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LONDON SW1A 2AA

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From the Private Secretary

12 May 1987

Dear William,

TV LICENCES: PAY-AS-YOU-GO

The Prime Minister has seen the Home Secretary's letter to the Chancellor of 1 May about the possibility of issuing TV licences on a pay-as-you-go basis.

The Prime Minister has noted the intention that pay-as-you-go licences would carry a premium to meet the interest cost to the BBC of the borrowing needed and to repay the principal within a 10 year period. The premium is put at £4.50 at current interest rates. The Prime Minister would be glad to know the calculations which underlie this estimate and also for a comparative analysis with gas, electricity, water and rates, where no premium is charged for monthly payments.

SF //

I am copying this letter to the Private Secretaries to members of MISC 128 and to Sir Robert Armstrong.

Jan,  
David.

D R NORGROVE

William Fittall, Esq.  
Home Office

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