

FOCUS

TV FRANCHISING

Commercial television has been described as a system whereby an audience is delivered to an advertiser, the programmes being merely the bait. In this country the advertisers pay the television companies handsomely for providing the bait and the television companies in turn pay handsomely for the right to operate a franchise and collect the advertising revenue. In the early days of commercial television the profits earned by the companies were so large that Lord Thomson, then heavily involved financially with Scottish Television, described a franchise as 'a licence to print money'. This state of affairs impelled Parliament to strengthen the powers of the Authority which was set up to control commercial television and even led a Conservative government to impose a levy on the companies. These restrictions on the operation of the profit motive are deplored by the spokesmen of the companies but — so far — through boom and recession they have continued to make high profits. What was originally the Independent Television Authority and is now, since the advent of commercial radio, the Independent Broadcasting Authority has the duty (*inter alia*) to supervise the amount of commercial advertising per hour, to mandate certain programmes — current affairs, documentaries, drama — which are unpopular with the advertisers because they do not necessarily maximise audiences and to conduct a regular review of the performance of the programme contractors. Such a review has recently been completed.

The process is as follows. All franchises (they are due to run out in 1982) were declared open for competition between the present franchise holders and applicants eager to replace them. The months preceding the Authority's final review and the confirmation or switch of a franchise saw great activity on the part of the business interest concerned. There were consultations with merchant bankers on the part of those companies wishing to put in for the franchises, there was canvassing for financial support from business interests looking for diversification; and the more or less discreet recruiting of television professionals seeking executive positions and a share of the equity. The motives which inspire the business interests have usually little to do with communications or the Reithian concept of public service, their attitude being well summed up by Keith Wickender of European

Ferries (the man who was prepared to bid for British Rail's ferry services and member of one of the successful groups) when he remarked that he didn't know anything about television but he did know about making money. His attitude is widely shared by members of the boards of the television companies, who tend to look on their television interests, which represent only a part of their business empires, as cash generators which feed money into other interests: film-making, motorway service stations, the entertainment industry, publishing etc. The applications presented to the Authority, while they set out the financial interests involved in the bids, were cosmetically treated by the stress laid on 'programme philosophy'; thus there was talk of local interests (service of) and of programme standards (maintenance of) and of the talents which have been attracted to put the programmes on the air. These applications were scrutinised by the members of the Authority, who are drawn from the same list of 'the good and the great' as provides the names for the BBC's Board of Governors — that is to say, they are reliable establishment figures who know what is required of them and can judge what is and what is not 'in the public interest'. It is not surprising that their judgements are not radical; at most they upset those companies which are censured or even — as has now happened four times since 1955 — have their franchise taken from them.

This time round two companies suffered this fate: Southern Television and Westward, the latter of which had attracted bad publicity by a prolonged boardroom struggle. Southern Television was praised by the Authority for 'a good record in a number of fields' but appears to have run into trouble on two counts: it concentrated its operation in Southampton and neglected the eastern, Kentish end of its area, and it had copied other larger companies by setting up a production company in London, presumably with an eye to contributing to the Fourth Channel. One of Southern's specialities had been recording of opera from Glyndebourne; by an irony of scheduling one such recording of Beethoven's *Fidelio* was broadcast by the company the day after they lost their franchise. One man with a 20% stake in the new company, TVS, is Keith Wickenden who, as the *Sunday Times* pointed out, 'may finance the necessary TV assets, claim capital allowances and lease them back to the new franchise holder'. Without such financial backing as his no applicant can hope to succeed, for they must either buy the enormously expensive plant required for television from the previous franchise holder

or build new installations.

In other areas the solutions were less drastic. Thus it was widely thought that ATV, which is part of Lord Grade's Associated Communications Corporation, would be lucky to retain its Midlands franchise; for ATV is a London-based company with installations at Elstree, which has not troubled much about its Midland commitments. In the event, the company was required to adopt a new structure with ACC reducing its holding to 51% and setting up two area boards to cover the Midlands. This is not likely to cause much pain to Lord Grade. ACC is heavily in debt because of disastrous adventures in film-making, the latest example being the extremely costly *Raising the Titanic*; the instruction handed out by the Authority to sell 49% of ACC's holding in ATV will provide cash to set against these losses. In the North East, where Tyne-Tees Television and Yorkshire Television are jointly owned by Trident, the mother company is required to give up control of the subsidiaries, each of which will be 'owned and managed separately and properly capitalised'. Here, as in other areas, the Authority requires opportunities to be 'open to people who live in the areas' to own shares in the companies. It recommends that the opportunity be extended to the unsuccessful applicants for the franchise.

The number of rival applicants for the franchise — not to mention the number of consortia which put in for breakfast television — demonstrates one thing about British television: that — in spite of the recession, which is beginning to affect advertising revenue — commercial TV is still seen, if not as a licence to print money, at least as a very profitable investment. What the Authority has done in making its decisions is to attempt to conceal the most prominent features of the 'unacceptable face of capitalism'. In so doing it reveals one of the obvious contradictions within the establishment — the contradiction which arises from the tug between the concept of 'public service', which is one of the most frequently cited concepts of British broadcasting and which has its roots to an important degree in the landowning notion of public duty to the community (service on the Bench, service on royal commissions, work for good causes), and the profit motive. Public service, to use the current term, is rather 'wet'. In the context of British broadcasting the Authority is subject to that contradiction and to the tensions that spring from it; it resolves them by administrative judgements which, without challenging the role of capitalism in the communications industry, make way for 'local interests',

which spread the opportunity for profit among those whom the monopolistic tendencies of the great companies have excluded. It is a process which changes nothing essential in the control of the medium or in the ideology which the medium propagates and which is one of the main props of the present system.