

## PRIME MINISTER

## MEETING OF MISC 128 : 21 JUNE

You saw over the weekend some of the papers for tomorrow's MISC 128 meeting. There are, I fear, now quite a few more in the folder. This note attempts to guide you through them.

You now have three items on the agenda

- (I) Transmission
- (II) BBC Night Hours
- (III) The 25 Per Cent Initiative

Most the papers are specific to one of those individual items, and are included in the three dividers. But immediately below this note are two more general minutes which I suggest you look at first:

✓ Flag A a note by Brian Griffiths bringing together the three agenda items and expressing his concern that, as a package, they are much too favourable to the BBC

Flag B supplementary Cabinet Office briefing on the extra items which have been added to the agenda since the weekend

Divider I - Transmission

Flag C the Home Secretary's paper, which you studied over the weekend

Flag D the more detailed report by officials, also in the weekend box, which you do not need to bother with

Flag E Cabinet Office brief on transmission which you have already seen

Flag F a brief by Brian Griffiths on transmission. You will

want to go through this carefully.

- Flag G note by the Foreign Secretary on the World Service aspects of transmission
- Flag H more detailed paper from Lord Young on other aspects of transmission, which was also in the weekend box. Hopefully these detailed points do not need to be discussed and can be cleared in correspondence - so you need not bother with this

Divider II - BBC Night Hours

The papers here are:

- Flag I Home Secretary's minute which you saw over the weekend
- Flag J note by Lord Young, questioning the revised proposals to let the BBC have both sets of Nights Hours
- Flag K briefing by Brian Griffiths which strongly supports Lord Young

Divider III - The 25 Per Cent Initiative

The papers are:

- Flag L minute from Douglas Hurd suggesting that in view of the latest BBC offer to make information available on independent production, there is no need to legislate to require the BBC to satisfy the OFT about the 25 per cent figure
- Flag M note from Lord Young, questioning this and continuing to urge the desirability of legislation
- Flag N briefing from Brian Griffiths, again supporting Lord Young.

PP. *Brian Griffiths*  
(PAUL GRAY) *Buty ask*

20 June 1989

K02215

FROM: PHILIP MAWER  
DATE: 20 June 1989

MR GRAY

MINISTERIAL GROUP ON BROADCASTING SERVICES (MISC 128)  
MEETING ON 21 JUNE

1. There have been a number of developments relevant to this meeting since I submitted a brief for the Prime Minister on 16 June.

## i. BBC Night Hours

2. In his letter of 19 June to the Home Secretary, the Secretary of State for Trade and Industry has confirmed his wish to discuss the Home Secretary's proposal that the Group's earlier decision to remove one set of night hours from the BBC should be reversed. Paragraphs 22-23 of my brief of 16 June set out the issues. We have therefore added this item to the agenda for tomorrow's meeting, following the item on transmission.

## ii. Monitoring the 25% Independent Production Initiative

3. The Home Secretary's minute to the Prime Minister of 19 June refers to proposals which Lord Young made in a minute of 6 April for monitoring the terms of contracts between the broadcasters and the independent producers. Lord Young's minute indicated that the BBC would not voluntarily supply details of contracts and your letter of 24 April recorded the Prime Minister's dissatisfaction with this. The Home Secretary's latest minute indicates that the earlier exchanges were based on a misunderstanding and that the BBC are prepared to make details of individual contracts available on a commercial-in-confidence basis to the Office of Fair Trading (OFT). The Home Secretary suggests that in view of this there is no need to legislate to require the BBC each year to satisfy OFT that 25% of programme

production was coming from independent producers and that the monitoring proposals in Lord Young's minute of 6 April can be endorsed.

Flag J | 4. Lord Young wrote to the Home Secretary yesterday welcoming the BBC's willingness to make available to the OFT details of individual contracts, but suggesting that there was still a case for legislating to require the BBC to fulfil the 25% independent production target. The new licences to be awarded to independent television companies would require them to meet the target and it therefore seemed to Lord Young reasonable that there should be an equivalent requirement on the BBC. Lord Young again suggested that the matter should be discussed at tomorrow's MISC 128 meeting, and we have therefore added this item to the agenda after that on BBC night hours.

5. In relation to both these items the Prime Minister will no doubt wish to invite the Home Secretary to speak to his latest proposals, and then to ask Lord Young to set out his reasons for dissenting from them, as a preliminary to wider discussion among the Group.

### iii. Independent Broadcasting Engineering and Research and Development

Flag H | 6. The Trade and Industry Secretary's letter to the Home Secretary of 16 June attaches a paper about the future of the IBA's engineering and research and development activities. The paper, which has been discussed by the Official Group, recommends that the Independent Television Commission should retain only those engineering staff (no more than about 10 in number) essential to its light touch regulatory role. In line with that view Lord Young proposes that:

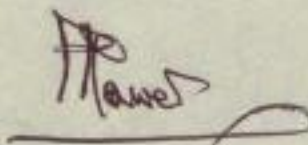
- i. the ITC should not retain any in-house research and development (R&D) capacity but that the IBA's Experiment

and Development (E&D) Department should be privatised as soon as legislation allows;

ii. contrary to the IBA's proposals, the privatised E&D Department should not be given any short term guarantees of work or income. Powers would be included in the Broadcasting Bill to vest the assets of the Department temporarily in the Home Secretary, with a view to them being sold off as quickly as possible.

Lord Young suggests that if his proposals are agreed by the Group, an early announcement should be made at the same time as the Group's decisions on transmission are published.

7. Lord Young expresses the hope that his proposals can be cleared in correspondence without need for substantive discussion at the meeting on 21 June. I understand that neither the Home Secretary nor the Chancellor of the Exchequer is likely to dissent from the principle of what Lord Young is proposing, although they may have some reservations about the practicability of privatising the IBA's E&D Department on the terms Lord Young suggests. This is, however, a relatively minor matter which I suggest can safely be left for clearance in correspondence.

A handwritten signature in dark ink, appearing to read 'P J C Mawer', with a long horizontal flourish extending to the right.

P J C MAWER