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Prime Minister

MISC.128 IMPLEMENTING THE BROADCASTING WHITE PAPER

As you know, I am speaking at the Scottish Conservative Conference at Perth on Thursday so I am unable to attend the meeting of MISC.128 then. Later on Thursday, also at the Conference, Tim Renton is replying to a debate on a motion on broadcasting which calls upon the Government "to ensure that regional programming, reflecting the distinctive cultural, educational and religious life of Scotland, is able to be maintained".

✓ As Douglas Hurd has already recorded, the issues for discussion - in particular the franchise map - are very sensitive ones for Scotland and there has been considerable public concern that the effect of our proposals would be to result in a single C3 franchise for the whole of Scotland (there are at present 3).

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I therefore very much welcome George Russell's view (recorded at paragraph 9 of paper MISC.128(89)6) that there would be advantage in keeping the present ITV regional map. Scottish responses to the White Paper argued very cogently for preserving in broadcasting terms the cultural and historical map of Scotland as it is currently drawn - the areas served by Grampian and Border see themselves as culturally (and politically) distinct from that served by Scottish Television (central Scotland). I therefore strongly agree with Douglas's suggestion (at paragraph 9b of 89(5)) that we should endorse the idea of preserving the present regional structure. I also agree with the IBA that applicants should be able to apply for only one C3 (or C5) franchise (paragraph 9b of paper 89(6)).

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It is very important that our new regime does enable the smaller franchise holders to compete and provide a service with significant local content. So a general intention to retain the present structure may not be sufficient. The issue for Scotland (and for a number of other smaller franchises) is whether the various commercial pressures will be such as to make the small franchises commercially unattractive or even untenable. One aspect of this is the proposed separation of night hours from the C3 franchises. I am unhappy with the proposition in MISC.128(89)5 (paragraph 7) that night hours be linked with breakfast time. No doubt that could be commercially viable but it would have an adverse effect on the viability of the independent regional companies who will, under our new regime, have very strong commercial incentives to maximise their revenue by making better use of the night hours. The loss of a significant regional dimension to night hours will reduce opportunities for minority broadcasting and a useful low-cost service to local advertisers and replace it by yet another national channel. I see considerable advantage therefore in underpinning the regional companies by allowing them to keep the night hours, rather than replacing them by another London-based channel, with minimal regional inserts.

No doubt we will wish to return to these matters in the context of discussions on competitive tendering and transmission arrangements, but for the moment I would wish to reiterate my concern that we strengthen rather than prejudice the viability of the regional franchises, in relation to the national franchises.

I am copying this minute to other MISC.128 members, Sir Robin Butler and John Wakeham.

Lynn Shanickand

M R

Approved by the Secretary of State and
Signed in his absence

Scottish Office
10 May 1989

Broadcasting - Policy -

