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QUEEN ANNE'S GATE LONDON SW1H 9AT

17 JUL 1984

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Thank you for your letter of 4 July about our proposals for hotels, holiday camps and similar establishments to pay higher television licence fees and in particular for granting refunds of half the cost to seasonal establishments which close for six months or more each year. Norman Tebbit and Nick Edwards refer to the same point in their letters of 11 and 13 July respectively.

In formulating the new policy for hotel etc licensing I felt that some relief had to be given to seasonal establishments, particularly self-catering ones, some of which open for only four or five months each year. I considered the possibility of issuing six month licences at half fees but to achieve this the licence fee regulations would have had to be changed in a way which would have had undesirable repercussions in other areas of licensing. I therefore opted for refunds, even though this will involve a slight increase in administrative costs.

Similarly I do not expect difficulty in establishing firm criteria for granting refunds to seasonal establishments. Although under the Post Office Act 1969 the Treasury must authorise the circumstances in which refunds may be given, the power to grant refunds is a discretionary one. We must clearly ensure that the refund conditions apply uniformly, but we do not have the problem of having to define them in legislation. This has the advantage that we can look at unprecedented applications for refunds as they arise, although I should say that our current view is that a simple requirement that establishments must close their letting accommodation completely for six months will suffice. We are told that holiday camps are generally open for 20 weeks and then shut down, and that local authorities require caravan parks to close down completely for a fixed period. Since these are the establishments which are most likely to seek refunds we do not think that establishing their entitlement will be unduly complicated.

I am copying this letter to the Prime Minister, Norman Tebbit, other Members of H Committee and Sir Robert Armstrong.

The Rt Hon Lord Hailsham of Marylebone CH FRS DCL

Broadcasting 1179

TV fees

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