

JB  
831

PREM 19/395

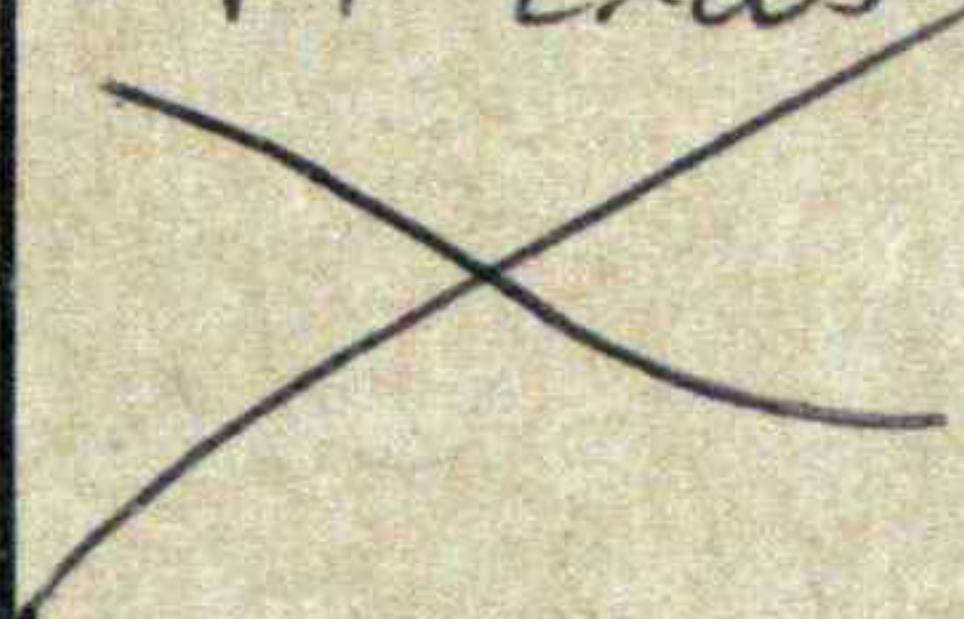


legislation on broadcasting.  
 Re introduction of a fourth TV channel,  
 Welsh Language broadcasting.

Part 1

BROADCASTING

July 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>30-7-79</del>		<del>16-6-81</del> <del>PT Ends</del> 					
<del>31-7-79</del>							
<del>14-11-79</del>							
<del>22-11-79</del>							
<del>26-11-79</del>							
<del>1-12-79</del>							
<del>9-1-80</del>							
<del>16-1-80</del>							
<del>22-1-80</del>							
<del>31-1-80</del>							
<del>8-2-80</del>							
<del>6-3-80</del>							
<del>17-3-80</del>							
<del>9-5-80</del>							
<del>14-5-80</del>							
<del>15-6-80</del>							
<del>13-9-80</del>							
<del>25-9-80</del>							
<del>20/9/80</del>							
<del>23/2/81</del>							
<del>25-2-81</del>							

PREM 19/395



PART Part 1 ends:-

L (81) 81

16/6/81

PART 2 begins:-

CC (82) 44<sup>th</sup> Mtg - Item 5 21/10/82







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*File W  
Broadcasting*

10 DOWNING STREET

*From the Private Secretary*

25 February 1981

The Prime Minister has seen your letter to me of 24 February, responding to mine of 23 February conveying the Prime Minister's comments on the proposed new BBC Charter and Licence and Agreement.

She is content with these explanations.

M. A. PATTISON

A. P. Jackson, Esq.,  
Home Office.

*R*

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HOME OFFICE  
QUEEN ANNE'S GATE LONDON SW1H 9AT

24 February 1981

*Dear Mike* *Yes* *not* *Prime Minister*  
*Content with these answers*  
*to the two points you raised?*

Thank you for your letter of 23 February about the proposed new BBC Charter and Licence and Agreement.

*MP*  
*24*  
*12*

We understand from the BBC that the main agreements which the Corporation have made with the Unions under Article 13(i) of the present Charter (which incidentally remains unamended in the proposed new Charter), do not provide for unilateral access to arbitration. There is, however, one representational agreement which provides for unilateral access to arbitration on the part of the National Association of Theatrical Television and Kine Employees (NATTKE), or the BBC. This arose some years ago because of a dispute on representation between the main BBC Union, the Association of Broadcasting Staff (ABS) and NATTKE. We understand that this representational agreement could not lead to NATTKE seeking unilateral access to arbitration on pay and conditions of service matters. But it is worth making the point that Article 13(i) itself merely puts an obligation on the BBC to have agreements of this sort; it does not stipulate the form in which they should be made.

Clause 12 of the Licence and Agreement, which in the new document is amended only to substitute "prior approval of the Secretary of State" for "previous consent in writing of the Postmaster General", does not forbid advertising on BBC services; advertising could be permitted with the Secretary of State's prior approval.

*Jan evr*  
*A. P. Jackson*

A. P. JACKSON

M. A. Pattison, Esq.

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CONFIDENTIAL



FILE

Broadcasting NLS

10 DOWNING STREET

From the Private Secretary

23 February 1981

The Prime Minister was grateful to the Home Secretary for giving her an early sight of the proposed new BBC Charter and Licence and Agreement, which is to be discussed in H Committee later this week.

As I told you on the telephone, the Prime Minister has raised two points. Firstly, in respect of the arbitration provisions in paragraph 13(i)(a) of the Charter, she would like confirmation that the agreements do not provide for unilateral access to arbitration.

Secondly, the Prime Minister has asked whether these documents would absolutely forbid advertising on every programme. If this is the case, the Prime Minister has asked whether it might now be appropriate to permit it with the Secretary of State's consent.

BF 27/2/81

~~T. P. LANKESTER~~

M. A. PATTISON

Andrew Jackson, Esq.,  
Home Office.

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- 1. MR. WHITMORE *In view of your close involvement in the new BBC charter we have encouraged Mr Whitelaw to consult you about*
- 2. PRIME MINISTER *his proposals before he puts them to his other colleagues.*

*AMH  
4:11*

Mr. Whitelaw offers a preview of his paper for H on the BBC Charter and Licence and Agreement. His covering minute explains the two significant changes. You will probably be most interested in the first of these, on programme obligations. The relevant passages in the revised text are to be found in paragraph 13(6) and (7) of the Licence and Agreement (our Flag A) and in the Resolution of the Board of Governors which is to be annexed to the Licence and Agreement (our Flag B).

Content that the Home Secretary should put these proposals to colleagues in H Committee?

Would you like him to report to you further after the discussion, before he implements the decisions of the Committee?

① 13 (a) - arbitration; provision for  
 1 later in the agreement does not provide for unilateral arbitration. *MM*

② 15 advertising absolutely forbidden  
 on every programme? If so  
 ought we not to permit it  
 now with Sg's consent.  
*not.*

17 February 1981



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PRIME MINISTER

B.B.C. CHARTER AND LICENCE AND AGREEMENT

We have discussed the new B.B.C. Charter and Licence and Agreement, and I thought you would like to see in advance the attached copy of a memorandum which I propose to circulate to H Committee, for discussion at the meeting on 25th February.

The main changes are these. First, as I have already mentioned to you, I am bringing the B.B.C.'s programme obligations from their present relative obscurity (in Ministerial prescriptions under the Licence and Agreement and in the 1964 Normanbrook letter) into the Licence and Agreement. The B.B.C. was at first most reluctant to agree to any changes of this kind, but they have now accepted my insistence that they are essential.

Secondly, the Secretary of State for Northern Ireland and I think the time has come to establish a Broadcasting Council for Northern Ireland and on the same basis as the Broadcasting Councils for Scotland and Wales. However, the relevant provisions of the Charter have been amended with a view to securing a proper balance of representation on each Council. This amendment is designed primarily for Northern Ireland, but applies to all three Broadcasting Councils.

Thirdly, the draft Charter and Licence and Agreement cater for the possibility, subject to my consent and to such conditions as I might impose, of the B.B.C. using new technology, in particular providing satellite broadcasting services, and other services which are on the fringe of traditional broadcasting and the new information technology.

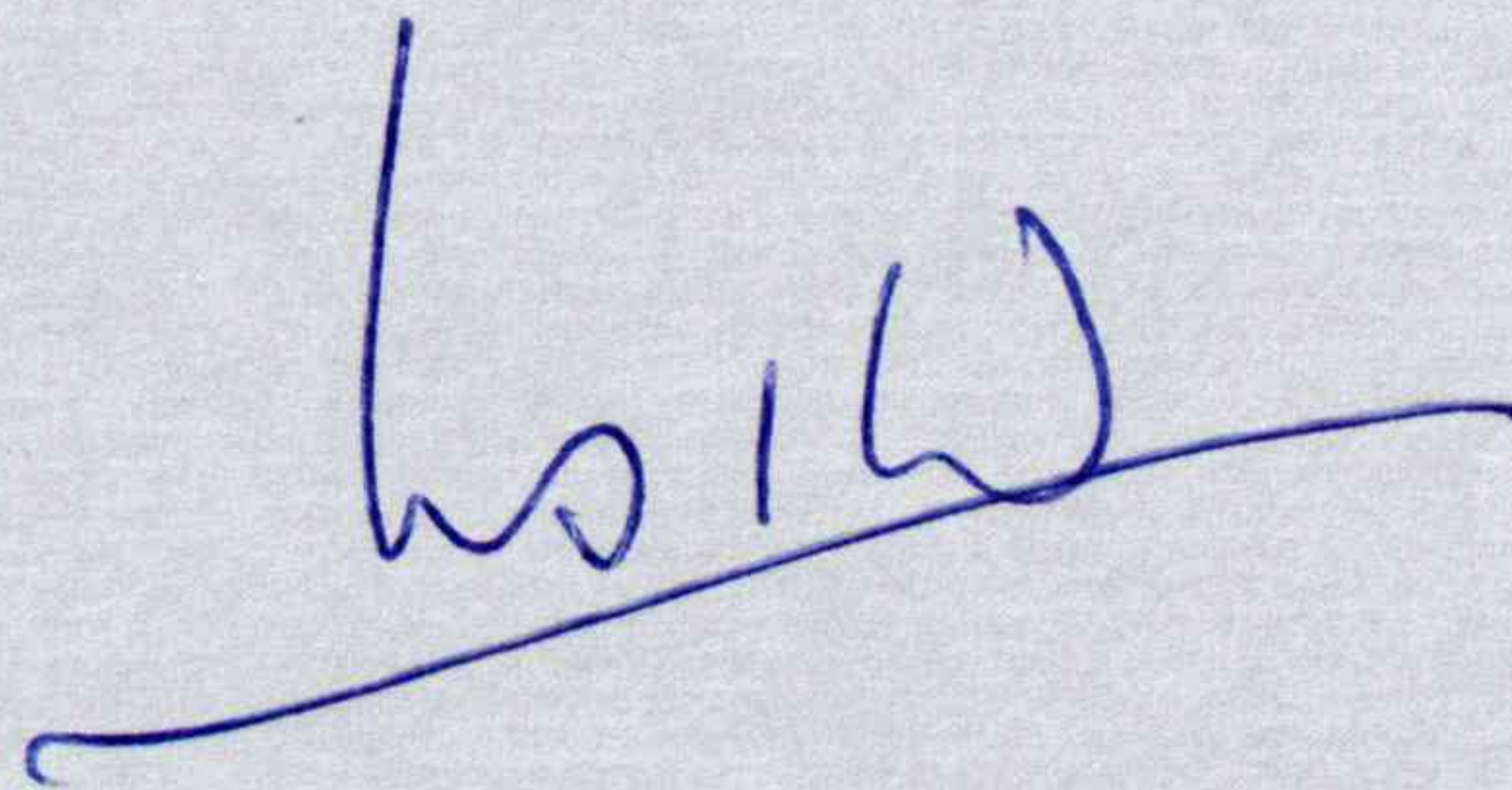
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These changes and a number of less important changes are explained in greater detail in Annex A to the draft H memorandum.

I am sending copies of this minute to the Secretary of State for Northern Ireland and to Sir Robert Armstrong.



18 February 1981

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DRAFT

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

H(81)

COPY NO.

February 1981

CABINET

HOME AND SOCIAL AFFAIRS COMMITTEE

BBC CHARTER AND LICENCE AND AGREEMENT

Memorandum by the Secretary of State for the Home Department

1. The BBC's Royal Charter and Licence and Agreement, both of which have been extended twice (in 1976 and 1979) since they were granted in 1964 and 1969 respectively, will expire on 31 July this year. The Charter is the instrument which gives the Corporation legal existence, sets out its objects and its constitution, and deals with such matters as its advisory bodies, its powers to receive money and its annual report and accounts. It does not override the need for the Corporation to acquire licences to use wireless telegraphy or to undertake activities within the Post Office's exclusive telecommunications privilege. The Licence and Agreement is the instrument by which I licence the BBC under the Wireless Telegraphy Act 1949. It has the character of an agreement and, because it deals with the financing of the External Services, it is a contract which, under Standing Order 96, is not binding unless it is approved by a resolution of the House of Commons. In the past the Licence and Agreement and the draft Charter have been laid before Parliament and have been debated together in the House of Commons. A similar procedure will need to be followed with the new documents - see paragraph 3 below. I have indicated in Parliament that I intend to seek a new Charter and Licence and Agreement which will last until 31 December 1996, the date to which the Broadcasting Act 1980 extends the life of the IBA. The purpose of this memorandum is to seek my colleagues' agreement to the changes I propose to make to these documents.

Proposed changes

2. These changes, which are indicated on the copies of the two draft documents, at Annexes B and C, are explained in Annex A. The significant changes are as follows:-

/(a)

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- (a) The BBC's programme obligations, concerning, for example, the maintenance of high standards and ensuring due impartiality, have been brought from their present relative obscurity in a Ministerial prescription under the Licence and Agreement and a 1964 letter of assurance from the then Chairman of the BBC to the then Postmaster General into the draft Licence and Agreement (paragraph 1 of Annex A).
- (b) With the agreement of the Secretary of State for Northern Ireland, the draft Charter now provides for the establishment of a Broadcasting Council for Northern Ireland on the same basis as the existing Broadcasting Councils for Scotland and Wales (paragraph 2 of Annex A):
- (c) The draft Charter and Licence and Agreement have been amended to open up the possibility, subject to my consent and to such conditions as I might impose, of the BBC taking advantage over the next 15 years of new technological developments: these might include a subscription television service by satellite (paragraphs 3 to 5 of Annex A); and other services which are on the fringe of traditional broadcasting, eg a service of medical information programmes for reception only by doctors (paragraph 6 of Annex A).

Timing

3. Before the new Charter and Licence and Agreement can come into effect, on 1 August, the Charter must have been approved and the BBC Governors appointed. This will take two meetings of the Privy Council. The documents will therefore need to be laid before the House of Commons so that they can be debated and the Licence and Agreement approved immediately before or after the Easter Recess, and in any event no later than the Spring Bank Holiday.

Conclusion

4. I invite my colleagues to agree:

- (a) to the changes to the BBC's Charter and Licence and Agreement set out in Annex A, and to any additional minor drafting amendment which may be necessary or desirable; and

/(b)



## PROPOSED CHANGES TO THE CHARTER AND LICENCE AND AGREEMENT

## A. PRINCIPAL CHANGES

Programme obligations

1. The BBC has a number of obligations relating to the content of the programmes it broadcasts. A Ministerial prescription under Clause 13(4) of the present Licence and Agreement requires the Corporation to refrain from broadcasting its own views on current affairs and matters of public policy and from using subliminal broadcasting techniques. The Corporation's other obligations (for example, that programmes should maintain a high general standard, and should not offend against good taste or decency or be likely to encourage or incite to crime or lead to disorder or be offensive to public feeling; and that controversial subjects should be treated with due impartiality) exist by virtue of a 1964 letter from the then Chairman of the BBC, Lord Normanbrook, to the then Postmaster General, the contents of which are "noted" in the Ministerial prescription. At a time when there is a good deal of public concern about programme standards I believe - and I have persuaded the Corporation to agree - that these programme obligations must be made more visible and formal. The draft Licence and Agreement therefore incorporates -

- (a) the obligations now set out in the Ministerial prescription (see Clause 13(6) and (7)); and
- (b) as an Annex (which is referred to in the preamble) a resolution by the Board of Governors renewing the assurances regarding programme standards which were given in the Normanbrook letter.

Broadcasting Council for Northern Ireland

2. Under the present Charter the BBC is required to establish Broadcasting Councils for Scotland and Wales. The Chairmen are the respective National Governors and the members are selected for appointment by the Corporation by a panel of the BBC's General Advisory Council (GAC). The main function of the Broadcasting Councils is to control the policy and content of programmes intended for reception primarily in Scotland and Wales. For Northern Ireland

/there is



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O.R.

- (b) that arrangements should be made for the draft Charter and Licence and Agreement to be printed and laid before the House of Commons and for them to be debated immediately after the Easter Recess and no later than the Spring Bank Holiday.

WW

February 1981

Home Office  
Queen Anne's Gate

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there is only an Advisory Committee, though the present Charter enables the Government to direct the Corporation to establish a Broadcasting Council for Northern Ireland. The Secretary of State for Northern Ireland and I consider that the time has come to establish a Broadcasting Council for Northern Ireland and that this should be done by means of the new Charter rather than by Government direction. Article 10 of the draft Charter provides accordingly. In order both to take account of the special circumstances of Northern Ireland and the desirability of appointing to the Northern Ireland Broadcasting Council a range of people from both sides of the community, and at the same time to keep the provisions for all three Broadcasting Councils in line, Article 10(2)(b) provides that the panel of the GAC should select the members after consultation with such representative cultural, religious and other bodies in each country as it thinks fit, with a view to securing a proper balance of representation on each Council.

## Subscription services and satellite broadcasting

3. When I announced that I would be authorising some pilot schemes of subscription television by cable I expressed the hope that the BBC might be associated with one of these schemes. Article 3(j) of the draft Charter makes it clear that the Corporation can associatee itself with a scheme by providing a programme material to the cable operator for distribution to his subscribers.

4. In the context of the Home Office study of direct broadcasting by satellite (DBS) the BBC has suggested that it should provide two services: a subscription service and one consisting of the best of BBC 1 and BBC 2. The Corporation sees a subscription service as a means of obtaining a modest but useful additional source of revenue and of financing programmes of the kind which cannot now be afforded for BBC television, but which could be available for BBC 1 and BBC 2 after being broadcast on the subscription service. In this way, a subscription service could be of benefit to, and not detract from the Corporation's existing television services. Of the specific proposals for DBS services which were put to the study the BBC's were probably the best, though a number of legal, technical and administrative problems would have to be overcome to implement them. However, we have not yet reached decisions on whether the UK should introduce DBS services or, if so, who should provide them; nor are we likely to do so before the draft Charter and the Licence and Agreement are published. The question therefore is whether these documents should be amended now to cater for the possibility of a BBC DBS subscription

/service

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service or whether this should be dealt with (if we so decide) by supplemental documents at a later date.

5. On balance I incline to the view that the new documents should provide for the possibility of a BBC DBS subscription service subject to my consent and to such conditions as I might impose. The draft Charter and the Licence and Agreement provide accordingly (Articles 3(h) and 16(1) of the Charter and Clause 16(1)(b) of the Licence and Agreement).

## Other services

6. The BBC would like, and in some cases has been involved in experiments, to provide by means of its broadcasting network other public service wireless telegraph services which are somewhat different from its traditional broadcasting services for general reception. These might include services transmitted (perhaps at night and possibly in code so that they cannot be received by the public at large) for reception by particular groups, for example, medical programmes for doctors; and also such services as "teleswitching" whereby the Electricity Supply Industry (ESI) can, if the householder wishes, switch individual central heating systems off and on, by means of signals transmitted by the BBC. Developments of this kind, which are on the fringe of broadcasting and the new information technology, could be both valuable in themselves and produce a small but useful income for the Corporation. However, I do not think the Corporation could be given carte blanche to involve itself in these new services and the draft Charter would enable it to do so only with my consent and subject to such conditions as I might impose (Article 3(b)). Similarly, the licence fee revenue would not be able to be applied to any such services without my consent (proviso (a) to Clause 16(1) of the draft Licence and Agreement).

## B. OTHER CHANGES

### The Charter

7. Article 3(a) has been amended to give the BBC clear authority to provide its Ceefax teletext service. (The Broadcasting Act 1980 made it correspondingly clear that the IBA was authorised to provide its Oracle teletext service).

8. Article 3(d) has been amended to enable the Corporation (subject to a Post Office licence) to transmit its programme services by cable. There may be some limited circumstances in which cable is preferable to wireless telegraphy.



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9. Article 3(1) specifically enables the Corporation to maintain libraries and archives and to charge the public for access to them. While a specific provision is probably not strictly necessary, to authorise the Corporation to do this, it was recommended by the BBC's Archives Advisory Committee under Lord Brigg's chairmanship and should, I think, be included.

10. Under the present Charter the Corporation has power, subject to my consent, to acquire shareholdings in companies whose objects include any of the objects of the Corporation or whose business can be so conducted as to facilitate or advance those objects. Article 3(u) makes it clear that this power extends to cover the establishment of such companies.

11. Article 6(3) now enables the Corporation to pay pensions to retiring Governors. These pensions will, like the salaries paid to the Governors, be dealt with by Order in Council. (Corresponding provision for the members of the IBA and the Welsh Fourth Channel Authority were included in the Broadcasting Act 1980).

12. Article 11 has been amended so as to give recognition on the face of the Charter to the BBC's Local Radio Advisory Councils.

13. Article 15 has been amended to make it clear that the methods by which the Corporation takes account of public opinion on its services may include public meetings. (A similar provision relating to the IBA was included in the Broadcasting Act 1980).

## Licence and Agreement

14. A number of changes have been made to the Licence and Agreement which are consequential on the changes proposed to the Charter. The only other changes of significance are as follows:

- (a) the definition of "sponsored programmes" in Clause 1 has been amended to make it clear that the arrangements between the Corporation and the Open University are not caught by the prohibition on sponsored programmes in Clause 12. The prohibition will not apply as such to any services which might be authorised under Clause 3(b) (ie services other than broadcasting for general reception). Whether sponsored programmes should be permitted on any such services can be decided under the powers to authorise such services subject to conditions.

/(b)

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- (b) Clause 13(7) not only incorporates into the Licence and Agreement the prohibition on the BBC concerning broadcasting of its own views (see paragraph 3(a) of memorandum); it also amends the prohibition so that it does not apply to the Corporation's views on matters of broadcasting policy. (The corresponding IBA provision was similarly amended by the Broadcasting Act 1980.)
  
- (c) Clause 16(3) provides for the BBC's contribution towards the costs of the Broadcasting Complaints Commission soon to be established under the Broadcasting Act 1980. (The Act makes similar provision for the IBA's contribution).

**CONFIDENTIAL**



DRAFT OF ROYAL CHARTER FOR THE CONTINUANCE OF  
THE BRITISH BROADCASTING CORPORATION

ELIZABETH THE SECOND by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!

WHEREAS on the twentieth day of December in the year of our Lord One thousand nine hundred and twenty-six by Letters made Patent under the Great Seal, Our Royal Predecessor His Majesty King George the Fifth granted unto the British Broadcasting Corporation (hereinafter called "the Corporation") a Charter of Incorporation:

AND WHEREAS on divers dates by Letters made Patent under the Great Seal, further Charters of Incorporation and Supplemental Charters have been granted unto the Corporation:

AND WHEREAS the period of incorporation of the Corporation will expire on the thirty-first day of July One thousand nine hundred and eighty-one and it has been represented unto Us by Our right trusty and well beloved Counsellor William Stephen Ian Whitelaw, Our Secretary of State for the Home Department, that it is expedient that the Corporation should be continued for the period ending on the thirty-first day of December One thousand nine hundred and ninety-six:

AND WHEREAS in view of the widespread interest which is taken by Our Peoples in broadcasting services and of the great value of such services as means of disseminating information, education and entertainment, We believe it to be in the interests of Our Peoples in Our United Kingdom and elsewhere within the Commonwealth that the Corporation should continue to provide broadcasting services pursuant to such licences and agreements in that behalf as Our Secretary of State may from time to time grant to and make with the Corporation:

NOW KNOW YE that We by Our Prerogative Royal and of Our especial grace, certain knowledge and mere motion do by this Our Charter for Us Our Heirs and Successors will, ordain and declare as follows:

#### INCORPORATION

1. The Corporation shall continue to be a body corporate by the name of The British Broadcasting Corporation with perpetual succession and a common seal with power to break, alter and renew the same at discretion: willing and ordaining that the Corporation shall and may sue and be sued in all Courts and be capable in law to take and hold real and personal property and do all matters and things incidental or pertaining to a body corporate, but so that the Corporation shall apply the whole of its income solely in promoting its objects. The Governors of the Corporation shall be the members thereof.

#### TERM OF CHARTER

2. This Charter shall come into operation on the first day of August One thousand nine hundred and eighty-one and (subject as herein provided) shall continue in force until the thirty-first day of December One thousand nine hundred and ninety-six.

#### OBJECTS OF THE CORPORATION

3. The objects of the Corporation are as follows:

(a) To provide, as public services, broadcasting services of wireless telegraphy by the method of telephony for general reception in sound.



by the method of television for general reception in visual images and by the methods of television and telephony in combination for general reception in visual images with sound, in Our United Kingdom of Great Britain and Northern Ireland, the Channel Islands and the Isle of Man and the territorial waters thereof, and on board ships and aircraft (such services being hereinafter referred to as "the Home Services") and elsewhere within the Commonwealth and in other countries and places overseas (such services being hereinafter referred to as "the External Services")

- (b) Subject to the prior approval of Our Secretary of State to provide, as public services, by means of wireless telegraphy, other services whether or not broadcasting services.
- (c) To hold the existing and to construct or acquire and establish and instal additional stations for wireless telegraphy and apparatus for wireless telegraphy in Our United Kingdom, the Channel Islands and the Isle of Man, and to use the same for the emission and reception of wireless telegraphy by the methods and for the purposes aforesaid, and by any methods for purposes ancillary or related to those purposes.
- (d) To hold the existing and to construct or acquire additional equipment and apparatus for the transmission and reception of signals over wires or other paths provided by a material substance in Our United Kingdom, the Channel Islands and the Isle of Man, and to use the same for purposes ancillary or related to the purposes aforesaid.
- (e) For all the purposes aforesaid to acquire from time to time from Our Secretary of State a Licence or Licences for such period and subject to such terms, provisions and limitations as he may prescribe, and to exercise the powers herein granted to the Corporation in conformity in all respects therewith and with any agreement or agreements which may from time to time be made by Our Secretary of State with the Corporation, and not in any other manner whatsoever.
- (f) To develop, extend and improve the Home Services and the External Services and to those ends to exercise such Licence or Licences in such manner or by such means and methods as may from time to time be agreed by the Corporation and Our Secretary of State, and to concur in any extension, adaptation or modification of the terms, provisions or limitations of any such Licence or Licences as may to Our Secretary of State seem fit.
- (g) To hold all other existing property of the Corporation and to acquire additional property, whether such properties be within or without Our United Kingdom, the Channel Islands and the Isle of Man, and to equip and use such properties for carrying out any of the objects of the Corporation.
- (h) Subject to the prior approval of Our Secretary of State and to the acquisition (subject as hereinafter provided) of any requisite licences, concessions, rights or privileges, to construct or acquire and establish, instal, equip and use stations for wireless telegraphy and apparatus for wireless telegraphy in countries or places without Our United Kingdom, the Channel Islands and the Isle of Man, or in space, for the purpose of providing, within the scope or ambit of any such



approval for the time being in force, and as may be permitted thereby or thereunder, broadcasting services by such method or methods of wireless telegraphy as may in such consent be specified, for reception in such countries or places as may in or under such approval be designated: and for the purpose of receiving wireless

telegraphy conveying such matter by such methods and for such purposes as may by or under such approval be permitted.

- (i) To perform services in any part of the world for and on behalf of any Department of the Government of Our United Kingdom, and in particular to provide, erect, equip and instal, or supervise the provision, erection, equipment and installation of, stations, studios, apparatus, machinery, plant and other equipment for transmitting and receiving matter by wireless telegraphy by the methods of telephony and television, and to work or manage, or to supervise the working or management of such stations, studios, apparatus, machinery, plant and equipment.
- (j) To provide to other bodies, whether within Our United Kingdom, the Channel Islands and the Isle of Man or elsewhere, by such means and methods as may be convenient matter to be broadcast or distributed by such bodies whether or not by wireless telegraphy for reception in sound, visual images or visual images with sound, and to receive from such other bodies matter to be broadcast by stations of the Corporation for reception as aforesaid.
- (k) To compile and prepare, publish, issue, circulate and distribute, with or without charge, such printed matter as may be conducive to any of the objects of the Corporation.
- (l) To establish and maintain libraries and archives containing material relevant to the objects of the Corporation, and to make available to the public such libraries and archives with or without charge.
- (m) To organise, provide or subsidise concerts and other entertainments in connection with the broadcasting services of the Corporation or for any purpose incidental thereto.
- (n) To collect news and information in any part of the world and in any manner that may be thought fit and to establish and subscribe to news-agencies.
- (o) To acquire by registration, purchase or otherwise copyrights in any matter whatsoever, and any trademarks and trade names, and to use, exercise, develop, grant licences in respect of, or otherwise turn to account the same with a view to the furtherance of any of the objects of the Corporation.
- (p) For the purposes of any of the objects of the Corporation or for any purposes incidental thereto, to produce, manufacture, purchase, acquire, use, sell, rent or dispose of films and records (including tapes and any other devices from which visual images



or sounds may be reproduced) and material and apparatus for use in connection with such films and records: Provided that nothing herein contained shall be deemed to authorize the Corporation to display films or play records for the entertainment of the public except as aforesaid.

