in general be expected to broadcast on single frequencies.

So far as the BBC is concerned, the Green Paper proposed that the Corporation should continue to decide how best to meet its public service broadcasting obligations within the resources at its disposal. I can confirm that it remains our policy.

Our proposals are above all intended to benefit the listener. It may take a little time for the public to become accustomed to new kinds of service and to single frequency broadcasting. But we believe that the expansion of radio that I have outlined can only be to the good of broadcasters and listeners alike.

<mc>Sub/Ack/Mil/Rad/Pol/Enc2



2529/21/10

16/12

Chy

Not an agenda  
for MISC 128.

FROM: R D KERLEY

DATE: 11 December 1987

- 1. MR BURR <sup>TJB 11/12</sup>
- 2. CHANCELLOR

Content is  
write as  
drafted?

gjk, mspw 16/12

- cc Chief Secretary
- Financial Secretary
- Sir P Middleton
- Mr Anson
- Mr Kemp
- Mr Gilmore
- Mr Spackman
- Mr Cave
- Mr Kaufmann
- Mrs Pugh
- Mr Call
- Mr Tyrie

RADIO POLICY

The Home Secretary copied you his minute of 9 December to the Prime Minister following up the discussion on the radio Green Paper in MISC 128 on 25 November. This meeting, as well as agreeing most of the points in the Home Secretary's paper MISC 128(87)13, invited the Home Secretary to bring forward further proposals on the funding of local radio stations and on the arrangements for awarding national radio licences, which he has now done. The Home Secretary also proposes that rather than await next year's White Paper the Government's proposals for radio should be made public earlier as a Parliamentary announcement.

2. On financial contributions to independent stations the Home Secretary proposes:

(a) a prohibition on any financial connection of any kind with political bodies or their affiliates.

(b) a prohibition on any shareholding or financial contribution towards general running costs by a public authority.

(c) provision for public authorities to give support to projects intended to provide a specific benefit to the community, to promote the arts or to provide training under a scheme approved by the Government.

(d) a requirement on all stations to notify the radio authority of all contributions under (c).

These proposals appear fully in line with the discussion in MISC 128.



3. On national commercial radio licence agreements the Home Secretary proposes:

(a) the radio authority would have a duty to secure that each national commercial radio licensee provides a programme service calculated to appeal to a wide variety of tastes and interests.

(b) the authority would award national licenses on the basis of a competitive tender subject to discretion to license an applicant promising to provide substantially higher level of service/enlargement of consumer choice than that already available at national level.

(c) the authority would be under a duty to publish a statement of reasons where it awards a license other than on the basis of highest tender.

(d) it would be for the authority to determine both the form of the tender procedure and the timing of the advertising.

(e) each national station, once licensed, to be under the same supervision by the radio authority, including scrutiny of its adherence to its programme plans, as local stations.

These proposals give effect to the decision in MISC 128 that to ensure a diversity of programming franchises would not necessarily be awarded to those submitting the highest tenders.

4. The Home Secretary's proposal that in order to maintain momentum and end the uncertainty an early Parliamentary announcement should be made seems a sensible one. The draft announcement attached to the Home Secretary's minute outlines the response to the Green Paper and the decisions taken on the establishment of a radio authority, national commercial radio and for the expansion and deregulation of local radio.

5. The Home Secretary suggests that if the Prime Minister and colleagues agree with his proposals there would be no need for further discussions re of radio in MISC 128.

6. Attached is a draft letter setting out your agreement to the Home Secretary's proposals.

*Ruskerley*

R D KERLEY



DRAFT LETTER FROM THE CHANCELLOR TO THE HOME SECRETARY

*pl type  
final for  
UH sign.*

RADIO POLICY

Thank you for copying me your minute of 9 December to the Prime Minister bringing forward further proposals on financial contributions to independent radio stations and on the arrangements for awarding national radio licences. I am content with what you propose.

2. I also agree with you that in order to keep up the momentum and end the uncertainty an early Parliamentary announcement of our conclusions is desirable, and I am content with your draft.

3. I am copying this minute to the Prime Minister, the other members of MISC 128 and to Sir Robert Armstrong.



*pm*



- CSI
- FST
- Sir P Middleton
- Mr Anson
- Mr Kemp
- Mr Gilmore
- Mr Spackman
- Mr Cave
- Mr Kaufmann
- Mrs Pugh
- Mr Burr
- Mr Kerley
- Mr Call
- Mr Tyrie

Treasury Chambers, Parliament Street, SW1P 3AG  
 01-270 3000

17 December 1987

The Rt. Hon. Douglas Hurd MP  
 Secretary of State for the Home Department

*Alan Lawson*

**RADIO POLICY**

Thank you for copying me your minute of 9 December to the Prime Minister bringing forward further proposals on financial contributions to independent radio stations and on the arrangements for awarding national radio licences. I am content with what you propose.

I also agree with you that in order to keep up the momentum and end the uncertainty on early Parliamentary announcement of our conclusions is desirable, and I am content with your draft.

I am copying this minute to the Prime Minister, the other members of MISC 128 and to Sir Robert Armstrong.

NIGEL LAWSON

*Alan Lawson*





Secretary of State for Trade and Industry

pnp

DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET  
TELEPHONE DIRECT LINE 01-215 5422  
SWITCHBOARD 01-215 7877

17 December 1987

The Rt Hon Douglas Hurd CBE MP  
Secretary of State for the  
Home Department  
Home Office  
50 Queen Anne's Gate  
London  
SW1H 9AT

**RADIO POLICY**

<b>CH/EXCHEQUER</b>	
REG.	17 DEC 1987 ✓ file 2
ACTION	MR BURR
COPIES TO	CST FST SIR P. M. DUTTON MR ANSON MR KEMP MR GILLMORE MR LORLEY MR CROPPER

Thank you for copying to me your minute of 9 December to the Prime Minister.

The proposals you make on financial contributions to independent radio stations and arrangements for awarding national commercial licences seem to me to deal with the points raised in our discussion in MISC 128. The limitations on financial contributions from public authorities appear to leave sufficient scope for involvement in matters where such authorities could legitimately have a role, whilst ensuring safeguards against undesirable political influence. The arrangements for the award of national commercial licences rightly place the emphasise on competitive tendering, with discretion to license a lower bidder limited to cases where substantially higher levels of service and enlargement of consumer choice are promised, and with the authority then having a duty to publish a statement of its reasons. In practice, I would hope that the authority would not find itself in such a position, but could encourage suitable applications, perhaps by publishing in advance an indication of the elements it will be looking for. This would minimise any apparent inconsistency with our policy on ITV contracts and avoid the risk of the authority's judgement of what consumers want replacing the tendering process.

In announcing the policy, I continue to be concerned not to give the impression that light regulation means a lack of effective regulation of technical standards. With this in mind, I would like to suggest two small additions to your draft announcement. At

DW3DCT





the end of the paragraph running onto the second page, after the sentence "radio stations will also be able to organise their own transmission arrangements ...", you might add "in doing so, they will however be required to meet certain technical standards to ensure that they do not cause interference to other radio services". The last sentence of the second full paragraph on the third page should also be extended to read "expected to broadcast on single frequencies and use equipment which meets to good technical specification. The Radio Authority will inspect as necessary to ensure that technical performance meets spectrum efficiency criteria."

Subject to these points, I am content with the terms of your draft announcement.

I am copying this letter to the other members of MISC 128 and to Sir Robert Armstrong.

A handwritten signature in cursive script, appearing to read 'Lord Young of Graffham'.

LORD YOUNG OF GRAFFHAM



CONFIDENTIAL

*ff to Home 4/1*

CH/EXCHEQUER	
REC.	22 DEC 1987 <i>22/12</i>
ACTION	<i>Mr Butt</i>
COPIES TO	<i>C&amp;T F&amp;T Sir P. Middleton Mr Anson Mr Kemp Mr Gilmore Kerley Cropper</i>



10 DOWNING STREET  
LONDON SW1A 2AA

21 December 1987

From the Private Secretary

*Dear Philip,*

RADIO POLICY

The Prime Minister has seen your Secretary of State's minute of 9 December, and the subsequent comments.

The Prime Minister is content with the proposals on financial contributions to independent stations. However she believes further thought needs to be given to the proposals on the arrangements for licensing national commercial radio. Her concern centres on the suggestion that the radio authority would award national licences on the basis of competitive tender, but would retain a limited discretion to licence an applicant whose programme plans promised a substantially higher level of service and a greater enlargement of consumer choice over what was already available at national level. The Prime Minister believes there must be a general requirement placed on stations to ensure variety of format and content. But she is not yet convinced that it would be right to go beyond that to include an element of judgement on individual cases, which could well draw the authority into difficulties. Her preference would be to lay down rules in advance of inviting tenders and then to allow commercial forces to decide the outcome. But she would be glad to have the Home Secretary's comments.

