

PRIME MINISTER

VHF BAND II AND INDEPENDENT NATIONAL RADIO

You had already approved the Home Secretary's minute making proposals for the allocation of the extra VHF frequencies we shall have shortly. The Chief Secretary has now written (Flag A) raising two points:

(i) The Home Secretary's proposals seem to imply a further expansion of BBC local radio, about which the Chief Secretary is rather worried, given the strain on the licence fee. I gather however that no further expansion of BBC local radio is envisaged by the Home Secretary than has already been agreed. I think the Chief Secretary's point can therefore be met by asking the Home Secretary to ^{clarify} ~~quality~~ this in his statement.

(ii) The Chief Secretary rather doubts the demand for the new independent national radio service envisaged by the Home Secretary, given the history of TV-AM and Channel 4. He wants a further delay before we commit ourselves. *why?* I am not sure however how this would help; the new network would not become available before 1990 and the Home Secretary proposes only to say that he finds the idea of an independent national radio service attractive. *So do I* I think the Chief Secretary's point can be met if the Home Secretary amends his statement to make his acceptance of the IBA proposal subject to satisfactory financing arrangements.

Do you agree that the Chief Secretary's points can be met by amending the Home Secretary's statement in this way rather than postponing it?

Yes *mf* *JF.*

18 March 1983