- (q) To apply for and obtain, purchase or otherwise acquire and turn to account in any manner that may be thought fit any Letters Patent or patent rights or any interest in any Letters Patent or patent rights, brevets d'invention, licences, concessions, and the like conferring any right, whether exclusive, non-exclusive or limited, to use any secret or other information as to any invention in relation to any device or machine serving or calculated to serve any useful purpose in connection with any of the objects of the Corporation.
- (r) Subject as hereinafter provided, to enter into any arrangement with any Governments or authorities, supreme, municipal, local or otherwise, which may seem conducive to the Corporation's objects or any of them, and to obtain from any such Government or authority any licences, rights, privileges and concessions which the Corporation may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, licences, rights, privileges and concessions.
- (s) To establish and support or aid in the establishment or support of associations, institutions, funds, trusts and amenities calculated to benefit employees or former employees of the Corporation or the dependants or relatives of such persons, and to grant pensions and allowances, to make payments towards insurances and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (t) To purchase, take on lease or in exchange, hire or otherwise acquire any real and personal property and any interests, rights or privileges which the Corporation may think necessary or convenient for the purposes of its business or the furtherance of its objects, and in particular any land, buildings, easements, apparatus, machinery, plant and stock-in-trade.
- (u) Subject to the prior approval of Our Secretary of State to establish companies whose objects include any of the objects of the Corporation or whose business is capable of being carried on in such a way as to facilitate or advance any of the objects of the Corporation, and to purchase or otherwise acquire stocks, shares or securities of, and subsidise and assist, any such company.
- (v) Subject as hereinafter provided, to invest and deal with the moneys of the Corporation not immediately required in such manner as the Corporation may from time to time determine.
- (w) Subject as hereinafter provided, to borrow or raise or secure the payment of money in such manner as the Corporation shall think fit, and in particular by mortgage or charge of all or any parts of the property or rights of the Corporation or by the issue of debentures or debenture stock, charged upon all or any of the Corporation's property or rights (both present and future), and to purchase, redeem or pay off any such securities: Provided that the Corporation shall not borrow or raise or secure the payment of money upon any property, interests or rights now held by the Corporation which Our Secretary of State has



decided in consultation with the Corporation that the Corporation is to use exclusively for any purpose of the External Services or upon any property, interests or rights which the Corporation has acquired or may hereafter acquire out of moneys paid to the Corporation out of aids or supplies appropriated by Parliament for any such purpose; and provided that the aggregate amount of the moneys so borrowed, raised and secured and at any one time outstanding shall not exceed £75,000,000 or such greater sum up to a maximum of £100,000,000 as may from time to time be approved by Our Secretary of State

(x) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any part of the property, interests or rights of the Corporation: Provided that the Corporation shall not, without the prior approval of Our Secretary of State sell,

exchange, lease, mortgage, enfranchise or dispose of any property, interests or rights now held by the Corporation which Our Secretary of State has decided in consultation with the Corporation that the Corporation is to use exclusively for any purpose of the External Services or any property, interests or rights which the Corporation has acquired or may hereafter acquire out of moneys paid to the Corporation out of aids or supplies appropriated by Parliament for any such purpose, and shall not without such prior approval

turn to account or deal with any such property, interests or rights otherwise than for the purposes of the External Services.

(y) To enter into, make and perform contracts of guarantee and indemnity of whatsoever kind which may be necessary or convenient for carrying out the objects of the Corporation.

(z) To do all such other things as the Corporation may consider incidental or conducive to the attainment of any of the aforesaid objects or the exercise of any of the aforesaid powers of the Corporation.

#### RESTRICTION ON OVERSEA CONCESSIONS

4. The Corporation shall not acquire any licence, concession, right or privilege from or enter into any arrangement with the Government of any part of the Commonwealth or the Government of any other country or place overseas, without having first obtained the approval of Our Secretary of State.

#### CONSTITUTION

5. (1) The Governors of the Corporation shall be such persons as shall from time to time be appointed by Us, Our Heirs or Successors in Council. There shall be twelve

Governors or such other number as may from time to time be ordered by Us, Our Heirs or Successors in Council. The Governors shall be appointed for such respective periods, not exceeding five years, as may be ordered by Us, Our Heirs or Successors in Council.

(2) One of such Governors shall be nominated from time to time to be the Chairman of the Corporation and another of such Governors shall be nominated from time to time to be the Vice-Chairman thereof. Such nomination shall be made by Us, Our Heirs or Successors in Council and may be made at the time when the Governor nominated is appointed to the office of Governor or at any time while he holds that office.



(3) The Governors shall at all times include, in addition to the Chairman and the Vice-Chairman of the Corporation, one person, to be designated as the National Governor for Scotland, a second person, to be designated as the National Governor for Wales, and a third person, to be designated as the National Governor for Northern Ireland. Each person to be designated as a National Governor shall have been selected for appointment as Governor by virtue of his knowledge of the culture, characteristics and affairs of Our People in the country for which he is to be designated as the National Governor and his close touch with opinion in that country. Such designation shall be made by Us, Our Heirs or Successors in Council and may be made at the time when the Governor designated is appointed to the office of Governor or at any time while he holds that office.

6. (1) A retiring Governor shall be eligible for reappointment.

(2) The Governors however appointed, shall (during such time or times as the broadcasting services hereinbefore referred to shall be carried on by the Corporation) receive out of the funds or moneys of the Corporation, by way of remuneration for their services as Chairman, Vice-Chairman, National Governor for Scotland, for Wales or for Northern Ireland, or other Governor (as the case may be) such sums or sum as We, Our Heirs or Successors in Council may at any time or times order.

(3) The Corporation may pay, or make provision for paying, to any Governor out of the funds or moneys of the Corporation, a sum or sums by way of pension, superannuation allowances or gratuities, in such manner as We, Our Heirs or Successors in Council may at any time or times order.

(4) Each Governor may in addition receive out of the funds or moneys of the Corporation the expenses properly incurred by him in the performance of his office.

(5) A Governor, however appointed, shall cease to be a Governor of the Corporation (and, if he is such, the Chairman or Vice-Chairman thereof)—

(a) If he shall at any time by notice in writing to Our Secretary of State resign his Governorship;

(b) If his Governorship shall be terminated by Us, Our Heirs or Successors in Council;

(c) If he shall hold any office or place in which his interest may in the opinion of Our Secretary of State conflict with any interest of the Corporation;

(d) If he shall become of unsound mind or bankrupt or shall make an arrangement with his creditors;

(e) If he shall absent himself from the meetings of the Corporation continuously for three months or longer without the consent of the Corporation and the Corporation shall resolve that his office be vacated.

(6) As soon as may be reasonably practicable after a vacancy among the Governors has arisen or at a convenient time before such a vacancy will arise, the vacancy or approaching vacancy, and, if it involves the Chairmanship or Vice-Chairmanship of the Corporation or the National Governorship for Scotland, Wales or Northern Ireland, the fact that it does so, shall be certified to Us, Our Heirs or Successors by Our Secretary of State

under his hand, to the end that We, Our Heirs or Successors in Council may with all convenient speed proceed to the filling of the vacancy or approaching vacancy and, if involved, the nomination of a Chairman or Vice-Chairman of the Corporation or the designation of a National Governor for Scotland, Wales or Northern Ireland.



7. (1) The Chairman of the Corporation, or in his absence the Vice-Chairman thereof, shall preside at the meetings thereof.

(2) Subject to any regulations made by the Corporation under the next following paragraph hereof, the Chairman, or an officer authorised by him so to do, shall summon all meetings of the Corporation.

(3) The Corporation shall meet for the transaction of its business and affairs, and shall from time to time make such regulations with respect to the summoning, notice, time, place, management and adjournment of meetings, and generally with respect to the transaction and management of its business and affairs, as the Corporation may think fit, subject to the following conditions :-

(a) In addition to meeting in England, the Corporation shall meet in Scotland, Wales and Northern Ireland at such intervals as may to the Corporation seem appropriate, regard being had to its representative function ;

(b) The quorum for a meeting shall be such number of Governors as Our Secretary of State

may from time to time in writing prescribe ;

(c) Subject to sub-paragraph (d) of this paragraph, every question shall be decided by a majority of votes of the Governors present at the meeting and voting on that question. In the case of an equality of votes on any question the person presiding at the meeting shall have a second or casting vote ;

(d) Any question which cannot by reason of its urgency be decided at a meeting of the Corporation shall be decided by the Chairman, or, if he shall be inaccessible or the office of Chairman shall be vacant, by the Vice-Chairman. The Chairman or the Vice-Chairman, as the case may be, before deciding the question, shall, if and so far as may be reasonably practicable, consult with the other Governors or such of them as may be accessible to him, and as soon as may be after taking his decision shall report the question and his decision thereon to the other Governors.

(4) For the transaction of its business or affairs, the Corporation may from time to time appoint Committees of its members, or Committees of its members and other persons, for such purposes and on such terms and conditions as the Corporation may think fit. The conclusions of any such Committee shall not be binding on the Corporation unless adopted with or without amendment by the Corporation in meeting assembled.

#### GENERAL ADVISORY COUNCIL

8. (1) The Corporation shall appoint a General Advisory Council for the purpose of advising the Corporation on all matters which may be of concern to the Corporation or to bodies or persons interested in the broadcasting services of the Corporation.

(2) The said Council shall consist of a Chairman and such other members as may be selected by the Corporation from time to time so as to give the Council a broadly representative character.

(3) The procedure of the said Council, including their quorum, shall be such as they may from time to time determine.

#### OTHER ADVISORY BODIES

9. The Corporation may from time to time appoint persons or committees for the purpose of advising the Corporation with regard to matters connected with the broadcasting services, business, operations and affairs of the Corporation. Each such person or committee shall be appointed with reference to such matters and on such terms and conditions as the Corporation may decide.



NATIONAL BROADCASTING COUNCILS

10. (1) The Corporation shall appoint for the purposes of this article three National Broadcasting Councils, to be known respectively as the Broadcasting Council for Scotland, the Broadcasting Council for Wales, and the Broadcasting Council for Northern Ireland.

(2) Each National Broadcasting Council shall consist of—

(a) a Chairman, who shall be, in the case of the Broadcasting Council for Scotland, the National Governor for Scotland, in the case of the Broadcasting Council for Wales, the National Governor for Wales, and, in the case of the Broadcasting Council for Northern Ireland, the National Governor for Northern Ireland; and

(b) not less than eight nor more than twelve members, who shall be persons selected for appointment by the Corporation by a panel of the General Advisory Council nominated for that purpose by the General Advisory Council. Such persons shall be selected after consultation with such representative cultural, religious and other bodies in Scotland, Wales or Northern Ireland, as the case may be, as the panel of the General Advisory Council think fit, with a view to securing a proper balance of representation on each Council.

(3) (a) The Chairman of each National Broadcasting Council shall cease to be such if he becomes the Chairman or the Vice-Chairman of the Corporation or when he ceases to be a Governor thereof.

(b) The members, other than the Chairman, of each National Broadcasting Council shall be appointed for such respective periods, not exceeding five years, as the Corporation may think fit. Any such member who is appointed for a period of less than five years shall be eligible for reappointment for the remainder of the period of five years from the beginning of his appointment, or for any shorter period. Otherwise any such member shall be eligible for reappointment provided that his reappointment takes effect not less than one year after the expiration of his appointment. Any such member may at any time by notice in writing to the Corporation resign his membership. The membership of any such member may at any time be terminated by notice in writing given to him by the Corporation

(4) Each National Broadcasting Council shall be charged with the following functions which shall be exercised with full regard to the distinctive culture, language, interests and tastes of Our People in the country for which the Council is established

(a) the function of controlling the policy and content of the programmes in the Home Services which the Corporation provides primarily for general reception in that country;

(b) such other functions in relation to the said programmes and related services as the Corporation may from time to time devolve upon the Council; and

(c) the function of tendering advice to the Corporation in regard to all matters relating to other broadcasting services of the Corporation which affect the interests of Our People in that country:

Provided that each National Broadcasting Council shall be subject to—

(a) such reservations and directions as may appear to the Corporation to be necessary from time to time in order to secure the transmission throughout Our United Kingdom of Great Britain and Northern Ireland of broadcasts by Us, Our Heirs or Successors, broadcasts by Ministers of Our Government in the United Kingdom



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of Great Britain and Northern Ireland, party political broadcasts and broadcasts of national importance or interest; and

(b) such reservations and directions as may appear to the Corporation to be necessary from time to time for reasons of finance or in the interest of due coordination and coherent administration of the operations and affairs of the Corporation.

(5) If and whenever in the opinion of Our Secy of State an emergency shall have arisen in which it is expedient in the public interest that the functions of the National Broadcasting Councils or any of them under this article shall be suspended, Our Secy of State may by notices in writing to the National Councils or any of them and to the Corporation give directions accordingly and directions so given shall have effect according to their terms during the currency of the notices. Any such notices may be modified or revoked in writing by Our Secy of State at such time or times as shall in his opinion be expedient.

(6) In the performance of their functions under this article each National Broadcasting Council shall perform and observe all duties and obligations imposed on and all directions given to the Corporation by or under this Our Charter or any licence or agreement granted or made by Our Secy of State to or with the Corporation so far as such duties, obligations and directions are capable of being performed and observed by the Council.

(7) (a) Each National Broadcasting Council shall have power to regulate their own procedure and to fix their quorum: Provided that the Chairman may call a meeting of the Council whenever he thinks fit, and shall call a meeting thereof when required so to do by any three members.

(b) Each National Broadcasting Council shall have power to appoint such advisory committees as they may think fit, and any such committee may include or consist of persons who are not members of the Council.

(8) Each National Broadcasting Council shall make an annual report to the Corporation of their proceedings during the preceding financial year or residual part thereof of the Corporation. A National Broadcasting Council may, and if requested so to do by the Corporation shall, make special reports to the Corporation during any year.

(9) Each National Broadcasting Council may select and nominate for employment by the Corporation such officers and staff, to serve wholly on the affairs of the Council (including affairs of any advisory committee) as may appear to the Council to be requisite for the proper exercise and performance of their functions and the Corporation shall employ the officers and staff so nominated and shall not without the concurrence of the Council terminate the employment of any such officer or member of staff:

Provided

that the Corporation may decline to employ or may terminate the employment of any such officer or member of staff

if he is unwilling to accept the rates of remuneration or conditions of employment which the Corporation would offer him if he were to be employed or were employed otherwise than on the affairs of the Council, or if in the opinion of the Corporation and the Chairman of the General Advisory Council it would be detrimental to the administration of the Corporation to employ or continue to employ him.

(10) The Corporation shall afford to each National Broadcasting Council the use of such accommodation and the services of such staff to be engaged partly on the affairs of the Council (including affairs of any advisory committee) as are requisite for the proper performance of the functions of the Council.

(11) The Corporation shall pay to each member of a National Broadcasting Council or any advisory committee appointed by a Council such out-of-pocket expenses as such member may reasonably incur in the performance of his functions.



## REGIONAL AND LOCAL RADIO ADVISORY COUNCILS

11. (1) The Corporation shall appoint in each of its Regions from time to time in being in England a council to be known as the Regional Advisory Council, for the purpose of advising the Corporation on the policy and the content of the programmes which the Corporation provides primarily for reception in the Region for which the Council are appointed, and on all matters relating to other broadcasting services of the Corporation which affect the interests of persons in that Region.

(2) The Corporation shall also appoint Local Radio Advisory Councils in respect of all the localities in England for which local sound broadcasting services are provided by the Corporation, and each such Council shall be appointed for an area consisting either of one such locality or of two or more such localities. The function of a Local Radio Advisory Council shall be to advise the Corporation on the policy and content of the local sound programmes which the Corporation provides primarily for reception in the area for which the Council are appointed.

(3) The Chairman of each Advisory Council shall be nominated by the Corporation from among the members thereof.

(4) Each Advisory Council shall consist of such number of members as the Corporation may determine who shall be persons chosen for their individual qualities who are broadly representative of the general public in the Region or, as the case may be, the area for which the Council are appointed.

(5) The members of each Advisory Council shall be appointed for such respective periods not exceeding five years as the Corporation may think fit, and on retirement they shall be eligible for reappointment. Any such member may at any time by notice in writing to the Corporation resign his appointment.

(6) The procedure of each Advisory Council, including their quorum, shall be such as they may determine: Provided that the Chairman may call a meeting of the Council whenever he thinks fit so to do, and shall call a meeting thereof when required so to do by such number of members as the Corporation may determine.

(7) The Corporation shall afford to each Advisory Council the use of such accommodation and the services of such staff as are requisite for the proper performance of the functions of the Council.

(8) The Corporation shall pay to each member of an Advisory Council (including the Chairman thereof) such out-of-pocket expenses as such member may reasonably incur in the performance of his functions.

(9) In furtherance of the purposes of this article the Corporation shall ensure that the programmes which the Corporation provides primarily for reception in any of its Regions or, in the case of local sound programmes, any of its localities, in England have full regard to the interests of Our People in that Region or, as the case may be, that locality.

(10) This Article shall apply to the Channel Islands and the Isle of Man as it applies to England.



## ORGANISATION

12. (1) The Corporation shall appoint such officers and staff as it may from time to time consider necessary for the efficient performance of its functions and transaction of its business.

(2) The Corporation shall fix such rates of remuneration and conditions of employment for the officers and staff so employed as the Corporation shall consider proper. Subject to the provisions of paragraph 9 of article 10 of this Our Charter and to any contract made between the Corporation and any such officer or member of staff, the Corporation may remove any officer or member of staff.

13. (1) It shall be the duty of the Corporation, except in so far as the Corporation is satisfied that adequate machinery exists for achieving the purposes of this paragraph, to seek consultation with any organisation appearing to the Corporation to be appropriate with a view to the conclusion between the Corporation and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for :-

- (a) the settlement by negotiation of terms and conditions of employment of persons employed by the Corporation, with provision for reference to arbitration in default of such settlement in such cases as may be determined by or under the agreements; and
- (b) the discussion of matters affecting the safety, health and welfare of persons employed by the Corporation, and of other matters of mutual interest to the Corporation and such persons, including efficiency in the operation of the Corporation's services.

(2) Where the Corporation concludes such an agreement as is mentioned in the preceding paragraph, or any variation is made in such an agreement, the Corporation shall forthwith transmit particulars of the agreement or the variation to Our Secretary of State.

## PROVISION AND REVIEW OF SERVICES

14. The Corporation is hereby authorised, empowered and required to provide from time to time all such broadcasting services and facilities and to do all such acts and things as shall from time to time be required by or under any Licence granted by Our Secretary of State to the Corporation or any agreement made by Our Secretary of State with the Corporation.

15. It shall be the duty of the Corporation to devise and make such arrangements as appear to the Corporation to be best adapted to the purpose of bringing the work of the Corporation under constant and effective review from without the Corporation, and to that end the Corporation shall provide suitable and sufficient means which may include public meetings held in different parts of Our United Kingdom, the Channel Islands and the Isle of Man,

for the representation to the Corporation of public opinion on the programmes broadcast in the Home Services and for consideration within the Corporation of criticisms and suggestions so represented.

## FINANCIAL

16. (1) The Corporation is hereby authorised, empowered and required :-

- (a) To receive all funds which may be paid by Our Secy of State out of moneys provided by Parliament in furtherance of the purposes of this Our Charter and to apply and administer such funds in accordance with the terms and conditions which may be attached to the grant thereof;



(b) To receive all other moneys which may be obtained by or given to the Corporation or derived from any source not hereinbefore mentioned and to apply and administer such moneys exclusively in furtherance of the purposes of this Our Charter and in accordance with any terms and conditions upon which such moneys may have been obtained, given or derived:

Provided that the Corporation shall not, without the prior approval of Our Secretary of State, receive any moneys as consideration for the provision of broadcasting services for general reception from those persons to whom such services are provided.

(2) Subject to any such terms and conditions as aforesaid the Corporation may treat such funds and moneys either as capital or as income, at its discretion.

(3) Except as in this Our Charter expressly provided, no funds or moneys of the Corporation derived from any source shall in any event be divided by way of profit or otherwise amongst the Governors of the Corporation.

17. (1) In the event of the Corporation exercising (otherwise than for the purpose of obtaining temporary banking accommodation and facilities) the power hereinbefore contained of borrowing or raising money upon the security of or otherwise charging all or any part of its property or rights to which such power extends, it shall set aside out of its revenue such sums as will be sufficient to provide for the repayment of the amount so borrowed or raised within such period in each instance as the Corporation may with the prior approval of Our Secretary of State determine.

(2) The Corporation shall make proper provision for meeting depreciation of or for renewing any property of the Corporation: Provided that this paragraph shall not apply in relation to any property, interests or rights now held by the Corporation which Our Secretary of State has decided in consultation

with the Corporation that the Corporation is to use exclusively for any purpose of the External Services or to any property, interests or rights which the Corporation has acquired or may hereafter acquire out of moneys paid to the Corporation out of aids or supplies appropriated by Parliament for any such purpose.

(3) The Corporation may set aside as a reserve or carry over out of its revenue such sums as it may deem expedient, and may invest, deal with and apply such sums in such manner as it may think conducive to its objects.

#### ANNUAL REPORT AND STATEMENT OF ACCOUNTS

18. (1) The accounts of the Corporation shall be audited annually by an auditor or auditors to be appointed by the Corporation with the prior approval of Our Secretary of State,

and a person shall not be qualified to be so appointed unless he is a member of a body of accountants established in Our United Kingdom and for the time being recognised under section 161 (1) (a) of the Companies Act 1948.

(2) The Corporation shall, once in every year at least, prepare a General Report of its proceedings during the preceding financial year or residual part thereof of the Corporation, and attach thereto an Account or Accounts of the Income and Expenditure of the Corporation and a Balance Sheet, which Account or Accounts and Balance Sheet shall be duly certified by the auditor or auditors of the Corporation. The Corporation, if required so to do by Our Secretary of State



after consultation with the Corporation, shall include in such Report such information relating to its finance, administration and its work generally as Our Secretary of State

may from time to time specify in writing, and shall comply with any directions which may be given in writing by Our Secretary of State

after consultation with the Corporation, as regards the information to be given in such Account or Accounts and Balance Sheet or in appendices thereto.

(3) The Chairman shall, on the completion of every such General Report, Account or Accounts and Balance Sheet, forthwith submit the same, together with the Reports for the same year or residual part thereof made under paragraph (8) of article 10 of this Our Charter by the National Broadcasting Councils, to Our Secretary of State

to be considered by him and presented to Parliament.

(4) The Corporation shall at all reasonable times upon demand give to Our Secretary of State and all other persons nominated by him full liberty to examine the accounts of the Corporation and furnish him and them with all forecasts, estimates, information and documents which he or they may require with regard to the financial transactions and engagements of the Corporation.

#### GENERAL

19. (1) The Corporation may at any time and from time to time apply for and accept a Supplemental Charter, or promote a Bill in Parliament, if it appears to the Corporation that a Supplemental Charter or an Act of Parliament is required for or will be conducive to the carrying into effect of any of the purposes or powers of this Our Charter.

(2) No act or proceeding of the Corporation, or of any Council or Committee appointed under the provisions of this Our Charter, or of any sub-committees appointed by any such Council or Committee, shall be questioned on account of any vacancy or vacancies in the Corporation, or in such Council or Committee, or in such sub-committee.

(3) No defect in the appointment of any person acting as Chairman, Vice-Chairman or Governor of the Corporation or as a member of any Council or Committee appointed by the Corporation, or as a member of any sub-committee appointed by any such Council or Committee shall be deemed to vitiate any proceedings of the Corporation or of such Council or Committee, or of such sub-committee in which he has taken part, in cases where the majority of members

who are parties to such proceedings are duly entitled to act.

(4) Any instrument which, if made by a private person, would be required to be under seal, shall be under the seal of the Corporation and signed by one or more Governors authorised for that purpose by a resolution of the Corporation and countersigned by the proper officer. Any notice, appointment, contract, order, or other document made by or proceeding from the Corporation which is not required to be under seal shall be signed by such Governor or such officer, or by an officer of such class, as the Corporation may, in relation to any specified document or any document of any specified class, from time to time direct.

(5) The proper officer of the Corporation shall be any officer duly authorised as such by the Corporation.

20. (1) The grant of this Our Charter is made upon the express condition that the Corporation shall strictly and faithfully observe and perform and cause to be observed and performed the provisions prescribed therein or thereunder, and also the provisions prescribed in or under any Licence which Our Secretary of State



may from time to time grant to the Corporation or contained in or prescribed under any agreement which Our Secretary of State

may from time to time make with the Corporation.

(2) If it is made to appear or appears to Our

Secretary of State either

On the representation of any person or body politic or corporate appearing to be interested or in any other manner howsoever, that there is reasonable cause to suppose that any of the provisions prescribed in or under this Our Charter or in or under any such Licence or in or under any such agreement (including any stipulations, directions or instructions of Our Secretary of State )

have not been observed, performed, given effect to or complied with by the Corporation, Our

Secretary of State

may require the Corporation

to satisfy him that such provisions have been observed, performed, given effect to or complied with, and if within a time specified by him the Corporation shall fail so to do Our

Secretary of State

may if he thinks fit certify the

same under his hand to Us, Our Heirs or Successors, and upon such certificate being given it shall be lawful for Us, Our Heirs or Successors, if We or They shall be so minded, by Letters made Patent under the Great Seal,

absolutely to revoke and make void this Our Charter, and everything therein contained: Provided that the power of revocation hereby reserved shall not have or be construed to have the effect of preventing or barring any proceedings which may be lawfully taken to annul or repeal this Our Charter.

21. And We do further will and declare that on the determination of the said term expiring on the thirty-first day of

December One thousand nine hundred and ninety-six

the undertaking of the Corporation shall cease, so far as the same may depend upon or be carried on under or by virtue of the powers and provisions herein given and contained, unless We, Our Heirs or

Successors, shall by writing under Our or Their Sign Manual declare to the contrary, and shall authorise the continuance of the said undertaking under the provisions of this Our Charter or a further Royal Charter for such further term, and under such provisions and conditions as We, Our Heirs or Successors, shall think fit, and any term for which this Our Charter is so renewed shall be construed to be part of the term of this Our Charter.

DISSOLUTION AND WINDING-UP

22. It shall be lawful for the Corporation to surrender this Our Charter subject to the sanction of Us, Our Heirs or Successors, and upon such terms as We or They may consider fit, and to wind up or otherwise deal with the affairs of the Corporation in such manner as may be approved by Our Secretary of State

23. Upon the voluntary or compulsory dissolution of the Corporation the property and assets of the Corporation shall be applied in satisfaction of the debts and liabilities of the Corporation and subject thereto shall be disposed of in accordance with the directions of Our Secretary of State



Approvals

24. Where in this Our Charter any act of thing is required to be done with the approval of Our Secretary of State, such approval shall be in writing and may be given absolutely or subject to such terms or conditions, as may to Our Secretary of State seem fit.

## GENERAL DECLARATION

25. Lastly We do further will, ordain and declare that these Our Letters or the enrolment or exemplification thereof shall be in and by all things good, firm, valid, sufficient and effectual in law according to the true intent and meaning thereof, and shall be taken, construed and judged in the most favourable and beneficial sense for the best advantage of the Corporation and its successors, as well in all Our Courts of Record as elsewhere by all and singular Judges, Justices, Officers, Ministers and other Our Subjects whatsoever, any non-recital, mis-recital or any other omission, imperfection, defect, matter, cause or thing whatsoever to the contrary thereof in anywise notwithstanding.

IN WITNESS whereof We have caused these Our Letters to be made Patent.  
WITNESS Ourselves at Westminster the                      day of                      in the  
thirtieth year of Our Reign.

BY WARRANT UNDER THE QUEEN'S SIGN MANUAL.







1. IN these presents, except where the subject or context otherwise requires:—

(a) the following expressions have the meanings hereby respectively assigned to them, that is to say:—

“apparatus” means apparatus for wireless telegraphy;

“apparatus for wireless telegraphy” has the same meaning as in the Wireless Telegraphy Act 1949;

“British Islands” means England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man;

“Broadcasting Complaints Commission” means the Broadcasting Complaints Commission set up under Part IV of the Broadcasting Act 1980;

“interference” in relation to wireless telegraphy has the same meaning as in the Wireless Telegraphy Act 1949;

“International Telecommunication Convention” means the Convention signed at Malaga - Torremolinos on the 25th October 1973 and the Regulations and Additional Regulations in force thereunder, and includes any Convention and Regulations which may from time to time be in force in substitution therefor or in amendment thereof;

“local authority” means a local authority within the meaning of the Local Government Act 1972, a local authority within the meaning of the Local Government (Scotland) Act 1973, a district council in Northern Ireland, the Common Council of the City of London and, without prejudice to the effect of the said Act of 1972, the Inner London Education Authority;

“Secretary of State” means one of Her Majesty's Principal Secretaries of State;

“sponsored programme” means any matter which is provided at the expense of any sponsor (that is, any person other than the Corporation, the Open University and the performers) for the purpose of being broadcast for general reception and is the subject of a broadcast announcement mentioning the sponsor or his goods or services;

“station” means station for wireless telegraphy;

“station for wireless telegraphy” has the same meaning as in the Wireless Telegraphy Act 1949;

“subscription broadcasting service” means a service by virtue of which the Corporation receives money or other valuable consideration in respect of the provision of broadcasting services for general reception from those persons to whom such services are provided;

“wireless telegraphy” has the same meaning as in the Wireless Telegraphy Act 1949;

(b) references to stations or a station or to apparatus are references to stations or a station or to apparatus of the Corporation.

(c) in relation to the Isle of Man or the Channel Islands references to any Act are references to that Act as extended to the Isle of Man or the Channel Islands.

2. The said Deed dated the 7th July 1969 and the said Supplemental Deeds dated the 7th April 1976 and the 8th March 1979 are hereby determined and revoked as from the beginning of the term of the licence granted by Clause 3 hereof.



