



LCBGE

Treasury Chambers, Parliament Street, SW1P 3AG  
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26 May 1987

The Rt Hon Douglas Hurd CBE QC MP  
Secretary of State for the Home Dept  
Home Office  
50 Queen Anne's Gate  
LONDON  
SW1H 9BW

Dear Home Secretary,

Jap

#### INDEPENDENT PRODUCERS

Thank you for sending me a copy of your minute of 19 May to the Prime Minister. I have also seen Willie Whitelaw's comments of 20 May.

The proposals put forward by both the IBA and the BBC are couched in terms of proportions of programmes they themselves originate, excluding repeats and "acquired programmes" such as films or imports. MISC 128 did not actually specify what was meant by "programme", but in my letter to you of 26 March I suggested that the BBC and IBA should "fill 25 per cent of their airtime with independent productions", and our Manifesto refers to 25 per cent of "programmes broadcast", which must be taken to include repeats and acquired programmes as well as new material. I do not wish to press the point now, as I realise that this definition would mean a still higher proportion of independent productions by value, as repeats and imports are often very cheap; but this is something we should bear in mind when evaluating the broadcasters' proposals.

With this qualification, the IBA proposal seems to me satisfactory. The timescale is rather longer than the four years we envisaged but there is a good deal of sense in relating the phasing in of independent productions to the timing of the ITV contracts. I was particularly pleased to see that the IBA was prepared to write into the contracts themselves an obligation to take independent productions, if that proved necessary.

The BBC's proposal is manifestly inferior. They have presented it in misleading terms, by referring to the time when finance is allocated rather than when programmes are shown (I understand the





latter is often 18 months later), and by excluding from their calculations news programmes and "Breakfast Time". If this is taken into account, then by the end of 1992 the IBA hope to have met the 25 per cent target, but less than 8 per cent of the BBC's new programmes will be made by independent producers. Thereafter the BBC's commitment to simply "recognising" our target seems far too vague. I do not think we can endorse their proposal.

I suggest that the best course of action would be for you to tell the BBC that unless they substantially improve their proposal, you will have no choice but to introduce legislation to compel them to take 25 per cent of programmes from independent producers. We should not back down now. If we were to approve the BBC's current proposal, I doubt whether they would take future threats of legislation seriously. You might have to make it clear to the IBA that the introduction of legislation did not reflect upon them, but had been forced by lack of co-operation from the BBC.

Securing the necessary legislation should not prove too difficult. It is clear from Clement Freud's attempt to amend the Broadcasting Bill, which you will recall we opposed for tactical and technical reasons, that there is considerable sympathy on both sides of the House for bolstering independent production, and we should build on that feeling.

I am copying this letter to the Prime Minister, to other members of MISC 128 and to Sir Robert Armstrong.

Yours sincerely,

Cathy Ryding

NIGEL LAWSON

(Approved by the Chancellor  
and signed in his absence)



BROADCASTING

Financing of BBC

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