

010

From: THE PRIVATE SECRETARY

CCBG ✓



B/A with the
Home Sec's minute
ide.

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

15 December 1986

Dear Nigel,

TELEVISION LICENCE FEE

The Home Secretary's minute of 11 December to the Prime Minister invited agreement that Mr Winnick's Private Member's Bill introducing a new television licence concession for pensioners should be opposed at Second Reading. Whereas it had originally been thought that Mr Winnick's Bill would provide for free television licences for all pensioners, in line with the Labour Party's official policy, he has in fact proposed free television licences only for pensioners living in households consisting only of pensioners (or only of pensioners and minors) and for persons already benefiting from the existing 5p concessionary licence. At face value the annual cost of such a measure would, in terms of lost revenue for the BBC, be about £225m as opposed to £100m more for the wider proposal. But in practice it would be impossible to distinguish between households containing pensioners and households containing only pensioners (or pensioners and minors). A detector van, by definition, can tell only if a household is watching television and not who lives in it. It would require experience and intensive, administrative machinery to seek to check on the veracity of at least a sample of all the applications made for a 'free' licence. But the alternative is for the Post Office to accept at face value all statements that a particular household contained no adults of working age. That would be a major incentive to evasion of payment. The Home Secretary therefore considers that the arguments for opposing the Bill are substantially unaffected by this difference in its scope and would not propose to invite colleagues to take a different view of the Bill.

I am sending a copy of this letter to the Private Secretaries to all recipients of the Home Secretary's minute.

Chris.
Steph

S W BOYS SMITH

N L Wicks, Esq

BROADCASTING

BBC FINANCES

PT 3

