
Meeting of the Executive Members for Housing and Adult Social Services and Advisory Panel

10th December 2007

Report of the Director of Housing and Adult Social Services

Upgrade of Communal TV Aerials

Summary

1. To consider the options available to upgrade the communal aerials to blocks of flats in preparation for the switch over to a digital reception in 2011. To advise the Executive Member of the procurement process to appoint the contractor for the delivery of the digital infrastructure to tenants in blocks of flats.

Background

2. The government has announced the programme for switching the UK to digital TV between 2008 and 2012. After switchover communal TV aerial systems in local authority flatted properties that have not been upgraded or replaced will no longer provide analogue TV signals for residents and will not receive the digital signal.
3. In a recent Ofcom survey 50% of UK households had converted all their televisions to digital and more than 80% of homes had a digital television. In the short term, residents who must rely on old style analogue communal TV systems may find themselves barred from the wider benefits of digital broadcasting. Communal TV systems designed for an analogue world may not relay the full range of digital television services without at least some and in many cases, substantial modification.
4. The Government has a stated policy of maximising the choice of digital platforms available for everyone – that is, receiving digital TV signals through terrestrial, satellite, cable or broadband means. For communal TV systems, much as for simple domestic systems, there is a choice of how to upgrade.
5. In terms of the solutions available there are 3 main options these are discussed at paragraph 10

Consultation

6. The various options have been discussed with the federation of tenant and resident associations earlier this year. They unanimously voted for the integrated reception system (IRS). Their view was that this would provide customers with the widest range of choices.

Options

7. Option one - Do nothing this is always an option but customers will have blank screens when the switch-over happens.
8. Option two - Head end upgrade, this is potentially the cheaper solution however it has a number of limitations.
9. Option three – Integrated Reception System (IRS), this is the most expensive option however offers the greatest potential.

Analysis

10. Option one - individuals will resort to satellite dishes, there will be complaints from customers about no signal and if it is left to the last minute the council is likely to find there is a shortage in contractors available to upgrade the aerials. The council will be missing an opportunity to tap in to the advantages that the digital revolution will bring in terms of communicating with its customers.
11. Option two - There is no national coverage until switchover, some electrical interference, no non English speaking channels, only accesses Freeview not Sky therefore there is still the potential for the proliferation of satellite dishes and the possibility of damage and disputes.
12. Option three - It is what is known in the industry as offering a neutral platform, tenants can choose between digital satellite or digital terrestrial (Freeview), as well as receiving existing analogue TV. They will also have access to DAB/FM radio, the possibility of CCTV/Information systems, a “backbone” of cables distributes around the block via a multiswitch and new double screened cables and outlet plates ensures no electrical interference.
This option would afford those living in flats the same choices as those that live in houses, it would allow the council to ban dishes, ensures “social inclusion” for all electronic services, builds an e-govt platform in flatted stock and offers best value through continuous improvement of TV and electronic service delivery.

Corporate Priorities

13. The upgrade to digital services certainly fit with the corporate objective of ensuring that the council improves accessibility of service particularly if the IRS option is adopted.

14. Given that the digital switchover is a national programme competition for quality contractors with the sheer volume of resources required is going to be fierce hence officers are recommending an early programme of works. Officers are therefore recommending the use of the Northern Housing Consortium's (NHC) regional delivery framework as the procurement route.
15. The NHC are a non-profit making public sector membership organisation set up to support social housing to research and assist on an array of topic areas including procurement. The NHC have acquired the expertise to specify these works and have already tendered to a framework of contractors with whom CYC officers have engaged about a York contract. The benefits this brings are numerous including:-
 - Expertise – in such a technical field the NHC have undertaken significant research to assist participating authorities
 - Process – The NHC have already undertaken the lengthy European compliant tendering processes (OJEU) that would otherwise result in a 5 month exercise for CYC officers.
 - Transparency – All contractors and contracts on the framework are reviewed by the NHC, this framework is an existing platform and hence CYC can benefit from the experience already available from the NHC themselves but other authorities in the same position as well as those who have already used the same contractors.
 - Cost – There is likely to be a saving of upwards of 70+ senior officer working hours through simply joining the consortium and hence not undertaking a full OJEU tender. Joining this consortium allows CYC to be part of a much larger 'client family' and then hence achieving economies of scale that would not be possible were we to tender individually for the 2000+ local dwellings. Without actually carrying out the 2 tender exercises this is not possible to exactly quantify this however recent experiences of such consortiums have yielded 22% savings. Other housing organisations who have completed evaluations of the cost of independently procuring the installations have realised significant financial benefit from joining the consortium.

Implications

16. Financial –

It is proposed that the increased cost of the installation of IRS or the Head end Up grade in blocks of flats will be recovered through the service charge levied at the moment. Currently there are just under 2000 tenants who are charged 17p a week for the maintenance of their communal aerial . If the authority was to recover the equipment cost over 10 years it would be necessary to increase the weekly charge by 33p bringing the total charge including the maintenance cost to 50p a week for the IRS or 25p increase for the Head end Up grade

bringing the total charge including maintenance to 42p. The increased charge would be eligible for housing benefit.

(the charge is based on approximately £160 per unit for the IRS and £120 per unit for the head end up grade).

A CRAM bid has been submitted to cover the initial costs and scheme has been built into the Business Plan.

- **Human Resources (HR)** none
- **Equalities** none
- **Legal** none
- **Crime and Disorder** none
- **Information Technology (IT)** none
- **Property** none

17. **Procurement**

Having consulted with procurement they agree with the approach that has been adopted.

Risk Management

18. In compliance with the Councils risk management strategy the main risks that have been identified in this report are those which could lead to financial loss and system and technological. By tackling this issue now and not leaving it until the last minute the council can take a planned approach that will ensure value for money and avoid the possibility of finding suitably qualified contractors at the last minute. Delay could mean we are unable to meet the digital switch over date of 2011. The financial risk has been assessed has been assessed as 3 and therefore is acceptable
19. Technology is moving so fast, by installing the IRS the authority is ensuring its customer are receiving the most flexible system available. This system will ensure that customer will be able to take advantage of future technologies. By adopting this system the system and technological risk is measured as 3 and therefore is acceptable.

Recommendations

20. The Executive Member for Housing is asked to approve the following:
 - a. Installation of IRS in council flats.
 - b. Agree the increase in the service charge to £0.50 per week (48 weeks per year), the increase would start from the start of the financial year following the installation

Reason: The installation of the IRS provides customers with the widest choice and offers the opportunity to take advantage of further technologies which will be advantageous to the customer and the council.

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Wards Affected: *List wards or tick box to indicate all*

All

Chief Officer Responsible for the report:

Bill Hodson
Director of Housing and Adult Social Services

Report Approved **Date** 22nd November 2007

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For further information please contact the author of the report

Background Papers:

St Ledger Homes Doncaster report on digital aerials October 2007
Digital Switch Over – A good practice briefing August 2005