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CHIEF SECRETARY, HM TREASURY

BBC External Services: Three Year Funding

1. I refer to Peter Rees' letter of 22 July and confirm that we have put the proposals for additional current expenditure in 1986/87 and 1987/88 to the BBC External Services.
2. I am glad to say that they have given their general agreement to the terms offered. In doing so they made some minor and qualificatory comments which I do not regard as any impediment to our going ahead. My officials will shortly be in touch with yours about the points made by the BBC and how we can now proceed with the final stages of our consideration of the Perry Review.
3. This is, of course, a very welcome development. The proposal for three year funding is central to the Perry Review and BBC agreement to your proposals for current expenditure removes the last major obstacle to its implementation. I am writing separately about rephrasing my bids for capital expenditure.
4. I am copying this minute to the Prime Minister, the Home Secretary, the Defence Secretary, Sir Robert Armstrong and Sir Robin Ibbs.

(GEOFFREY HOWE)

Foreign and Commonwealth Office  
9 September 1985

BBC Finances: Broadcasting. PC-2