3. Subject to the terms, provisions and limitations hereinafter contained, the Secretary of State, in exercise of the powers conferred by section 1 of the Wireless Telegraphy Act 1949 and now vested in him, hereby grants to the Corporation, for the term beginning on the 1st August 1981 and ending on the 31st December 1996 a licence -

(a) to use for the purposes hereinafter stated the existing stations established by the Corporation by virtue of licences granted by predecessors in office of the Secy of State or by the Secy of State and to establish from time to time and use for the said purposes additional stations at such places as the Secy of State may approve;

(b) to use for the said purposes the existing apparatus installed by the Corporation by virtue of such licences, and to install from time to time and use for the said purposes additional apparatus at the stations of the Corporation and at such other places and in such vehicles, vessels and aircraft as the Secy of State may approve;

(c) to use the stations and apparatus aforesaid for emitting, sending, reflecting or receiving:—

(i) wireless telegraphy by the method of telephony for the purpose of providing broadcasting services for general reception in sound, and by the methods of television for general reception in visual images and by the methods of television and telephony in combination

for general reception in visual images with sound, in—

(a) the British Islands and the territorial waters thereof and on board ships and aircraft (such services being hereinafter referred to as "the Home Services"); and

(b) countries and places beyond the seas (such services being hereinafter referred to as "the External Services"); and

(ii) wireless telegraphy for the purpose of providing such other services, whether or not broadcasting services, as the Secretary of State may approve;

(iii) wireless telegraphy for purposes ancillary or related to the services aforesaid, and it is hereby declared that purposes ancillary or related to "the Home Services" may include the emission or reception of wireless telegraphy (whether directly or indirectly) to or from countries and places beyond the seas.

4. If and whenever, with a view to extending the coverage or to improving the strength or quality either generally or in any area or areas of transmissions in the Home Services or any of them, the Secy of State after consultation with the Corporation shall so require by notice in writing, the Corporation shall establish and use such additional station or stations in such place or places in the British Islands as may be specified in the notice.

5.—(1) At each station, whether now existing or hereafter established, the height of the aerials, the types and frequencies of the waves emitted therefrom, the aerial power and directivity, and the characteristics of the modulating signals shall be such as shall be approved from time to time by the Secy of State after consultation with the Corporation. The constancy and purity of the waves emitted shall be maintained at as high a standard as may be reasonably practicable.

(2) If and whenever the Secy of State shall so require by notice in writing given after such consultation as aforesaid, the Corporation shall refrain from adopting or shall cease to use at or in relation to the stations whether now existing or hereafter established or such of them as may be specified in the notice such technical measures or processes as may be so specified.



(3) If and whenever the Secy of State shall so require by notice in writing given after such consultation as aforesaid, the Corporation shall adopt and use at or in relation to the stations whether now existing or hereafter established or such of them as may be specified in the notice, such technical measures or processes as may be so specified, being measures or processes which in the opinion of the Secy of State are calculated to increase the coverage or to improve the strength or quality either generally or in any area or areas of the transmissions in the services provided by the Corporation or any of them.

6.—(1) The Secy of State may at any time by notice in writing—

- (a) require the Corporation to radiate such of its broadcast transmissions as may be specified in the notice from a mast, tower or other installation belonging to the Independent Broadcasting Authority (in this clause referred to as "the Authority"); or
- (b) require the Corporation to permit such of the Authority's broadcast transmissions as may be so specified to be radiated from a mast, tower or other installation belonging to the Corporation; or
- (c) require the Corporation to co-operate with the Authority in providing and using an installation and to radiate such of the Corporation's broadcast transmissions as may be so specified from that installation:

and it shall be the duty of the Corporation to comply with any such notice.

(2) Before giving a notice under this clause to the Corporation the Secy of State shall consult the Corporation and the Authority.

(3) If, after a notice is given under this clause to the Corporation, a dispute between the Corporation and the Authority arising out of the matters to which the notice relates is referred to the Secy of State by either body, or it appears to the Secy of State that there is such a dispute, he may give such directions to the Corporation as he may think expedient for determining the dispute, and it shall be the duty of the Corporation to comply with any such directions.

7.—(1) The stations and apparatus shall be subject to inspection and testing by any person for the time being authorised or nominated for the purpose by or on behalf of the Secy of State but such inspection and testing shall be so made and done as not to interfere with the Corporation in the general conduct and operation of any of the stations.

(2) The Corporation shall afford all requisite and proper facilities for such inspection and testing and shall provide or secure for the Secy of State or any person authorised or nominated for the purpose by or on behalf of the Secy of State the right, for the purposes aforesaid or for any other purposes of these presents, of entry from time to time into and on the stations and other premises of the Corporation and any premises which may be in the possession or occupation of any person or persons other than the Corporation.

8. The Corporation shall observe the provisions of the International Telecommunication Convention and of any International Convention or international agreement relating to broadcasting to which Her Majesty or the Secy of State may be or become a party during the continuance of these presents.

9. In order to prevent interference with the working or use of any station for wireless telegraphy established or any apparatus for wireless telegraphy installed in the British Islands or the territorial waters thereof or on board any ship or aircraft by or for the purposes of any Department of Her Majesty's Government in the United Kingdom or the Government of any other part of the British Islands or for commercial purposes, and in particular with the sending and receiving of any ship-and-shore messages or aircraft-and-ground messages, the following provisions shall, without prejudice to the other provisions of these presents, have effect—



(a) The Corporation shall comply with all reasonable directions which shall be given to the Corporation by the Secy of State and with all rules and regulations made by the Secy of State for observance by his licensees with respect to avoiding interference between one station or piece of apparatus for wireless telegraphy and another such station or piece of apparatus.

(b) The Secy of State shall give consideration to any objections raised by the Corporation to any directions given by him as aforesaid and to any such rules or regulations as aforesaid, but if the Secy of State shall after consideration maintain such directions, rules or regulations his decision shall be final and the Corporation shall act in accordance therewith.

(c) The Corporation shall further, so far as is reasonably practicable having regard to technical considerations, so use the stations and apparatus as not to cause any such interference as aforesaid.

10. No person acting on the Corporation's behalf or by its permission shall or shall be permitted or suffered by the Corporation to divulge to any person (other than a properly authorised official of Her Majesty's Government of the United Kingdom or a competent legal tribunal), or make any use whatever of, any matter coming to his knowledge and not intended for reception by means of the stations or any of them or any of the Corporation's apparatus for wireless telegraphy.

11. The stations and apparatus shall not without the prior approval of the Secy of State be used by the Corporation or by its permission for the sending or emission of any matter other than matter authorised by this Licence to be sent or emitted thereby.

12. The Corporation shall not without the prior approval of the Secy of State receive money or any valuable consideration from any person in respect of the sending or emitting, or the refraining from sending or emitting, of any matter whatsoever by means of the stations or any of them, and shall not send or emit by means thereof any sponsored programme.

13.—(1) Unless prevented by circumstances beyond its control, the Corporation shall send efficiently programmes in the Home Services, and the External Services from such stations as after consultation with the Corporation the Secy of State may from time to time in relation to those Services respectively in writing prescribe.

(2) The Corporation shall broadcast an impartial account day by day prepared by professional reporters of the proceedings in both Houses of the United Kingdom Parliament.

(3) The Corporation shall, whenever so requested by any Minister of Her Majesty's Government in the United Kingdom at the Corporation's own expense, send from all or any of the stations any announcement (with a visual image of any picture or object mentioned in the announcement if it is sent from the television stations or any of them) which such Minister may request the Corporation to broadcast: and shall also, whenever so requested by any such Minister in whose opinion an emergency has arisen or continues, at the like expense send as aforesaid any other matter which such Minister may request the Corporation to broadcast: Provided that the Corporation when sending such an announcement or other matter may at its discretion announce or refrain from announcing that it is sent at the request of a named Minister.

(4) The Secy of State may from time to time by notice in writing require the Corporation to refrain at any specified time or at all times from sending any matter or matter of any class specified in such notice; and the Secy of State may at any time or times vary or revoke any such notice. The Corporation may at its discretion announce or refrain from announcing that such a notice has been given or has been varied or revoked.

(5) The Corporation shall send programmes in the External Services to such countries, in such languages and at such times as, after consultation with the Corporation, may from time to time be prescribed, with the approval of the Secy of State and the Treasury, by such Departments of Her Majesty's Government in the United Kingdom as may from time to time be specified in



writing by the Secy of State, and shall perform such other services by way of monitoring emissions of wireless telegraphy and recording matter intended to be broadcast by wireless telegraphy as after such consultation as aforesaid may from time to time be prescribed as aforesaid. The Corporation shall consult and collaborate with the Departments so specified and shall obtain and accept from them such information regarding conditions in, and the policies of Her Majesty's Government aforesaid towards, the countries so prescribed and other countries as will enable the Corporation to plan and prepare its programmes in the External Services in the national interest.

(6) The Corporation shall refrain at all times from sending any broadcast matter which includes any technical device which, by using images of very brief duration or by any other means, exploits the possibility of conveying a message to, or otherwise influencing the minds of, members of an audience without their being aware, or fully aware, of what has been done.

(7) The Corporation shall at all times refrain from sending any broadcast matter expressing the opinion of the Corporation on current affairs or on matters of public policy, other than broadcasting and matter contained in programmes which consist only of proceedings in either House of Parliament or proceedings of a local authority, a committee of a local authority or a committee of two or more local authorities.

14.—(1) The Secy of State may from time to time by notice in writing give directions to the Corporation as to the maximum time, the minimum time, or both the maximum and the minimum time, which is to be given in any day, week or other period to broadcasts in the Home Services, and as to the hours of the day in which such broadcasts are or are not to be given.

(2) A direction under paragraph (1) may be framed in any way, and in particular:—

- (a) may be confined to broadcasts from those stations which transmit, or usually transmit, the same programme, or may be different for different stations, or for different programmes broadcast from the same stations;
- (b) may make special provision for annual holidays and other special occasions;
- (c) may be confined to a specified day of the week, or may be different for different days of the week;
- (d) in imposing a maximum number of hours for any purpose, may allow for programmes or items of specified kinds being left out of account in determining the maximum, whether in all circumstances or depending on the fulfilment of specified conditions as regards programmes or items so specified.

(3) The Secy of State may, whether or not a direction under paragraph (1) provides for exemptions, exempt the Corporation from any requirement of such a direction on any occasion or in any circumstances.

15. The Corporation shall pay to the Secy of State on the execution of this Deed an issue fee of £ in respect of the licence hereby granted, and in each year during the continuance of this licence a renewal fee of such amount as the Secretary of State may determine for that year.



16.—(1) For the purposes of the Home Services (subject as is and in manner hereinafter provided) the Secy of State shall pay to the Corporation (out of moneys provided by Parliament) during the continuance of these presents a sum or sums equal to the whole of the net licence revenue (as defined in sub-clause (3)) or to such percentage or percentages thereof as the Treasury may from time to time determine.

Provided that:

- (a) The Secretary of State may from time to time direct that such sums may also be used for such purposes (not being purposes of the Home Services or the External Services) as he may specify; and
- (b) Such sums shall not, without the prior approval of the Secretary of State, be used for the purposes of a subscription broadcasting service.

(2) The sums payable by the Secy of State to the Corporation under the provisions of this clause shall be paid by him in instalments of such amount and at such intervals (not being longer than one month) as the Secy of State shall think fit and any adjustment between the parties shall be made as soon as conveniently possible.

(3) The expression "net licence revenue" means

(a) sums received by the Secy of State in respect of the issue, under section 1 of the Wireless Telegraphy Act, 1949, of licences of a type which are designed primarily to authorise the reception of broadcast programmes, less the amount of any refunds thereof made by the Secy of State and

(b) such proportion (if any) as may be agreed between the Secy of State and the Treasury to be proper of the sums received by the Secy of State in respect of the issue as aforesaid of licences of a type which, although authorising the reception of broadcast programmes, are primarily designed for a purpose other than such reception (not being licences authorising the relaying of broadcast programmes by wire) after deducting from such sums the amount of any refunds thereof made by the Secy of State

less the expenses incurred by or on behalf of the Secy of State in the collection of such sums as are mentioned in sub-paragraphs (a) and (b) above, in the administration of the licensing system, and in investigating complaints of interference by electro-magnetic energy affecting broadcasting services within the British Islands.

(4) Any account certified by any Under-Secretary or Assistant Secretary of the Department of the Secy of State of any sum payable by the Secy of State to the Corporation under this clause shall for all purposes be final and conclusive.

(5) The Corporation shall pay to the Secretary of State for the financial year ending with the 31st March 1981 and each subsequent financial year such sum or sums as the Secretary of State may specify as the appropriate contribution of the Corporation towards the expenses of the Broadcasting Complaints Commission.



17.—(1) For the purposes of the External Services and other services performed pursuant to clause 13 (5) and of any services performed by the Corporation at the request of any Department of Her Majesty's Government in the United Kingdom (other than services performed under clause 13 (3)) the Secy of State shall pay to the Corporation (out of moneys provided by Parliament) in each year during the continuance of these presents such sums as the Treasury shall authorise.

(2) The Corporation shall deliver to the Secy of State such accounts of its expenditure on the External Services and on other services referred to in sub-clause (1) covering such periods and at such times as may from time to time be prescribed in writing by the Secy of State

18. Sums paid by the Secy of State to the Corporation under the provisions of clauses 16 and 17 shall be applied and administered by the Corporation in accordance with any terms and conditions which may be attached to the grant thereof by Parliament or by the Treasury.

19.—(1) If and whenever in the opinion of the Secy of State an emergency shall have arisen in which it is expedient in the public interest that Her Majesty's Government in the United Kingdom shall have control over the transmission of any matter whatsoever by means of the stations or any of them, it shall be lawful for the Secy of State to direct and cause the stations or any of them or any part thereof to be taken possession of in the name and on behalf of Her Majesty and to prevent the Corporation from using them, and also to cause the stations or any of them or any part thereof to be used for Her Majesty's service, or to take such other steps as he may think fit to secure control over the stations or any of them, and in that event any person authorised by the Secy of State may enter upon the stations or any of them and the offices and works of the Corporation or any of them and take possession thereof and use the same as aforesaid.

(2) If and whenever the Secy of State shall exercise the powers conferred on him by sub-clause (1) he may deduct from the sums payable by him to the Corporation under the provisions of clauses 16 and 17 such amounts as shall be appropriate having regard to the extent and duration of the exercise of such powers, but the Corporation shall be entitled to receive from the Secy of State,—

(a) compensation for any damage done to any property of the Corporation, being damage directly attributable to the exercise of any such powers, and

(b) such sums as are required to defray any expenses which, regard being had to the nature of the emergency, have been properly and necessarily incurred by the Corporation and for meeting which revenue is by reason of the exercise of such powers not otherwise available to the Corporation.

In such case the Secy of State shall repay or allow to the Corporation such proportionate part of the issue fee or renewal fee payable by the Corporation under the provisions of clause 15 as shall be appropriate, regard being had to the extent and duration of the exercise of such powers.

20. Any contract entered into by the Corporation for the purposes of these presents shall secure the observance and fulfilment by the Corporation's contractor of the obligations upon contractors specified in any resolution of the House of Commons for the time being in force applicable to contracts of Government Departments as if the Corporation were a Department for the purposes of such resolution.

21.—(1) The Corporation shall not:—

(a) offer or give or agree to give to any person in Her Majesty's Service any gift or consideration of any kind as an inducement or reward for doing or forbearing to do, or for having done or forborne to do any act in relation to the obtaining or execution of this or any other contract for Her Majesty's Service or for showing or forbearing to show favour or disfavour to any person in relation to this or any other contract for Her Majesty's Service :



(b) enter into this or any other contract with Her Majesty or any Government Department in connection with which commission has been paid or agreed to be paid by the Corporation or on its behalf, or to its knowledge, unless before the contract is made particulars of any such commission and of the terms and conditions of any agreement for the payment thereof have been disclosed in writing to an authorised officer of the Secy of State.

(2) Any breach of this condition by the Corporation or by anyone employed by the Corporation or acting on its behalf (whether with or without the knowledge of the Corporation) or the commission of any offence by the Corporation or by anyone employed by the Corporation or acting on its behalf under the Prevention of Corruption Acts 1889 to 1916, in relation to this or any other contract for Her Majesty's Service shall entitle the Secy of State to determine the contract and recover from the Corporation the amount of any loss resulting from such determination and/or to recover from the Corporation the amount or value of any such gift, consideration or commission.

(3) Any dispute, difference or question arising in respect of the interpretation of this condition (except so far as the same may relate to the amount recoverable from the Corporation under sub-clause (2) in respect of any loss resulting from such determination of this contract), the right of the Secy of State to determine the contract, or the amount or value of any such gift, consideration or commission shall be decided by the Secy of State whose decision shall be final and conclusive.

22. The Corporation shall not without the prior approval of the Secy of State assign, underlet or otherwise dispose of these presents or of the powers or authorities granted by the licence hereinbefore contained or the benefit or advantage of the covenants and provisions herein contained or, except as may be provided in the Royal Charter of the Corporation, assign or charge any sum or sums payable by the Secy of State to the Corporation hereunder.

23.—(1) In any of the following cases (that is to say):—

(a) if at any time during the continuance of these presents the Corporation shall not in the opinion of the Secy of State have adequately performed the covenant on its part hereinbefore contained to send efficiently programmes in the Home Services and the External Services: or

(b) in case of any breach, non-observance or non-performance by or on the part of the Corporation of any of the provisions or conditions contained in the Royal Charter or Charters of the Corporation or in any document made or issued thereunder, or of any of the other covenants or the provisions or conditions contained herein or in any document made or issued hereunder and on the part of the Corporation to be observed and performed, which shall not be remedied, made good or desisted from within a reasonable time of the attention of the Corporation being drawn to the alleged breach, non-observance or non-performance in question: or

(c) in case the Corporation shall pass a resolution for voluntary winding up or in case an Order shall be made by the Court for the winding up of the Corporation compulsorily or under the supervision of the Court, or in case a Receiver or Manager for any debenture holders, mortgagee or other creditor shall be appointed or any debenture holders, mortgagee or other creditor shall enter in possession of any part of the Corporation's property,

then and in any of the said cases the Secy of State may at any time thereafter by notice in writing to the Corporation revoke and determine these presents and the licences, powers and authorities hereinbefore granted and each and every of them, and thereupon these presents and the said licences, powers and authorities and each and every of them shall (subject and without prejudice to any right of action or remedy for breach of any of the covenants and conditions herein contained which shall then have accrued to either of the parties) absolutely cease, determine and become void.

(2) Nothing in this clause shall be deemed to prejudice or affect any statutory power of the Secy of State



24(1) Any approval required to be obtained by the Corporation from the Secretary of State under the provisions of these presents shall be in writing and may be given absolutely or subject to such terms or conditions as the Secretary of State may think fit.

(2) Any notice given by the Secy of State to the Corporation under the provisions of these presents may be revoked or varied by any subsequent notice in writing given by him.

25. The Agreement dated the 19th February 1954 and made between The Right Honourable Herbrand Edward Dundonald Brassey Earl De La Warr then Her Majesty's Postmaster General on behalf of Her Majesty of the one part and the Corporation of the other part (which relates to the execution of certain defence work) shall continue in force during the continuance of this Deed, and references therein to the Licence therein mentioned shall be deemed to include reference to this Deed and references therein to the Postmaster General shall  
day mean and include the Secy of State

26 It is a condition of this Deed that the contract thereby made shall not be binding until it has been approved of by a resolution of the House of Commons.

IN WITNESS whereof the Secy of State has hereunto set his hand and seal and the Corporation has caused its corporate seal to be hereunto affixed the day and year first before written.

SIGNED SEALED AND DELIVERED

by Her Majesty's Secretary of  
State for the Home Department

(L.S.)

in the presence of:—

THE CORPORATE SEAL of the British  
Broadcasting Corporation was hereunto  
affixed in the presence of:—

(L.S.)

*Chairman*

*Director General*



B

[REDACTED]

RESOLUTION OF THE BOARD OF GOVERNORS OF THE BRITISH BROADCASTING CORPORATION  
DATED 8TH JANUARY 1981

The Board formally resolved to renew their public assurances concerning programme standards in the knowledge that Governments of all Parties have always recognised that responsibility for the programmes broadcast by the Corporation rests on the Board of Governors.

In so doing the Board recalled those many statements (in Annual Reports to Parliament and in speeches and policy documents) which have served over the years to reassure Parliament and the public that the Corporation's adherence to high standards remains unchanged and that it seeks to improve them wherever possible.

In particular the Board noted that the late Lord Normanbrook, as their Chairman, had given assurances to the Postmaster General (The Rt. Hon. Reginald Bevins, MP) in a letter dated 13th June 1964, and resolved to renew them.

Accordingly, the Board reaffirm their recognition of a duty to ensure that programmes maintain a high general standard in all respects (and in particular in respect of content and quality), and to provide a properly balanced service which displays a wide range of subject matter. They accept that in order to serve the tastes and needs of different audiences and, in particular, to show concern for the young, programmes must be placed at appropriate times.

The Board recall that it has always been their object to treat controversial subjects with due impartiality, and they intend to continue this policy both in the Corporation's news services and in the more general field of programmes dealing with matters of public policy.

The Board accept that so far as possible the programmes for which they are responsible should not offend against good taste or decency or be likely to encourage or incite to crime or lead to disorder, or be offensive to public feeling. While the Board recognise that in an ever changing society it is impossible to ensure that what is inoffensive to one person, will never offend another, they are determined to keep under constant review the standards of all broadcast programmes and the reactions of the public to them, along with the systems of control needed to maintain their broadcasting services at a high standard.

Finally, the Board take note of the need to ensure that proper proportions of the recorded and other matter included in the Corporation's programmes are of British origin and British performance, and intend to maintain their long-standing practice of supporting music and the arts by reflecting through broadcasting the work of those who engage in them throughout this country.





✓ MA B' Casberg  
2005

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon William Whitelaw CH MC MP  
Secretary of State  
Home Office  
50 Queen Anne's Gate  
London SW1H 9AT

30 September 1980

Dear Wilkie,

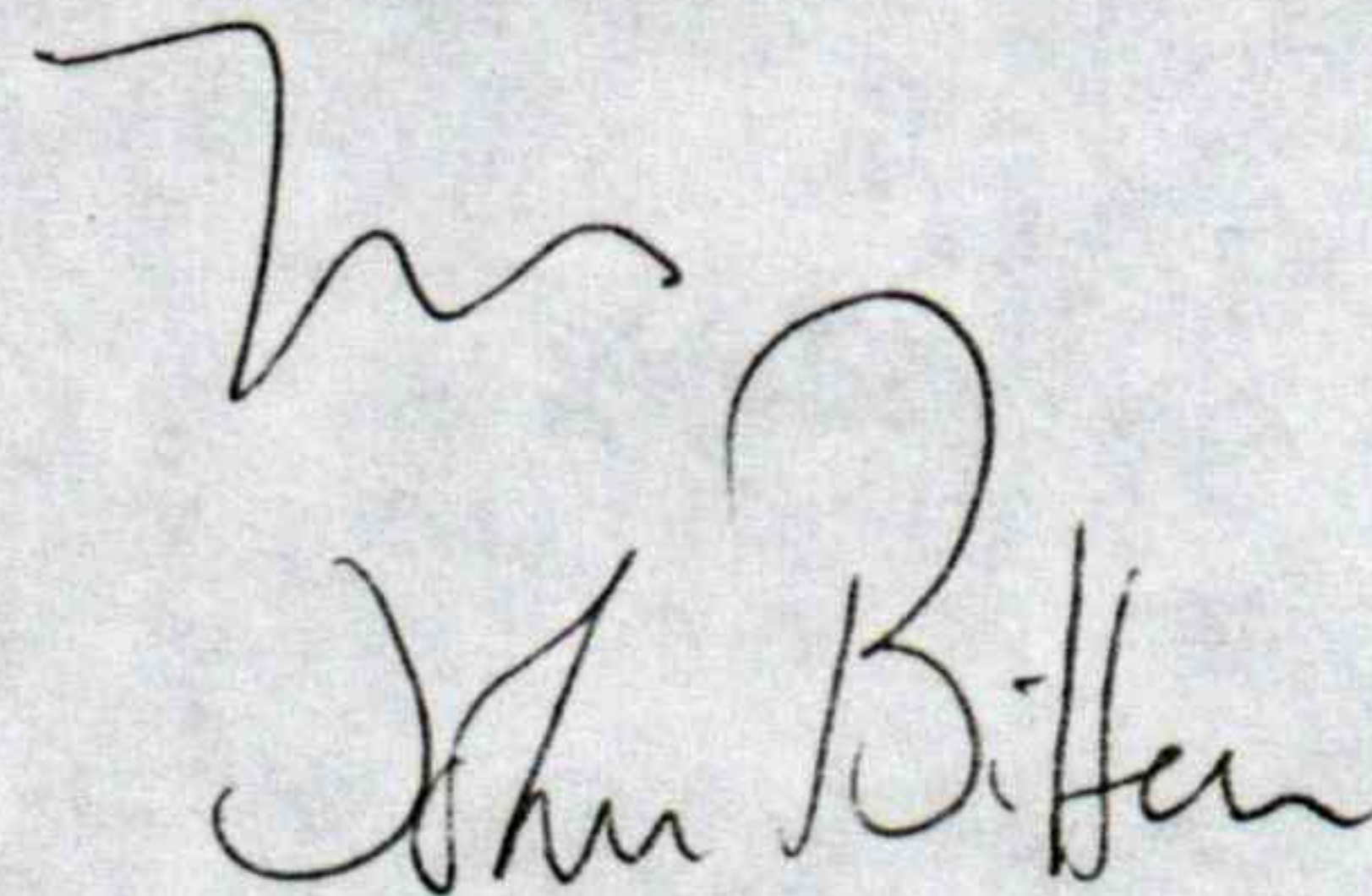
WELSH LANGUAGE TV

In Geoffrey Howe's absence I am replying to your letter of 29 September.

Whilst I fully appreciate the need to move carefully in order not to undermine the favourable impression created by your recent announcement, it remains our view here that the Government's intentions about the duration of the trial period and the criteria for reversion to the two-channel system should be put on record now. I accept your view that the amendments to the Broadcasting Bill are not the right vehicle for doing this, but I hope that in your statements to Parliament you and Lord Belstead will make it clear that we have in mind a 3-year trial and that account will be taken not only of the best interests of the Welsh language but also of the preference of the majority of people in Wales.

I am content with the other proposals contained in your letter.

I am sending copies of this letter to the Prime Minister and to Nicholas Edwards.



JOHN BIFFEN





QUEEN ANNE'S GATE LONDON SW1H 9AT

2

Prime Minister

To note financial implications  
of the Welsh language TV decision.  
Treasury have accepted x.

29 SEP 1980

MA 30/x

Handwritten initials

THE WELSH FOURTH TELEVISION CHANNEL

Thank you for your letters of 17th and 24th September about the decision to adopt a single channel solution for Welsh language broadcasting. As to the trial period, I am including provisions in the Broadcasting Bill to enable me, by affirmative resolution, to revert to the two channel solution, but the Bill will be silent on criteria, and I am sure this is right. I am grateful to you for agreeing with me that a sensible period would be about three years, that is until late 1985, unless public pressure from English speakers in Wales for access to the whole of the United Kingdom fourth channel output mounts quicker than that. We will, of course, need to assess the political realities of proposing such a change when the time comes.

As regards our statement to Parliament, I am anxious not to lose what we have gained from the change in policy, and I therefore think we will have to be somewhat muted at this stage. We can, however, point to the duty placed on the new authority to ascertain public opinion; this together with the duty to report annually will ensure some public monitoring.

As to the funding of the Welsh Fourth Channel Authority, I propose that the B.B.C. shall provide programmes free of charge, and we will take account of the cost in setting the television licence fees (as would have been the case with the two channel solution) and that the cost of the programmes from the independent side, together with the relatively small transmission and administrative costs, shall be met by the I.B.A. through payments by the programme companies, and that we will take account of the additional costs involved in setting future rates of levy. I think as general a statement as this will give us room to negotiate, but there is no doubt that we will be committed to take proper account of the additional costs. As you know, we presently assess this at some £10 million a year at current prices.

X

I believe that politically, both as regards our position in Wales and towards the independent television system as a whole, we should include a provision in the Broadcasting Bill requiring the Secretary of State, when setting the rate of the levy (with the approval of the Treasury) to take account of the sums the I.B.A. require the contractors to pay to provide the necessary money for the Welsh authority. I also believe that if the new Welsh authority and the I.B.A. cannot agree on the funds necessary I should arbitrate. This would almost certainly be because the Welsh authority seeks more than the

/I.B.A.

The Rt. Hon. Sir Geoffrey Howe, Q.C., M.P.



I.B.A. think necessary. I think I should be required, in the event of such arbitration, to take account of the I.B.A.'s statutory responsibility for I.T.V. and the United Kingdom fourth channel and also of the interests of all persons residing in Wales. This would set some guide lines, of which of course the authorities would have to take cognisance, which would mitigate against unreasonable demands by the Welsh authority.

I intend to provide that the Welsh authority will normally use the United Kingdom fourth channel output when not transmitting Welsh language programmes as this would be the most economical form of programming. Also, I intend to say that technical facilities, such as presentation studios, will be provided by the existing broadcasters and will not be provided by the Welsh authority as it would be wasteful for it to triplicate such facilities.

If you agree, I suggest our officials keep in touch on the precise wording of the amendments I have suggested, and of John Belstead's statement when he introduces the necessary amendments to the Broadcasting Bill in the House of Lords, on more detailed costings and, of course, in due time, on the negotiations about future levy rates.

I am sending a copy of this letter to the Prime Minister and to the Secretary of State for Wales.

