



QUEEN ANNE'S GATE LONDON SW1H 9AT

19 APR 1984

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On 16 August Douglas Hurd wrote to Cecil Parkinson and other members of H Committee expressing our serious concern about the present television licensing arrangements for hotels and, in particular, the fact that hotel licence fees are not being collected in the way the law requires. It was agreed that he and his colleagues with responsibility for the hotel industry and tourism should consider how the problem could be resolved.

You will know that Norman Lamont, Hamish Gray, Adam Butler and John Stradling Thomas were involved in discussions with Douglas Hurd, and expressed reservations about requiring hotels to pay a full fee for each set in guests' rooms as the law currently requires. We found their points about the impact of such higher fees on small and seasonal hotels particularly telling, and because room occupancy in many hotels is relatively low we accept that the principle of one fee for each set would place a burden even on some larger hotels. We also appreciate that any new requirements we impose should not put at risk your efforts to encourage hotels to improve the facilities and services they offer to visitors.

*Russell
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I have weighed up carefully these and other considerations put to us by the British Hotels Restaurants and Caterers Association, and I have concluded that in all the circumstances it would be reasonable to allow hotels to install television sets in up to 15 guest rooms on payment of a single fee, but to require an additional fee for each three rooms with television over that limit. This proposal was found acceptable by all the Ministers involved in the discussions with Douglas Hurd. Although it is a toughening of the present actual practice, it amounts to a significant concession compared with the present legal requirements, and it goes a considerable way towards meeting the points which have been made on behalf of the hotel industry. The industry will no doubt continue to argue that the "perk" of paying only for one licence per hotel is important to their prosperity, but to accept this would be out of line with our general approach to such privileges.

I intend that these licensing requirements will also apply to places such as caravan sites, holiday camps and self-help catering establishments where the proprietor installs a number of television sets for visitors use. I am anxious to introduce the necessary Regulations to implement the change quickly, because the same Regulations will make provision for physically disabled and mentally disordered people in residential homes and some sheltered housing schemes to qualify for the special 5p licence on the same terms as retirement pensioners.

/This measure,

The Rt Hon Norman Tebbit MP

This measure, which Willie Whitelaw announced in reply to a Parliamentary Question on 23 February 1983, has been long delayed and this is giving rise to understandable impatience. I also intend to take this opportunity to make a further modest extension of the concessionary scheme to rationalise the conditions on which retirement pensioners and disabled people in accommodation provided by housing associations may qualify for the concession. The concessionary provisions will come into effect quickly, but those relating to hotels will not apply until 1 January 1985, so allowing hotels time to make any necessary adjustments to their tariffs to take account of the higher fees.

The proposals outlined above give effect to a public undertaking and deal with two particular anomalies. Nevertheless, I am very conscious that the whole question of concessions on the TV licence will remain highly controversial. The sheltered housing arrangements made in 1969 and the refusal to allow refunds on TV licences except within very narrow limits give rise to a great volume of correspondence. Thus I expect that these Regulations, which will be subject to negative resolution, may well be prayed against. There may be some Members who will want to press us for a general concession to all pensioners; others who will want to extend the housing concession to all private sheltered accommodation; others again on our side of the house will resent on behalf of the hotel industry even the lenient proposal above for regularising the present irregular position. But overall, I believe that our proposals are defensible and should be defended.

I should be grateful if you and other Members of H Committee to whom I am copying this letter could confirm within the next few days that you are content with these proposals. I am also sending a copy of this letter to Sir Robert Armstrong.

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