

Prime Minister!

I do not often disagree with Brian, but I wonder whether in practice the process of awarding contracts can be made as cut and dried as he proposes.

PRIME MINISTER

14 December 1987

Agree to ask the Home Secretary to consider

Brian's point, but saying that at present Radio Policy you have an open mind?

DKS

18/12

Yes, there is a serious requirement for variety of format. It is difficult to go beyond that as a matter of judgment. Substitution is a matter of policy. But it is a matter of judgment. I am sure we do not have a problem with diversity.

The memo from the Home Secretary on radio policy raises two issues:

- a. financial contribution to independent stations
- b. arrangements for awarding national radio licences.

(a) financial contributions

This is a much more precise statement and includes one change from the previous statement: political bodies (or their officials) will not be able to make any financial contribution to independent radio stations. For the reasons you advanced at this last meeting this is surely right and to be welcomed.

Local authorities will be able to make financial contributions to projects which give specific benefit to the community (e.g. anti-drugs campaign) to promote the arts or to provide training under a government approved scheme. It would be hard to defend opposition to this.

Recommendation Accept the new proposals.

Yes

(b) Awarding franchises

The Home Secretary proposes awarding franchises on the basis of competitive tender. The argument for



competitive tenders is that it introduces transparency into the franchising process, limits the discretion of the Authority and enables the most efficient bidder to get the contract.

However in the same sentence the proposal goes on to say that competitive tendering will take place "subject to a limited discretion to licence 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; 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;"

On the one hand the Home Secretary agrees to competitive tendering but on the other hand he allows the new Authority to override it at their discretion. If the authority wishes to be provided with programmes of a certain kind then it should specify this before it invites tenders. Having done this, however, it makes a nonsense of the tendering process for it then to have discretion and to choose on the basis of quality.

Recommendation The present proposal is messy and confusing:

Either allow the Authority discretion (as with the IBA at present);

Or better still, encourage the Authority to lay down required standards for programmes and then let commercial forces decide the outcome.

Brian Griffiths

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BROADCASTING: regulation #12

