

PRIME MINISTERTELEVISION LICENCE FEE

You saw earlier the Home Secretary's minute below, in which he proposed to announce the Government's response to Peacock on BBC financing during the Second Reading of Mr. Winnick's Bill to provide free television licences to all pensioners.

There are two further points. It is now clear that Mr. Winnick will be proposing free television licences only for pensioners living in households consisting only of pensioners and for persons already benefiting from the existing 5p concessionary licence. The revenue lost would still be £225 million as against £325 million for the full exemption. The other point is that the business managers believe it would be better for the announcement on the licence fee to precede the Second Reading of the Bill. There have been no other comments.

Agree to proceed as proposed by the Home Secretary, subject to the views of the business managers on the timing of the announcement?

D.R.

Les no

D.R. NORGROVE

19 December 1986