I am copying this letter to the Private Secretaries to members of MISC 128 and Trevor Woolley (Cabinet Office).

*Yours,  
David*

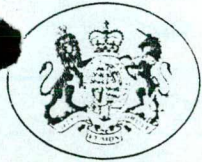
DAVID NORGROVE

Philip Mawer, Esq.,  
Home Office.

CONFIDENTIAL



mpw



CH/EXCHEQUE	
REC.	05 JAN 1988 ✓ 5/1
ACTION	MR BURR
COPIES TO	C ST FST SIR P MIDDLETON MR ANSON MR KEMP MR GILMORE MR SPACKMAN MR CAVE MR KAUFMAN MR'S PUGH MR KERLEY MR CALL MR TYRRE

HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

4 January 1988

Dear Paul,

OK ✓

RADIO POLICY

Ch/officials see no problem with new draft, but as you were content with previous version Home Office would like to check that you have no objections.  
mpw 7/1

Thank you for your letter of 21 December about radio policy.

You explained that the Prime Minister believes that there must be a general requirement placed on stations to ensure variety of format and content, but that she is doubtful whether it would be right to go beyond than to give the Radio Authority a discretion to award a licence for national commercial radio to an applicant who had not put in the highest bid. Like the Prime Minister, the Home Secretary attaches importance to the idea that an applicant would have to satisfy the Radio Authority that his service would provide a diverse programme service calculated to appeal to a variety of tastes and interests and not limited to a single format. Given that, he agrees that it would not be necessary to give the Radio Authority a discretion to accept an underbid as was originally decided by the Ministerial Group.

I attach a revised version of the Draft Announcement which reflects this point and also amendments proposed by the Trade and Industry Secretary in his letter of 17 December.

The Home Secretary accordingly hopes that colleagues will be content for him to make the proposed announcement when Parliament reassembles.

I am copying this letter to the Private Secretaries to Members of MISC 128 and Trevor Woolley (Cabinet Office).

Yours ever,

Glin

Note filed

C R MILLER



Draft Announcement

In February 1987 we published a Green Paper entitled "Radio: Choices and Opportunities". It set out, as a basis for public discussion, proposals for the development of new and less regulated radio services with the aim of broadening the range of choice for listeners.

There were over 500 responses, most from individual members of the public. I am grateful to all those who contributed their comments and ideas.

The response to the Green Paper confirms our view that the time is now right for major change. We have been well served by radio broadcasters. Standards have been high. But we have less radio than other countries. In many parts of the country listeners have no services other than the BBC. There are many tastes and interests which existing services can at best satisfy only to a limited extent. New frequencies will soon be available for broadcasting. In due course several hundred new stations are in prospect. We need to have a framework in place within which opportunities for new and more diverse services can be taken up, and existing commercial broadcasters can be given much greater freedom to develop their services.

We shall accordingly bring before Parliament legislative proposals based on the Green Paper. We aim to provide, alongside the existing BBC services, opportunities for national commercial radio and for the expansion and deregulation of local radio. All these services will be free of the existing constricting statutory requirements which have applied to independent local radio. They will instead be subject to light regulation designed to protect the consumer rather than direct the broadcaster. Programme operators, at the national and the local level, will be responsible for their own services, subject to requirements of



accuracy, balance and decency. The key test which stations will have to pass, to obtain a licence to broadcast, is that of widening the range of consumer choice. They will have to live up to their promises to their audiences if they want to keep those licences. Radio stations will also be able to organise their own transmission arrangements, rather than having them provided by the IBA under the constraints imposed by the 1981 Act. In doing so they will however be required to meet certain technical standards to ensure that they do not cause interference to other radio services.

At the national level, spectrum will be available for at least three services operating alongside the BBC. Each service will be expected to provide a diverse programme service calculated to appeal to a variety of tastes and interests and not limited to a single format. They will provide the BBC with the stimulus of competition on a broad range of its services. We propose that these licences should be assigned by competitive tender, between those applicants whose programme plans would, in the Authority's judgement, meet the test already described. As envisaged in the Green Paper, a new VHF frequency will be available for one of these services; for the other two, frequencies will need to be reassigned from the BBC.

So far as local and community services are concerned, deregulation will have two effects. First, existing independent local radio stations will be given, on the basis canvassed in the Green Paper, the freedom to develop new styles of broadcasting which they have sought. Second, new local and community services will be given the opportunity to start broadcasting, to enhance the range of programming and the diversity of consumer choice. The number of services, and their scale, will depend on local demand and wishes. We want the Authority to operate flexibly, encouraging partnership and frequency sharing where this seems sensible.



Many people were disappointed last year when we did not proceed with an experiment on community radio in advance of legislation. Our proposals now will provide the basis for a lively future for community radio, to strengthen that combination of local identity and cultural diversity which lies at the heart of a flourishing community.

There will be a continuing need for an Authority to issue licences and supervise performance. The Green Paper identified a number of options for its constitution. After careful thought we have concluded that it would be right to establish a new Radio Authority, with radio at the centre of its attention. The IBA has earned our respect and gratitude for its development of local radio services under the duties laid upon it 15 years ago. But it has major challenges ahead of it in the field of television. We have judged that it would not be sensible to ask the IBA at the same time to take on the task of developing a new and greatly expanded radio system, operating under a new and much lighter set of rules.

The Authority will be assigned frequencies suitable for sound broadcasting. On the basis of these frequencies it will invite applications for licences to broadcast at national and local levels. To ensure that spectrum is used efficiently, and that listeners have as wide a choice as possible, stations will in general be expected to broadcast on single frequencies and use equipment which meets a good technical specification. The Radio Authority will inspect equipment as necessary.

So far as the BBC is concerned, the Green Paper proposed that the Corporation should continue to decide how best to meet its public service broadcasting obligations within the resources at its disposal. I can confirm that it remains our policy.



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Our proposals are above all intended to benefit the listener. It may take a little time for the public to become accustomed to new kinds of service and to single frequency broadcasting. But we believe that the expansion of radio that I have outlined can only be to the good of broadcasters and listeners alike.

<mc>Sub/Ack/Mil/Rad/Pol/Enc2



BA 6/10  
mp

dti

Mike) Itane it  
there were  
attachments?

M.

TO ALL THOSE ON  
THE ATTACHED LIST

CH/EXCHEQUER	
REC.	26 SEP 1988
ACTION	MRS CASE
COPIES TO	CST, FST, SIR P MIDDLETON, MR ANDSON, MR FROCK, MR PHILLIPS, MR BURGER, MR SPACKMAN, MR WALLER, MR PARTING, MR PERFECT, MR CADE, MR NICHOL, MR CROPPER, MR TYRRE, MR CALL

26/9

Department of  
Trade and Industry

Waterloo Bridge House  
Waterloo Road  
London SE1 8UA

Switchboard  
01-215 7877

Telex 261969 DTIWBH G  
Fax 01-928 5746

Direct line 01-215 2063  
Our ref RR 008250  
Your ref  
Date 22 September 1988

### "THE USE OF THE RADIO FREQUENCY SPECTRUM ABOVE 30 GHz"

It is the view of Government and of the radiocommunications equipment manufacturing industry that the time is now ripe to start to exploit the higher reaches of the radio frequency spectrum for civil applications - mainly for the telecommunications needs of businesses, but also in connection with broadcasting and perhaps for other purposes. In view of your interest in radio, your comments would be valued on the enclosed consultative document, which outlines some of the possibilities and seeks the public's views on how these extremely high frequencies should be exploited. You will find specific questions for your consideration on p.15. Written comments should be sent to the address shown to arrive not later than 31 December 1988.

Please also see a reprint of an article from "British Business". This explains the issue in layman's terms - you might find it a useful adjunct to the consultative document's text on pp. 1-14.

The UK is not alone in considering how best to exploit millimetre frequencies. Especially with 1992 in mind, the UK needs to harmonise wherever possible with its European partners. That process has already started in this frequency range. The conclusions of the consultation exercise will be especially valuable to help the UK to construct its case to the European forum.

Further copies of both attachments are available from our library in room 605 at the above address, or by telephoning 01-215 2072 (24 hour ansaphone).

*B. Humphries*

B T A HUMPHRIES  
Head of Fixed Services Section  
Radiocommunications Division



CONFIDENTIAL

~~BF 18/10~~  
~~BF 19/10~~



QUEEN ANNE'S GATE LONDON SW1H 9AT

BF 25/10

11 October 1988

Dear Secretary of State

COMMUNITY RADIO

CH/EXCHEQUER	
REC.	11 OCT 1988
ACTION	Mr Perfect
COPIES TO	CST. FST SIR P. Middleton MR ANTON, MR MONCK MR PHILLIPS, MR BURNER Mrs COPE, MR SPACKMAN, MR WALLER MR FAITHING, MR NICHOL MR CROPPER, MR TYNE MR CULL

As you know, Robert Atkins wrote to Tim Renton on 27 September to express support for the IBA's proposals for an interim regime for community radio, which he thought would be helpful against pirate radio. This letter sets out how I intend to pursue these proposals.

