

Haringey Council

Agenda item:

[No.]


Meeting of the Council Cabinet

On 23 February 2010

Report Title: Integrated Reception Systems (IRS) – Digital TV

Report of: **Niall Bolger, Director of Urban Environment**

Signed :

 9/2/2010

Contact Officer : David Sherrington, Project Manager, Homes for Haringey  
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Wards(s) affected: **All**

Report for: **Key Decision**

**1. Purpose of the report**

- 1.1 This report provides details of the cost of installing Integrated Reception Systems, summarises the payment options, recommends new charging arrangements and seeks approval of a draft satellite dish policy.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1. Digital Switchover means that all UK households will have to go over to digital in order that they can continue to receive the broadcast programmes and TV services they already enjoy and the Council supports this improvement programme.

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1 N/A

#### **4. Recommendations**

A comprehensive review of the IRS programme was completed and a range of alternative options considered by the Decent Homes Board. It is recommended Cabinet approves;

- 4.1 That Homes for Haringey undertakes a block by block consultation to determine which IRS system residents wish to have installed.
- 4.2 That Homes for Haringey offers residents, on a block by block basis, a choice of an aerial which will receive Freeview and Sky Plus or an aerial which will receive Freeview, Sky plus, Hotbird and Turksat (full IRS).
- 4.3 That Leaseholders are charged their share of the cost of installing IRS, up to a maximum of £400 per property
- 4.4 That Tenants are charged their share of the cost of installing IRS, up to a maximum of £400 per property
- 4.5 That there is a change in Council policy only for IRS installations to allow the tenant service charge to be recovered over a 10 year period, rather than the one year period which is current policy
- 4.6 That a retrospective cap of £400 is applied to the amount charged to leaseholders for IRS installation work that has already been completed
  - That a new satellite dish policy is agreed.

#### **5. Reason for recommendation(s)**

##### **Framework agreement**

- 5.1 In order to ensure that the Council's housing stock is ready for the digital switchover in 2012, Homes for Haringey has established a framework agreement (comprising of four contractors) to complete the outstanding work. The framework agreement has been approved by the Council's Procurement Committee.

#### **6. Background**

- 6.1 The digital switchover work that the Council needs to undertake to meet its statutory obligations affects a total of 11,223 properties. This is made up of 9193 tenanted properties and 2030 leaseholder properties
- 6.2 All the contractors on the framework agreement (SCCI, Aplhatrack, Ultimate Communication systems and Avonline) were asked to submit prices for three different projects (cost per unit for blocks with 1-24 units, 25-50 units and more than 50 units) and four different specifications (the basic specification up to full IRS). The proposed framework will allow residents to receive access to digital TV signals in a cost effective way.

### **Section 20 notices**

- 6.3 Legal services have recommended that, in order to avoid potential Leasehold Valuation tribunal action in the future, Homes for Haringey includes in the section 20 notices the highest prices leaseholders could pay.
- 6.4 The prices outlined in the section 20 notices were the maximum that a leaseholder would be required to pay under the framework agreement.

### **Charges for leaseholders**

- 6.5 Under the framework agreement, all four contractors can be used to complete the IRS installation and, although Homes for Haringey would prefer to complete all of this work using the cheapest contractor, this cannot be guaranteed. It is possible that, during the latter part of the programme, leaseholders may incur higher costs (because the IRS work is carried out by one of the more expensive contractors) than those incurred by leaseholders earlier in the programme.
- 6.6 An additional concern is that leaseholders who live in low rise blocks will be required to pay a lot more for the IRS work than those living in high rise blocks, even though they are essentially receiving the same service.
- 6.7 In order to address these concerns and assist the block by block consultation on the type of IRS to be installed, it would be helpful to provide leaseholders (and, of course, tenants) with an indication of the maximum charge for each type of IRS.
- 6.8 It is therefore proposed that leaseholders are charged the full cost of the works (which will be affected by the nature and extent of the work, the contractor used and the type of IRS installed) and that, where the charge would otherwise exceed £400, the charge is 'capped' at £400 per dwelling.
- 6.9 Such an arrangement will ensure that, where the leaseholders and tenants decide that they do not want a 13 wire IRS (ie the full specification) installed, leaseholders will only pay for the actual cost of installation. However, where leaseholders and tenants opt for a 13 wire IRS, the maximum that residents will be charged is £400 per dwelling.

### **Charges for Council tenants**

- 6.10 Although financial provision has been made (within the capital programme) for the basic digital upgrade, additional costs will be incurred if leaseholders and tenants choose a higher IRS specification during block-by-block consultation.
- 6.11 The Council's Benefits and Local Taxation service has advised Homes for Haringey that the tenants' service charge can be taken into account in the calculation of housing benefit. Until the size of the service charge is known however, the Benefits and Local Taxation Service cannot confirm whether or not the charge will be considered 'excessive'. When the situation has been clarified, the revised charging policy will need to reflect that advice.
- 6.12 Following agreement by Cabinet, Homes for Haringey will have to undertake a statutory consultation on the introduction of the new service charge with all residents affected. This is in accordance with Section 103 of the 1985 Housing Act.