PP - John Belstead 5



Broadcasting

Y SWYDDFA GYMREIG

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switsfwrdd)  
01-233 6106 (Llinell Union)

*Oddi wrth Ysgrifennydd Gwladol Cymru*



WELSH OFFICE

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switchboard)  
01-233 6106 (Direct Line)

*From The Secretary of State for Wales*

25<sup>th</sup> September 1980

Dear Mike,

Thank you for your letter of 15 September enclosing one from Mr D P Evans, Bethlehem, Llandeilo, a son of Mr Gwynfor Evans.

As you will appreciate this (and other letters) have been held back in view of the change of policy. Hitherto, the Home Office has replied to all letters sent to the Prime Minister about the use of the fourth television channel in Wales but in this case it was decided that we should provide the attached draft reply, which, of course, is based on the form of words provided by the Home Office. The draft incorporates part of the Home Secretary's letter, dated 17 September 1980, to Lord Cledwyn of Penrhos, a copy of which I enclose. A copy of this letter goes to Stephen Boys-Smith.

Yours sincerely,

D M ROLPH  
Private Secretary

M A Pattison Esq  
Private Secretary  
Prime Minister's Office  
10 Downing Street  
LONDON SW 1



DRAFT REPLY FOR PS/PRIME MINISTER TO SEND TO

D P Evans Esq  
Penrheol  
Bethlehem  
Llandeilo  
DYFED

*You wrote to me recently about*

~~Thank you for your recent letter to the Prime Minister  
about Welsh language broadcasting and the use of the  
fourth television channel in Wales.~~

As I am sure you know, the Home Secretary met a deputation led by Lord Cledwyn of Penrhos on 10 September 1980. The deputation urged him to consider arranging for all Welsh language programmes to be shown on the new fourth channel from the start, with the possibility of changing to a two-channel solution after a period if there should be a widespread feeling in Wales that this would after all be preferable.

The Home Secretary and the Secretary of State for Wales reflected on that discussion and came to the conclusion that they should accept the single channel proposition that was put to them by the delegation. The Government will table the necessary amendments to the Broadcasting Bill for debate in the House of Lords when it resumes on 6 October and this will be subsequently considered by the House of Commons.



September 17, 1980

TEXT OF A LETTER FROM THE HOME SECRETARY TO THE RT HON LORD CLEDWYN OF PENRHOS

When you, accompanied by the Archbishop of Wales and Sir Goronwy Daniel, came to talk to me last week about Welsh language television broadcasting, I undertook that Nicholas Edwards and I would consider most carefully what you had to say to us.

I had already told Parliament that if our proposal to have Welsh language television programmes on two channels was seen after an experimental period not to be serving the best interests of the Welsh language, the Government would be prepared to change to a single channel.

I do not need to repeat here the arguments you and your colleagues put to us with seriousness and moderation after what was clearly anxious deliberation. But in brief, you asked us to consider arranging for all Welsh language programmes to be shown on the new fourth channel from the start, with the possibility of changing to a two-channel solution after a period if there should be a widespread feeling in Wales that this would after all be in the best interests of the Welsh language.



Nicholas Edwards and I have reflected on our discussion and the conclusion we have come to is that we should accept the single channel proposition you put to us. The Government will table the necessary amendments to the Broadcasting Bill for debate in the House of Lords when it resumes on 6 October and subsequently for consideration by the House of Commons.

The amendments will be tabled as soon as I have been able to work out the details which will need to ensure that a proper service and not just a number of programmes is provided and that the financial arrangements are on a sound basis. I believe that you will find the changes we shall propose fully meet the points you put to me.

In view of the public interest in this subject I am making this letter public.

WL/PD

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Prime Minister 2.

Chancellor is being a bit pedantic on this. The fact surely is that Ministers obliged to take a reasonably generous attitude on the matter.

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

24 September 1980

An unwise letter MB

The Rt. Hon. William Whitelaw, CH., MC., MP.,  
Secretary of State for the Home Department

MA 24/ix

Dear Home Secretary,

WELSH LANGUAGE TV

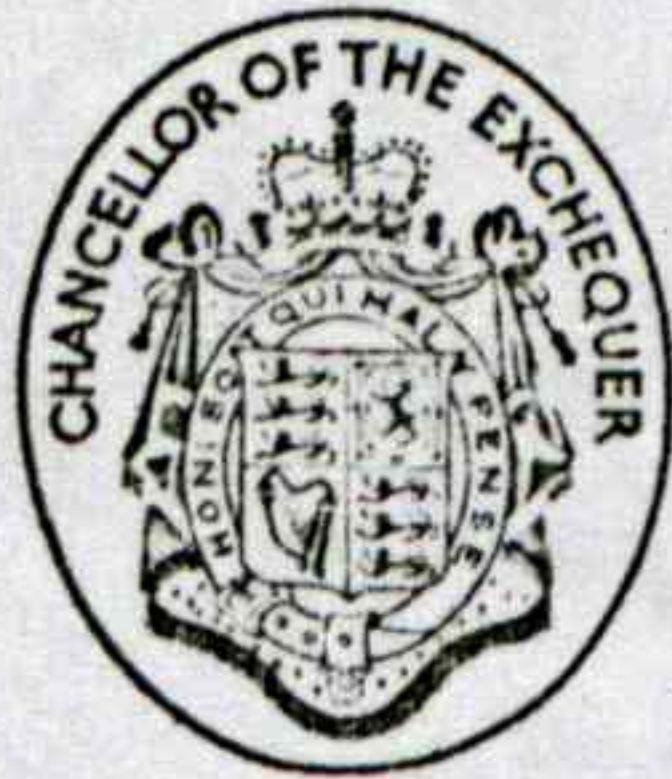
I was naturally pleased that your announcement on Welsh language TV was generally so well received. But I was disappointed that your letter to Lord Cledwyn does not seem to have taken full account of the points I made in mine of 17 September. You will recall that in my letter I said that I thought that the trial period should be of limited duration, and that some means should be found of testing Welsh opinion at the end of that period to establish whether the majority would prefer to revert to the 2-channel system we had proposed earlier.

Perhaps the absence of any indication of a limit on the trial period in your letter to Lord Cledwyn need not bother us too much. You made it clear in Cabinet that you have in mind a period of 3 years and, whilst this is rather longer than I would have wished for a potentially expensive commitment, I recognise the need for a fair trial and accept the period you propose. But I think that the public at large should be aware of what we have in mind and no doubt this can be announced during the debate on this aspect of the Broadcasting Bill.

The criterion by which reversion should be judged is, however, a rather more difficult issue. As I think my letter made clear, I had in mind that the test should be whether the majority of people in Wales wished to continue with single channel Welsh broadcasting or would prefer the wider programme choice which would be available to them under the 2-channel proposal. Your letter to Lord Cledwyn, however, adopts a significantly different criterion: whether there is widespread feeling in Wales that the 2-channel system would be in the best interests of the Welsh language. It seems to me quite likely that many people in Wales might take the view that single channel broadcasting would be in the best interests of the Welsh language, seen in isolation, but that they would still on balance prefer the wider benefits of the 2-channel system.

/It remains





It remains my view that it is the broader interests of the Welsh people which ought to prevail. I realise that it is no longer possible to make this the primary consideration, but I hope that you will feel able in the amendments to the Broadcasting Bill and your statement to the House to give it equal status with the interests of the Welsh language.

I am sending copies of this letter to the Prime Minister and to Nicholas Edwards.

*Yours sincerely*

*P.S. Jenkins*

GEOFFREY HOWE

*Approved by the Chancellor and signed in his absence.*





7/29

*Broadcasting*

10 DOWNING STREET

*From the Private Secretary*

17 September 1980

Thank you for sending me an advance text of the letter which your Secretary of State proposes to write to Lord Cledwyn about Welsh language broadcasting.

The Prime Minister saw this overnight (with the amendments which you passed me on the telephone). She is content both with the letter and your proposals for publication.

I am sending a copy of this letter to John Craig (Welsh Office).

M. A. PATTISON

John Halliday, Esq.,  
Home Office.

*ABT*





✓  
MA

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

17 September 1980

The Rt Hon William Whitelaw CH MC MP  
Secretary of State for the Home Department  
Home Office

*W. Whitelaw*

WELSH LANGUAGE TV

We spoke last night about the need to reconsider the decision against allocating the fourth channel in Wales exclusively to Welsh language broadcasting. You propose to go back to the "single channel" solution, without direct Government funding, but with an undertaking that the Government will take account of the costs falling on the ITV companies in setting future rates of levy. I understand that, having consulted the Prime Minister, you would like to announce this today or tomorrow.

If we had to deduct the full net cost of the Welsh language service from the levy on the ITV companies, this would be an unwelcome addition to the PSBR, which I understand your officials put at somewhere in the region of £10 million a year. I recognise that you are under strong political pressure, and I am ready to agree that you should announce a decision to adopt a single channel solution for a trial period. But I would want to see the assurance to the IBA and programme companies put in terms which allow us room to negotiate on the shares of assessed net costs which should fall on them and on the levy receipts.

I understand it has been suggested to you by a delegation from Wales that, if it can be shown by experience that most Welsh consumers would prefer to revert to our earlier proposal for limited time-compatible Welsh language broadcasting by both BBC and ITV, then it would be right to do so. My strong personal hunch is that most Welsh people will wish to revert. My fear is that if that option is not made crystal-clear in your initial announcement, it may be very difficult to revert even if the majority in Wales would clearly prefer it - not least because, if we are in effect relieving the ITV companies of most or all of their net costs, they will have little interest in pressing

/for a change.





for a change. So I hope you will agree to say that the Welsh-language channel will operate for a trial period of limited duration after which the Government will find some effective means of testing Welsh opinion to establish whether the majority would prefer more limited time-compatible Welsh programmes on the lines we had proposed earlier.

I am sending a copy of this letter to the Prime Minister.

GEOFFREY HOWE

A handwritten signature in black ink, appearing to be "G. Howe", with a horizontal line underneath.



PRIME MINISTER

c. Mr. Ingham

I attach the draft of the letter which Mr. Whitelaw will send to Lord Cledwyn tomorrow, on Welsh language broadcasting.

This has, I understand, now been cleared with Mr. Edwards and the Chancellor. It will be released at 3.00 p.m., by agreement with Lord Cledwyn. Mr. Edwards will be in Wales by then, and will give a press conference.

Content for the Home Secretary and the Secretary of State for Wales to proceed in this way?

16 September 1980



<p>TO</p> <p>The Rt Hon Lord Cledwyn of Penrhos</p> <p>(FULL POSTAL ADDRESS)</p>	<p>ENCLOSURES</p>	<p>COPIES TO BE SENT TO</p> <p>cc S of S for Wales Mr Pantling Mr Boyle Mr L P Wright Mr Woodfield Mr Semken Mrs Littler o/r Mr Butler Mr Grant Mr Hammond o/r Mr Seymour o/r Mrs Fair o/r Mr Floyd (2) Mr Daly</p> <p>(FULL ADDRESSES, IF NECESSARY)</p>
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LETTER DRAFTED FOR SIGNATURE BY..... S of S.....  
(NAME OF SIGNATORY)

When you, accompanied by the Archbishop of Wales and Sir Goronwy Daniel, came to talk to me last week about Welsh language television broadcasting, I undertook that Nicholas Edwards and I would consider most carefully what you had to say to us.

I had already told Parliament that if our proposal to have Welsh language television programmes on two channels was seen after an experimental period not to be serving the best interests of the Welsh language, the Government would be prepared to change to a single channel.

I do not need to repeat here the arguments you and your colleagues put to <sup>us</sup> me with seriousness and moderation after what was clearly anxious deliberation. But in brief, you asked <sup>us</sup> me to consider arranging for all Welsh language programmes to be shown on the new fourth channel from the start, with the possibility of changing to a two-channel solution after a period if there should be a widespread feeling in Wales that this would after all be in the best interests of the Welsh language.

*Nicholas Edwards and*  
I have reflected on our discussion and the conclusion <sup>we</sup> I have come to is that <sup>we</sup> I should accept the <sup>single channel</sup> proposition you put to <sup>us</sup> me. The Government will table the necessary amendments to the Broadcasting Bill for debate in the House of Lords when it resumes on 6 October <sup>and</sup> subsequently for consideration by the House of Commons.



CONFIDENTIAL

The amendments will be tabled as soon as I have been able to work out the details which will need to ensure that a proper service and not just a number of programmes is provided and that the financial arrangements are on a sound basis. I believe that you will find the changes we shall propose fully meet the points you put to me *us*.

In view of the public interest in this subject I am making this letter public.

CONFIDENTIAL



Mike Harrison

3 PM

NE Press  
Conf.



With the Compliments  
of the  
PRIVATE SECRETARY

Attached is a  
copy of the  
draft letter to  
Lord Cledwyn  
which the  
Home Secretary  
is currently  
considering with  
SOS for Wales.

Home Office  
Queen Anne's Gate  
SW1H 9AT

John Galt



<p>TO</p> <p>The Rt Hon Lord Cledwyn of Penrhos</p> <p>(FULL POSTAL ADDRESS)</p>	<p>ENCLOSURES</p>	<p>COPIES TO BE SENT TO</p> <p>cc S of S for Wales Mr Pantling Mr Boyle Mr L P Wright Mr Woodfield Mr Semken Mrs Littler o/r Mr Butler Mr Grant Mr Hammond o/r Mr Seymour o/r Mrs Fair o/r Mr Floyd (2) Mr Daly</p> <p>(FULL ADDRESSES, IF NECESSARY)</p>
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I had already told Parliament that if our proposal to have Welsh language television programmes on two channels was seen after an experimental period not to be serving the best interests of the Welsh language, the Government would be prepared to change to a single channel.

I do not need to repeat here the arguments you and your colleagues put to <sup>us</sup> me with seriousness and moderation after what was clearly anxious deliberation. But in brief, you asked <sup>us</sup> me to consider arranging for all Welsh language programmes to be shown on the new fourth channel from the start, with the possibility of changing to a two-channel solution after a period if there should be a widespread feeling in Wales that this would after all be in the best interests of the Welsh language.

*Nicholas Edwards and*  
I have reflected on our discussion and the conclusion <sup>we</sup> have come to is that I should accept the <sup>single channel</sup> proposition you put to <sup>us</sup> me. The Government will table the necessary amendments to the Broadcasting Bill for debate in the House of Lords when it resumes on 6 October <sup>and</sup> subsequently for consideration by the House of Commons.



CONFIDENTIAL

The amendments will be tabled as soon as I have been able to work out the details which will need to ensure that a proper service and not just a number of programmes is provided and that the financial arrangements are on a sound basis. I believe that you will find the changes we shall propose fully meet the points you put to me.

In view of the public interest in this subject I am making this letter public.

CONFIDENTIAL



cc master  
**CONFIDENTIAL**

RECORD OF A MEETING HELD AT 10 DOWNING STREET AT 1445 HOURS ON  
MONDAY 15 SEPTEMBER 1980

Present:                   The Prime Minister  
                                  Home Secretary  
                                  Secretary of State for Wales  
                                  Mr. C.A. Whitmore  
                                  Mr. M.A. Pattison

The Home Secretary said that he wished to report to the Prime Minister on the issue of Welsh language broadcasting in the face of Mr. Gwynfor Evans' threat to fast to death. He and Mr. Edwards had had various consultations. Most recently, they had met Lord Cledwyn, the Archbishop of Wales and Sir Goronwy Daniel, a former PUS at the Welsh Office and now Chancellor of the University of Wales. The view of this group had been that they did not themselves regard the issue as a vital one, but they saw the price of continuing on the present course as very severe for Wales. They believed that Gwynfor Evans would be prepared to fast to death, and they had asked whether Ministers were really prepared to cope with this. The Home Secretary said that he and Mr. Edwards had both been very shaken by this. The Prime Minister commented that, bearing in mind the Government's Welsh manifesto commitment, this would be disastrous.

The Home Secretary said that they had also considered the situation in the House of Lords. Lord Belstead had advised that if the Government proceeded on its present course, with an inadequate amendment tabled in the Lords, there could be no guarantee that this would pass. Labour and Liberal peers would vote against, probably with many cross-benchers. And indeed some Conservative Party supporters were uneasy about the manifesto angle. If the Government were defeated in the Lords, they would be faced with the prospect of trying to restore the position in the Commons after Mr. Evans had begun his fast.

/ The Home Secretary

**CONFIDENTIAL**



E. R.

**CONFIDENTIAL**

- 2 -

The Home Secretary said that he had now made up his mind that the policy must be changed. He could not recommend to colleagues the continuation of the present approach. The Prime Minister commented that the last thing the Government needed was to inflame nationalism again. Mr. Edwards commented that he had had a fresh look at the problem, after taking a break to distance himself from the various petitions and representations he had received. He had concluded that the Government's initial choice may have been right, but it was now fostering insuperable political problems. He found the constituencies heavily in favour of going back to the manifesto position. With one exception, the Welsh Conservative MPs were also in favour of this. The exception was Delwyn Williams, who considered that this would be giving in to violence. But for him the decisive moment had been a conversation with Lord Gibson-Watt, who said that he would have found it very difficult to vote for the Government in the Lords. Without Lord Gibson-Watt, the position in the House of Lords would have been intolerable. Mr. Edwards confirmed that in three years' time the Party might see that it had been wrong to line up behind the single channel solution. But for the present the manifesto commitment remained the key for the Party. Against this background, he felt that the issue was simply not big enough to justify the problems involved in sticking to the existing course.

The Home Secretary said that, if the Prime Minister was prepared to accept this advice, the remaining major question was how to handle it. The group which he and Mr. Edwards had met earlier in the week had argued that it would be reasonable for the Government to reverse its position over the trial period, and to test the single channel option for three years. He proposed to accept this, even though he believed that this would be bogus as a trial. The die would be cast after three years. He therefore had it in mind to write to this group saying that the Government had its doubts, but given the range of Welsh opinion which the three represented, Ministers were prepared to approach it in the way they recommended. The Home Secretary accepted that this would be represented as the Government having run away in the face of Mr. Gwynfor Evans' position. But those like Lord Cledwyn, the Archbishop of Wales

**CONFIDENTIAL**

/ and Sir Goronwy Daniel



E. B.

**CONFIDENTIAL**

- 3 -

and Sir Goronwy Daniel, who had pressed for a reversal of approach, would have an interest in presenting the outcome as a victory for them, not simply as a victory for Mr. Evans.

Mr. Edwards drew the Prime Minister's attention to Mr. Evans' various subsidiary demands. He had laid down conditions on the timetable and other details. His style had always been to raise the stakes and Mr. Edwards felt that Mr. Evans might hedge on whether he was giving up his threat until the legislation was well on in the House of Lords.

The Home Secretary said that both the BBC and the IBA would be unhappy. The IBA in particular would be angry, and would require a direction to be included in the legislation. He would have to speak to the Chancellor before making an announcement. Any additional money would have to come in part from the IBA levy and in part from the licence fee. The Prime Minister commented that this would apply only to Welsh viewers. Mr. Edwards said that this was not possible. If it was now announced that the cost would be met purely from Welsh viewers, there would be even more trouble. The Prime Minister asked why the BBC need be involved. Mr. Whitelaw explained that, under the proposed new arrangements, the BBC would have to provide some Welsh programmes to be broadcast on the fourth channel.

Mr. Whitelaw said that he would also have to clear his lines with the Lord President and the Leader of the House. A substantial amendment to the Bill would be needed in the Lords, but in fact it might make quicker progress than the existing Bill.

Mr. Whitelaw said that all his political experience had taught him that, if one made a mistake, it was important to get out of it as quick as possible. He hoped to make an announcement on Wednesday, subject to consultations with colleagues. He accepted that the problem had been entirely his own responsibility. Mr. Edwards argued that it would be a great mistake for the Home Secretary to be allowed to present the change as the result of an Englishman's mistake in handling Welsh matters. It should be presented as the Government collectively bowing to the strength of public feeling on the issue.

**CONFIDENTIAL** / The Prime Minister



**CONFIDENTIAL**

- 4 -

The Prime Minister agreed that the Home Secretary and the Secretary of State for Wales should proceed as they proposed, subject to consultations with colleagues.



15 September 1980

**CONFIDENTIAL**



Cc Master

CONFIDENTIAL

file B



10 DOWNING STREET

*From the Private Secretary*

15 September 1980

As you know, the Home Secretary and the Secretary of State for Wales had a word with the Prime Minister this afternoon about Welsh language broadcasting.

The Home Secretary set out the advice which he and Mr. Edwards had received in the course of their wide-ranging consultations on the matter. He referred in particular to their recent meeting with Lord Cledwyn, the Archbishop of Wales and Sir Goronwy Daniel.

He and Mr. Edwards had been taken aback by the strength of feeling that the Government ought to reconsider its policy.

Against this background, and in view of the threat that the legislation might be amended in the Lords, leaving the Government to seek to change it in the Commons during Mr. Evans threatened hunger strike, Mr. Whitelaw had made up his mind that the Government should reverse its position. He could not recommend going on to colleagues in view of the likely consequences. Mr. Edwards confirmed that he had also tried to look at the problem afresh after taking a break. He still believed that the Government's original decision was probably right, but it was now fostering intolerable consequences. Opinion in the Conservative Party in Wales was now firmly in favour of going back to the manifesto position.

The Home Secretary said that Lord Cledwyn, the Archbishop of Wales and Sir Goronwy Daniel had said that it would be reasonable for the Government to announce that it was reversing its approach to the trial period, and now intended to adopt the single channel option during this period. Mr. Whitelaw saw this as an acceptable basis of presenting a change of position. He had it in mind to announce this on 17 September, although he would first need to discuss the financial implications with the Chancellor and Parliamentary business implications with the Lord President and the Chancellor of the Duchy. Mr. Edwards also drew the Prime Minister's attention to Mr. Evans' subsidiary demands. The Government could not be confident that Mr. Evans would immediately call off his hunger strike threat when this change of approach was announced.

The Prime Minister agreed with the course of action recommended by the Home Secretary and the Secretary of State for Wales.

/ You will now

CONFIDENTIAL



**CONFIDENTIAL**

- 2 -

You will now no doubt wish to expedite consultations with other Ministers whose agreement is necessary before an announcement can be made. I would be grateful if you could keep us in touch with progress so that we can settle the detailed handling of the proposed announcement.

I am sending a copy of this letter to John Craig in the Welsh Office.

**M. A. PATTISON**

J.F. Halliday, Esq.,  
Home Office.

**CONFIDENTIAL**



Job Map  
1/19

file No  
wales.



10 DOWNING STREET

*From the Private Secretary*

15 September 1980

I enclose a copy of a letter to the Prime Minister from Mr. Gwynfor Evans' son, about his father's proposed fast.

I should be grateful for your advice as to how this should be handled. It would be most helpful to have something by the end of the week.

I am sending a copy of this letter to Stephen Boys-Smith (Home Office).

M. A. PATTISON

J. F. Craig, Esq.,  
Welsh Office.

Sl.





10 DOWNING STREET

PRIME MINISTER

Here is a letter from Gwynfor Evans' son, setting out his views of the consequences of Mr. Evans' fast.

I have asked Mr. Edwards' office for advice as to how we might respond to this.

*MAF* *W. J. Williams*

15 September 1980

*ec*: Press Office.

*I hope he will receive today that he have been aware of the things he describes. me.*





file 1/10

10 DOWNING STREET

*From the Private Secretary*

15 September 1980

I am writing on behalf of the Prime Minister to thank you for your letter about the Welsh language.

This is receiving attention and a reply will be sent to you as soon as possible.

**M. A. PATTISON**

D. P. Evans, Esq.



✓  
MA

old



With the Compliments  
of the  
Private Secretary  
to the  
Secretary of the Cabinet

Cabinet Office,  
London, S.W.1.





CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

*From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO*

Ref. A02978

12th September, 1980

Gwynfor Evans

I enclose a copy of a telegram which Sir Robert Armstrong has received from Mr. William Wolfe, President of the Scottish National Party, about Mr. Gwynfor Evans's threat to go on hunger strike over the Government's policy towards the Fourth Television Channel and the Welsh language. Sir Robert does not intend to reply or acknowledge the telegram.

Copies of this letter go to Mike Pattison (No. 10), Godfrey Robson (Scottish Office) and John Craig (Welsh Office).

**D. J. WRIGHT**

(D. J. Wright)  
Private Secretary

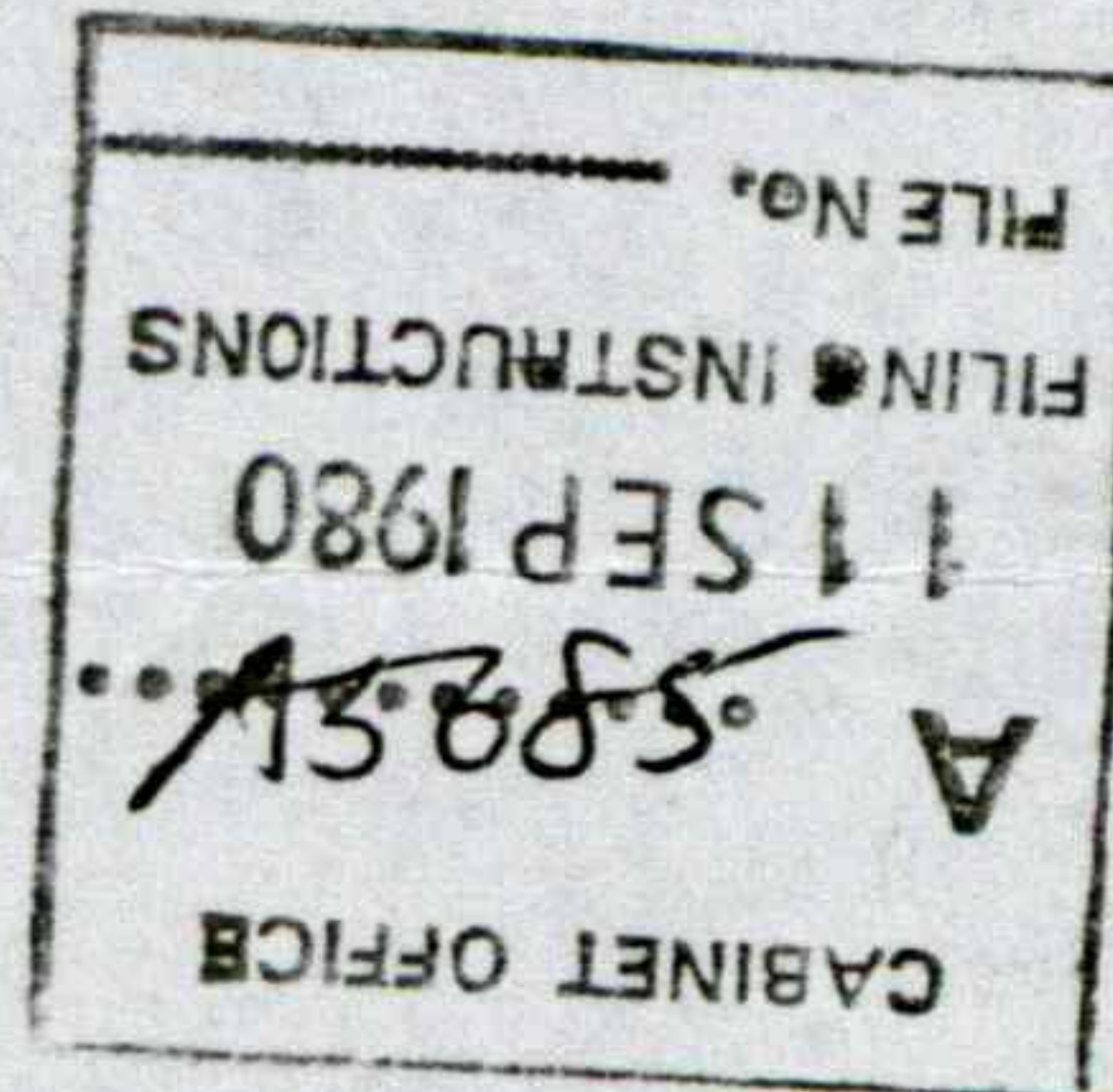
J. F. Halliday, Esq.



NO. SEP 30 0527

*Sir R. Armstrong.*

299992 PO TS G  
727691 PO EH G



H26 1952 BATHGATE EH 100

OVERNIGHT

SECRETARY TO THE CABINET  
C/O 10 DOWNING STREET LONDON

THE MORAL AND POLITICAL STAND OF GWYNFOR EVANS IS UNDERSTOOD AND SUPPORTED BY COUNTLESS PEOPLE THROUGHOUT SCOTLAND . WE HAVE KNOWN HIM FOR 42 YEARS . WE KNOW THE STEEL IN HIS SOUL AND THE FIRE IN HIS HEART . HE WILL NOT COMPROMISE . WE SUPPORT THE RIGHT OF WALES TO EXPECT YOU TO FULLFILL YOUR PROMISE REGARDING WELSH TV. WE STAND SHOULDER TO SHOULDER WITH OUR WELSH BRETHERN AGAINST YOUR PERFIDY. WALES AND SCOTLAND SHALL YET BE FREE OF DOMINATION AND EXPLOITATION

WILLIAM WOLFE PRESIDENT  
SCOTTISH NATIONALIST PARTY

~~TO 42~~

727691 PO EH G  
~~299992~~ PO TS G





10 DOWNING STREET

THE PRIME MINISTER

1 August 1980

Dear Mr. Wigley,

Thank you for your letter of 11 July in which you asked to meet me to discuss the intention of Mr. Gwynfor Evans to go on hunger strike on 6 October.

I share your concern for Mr. Evans and as I said in the House on 10 July I deeply regret his threat. I am afraid that I do not believe that a meeting such as you propose would serve any useful purpose.

Yours sincerely

(sgd) MT

Dafydd Wigley, Esq., MP.

*CF. to note*

*and*

*cc Press Office*

*Wales*

*5/8*



Y SWYDDFA GYMREIG

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switsfwrdd)  
01-233 6106 (Llinell Union)

*Oddi wrth Ysgrifennydd Gwladol Cymru*



WELSH OFFICE

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switchboard)  
01-233 6106 (Direct Line)

*From The Secretary of State for Wales*

CONFIDENTIAL

31 July 1980

GR

J.P.M.