Background

With the agreement of MISC 128 I announced our plans for the future of radio on 19 January 1988. Following our decision not to proceed with the community radio experiment in 1986, it came as a further disappointment to aspiring new entrant radio broadcasters when it became known earlier this year that legislation for a new radio regime was unlikely to find a place in the legislative programme for 1988/89. I then said that the Government would be prepared to consider any suggestions for developing independent radio in advance of the new legislation.

The IBA's proposal

The IBA have now proposed that they should move quickly to award, through a streamlined competitive process, 20 contracts ("extra contracts") for community radio services in areas already served by ILR contractors. This includes most major conurbations, where unmet demand for community radio is strongest. Most of the new stations would come on air during the first half of next year. Further details of the IBA's proposal are in Annex A.

The proposal turns on the point that the established contractors already meet the positive requirements on the IBA under the Broadcasting Act 1981, including those to provide a service which maintains a wide range in its subject matter and

/gives sufficient

The Rt Hon Lord Young of Graffham

CONFIDENTIAL



gives sufficient time to news, so that extra contractors in these areas need not be held to all the positive programming requirements laid down in the Act. They would, however, be subject to the full range of "consumer protection" requirements on taste, decency, impartiality etc.

### Reactions

The IBA's proposals have been cautiously welcomed by community radio interests, even if only a small minority of prospective broadcasters would benefit. The reaction of existing ILR contractors has been mixed. Several of the smaller stations would not object. But the biggest stations and, under their influence, the Association of Independent Radio Contractors, have strongly criticised the proposals as threatening them with unfair competition, in that the new stations would be allowed to undertake their own transmissions, and so would not be locked into expensive IBA arrangements, and would be subject to lighter programming requirements. I have some sympathy with their position; but various modifications to the IBA's scheme are possible and should go a long way towards meeting reasonable concerns. These are outlined in Annex B to this letter.

### Assessment

The IBA's scheme offers the only realistic prospect of enabling community radio to start in advance of new legislation. The framework provided by the Broadcasting Act 1981 is of course far from ideal; it is more prescriptive and burdensome than that proposed in our radio Green Paper. But it does escape the difficulties over the enforcement of programme standards which led us to cancel the community radio experiment, since responsibility for the supervision of the programme content of the new services would rest clearly with the IBA. The IBA will pay particular attention to services directed to ethnic minority groups which might impinge on the interests of foreign governments.

There are some arguments for holding the line that community radio must wait for the new legislative framework before it can start. The IBA's scheme is limited and will not fully satisfy the extent of demand which now exists. Waiting for a clean start with a level of playing field would inevitably entail less pre-emption of the Radio Authority's frequency planning and licensing strategy. I believe, however, that the balance of advantage lies with our agreeing to an earlier start for community radio along the lines proposed by the IBA, subject to the modifications set out in Annex B. The scheme is consistent with, and can be presented as a step towards, our own proposals. There will be an intense disappointment among community radio aspirants if the



IBA's proposal is rejected. It will be hard to explain why the Government is denying opportunities for new entrants and wider listener choice, at a time when advertising revenue is buoyant, when these are clear aims of Government broadcasting policy. I continue to believe that responsible community radio, adequately supervised, can make an important contribution to our strategy for the inner cities. Robert Atkins' argument that the scheme may reduce the number of pirate broadcasters is also relevant.

There is no suggestion that the IBA's proposal is calculated to reopen our decision that the new radio regime should be supervised by a new Radio Authority. As Annex A makes clear, when our proposed broadcasting legislation takes effect the 20 extra contractors proposed by the IBA will become Radio Authority licensees.

#### Pirate radio

I had separately concluded that we should include in broadcasting legislation a provision which would debar the Radio Authority from licensing anybody convicted of an offence of unlawful broadcasting committed after 1 January 1989 or employing such an offender. This disqualification would run for 5 years from the offence. There has been a continuing increase in the volume of pirate radio broadcasting and its boldness. Established radio stations have been pressing hard for effective counter-measures.

I propose to announce this disqualification provision as part of our response to the IBA scheme. We know that some of the existing pirate radio operators would be ready to compete for an opportunity to become legal. Although ex-pirates would not be ineligible under the IBA scheme it would be made clear that the IBA would not expect to award any of the proposed "extra contracts" to pirates who had not come off the air.

#### Financial, manpower and EC implications

There are no EC implications and no financial and manpower implications for central Government.

#### Next steps

If we give the IBA the go ahead there is every advantage in their proceeding as swiftly as possible. I propose, therefore, to authorise the IBA to begin detailed planning, in consultation with our officials, for a scheme for community radio modified in the ways I have suggested, and to make an announcement in a Written Answer as soon as the Commons are back.

/The broadcasting



The broadcasting White Paper might include a brief reference to the scheme, on the lines of the following sentence in paragraph 7 of Chapter VIII: "In the meantime the Government has endorsed, as a step towards the new radio arrangements, proposals by the IBA for additional stations able to undertake their own transmissions".

I should be grateful to know, by 25 October if possible, whether you and other colleagues are content that I should approve the IBA scheme, as modified in the ways I have suggested, and make an announcement accordingly.

I am copying this letter to the members of MISC 128, the Foreign and Commonwealth Secretary and Sir Robin Butler.

Yours sincerely

Catherine Bannister

(Approved by the Home Secretary and signed in his absence)



ANNEX A

THE IBA'S PROPOSAL: FURTHER DETAILS

1. The broad distribution of the 20 extra contracts envisaged by the IBA is five stations catering primarily for ethnic minority interests, five for "communities of interest" (such as jazz fans) and 10 smaller neighbourhood stations covering small towns or small parts of large cities. The IBA would propose to award about 5 contracts in all in the London area. The IBA would want to be satisfied that applicants were financially viable and would extend listener choice. The IBA would not expect to award "extra contracts" to further pop-based stations on the lines of ILR.
2. The IBA have suggested that the "extra contracts" might run until the end of 1994: provision would need to be made in legislation for them to be exchanged for Radio Authority licences when the IBA's radio regime comes to an end.
3. The IBA proposal envisages that the "extra contractors" would be free to own and operate their own transmitters, although responsibility for transmission, and for observing proper technical standards, would rest with the IBA until new legislation is in force. The proposed extra contractors would have to be able to meet their own transmission costs. The IBA would charge them fees to cover regulatory costs.



ANNEX B

THE IBA'S PROPOSAL: MODIFICATIONS

I envisage that the IBA's scheme should be amplified or modified in the following ways in order to meet AIRC points about unfair competition or to satisfy Government radio policy objectives

(i) Existing ILR contractors would not be disqualified from applying for the "extra contracts". In advertising the "extra contracts", the IBA would make clear its willingness to consider applications in which an existing ILR contractor proposed to subcontract out programmes to new entrant groups. On this model the management expertise and facilities of the existing contractor would be available to new services on a commercial basis, and in these circumstances the existing contractor would remain answerable to the IBA for such matters as the programme content of the service. This "managing agent/subcontractor" model would be very welcome to the AIRC and to some community radio groups. But other such groups will regard it as essential that they should be able to compete to become contractors in their own right. For this reason I am clear that, to be acceptable, any scheme must also provide for self-standing "extra contracts" of the sort envisaged by the IBA, but I propose to encourage the IBA to approve new services on the "managing agent/subcontractor" model in a significant minority - say 5 or 6 out of 20 - of cases. The IBA should also be ready to steer the best applicant in this direction in other cases where this seemed sensible, eg in the case of very small stations which might not otherwise be viable.

(ii) The IBA should be prepared, for the remainder of the present regime, to relax the programming obligations on the existing ILR stations to the extent that new stations within their franchises contributed towards meeting these.



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(iii) The IBA should devise a formula for charging fees to the "extra contractors" commensurate with their coverage and likely popularity (while also taking account of the costs to the IBA of administering the scheme) in such a way that this would correspondingly reduce the rental of the incumbent ILR station without reducing the overall rental from the ILR franchise. The AIRC would regard this, and the modification proposed at (ii) above, as doing much to meet their argument that the extra contractors afforded unfair competition to existing ILR stations, and as safeguarding the transitional arrangements for the new legislative regime which the Home Office and the IBA have been negotiating with them.

(iv) The IBA should exercise close supervision of the programme content of the new stations, especially in such sensitive areas as taste, decency and impartiality. This should not be confined to ex post facto regulation, but, where necessary, should include monitoring and prior approval requirements. The IBA should not hesitate to withdraw a contract where necessary.

