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Prime Minister

Gaelic Television Services

Douglas Hurd's statement on 13 June concluded with a commitment that we would announce soon our plans for Gaelic television. This minute makes proposals for a way ahead. Subject to colleagues' agreement, I would like to be able to float these ideas at a Scottish Grand Committee Debate on Broadcasting which the Opposition have requested for 11 July.

Background

There are some 80,000 Gaelic speakers in Scotland. In 1988, BBC TV, Grampian and STV together offered about 80 hours of new production - and a total of about 100 hours watched by a very high proportion of Gaelic speakers. The total cost of all Gaelic broadcasting is estimated at about £4m. The two Scottish ITV companies at present pay a subscription to Channel 4, of which about £2.75m is attributable to the Welsh S4C. There are about 500,000 Welsh speakers and S4C broadcasts about 1,300 hours a year, of which just over one-third are provided by the BBC. S4C expenditure is of the order of £70m (£50m subscription plus the value of the BBC contribution - say, £20m).

Position since the White Paper

Since the publication of the White Paper, there has been a sustained campaign by the Gaelic interests to secure a greater commitment to Gaelic in our broadcasting proposals. They commissioned the authoritative London-based broadcasting consultants - Putnam, Hayes and

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Bartlett (PHB) - to examine the case for a Gaelic Broadcasting Service (GBS). This report drew attention to the disparity between the S4C provision for Welsh and the current provision for Gaelic, and developed a well-argued case for a GBS which would aim to produce ultimately about 500 hours of Gaelic a year across BBC and commercial channels and would cost more than £20m. They proposed that this would be funded by a combination of BBC contribution in kind, the diversion of the existing Scottish ITV contributions to S4C, and a further £16m or so from franchise revenues.

Proposals

I should make clear first that I have no intention of going down the S4C route which would lock us in to a complicated statutory mechanism and a much larger scale approach than I believe to be appropriate. Moreover, I do not want to pursue the GBS approach which it seems to me would be unnecessarily bureaucratic and would involve commissioning as much as 500 hours Gaelic programming a year across both the BBC and the commercial channels. I do however feel that given the very considerable concern in Scotland about the future of Gaelic and the desire for a greater commitment to Gaelic television, we must establish some new mechanism which would secure a significant increase of Gaelic programming.

I propose therefore the establishment of a Gaelic Television Production Fund, the details of which are outlined in the annex to this minute. The essence of the proposal is that a Production Fund would be managed by the ITC, would like S4C be funded from franchise revenues, and would supplement the C3 companies' existing levels of production, in association with the continuing commitment to Gaelic television from BBC2. The target would be to fund a further 200 hours or so of production - so that the total Gaelic television on all channels might, over a period of years, rise to some 300 hours - still less than an hour a day spread across day-time, peak and night hours.

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From talking to George Russell, I think such a proposal is workable - but he advises that it will certainly need to be underpinned by a statutory obligation on the ITC, when awarding franchises covering significant Gaelic-speaking areas, to secure a commitment from the franchise holders to Gaelic production. In parallel with that, I would seek a commitment from the BBC that they would maintain, and if possible increase, their Gaelic production levels, and I hope Douglas Hurd can help in securing this.

Costs

Television production does not come cheaply. PHB suggest that 500 hours would cost more than £20m, and 300 about £12m. At this stage, I do not think we should commit ourselves to a figure but indicate that our objective is to secure a further 200 hours or so of television in addition to the existing production levels over, say, the first two or three years of the operations of the Fund. That might imply a commitment from franchise revenues of a sum of the order of £8m at present prices.

Subject to colleagues' agreement, I would hope to float these ideas on 11 July - making it clear that our ideas were still developing and were subject to further discussion with the BBC, the IBA, the ITV companies and the Gaelic interests.

I hope you can agree. I am copying this minute to colleagues on MISC.128 and to Sir Robin Butler.

MR

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Scottish Office
30 June 1989

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A POSSIBLE "GAELIC TELEVISION PRODUCTION FUND"**Aim**

To promote good quality Gaelic television production on Channel 3, to supplement companies' existing levels of production, and in association with a continuing commitment to Gaelic television from BBC.

Objective

To fund a further 200 hours of production so that total Gaelic television production on all channels rises to some 300 hours a year.

Funding

Perhaps £8m a year from franchise revenues, to supplement companies' existing commitments, estimated at some £4m.

Constitution

The Fund would be administered by a Committee of the ITC, appointed and funded by it, with a small executive staff employed by the ITC.

Method of Working

The Fund would annually indicate to the C3 companies (STV and Grampian or their successors) its intentions for the following year to fund a specified number of hours of Gaelic broadcasting, with an indication of the proportion of that attributable to, say, schools broadcasting, the arts (music, drama, literature, etc), sport and general interest. The companies would be invited to tender proposals for the production and showing of such programmes in their schedule of Gaelic programmes. As a matter of policy, the Fund would expect a significant proportion of the programmes to be produced by independent producers.

Need for Legislative Backing

The ITC would need to be enabled to require C3 companies to provide a commitment to Gaelic broadcasting as part of their quality/diversity requirements. (It is envisaged that access to the Production Fund would be dependent on the satisfactory delivery of Gaelic programmes, particularly for news and current affairs, in their basic schedules.)

Pros

- manageable within the ITC framework at arm's length from Government (though there will be Governmental involvement in decisions about agreeing the level of funding from franchise revenues)
- the franchise revenues recycled through the Fund would go only to C3 companies and not to the BBC: so the commercial companies would not be funding the BBC

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- the Fund would avoid concentrating all Gaelic production on a single channel, on the S4C model
- evolutionary because funding levels, and fund priorities, can vary with experience, without the rigid statutory framework of the S4C model.

Cons

- participation of the C3 companies would need to be enforced by franchise requirements, backed by legislation
- no formal mechanism for ensuring complementary continued production by BBC
- falls short of the all-embracing Gaelic Broadcasting Service envisaged by the Gaels, which would have funded and co-ordinated production across both the BBC and C3.

Scottish Office
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