

MISC 128: MONITORING THE 25% INITIATIVE

David Young has put forward proposals for monitoring the 25% target for television programmes produced by independent companies.

He proposes that the monitoring should be done by the OPT, but recognises that there is a major snag. To do this the OPT would need specific contractual details from the BBC and the ITV companies; only then could the OPT be satisfied that progress was being made to reach the 25% target and that the companies concerned were genuine "independent producers".

There has, however, been a major difference in response from the IBA and the BBC.

IBA & ITV COMPANIES

The IBA agreed with the ITV companies in 1987 that each ITV company would give details of independent commissions, including the status of the producer, and the financial relationship between the ITV company and the independent producer. The IBA has played a positive role in all of this and their statistical returns suggest the ITV companies are on target to meet the 25% target by the end of 1992.

Probably the greatest spur to the ITV companies to enter the agreement with the IBA, was their awareness of the government's intention to impose a minimum 25% target for all Channel 3 franchises in the forthcoming Broadcasting Bill.



BBC

The BBC is altogether a different story. The commitment they made in 1987 to Ministers was "to commission 12% from the independent sector in the next three years, and a further 13% in the following three year period, subject to cost and quality review". This suggests 25% by end of 1993 provided the cost and quality review proves satisfactory.

The independent producers' trade association inform me that the BBC's actual and planned programming by independents is as follows:

1987	-	100 hours
1988	-	200 hours
1989	-	300 hours
1990	-	400 hours
1991	-	500-600 hours

They also calculate that a 25% quota on the BBC would mean 2560 hours (broken down into 1500 network programming hours and 1050 regional programming hours). The BBC, however, have stated unilaterally that they will exclude news and news-related current affairs from this target. Such a definition of news-related current affairs is quite arbitrary. The independents assume that if they did this, their target for the end of 1993 would be reduced to 1500 hours.

These figures are not official BBC figures. We do not know the true figures and competition legislation does not provide the OFT with the legal powers to compel the BBC to provide government with the information.

As David Young makes clear in his note, the BBC have made it clear that they will not comply voluntarily with the request to supply such information.



Various statements made by middle to senior BBC managers at conferences suggest that many in the BBC believe that this target will not be met, and that in fact, they have no intention of moving on to the second phase, ie they will stop at 12%.

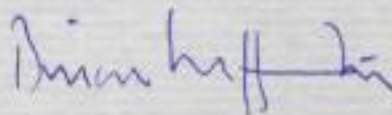
Almost certainly the 'cost and quality review' which will take place within the BBC, will show that programmes from independents are more expensive than in-house BBC productions. In cash terms this is almost certainly correct but the reason is the inadequate accounting of the BBC (which fails to treat overheads properly) rather than the true costs involved.

### Conclusions

- 1 Lord Young is right to say that his proposal for monitoring the 25% target is far from adequate. The Chancellor supports this view. The problem is the BBC not the ITV companies.
- 2 The major reason for the difference in the response of the BBC and the ITV companies is that the ITV companies have known that they faced a legal requirement.

### Recommendation

A clause should be added to the forthcoming Broadcasting Bill which requires the BBC to disclose the terms of individual contracts with independent producers, in exactly the same that is being done by the ITV companies.



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