(v) MISC 128 has agreed that under the proposed new regime stations should not be able to receive local authority funding towards running costs (although this prohibition will not apply in the case of defined categories of socially useful radio-based projects). There is no present prohibition on such funding under the 1981 Act, so the IBA could not unilaterally make it a contract condition under the proposed scheme. But I propose that the IBA should be encouraged to do all they legitimately can not to select stations dependent on local authority funding, bearing in mind that this will not be allowed when the stations go over to the new regime.

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(vi) Subject to more detailed consideration by officials, I envisage that most if not all of the frequencies made available for the scheme will be AM rather than FM assignments. This will disappoint some community radio aspirants. But small or speech-based stations have a weaker claim than others to the better technical characteristics of FM (such as stereo capability), and the Radio Authority's frequency planning position would be better preserved if the scheme relied mainly on AM frequencies.

5[F0]<wk>D/comm/rad/enc

CONFIDENTIAL



FROM: R M PERFECT  
DATE: 20 OCTOBER 1988

- 1. MR FARTHING
- 2. CHANCELLOR

*V. This of advantage,  
specifically for*

cc: Chief Secretary  
Financial Secretary  
Sir P Middleton  
Mr Anson  
Mr Monck  
Mr Phillips  
Mr Burgner  
Mrs Case  
Mr Spackman  
Mr Nicol  
Mr Tyrie

*Ch/ This advice covers the specifically Treasury pts. But you may have views on whether the envisaged benefits (satisfying the CR lobby, inner cities benefits?) are worth the risks (irritating the UK lobby, "giving the airwaves to the local authorities", or the circularity of X in para 5.)*

1. The Home Secretary's letter of 11 October proposes that 20 contracts for community radio services be issued, in areas already served by independent local radio (ILR). The DTI support the proposals because they offer a chance that pirate radio activity may be reduced, so relieving the pressures on the Radio Investigation Service. We recommend you support the proposal provided that most of the contracts are given to new entrants to the market. A draft letter is attached.

Background

2. The 1987 Green Paper on Radio outlined a regulatory framework which avoided imposing positive public services requirements on community radio stations. But they would be required to ensure that any news was balanced and accurate, and their programmes were not dominated by the religious or political views of any individual. After the legislation on radio was postponed to 1989-90, the Home Secretary invited suggestions for developing independent radio in advance of legislation.

3. The IBA have responded by suggesting that a broadly similar regime can be achieved under current legislation provided that community radio is established in areas already served by Independent Local Radio. The existing stations fulfil the public service obligations stipulated by the Broadcasting Act 1981. So the new community radio stations would just need to have regard to the existing "consumer protection" requirements on accuracy, decency, impartiality etc.



4. The larger ILR stations have objected to the IBA's proposals, because they would be exposed to unfair competition on two grounds. First the new stations would not be tied into the IBA's transmission arrangements which cross-subsidise some regional stations at the expense of the larger stations. Second the new stations would be subject to less onerous programming requirements. The Home Secretary proposes that these objections be overcome by charging the community radio stations a fee (over and above the cost of regulating them) and reducing the relevant existing station's payments to the IBA by the same amount. It is further proposed that existing ILR contractors should be free to apply for contracts to run community radio stations. The Home Office believe this feature will be very welcome to the existing contractors and to some community radio groups.

X | 5. We can welcome the proposal to charge local radio stations for the use of scarce spectrum. But if the existing ILR contractors are allowed to compete for the new contracts they may be prepared to pay substantial fees (in effect, to themselves) to gain the new contracts. Mr Hurd proposes that the IBA should be encouraged to give a minimum of 5 or 6 out of 20 community radio stations to existing ILR contractors to subcontract to others. This will allow some, but not all, of the existing contractors to profit from the new contracts. And it adds to the diversity of possible arrangements. But to stop the existing stations winning all the contracts, the IBA should be encouraged to give most of the new contracts to new operators. DTI officials support this approach, because awarding more contracts to existing ILR contractors will not remove pirate radio stations from the airwaves.

#### 1986 Decision

6. You may recall that the Home Secretary produced similar proposals in 1986 which were dropped after colleagues raised three difficulties. First; the Foreign Secretary, supported by the Prime Minister, expressed anxiety that offence might be given to foreign governments (particularly India's). Mr Hurd's letter of 11 October was copied to the Foreign Secretary who may again draw attention to the potential difficulties, which are an inevitable consequence of liberalising the airwaves. Second; concern was expressed at H(86)19th Meeting that the new stations would provide



Tricky, I  
wd have  
thought

little more than a forum for opposition politics, particularly where local authority funding was provided. The curbs on local authority spending on publicity have reduced this danger. And Mr Hurd proposes that the IBA be encouraged not to select stations dependent on local authority finance if legally possible. The draft reply stresses that this aim needs to be achieved. Third; H Committee believed these issues ought to be aired in the Green Paper. This has now been done.

Conclusion

7. I recommend you support the Home Secretary's proposals provided the existing ILR stations are not allowed to capture all the new contracts. A draft reply is attached.

Mark Perfect  
R M PERFECT



**DRAFT LETTER:**

Douglas Hurd Esq CBE MP  
Secretary of State  
for Home Affairs  
Queen Anne's Gate  
LONDON SW1H 9AT

OCTOBER 1988

**COMMUNITY RADIO**

Your letter of 11 October proposed that 20 contracts for community radio be let in areas already served by ILR contractors.

You propose that the new community radio stations should be charged fees over and above the cost of regulating them. I support the principle of charging for the use of scarce spectrum. But you propose that these fees should be used to reduce the rentals paid by the independent local radio station already operating in the area. There must be a risk that this arrangement will mean that existing radio stations are willing to pay substantial fees to capture the new contracts, to limit the amount of new competition between radio stations. I would be content to see 5 or 6 contracts awarded to existing stations and subcontracted as you propose. But I hope the IBA would award a majority of the new contracts to new radio stations.

I note that you propose to encourage the IBA not to select stations dependent on local authority finance. This aim needs to be achieved to avoid unfair competition at the expense of the taxpayer.

I am copying this letter to the members of MISC 128, the Foreign and Commonwealth Secretary and Sir Robin Butler.

**NIGEL LAWSON**



FROM: MISS M P WALLACE

DATE: 21 October 1988



~~BF 24/10~~  
25/10

PS/FINANCIAL SECRETARY

cc { PS/Chief Secretary  
PS/Paymaster General  
~~PS/Economic Secretary~~  
Mr Tyrie  
Mr Call  
Mrs Chaplin

COMMUNITY RADIO

... The Chancellor has seen the Home Secretary's letter of 11 October, and Mr Perfect's advice of 20 October (copies of both attached). He would be grateful for the views of Ministers and Advisers. As you see, the Home Secretary's deadline is Tuesday, 25 October, so I am afraid we need any contributions as soon as possible.

~~EST~~ no comments  
Rebecca to chase  
advisers.

*Mpw.*  
MOIRA WALLACE





QUEEN AN

11 October 1988

Confidential *W/10*

Dear Secretary of State

COMMUNITY RADIO

*Mr Perfect  
CST. FST  
Sir P. Middleton  
Mr Amos, Mr Monck  
Mr Phillips, Mr Burgner  
Mrs Cox, Mr Spackman, Mr Waller  
Mr Nichol  
Mr Copper, Mr Tyme  
Mr Cull*

As you know, Robert Atkins wrote to Tim Renton on 27 September to express support for the IBA's proposals for an interim regime for community radio, which he thought would be helpful against pirate radio. This letter sets out how I intend to pursue these proposals.

Background

With the agreement of MISC 128 I announced our plans for the future of radio on 19 January 1988. Following our decision not to proceed with the community radio experiment in 1986, it came as a further disappointment to aspiring new entrant radio broadcasters when it became known earlier this year that legislation for a new radio regime was unlikely to find a place in the legislative programme for 1988/89. I then said that the Government would be prepared to consider any suggestions for developing independent radio in advance of the new legislation.

The IBA's proposal

The IBA have now proposed that they should move quickly to award, through a streamlined competitive process, 20 contracts ("extra contracts") for community radio services in areas already served by ILR contractors. This includes most major conurbations, where unmet demand for community radio is strongest. Most of the new stations would come on air during the first half of next year. Further details of the IBA's proposal are in Annex A.

The proposal turns on the point that the established contractors already meet the positive requirements on the IBA under the Broadcasting Act 1981, including those to provide a service which maintains a wide range in its subject matter and

/gives sufficient

The Rt Hon Lord Young of Graffham



gives sufficient time to news, so that extra contractors in these areas need not be held to all the positive programming requirements laid down in the Act. They would, however, be subject to the full range of "consumer protection" requirements on taste, decency, impartiality etc.

