

pa

PRIME MINISTER

c.c. Mr. Gow  
Mr. Ingham  
Mr. Wolfson

BBC External Services

The basic facts which I have gleaned from the Treasury and FCO are as follows:

|   | <u>£ million at 1979 survey prices</u> |                     |                      |
|---|--|---------------------|----------------------|
|   | 1979/80 provision                      | 1980/81 Labour plan | 1980/81 revised plan |
|   | 40.3                                   | 47.9                | 45.2                 |
| of which spending on audibility programme | 1.9                                    | 8.1                 | 7.6 (approx)         |

Thus, next year's provision is £4.9 million higher than this year's spend. The FCO, who prescribe how the BBC spend their money, decided that it was right to proceed with the audibility equipment programme at a relatively high level - i.e. £7½ million (albeit at a slightly lower level than planned by Labour). This means that spending on the rest of the programme will be cut. FCO decided that there should be a cut of £½ million in transcription services and £1.7 million in vernacular services.

It is of course arguable that it might be better not to spend so much on audibility and maintain the vernacular services in full. The FCO view is that improving the audibility of the services which are left is more important than maintaining the full range of services.

The FCO have promised a fuller break-down of expenditure. The above information is still only rudimentary I am afraid.

Handwritten notes at the bottom of the page:

- 1.7 (underlined)
- 12
- 7.6
- 4.9 (circled)
- 2.7 (underlined)