CC16

*Dear Nick*

... Further to my letter of 29 July about Mr Dafydd Wigley's request to see the Prime Minister about Mr Gwynfor Evans' threat I now attach a suggested reply, as requested.

*Yours ever*  
*J.F. Craig*  
J F CRAIG  
Private Secretary

N Sanders Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
SW1





DRAFT REPLY FOR PRIME MINISTER TO SEND TO:

Dafydd Wigley Esq MP  
House of Commons  
London SW1A 0AA

Thank you for your letter of 11 July in which you asked to meet me to discuss the intention of Mr Gwynfor Evans to go on hunger strike on 6 October.

I share your concern for Mr Evans and as I said in the House on 10 July I deeply regret his threat. I am afraid that I do not believe that a meeting such as you propose would serve any useful purpose.



*Just reply?*

Y S YDDFA GYMREIG  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switsfwrdd)  
01-233 6106 (Linell Union)  
*Oddi wrth Ysgrifennydd Gwladol Cymru*



WELSH OFFICE  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switchboard)  
01-233 6106 (Direct Line)  
*From The Secretary of State for Wales*

*PSatt*  
*23/1*

29 July 1980

CONFIDENTIAL

*Dear Nick*

Thank you for your letter of 14 July enclosing one from Dafydd Wigley in which he seeks a meeting with the Prime Minister to discuss Gwynfor Evans' threat.

As you know, this is a matter of great concern to my Secretary of State. Indeed, he has taken the initiative and had a private meeting with Mr Evans. I enclose a note of the meeting. Mr Evans showed little interest in compromise. He reiterated his demands and argued that the blame for the present situation lay with the Government rather than with him.

From other discussions my Secretary of State has had, it has become apparent that neither Mr Wigley nor Mr Thomas has much influence over Mr Evans in this matter. He seems not to have consulted them in taking his decision to go on hunger strike, nor does he appear susceptible to pressure from them now. In the circumstances, my Secretary of State doubts whether a meeting between the Prime Minister and Messrs Wigley and Thomas would be desirable or useful. The 2 MPs know that the matter is of concern to the Government (although, as far as we know, they have no inkling of my Secretary of State's private meeting with Mr Evans). My Secretary of State has no reason to doubt the genuineness of their concern, but equally he has no doubt that a meeting with the Prime Minister would be exploited to give Plaid Cymru the maximum political advantage. He therefore advises against the Prime Minister meeting the Plaid Cymru MPs at this time.

I am copying this letter to John Halliday.

*John Craig*  
J F CRAIG  
Private Secretary

N Sanders Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
LONDON SW1



FOURTH CHANNEL: NOTE OF A MEETING HELD AT COED YR IARLL, ST FAGANS,  
SOUTH GLAMORGAN, AT 4 PM ON MONDAY 21 JULY 1980

PRESENT: Rt Hon Nicholas Edwards MP, Secretary of State for Wales.  
Mr Gwynfor Evans, President, Raid Cymru.  
Sir Hywel Evans, Permanent Secretary, Welsh Office.

The Secretary of State opened by thanking Mr Evans for agreeing to this meeting. He felt it would be valuable to have a private exchange of views on the question of the 4th Channel instead of conducting the debate in public through newspaper articles. Mr Edwards explained that he had approached the question of the 4th Channel with no very set views, just as he had had no very strong views on the order of billing signs, a matter on which a pragmatic solution had now been reached. The Party Manifesto had indeed promised that Welsh language programmes would come on to the 4th Channel but when he had taken office he had become persuaded that there was a powerful case for a different solution on the lines now proposed. There was no ideal solution to this problem but he noted that there had been distinguished Welshmen who had favoured a two-channel solution and until recently the announcement of the Government's intentions had aroused few objections in Wales. The Secretary of State referred to Mr Elis Thomas's speech in the Debate on the Broadcasting Bill and said that following that and as a matter of compromise, the Government had put forward the idea of a Joint Committee. He invited Mr Evans to give his views.

Mr Evans said that he and his associates had been campaigning for a Welsh Channel for a decade. The case had been looked at by several committees, all of whom had advocated that solution. He himself had always thought it essential to have 25 hours a week (notwithstanding what was said in the previous Government's White Paper) which meant 3 1/2 hours at peak viewing time. The 4th Channel was essential to ensure continuity. Separate services did not give a continuous block of programmes or a flow of viewing time. A single Channel was the only way of building up an audience. No solution was perfect but his was the one which offered most.

The Secretary of State pointed out that this solution meant there would be no non-peak hour programmes in Welsh, including programmes for children and stressed that the new arrangements would start in Wales at the same time as the English 4th Channel. He raised the question of finance which was one of the factors that had led to his change of mind. The only way to bring about Mr Evans's solution was by substantial Government subsidy, at least in the early years. He believed that this would be stultifying and would effectively prevent Welsh language TV growth beyond the 25 hours a week wanted by Mr Evans.

Mr Evans said that he was living in the heart of the problem. He could personally testify to the damaging effect of English television particularly on Welsh speaking children. It was vital to get a guarantee of 25 hours a week peak time from the very outset so that listeners were guaranteed Welsh programmes at those hours. This would not arise in the Government's solution - there would be, for example, problems of fitting the time into BBC2's other schedules quite apart from the unwillingness of BBC2 viewers in Wales to give up peak hours to Welsh language programmes. He noted that Iceland, a small country, could afford 25 hours a week and that the Government were prepared to spend substantial sums of money for TV for the Rhine Army.



A Government which had no hesitation in spending £5,000 million on dreadful Trident missiles could surely find £5 million for a 4th Channel for Wales. Mr Evans repeated that only a 4th Channel could give viewers the certainty that when they switched on at a given hour there would be a Welsh language programme.

The Permanent Secretary asked whether Mr Evans' doubts would be eased if some arrangement could be worked out whereby ITV Welsh programmes followed consecutively on BBC Welsh programmes with no break or intervention by other programmes. Was Mr Evans saying that Welsh viewers could not be bothered to switch channels? Mr Evans said that an arrangement such as that described would be a big step forward. Later in the discussion he reverted to this point and said that it was something which could be considered. However he doubted whether the BBC and IBA could be trusted to honour such an arrangement. The question of guarantees was fundamental.

The discussion turned to Mr Evans' personal position. The Secretary of State observed that there were different views about the 4th Channel amongst Welsh speakers themselves. Was the issue then of such importance to justify Mr Evans risking his own life with all the consequences that would mean? He admired Mr Evans as a person and he found it difficult to believe that he would contemplate a destructive and violent act which would stir emotion and violence in Wales. Mr Edwards had within the last 2 or 3 days experienced such violence directed at his own family. He appealed to Mr Evans to reconsider his position.

Mr Evans said that this was the last fight he could make and it was the Government who were being perverse. It was they who had changed tack. Until the Home Secretary's Cambridge speech, Welsh people in Wales genuinely believed that the long sought for goal of a Welsh channel had been achieved. The 4th Channel had widespread support out of Wales also; he referred to a number of National newspapers which had backed the idea. His own fast was not intended to stir up violence. His movement had always opposed violence. If there were people who were bent on violence they would behave that way anyhow whether he fasted or not. He would be making a peaceful demonstration. Was the Secretary of State saying that one was not now to demonstrate against the Government in a non-violent way?

The Secretary of State said that he still hoped that some compromise could be found. But even if Mr Evans' demands could be met in full, would the same technique of fasting then be adopted to bring pressure on the Government over other issues in Wales? Mr Evans said it was ridiculous to suppose that this would happen. But on the 4th Channel there could be no compromise on the broad principles. There was deep feeling in Wales as was testified by the number of people who were refusing to pay for their television licences. His family and friends had gone to prison in the past for the language. If compromise was what the Secretary of State wanted this could easily be achieved through his new committee. All Mr Edwards had to do was to convene the Committee as soon as the Broadcasting Bill was passed and instruct it to plan a 4th Channel of 25 hours a week and 3½ hours peak viewing time every night.



The Secretary of State said that that was a strange concept of compromise. He referred to the complaints there would be from non-Welsh speakers in Wales if they were deprived of all peak viewing time on ITV 2. He believed these would be much stronger than Mr Evans envisaged, although he doubted if anyone would actually fast to death over them. He appealed to Mr Evans again to think of the consequences of his proposed action. He, (Mr Edwards), did not feel the differing parties stood all that far apart in their ideas - certainly the gap was not such as to warrant such grave action as Mr Evans now contemplated. He emphasised his own personal desire as Secretary of State for Wales to help the language and to avoid social disharmony.

Mr Evans said he had taken full account of the likely consequences before he decided on his action - he had discussed it at length with friends and his family. He did not believe that violence would ensue.

The Secretary of State concluded by saying that it had been right to exchange views. He would reflect on the discussion. He hoped that Mr Evans would do likewise and that channels of communication between the two of them could be kept open.

The meeting ended at 5.25 pm.

cc Secretary of State

FUSS(W)

FUSS(M)

Mr O H Morris

Mr R H Jones

Mr T P Hughes

Mr Hosegood

} off Mufax





file

BK

Mr D. WIGLEY  
(Mr Evans)

10 DOWNING STREET

From the Private Secretary

14 July 1980

Mr Sanders  
Any sign of Y?

Not yet - but I told the WO  
MS on the phone to  
decide the timing  
themselves MS 18h

I attach a copy of a letter the Prime Minister has received from Dafydd Wigley MP, asking for a meeting to discuss Mr. Gwynfor Evans' threat to go on hunger strike.

X | I should be grateful to have urgent  
Y | advice on how the Prime Minister might reply  
| to Mr. Wigley. Perhaps you could have a  
| preliminary word with me on the telephone  
| before Questions tomorrow; and I should be  
| glad if you could let us have a draft for  
| the Prime Minister to send to Mr. Wigley by  
| the end of this week.

I will draw the Prime Minister's attention to this letter in the context of her trip to Wales at the weekend.

I am copying this letter and its enclosure to John Halliday (Home Office).

**N. J. SANDERS**

John Craig, Esq.,  
Welsh Office

BK



file BK  
14 July 1980

I am writing on behalf of the  
Prime Minister to thank you for your letter  
of 11 July.

I will place it before her at once and  
you will be sent a reply as soon as possible.

N. J. SANDERS

Dafydd Wigley, Esq., M.P.

BK





2

10 DOWNING STREET

PRIME MINISTER

This letter from Dafydd Wigley asks for a meeting with you to discuss Mr. Gwynfor Evans' threatened hunger strike. I have asked the Welsh Office for urgent advice, in case the matter comes up again at Questions tomorrow. I have in mind that you might reply immediately after your trip to Wales this weekend.

it  
didn't  
ms

---

*[Handwritten signature]* MS

14 July 1980





R1217

HOUSE OF COMMONS  
LONDON SW1A 0AA

11 July, 1980.

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,  
Prime Minister,  
10, Downing Street,  
London SW1.

Dear Prime Minister,

I know that you are aware of the controversy that is raging in Wales on the question of the use of the Fourth Television Channel and from a Parliamentary Answer you gave me a few weeks ago and your answer yesterday afternoon in Parliament to Geraint Howells, M.P., I believe that you are also aware of the declared intention of the former Member for Carmarthen, Mr. Gwynfor Evans, to start a hunger protest on the 6 October and to continue it if necessary until he dies.

I need not stress the gravity of the situation that would develop in Wales if Mr. Evans were to sacrifice his life on this issue. I realise that governments are constrained so as not to take any action that appears to be surrendering to blackmail. At the same time it is clearly desirable that a solution be found for this problem before Mr. Evans starts his hunger protest since the political temperature will rise rapidly once he has started and it will be much more difficult to try and obtain a solution.

I am so concerned about the possible developments in this direction that I would ask whether you would be prepared to meet my colleague, Mr. Dafydd Elis Thomas and myself before the end of the month to discuss this matter since if it is left over to the autumn it may well be too late to try and get a sensible solution. I would also ask that at this stage you consider whether any steps can be taken in the House of Lords, - in view of the comments made in the Report Stage of the Broadcasting Bill in the House of Commons, - that might help meet the problem.

I realise that your time as Prime Minister is extremely restricted but I feel that it is better to try and meet this problem now than leave it until a later date when it will be much more difficult to handle.

I shall await to hear from you.

With many thanks.

Yours sincerely,

Dafydd Wigley  
Member of Parliament for Arfon.



Broadcasting <sup>Dr</sup>



10 DOWNING STREET

*From the Private Secretary*

16 June, 1980.

The Prime Minister is grateful to the Home Secretary for his report on his further discussions with the Chancellor of the Exchequer about the ITV levy. She has noted that he does not now propose to introduce any change in the present Broadcasting Bill, and that further broadcasting legislation may be required in a future session.

I am sending copies of this letter to Martin Hall (HM Treasury) and David Wright (Cabinet Office).

M. A. PATTISON

Miss Christine Stewart,  
Home Office.

JP



CONFIDENTIAL

2.



PRIME MINISTER

PRIME MINISTER

*Home Sec + Chancellor  
have decided not to introduce  
new levy arrangements in  
this year's legislative programme.*

ITV LEVY

*MA 11/1/80*

You wished to be kept in touch with the review of the ITV levy which the Chancellor of the Exchequer and I were undertaking. His Private Secretary wrote to mine on 8 May setting out a possible scheme for a change which would involve a "prior charge" based on revenue and a continuing profits-based element at a lower rate. The main advantage would be a reduction in the marginal rate of levy and Corporation Tax combined.

The Chancellor and I have now discussed this, and we are both agreed that such a change cannot be included in the Broadcasting Bill at this late stage in its progress in the Commons. We do not want to prejudice its passage and to add complications to the despatch of our legislative programme. We do not, however, wish to rule out change. We have, therefore, instructed officials to study the possibilities further and to have consultations, including some with the programme companies. If we decide then to make a change it would not be appropriate to a Finance Bill but to broadcasting legislation, and it might therefore require a short bill. This would not, of course, be this Session.

I attach a draft passage which I propose to include in my speech on the Third Reading of the Broadcasting Bill which the Chancellor has agreed.

I am sending a copy of this minute to the Chancellor of the Exchequer.

*Q*

9 June 1980

CONFIDENTIAL



## DRAFT PASSAGE FOR HOME SECRETARY'S SPEECH ON THIRD READING OF THE BROADCASTING BILL

## ITV LEVY

During the Debate on the Second Reading of this Bill, I informed the House that my Rt Hon and Learned Friend the Chancellor of the Exchequer and I were reviewing the whole operation of the ITV levy. I explained that we were firmly of the view that the public should share in the profitability of the exploitation of a public monopoly, that we were anxious about the high marginal rate which the present system of levy, together with corporation tax, produces, and that we believed that the companies should be encouraged to be cost conscious. Although this review has not yet been completed, I should like to tell the House about our present thinking on these matters. I am conscious of my responsibility not only to maintain, but to extend and enhance, the range and quality of television already available to the public. I have also to consider the effect which developments may have - as far as can be foreseen - on the totality of broadcasting in this country.

The effects of the special position in broadcasting enjoyed by the programme contracting companies and of intervention in it by Government in the public interest are more difficult to interpret when the immediate future is uncertain. At the present time the combination of structural changes in independent television in the early 1980s - the new franchises, the introduction of the fourth channel and the possibility of breakfast-time television - make the future particularly uncertain. The very high marginal rate which is a feature of the present ITV levy system has some inherently unsatisfactory elements and it could in certain circumstances appear to be a positive incentive to unnecessary expenditure. However, the costs of setting up the fourth channel will be substantial and it seems clear that there will be a significant decline in the profitability of the ITV companies during the period when the fourth channel is being introduced. This in itself may be expected to provide some incentive to the ITV companies to be economical in the use of resources.

/In addition,



In addition, I would remind the House that there is power for me, with the consent of the Treasury, to make changes in the levy by order. This would enable me, if I thought it right to do so, to change the rate of levy. There is also power for me, with the consent of the Treasury, to prescribe a minimum amount of levy to be paid by a programme contractor if I am of the opinion that the levy to be paid by that contractor is deficient because of excessive expenditure. The use of this particular power would be bound to have the effect of involving Government more closely in the assessment of matters relevant to programme content, which would have its problems, but I intend, in consultation with the IBA, to continue to keep the use of this power under review.

My Rt Hon and Learned Friend and I have concluded that we will not propose amendments to the Broadcasting Bill to change the present powers in respect of the levy. It must be remembered that the present profits based levy replaced a levy based on advertising revenue which was found to be so unsatisfactory only 6 years ago that both political parties agreed that it could no longer stand. As a levy based purely on advertising revenue has been demonstrated to be unsatisfactory there would be no point going back to it. But I cannot rule out change in the future. Although we have rejected a levy based purely on advertising revenue, it may well be that a rather more sophisticated system combining some elements of a revenue based levy and some of a profits based levy would be found the most appropriate. If, however, we were to contemplate making a change of this kind in the ITV levy, we should need to consider the implications for the ILR system. For these and other reasons, the option requires more thorough study and consultations which I am setting in train. I will report to the House any conclusions reached by my Rt Hon and Learned Friend and myself.



**CONFIDENTIAL** vb  
Broadcasting

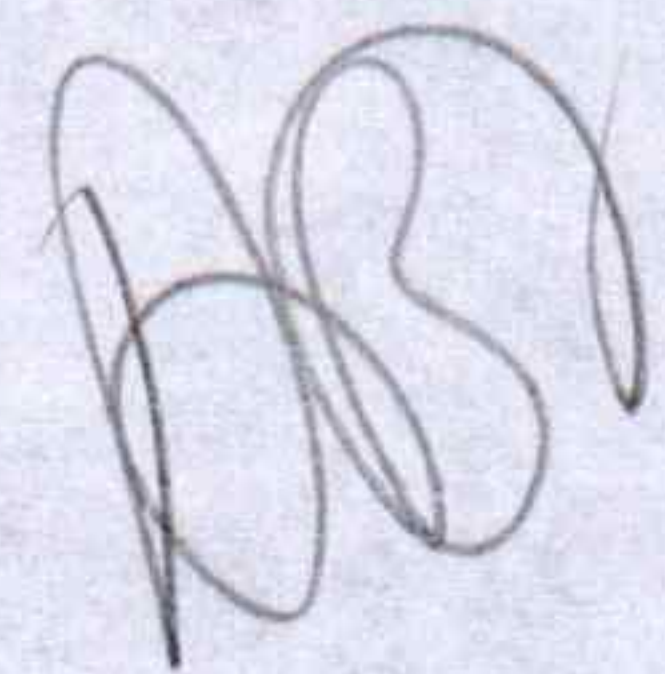
C.B. Ingham.

14 May 1980

The Prime Minister was grateful for the Paymaster General's minute of 12 May reporting his investigations into the legal position relating to the next round of contract awards for independent television. She has noted his conclusions.

MIKE PATTISON

R.E.S. Prescott, Esq.,  
Paymaster General's Office.



**CONFIDENTIAL**





PRIME MINISTER

PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

*The Paymaster finds  
no basis for Government  
or IBA to penalize ATV  
in the next franchise  
round.*

12 May 1980

*- It is as well - if -  
could never / full return  
to S. & W. (a) or  
downward movement  
by 67.*

PRIME MINISTER

IBA AND TV CONTRACTORS

*MAP 13/1*

You asked me to look into the legal position relating to the Independent Broadcasting Authority's awarding of new contracts to Independent Television Contractors.

The 'Independent Broadcasting Authority Act 1973' lays down certain categories of persons and companies which would be excluded from securing franchises and lays down certain provisions which must be included in contracts.

There is nothing whatever in the Act which compels the Authority to take action on the past programme performance of a contractor who is applying for renewal - although no doubt they would do so if there had been breaches of the Act or of Contract. In the case of 'Death of a Princess', however, I cannot see how the IBA could use this as a reason for refusing to renew the ATV franchise, since they had already condoned the programme.

It could certainly be held that this programme offended against Section 4 (1) (a) which enjoins the IBA to ensure 'that nothing is included in the programmes which offends against good taste or decency or is likely to encourage or incite to crime or to lead to disorder or to be offensive to public feeling'. If so, however, the fault clearly lies with IBA rather than with ATV since the Authority saw the programme in advance and did not object to it.

Finally, there is absolutely nothing in the Act which gives any Minister any power to intervene in the allocation of contracts or to give any direction to IBA about franchises.

ANGUS MAUDE



Broadcasting

PRIME MINISTER

ITV LEVY

The Chancellor and Home Secretary are to discuss this shortly.

A workable scheme to change the basis has been devised. There would be a prior charge related to each company's net advertising revenue (10%) and a continuing profits based element at a lower rate (35%). For 1978/79, this would have produced the same levy yield as the present system; but it would discourage extravagant expenditure by the companies (and the consequences for the BBC) by roughly doubling the percentage of profits retained by the companies, reducing the marginal rate of levy and Corporation Tax combined to 68% compared with the present 84%.

The Home Office argue that a change now could jeopardise the companies' cooperation in the fourth channel, with problems already created by the economic down-turn and possible changes in franchises. This objection might be met by some adjustment of the rates for the early years.

The Home Secretary will be reporting to you on the outcome of his discussions with the Chancellor. He will want to announce the outcome when the Broadcasting Bill comes back to the House.

MAD

9 May 1980



CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

8th May 1980

J.A. Chilcot, Esq.,  
Home Office

*Dear John,*

LEVY ON ITV CONTRACTORS

I am writing to confirm that the Chancellor will call on the Home Secretary at 5 p.m. on Monday, 12 May to discuss the review of the ITV levy; he will be accompanied by Miss Forsyth and Mr. Martin.

You will recall that, when the review was set up, the Prime Minister asked to be kept in touch with the progress of work on the possibilities (Mike Pattison's letter of 16 January). Although officials have been exploring the options, there has not yet been any exchange on the outcome at Ministerial level, and I understand that the Home Secretary wishes to announce the Government's decision during the Third Reading of the Broadcasting Bill in the next week or so (having announced on Second Reading in January that the operation of the levy was to be reviewed). Accordingly I am summarising the issue which is to be discussed between our Ministers on Monday, and sending a copy of this letter to Mike Pattison (No.10).

From discussions between officials it seems that a workable scheme could be introduced to change the basis of levy, with a "prior charge" related to each company's net advertising revenue (at the rate of 10 per cent), and a continuing profits-based element at a lower rate (35 per cent). This would have produced the same levy yield in 1978-79 as the present profits-based system; but it would discourage extravagant expenditure by the companies (and the unwelcome consequences for the BBC) by roughly doubling

/the percentage

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the percentage of profits retained by the companies, reducing the marginal rate of levy and Corporation Tax combined to 68 per cent compared with the present 84 per cent.

On the other hand, your officials have argued that a change now would jeopardise the companies' co-operation in the fourth channel, at a time when they are also facing the prospect of a down-turn in the economy and possible changes in franchises. This objection might be met to some extent if the rates for the earlier years, when the costs of the fourth channel will have an adverse effect on profits, are set at a lower level to give approximately the same levy receipts as the present system.

The issue our Ministers are to discuss is thus whether (as the Chancellor would prefer) the Government should announce its intention to move to a different levy system, to be introduced either in the Broadcasting Bill or in a separate Bill; or whether the announcement should say that the basis of the levy will remain unchanged until the changes now in prospect have become established, when the Government will consider this again.

No doubt the Home Secretary will wish to let the Prime Minister know the outcome of his meeting with the Chancellor next week.

*yours ever*

*John Wiggins*

A.J. WIGGINS



E.R.

CONFIDENTIAL

MR. WHITMORE

1. Mr. ~~Hampton~~ <sup>To see</sup>  
2. PA. <sup>with G.V.</sup>  
BBC VISIT

You may care to have this note for the record.

The Prime Minister toured parts of Broadcasting House on Wednesday, April 30, after taking part in the Jimmy Young Show. The visit ended with an informal lunch at which were present:

Ian Trethowan	- Director General
Aubrey Singer	- Managing Director, BBC Radio
Paul Hughes	- Director of Finance
David Holmes	- PA to the Director General
Monica Sims	- Controller, Radio 4
Peter Woon	- Editor Radio, News and Current Affairs.

After the Prime Minister had briefed those present at their request on the Euro Council in Luxembourg, the Director General raised the whole question of BBC financing. Essentially, he instanced a number of possible alternatives to, or variations of, the present licence system:

- i. indexation - the ideal, though the BBC recognised the counter arguments;
- ii. the appointment of a review body to make recommendations for the future level of licence. This would enable the BBC to deploy [redacted] its case for an increase in licence and so build up public acceptance for it, taking account of managerial performance and productivity (on which they thought they had a good case);
- iii. advertising/sponsorship to which the BBC was fundamentally opposed;
- iv. grant in aid which the Prime Minister and

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/BBC



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BBC agreed was not on;

- v. Pay-TV which the BBC, while very interested in it, regarded as a longer term source of revenue;
- vi. a levy on sales of radio and/or TV sets, or, more attractively, video tape recorders.

The BBC sought to put the cost of the present licence in perspective - two-thirds of the cost of a pint of milk or half a Mars bar a day - and argued that at this level it was cheap at the price. They saw the need for more easy payment, given the problems - e.g. loss of the present stamps- such as monthly payment across the Post Office counter. There were, however, cost and manpower problems in this.

The BBC went on to argue that the problem of increasing the level of the licence in line with indexation might be eased if pensioners were exempted from the licence. The Prime Minister, while acknowledging that this might be popular, pointed to the additional burden this would place on the rest of the community and its effect on the Index of Retail Prices which unions used as their negotiating base.

She then pursued the BBC on their opposition to advertising if only on a limited scale on popular programmes such as Radio I (She acknowledged that she had little enthusiasm for sponsorship).

The BBC's main arguments against advertising were:

- i. once introduced, the BBC would be on a slippery slope to commercialism; and
- ii. it would lead to a reduction in standards through a striving for audience.

/Mr. Singer



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Mr. Singer also objected to advertising on young people's programmes (e.g. Radio I) because it would encourage 'covetousness' in them. There followed a lively exchange during which the Prime Minister demanded to know who around the table did not covet a higher standard of living and who had declined an increased salary on that or any other account over the last 12 months.

Other issues raised were:

Carrickmore: the Prime Minister said this incident was a disgrace; the BBC, somewhat half-heartedly, tried to defend their actions; the Prime Minister also pointed out that when she saw the Irish, they reminded her that their Prime Minister could slap a directive on their broadcasting authorities forbidding broadcast interviews with proscribed organisations; she would not do that but the BBC's freedom required the acceptance of responsibility. Mr. Woon argued that one of the necessary freedoms was freedom of information.

Reithian Standards: in response to an observation by the Prime Minister that she did not believe these standards were always maintained, Mr. Trethowan said they did their best. Others protested that they subscribed to those standards wholeheartedly, taking account of the differences in time, era and circumstances to which all standards had to be related. In passing, the Prime Minister signalled at this stage her interest in the fact that the BBC would be requiring a new Charter soon.

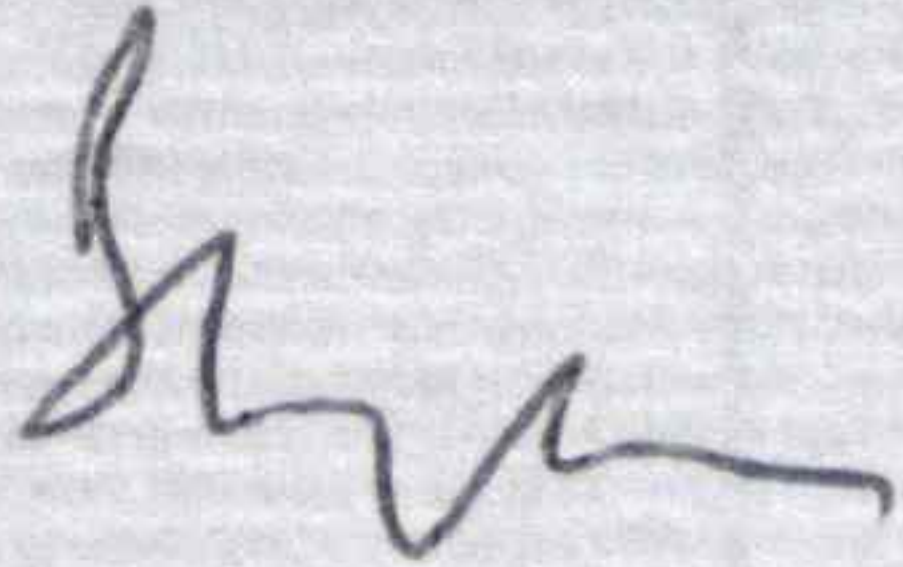
Cuts: The BBC showed a certain sensitivity to the Prime Minister's remarks the previous day that "some of them (cuts) have not necessarily been made in the right places". In reply, the Prime Minister reiterated her refusal to get involved in the detail of the BBC's use of its resources but said she thought the

/decision



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decision to disband the BBC Scottish Orchestra showed a certain lack of political sensitivity. The BBC, in explaining its approach to orchestral cuts, said that the Scottish decision was taken in Scotland.



B. INGHAM

7 May, 1980

CONFIDENTIAL





Broadcasting  
M.P.

QUEEN ANNE'S GATE LONDON SW1H 9AT

17 MAR 1980

BROADCASTING LEGISLATION

Thank you for your letter of 8th February about the question of Open University broadcasts on the Fourth Channel.

As I indicated in my letter of 21st January to Mark Carlisle, I have not felt it right to place a duty in the Broadcasting Bill on the I.B.A. to include Open University programmes on the Fourth Channel. The Authority themselves would prefer to see the channel used for fresh educational needs and have indeed been exploring the possibility of broadcasting services to supplement Government and industry's Y.O.P. and U.V.P. schemes for young people, especially the young unemployed. It may well be that the Open University will have a contribution to make towards the kind of educational services that will be provided - discussions between the O.U. and the I.B.A. on this subject are still in progress. Any decision to press the I.B.A. to make time available to the Open University should, I am sure you will agree, await the outcome of these discussions.