### Reactions

The IBA's proposals have been cautiously welcomed by community radio interests, even if only a small minority of prospective broadcasters would benefit. The reaction of existing ILR contractors has been mixed. Several of the smaller stations would not object. But the biggest stations and, under their influence, the Association of Independent Radio Contractors, have strongly criticised the proposals as threatening them with unfair competition, in that the new stations would be allowed to undertake their own transmissions, and so would not be locked into expensive IBA arrangements, and would be subject to lighter programming requirements. I have some sympathy with their position; but various modifications to the IBA's scheme are possible and should go a long way towards meeting reasonable concerns. These are outlined in Annex B to this letter.

### Assessment

The IBA's scheme offers the only realistic prospect of enabling community radio to start in advance of new legislation. The framework provided by the Broadcasting Act 1981 is of course far from ideal; it is more prescriptive and burdensome than that proposed in our radio Green Paper. But it does escape the difficulties over the enforcement of programme standards which led us to cancel the community radio experiment, since responsibility for the supervision of the programme content of the new services would rest clearly with the IBA. The IBA will pay particular attention to services directed to ethnic minority groups which might impinge on the interests of foreign governments.

There are some arguments for holding the line that community radio must wait for the new legislative framework before it can start. The IBA's scheme is limited and will not fully satisfy the extent of demand which now exists. Waiting for a clean start with a level of playing field would inevitably entail less pre-emption of the Radio Authority's frequency planning and licensing strategy. I believe, however, that the balance of advantage lies with our agreeing to an earlier start for community radio along the lines proposed by the IBA, subject to the modifications set out in Annex B. The scheme is consistent with, and can be presented as a step towards, our own proposals. There will be an intense disappointment among community radio aspirants if the

/IBA's proposals



IBA's proposal is rejected. It will be hard to explain why the Government is denying opportunities for new entrants and wider listener choice, at a time when advertising revenue is buoyant, when these are clear aims of Government broadcasting policy. I continue to believe that responsible community radio, adequately supervised, can make an important contribution to our strategy for the inner cities. Robert Atkins' argument that the scheme may reduce the number of pirate broadcasters is also relevant.

There is no suggestion that the IBA's proposal is calculated to reopen our decision that the new radio regime should be supervised by a new Radio Authority. As Annex A makes clear, when our proposed broadcasting legislation takes effect the 20 extra contractors proposed by the IBA will become Radio Authority licensees.

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#### Financial, manpower and EC implications

There are no EC implications and no financial and manpower implications for central Government.

#### Next steps

If we give the IBA the go ahead there is every advantage in their proceeding as swiftly as possible. I propose, therefore, to authorise the IBA to begin detailed planning, in consultation with our officials, for a scheme for community radio modified in the ways I have suggested, and to make an announcement in a Written Answer as soon as the Commons are back.

/The broadcasting



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I am copying this letter to the members of MISC 128, the Foreign and Commonwealth Secretary and Sir Robin Butler.

*Yours sincerely*

*Catherine Bannock*

*(Approved by the Home  
Secretary and signed in  
his absence)*



ANNEX A

THE IBA'S PROPOSAL: FURTHER DETAILS

1. The broad distribution of the 20 extra contracts envisaged by the IBA is five stations catering primarily for ethnic minority interests, five for "communities of interest" (such as jazz fans) and 10 smaller neighbourhood stations covering small towns or small parts of large cities. The IBA would propose to award about 5 contracts in all in the London area. The IBA would want to be satisfied that applicants were financially viable and would extend listener choice. The IBA would not expect to award "extra contracts" to further pop-based stations on the lines of ILR.

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5[F0]<wk>D/comm/rad/enc

CONFIDENTIAL



FROM: R M PERFECT  
DATE: 20 OCTOBER 1988

1. MR FARTHING
2. CHANCELLOR

Chief Secretary  
Financial Secretary  
Sir P Middleton  
Mr Anson  
Mr Monck  
Mr Phillips  
Mr Burgner  
Mrs Case  
Mr Spackman  
Mr Nicol  
Mr Tyrie

### COMMUNITY RADIO

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### Conclusion

7. I recommend you support the Home Secretary's proposals provided the existing ILR stations are not allowed to capture all the new contracts. A draft reply is attached.

Mark Perfect  
R M PERFECT



**DRAFT LETTER:**

Douglas Hurd Esq CBE MP  
Secretary of State  
for Home Affairs  
Queen Anne's Gate  
LONDON SW1H 9AT

OCTOBER 1988

**COMMUNITY RADIO**

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I note that you propose to encourage the IBA not to select stations dependent on local authority finance. This aim needs to be achieved to avoid unfair competition at the expense of the taxpayer.

I am copying this letter to the members of MISC 128, the Foreign and Commonwealth Secretary and Sir Robin Butler.

**NIGEL LAWSON**



CONFIDENTIAL



FROM FINANCIAL SECRETARY

DATE 24 October 1988

**CHANCELLOR**cc Chief Secretary  
Paymaster General  
Economic Secretary  
Mrs Chaplin  
Mr Tyrie  
Mr Call**COMMUNITY RADIO**

You asked for Ministers' and Advisers' views on Douglas Hurd's letter of 11 October and Mr Perfect's advice of 20 October.

I have only managed to have a very quick look at these papers. As I understand it, the proposed contracts for community radio services will be aimed at ethnic and other minority groups. And they will ensure that community radio becomes available earlier than would otherwise be the case; though more stations will doubtless become available when the new broadcasting legislation is in place.

This all seems rather marginal in the context of our other reforms. But I see no reason to dissent from what is being proposed, particularly since the stations regulated by the IBA will eventually become licensees of the new Radio Authority. I therefore agree with Mr Perfect's advice that this is an idea we should encourage; though I would also support his caveat that as many of the new stations as possible should go to new operators.

NORMAN LAMONT



CONFIDENTIAL



FROM: Ms K ELLIMAN

DATE: 25 October 1988

APS/CHANCELLOR

cc PS/Chief Secretary  
PS/Financial Secretary  
PS/Economic Secretary  
Mr Tyrie  
Mr Call  
Mrs Chaplin

COMMUNITY RADIO

The Paymaster General has seen your minute of 21 October.

2. He has commented:

"I do foresee political atmospherics if this goes ahead, especially if it is concentrated in London. It has the mild advantage that it informs us on practices whose incidence will affect the later regime, but the contracts will go on till 1994, which means (as I understand it) we shall have to live with the consequences for a long time. I am not clear if a 2-year contract (till the IBA's demise) is in these circumstances a runner. My guess is it would be".

Kim Elliman

KIM ELLIMAN  
Private Secretary



*OK as modified by PMG's suggestion*

FROM: MARK CALL  
DATE: 25 OCTOBER 1988

APS/CHANCELLOR

cc PS/Chief Secretary  
PS/Financial Secretary  
PS/Paymaster General  
PS/Economic Secretary  
Mrs Chaplin  
Mr Tyrie

*Ch/ views as requested (also minutes from P&T & PMG behind) [We need to write asap, I'm afraid]*

COMMUNITY RADIO

Although I appreciate Mr Hurd's desire to press on, I think there is a slight risk of the thing going off at half-cock. My concern is essentially that the proposal may cause some dissent or confusion which is not only unnecessary, but could complicate the issue prior to the introduction of the new broadcasting regime.

2. The rather complex fee structure in Annex B, para iii would certainly encourage ILR contractors to try to gobble up all the 'extra contracts'. If we step in to limit them, they may complain.

3. If a significant number of the extra contracts do go (as they should) to new operators, the ILR's will complain about unfair competition. Although this would be an unhelpful reaction to a deregulatory move, it would have a useful byproduct. That is that the larger ILR's would have an interest in pressing for further liberalisation to free them from the IBA transmission arrangements which contain cross-subsidies, and impose tighter programming requirements.

4. A third point is that even though Mr Hurd proposes to allocate AM frequency to most of the extra contracts, this could pre-empt some decisions on frequency management by the Radio Authority.

5. Finally, it is not as if the extra contracts are needed as a pilot scheme - we are going ahead with much larger scale reform anyway.



6. Summing up, I see this initiative as rather marginal and an unnecessary complication.

7. It may be worth supporting if we are convinced it will not complicate the introduction of the new regime. The Paymaster's suggestion of 2 year contracts looks worthy of examination. Such short contracts might make it more likely that the extra contracts would attract the pirates to go straight.

*Mc*

**MARK CALL**



FROM: MRS A F CASE  
DATE: 26 October 1988

PS/CHANCELLOR

cc

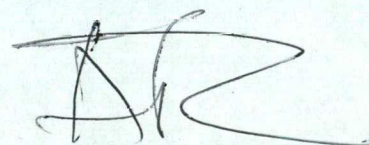
PS/CST  
PS/FST  
PS/PMG  
PS/Sir P Middleton  
Mr Anson  
Mr Phillips  
Mr Farthing  
Mr Perfect  
Mr Tyrie

### COMMUNITY RADIO

I attach a revised version of the draft reply attached to Mr Perfect's minute of 20 October on Community Radio.

