



10 DOWNING STREET

*From the Private Secretary*

27 February 1985

During the course of their meeting this afternoon, the Prime Minister enquired about the progress of the Home Secretary's consideration of the BBC's application for an increase in the licence fee. She mentioned to the Home Secretary that she had received a letter from an independent producer on a number of aspects of the licence fee system including the possibility of development of a scrambler system which would limit reception in particular television sets to one or other service. If this were technically possible it would facilitate a move away from the present arrangements which amounted to a compulsory levy on all viewers regardless of whether they watched BBC. I attach a copy of the memorandum which has been sent to the Prime Minister.

(TIM FLESHER)

Mrs Christine Heald,  
Home Office.