To be perfectly frank, one of the underlying issues here is the question of the financial viability of the Fourth Channel. That must be one of my major concerns and I would be most unwilling to countenance any proposal that might threaten that viability - an obligation on the Authority to broadcast a set number of hours of Open University programmes might be just such a proposal. All of which is not to say that once the service is in operation, we cannot reconsider this issue when the financial viability of the Fourth Channel service is established.

More generally I would stress that the I.B.A. have fully accepted their obligation to provide educational programmes, of one kind or another, on the Fourth Channel. Indeed it is envisaged that some 15% of the time on the new channel should be devoted to such programmes. Specific provision is being included in the Bill to re-inforce that obligation and as I indicated in my letter to Mark Carlisle, the remit of the I.B.A.'s educational advisory committee will extend to the Fourth Channel.

For the moment therefore, I think that we have gone as far as we can in our proposals for the Fourth Channel to protect the interests of education. But of course we shall keep this under review and more

/specifically

The Rt. Hon. James Prior, M.P.



specifically may consider the possibility of an approach to the I.B.A. - pending the outcome of their current discussions with the Open University.

I am sending copies of this letter to the Prime Minister, members of H Committee and Sir Robert Armstrong.

London



NOTE FOR THE RECORD.

Original filed on: - Econ Policy  
Disposal of Public Sector  
Assets Pt 3.

At the Prime Minister's meeting with the Chancellor this morning, apart from Budget matters, they discussed the question of disposals. The note which the Chancellor sent over (under cover of Martin Hall's letter of 4 March) showed that he was looking for a further £500 million of disposals in 1980/81. About £400 million was fairly firm. The main possibilities for making up the balance were the sale of BGC's interest in the Wytch Farm oil field and the sale of Cable and Wireless. The Secretary of State for Energy was proving difficult on the former, and he (the Chancellor) hoped he could have the Prime Minister's support in putting pressure on Mr. Howell. The Prime Minister agreed that the sale of Wytch Farm ought to be pursued vigorously. There was no particular reason why BGC should operate an oil field, and it would produce valuable revenue. It would also be worth asking the Secretary of State for Industry to bring forward firm proposals for the sale of Cable and Wireless.

The Prime Minister suggested that the Chancellor should look at the possibility of disposing of some of NCB's non-coal assets. The Chancellor said he would do so. The Prime Minister also questioned why the note referred to above did not include anything about a possible sale of the National Freight Corporation. (After the meeting the Treasury telephoned to say that, if it proved possible to sell the NFC or part of it, this would be unlikely to raise any net revenue - largely because of the NFC's pension liabilities.)

Finally, the Prime Minister asked the Chancellor whether he was considering changing the levy arrangements on commercial television. The Chancellor replied that the Treasury and the Home Office were considering the possibility of moving over to a levy based on turnover with a view possibly to amending the Broadcasting Bill. The Prime Minister added that, in her view, there would be merit in postponing the fourth TV channel: in the early years, until advertising revenue was built up, its operation would tend to reduce the overall profits of independent

/television



television and therefore - on the present levy arrangements - it would reduce the Government's take. The Chancellor said that he would have no objection, but he understood that the Prime Minister had already given the Home Secretary the go ahead.

R.

6 March 1980





10 DOWNING STREET

Mike

I reminded H.O. of  
the need to keep us  
in the picture

I spoke to Christine <sup>MP</sup>  
Sewant in the Home <sup>25/2</sup>  
Office. Apparently this ~~bf~~  
has been overtaken by events  
as the Home Secretary  
has announced in the House  
that the option of amending  
long provisions has been  
left open.

Raza

25.2.1980.





Broadcasting  
VMS

Caxton House Tothill Street London SW1H 9NA

6400

Telephone Direct Line 01-213

Switchboard 01-213 3000

The Rt Hon William Whitelaw MP  
Secretary of State  
Home Office  
50 Queen Anne's Gate  
LONDON  
SW1 H9AT

8 February 1980

*W. Whitelaw*

BROADCASTING LEGISLATION

I have seen copies of your letter to Mark Carlisle of 21 January and his reply dated 25 January. Let me say that I support Mark's request that we should make it plain to the IBA that we expect them to be more flexible about allowing broadcasting time for the Open University.

I have long had an interest in open and distance learning and I addressed the Open University's Graduate Press Conference only last week. I believe it is a very important educational institution, not only for general studies but also with potential for more vocationally orientated disciplines. I am aware of the pressure at the present time on broadcasting air space but I do think we should press the IBA to make time available to the Open University on the fourth television channel.

I am copying this letter to the Prime Minister, members of H Committee and Sir Robert Armstrong.

*W. Whitelaw*



*BROADCASTING*  
*m*

31st January, 1980.

BROADCASTING BILL

As you will know, it has been agreed that this Bill should be introduced in the House of Commons on 5th February.

I should be grateful if you would make arrangements to table the Notice of Presentation on Monday 4th February so that the Bill can be introduced on Tuesday 5th February and published on Wednesday 6th February.

The Bill should be

presented by

Mr. Secretary Whitehead

and supported by

Mr. Chancellor of the Exchequer  
Mr. Secretary Younger  
Mr. Secretary Edwards  
Mr. Secretary Atkins  
Mr. Secretary Carlisle  
Mr. Leon Brittan

It would be helpful if you could arrange for 200 copies of the Bill to be addressed to the Home Secretary at the Vote Office for collection at 9.00 a.m. on Wednesday 6th February.

*Copies will be distributed to the lobby later in the day.*

I am sending copies of this letter to Nick Sanders (Prime Minister's Office) John Lyon (Cabinet Office) John Stevens (Chancellor of the Duchy of Lancaster's Office) Murdo Maclean (Chief Whip's Office) Charles Cumming-Bruce (Government Whip's Office, House of Lords) and Brian Shillito.

J. G. DALY  
Parliamentary Clerk

G. L. J. Lingle, C.B.



CONFIDENTIAL



QUEEN ANNE'S GATE LONDON SW1H 9AT

24 January 1980

Dear John,

#### INDEPENDENT BROADCASTING LEGISLATIVE PROPOSALS

We have discussed both at Ministerial and official level the points raised in your letter of 2 November, and this letter is designed to set out my understanding of the position reached.

Your first point concerns the financial viability of the channel. It is not possible to make a precise estimate of the revenue and costs of Service 2 at this stage because this will depend not only on the future growth of the economy and of television advertising, which may not move precisely in parallel, but also on the character of the programme service on it. But it seems that, at any rate in the early years of its operation, (it is hoped that Service 2 may begin in the Autumn of 1982) the additional revenue earned on Service 2 will not be adequate to finance the cost of Service 2 and that Service 2 will need to be subsidised from the sale of advertising on Service 1. There will also be a significant drop in real terms in the early years in the profits made by the television programme contractors, and therefore in the payments made by them to the Consolidated Fund in respect of the levy. It is the hope and intention, however, that Service 2 will in due course not only be self supporting but profitable and that the receipts of levy will increase in real terms.

I am satisfied that the Bill itself provides no impediment to commercial viability beyond, as you say, the necessary constraints to ensure that our objectives as regards the nature and sources of programmes on it are met. The Bill has been drafted in such a way as to enable, but not require, the Authority to provide a second service and the service could, therefore, be discontinued if it were to become continuously unviable. I am also satisfied that the Authority is on its guard against over-confident planning and would not wish to see the fourth channel as a permanent pensioner of ITV 1. For the continuing health of the IBA's television services, it hopes to see the fourth channel in due course adding between 20% and 25% in real terms to the total advertising revenue now earned by the programme contractors. For my part, I shall be on the watch against amendments to the Bill which would endanger the financial viability of the channel. I do not think that it would be reasonable to attempt to go beyond this at this stage.

/Your second concern

The Rt Hon John Biffen MP

CONFIDENTIAL



CONFIDENTIAL

Your second concern relates to the levy system. I have had discussions about this with the Chancellor and we have agreed that the system as it stands at present is unsatisfactory, that a better method ought to be devised but that it would not be right to go back to the expenditure based levy which was abandoned only 5 years ago. We also agreed that it would not be right to attempt to strengthen and elaborate the power to surcharge companies which spend excessively because this would involve officials passing verdicts on business judgements and getting involved in questions of programme content, which is neither practical nor desirable.

It is clear that changes in the levy system would take time to devise, and would involve taking new powers and would be controversial. We have also agreed that the Broadcasting Bill should be introduced as drafted but that we should keep open the option of making Government amendments to the Bill during its later stages if a practical scheme for making changes in the levy has been devised by then. I also propose to give a firm warning during the Second Reading Debate that the operation of the levy has been causing concern and will be kept under review. I will consult the Chancellor about the words which it would be appropriate to use during that debate.

Finally, you raise the question whether final statutory authority for levy assessments should continue to rest with the IBA alone or whether this should be changed in the new legislation - which should require the Authority to consult the Home Office and the Treasury. The PAC points have been discussed extensively by officials and with the IBA over a period of time and it is accepted that no Government Department has the expertise or the staff to assess and collect the levy, even if it were thought appropriate to involve Government Departments more closely in decisions involving matters of programme policy and content. The question is, therefore, whether the IBA should be required to do more to publish its general policies as regards assessment, and whether it should be required to consult the Home Office and the Treasury about these beforehand. You are well aware that in practice the Authority does consult the Home Office about points on which it is doubtful and that the Home Office in those circumstances brings in the Treasury. The Home Office also has extensive powers under the existing legislation to call for information from the Authority. The Authority would be willing on an extra statutory basis to prepare a note summarising the main policies which it applies to the assessment of the levy, to consult the Home Office (and the Treasury) about this and to publish such parts of the note as seemed appropriate. This seems to me the best way of dealing with these matters which are not susceptible of being laid down in precise form in statute and when the danger of attempting to do so is that it will bring the Home Office unnecessarily far into matters of commercial judgement and programme policy. I do not propose, therefore, to deal with this

/matter in the Bill,

CONFIDENTIAL



CONFIDENTIAL

matter in the Bill, though I agree that our officials should keep in touch with yours on it.

I am sending copies of this letter to other members of H Committee and Sir Robert Armstrong.

*Guy  
Willie*

CONFIDENTIAL



PRIME MINISTER

2



*Broadcasting*  
The shape of the Broadcasting Bill is now agreed. You might like to be aware of Mr Biffen's comment on the levy rate to be applied to independent radio.

*WFB 23/1*

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon William Whitelaw CH MC MP  
Secretary of State  
Home Office  
50 Queen Anne's Gate  
London SW1H 9AT

22 January 1980

*Dear Willie,*

*WFB*

BROADCASTING BILL

I have seen your letter of 17 January to the Secretary of State for Wales and I am content with the proposals in it.

There is however one comment I should like to make on the proposals for the levy on independent local radio. I agree that it should be set at 40 per cent in the Bill, but the main reason for doing so is that the secondary rental payments are comparatively high at present. Taken together, the 40 per cent rate of levy and the secondary rental payments would involve deductions from ILR company profits roughly equivalent to the levy take from TV companies. When secondary rental requirements diminish, we might expect the levy rate to be increased, depending on the development of ILR profitability. I think it important that, when introducing the Bill or discussing the relevant clauses in the House, the Government spokesman should not refer to the "generally lower level of profitability of the ILR system as compared with ITV". This is still an unproven assumption. Indeed, many might think that ILR is inherently more profitable than ITV, because the costs of providing the service are lower. I think it has been agreed between our officials that this rate will be subject to review in the light of developments on both secondary rental and the companies' performance. I should like that to be made clear in the debates on the Bill.

I am sending copies of this letter to the Prime Minister, to colleagues on H Committee and to Sir Robert Armstrong.

*John Biffen*

JOHN BIFFEN



NBPM

*Evolutionary*



Y SWYDDFA GYMREIG  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switsfwrdd)  
01-233 6106 (Llinell Union)

WELSH OFFICE  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switchboard)  
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Oddi wrth Ysgrifennydd Gwladol Cymru The Rt Hon Nicholas Edwards MP

From The Secretary of State for Wales

22 January 1980

*De Willie*

Thank you for your letter of 17 January in which you record the conclusions of our discussion on Thursday afternoon. I am grateful to you for agreeing that it would be appropriate to make provision in the Bill for the arrangements for scheduling Welsh language television programmes. This should go a long way towards making our proposals more acceptable in Wales and provide reassurance to Welsh viewers.

I note other changes which you propose in the Annex to your letter. I have no objection to these.

I am copying this letter to the Prime Minister, Members of H Committee and Sir Robert Armstrong.

*John*  
*Nice*

The Rt Hon William Whitelaw MP  
Secretary of State for the Home Department  
Home Office  
50 Queen Anne's Gate  
LONDON  
SW1H 9AT





CONFIDENTIAL

ZPB

NBPM

MA

2 MARSHAM STREET  
LONDON SW1P 3EB

My ref:

Your ref:

22 January 1980

*Dear Willie*

BROADCASTING BILL

Thank you for copying to me your letter of 17 January to Nick Edwards about proposed legislation on broadcasting. As you know, I was concerned at the idea of abolishing the right of local authorities to nominate members of local radio advisory committees, and I am pleased that you do not now intend to go ahead with this in the Bill. I am content with the other proposals in your letter.

Copies of this letter go to the Prime Minister, members of H Committee and to Sir Robert Armstrong.

*yes. am*  
*Michael*

MICHAEL HESELTINE

The Rt Hon William Whitelaw MP



CONFIDENTIAL

NBPM

144



QUEEN ANNE'S GATE LONDON SW1H 9AT

17 January 1980

Dear Nick

BROADCASTING BILL

Thank you for your letter of 11 January about the arrangements for the scheduling of the Welsh language television programmes provided by the BBC and by the IBA. Following our discussion today I thought it would be helpful to set out, for our own benefit and for the information of colleagues on H Committee, the conclusions that we reached.

We agreed that it was appropriate to make provision in the Broadcasting Bill for these arrangements and that it should start from the premise (which would not, however, be explicitly stated as such) that the IBA and the BBC have a duty to ensure appropriate scheduling of the programmes that they provide in Wales having regard to the interests of the people who live there (both Welsh and English speakers). The Bill would then require the BBC and the IBA to consult with one another with a view to ensuring that the arrangements between them for the provision of Welsh language programmes are best calculated to serve the interests of people living in Wales (what we are really concerned with here is, of course, the timing of programmes).

Secondly, the Home Secretary would be required, after consultation with the Secretary of State for Wales, to appoint a person to give advice to the two Authorities on matters relevant to the scheduling of Welsh language programmes which they jointly referred to him. We envisage that the person concerned would be appointed in readiness but that there would be no provision in the statute requiring him to be called upon to act other than where the Authorities were unable to resolve the matter themselves. This would not prevent the two Authorities involving him more generally in their consultations if they thought it helpful.

We agreed that it would not be right for the adviser appointed to have power to deal with complaints from outside the Broadcasting Authorities as to the way they scheduled Welsh language programmes nor for him to have power to give directions to the Broadcasting Authorities.

It seems to me that provisions on these lines would be practical from the broadcasters' point of view and give reassurance to viewers in Wales.

I should like to take the opportunity of this letter to seek your agreement and that of other colleagues on H Committee to a number of detailed changes, and in addition, to the proposals which the Committee has already agreed should be included in the Bill,

The Rt. Hon. Nicholas Edwards, M.P.

/and...



CONFIDENTIAL

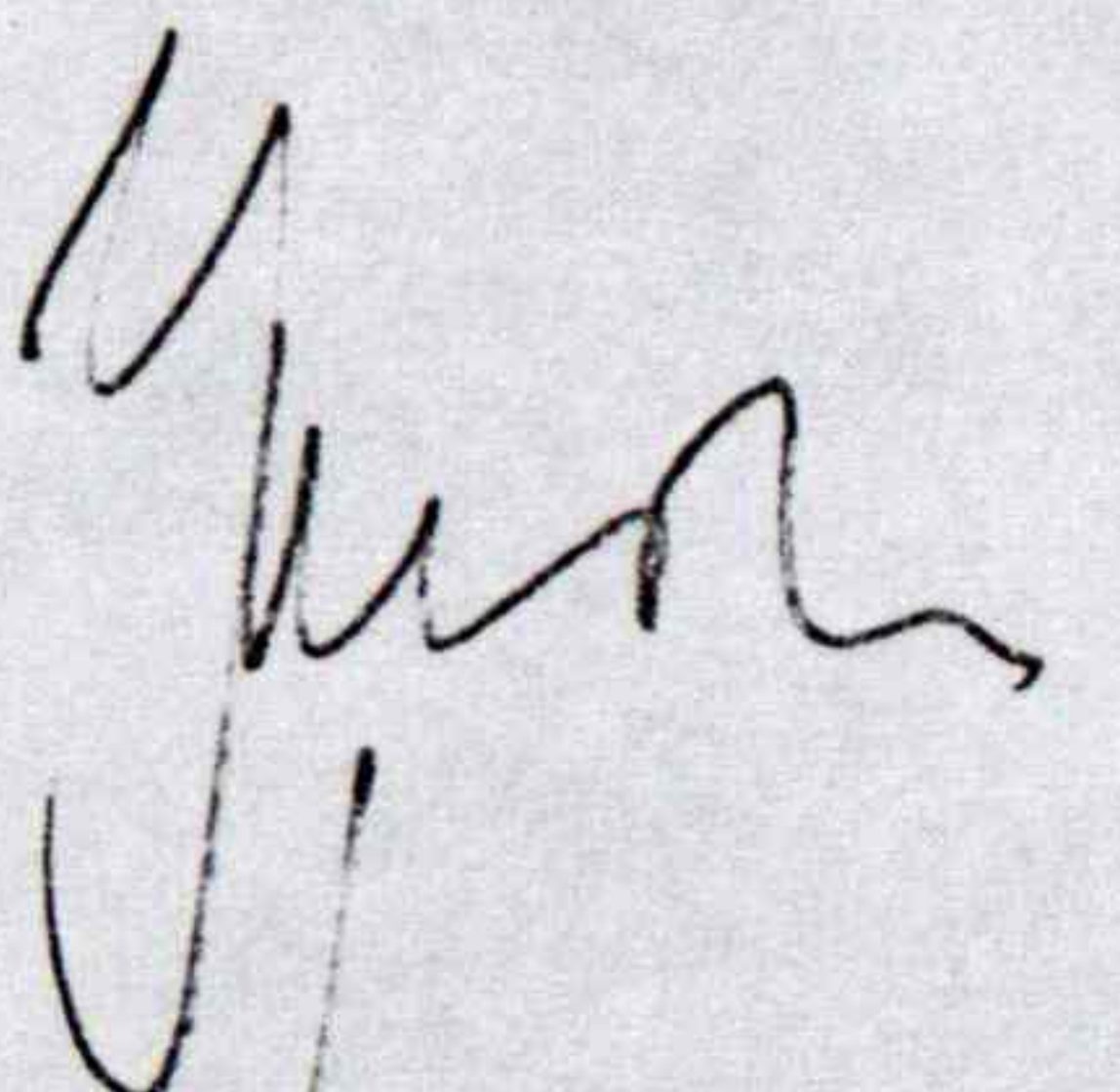
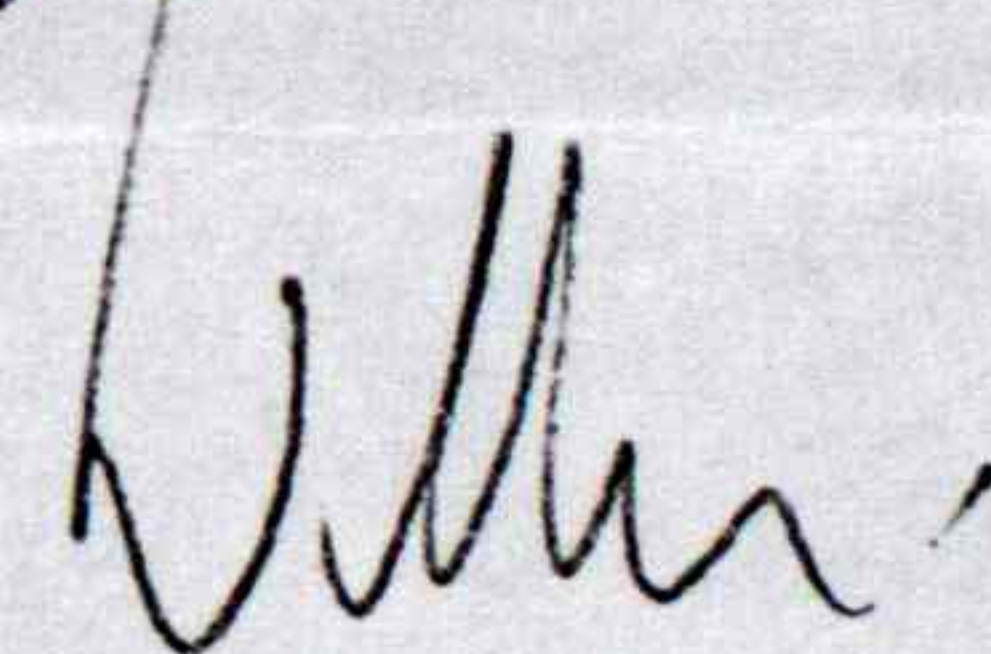
2.

and also to the withdrawal of one proposal (to abolish the right of local authorities to nominate members to local radio advisory committees) which I agreed at our meeting on 29 November (H(79)17th meeting, minute 3) to reconsider. These modifications are described in the Annex to this letter. I am considering separately with Mark Carlisle how we secure that the service on the fourth television channel contains a suitable proportion of educational programmes.

Finally, I should mention that the Home Office and Treasury officials have agreed that the rate of the levy on the profits of the independent local radio contracts should be set initially at 40%. The levy on the profits of the ITV contractors is 66.7%. The lower rate of ILR profits is designed to take account of the additional rental payments (now known as "secondary rental") which they will be making to the IBA to be used for the benefit of the ILR system generally (for example for the funding of the establishment of new ILR stations) and of the generally lower level of profitability of the ILR system as compared with ITV.

I should like to submit the Bill for approval by Legislation Committee at its meeting on 30 January with a view to introduction immediately thereafter. Unless colleagues let me know by close of business on Tuesday, 22 January if there are any changes proposed in this letter with which they disagree, I shall assume they are content and proceed to Legislation Committee accordingly.

I am sending copies of this letter to the Prime Minister, to our colleagues on H Committee and to Sir Robert Armstrong.

CONFIDENTIAL



BROADCASTING BILL

## CHANGES TO THE PROPOSALS AGREED BY H COMMITTEE

IBA's Advisory Committees for Scotland, Wales and Northern Ireland

1. Although the IBA Act 1973 requires the IBA to establish certain advisory committees on specific subjects (eg advertising) and also local radio advisory committees, it is silent as regards national advisory committees: these the IBA have established under their general powers to establish advisory committees.
2. The last Administration proposed in their White Paper that, in order to reflect fully the importance of the IBA's National Advisory Committees, there should be specific provision in the legislation for their establishment. I understand from the IBA that their National Advisory Committees consider that they should have the recognition which statutory establishment would confer on them. I have a good deal of sympathy with this view, and I imagine that the Secretaries of State for Scotland, Wales and Northern Ireland would feel the same. If colleagues agree, therefore, I propose to include in the Bill a provision requiring the IBA to appoint National Advisory Committees for Scotland, Wales and Northern Ireland, each chaired (as now) by the appropriate National Member of the IBA, to give such advice to the Authority as each Committee thinks appropriate for reflecting the range of tastes and interests of people living in Scotland, Wales or Northern Ireland as the case may be, on the conduct of its television services in Scotland, Wales and Northern Ireland. The Authority already has statutory local radio advisory committees and I do not think that we should confuse their remit with that of the National Advisory Committees. I propose therefore that the Bill should simply enable the IBA to seek such advice as it may specify from the National Advisory Councils relating to the conduct of its local radio services in Scotland, Wales or Northern Ireland, as the case may be.
3. I am, of course, not following the last Administration's proposal that the members of the National Advisory Committees (which they would also have placed on a statutory footing) should be appointed by the Home Secretary.



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## The Fourth Channel

4. In paragraph 6 of Annex B to my memorandum H(79)36 I indicated that the IBA would be required to ensure that a suitable proportion of fourth channel programmes should be supplied not only by independent producers, but also by the regional ITV companies (ie not the network companies). The distinction between regional and network companies is a contractual matter which does not lend itself readily to use in statute. I am satisfied that the IBA does intend the fourth channel to afford an outlet for programmes made by the regional companies and propose therefore not to include in the legislation specific provisions covering this.

5. In paragraph 12 of Annex B to my memorandum H(79)36 I indicated that while the fourth channel would be financed primarily by spot-advertising, I did not rule out the possibility of block-advertising or sponsorship at this stage. Under the present legislation block-advertising is not ruled out but sponsorship is prohibited. It is clear that a good deal more thought is needed to the way in which the rules under which sponsorship might operate for the fourth channel before this prohibition is relaxed and I do not propose to take any action to relax it at the present time.

## Local Authority nominations to Local Radio Advisory Committees

6. I undertook at the meeting of H Committee on 29 November (H(79) 17th meeting, minute 3) to reconsider, in the light of Michael Heseltine's reservations, my proposal to abolish the right of local authorities under Section 11(3) of the 1973 Act to nominate members to local authority advisory committees. I have now done so and agree with Michael Heseltine that now is not the time to abolish this right.

## Broadcasting the views of the broadcasting organisations

7. In paragraph 11 of Annex C to my memorandum H(79)36 I proposed that the prohibition on the broadcasting by the IBA of its own views or those of its members or officers or of the programme contractors on matters of political or industrial controversy or relating to current public policy should be removed but that, except in certain defined circumstances, the Authority should be informed (and possibly required to publish such information in its annual report) when the views of its members or officers or of a programme contractor are to be broadcast in a programme for which it is responsible. I now think that a notification requirement would be too cumbersome and propose that the legislation should provide instead that :-

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- (a) the IBA should be prohibited from broadcasting its own views or those of programme contractors (or of the subsidiary it will set up to run the fourth channel), on matters other than broadcasting policy which are of political or industrial controversy or relate to current public policy, but
- (b) to remove entirely the existing prohibition on the broadcasting by the Authority of the views of its members or officers or of the directors or officers of a programme contractor.

I consider that such dangers as there might be in relaxing or removing these restrictions can and will be guarded against by the Authority in the exercise of its duty to ensure due impartiality in the treatment of matters of political or industrial controversy or relating to current public policy.

CONFIDENTIAL



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Broadcasting RA

RF 16/2/80 see  
JC to MA  
25/2

10 DOWNING STREET

From the Private Secretary

16 January 1980

The Prime Minister has seen the Home Secretary's letter of 9 January about independent television. She has also seen the Chancellor of the Exchequer's minute of 15 January on the subject.

The Prime Minister is content that the Home Secretary should introduce the Broadcasting Bill and go ahead with the proposal for the fourth channel on the agreed basis. She nevertheless agrees with the Chancellor of the Exchequer that it would be preferable not to close the option of amending the levy provisions at a later stage of work on the Bill, if a practicable scheme can be devised in time. I would be grateful if you could ensure that we are kept in touch with the progress of work on the possibilities.

I am sending a copy of this letter to Martin Hall at the Treasury.

M. A. PATTISON

KRZ

Miss Christine Stewart  
Home Office

CONFIDENTIAL



CONFIDENTIAL

NFA  
MAP 14/1

2.



PRIME MINISTER

PRIME MINISTER

*mt*

You have asked Mr  
Whitewell to keep open the  
possibility of levy changes.  
He concurs. MAP 16/1

LEVY ON INDEPENDENT TELEVISION CONTRACTORS

I recognise the force of the points made by the  
Chancellor of the Exchequer in his recent minute to  
you about the television levy and I am willing, as  
he asks, to keep open the option of making Government  
amendments to the Broadcasting Bill during its later  
stages if a practical scheme for making changes in  
the levy has been decided by then.

In practice, we shall need to be pretty clear  
about this by the time of the Second Reading of the  
Bill and I will consult the Chancellor about the form  
of words which it would be appropriate to use during  
that debate.

I am sending a copy of this minute to the  
Chancellor of the Exchequer.

*hmlw*

15 January 1980

CONFIDENTIAL



PRIME MINISTER

The Home Secretary has discussed with the Chancellor the financial arrangements for independent television and the fourth channel, following the concerns you expressed before H Committee discussed his proposals last year.

Mr. Whitelaw (Flag A) now proposes that the Broadcasting Bill should be introduced in the form originally envisaged, whilst further work is done on new arrangements for taxing of the companies. He would give notice during the Second Reading debate that the operation of the levy is to be reviewed. The Chancellor (Flag B) accepts this approach, but hopes that the possibility will be retained of introducing amendments whilst the legislation is still before the House, subject to progress of work on alternative arrangements.

The Bill would also be drafted on the basis that ITV companies would sell the fourth channel advertising. You were unhappy with this aspect, but the Home Secretary found support for his view in H Committee. There are competing views among Government backbenchers on the subject.

The Home Secretary's original paper, with your comments, is at Flag C.

Agree that the Bill should go ahead on the basis proposed by the Home Secretary, subject to the Chancellor's request not to close the option of amending the levy provisions at a later stage? Alternatively, would you like to discuss this with the Home Secretary and the Chancellor before giving the go ahead?

*Agreed with*

*MAD*

15 January 1980





Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

PRIME MINISTER

LEVY ON INDEPENDENT TELEVISION CONTRACTORS

The Home Secretary sent me a copy of his minute to you of 9th January following our discussions just before Christmas.

2. We agreed that the levy system was unsatisfactory and that a better method should be devised. My main criticism of it is that, with corporation tax, it has the effect of an 80 per cent marginal tax on company profits. This does not help the companies to be cost-conscious and, as we have seen, has unfortunate consequences for the BBC, particularly in the pay area, with an inevitable effect on the level of the licence fee.

3. I therefore think it important to devise an acceptable alternative as quickly as possible. The most attractive possibility seems to me to put the levy charge, or part of it, on the companies' costs rather than profits. My suggestion for putting a charge on the IBA, which the Authority could then recover from the companies as a form of rent, was intended as a way of getting round some of the objections seen to either a return to the former revenue-based system or the complexities of devising a levy on expenditure. I accept the Home Secretary's view that we cannot use the existing powers to change the system. And

/I can also



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I can also see that further work by officials will be necessary before we can give the go-ahead to any change. I therefore support the Home Secretary's view that the Broadcasting Bill should be introduced as drafted.

4. I would not however like to give up the prospect of doing something before next year. I agree that any change in the present system might well be controversial but the tactical advantage of moving this year is that companies will know what changes to expect before they enter into agreements for the new franchises and will not be able to criticise the Government for changing the rules after the game has started. I hope therefore that the Home Secretary will agree to keep open the option of making Government amendments to the Broadcasting Bill during its later stages if a practicable scheme has by then been devised. I also agree with the Home Secretary that something should be said at Second Reading about the unsatisfactory nature of the present system. How much can be said will depend on how much progress officials can make before that.

5. I am sending a copy of this minute to the Home Secretary.

(G.H.)

? 15 January, 1980

CONFIDENTIAL



Y SWYDDFA GYMREIG

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switsfwrdd)  
01-233 (Llinell Union)

*Oddi wrth Ysgrifennydd Gwladol Cymru*



WELSH OFFICE

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switchboard)  
01-233 (Direct Line)

*From The Secretary of State for Wales*

The Rt Hon Nicholas Edwards MP

// January 1980

Thank you for your letter of 22 December about scheduling machinery for Welsh language programmes. I was disappointed to read that you are not now disposed to make the statutory provision for scheduling which we had previously discussed. In our previous discussions at H Committee I had formed the impression that you favoured towards this proposal.

I am not surprised that the broadcasting authorities are opposed to statutory provision; they would naturally regard this as a possible infringement of their freedom of action. Against this we must put our responsibility to the Welsh speaking audience in Wales who will need to be convinced that we mean to make our proposals work. The present informal arrangements may well be adequate in the current situation but we are preparing for a situation which will be much more complicated. It will not be simply a matter of avoiding clashes on the 2 channels but also of ensuring a fair allocation of prime time. Unless there is an efficient co-ordinating machinery their task will be that much more difficult. Quite frankly, what worries me is that in the face of difficulties which they have not yet experienced the broadcasting authorities will be inclined to cut corners and that the Welsh programmes will be the victims. I can assure you that under the present system there are complaints that at times of public holidays when the networks are screening major programmes Welsh language programmes seem to disappear from the screen. I

/I detect in your

The Rt Hon William Whitelaw CH MC MP  
Home Secretary  
Home Office  
Queen Anne's Gate  
LONDON SW1H 9AT



I detect in your letter a misconception as to the kind of machinery for which I am asking. I am not suggesting setting up, by statute, a new standing body. What I propose is not, in fact, so very different from what the broadcasting authorities would be prepared to accept on a non-statutory basis. I think it should, however, be given statutory support.

If programming on 2 channels is to be an adequate substitute for having a single channel there must be certainty in the mind of viewers about where Welsh language programmes can be found at any time on any particular day. Elaborate machinery should not be necessary to deal with day-to-day operations. In practice, the occasions when standing arrangements on complementary scheduling have to be altered should be comparatively few. Normally, the changes should be capable of being made by the authorities themselves. If they fail, the person whom I envisage being appointed could be brought in to help resolve any disputes.

I do not think we can accept that because the present informal arrangements work satisfactorily there will not be a need to review general policies from time to time. We do not know what tensions may build up between the authorities going beyond mere day-to-day rejigging of programme changes. There may also be disputes (eg with dubbed film or, more particularly, with music broadcasts) as to what actually constitutes a Welsh language broadcast. It would be useful both for the broadcasting authorities and for us to have someone available who could give advice in the event of disputes or allegations that the authorities were not playing the game. It would be reassuring to have an agreed form of machinery to settle such issues. The fact that it might have to be called on only occasionally would, of itself, ensure that it did not get drawn into disputes over the contents of programmes or become a pressure point for more Welsh programmes. Indeed, if it is to consist of an independent chairman (who would be the same person as the independent day-to-day arbitrator) together with representatives selected by the broadcasting authorities themselves, it is difficult to see how it could have the dangers which you foresee.

Our previous correspondence has, perhaps, not made it entirely clear whether the arbitrator acting alone or as chairman of a committee would have power to impose solutions on the authorities.

/I do not see



I do not see this as being necessary: I hope we would be able to act by agreement. He could however and indeed, in my view, should be required to publish and submit an annual report on his work so that we can, as necessary, take steps to ensure that the Government's plans for Welsh language broadcasts are being implemented.

You suggest that there might be some difficulties about introducing such a statutory requirement in the Bill and that it would open the gates for undesirable amendments affecting wider broadcasting issues. The Bill will be making provisions for the complaints machinery which will equally affect the BBC and the IBA. I cannot see that the statutory provision relating to the scheduling of Welsh language programmes opens the gates any wider.

You also mention your fear that any machinery set up for scheduling might act as a pressure point for additional Welsh language programmes. I think we should be clear that if our proposals are a success there will be what I would regard as healthy pressure from the Welsh people themselves for increased Welsh language broadcasts.

Indeed, it is understood that the 20 to 22 hours a week to be broadcast from the Autumn of 1982 are only a start.

I hope that you will reconsider the matter in the light of what I have said. If not, I am afraid that I must ask for a further discussion of the matter in H Committee.



CONFIDENTIAL

*Broadcasting*



QUEEN ANNE'S GATE LONDON SW1H 9AT

9 January 1980

My dear Prime Minister

I had a talk with the Chancellor immediately before Christmas about the possibility of altering the basis of the levy on the independent television companies.

We agreed that the Broadcasting Bill and the fourth channel should go ahead even though there would be a reduction in levy when the fourth channel came into operation. We agreed that the levy system as it stands at present is unsatisfactory, that a better method ought to be devised, but that it would not be right to go back to the expenditure based levy, which was abandoned only five years ago. We also agreed that it would not be right to attempt to strengthen and elaborate the power to surcharge companies which spend excessively because this would involve officials passing verdicts on business judgments and getting involved in questions of programme content, which is neither practical nor desirable.

The Chancellor raised the possibility of levying a tax on the I.B.A. which the I.B.A. would then pass on to the companies. This would be accompanied by a reduction in the present rate of levy. It is clear that such a tax would take time to devise and that it would involve taking new powers. If we were to seek to take these in the Bill it would mean delaying its introduction, would cause great controversy and would delay the passage of the Bill in a way which would be unacceptable to our Parliamentary timetable. Nor would this be a good time to attempt to change the system itself radically - just when we are seeking to place increased responsibilities on the companies in relation to the fourth channel.

In all the circumstances, I think that the best time to tackle the subject would be when the new franchises have been allotted and the Bill is through Parliament. We can consider in the meantime what sort of change might be appropriate and what might be the best vehicle for making it. At the same time, however, I would think it right to give a firm warning at the time the Bill is published, or, perhaps better, during the Second Reading debate, that the operation of the levy has been causing concern and will be kept under review.

You know that advertising interests have been lobbying against the Government's decision that advertising on the fourth channel should be sold by the I.T.V. companies, and that they have support from some of our backbenchers who would like to see competitive advertising on the channel. On the other hand, H Committee agreed

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/that...

The Rt. Hon. Margaret Thatcher, M.P.



CONFIDENTIAL

that competitive advertising was incompatible with the sort of complementary channel we want and this is a view held by many of our backbenchers who are interested in the subject. I hope that in these circumstances you will agree that planning for the Bill which should be ready for introduction around the end of the month, should proceed on the agreed basis.

The I.B.A. have been in consultation with the advertising interests to discuss safeguards to prevent the imposition of arbitrary conditions. It has been suggested, for example, that there should be no conditions relating the sale of I.T.V. air time to the sale of the fourth channel air time; that there should be no linked discounts between the two channels; and that separate rate cards should be published for the two channels. The Authority would be prepared to set up an I.B.A. Advertising Liaison Committee on which senior representatives of the advertisers could discuss problems of mutual concern with the I.T.V. companies.

I am copying this letter to the Chancellor of the Exchequer.

Gaske  
L. M. M.

CONFIDENTIAL



15.13.

VMAP 2

Broadcasting

PRIME MINISTER

There are two outstanding issues on which you will be expecting further advice from the Home Secretary. These are the possible need to replace the Protection of Information Act, and arrangements for the Fourth Television Channel, especially in respect of advertising and the levy.

On the former, the Home Secretary is not yet ready to put forward a view. On the latter, he wishes to reach agreement with the Chancellor before coming back to you.

In the circumstances, it seems unlikely that the Home Secretary will be ready to put proposals to you on either of these points before Christmas.

MAP

*[Handwritten signature]*

12 December 1979



CONFIDENTIAL

File



10 DOWNING STREET

From the Private Secretary

H. C. Hee Broadcasting

H.O.	NIO
Ld Chanc.	OTHSS
Ld Pres.	CDL
Emp.	DES
Env.	Chief Sec
SO!	Chiefship
W.O.	Transp.
3 December 1979	C.W. (Lords) + C.O.

The Prime Minister has seen a copy of the Chief Secretary's letter of 2 November about legislative proposals for independent broadcasting. She has noted his concern about the present levy system, which in effect involves the Government paying for 83 per cent of any extra expenditure on pay by the ITV companies. The Prime Minister has asked me to say that she too regards this system as very unsatisfactory, and she hopes that the Chancellor and the Home Secretary will consider improved arrangements.

I am sending copies of this letter to Private Secretaries to members of H committee and to Martin Vile (Cabinet Office).

TPL

M.A. Hall, Esq., M.V.O.,  
HM Treasury.

CONFIDENTIAL

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PRIME MINISTER

Fourth Television Channel

Here are the minutes of the H Committee discussion. You will see that the Home Secretary noted that you had reservations, which he would pursue with you after the committee had considered his paper. The conclusions are therefore, tentative, and subject both to your views on advertising revenue and the Chancellor's views (which you endorse) about the form of the levy.

These issues should perhaps be discussed at a special meeting with the Home Secretary and the Chancellor, and not merely in the margins of one of the Home Secretary's regular Monday morning calls. Perhaps a 10 p.m. meeting in the House the next time you will all be present for a vote?

*MAD*

*I think 4.  
 will take  
 longer  
 than that.*

30 November 1979

*Home Office will come back  
 to propose a meeting after  
 Home Sec + Chancellor have discussed MAD*



Broadcasting

10 DOWNING STREET

From the Private Secretary

26 November 1979

B/F 30-11-79

The Prime Minister has seen the Home Secretary's paper, H(79)74, on legislation on broadcasting. As I told you on the telephone this morning, she is unhappy about several aspects of the Home Secretary's proposals, and she has asked that the following comments should be passed to him.

The Prime Minister takes the view that the proposed advertising arrangements would put an unnecessary restriction on the fourth channel by denying it the possibility of selling competitively. This restriction, she feels, will reduce the revenue for the channel. Further, the Prime Minister does not want the Government to tie its own hands on taxing levy. She comments that the Government may wish to obtain much greater tax from advertising than is at present collected, and that, as a corollary, the Government would benefit if there was a great deal more advertising which could be taxed.

In looking at the detailed proposals, the Prime Minister commented on annex A paragraph 4 that it should be quite possible to carry advertising on the new channel, for instance in the period running up to programmes and at certain regular intervals during the day. She commented that recent experience had shown that new newspapers could attract new advertising, and that there was no reason to believe that a new TV channel could not repeat this. She regards as unnecessary the proposal that advertising on the fourth channel should only be sold by the ITV-1 programme contractor for each area.

You may feel that the Home Secretary will wish to comment further on these matters to the Prime Minister before the paper is discussed in H Committee.

I am sending a copy of this letter only to Martin Vile (Cabinet Office).

**M. A. PATTISON**

Miss Christine Stewart,  
Home Office.

CONFIDENTIAL





TOP  
Broadening

10 DOWNING STREET

*From the Private Secretary*

22 November 1979

The Prime Minister has seen the Home Secretary's letter to her of 15 November, about the Tenth Report of the Select Committee on Nationalised Industries. She was grateful to him for drawing her attention to the items in his proposed response to the Report which might generate some controversy.

She is content with the proposed response.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

M. A. PATTISON

A handwritten signature in dark ink, appearing to be 'SP'.

Miss Christine Stewart,  
Home Office.



BF

Dec 3

R

24

Return to TL

2

PRIME MINISTER

cc. Mr. Pattison  
Mr. Ingham

The attached thank-you letter from Lady Plowden mentioned the question of the I.T.V. levy.

The Chief Secretary is pursuing this with the Home Secretary (see flag A), and there is likely to be a meeting between the Chancellor and the Home Secretary about it next week. I will let you know the outcome.

I understand that Home Office officials dislike the idea of changing the levy arrangements: they think that the fourth channel proposals will cause enough of an upset without moving on the levy at the same time. But the Home Secretary may be more willing to countenance a change on this front because of the I.T.V. pay settlement which may all too easily carry over to the B.B.C.. As you yourself have pointed out, the present levy arrangements mean that - as long as the I.T.V. companies are making a profit - the Government effectively foots 83 per cent of any extra pay bill.

(I don't like the 4th channel arrangements. They resist the possibility of fully raising their revenue (without need) for redundancy)

*[Handwritten signature]*

R

(I am wholly in support of the Chancellor's arguments)

*[Handwritten signature]*

21 November 1979





INDEPENDENT BROADCASTING AUTHORITY

70 Brompton Road London SW3 1EY Tel: 01-584 7011 Telex: 24345

THE LADY PLOWDEN, D.B.E.

Chairman

220

20 November 1979

Jean Prime Minister

Thank you so much for having included me in the dinner last night for M. Siscard d'Estaing. It was a most interesting and pleasant evening - indeed a historic one - and I enjoyed it enormously. It was a pleasure talking to your French guests as well as my indigenous friends.

Geoffrey Howe mentioned at dinner that he was concerned by the fact that the levy from ITV was on profits rather than on revenue, and you also referred to it later. I thought it might be helpful if I explained to Geoffrey why the change had been made in 1973 from revenue to profits and the great disadvantages of the old system. So I have written to him tonight.

Thank you again  
yours  
Brian.



PRIME MINISTER

Mr. Whitelaw proposes to publish the Government's response to last year's report on the IBA from the Select Committee on Nationalised Industries.

The Home Secretary draws your attention to two aspects of the response. First, (Flag A) he rejects the suggestion that a single Department should handle broadcasting and all associated aspects and functions of this area of communication and technology. Secondly (Flags B and C) the reply will refer to some proposals in the forthcoming Broadcasting Bill: the extension of the life of IBA for a period of 15 years (Flag B), and the dropping of the prescriptive rights of newspapers to share in the equity of independent radio companies (Flag C).

These are the points on which there might be some sensitivity in the Home Secretary's proposed White Paper. I take it that you are content to leave these matters to his judgement and to clear the White Paper?

*Yes out*  
(The duty clerk has the Select Committee report available, although I doubt whether you need to see it.)

*MP*

*ms*

20 November 1979





QUEEN ANNE'S GATE LONDON SW1H 9AT

15 November 1979

My dear Prime Minister

TENTH REPORT OF THE SELECT COMMITTEE ON NATIONALISED INDUSTRIES

The Tenth Report of the Select Committee on Nationalised Industries, which dealt with the Independent Broadcasting Authority, was published last year. We have now prepared a response to the Report which I propose to publish in advance of the forthcoming Broadcasting Bill. The response is in two parts. The first part contains the Government's response to those recommendations which are for me to consider. The Independent Broadcasting Authority's comments on these recommendations and others for which they have exclusive responsibility are contained in Part II.

The Select Committee was somewhat critical of the co-operation they received during the lifetime of the last administration and much of their report has now been overtaken by events. There is little which is controversial in the response I would propose to make, but I should draw attention to two points. First, the Select Committee recommended (Recommendation 6) that "the body responsible for examining and advising upon the machinery of Government should consider the desirability of bringing together within a single Department, responsibility for broadcasting and for all associated aspects and functions of this important area of communication and technology". I believe that the present distribution of responsibility is right. However, the reply to the recommendation, which has been cleared at official level with the Civil Service Department, recognises the need to keep all departmental responsibilities under review.

Secondly, in my reply to Recommendations 1 and 9, I have said something about my intentions in the forthcoming Broadcasting Bill as approved by H Committee.

I am copying the draft reply to colleagues on the H Committee, the Secretaries of State for Industry and Trade and to Sir Robert Armstrong. Subject to any comments, I propose to publish the response as a White Paper in December. I would be grateful if any comments could reach me by 23rd November.

*[Handwritten signature]*  
*[Handwritten signature]*



TENTH REPORT FROM THE SELECT COMMITTEE ON NATIONALISED INDUSTRIES  
SESSION 1977-78  
INDEPENDENT BROADCASTING AUTHORITY

1. 13 of the 22 recommendations in the Select Committee's report are for the Home Secretary to consider and his observations on them are contained in Part I. The Independent Broadcasting Authority's comments on these recommendations and the 9 other recommendations which deal with matters for which it has an exclusive responsibility are contained in Part II.
2. The evidence given to the Select Committee on Nationalised Industries preceded the publication of the previous administration's White Paper on Broadcasting (Cmnd 7294) in July 1978 and the Government's announcement in May 1979 that it proposed to introduce legislation to extend the life of the Independent Broadcasting Authority which would be given responsibility (subject to strict safeguards) for the fourth television channel. Some of the points made in the Select Committee's report (for example, the recommendation that the Authority should be allowed to proceed with its plans for the expansion of independent local radio) have therefore already been accepted, while some have been overtaken by events. However, the Government has given careful consideration to the points raised in the report, even though it notes that the report was inevitably of a somewhat interim nature and it is pleased that on a number of issues the Select Committee and the Government have reached the same conclusions.

PART I

Observations by the Home Secretary

Principal recommendations

3. The Select Committee's report makes three principal recommendations. The Home Secretary's observations regarding these recommendations are set out in the immediately following paragraphs.

RECOMMENDATION (1) The IBA should in future be established by Statute without arbitrary limitation of its period of existence (Paragraph 134).

4. The Government recognises that difficulties have arisen as a result of the long period of uncertainty surrounding the future of broadcasting



and the future functions of the Independent Broadcasting Authority since the setting up of the Annan Committee on the Future of Broadcasting in 1974. The Government considers that it is appropriate to review the structure of broadcasting in the United Kingdom from time to time in order to ensure that it is both flexible and responsive to the nation's needs and that it is appropriate, for this reason, to have some time limit/though an adequate one/ on the lives of the broadcasting authorities. In its forthcoming Broadcasting Bill, the Government proposes to seek power to extend the life of the IBA for a period of 15 years. The Government notes the Authority's comments about the need for transitional arrangements to provide continuity beyond the end of its statutory life.

RECOMMENDATION (2) The IBA should be allowed to proceed with its plans for the expansion of independent local radio, and with the engineering for the fourth television channel (paragraphs 131 and 133).

5. The Government welcomes the Select Committee's recommendation that the IBA should be allowed to proceed with its plans for its expansion of independent local radio. Careful planning of the expansion of local radio is necessary for a number of reasons, including the need to ensure that efficient use <sup>is made</sup> of the radio frequencies available for local radio services. The planning has been entrusted to the Home Office Local Radio Working Party whose terms of reference are to prepare proposals for the consideration of the Secretary of State for the Home Department for the further development of local radio, by stages, over the United Kingdom as a whole and to publish reports on the possibilities from time to time. The previous Home Secretary (Mr Rees) gave his approval in principle to the locations of 9 new Independent Local Radio stations in October 1978 following publication of the Working Party's First Report (O/R 24 October 1978, Vols 955, W/A Cols 861-862). A further 15 locations were proposed in the Working Party's Second Report which was published in July 1979 (O/R 26 July 1979, Vol 971, W/A Cols 239-240).

The Home Secretary took account of comments on these proposals from interested organisations and the public before deciding to approve Independent Local Radio stations, at the locations recommended by the Working Party. This decision was announced on [15] ~~October~~ November.

Further  
locations  
for

6. The IBA Act 1979 empowered the Authority to carry out the engineering work required for the fourth channel at a time when the previous administration had proposed that it should be entrusted to an Open Broadcasting Authority. The Government proposes to entrust responsibility, not only for the engineering work on the channel but for the programme services to be broadcast on it, to the Authority.



RECOMMENDATION (3) There should be close co-operation between the IBA and the BBC in planning the expansion of local radio so as to ensure maximum coverage, particularly of rural areas, rather than the duplication of services in the larger towns and cities.

7. The Government is in general sympathy with the Select Committee's view and intends that priority should be given to rural areas over urban areas which already have a local radio service. The Working Party has sought to minimise duplication of local radio services wherever this is feasible and no such duplication resulted from the eighteen new locations which were announced last October. However, as gaps in local radio coverage are filled, it becomes increasingly difficult to avoid duplication. With Independent Local Radio there is the further consideration, to which the Working Party drew attention in its Second Report, that the IBA needs to provide some stations which are likely to be significant contributors to the financial strength of the independent system if the Authority is to develop new stations in more rural areas. These considerations led the Working Party to propose a measure of duplication in the locations put forward in its Second Report. Nevertheless, the majority of the new local radio stations approved following the Working Party's Report are in areas which currently have no local radio service and it is the Government's intention that some priority should continue to be given to these areas in future proposals for local radio expansion.

#### Further recommendations

8. Of the Select Committee's further recommendations, recommendations (1), (5), (6), (7), (8), (9), (16), (17), (18) and (19) are either entirely or partly for the Home Secretary's consideration. His comments on these recommendations are as follows:-

RECOMMENDATION (1) The Secretary of State should consider the advisability of broadening the membership of the Authority to reflect its increased responsibilities (paragraph 15).

9. The Government recognises the importance of ensuring that the size and range of experience of the Authority's membership reflects the increased responsibilities which the Authority is assuming for the expansion of Independent Local Radio and will be assuming for the supervision of the



fourth television channel. For this reason the Home Secretary announced the appointment of an additional member to the Authority in July 1979. The qualifications and experience of persons considered for membership of the Authority receive the most careful consideration with the object of ensuring that a person appointed to be a member of the Authority is of a calibre that enables him or her to make a positive and distinctive contribution to the counsels of the Authority.

RECOMMENDATION (5) The process of public consultation should be extended to cover future frequency assignments plans and discussions. On the conclusion of the World Administrative Radio Conference 1979, the Home Office Radio Regulatory Department should issue a document explaining as simply as possible, for the information of the public at large, exactly what was decided and what the implications will be for the future of broadcasting in the United Kingdom (paragraph 47).

10. The Home Office will continue to look for suitable ways of informing or consulting the public on frequency allocation matters whenever this is appropriate. In this connection the Home Office Radio Regulatory Department published in April 1978 a paper entitled "Preparation for the World Administrative Radio Conference 1979". In January 1979 the Home Office Radio Regulatory Department published "UK proposals for the World Administrative Radio Conference 1979" and in March 1979 "Supplementary UK Proposals for the World Administrative Radio Conference 1979". Copies of the proposals were available to all those known to be actively interested, including those identified during the process of public consultation initiated in January 1977. There should be no difficulty in publishing a report on the results of the World Administrative Radio Conference in 1979.

11. As regards local radio, in its Second Report the Home Office Local Radio Working Party included a section which sets out in non-technical language some of the principal considerations involved in the preparation of a frequency plan for the expansion of local radio which illustrate why a plan is necessary, the target planning standards adopted by the Working Party in the preparation of the plan and how technical factors impose limitations on local radio expansion (paragraphs 20-39 of the Second Report). The Working Party also reported on the consultations it undertook last year with organisations interested in local radio (paragraphs 40 to 60 *ibid*). As indicated in paragraph 5 above, the Home Secretary allowed interested organisations and the public an opportunity to comment on the Working Party's proposals for further local radio stations before taking his decisions.



RECOMMENDATION (6) The body responsible for examining and advising upon the machinery of Government should consider the desirability of bringing together within a single Department, responsibility for broadcasting and for all associated aspects and functions of this important area of communication and technology (paragraph 48).

12. The Government recognises the importance of close co-operation between those departments which have responsibility for all the various aspects of telecommunications policy. The degree of co-operation achieved under existing arrangements is satisfactory and there is no present need for bringing these functions together within a single department. However, as with all departmental responsibilities, the position will be kept under constant review.

RECOMMENDATION (7) There should be an early introduction of the procedures for public participation proposed by the IBA, which will bring local groups and individuals into more direct touch with their local broadcasting services, both as to its initial intentions and as to its subsequent development (paragraph 57).

13. The Government notes with approval the comments of the IBA on this recommendation. These indicate that exchanges of views directly with the public about existing Independent Local Radio services have been taking place for some time and that the Authority intends that its consultation procedures for discussing the needs of a transmission area where a new service is to be provided will continue in operation.

RECOMMENDATION (8) With regard to future contracts in the commercial radio system of near national coverage, application and renewal procedures should be more strictly applied to aim at a good standard of service suited to the taste of the British public and processes should be found to open franchises to competition at appropriate points, with due safeguards for the security of the work force employed in the industry (paragraph 61).

14. The Government is determined to adhere to the system that broadcasting services should continue to be provided as public services and should continue to be the responsibility of public authorities, and that these broadcasting authorities should be independent of Government in the day to day conduct of their business. Furthermore, it intends that the broadcasting authorities should continue to be responsible for the content of programmes and for ensuring that the services are conducted in the general public interest and in accordance with the requirements and objectives which Parliament place on each Authority.

15. Under the Independent Broadcasting Authority Act 1973, application and renewal procedures are a matter for the Authority and in that context the observations of the Authority on Recommendation (7) are apposite to the



issue of ensuring that the Independent Local Radio companies provide "a good standard of service suited to the taste of the British public". The Government is considering in the context of its forthcoming Broadcasting Bill the need for additional provisions regarding the procedures governing contracts between the Independent Local Radio contractors and the Authority. There are arguments in favour of both rolling and fixed contracts or of a combination of both. The Government takes the view that the IBA should have flexibility in deciding about its contracts with Independent Local Radio companies but it also recognises the importance of establishing procedures whereby the possibility of new companies taking over existing franchises is not precluded.

RECOMMENDATION (9) Local radio is no longer seen as a threat to the local press, and the prescriptive right for newspapers to share in the equity of ILR companies is no longer regarded as a requirement, even by the newspapers themselves. This provision should accordingly be deleted from the IBA Act (paragraph 63).

16. The Annan Committee recommended that local newspapers should no longer have a prescriptive right to be offered a shareholding in an Independent Local Radio station, though they noted that the Authority might think it desirable for local newspapers to have a modest shareholding in a station. The Royal Commission on the Press were of the same opinion. The Government concurs, and its forthcoming broadcasting legislation will contain proposals for the repeal of the relevant sections of section 28 of the IBA Act 1973.

RECOMMENDATION (16) The procedures proposed by the IBA for the awarding of future ITV contracts accords with the Committee's previous recommendation for greater accountability, and represents an advance on the former system. All possible steps should be taken by the authority to make the new procedure known and to obtain maximum public participation in each contract area (paragraph 99).

17. The Government notes with approval the comments of the Authority on this recommendation and the statement of the Authority's policy which is contained in the consultation document entitled "ITV Future Contracts and the Public" which was published by the Authority in February 1979. This document provides further details about the scale and nature of the public's participation in decisions about <sup>the</sup> awarding of future ITV franchises. As regards the Authority's comments concerning the Government's legislative plans, the Government intends to introduce a Broadcasting Bill in the course of the present Parliamentary session and, subject to Parliamentary approval, that this should be enacted by the summer of 1980.



RECOMMENDATION (17) The Home Office should allow the splitting of MF and VHF transmissions to provide different programmes for different audiences within the same coverage area (paragraph 116).

18. A distinction should be drawn between the occasional splitting of MF and VHF transmissions to allow some flexibility in programming and a permanent split which raises more fundamental questions about the nature of local radio. It also has to be borne in mind that the coverage of a local radio station at MF in many cases differs from that at VHF and that VHF receivers are not at present fitted in most vehicles. Nevertheless, the Home Office Local Radio Working Party will consider the implications of this proposal during its future work. The Government would not rule out the possibility of some flexibility of this kind as local radio develops.

RECOMMENDATION (18) Consideration should be given to the possibility of providing localised radio services within the London franchise area (paragraph 118).

RECOMMENDATION (19) Future plans for broadcasting in the United Kingdom shall encompass the possibility of frequency assignments to provide very low power transmission facilities for voluntary community radio services within small communities (paragraph 120).

19. Both these recommendations raise questions about the use of frequencies for local radio and have been given consideration in a preliminary way in the Home Office Local Radio Working Party. However, the Working Party was given as its first priority the task of preparing proposals for the immediate expansion of BBC and independent local radio services to areas which did not have them. The proposals in the Working Party's First and Second Reports have therefore been, primarily, directed to this end.

20. London already has three local radio services (BBC Radio London, Capital Radio and LBC) and was not, therefore, seen as a candidate for immediate expansion. The Working Party is aware, however, that both the BBC and the IBA have plans for the further development of, and experiments with, local radio in London and these will be the subject of <sup>its</sup> consideration in due course. Inevitably, progress will depend to a large extent on the availability of suitable radio frequencies which are particularly scarce in and around London.