2. This incorporates the suggestion that the "extra contracts" should run for a two year period.

3. You will see that I have expressed this in terms of about two years. This is because the timing of the switch from IBA to Radio Authority regulation depends on the progress of legislation. The Home Office want to set up the Radio Authority immediately after Second Reading. We also have insufficient knowledge of the costs involved in setting up Community Radio stations to know whether a two year contract would enable start up costs to be recouped. Since stations would not necessarily have to own their own transmission equipment, I imagine that it would.



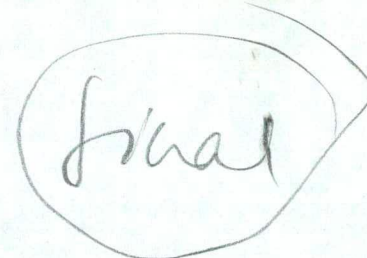
MRS A F CASE



**DRAFT LETTER:**

Douglas Hurd Esq CBE MP  
Secretary of State  
for Home Affairs  
Queen Anne's Gate  
LONDON SW1H 9AT

OCTOBER 1988



**COMMUNITY RADIO**

Your letter of 11 October proposed that 20 contracts for community radio be let in areas already served by ILR contractors. There are however two points which cause me some concern.

First, the IBA propose that the "extra contracts" should run to 1994 with provision for a switch to the new Radio Authority regime once the necessary legislation is in place. Six year contracts would preserve this essentially interim arrangement for a considerable time. My preference would be for much shorter contracts, say two or three years which would bridge the gap to the new regime.

Second, you propose that the new community radio stations should be charged fees over and above the cost of regulating them. I support the principle of charging for the use of scarce spectrum. But you propose that these fees should be used to reduce the rentals paid by the independent local radio station already operating in the area. There must be a risk that this arrangement will mean that existing radio stations are willing to pay substantial fees to capture the new contracts, so limiting the amount of new competition between radio stations. I would be content to see 5 or 6 contracts awarded to existing stations and subcontracted as you propose. But I hope the IBA would award a majority of the new contracts to new radio stations.



I note that you propose to encourage the IBA not to select stations dependent on local authority finance. This aim needs to be achieved to avoid unfair competition at the expense of the taxpayer.

I am copying this letter to the members of MISC 128, the Foreign and Commonwealth Secretary and Sir Robin Butler.

**NIGEL LAWSON**



CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

01-270 3000

26 October 1988

*The Rt Hon*

Douglas Hurd ~~Esq~~ CBE MP  
Secretary of State  
for Home Affairs  
Queen Anne's Gate  
LONDON SW1H 9AT

*Pst udo*

*Stan*

**COMMUNITY RADIO**

Your letter of 11 October proposed that 20 contracts for community radio be let in areas already served by ILR contractors. There are however two points which cause me some concern.

First, the IBA propose that the "extra contracts" should run to 1994 with provision for a switch to the new Radio Authority regime once the necessary legislation is in place. Six year contracts would preserve this essentially interim arrangement for a considerable time. My preference would be for much shorter contracts, say two or three years which would bridge the gap to the new regime.

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I note that you propose to encourage the IBA not to select stations dependent on local authority finance. This aim needs to be achieved to avoid unfair competition at the expense of the taxpayer.





I am copying this letter to the members of MISC 128,  
Geoffrey Howe, and Sir Robin Butler.

**NIGEL LAWSON**





cc PS/CST  
 PS/FST  
 PS/PMG  
 PS/Sir P. Middleton  
 Mr Anson  
 Mr Phillips  
 Mrs Case  
 Mr Forthing  
 Mr Perfect  
 Mr Tyrie

Treasury Chambers, Parliament Street, SW1P 3AG  
 01-270 3000

26 October 1988

The Rt Hon Douglas Hurd CBE MP  
 Secretary of State  
 for Home Affairs  
 Queen Anne's Gate  
 LONDON SW1H 9AT

MP

*John Major*

**COMMUNITY RADIO**

Your letter of 11 October proposed that 20 contracts for community radio be let in areas already served by ILR contractors. There are however two points which cause me some concern.

First, the IBA propose that the "extra contracts" should run to 1994 with provision for a switch to the new Radio Authority regime once the necessary legislation is in place. Six year contracts would preserve this essentially interim arrangement for a considerable time. My preference would be for much shorter contracts, say two or three years which would bridge the gap to the new regime.

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I note that you propose to encourage the IBA not to select stations dependent on local authority finance. This aim needs to be achieved to avoid unfair competition at the expense of the taxpayer.





I am copying this letter to the members of MISC 128,  
Geoffrey Howe, and Sir Robin Butler.

A handwritten signature in black ink, appearing to be "Nigel Lawson", written in a cursive style.

NIGEL LAWSON



28 OCT 1988

FCS/88/178HOME SECRETARY

FINANCIAL SECRETARY	
REC.	28 OCT 1988
ACTION	CX
COPIES TO	

Community Radio

1. Thank you for copying to me your letter of 11 October to David Young about your proposed response to the IBA scheme for community radio stations.
2. I am generally content that you should approve the IBA scheme with the modifications set out in Annex B to your letter. But, as you know from previous exchanges on this subject, my main worry is that some of these new stations may be misused by broadcasters wishing to expound views which affect the interests of foreign governments and so damage our foreign policy and national interests abroad.
3. Close and effective IBA supervision of the programme content of these new stations will therefore be extremely important, particularly of any broadcasting in foreign languages. It will also be important for the IBA promptly to investigate and where necessary to take action over well-founded complaints from overseas governments. I retain a number of concerns in this area, which I hope will be reflected in your discussions of detailed arrangements with the IBA. Officials will be setting them out more fully.
4. I am copying this letter to the members of MISC 128, David Young and Sir Robin Butler.

(GEOFFREY HOWE)





the department for Enterprise

*mp*

The Rt. Hon. Lord Young of Graffham  
Secretary of State for Trade and Industry

Dominic Morris Esq  
Personal Secretary to  
Prime Minister  
10 Downing Street  
London  
SW1A 2AA

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 215 5422  
Our ref PB5AEQ  
Your ref  
Date 28 October 1988

*Dear Dominic,*

COMMUNITY RADIO

I am enclosing a copy of a letter which Lord Young has written to the Home Secretary on this subject. My apologies that it was not copied to the Prime Minister and other Misc 128 members originally.

I am copying this letter and enclosures to members of Misc 128, Sir Geoffrey Howe and Sir Robin Butler.

*Yours Sincerely,*

*D. Simpson*

DAVID SIMPSON  
Assistant Private Secretary

CH/EXCHEQUER	
REC.	31 OCT 1988
ACTION	MR PERFECT ✓ 31/10
COPIES TO	CST, FST SER P MIDDLETON MR ANDERSON, MR MONCK MR PHELPS, MR BURGESS MRS CASE, MR SPACKMAN MR WALLER, MR FARTHING MR NICHOL, MRS CHAPMAN MR THURIE, MR CALL





the department for Enterprise  
CONFIDENTIAL

The Rt. Hon. Lord Young of Graffham  
Secretary of State for Trade and Industry

The Rt Hon Douglas Hurd MP  
Home Secretary  
Queen Anne's Gate  
London  
SW1H 9AT

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 215 5422  
Our ref PB3ABB  
Your ref  
Date 20 October 1988

COMMUNITY RADIO

I am grateful to you for your very full reply of 11 October to Robert Atkins's letter to Tim Renton of 27 September.

This remains a very difficult issue of striving to balance the wishes of those who support community radio against the interests of existing contractors whilst at the same time working towards a lasting long term regime for radio.

As Robert Atkins said in his letter, the problem for DTI in all this is to try to curtail the activities of pirate radio. We see the IBA proposals as a possible route of help to us in this difficult task if the proposals resulted in a reduction of the number of pirate broadcasters. More widely, we saw the IBA proposals as increasing the opportunities for competition and having a helpful effect on inner city policies by encouraging the 'community of interest' stations serving ethnic and non-ethnic audiences.

With this sort of background, I obviously welcome your conclusion that the balance of advantage lies in agreeing to an earlier start for community radio along the lines of the IBA's proposed interim regime. I also strongly support your intention to announce a disqualification provision for pirates who are convicted of offences after 1 January 1989. I am sure that this will assist my Department's enforcement activities. I do, however, have some reservations about the detail of the package that is emerging.





It was not clear from the IBA's original News Release that in suggesting that out of the 20 new stations 5 will be for ethnic minority interests and a further 5 will be for 'communities of interest (such as jazz fans)'. It is clear from my Department's enforcement work that a major wish of stations catering for the ethnic minority interest is to be able to play the sort of pop music that the minority supports. I think that this point needs further clarification before the scheme is announced. Exclusion of pop-based stations would be a severe disappointment to ethnic minority community radio aspirants.

