

PRIME MINISTER

BROADCASTING BILL: INDEPENDENT PRODUCTION

You have been concerned to ensure that the rules for 25 per cent of independent production are properly enforced: this follows your talks with, amongst others, Eddy Shah.

The Home Secretary's minute at Flag A (attached) sets out his detailed proposals for the implementation of the independent production rules in the Broadcasting Bill. He recommends tightening up the 25 per cent requirement on the BBC by applying this to transmissions rather than commissions. But he argues against changing coverage of the categories of programming affected to include news and current affairs (one of Eddy Shah's suggestions).

Brian Griffiths has commented in his note at Flag B. He warmly welcomes the Home Secretary's memorandum, and recommends that you should accept the proposed statutory provisions. But he argues that you should suggest that:

- the annual monitoring report by the OFT should be published;
- the Home Secretary should make clear that the continued exclusion of news and current affairs from the categories covered should not be used as a loophole for companies to avoid the 25 per cent target.

Content to comment in the terms recommended by Brian?

REG

PAUL GRAY

13 NOVEMBER 1989

C: BROADCAST.MRM