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SUBJECT CL MASTER



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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

6 March 1990

Dear Colin,

BROADCASTING BILL

The Prime Minister and the Home Secretary had a discussion this evening about the proposals set out in the Home Secretary's minute of 22 February. Professor Brian Griffiths was also present. The Prime Minister and Home Secretary also had before them the Chief Secretary's minute of 2 March, the Secretary of State for Trade and Industry's letter of 5 March and the Home Secretary's letter to the Chief Secretary of 5 March.

The Prime Minister said that she shared the concerns about the Home Secretary's proposals which had been set out by the Chief Secretary and the Secretary of State for Trade and Industry. She saw no great difficulty with the proposal that Channel 3 licensees must include a suitable amount of children's programmes and religious programmes in their schedules. But the Home Secretary's other proposals further to tighten the quality requirements presented greater difficulties. The judgment of quality was inevitably subjective and the danger was that, with the further concessions envisaged, the ITC would become a body little different from the IBA. The difficulties would particularly be marked if the ITC was asked to make an assessment of "high quality" in each of the main programme types; the original idea of a quality threshold had been envisaged as an across the board test relating to concepts such as diversity of provision, not a procedure requiring precise judgment about the quality of, say, game shows.

The Home Secretary said that the key problem which had to be faced was the Parliamentary difficulties in securing passage of the Bill. He took the view that, while the changes proposed would overcome that problem, they would have little substantive effect on the new regime given that this would be operating within a much more competitive framework than in the past. It was important to bear in mind that assessment of "quality" was already inherent in the Bill as presently drafted. The worries expressed by the Prime Minister and other colleagues about possible use by the ITC of "exceptional quality difference" were met by the fact that the ITC would have to justify its use of such a power in circumstances which would be open to judicial review; although a further look might be taken to ensure that under any judicial review the onus would clearly be placed on the ITC to justify why they had overridden the highest bid. He

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continued to feel that, with one exception, it was essential to proceed with the amendments he proposed if the passage of the Bill was to be secured; he would however consider further whether it would be sensible or desirable to apply across the range of main programme types the requirement that a suitable proportion of programmes must be of high quality.

Following further discussion the Prime Minister said that, with considerable reluctance, she was prepared to accept the Home Secretary's judgment that he should proceed with the proposals in his minute of 22 February, except for the extension of the quality test across the range of main programme types which the he had agreed to reconsider.

I am copying this letter to the Private Secretaries to members of MISC 128, Robert Canniff (Office of the Chancellor of the Duchy of Lancaster), Jim Gallagher (Scottish Office), Stephen Pope (Northern Ireland Office) and Sonia Phippard (Cabinet Office).

*Yes,
Paul*

(PAUL GRAY)

Colin Walters, Esq.,
Home Office.