

CCB/MP

PRIME MINISTER

18 November 1987

Radio Policy

The Green Paper on radio was published in February 1987. The consultation process has now been completed and the Home Secretary seeks the views of colleagues on a number of key issues.

(i) A new Radio Authority

At present Independent Local Radio (ILR) is regulated by the IBA. The independent radio companies are unhappy with what they describe as the heavy hand of the regulators and would therefore prefer a new body with a different ethos and a much lighter touch. This is what the Home Secretary proposes.

The one problem with this however is that it will be the fifth regulatory authority in broadcasting: first, the BBC, then IBA, the Cable Authority, the proposed Broadcasting Standards Council and now the Radio Authority.

It is already proving difficult to get good governors for the BBC and IBA and I suspect we are going to find it even more difficult to get good names for the Broadcasting Standards Council. A new Radio Authority would require six more new names, in addition to all of these.

As you have already asked the Home Secretary to examine the workings of the IBA, the alternative would be to leave independent radio with the IBA but ensure that the IBA is made a slimmer and more commercially minded institution.

Recommendation

Reject setting up another quango: leave radio with the IBA: put greater pressure to reform the IBA.

(ii) Funding and Ownership

Three separate issues are raised under this head.

(a) Para 4 suggests that while public authorities and political organisations should not own or invest in radio stations they could be allowed to make a financial contribution not exceeding 10% of a station's annual income.

I wonder whether this is strong enough. For example, what if a number of local authorities each contributed 10% to a certain station and then topped it up with support from unions? Could not this open the way for Left-wing or racist dominated stations?

Recommendation

It would be best to prevent certain bodies (political parties, local authorities) making contributions to local radio stations.

(b) Para 5 - although restricting to 6 the number of stations which can be owned by any one company is arbitrary it is also sensible.

(c) Once again para 6 plays safe against increasing concentration in the media and deserves support.

(iii) National Commercial Radio

The Home Secretary proposes placing on the new Radio Authority, a duty to ensure that the services of the new independent radio stations provide a diverse range of programming. At the same time he says he does not wish to dictate what the services should be. Yet in para 9 he would clearly be disappointed if they all produced popular music programmes.

There is here a basic choice which has to be faced. Commercial companies will satisfy market demand, and it would be perverse of us to dictate (subject to standards regarding bad language, violence etc) what people should listen to. This is precisely why the companies do not want close regulation.

Surely the body we should look to for up-market radio programmes is the BBC. If commercial companies are allowed to saturate the popular market in radio, then it will be to the BBC's advantage to produce more serious programmes; something which is surely its *raison d'etre*.

Recommendation

Choose Option (b) which has a very light regulatory touch. Option (a) is more of the same from the Home Office and is bound to stifle commercial developments.

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