



10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

23 May 1989

*Dear Chris,*

BBC BUSINESS AND FINANCIAL INFORMATION SERVICES

Thank you for your letter of 19 May which the Prime Minister has seen. She welcomes the proposed extension of BBC subscription services, on the clear understanding that - as you indicated - the BBC should not enter into commitments that would make it difficult for them to surrender one set of night hours in due course if Ministers finally so decide.

I am copying this letter to the Private Secretaries of MISC 128 and Trevor Woolley (Cabinet Office).

*Yan  
Paul*

PAUL GRAY

Miss Catherine Bannister,  
Home Office.

*2*

*ceff*



HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

19 May 1989

*Prime Minister*  
*I told the Home Office*  
*I thought you would*  
*welcome this extension of*

*Dear*

*Agent* BBC subscription on the clear understanding  
*that X below was observed.*

*Agreed* *not* *ALG*

BBC BUSINESS AND FINANCIAL INFORMATION SERVICES

*2/5*

We had a word about the request which the BBC have made to the Home Secretary for approval to provide a daily business and financial information service for downloading during the night hours on to video. As I mentioned, Mr Renton intends to use the opportunity of the debate initiated by Mr Roger Gale on 19 May to announce that the service was to be allowed to go ahead. You suggested that it might be helpful if I were to write setting out a little of the background.

Under the Royal Charter the BBC requires the Home Secretary's approval to provide any service on a subscription basis. Last year he gave approval for a medical information service for a two year experimental period (which expires in late 1990). This approval was ring-fenced, and it was made clear that the BBC would have to seek approval afresh for any other service which they wished to transmit. The main reason why this approval was so circumscribed is that at that time the Government had not announced any decisions about the BBC night hours, in general.

Now that it has been agreed that the BBC should retain one set of night hours, the Home Secretary saw no reason not to approve this second service. We are however reminding the BBC that they should not enter into any commitments which would make it difficult to surrender one set of night hours in due course if Ministers finally so decide. We would not want the BBC to give up one set of night hours, only to find that contractual commitments entered into in respect of the other set made it difficult for them to transmit the occasional night hours programmes which flow from their public service obligations.

Like the medical service, the new business and financial service will carry some advertising to supplement the subscription income. The advertising will be sold by ~~Business~~

*Broadcast*

/Communications plc,

Paul Grey, Esq  
Private Secretary, No 10



Communications plc, the BBC's commercial partner in the venture. The BBC will not themselves receive advertising revenue direct. We are pursuing with the BBC the arrangements that will need to be made to ensure that the content of the advertisements on the service is properly regulated. The Home Secretary's approval to the service is conditional upon his being satisfied that these arrangements are adequate.

The Home Secretary welcomes the initiative of the BBC in proposing this further subscription-based service. He understands that the BBC intend, if these initial services are successful, to introduce other similar services in due course.

I am copying this to the Private Secretaries to other members of MISC 128.

*Yours*

*At Home*

MISS C J BANNISTER