I feel that there may also be some suspicion about the role of existing contractors as proposed in your modifications to the IBA proposals. I suspect that this role of managing agent will need further defining in order to convince aspirants that there will be real competition to the existing contractors. I hope that there could be some flexibility about your significant minority. Certainly any more than 6 out of 20 awarded on this basis would be likely to provoke criticism and I would hope that the number would be less than 6.

Finally, the proposed modifications are virtually silent on frequency planning. Obviously, the locations of the new stations are a vital consideration but it would be helpful to know what frequencies are in mind and whether there will need to be any negotiation with other spectrum users. My Department is also currently drawing up specifications for community radio transmitters and there will be a need for liaison with the IBA to ensure that any proposed standards are similar. I am glad that you envisage further detailed consideration by officials on frequency matters. Certainly the choice of AM only assignments is likely to be seen as a major restriction. This would remove much of the goodwill that an interim scheme could produce.

I suggest that officials meet as soon as possible to resolve these points but I would not wish to delay your announcement approving the IBA scheme if this can be done while the detail is being finalised. I certainly share your view that the IBA proposals represent a real chance to satisfy some consumer demand in advance of the full Radio Authority regime.





CH/EXCHEQUER	
REC.	31 OCT 1988
ACTION	MR PERFECT
COPIES TO	CST, FST SER P MIDDLETON
	MR ANSON, MR MOUNCH, MR PHILLIPS, MR BURSTNER, MRS CASE, MR SPACKMAN, MR WALLER, MR FARTHING, MR NICHOL, MRS CHAPLIN, MR THRE, MR CALL

31/10

QUEEN ANNE'S GATE LONDON SW1H 9AT

31 October 1988

BF 2/11

pl cc also PMG

return

Dear David,

COMMUNITY RADIO

Thank you for your letter of 20 October. I am glad that you broadly agree with the proposals I outlined and are content that an announcement need not be delayed while the details are finalised.

I have, as you suggested, asked my officials to take this forward with yours as soon as possible. Perhaps I could say, at once, however, that it is quite clear that the IBA expects its additional services to include pop music appealing to ethnic minority and indeed other audience demands which are not at present being sufficiently satisfied within the law. I also agree with your point, and Nigel Lawson's, that 6 should be the ceiling on the number of services involving current contractors.

In his letter of 26 October Nigel Lawson queried whether the proposed "extra contracts" should be able to run until the end of 1994, and suggested that they should be limited to two or three years. Some of the aspiring new entrants who have expressed interest in the IBA's proposals are looking for a longer period than two or three years for a return on their investment. Such a limitation would be a great disappointment to the Association for Broadcasting Development, which represents such groups. It is also relevant that the most recent ILR contracts advertised by the IBA have been for terms running until the end of 1994. I agree, however, that in the case of the smaller stations under the IBA's proposals a shorter term may be sensible. I therefore propose to modify the scheme to the effect that the terms may last up to the end of 1994, while making it clear to the IBA that this is a maximum, and that the actual term should reflect the size and investment of the new station in each case.

In his minute of 27 October, Geoffrey Howe expressed concern about supervision of the programme content of the proposed extra stations. The IBA are well seized of the need to exercise very

/careful oversight

The Rt Hon Lord Young of Graffham  
Secretary of State  
Department of Trade and Industry



careful oversight in this regard. The full range of consumer protection requirements under the Broadcasting Act 1981 would apply, and the IBA envisage requiring the "extra contractors" to comply with their detailed "ILR programming notes of guidance". They also envisage monitoring the output of stations and requiring them to keep tapes. I propose to re-emphasise the importance of close programme content supervision in following up their proposals with them.

... I enclose a copy of the statements I propose to make on 2 November in reply to an arranged Question and (on the disqualification of convicted pirate broadcasters) to one from Greg Knight.

I am copying this letter and its enclosures as before.

Looney

Douglas



## 1. ARRANGED QUESTION AND REPLY

To ask the Secretary of State for the Home Department, whether he has yet reached any conclusion on the IBA's proposals to establish 20 community radio stations under the Broadcasting Act 1981, and if he will make a statement.

### Draft Reply

The IBA's proposals are a positive step towards the new radio arrangements which I outlined on 19 January (at Columns 647-649). They provide a way, in advance of new legislation, of broadening the choice available to radio listeners. I am therefore glad to make frequencies available, and have asked the IBA to begin detailed planning, in consultation with my Department and the Department of Trade and Industry, for the introduction as soon as practicable of additional services.

Competition between the new community radio stations and the IBA's present contractors must be fair within the constraints of the Broadcasting Act 1981. In advertising additional contracts the IBA will accordingly make clear its willingness to consider applications from existing contractors proposing to subcontract or otherwise work in association with new entrant groups. This form of co-operation may provide useful experience for certain kinds of broadcasting under the supervision of the Radio Authority when it is established. Where additional services are established they will be expected to make a realistic contribution to regulatory costs with a corresponding reduction in present ILR rentals. The IBA will also take account of the programme output of additional services in considering the requirements on its present contractors.

With these safeguards I believe that the IBA's proposals will benefit the radio industry as a whole, provide valuable new broadcasting opportunities for minority communities and enhance listener choice as far as is practicable in advance of the major changes needing legislation which I outlined on 19 January.

-/cont.



2. QUESTION BY MR GREG KNIGHT MP FOR PRIORITY WRITTEN ANSWER ON  
2 NOVEMBER

To ask the Secretary of State for the Home Department if he will make it his policy that, following deregulation, licences will not be granted to any radio station or consortium containing persons who have been convicted of broadcasting illegally during the 10 years prior to such a licence application being made.

Draft Reply

There is a good case for a disqualification of this kind. Unlawful broadcasting causes interference to other users of the radio spectrum, including safety of life services, creates unfair competition to authorised broadcasters and imposes unnecessary additional costs on the industry. I have today announced, in reply to a Question from [ ], my intention to make additional frequencies available to the IBA for community radio in advance of broadcasting legislation. It will be open to anyone previously but no longer involved in unlawful broadcasting to apply for such a contract. But it is not acceptable, especially when new broadcasting opportunities are being opened up, for those continuing to act outside the law to be able to compete in due course on equal terms for Radio Authority licences with those who have respected the law. I accordingly propose to include in the legislative proposals I outlined on 19 January at Columns 647-649 a provision making it a condition of all Radio Authority licences that the licensee neither has a conviction after 1 January 1989 for an offence of unlicensed broadcasting within 5 years of the date of an application for such a licence nor employs such a person in the activities covered by the licence.





BF 2/11

CH/EXCHEQUER	
REG.	31 OCT 1988
ACTION	MR PERFECT ✓ 31/10
COPIES TO	CST, PST SIR P MEEDLETON
	MR ANDSON, MR MOUCH MR PHILLIPS, MR BURDENL,
	MRS CASE, MR SPACKMAN, MR WALLER, MR FARTHING,
	MR NICHOL, MRS CHAPLIN MR TYRRE, MR CALL

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

31 October, 1988.

Dear Catherine,

### COMMUNITY RADIO

The Prime Minister has seen the Home Secretary's letter to the Secretary of State for Trade and Industry dated 11 October, his response of 20 October and the subsequent comments by the Chancellor of the Exchequer and the Foreign Secretary.

The Prime Minister is content with the Home Secretary's proposal, subject to further consideration of the duration of the new contracts along the lines suggested by the Chancellor.

I am sending copies of this letter to the Private Secretaries to the members of MISC 128, the Foreign Secretary, and to Sir Robin Butler.

Yes,  
Pd  
Paul Gray

Miss Catherine Bannister,  
Home Office.

CONFIDENTIAL





FROM: Ms K ELLIMAN

DATE: 2 November 1988

APS/CHANCELLOR

cc PS/Chief Secretary  
PS/Financial Secretary  
Sir Peter Middleton  
Mr Anson  
Mr Monck  
Mr Phillips  
Mr Burgner  
Mrs Case  
Mr Spackman  
Mr Waller  
Mr Farthing  
Mr Perfect  
Mr Nichol  
Mrs Chaplin  
Mr Call  
Mr Tyrie

**COMMUNITY RADIO**

The Paymaster General has seen the Home Secretary's letter of 31 October.

2. He has commented this seems a satisfactory concession, especially as it is the smaller stations which will cause the controversial frissons.

**KIM ELLIMAN**  
Private Secretary



FROM: R M PERFECT  
DATE: 2 NOVEMBER 1988

- 1. MRS CASE
- 2. CHANCELLOR

*APZ 8/11*

cc: Chief Secretary  
 Financial Secretary  
 Paymaster General  
 Sir P Middleton  
 Mr Anson  
 Mr Phillips  
 Mr Burgner  
 Mr Farthing  
 Mr Nicol

*Ch/ content with draft?*

*OK -*

*mpw*

COMMUNITY RADIO

1. The Home Secretary's letter of 31 October is a reasonable response to the points raised in your letter of 26 October and I recommend you accept his amended proposals.