### **Satellite dish policy**

- 6.13. There is currently an array of dishes on Haringey Council's housing stock installed by residents that provide them with a number of television services. The current tenants' charter stipulates that residents must seek permission before installing a satellite dish. When this is sought, permission is not granted.
- 6.14 When a resident lives on the wrong side of a block to receive a signal, the dish is installed on someone else's property. These installations are generally installed without due care, with unfixed cabling causing a health and safety hazard.
- 6.15 The installation of satellite dishes and cabling causes damage to the building and infrastructure.
- 6.16 Poorly installed dishes and their cabling create a health and safety hazard for the general public.

### **Consultation options**

- 6.17 The choices offered to residents in respect of which aerial to have installed will help the Council achieve the aims set out in the satellite dish policy. At the very minimum, residents will have a system which offers Freeview and Sky television. Sky is the most popular choice of satellite television provider, with over eight million customers in the UK alone. Should residents choose full IRS, they will also have access to a range of ethnic channels from Europe, the Middle East, and North Africa.

## **7. Other options considered**

- 7.1 Not relevant in this context.

## **8. Summary**

- 8.1. In 2012 traditional analogue television signals will be switched off and replaced with digital signals. A large proportion of the Council's housing stock is serviced by communal television aerials and it is a statutory duty upon the Council to ensure these systems are capable of accepting digital signals.
- 8.2. The report explains the process and the established framework agreement that is in place with four contractors to complete the outstanding work. Two options have been presented for consideration and approval is being sought for the proposed satellite dish policy that will ensure unauthorised dishes erected on blocks of flats are removed once they receive the full range of signals through the new system.
- 8.3. Although the work to upgrade these aerials has already started, Homes for Haringey have considered the views of residents in respect to offering a choice of systems to be installed and to consider the cost of these installations.

**9. Chief Financial Officer Comments**

- 9.1 Provision for the installation of basic satellite systems is included within the HRA Capital programme. The amount to be received from both tenants and leaseholders will act to reduce the net spend on this project.
- 9.2 Any income received will be reduced by the implementation of a retrospective and future cap of £400, although it should be noted that the £292,000 figure is the maximum reduction in income and the actual figure may be much smaller depending on final contractors' costs.
- 9.3 All income received will be ring-fenced to the HRA and will therefore benefit future service delivery. Any additional costs related to removal and storage would need to be funded from the HRA, although the amounts are unlikely to be significant.

**10. Head of Legal Services Comments**

- 10.1 The Head of the Legal Service has reviewed the advice from Counsel and the comments in the report and is satisfied that the comments on the report are consistent with Counsel's advice. The Head of Legal Services is satisfied that provided the costs are calculated in accordance with the formula set out in the lease, the cost of the 13 wire IRS installation should be recoverable.

**11. Head of Procurement Comments [Required for Procurement Committee]**

- 11.1 N/A

**12. Equalities & Community Cohesion Comments**

- 12.1 Haringey is a diverse borough with a wide variety of backgrounds. This diversity is reflected in the fact that almost half of all pupils in Haringey schools speak English as an additional language, and in 2008, between them reported the use of over 160 languages at home.
- 12.2 When considering what services they are able to receive through communal aerials it is important to consider the needs of residents, especially considering the need to implement a satellite dish policy.
- 12.3 Should the block consultation agree to the full IRS package (Freeview, Sky Plus, Hotbird and Turksat), it will provide a comprehensive service to residents, providing a wide range of foreign television channels (subject to residents subscribing to the service).
- 12.4 However, although this option will not cater for the full range of languages spoken in the Borough, the technology will in time allow for internet services to be received through television sets. This will expand the range of language options available.

### **13 Consultation**

- 13.1 Homes for Haringey have listened to a wide range of views from residents in the development of these recommendations and propose to consult residents on a block by block basis regarding the specification of system to be installed.

### **14 Service Financial Comments**

- 14.1 As some of the IRS works have already been completed in conjunction with the decent homes programme, the total spend has been higher than the amount budgeted for and has been met from other programmes. This report concentrates on the total potential spend and the actual budgets, rather than spend to date.
- 14.2 The potential loss to the HRA (resulting from the application of the £400 'cap' on IRS service charges retrospectively and in the future) in respect of leaseholders will be a maximum of £292,000.
- 14.3 It should be noted that, as non-decent homes leaseholder service charges are credited to the HRA and not set aside, the potential loss of income will need to be built into the HRA over the periods in which the work is undertaken.
- 14.4 As no service charge has previously been levied on tenants for provision of communal aerial systems this will generate additional income from 2010/11 onwards. However, the Council's policy will need to be changed to allow tenants that will benefit from the capital investment in the digital switch-over to spread their contribution over a 10 year period.
- 14.5 As service charges are a source of additional income to the HRA, they could be used to avoid reductions in service delivery that might otherwise be necessary during the medium term financial planning period or over the 10 year period provide the basis for further investment through revenue contributions, or as the basis of prudential borrowing.
- 14.6 With regard to the satellite dish policy, we need to be mindful of the potential financial impact of the enforcement of the policy. During benchmarking work, we have found that the highest collection rate in respect of a recharge for repairs work is just 15%. An initial assessment suggests we need to set aside at least £10,000 for the cost of both removal and storage, as an additional growth item in the HRA.

### **15 Use of appendices /Tables and photographs**

- 15.1 Appendix 1 – Satellite Dish Policy

### **16 Local Government (Access to Information) Act 1985**

- 16.1 [List background documents]  
16.2 [Also list reasons for exemption or confidentiality (if applicable)]