

TRANSMISSION, BBC NIGHT HOURS AND THE MONITORING OF
THE 25% INITIATIVE BY THE BBC

Before examining these papers in detail, there is one general issue which needs to be considered - namely the balance between the BBC and the independent television sector which will result from implementing the White Paper proposals.

Our current deregulation of ITV means that private television companies face considerably greater competition as a result of:

- (a) the auction process;
- (b) the higher quality hurdle which they now have to meet;
- (c) the special provision they must make for high quality international news;
- (d) the subsidies which C3 has been required to give to C4 (the safety net on income financed by a levy on C3 and the definite cross-announcement and possible cross-scheduling between C3 and C4).
- (e) the process of takeovers;
- (f) possible EEC ownership;
- (g) satellite broadcasting;
- (h) more liberal regime for cable.

By contrast the BBC has a guaranteed annual income of £1 billion for the foreseeable future.

Yet despite the increased competition within ITV, the Home Secretary's proposals for the BBC on transmission and night hours will both lead to an expansion and strengthening of the BBC's dominant position, and as David Young points out, the proposal on the 25% initiative for the BBC is far weaker than it should be and much less robust than that for ITV.

If we take the de-regulation proposals for ITV together with the current proposals of the Home Secretary for the BBC, there is absolutely no doubt whatever that its one achievement will be a stronger, larger and more dominant BBC.

This is hardly the result that was envisaged when the Government set down this path.

There are two arguments which are repeatedly used by the Home Office in connection with the BBC in these matters which need close scrutiny.

One is that the BBC has been given the green light to earn extra income. That is so. But surely the intention at the time this green light was given was not that the BBC should expand into every conceivable new area, but rather that it should discover ways of earning some fees on existing activities eg by selling its publications more effectively, or exporting programmes to other countries with greater vigour etc.

Second, is the argument that even if these proposals result in an expansion of the BBC's revenue we can always cut the

BBC back by reducing the licence fee. I am very sceptical about this argument. Not only would it appear vindictive and ungrateful to reduce the licence fee if the BBC they had been successful, but almost certainly the BBC would allow the costs of producing programme to rise, (funded by the revenue from new activities,) on the argument that the higher costs were absolutely vital to produce high-quality public service broadcasting. We would find, in other work, that there is no room for reducing the licence fee!

RECOMMENDATION

If the BBC is to be contained, all three proposals of the Home Secretary need to be challenged. However if some concession has to be made the 25% initiative and transmission are more important than the night hours.

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