



the department for Enterprise

The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

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Dear Catherine,

INDEPENDENT TELEVISION PRODUCTION

Thank you for copying to me your reply of 26 September to the minute of 6 September from Paul Gray at No 10.

It was helpful to have your comments on Mr Shah's article. The position remains that we do of course wish to encourage independent producers like Mr Shah. My Secretary of State therefore attaches considerable importance to setting a clear target for both the BBC and the new ITC franchisees that will provide a real incentive to independent producers.

I note the comments in your letter regarding the present exclusion from the 25% target of various classes of programme, including news and news-related daily current affairs. It is striking that this appears to reduce the total output to approximately 60%. If applied to the target for independent production, this would imply a reduction from 25% to 15%. In the light of this, there is clearly a case for there being no exclusions at all and for the 25% to relate to total output. Alternatively, but perhaps less satisfactorily, the 25% target could be increased in order to relate to a reduced overall total. We shall be interested to see the result of Mr Renton's consultation exercise on this.

Whatever the outcome, there is also a strong case for making clear whether the 25% relates to the total amount of work commissioned or the total amount transmitted. My Secretary of State sees advantage in relating it to transmissions. This would be a clearer target and could be much more readily monitored than one relating to commissions. It would also be of more benefit to independent producers. It might be argued



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by the broadcasters that it would also be a tighter target but we do not think this should be a decisive factor. Broadcasters should already be commissioning work with a view to meeting the 1992 target which is in any event still more than three years away. My Secretary of State would be grateful if the Home Secretary could consider this when he looks at the outcome of Mr Renton's consultations on how the total output is to be defined.

I am copying this letter to Paul Gray.

Yours aw.

Neil Thornton

NEIL THORNTON
Private Secretary



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