

HOUSING CABINET MEMBER MEETING

Agenda Item 47

Brighton & Hove City Council

Subject:	Contract for Communal digital TV system for Council Housing		
Date of Meeting:	8 September 2010		
Report of:	Director of Housing, Culture & Enterprise		
Contact Officer:	Name:	Mark Dennison	Tel: 29-3190
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Key Decision:	Yes/No	No	
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 Presently most of the council's blocks of flats have analogue communal TV aerial systems. The analogue TV broadcast signal is due to be switched off and replaced with a digital signal. The South East (including Brighton & Hove) analogue signal will be switched off in January 2012. The majority of TV sets and aerials not converted to digital by the switchover date will no longer be able to view TV programmes. To meet this deadline the contract needs to be awarded as quickly as possible.
- 1.2 Approval was given for the procurement to *lease* digital TV aerials for relevant council housing properties in September 2008. Recent professional advice has indicated that outright *purchase* rather than lease is likely to be the most the most timely and cost effective procurement route. In order to achieve best value for money, the tender process commenced in July 2010 on the basis of a citywide contract to lease *or* purchase outright and maintain an IRS 9 Wire Sky+ (integrated reception system) digital aerial system for all HRA blocks with existing communal aerials.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet Member for Housing notes the report

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Presently most of the council's blocks of flats have analogue communal TV aerial systems which are considered to be in poor condition. There are also 165 medium rise blocks without an existing communal TV system. Some blocks have had their analogue system upgraded to a digital terrestrial television or MATV (Master Antenna TV). This allows residents access to free view channels only. There are currently no maintenance contracts in place for any of these systems.

- 3.2 The national digital strategy aims to use the digital switchover to deal with the following;
- Diversity - through the provision of foreign languages channels and maximising choice.
 - Equality – Through maximising resident choice by ensuring residents have access to all the channels they want
 - ‘Satellite rash’ – removal of unsightly satellite aerials from blocks.
- 3.3 The Council can either use an existing national framework to procure the aerials or run its own competition by issuing an OJEU notice and undertaking a full tender process. Procurement using a national framework is likely to reduce the procurement timetable. Frameworks provide benefits from economies of scale through housing providers combining their purchasing power to gain better prices. Bids obtained through a framework would be benchmarked against the wider market to ensure the council is getting best value for money. National frameworks are already in-place which enable housing providers to procure from leading national digital TV aerial suppliers
- 3.4 The Director Housing, Culture & Enterprise in consultation with the Cabinet Member for Housing agreed to commence the procurement process in July 2010 in accordance with the Council’s constitution. This decision was taken urgently because of the need to commence the tender process prior to the 08 September 2010 Housing Cabinet Member meeting to enable the contract to be delivered before the digital TV switchover in 2012.

4. CONSULTATION

- 4.1 The original report also went to Housing Management Consultative Committee on 10 September 2008. Workshops were also held for residents in 2008.
- 4.2 A stage 1 notice has been issued to leaseholders and they will be fully consulted on the procurement outcome following Section 20 legislation.
- 4.3 Once a contractor has been agreed there will be ongoing consultation with tenants.
- 4.4 Before agreeing to commence the tender process, the Director of Housing, Culture & Enterprise consulted with the Cabinet Member for Housing in accordance with the Council’s constitution.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The original report in September 2008 requested authority to procure digital TV aerials through leasing. This report recommends that the tender should include both leasing and purchasing options in order to secure the solution which provides best value. There are no additional financial implications arising from this report.
- 5.2 It should be noted that the HRA capital programme includes £1.422 million

over the next two years (2010 – 2012) to cover the costs of additional anticipated cabling works required for the installation of digital TV aerials. This is in addition to the costs of leasing or procuring the equipment.

- 5.3 The costs of leasing or purchasing, and maintaining a new communal digital system will be recharged to tenants and leaseholders through new service charges. Following the award of the contract, the proposed service charges will be reported to Housing Management Consultative Committee and Housing Cabinet.

Sue Chapman

Date: 13 July 2010

Legal Implications:

- 5.4 The report refers to a contract for supply and services (supply, installation and maintenance). The EU procurement threshold for contracts for supplies and services is £156,444. The estimated value of the supply and installation alone is £1.8m and so the contract value exceeds the EU procurement threshold. The contract must therefore be advertised and awarded in accordance with the relevant EU Directive and UK Regulations. Compliance with the EU Directive and UK Regulations is achieved by either the Council running a competition itself which satisfies the EU Directive and UK Regulations or using an existing framework arrangement which was procured in accordance with the EU Directive and UK Regulations. In addition, contracts in excess of £75,000 must be sent to Legal for sealing. The Council is obliged to take the rights of individuals under the Human Rights Act into account when considering any such issues, but the recommendations contained in this report are unlikely to breach any such rights.

Lawyer Consulted: Anna Thurston

Date: 09 July 2010

Equalities Implications:

- 5.5 An equalities impact assessment will be completed by the winning contractor prior to commencement on site, as this is subject to their chosen method of access.
- 5.6 The inclusion of 'Hot bird' (secondary satellite system) allows access to foreign language channels and meets the councils equality and diversity policy.

Sustainability Implications:

- 5.7 The specifications will require contractors to submit a sustainability impact statement on the contractor's proposals to reduce waste, recycling, and the reduction in CO2 emissions for this project.

Crime & Disorder Implications:

- 5.8 No Crime and disorder implications. In some cases it is possible to link CCTV to the digital systems.

Risk and Opportunity Management Implications:

- 5.9 While the council has no legal responsibility to provide any communal aerial service, central government is looking to public landlords to set an example for other private landlords in the area of social responsibility to ensure no resident fails to know or miss the switchover to digital.
- 5.10 Failure to replace/upgrade the councils existing communal analogue aerial system will leave residents without access to a digital system from 2012 and will result in adverse publicity for the council.

Corporate / Citywide Implications:

- 5.11 This proposal supports the aim of the council to provide maximum choice to the residents of its own housing stock and gives a lead to other landlords across the city regarding the opportunities afforded by digital switchover.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 There are a number of very different Switchover solutions currently available in the UK market:
- MATV (Master Antenna TV)
 - SMATV (Satellite MATV)
 - IRS (Integrated Reception System)
 - IPTV (Internet Protocol Television)
- 6.2 An evaluation of these options was included in the September 2008 report. The IRS solution was clearly identified as providing best overall value for money based on cost and quality of provision.
- 6.3 Consultants have recently advised that the outright purchase option would deliver significant savings compared to the leasing option. On the basis of this advice, this report provides the opportunity to evaluate both options and secure the solution providing best value for money.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The option of purchasing TV aerial systems from an existing framework will enable the council to comply with its obligations under the EU Directive and UK Regulations on public procurement and to more easily meet the digital switchover deadline because of the potential savings in the procurement timetable under a framework. The purchase option offers better value for money than the original leasing recommendation, with bids being benchmarked to ensure they are competitive to the wider market.

SUPPORTING DOCUMENTATION

None

