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PRIME MINISTER

MISC 128: MONITORING THE 25 PER CENT INITIATIVE

David Young's minute of 6 April put forward proposals for monitoring the target that 25 per cent of programmes in television schedules should be independently produced. *(file with PG)*

The BBC's refusal to provide the information needed to monitor objectively their contracts with independent programme producers is very disappointing. Unless the Office of Fair Trading are allowed to do this we cannot know whether the BBC and IBA are contracting out work to genuinely independent producers. Individuals represented by the Independent Access Steering Committee (IASC) will only be aware of the terms available to them: former employees of the BBC, or other individuals, offered particularly favourable conditions are unlikely to complain. Quarterly discussions between IASC and the Director General of Fair Trading would be an improvement on present arrangements, but they would not constitute objective monitoring of our agreed target.

I note that the IBA and IASC would be content for the OFT to monitor their contract terms. I suggest this should be organised to supplement and inform the proposed quarterly discussions between the Director General of Fair Trading and IASC. If the BBC decline to co-operate with this monitoring, and reports continue to circulate that they do not take the 25 per cent target



seriously, then the case for further action to encourage competition would be irresistible.

I am copying this minute to colleagues on MISC 128 and to Sir Robin Butler.

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14 April 1989

Broadcasting

Policy Part 7



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