

PRIME MINISTER

3 October 1989

C
C. Barlow

BROADCASTING BILL: CHANNEL 4

Trustees & Management

Douglas Hurd has gone a little way to meeting your proposals regarding the constitution of Channel 4 - he agrees that the Channel 4 Trust and the Channel 4 Company should be one entity, but then also says that there should be statutory arrangements to restrict the Trustees from being involved in the day-to-day management of the Channel.

It seems as if Channel 4 management, who are clearly lobbying ferociously, would like to enshrine in a statutory form the de facto position which existed in the BBC before Hussey fired Milne. That is, that the Management Board should run the Company with maximum freedom and minimum accountability.

As Channel 4 could well become the focus for radical discontent in the field of current affairs and censorship in the next five years in this country, this would almost certainly prove to be an impossible situation. For example, does statutory independence for management mean that the Trustees would be unable to preview certain programmes? Or to issue detailed guidelines?

On this point it would be much better if the Home Secretary were to accept that the present position in the BBC is far superior to that which existed previously, and to structure Channel 4 on the current BBC. Naturally this will be resisted by Channel 4 management, but that is the price they must pay for being shielded from the pressures of commercial television.

Appointment of Trustees

On this point the Home Secretary restates his original proposal - namely that out of a total of 7-9 Trustees, 2 should be appointed by Government, 2 should be ex-officio members of the Board of Management and between 3 and 5 should be appointed by the ITC.

In my judgement this remains wholly unsatisfactory for the reasons I gave earlier - namely that the ITC is easily captured by the television lobby, so that there exists a majority of Trustees who will publicly back whatever the editors of Channel 4 decide to put out.

The Home Secretary puts forward two arguments to support his proposal, both of which are weak:

- (a) that the Trustees must not be seen as under Government control. The Government appoints trustees to many bodies and gets little criticism that they are simply the spokesmen of Government, eg BBC, IBA, Arts Council, Tate Gallery, etc. It is surely enough for the Government to appoint people of character with a commitment to public service, an independence of judgement and wide experience.

What the Government must not do is give over the power to appoint such trustees to the immediate constituency of the industry;

- (b) that it would be more difficult to remove trustees if they failed to keep to the Channel 4 remit and if they were appointed by Government.

Trustees cannot be under Govt control. They have to act as an independent with the trust of their Trust.

Let us assume that Channel 4 does fail to keep to its remit. This would almost certainly mean that the ITC would issue a statement and support it with facts. If a case was made out then it would surely be difficult for any Home Secretary to retain existing trustees. Much more likely, however, is that the ITC would caution the Trustees of Channel 4 well in advance of such an action, and that appropriate measures would be taken by the Board to improve the situation.

In such an eventuality, one can make out a strong case that the ITC should not appoint Trustees as this would make them both judge and jury.

This is a weak case on which to base the proposal.

Recommendation

As Channel 4 has successfully resisted privatisation, the Government should not hand it over to the broadcasting fraternity for them to run it as they wish.

The powers and appointment of Trustees are crucial.

Keep to your previous proposal.

Brian Griffiths

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