Background

2. The Home Secretary originally proposed that twenty contracts for community radio be let in areas already served by Independent Local Radio contractors. Your letter of 26 October raised two main points.

3. First, you expressed a preference for the extra contracts to run for a much shorter period than the six years proposed by the IBA. The Home Secretary suggests that limiting the contracts to two or three years would disappoint the aspiring new entrants who are looking for a longer period to earn a return on their investment. He proposes to modify the scheme so the contracts may last for up to six years, while making it clear to the IBA that the actual term should reflect the size and investment of the new stations. The Paymaster General has commented that this seems a satisfactory concession (Ms Elliman's minute of 2 November refers). Where contracts are awarded to existing pirate radio stations, no substantial new investment may be required so a short two to three years contract should be economic.

4. Second, you accepted that five or six community radio contracts might be awarded to existing ILR stations but hoped the IBA would award a majority of new contracts to new radio stations. The Home Secretary fully accepts the point.



Action

5. The Prime Minister has already endorsed the Home Secretary's proposals, subject to further consideration of duration of the new contracts (Paul Gray's letter of 31 October refers) and a general announcement is being made today, 2 November, though it does not touch on the details considered in this correspondence. I recommend you accept the Home Secretary's proposals. A draft letter is attached.

*Mark Robert*  
R M PERFECT



*pr type final*

**DRAFT LETTER TO:**

Douglas Hurd Esq CBE MP  
Secretary of State  
for Home Affairs  
Queen Anne's Gate  
LONDON SW1H 9AT

NOVEMBER 1988

**COMMUNITY RADIO**

Thank you for your letter of 31 October.

*your proposal to limit to six*  
I welcome ~~the ceiling of six on~~ *the* number of community radio contracts to be awarded to existing contractors. And I am content for you to make clear to the IBA that the actual term of each contract should reflect the size and investment of each new station, subject to a maximum of six years. In those cases where contracts are awarded to pirate radio stations that are already broadcasting and no further substantial investment is required, this should mean the contracts are no longer than two to three years.

I am copying this letter to the members of MISC 128, the Foreign and Commonwealth Secretary and Sir Robin Butler.

**NIGEL LAWSON**



MP

- CST
- FST
- PMG
- Sir P Middleton
- Mr Anson
- Mr Phillips
- Mr Burgner
- Mr Farthing
- Mr Nicol
- Mrs Case
- Mr Perfect



Treasury Chambers, Parliament Street, SW1P 3AG  
 01-270 3000

4 November 1988

The Rt. Hon. Douglas Hurd CBE MP  
 Secretary of State for Home Affairs  
 50 Queen Anne's Gate  
 LONDON  
 SW1H 9AT

A handwritten signature in dark ink, appearing to read 'Douglas Hurd'.

**COMMUNITY RADIO**

Thank you for your letter of 31 October.

I welcome your proposal to limit to six the number of community radio contracts to be awarded to existing contractors. And I am content for you to make clear to the IBA that the actual term of each contract should reflect the size and investment of each new station, subject to a maximum of six years. In those cases where contracts are awarded to pirate radio stations that are already broadcasting and no further substantial investment is required, this should mean the contracts are no longer than two to three years.

I am copying this letter to the members of MISC 128, the Foreign and Commonwealth Secretary and Sir Robin Butler.

A handwritten signature in dark ink, appearing to read 'Nigel Lawson'.

NIGEL LAWSON



FROM: MICHAEL GUNTON  
DATE: 10 NOVEMBER 1988

- 1. MR GIEVE
  - 2. CHANCELLOR
- I am sure we should not  
agree to the use of your name*

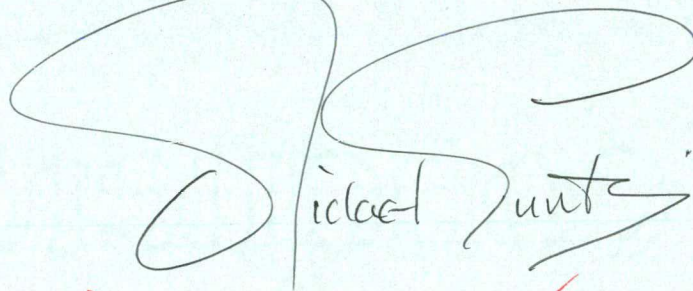
cc Mr Bush

RADIO COMMERCIAL

A radio commercial has been prepared for the Alliance and Leicester Building Society. It mentions the Chancellor and I have told them that they cannot use it without his permission.

I attach a copy of the script they have submitted by fax for his approval. A quick response would be appreciated as they are ready to record.

The script seems fairly innocuous to me.



MICHAEL GUNTON

*I think we  
should allow  
them to use it  
as long as it  
does not mention  
the name of the  
building society  
etc etc.*



Press/Print Copy

Client A&L Description Fixed Int. Mortgages  
Product CHANCELLOR Job No November 9, 1988  
Date ID 358  
Writer Original/Revision FRANK BUDGEN

Hugh: Have you heard about these new <sup>new</sup> fixed rate Mortgages that the Alliance and Leicester are doing?

Stephen: Um, no I haven't actually but I expect you have haven't you?

Hugh: Well funnily enough I have, actually yes.

Stephen: Go on then. *(well you'd better not keep us in suspense any longer)*

Hugh: Well they've pretty self explanatory really I mean they've got these fixed rate mortgages that stay at a um fixed rate.

Stephen: Really?

Hugh: Yes I mean, for 2 years the rate stays at 11. ~~7~~ 1/2%.

Stephen: What, you mean it won't go up for 2 years?

Hugh: That's right.

Stephen: What, not at all?

Hugh: No.

Stephen: What not even a tiny, weeny little bit?

Hugh: Nope,

Stephen: Oh, Well, what if house prices go up?

Hugh: Doesn't matter

Stephen: Bungalow prices?

Hugh: Same.

Creative Director	Head of Production	Account Director	Senior Planner
-------------------	--------------------	------------------	----------------



Radio Copy

Client  
Title  
Script No  
Producer  
Length  
ITCA Date

Product  
Date  
Job No  
Creative Team  
Station

Stephen: Flats, masionettes, pred á terres?

Hugh: Nope.

Stephen: Well, what if other Building Societys put their rates up?

Hugh: Look, it stays the same no matter what happens.

Stephen: OK then, what if the Chancellor, <sup>what if</sup> Nigel Lawson puts the Mortgages rate up, then it'll go up won't it?

Hugh: Not a penny.

Stephen: Are you sure, I mean are these fixed mortgages legal?  
~~I mean does he, does the Chancellor know about this?~~

Hugh: Know about them? I expect he's got one!

Stephen: Oh, I see right, of course. So when he puts the interest rate up again he'll be laughing won't he?

Hugh: Course he will.

Stephen: Right

Hugh: Well, he's not stupid is he?

(Pause)

Hugh: Well not for a Chancellor.

Creative Director	Head of TV Production	Account Director	Senior Planner
-------------------	-----------------------	------------------	----------------



Radio Copy

Client  
Title  
Script No  
Producer  
Length  
CA Date

Product  
Date  
Job No  
Creative Team  
Station

Stephen: No he's pretty smart really.  
Hugh: For a Chancellor.  
Stephen: Oh yes for a Chancellor.  
Hugh: Yep, smart move Nigel.  
Stephen: Yep ... good one.

MVO: The 11.5% Fixed <sup>Rate</sup> Interest Mortgages.  
You get a smarter investor at the Alliance & Leicester

Radio script for the Alliance + Leicester building society,  
to run on Capital radio only, from w/c 14 November.

Creative Director	Head of TV Production	Account Director	Senior Planner
-------------------	-----------------------	------------------	----------------



pl redo



FROM: MISS M P WALLACE  
DATE: 11 November 1988

MR GUNTON

cc Mr Gieve  
Mr Bush

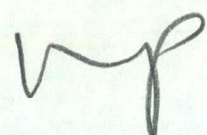
RADIO COMMERCIAL

The Chancellor was grateful for your note of 10 November. He thinks we should not allow them to use the material after the words "Are you sure, I mean are these fixed mortgages legal?" which implies that the Chancellor has a fixed rate mortgage etc. etc.

A handwritten signature in blue ink, appearing to read 'Moira Wallace'.

MOIRA WALLACE





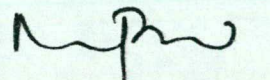
FROM: MISS M P WALLACE  
DATE: 11 November 1988

MR GUNTON

cc Mr Gieve  
Mr Bush

**RADIO COMMERCIAL**

The Chancellor was grateful for your note of 10 November. He thinks we should not allow them to use the material after the words "Are you sure, I mean are these fixed mortgages legal?".



MOIRA WALLACE