Recommendations:

(1) That the outcome of two pilot studies to enable a Freeview facility for
Housing property be noted;

(2) That, for use by tenants and leaseholders of flats and maisonettes only,
the conversion of the Council’s communal aerial distribution systems at the
following locations in Waltham Abbey from analogue to digital Freeview be
approved:

(a) Ninefields;

(b) Parklands; and

(c) Roundhills;

(3) That, subject to Recommendation (2) being approved, budgetary
provision in the sum of £149,131 be made within the Housing Revenue Account
(HRA) Capital Programme, between the financial years 2006/07 – 2008/09 to
enable the digital conversion;

(4) That, offset against this, the estimated income of £9,686 from
leaseholders be noted;

(5) That, subject to Recommendation (3) being approved and acceptable
terms being agreed:

(a) Contract Standing Orders C7 and C8 be waived; and

(b) that the Head of Environmental Services be authorised to negotiate a
fixed contract price with Cable Television Services Ltd (the term aerial systems
maintenance contractor) on an “open book accounting” basis, due to:

(i) the importance of local knowledge held by the Contractor of the sites;
and

(ii) the need to provide good, continued television reception during the
conversion process;

(6) That, as they are able to have a digital aerial installed within the existing
planning consents available, tenanted and owner-occupied houses and
bungalows on the estates not be upgraded to digital service;

(7) That after the digital system has been installed:
(a) the existing analogue systems on the estates not be maintained; and

(b) residents of houses and bungalows be advised to purchase and erect their own television aerial by April 2007, for when the analogue system first fails after the digital system for flats/maisonettes has been introduced;

(8) That, on the basis the required works are deemed a repair under the terms of their lease with the Council, all leaseholders be charged for their proportion of the cost of the works to be undertaken; and

(9) That the remaining communal aerial distribution systems in blocks of flats throughout the District not be converted from analogue to digital Freeview for the time being, but be programmed for conversion nearer to the date proposed by the Government to “switch off” analogue transmissions.

Background:

1. In November 2001, a report was presented to the former Executive Committee advising of the Government’s intention to withdraw the analogue frequencies used for the distribution of terrestrial television channels during 2010 to 2012 and the report explored the options available to the Council for the digital conversion.

2. The Executive Committee selected the Integrated Reception System (IRS), which is a system that collects broadcast signals from terrestrial (analogue and digital) and satellite transmitters, as well as FM radio and Digital Audio Broadcasts (DAB). This method affords tenants the freedom to decide to either connect their existing television equipment to the system to receive the existing analogue signals until they are switched off, or take up digital satellite or digital terrestrial television.

3. The cost of the digital conversion based on IRS (at 2001 prices) was estimated at £414,000 and due to the complexity of the project it was considered appropriate to undertake an IRS pilot study prior to inviting tenders for the main contract.

4. The IRS pilot digital conversion was undertaken during 2000 at Read Court and Tillingham Court, Ninefields Estate Waltham Abbey and although the pilot was successful, the outturn cost per unit of £320 per point was higher than anticipated, with the total cost of conversion across the District being approximately £1.8m.

5. The Council maintains approximately 88 communal aerial distribution systems, the largest being on the Roundhills, Parklands, Ninefields and Springfields Housing Estates with the total number of outlets being approximately 5,680.

6. Since the IRS pilot studies, there has been significant development of the Freeview system, which has prompted Officers to reconsider the most cost effective way of undertaking a digital conversion of the Council’s systems.

Freeview:

7. Freeview is a Digital TV service that allows interactive services and access to around 30 channels of TV and 20 radio channels, all of which are subscription free. However, it is necessary for the tenant to purchase a Freeview set-top box at a cost of approximately £50 - £100.

8. In addition, a subscription services (Top-Up TV) is available at cost of £7.99 per month. The available channels for both Freeview and Top-Up TV are listed in Appendix 1 to this report.

9. Housing Services requested that consideration be given to the provision of Freeview
to the Council’s Sheltered Housing Schemes, as there were many requests being received from elderly residents for access to low cost additional channels. A trial verified that the systems in all but Hyde Mead House, Nazeing could be upgraded in order to provide digital service and this has been undertaken successfully. The service for Hyde Mead House is the subject of a planning application as additional aerial height is required for the service to be successfully upgraded, and this is in hand.

10. As a result of the success of this system, at little cost, the Head of Housing Services gave approval for a small Freeview pilot study to be undertaken to Housing property on an estate, to determine the practicality of upgrading the existing systems and to determine the average cost per point to be expected.

11. Undertaken at Stanford Court, