

PRIME MINISTER

YOUR MEETING WITH BBC

You have agreed to meet Duke Hussey, chairman, and Lord (Joel) Barnett, deputy chairman, BBC, tomorrow evening for an hour from 5.15. This will be your first meeting with them in the two years they have been in office together and, according to Duke Hussey, his first ever conversation with you. (So much for No 10 interference in the BBC!).

Background

You will recall that the idea of a meeting was first canvassed with me at lunch by Joel Barnett and subsequently enthusiastically supported in writing by Mr Hussey. (His letter is at Annex I).

Since then Mr Hussey has exhibited a certain nervousness about the meeting, partly because it will be his first with you. He is grateful for your message that you would be prepared to see him privately in the future. He would be more forthright on his own because he regards Joel Barnett as a bit of a gossip.

Mr Hussey tells me that the only others who know about the meeting are Michael Checkland and John Birt.

You might usefully say at the beginning that you very much welcome the opportunity, which is perhaps overdue, for an entirely private talk.

BBC Objectives

Mr Hussey says they have four objectives in the hour available:

- to inform you what they have done over the past 2 years (during which period something like 38 of the top 40 posts have changed including the editorships of every news and current affairs programme)
- to explain where they want to go (and Mr Hussey and Lord Barnett consistently give the impression of marching together)

- more particularly, to discuss the position of the BBC over the next 5 years when the face of British radio and television will be changed
- to hear your reaction

Mr Hussey believes they have made reasonable progress in what is a long-term programme of change though he would like to move faster.

He says they have no particular requests to make of Government.

Your Stance

A great deal has happened at the BBC over the last 2 years and this is an opportunity for you to hear about the changes first hand. You will therefore be in a listening mode.

But you will want to explore in questions the following areas:

- economies and increases in efficiency being achieved - their value, and their contribution to the BBC's self-financed development. (NB There is no mileage in your raising the licence fee)
- progress with use of independents
- morale
- their assessment of the impact on BBC journalism and editorial control and their evidence of any improvement
- the performance of top management
- how they see BBC's role amid the broadcasting explosion which is about to hit us
- their view of relations with the Government
- their current plans, if any, for televising the Commons

There is more than enough here to keep the conversation going for hours. Mr Hussey aims to make his initial points briefly. I suggest you ask them to kick off and then explore the points set out above and any others which arise.

The Home Office have prepared briefing at Annex II on

- BBC's treatment of terrorism (which is improving and you may care to express appreciation)
- licence fee - line to take
- subscription - background
- cost consciousness and efficiency - background


Comments

There is no doubt that the BBC has been shaken up - as it needed to be - and that an effort is being made to improve it. There are some signs of an improvement in both news and current affairs output, but it is patchy and the BBC can be somewhat quixotic. But the Hussey/Barnett/Checkland/Birt regime deserves support and encouragement.

You might usefully leave them in no doubt that you do not regard the BBC as the voice of Government. You do not expect to be delighted with everything the BBC does. You do value a free and editorially independent BBC.

What, above all, you seek are accuracy, fairness and balance. This is not too much to ask for. It is the least you and the country are entitled to expect.

Paul Gray and I will accompany you.



BERNARD INGHAM

13 September 1988

FROM THE CHAIRMAN, MARMADUKE HUSSEY

BRITISH BROADCASTING CORPORATION
BROADCASTING HOUSE
LONDON W1A 1AA
TELEPHONE: 01-580 4468
TELEX: 265781

4th July, 1988

Dear Prime Minister

Joel and I have now been at the BBC nearly two years and we have never had an opportunity of discussing the Corporation with you. We had a meeting arranged but it clashed with the resignation and new appointment of the Director-General so I think everyone thought a meeting at that time would be inappropriate.

Joel saw Bernard Ingham last week and mentioned this and has subsequently had a call from him to the effect that you would welcome an opportunity to discuss all the BBC's affairs with us. No one would welcome it more than Joel and myself and if you were able to spare the time we would of course be delighted, either to welcome you here at Broadcasting House or to come to Downing Street if that was more convenient to you.

Perhaps your secretary could ring Miss Carole Haynes on 927 5802.

Yours sincerely

Marmaduke Hussey

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London, S.W.1.

PRIME MINISTER'S MEETING WITH CHAIRMAN OF THE BBC

BBC'S TREATMENT OF TERRORISM

The Home Secretary and the Northern Ireland Secretary had an unpublicised meeting with the Chairman of the IBA and the BBC in July. Ministers expressed their concern about the possibly damaging effect of broadcast treatment of terrorism and related matters. It was a very constructive meeting, with the broadcasting authorities acknowledging that mistakes had been made in the past (for example the showing by ITN of staged funeral rites which both the IBA and ITN say they will not repeat). There is to be further contact at official level. But it is believed that the fruits of the meeting can already be seen, for example in more responsible treatment of recent funerals in Northern Ireland. The Prime Minister may wish to allude to these constructive exchanges.

BBC LICENCE FEE

The present position is that the licence fee has been indexed to the RPI for at least three years: that is until the end of March 1991. The BBC has undertaken to live within the constraints this deliberately imposed. Mr Hussey may allude to the 'three year review' of this arrangement, though the Government has not committed itself to such a review. It has said no more than that the arrangements will last for at least three years.

SUBSCRIPTION

at back → The current position was explained in the Home Secretary's Minute to the Prime Minister of 19 August (copy for convenience attached). This proposes that the BBC should be authorised to run downloaded subscription services; that they should be allowed to retain the use of the night hours of both channels on condition that they use them both as fully as possible for subscription services; and that the Home Secretary should, in conveying that

CONFIDENTIAL

decision, underline that the level of the licence fee from April 1991 should take account of subscription income. Although the BBC is aware that Ministers are considering the future of the night hours, and the question of subscription for BBC services, they are not of course aware of these proposals.

COST CONSCIOUSNESS AND EFFICIENCY

The squeeze applied by the indexation of the licence fee to RPI is already taking effect. The BBC is committed to achieving a 1% reduction in staff costs each year, and a 10% reduction in local radio operating costs. £25m a year (and rising) is being saved on television expenditure to finance independent productions. Substantial savings are being achieved in engineering through efficiency gains and more effective management of energy and accommodation.