21. The Working Party also proposes to examine in due course the scope for low power services within the context of plans for the development of local radio as a whole. Among the problems which will have to be considered are: the technical constraints which arise from the need to protect both the smaller service itself and other broadcasting services catering for much larger populations from mutual interference in a crowded radio frequency spectrum (this problem is discussed in the Working Party's Second Report); appropriate supervisory arrangements, including the question of editorial responsibility for the programme services, given the longstanding policy that the responsibility for providing broadcasting services should be vested only in public authorities specifically set up for the purpose, whose governing bodies are appointed as trustees for the public interest in broadcasting and who are accountable to Parliament; whether such services would satisfy the test that the communities in which they operate are prepared to pay for them; and the need to maintain strict control of the allocation of available frequencies so as to ensure that the best use is made of this scarce resource in the interests of all United Kingdom users of the radio frequency spectrum.



COMMENTS ON SCNI REPORT

The Authority's evidence to the Select Committee

on Nationalised Industries and the preparation of the Select Committee's Report preceded the publication of the Labour Government's White Paper on Broadcasting of July 1978. It also preceded the recent announcement by the new Government of the decision to entrust the fourth television channel to the Authority, subject to strict safeguards. Some of the points made in the Select Committee's Report (for example, notably, the recommendation that the Authority should be allowed to proceed with its plans for the expansion of Independent Local Radio) have therefore already been accepted, while some have been overtaken by events. But the Select Committee's Report generally has been useful to the Authority in its consideration of future policy on such matters as the television contract award process. Although the Authority might place a different emphasis on some matters covered by the Report, it shares the Committee's general approach to current broadcasting topics which it has found stimulating and valuable. The Authority's detailed comments on the Committee's specific recommendations are as follows -

- 135 (1) The IBA should in future be established by Statute without arbitrary limitation of its period of existence

This recommendation is one for the Government and Parliament to consider. The present position, where the Authority operates for a fixed term of years, has caused difficulties in the recent past: since 1976, when the Authority's twelve year life from 1964 came to an end, there have been two interim extensions, the first to mid-1979 and the second from then until the end of 1981.

/This



This has led to corresponding interim extensions of television contracts and has prejudiced the orderly rolling of radio contracts, as well as limiting the term for which new radio contracts can be initially granted. These represent substantial difficulties, not the least of which are the uncertainty and insecurity felt by Members and staff of the Authority and those who serve the companies. The need for the IBA Act 1979, designed to empower the Authority to provide technical facilities for the fourth channel, was also a reflection of the difficulties encountered by the Authority in entering into commitments maturing beyond the end of its statutory term. Such difficulties could be overcome in other ways than giving the Authority an indeterminate life. They would, for example, be substantially overcome by:

- (i) an adequate term of operation, say 15 years;
- (ii) Government policy being formed in good time and legislation being enacted sufficiently early and in such terms as to provide continuity between one term of the Authority's operations and the succeeding one; and
- (iii) some statutory provision safeguarding the Authority in the long-term planning of its normal, authorised functions in the unfortunate event of legislation as in (ii) being delayed.



135 (2) It should be allowed to proceed with its plans for the expansion of independent local radio, and with the engineering for the fourth television channel

135 (3) There should be co-operation between the IBA and the BBC in planning the expansion of local radio so as to ensure maximum coverage, particularly of rural areas, rather than the duplication of services in the larger towns and cities

We value the Committee's endorsement of Independent Local Radio and we are enthusiastic about the task put upon us in the Government's White Paper of July 1978, and which, under the aegis of the Home Office Working Party, we are now actively engaged in, of bringing ILR to as much of the population of the UK as possible. Given the co-operation that the Committee recommends, we believe that, as the White Paper envisages, this is compatible with the continued expansion also of BBC local radio. The Authority has been concerned that there should be no tendency to hold back ILR expansion simply because the BBC (which has four national services) were unable or unwilling to expand their local radio at a parallel pace. It therefore welcomed the Second Report of the Home Office Local Radio Working Party, recommending that each authority should be allowed to develop proposals as its individual circumstances allowed.

The Authority welcomed also the passing of the IBA Act 1979 enabling it to proceed with the engineering of the fourth channel and welcomed even more the new Government's decision that it should also be responsible for the programme service.



- 136 (1) The Secretary of State should consider the advisability of broadening the membership of the Authority to reflect its increased responsibilities

The recommendation is one for the Secretary of State; but it may be appropriate for the IBA itself to comment on its implications for (i) the size of the Authority, and (ii) its range of expertise. On the first of these points, it will be useful at a time when there are both ITV contracts and ILR contracts to be awarded for the number of Authority Members to stand at twelve (as has recently been decided) rather than the previous figure of eleven. A large increase in numbers would be likely, however, to make the Authority too large to function effectively as a collective body. Members of the Authority bring to their task experience from a wide range of fields which are outside both television and radio. In this they are similar to the Governors of the BBC. As a matter of fact, the Membership of the Authority is now totally different from that which it was when it had television responsibilities only; but we do not believe that the nature of the experience, abilities and expertise required of Members has altered - even though the demands made of them have increased in quantity. The IBA's additional responsibilities have, of course, had implications at staff level. Additional staffing has been kept to a minimum; but the IBA does have, as recorded in the evidence to the Committee, a specialist Radio Division which deals wholly with ILR matters. With the expansion of ILR the Authority is increasing its cadre of radio specialists on an

/appropriate



appropriate and economical basis. In addition, other Divisions of the Authority have, with adaptation as necessary, provided, and will continue to provide, common services for radio and television.

- 136 (2) The Authority should reconsider the appointment of a Regional Officer for London as an essential link between the independent television and radio companies and the IBA

The Authority has carefully considered the particular needs of London. These are not seen as calling for a single Headquarters appointment to provide the link between the television and radio companies in the London area. There are specialist officers in the Television and Radio Divisions who look after contacts with the companies. But the Authority accepts that there is a need for a specialist officer who will foster contacts between itself and local authorities, local organisations and the people living in the London area, and who will be responsible in particular for keeping the Authority and its programme staff informed of reactions to the programmes being broadcast for London. It has therefore recently advertised a new Headquarters appointment of a London Area Officer. This officer, who will report to the Head of Information, will effectively carry out for the London area the duties (other than purely programme ones) discharged elsewhere by the National and Regional Officers of the Authority and will take a full part in their monthly meetings at Headquarters.



- 136 (3) The IBA and the FBU should together prepare a simple statement of the statutory position with regard to the relationship between the workforce and the companies on the one hand, and between the IBA and the workforce on the other, on such matters as employment and conditions of service. This should be issued on an individual basis as a guide to labour relations in the industry

The Authority raised with the FBU the possibility of preparing a statement along the lines proposed. The Federation is considering whether it would wish to take part in further discussions.

The Unions expressed concern to the Select Committee at the limitations on the subjects which can be discussed through the IBA's regular meetings with the Federation. In the Authority's view, such meetings cannot properly discuss the affairs of individual companies or the relations between programme companies and the staff which they (not the Authority) employ; nor can the Authority's discharge of its statutory functions form part of any collective bargaining process. But the Authority is well aware of the effects that its decisions can have on the staff of the programme companies; it regards the regular contacts with the FBU as an essential means of securing that the views and proper interests of the staff are made known. This is of particular importance as the Authority's plans and policy for the next phase of its life, and the next round of ITV contract awards, come to be considered.



- 136 (4) There should be closer and more regular communication between the local advisory committees and the ILR stations through liaison meetings and discussions

The Select Committee may have underestimated the amount of communication between the ILR companies and the local advisory committees (LACs) that already occurs. It is important to emphasise, however, that, as the Committee itself recognises, the function of the LACs is clearly laid down in Section 11 of the Act as being that of giving advice to the Authority and not the programme companies. We believe, as do the LACs, that this definition of their role is valuable, and that it has contributed to their ability to speak, and be seen to speak, as candidly as possible about their stations' programming. In the US and Canada, 'supporters' clubs cheer the stations no doubt, but they have no responsibility for advising the Federal Communications Commission or the Canadian Radio-Television and Telecommunications Commission on how quality can be maintained and improved. The LACs' role in this country is a more serious one, and neither we nor they would wish them to be merely supporters.

- 136 (5) The process of public consultation should be extended to cover future frequency assignment plans and discussions. On the conclusion of the World Administrative Radio Conference 1979 the Home Office Radio Regulatory Department should issue a document explaining as simply as possible, for the information of the public at large, exactly what was decided and what the implications will be for the future of broadcasting in the United Kingdom



We would welcome the widest possible discussion of future frequency assignment plans, which will be of crucial importance for the future development of radio and television in this country, both locally and at a national level.

- 136 (6) The body responsible for examining and advising upon the machinery of Government should consider the desirability of bringing together, within a single Department, responsibility for broadcasting and for all associated aspects and functions of this important area of communication and technology

The Committee recommends that consideration should be given to a single Government Department having the responsibility for broadcasting and all associated functions of communication and technology. This is not a matter for the Authority to decide but is for Government. The relationship between Government and the Authority is laid down in the Independent Broadcasting Authority Act 1973, and the relationship has not, in our experience, been significantly affected by the transfer of responsibility from the Ministry of Posts and Telecommunications to the Home Office.

- 136 (7) There should be an early introduction of the procedures for public participation proposed by the IBA, which will bring local groups and individuals into more direct touch with their local broadcasting service, both as to its initial intentions and as to its subsequent development

The exchanges of views direct with the public on the IIR service, to which the Committee refers, have been taking



place for some while. We believe that these meetings serve a useful purpose, even though they may be attended by interest groups unrepresentative of the locality as a whole. It would be idle to suppose that such meetings will satisfy the ambitions of those groups who would like to have control over the stations' output, or that they will ever be a substitute for audience research as a reliable indication of public attitudes. Nevertheless we believe it to be useful that members of the local public should have the opportunity to meet representatives of the Authority as well as of the company, and for those representatives to hear directly the views of people interested enough in the service to come to a meeting. We plan to continue with these meetings in future.

As part of the procedures for the initial award of IIR contracts, meetings continue to be held to hear the views of members of the public on the needs of their area and on points that the Authority should be examining when interviewing applicants. The arrangements differ from those which will be adopted for the coming ITV contract awards. The public will then be faced with the possibility of a programme company different from the one already serving them, rather than with proposals for a totally new service of which their area has no previous experience, as with IIR.

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(8) With regard to future contracts in a commercial radio system of near national coverage, application and renewal procedures should be more strictly applied to aim at a good standard of service suited to the taste of the British public;

/and



and processes should be found to open franchises to competition at appropriate points, with due safeguards for the security of the workforce employed in the industry

We do not accept the criticism quoted in paragraph 59 of the Committee's Report that "application and renewal procedures" are not at present strictly applied. The system of rolling contracts provides an effective means of control. The suggestion that the warning it provides is too "leisurely" does not appear to take account of the time required should a new contractor need to be brought in. A rolling system with less than a three-year initial term would not be practicable. Even the three-year term gives no more than two years for a replacement company to be selected and come to a state of readiness, following a decision by the Authority to terminate the existing contract.

The nature of ILR contracts after 1981 remains to be determined in the light of future legislation. We hope that, as at present, the Authority will have the power to choose between rolling and fixed-term contracts, or to adopt a combination of the two. We agree with the Committee that, when contracts are open to competition and a new company is appointed, due safeguards are required for the security of the workforce. What these safeguards should be is a matter for most careful consideration: they should not be such as to invalidate the purposes for which a change was made.



- 136 (9) Local radio is no longer seen as a threat to the local press, and the prescriptive right for newspapers to share in the equity of ILR companies is no longer regarded as a requirement, even by the newspapers themselves. This provision should accordingly be deleted from the IBA Act

We do not seek to have the prescriptive rights for newspapers retained.

- 136 (10) In selecting programme contractors, the Authority should require that a company commands sufficient working capital to offer its audience an initial service of acceptable range and standard

The Authority has always required a company before the contract is signed to have command of sufficient working capital to provide a stable and acceptable service. It will continue to do so in future, drawing on its experience of the first nineteen stations' financial background.

- 136 (11) Stricter standards should now be applied to ILR programme performance in relation to contract commitments

- 136 (12) Commercial radio in Britain should be encouraged to widen its entertainment range, adding to its programmes which appeal to differing audiences and age-groups while increasing its attraction to listeners generally and to advertisers



As the Committee points out in paragraph 63 of its Report, greater experience of local radio programming now exists than when the first IIR stations were coming on air. It remains true, however, that any new station's programming must develop over time. The proposals that a company puts forward in its application are one basis for its programme plans; other considerations also need to be taken into account, and, as the Committee points out in paragraph 72, continuing innovation and experiment are needed. The evidence presented to the Committee (see, for example, pages 39 - 51 of Volume II of the Report) explained the Authority's policy in encouraging such developments. It is inevitable that a single radio station, however accomplished and ambitious, will provide less choice than the 30 or more stations which, as the Committee describes, may serve a US city of equivalent size. But much has already been achieved by the IIR companies, and research shows that, in areas where an IIR service can be received, the audience for IIR is, on average, greater than that for any other single radio service. More remains to be done: there are members of the public who are not yet attracted to their IIR service, and satisfaction at the stations' performance is tempered with the knowledge that, even with the most successful IIR station, up to a third of the potential audience may not have listened to it at any time during a week. The Authority will be looking to the companies for continued development of their programming and local service.



- 136 (13) The ILR companies should aim at setting up and developing a local news service as an essential part of their enterprise

Existing ILR companies already provide local news as an integral and essential part of their output; new companies will be required to do the same. The Committee refers in paragraph 75 of its Report to LBC's new local news unit, which is a welcome development. Elsewhere the Authority will expect steady strengthening of existing provision, but not necessarily the establishment of any new structure.

- 136 (14) The IBA should give encouragement to the AIRC and the major companies in collaboration with the Unions, in promoting suitable and adequate training schemes to meet the future requirements of the ILR system

The Authority agrees with the Committee that training schemes need to be suited to the particular requirements of ILR. As the Committee suggests, the possibilities include for this purpose the use of funds from secondary rentals/through the companies. A variety of projects are now being developed, through central and local initiatives. In addition to in-house training, and arrangements with local polytechnics and other organisations, other schemes are being run on behalf of all the companies by particular contractors.



136 (15) ILR programme contractors should have the right to see and comment on the annual reports on their performance prepared by the IBA. When a decision is taken to terminate or not to roll a contract, the contractor should be given the reasons in writing. Legislation is not needed to establish these principles, which should be regarded as routine procedure

When a contract roll is delayed, a company is fully informed, in writing, about the Authority's reasons for the decision, so that, if it is able, the company can take appropriate action to remedy its shortcomings. An eventual decision to terminate a contract would, therefore, not be made without the reasons for the decision having previously been made apparent. The Authority would not be in a position when terminating a contract to negotiate with, or to consult, a company.

On each occasion that a contract is rolled, a letter is sent from the Authority to the company commenting on its performance. The companies' suggestion reported by the Committee is that the company should take part in the discussions leading up to the Authority's contract roll decision, by commenting on reports prepared for the Authority by IBA staff. In this context it needs to be made clear, however, as explained to the Committee in evidence, that the IBA maintains a dialogue with the companies on a regular basis throughout the year. The Authority seeks generally to undertake its responsibilities through consultation and discussion. As and when necessary, companies are made aware of any significant doubts or reservations felt by the Authority, with the staff

/calling



calling attention to points likely to figure in the annual reviews. The Authority's responsibility for forming judgments on companies' performance, however, is one that it cannot properly share. We believe that such decisions are for the Authority itself to take, on the understanding that if a decision is adverse, the reasons will be fully discussed with the company; and it should then be in a position to take appropriate remedial action. By contrast moreover, the Authority is not sparing in its praise and encouragement where these are merited. Thus, the staff's annual reports are derived from a continuing process of contact and discussion with the companies and provide the Authority with a comprehensive and constructive summary. As with a company's own board minutes and reports, these can normally benefit from being confidential. The Authority is, moreover, always ready to follow up the implications of its judgments with the companies affected, both during the course of workaday contacts and at the time of the rolling contract reviews.

- 136 (16) The procedure proposed by the IBA for the awarding of future ITV contracts accords with the Committee's previous recommendation for greater public accountability, and represents an advance on the former system. All possible steps should be taken by the Authority to make the new procedure known and to obtain maximum public participation in each contract area

The Authority welcomes the Committee's endorsement of its plans for assessing the opinions of the public on both



past performance of an ITV programme contractor and future proposals of the applicants. In Volume II of the Report, Q.968-969 define the different ways in which we shall be taking the public's mind, and these procedures have already been put into motion.

A public statement was issued in February 1979 (attached) defining the procedures to be adopted leading up to the awarding of the post-1981 ITV contracts. Since the beginning of this year the public meetings to inform the Authority of matters to be taken into account in deciding the future shape of the system and in drawing up contract specifications have been held throughout the country. The major research survey has also been completed.

The future timetable, necessarily provisional in some respects is now seen as follows:-

December 1979	--	Publication of contract specifications and advertisement for applications.
April/May 1980	--	Receipt of applications
May/June 1980	--	Publication of parts of contract applications
Summer and Autumn 1980	--	Final public meetings on contract applications, interviews with applicants and award (say in November 1980) of contracts.

This timetable assumes that the Government's intended legislation is known in sufficient detail and with sufficient certainty by November 1979 to enable applications for contracts



to be invited and that an Act is on the statute book by November 1980.

- 136 (17) The Home Office should allow the splitting of MF and VHF transmissions to provide differing programmes for different audiences within the same coverage area

As we mentioned to the Committee, the decision not to allow the splitting of MF and VHF transmissions was one taken in the context of a general halt to development while the Committee on the Future of Broadcasting was sitting. It would certainly be desirable to be able to split MF and VHF when it seemed appropriate, and for the Authority, as the body responsible for the conduct of the ILR service, to have the power itself to make these decisions as occasion required.

- 136 (18) Consideration should be given to the possibility of providing localised radio services within the London franchise area

- 136 (19) Future plans for broadcasting in the United Kingdom should encompass the possibility of frequency assignments to provide very low-power transmission facilities for voluntary community radio services within small communities

We hope that the future development of ILR may encompass stations of a variety of sizes and specialisations, both in London and elsewhere. What is practicable and can be proceeded with will depend upon the continuing viability of



the system from which the necessary funds will be generated, and upon the discussions that will continue to take place in the Working Party under Home Office chairmanship set up following the last Government's White Paper on Broadcasting.

Other points from the Report not contained in the Summary of Recommendations:

Regional Networking

It is noted in paragraph 105 of the Report that new programmes made by regional companies and shown on all or part of ITV have risen from 160 hours in 1970-71 to 460 hours in 1977-78. This increase in regional networking has been accommodated, to a certain extent, by an increase in the hours of broadcasting which have taken place over the same period of time. It is the IBA's policy to reduce the amount of foreign material by about two per cent but as the Committee acknowledges in the same paragraph "... it appears that the independent television structure is approaching a log-jam which can only be unblocked by further expansion and increased competition." The Authority in its response to the last Government's White Paper on Broadcasting pointed out that "... there is no space for expansion in a single ITV service, and the creation of an OBA does not help to solve the problem in the way that an existence of a complementary fourth channel under the IBA could do." The Authority had consistently recommended that a fourth television channel for which it was responsible would give to many of those, both within and outside the ITV system, who currently experience difficulty in gaining access to a single ITV network the opportunity for which they are looking. The opening of the fourth channel on the lines proposed by the present Government will be an effective way of removing the "log-jam" referred to in the Select Committee's Report:



it will give greater certainty of reaching the national audience to the regional companies as well as greater opportunities for producers from outside the two existing structures to have their programmes broadcast.

Cessation of 405-line VHF Service

In paragraph 126 the Committee agrees with the Annan Recommendation that the 405-line monochrome service in VHF bands I and III should be discontinued in 1982. We hope that it will be possible for early agreement to be reached between the broadcasting organisations and the Home Office for the phased closure of the VHF television service beginning at about that time and continuing over the following few years. It is the Authority's firm view that the frequencies so released should continue to be available for broadcasting purposes.

10th September 1979



Broadcasting

MR. INGHAM

The attached letter from the Chief Secretary to the Home Secretary about legislation on Independent Broadcasting may be of interest. The sidelined passage on the second page fits in with the conversation which took place before the media meeting one day recently.

x |

Has this point been raised with the Prime Minister at any stage in one of those meetings? If so, we should show her that Ministers have taken it on board.

MA

14 November 1979

The PATTERSON re MA  
The subject has not arisen in  
media meetings  
J 15/11





With the Compliments  
of the  
Chancellor of the Exchequer's  
Private Secretary

Treasury Chambers,  
Parliament Street,  
S.W.1.



cc. Chancellor of Exchequer  
Financial Secretary  
Sir A Rawlinson  
Mr Bailey  
Mr Carey  
Miss Forsyth  
Mr C D Butler  
Mr Littler  
Mr F Martin

Mr Ridley  
Mr Cardona

*pm*



very carefully. It is to see that the legislative

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon William Whitelaw CH MC MP  
Home Secretary  
Home Office  
50 Queen Anne's Gate  
LONDON

2 November 1979

*Dear Willie,*

**INDEPENDENT BROADCASTING : LEGISLATIVE PROPOSALS**

I understand that your officials, after consulting officials in the Treasury and other Departments, have issued instructions to Counsel to prepare legislation to implement H Committee decisions on the framework and administration of the Fourth TV Channel. The Committee agreed at the end of our discussion of this subject on 31 July that the Minister of State, Home Office would report back on the outstanding matters on which we did not reach a conclusion, including the proposals on finance and the treatment of the Welsh language.

Broadly speaking I am content with the proposed financial arrangements and the legislative framework to give effect to them. And we shall have an opportunity for a further collective discussion in due course. But I would like to raise with you now two matters on the financial aspects which concern me and on which you might reflect further.

First I am concerned about the future viability of the Channel. I am sure we all expect the Fourth Channel to be commercially successful. Most of us also believe that there is sufficient buoyancy in the advertising industry to provide revenue to ensure this. But this is essentially an act of faith. Advertising may be discouraged by the minority appeal of the Channel, particularly in Wales, and the revenue may not build up fast enough to sustain a successful new channel.

This may not matter. Under your proposals the programme contractors would be required by the IBA to provide whatever sums are necessary to meet the Fourth Channel expenditure. If they are not getting sufficient advertising revenue, they will no doubt demand that IBA restrict expenditure accordingly. But can we be sure that they will have sufficient clout to keep the Fourth Channel budget within bounds, particularly if the IBA has power to control their share of programmes on the Channel?

/Contd .....



Clearly this is an uncertain area which we shall need to watch very carefully. At this stage I think we can only do our best to see that the legislative framework provides no impediments to commercial viability (beyond the necessary constraints to ensure that our objectives on quality and programme balance are met), and that you are in a position to prevent the IBA from incurring expenditure on the Fourth Channel beyond a level the programme contractors are prepared to support, or indeed to wind up the Channel altogether if it proves continuously unviable. I should be glad to have your assurance on this point.

X  
| My second concern is that you propose no change in the levy system, at present related to profits. The argument that a profits-based levy does nothing to check waste and inefficiency on the part of the TV companies is a familiar one. After paying levy at its present rate, and corporation tax, a company only retains 17 per cent of any marginal surplus of revenue over expenditure. This is particularly relevant to increases in pay, and their impact on the BBC. The new Bill provides an opportunity to look at this again and take action if we choose to do so. I can appreciate the arguments against making a further change, which may be unpopular with the companies. But I should like H Committee to have an opportunity for a collective discussion of this subject, when your further proposals are put before them. One way of arranging this would be for me to circulate a paper.

I should also like to register one other point about the legislative proposals, which in my view should be considered collectively in H Committee. The PAC asked the Government to consider whether final statutory authority for levy assessments should continue to rest with the IBA alone, or whether this should be changed in the new legislation - which could require the Authority to consult the Home Office and the Treasury. Given that the levy is a form of tax payable to the Consolidated Fund, I think there is a strong case for making this change; and I hope you will agree to include a discussion of the merits in your H Committee paper.

I am sending copies of this letter to the other members of H Committee and Sir Robert Armstrong.

X  
Goon

John Biffen

JOHN BIFFEN

W A R





PS  
Broadcasting

10 DOWNING STREET

*From the Private Secretary*

30 July 1979

The Prime Minister has seen your letter of 25 July, setting out the Home Secretary's reaction to the comments which I recorded in my letter of 18 July.

Whilst the Prime Minister still hopes to see maximum participation by new companies in the second ITV channel, she is content to allow discussion to proceed on the basis of the Home Secretary's paper, given the additional background set out in your letter.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

M. A. PATTISON

Miss Christine Stewart  
Home Office

SP/3/79





## 10 DOWNING STREET

PRIME MINISTER

When you saw the H paper at Flag A, you asked whether the Home Secretary had considered ways of severely limiting the role in the second ITV channel for the major programme companies within the current ITV system.

The attached reply from his office argues (with little detail, and perhaps not much conviction) that the Home Secretary has in mind a higher quality of output from the second ITV channel, and that additional companies would only come forward if they could put themselves in straight competition with the existing ITV and BBC channels. But he points out that the existing franchises will be up for renewal in 1982, so that some changes are possible, if unlikely, then.

Do you want to pursue this further, perhaps by asking for a more detailed argument as to why a different sort of ITV service could not be provided if there were a greater limitation on participation by the five existing network companies?

26 July 1979

*MAD*  
*Leave it, don't*  
*d. need, not*



**CONFIDENTIAL**



HOME OFFICE  
QUEEN ANNE'S GATE LONDON SW1H 9AT

25 July, 1979

Dear Mike

The Home Secretary has seen your letter of 18th July in which you conveyed the Prime Minister's enquiry whether the Home Secretary had considered means of encouraging more new companies to provide programmes for the fourth channel, leaving little for the existing companies.

In theory the I.T.V. Companies who, under the Home Secretary's proposals, will be allowed to supply programmes for the fourth channel could be different from the existing ones, since new franchises are to be awarded by the I.B.A. to run from January 1982. In practice there are not likely to be any really radical changes (though, of course, we are not privy to I.B.A. thinking about this) although there may well be some changes, particularly perhaps in the areas served by the various companies.

It would be possible to make provisions for the fourth channel which would give opportunities for new commercial companies to play a major part; but this would almost certainly not be a financially viable proposition unless we also abandoned the ideas we have put forward about the kind of service we want to see on this channel. We would have instead to allow straight competition for mass audiences between the two independent television channels.

The Home Secretary would naturally be glad to see companies other than the I.T.V. ones producing more of the material for the fourth channel than the 15% to 20% which his paper envisages for them, but he thinks that it would be imprudent to plan on the assumption that much more than this would in fact be forthcoming.

Yours sincerely

Christine Stewart

MISS C. J. STEWART

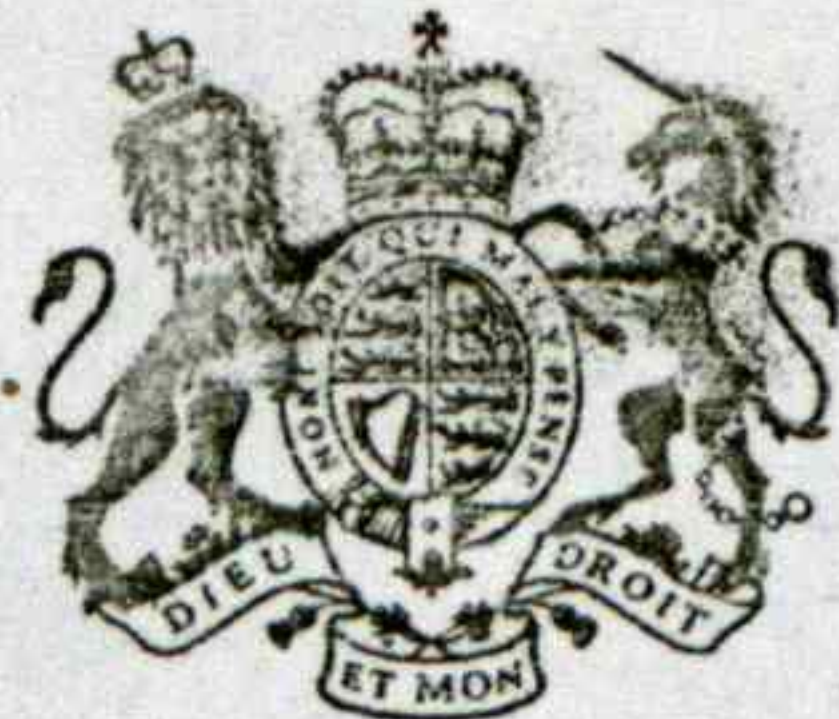
Mike Pattison, Esq.,

**CONFIDENTIAL**



CONFIDENTIAL

Broadcasting  
C.C. Mr. Wolfson



10 DOWNING STREET

BF 23.7.79

From the Private Secretary

18 July, 1979.

We spoke last night about policy towards the second ITV channel.

The Prime Minister has now seen the Secretary of State's paper H(79)36 on Legislation on Broadcasting. She notes that the Home Secretary has in mind some limitation on the role of the 5 ITV network companies, and that he has it in mind that they may be allowed to supply no more than, say, 40% of the output. The Prime Minister would like to know whether the Home Secretary has considered means of encouraging more new companies, leaving little for the existing companies.

It would be helpful if the Home Secretary could advise the Prime Minister on this point before the paper is discussed in H.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

M. A. PATTISON

Miss Christine Stewart,  
Home Office.

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Next H mtg  
scheduled 25/7



PRIME MINISTER

I understand that you mentioned today your wish to see that the second ITV channel does not get divided up between the existing programme companies.

H(79)36 The Home Secretary has now put round the attached paper about legislation on broadcasting. This proposes that the original companies should be given some preference over the five ITV network companies, but still implies that the five big companies will have a substantial role. Paragraph 7 of the paper shows that the maximum limitation the Home Secretary has in mind is to allow the network ITV companies to supply no more than say 40% of the output. Does this approach meet your concern, or would you like more far-reaching restrictions to be considered?

17 July 1979

*MPD 40% is a lot. Original we to increase more new companies and just let the existing companies out.*



