

Prime Minister's

Foreign and Commonwealth Office

Agree with letter and  
terms of reference attached?

London SW1A 2AH

5 June 1984

A.F.C. 6/6.

Dear John,

Proposed Review of the BBC External Services

// Would you please refer to your letter of 3 April to me. Subject to the Prime Minister's views, we are now ready to put our proposals for a Review formally to the BBC. I attach draft terms of reference and a draft covering letter from Mr Whitney to the Managing Director of the External Services which have been agreed with the Treasury and the Efficiency Unit.

In our view, both texts ought to prove acceptable to the BBC Board of Governors, although we can by no means be certain that this will prove to be the case. In our informal discussions with members of the External Services, they have suggested that the terms of reference are narrow and they are unhappy about our reference in the covering letter to the continuing limitations on financial resources. However, we believe the Review should concentrate on managerial efficiency and not be the pretext for the BBC to seek new money or otherwise expand their activities.

We are taking steps to ensure that BBC officials are under no misconceptions about the purposes of the proposed Review. We are emphasising our genuine wish to seek mutually beneficial results. We wish to be as open as possible about this Review, but the question of publicity is something on which the BBC themselves should be allowed to take the lead. We wish to present the Review as a normal and natural initiative and not something which is a back door way of cutting down the External Services.

I am sending copies of this letter and enclosures to the Private Secretaries to the Lord President, the Chancellor of the Exchequer, the Home Secretary, and Lord Gowrie.

Yours ever,

Len Appleyard

(L V Appleyard)  
Private Secretary

A J Coles Esq  
10 Downing Street



DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT: REVIEW OF THE BBC EXTERNAL SERVICES

.....In Confidence

CAVEAT.....

I wrote to you on 21 March putting forward a proposal for a review of the BBC External Services and the terms on which it might be conducted. You responded on 27 March to the effect that, while you felt that some form of enquiry was appropriate, you questioned the acceptability of the proposed terms of reference to your Board of Governors.

Since then, officials have been in touch with your staff to try and work out terms of reference which would be likely to meet acceptance on all sides. I am glad that this work is now complete and that I can put to you a formal proposal.

For the sake of completeness, I repeat here the form the review might take. We propose that it should be carried out by a three-man team, which would be chaired by a senior official from the Treasury and which would also include representatives of the FCO and the BBC. Outside advisers might

/also

Enclosures—flag(s).....



also be co-opted if the team thought it necessary to have expert advice on any aspect of their enquiries. The team would work under the guidance of a steering committee, the functions of which would be to facilitate the establishment of the review, to monitor its progress, and to receive and transmit the final report. We envisage that the steering committee would meet under the chairmanship of a nominated representative from the BBC and would also include representatives of the FCO, the Treasury and the MPO.

As to the terms of reference, I enclose wording which has been amended substantially to meet your principal concerns that the review should be broadly based and forward looking. Some glosses are necessary.

First, in considering the effects of new technological developments the team will have to take account of the continuing limitations of financial resources which will be bound to influence the possibility of providing new resources.

Secondly, I wish to make it clear ~~what~~ that the review will be limited to the External Services and that any enquiries that may need to be made within the Corporation as a whole would be purely for the purpose of eliciting information about the External Services.

Thirdly, in examining the financial procedures used by the External Services the team will consider to what extent the External Services follow principles of financial management, as defined in the Government's Financial Management Initiative.

/Fourthly,



Fourthly, there is no question of any interference in the BBC's editorial freedom. But we would expect the team to look at the present pattern of hours and languages prescribed.

We are anxious to make a start on the review as soon as possible and to conclude it in a reasonably short period, taking due account of possible interruptions during the summer holidays and any travel abroad to visit analogues that may be necessary.

As before, we still see no particular need for a formal announcement about the review, but would be prepared to answer any press enquiries about it on lines which we would like to agree with you.

If, as I hope, the BBC find this an acceptable basis for proceeding, I should be grateful if you would let me have your formal acceptance. In this event, I assume that we can count on your full co-operation over the administrative needs of the review team.



REVIEW OF BBC EXTERNAL SERVICES

TERMS OF REFERENCE

The Review Team will be appointed by the Secretary of State for Foreign and Commonwealth Affairs in consultation with the BBC;

To examine the extent to which the BBC External Services meet the objectives laid down in the Licence and Agreement as agreed with the Foreign and Commonwealth Office.

To consider how efficiency and effectiveness can be improved further;

To consider the effects of new technological developments on the future of external broadcasting;

And to report to the Secretary of State for Foreign and Commonwealth Affairs.

For the purpose of the review, the Team will have access to documents and records in the BBC External Services and in the Foreign and Commonwealth Office, and the right to interview employees of both organisations and to examine the management and financial procedures used by the BBC External Services, including pay, recruitment and staffing, identifying areas where improvements or economies could be made; and will take account of the operations of similar broadcasting services in selected allied countries.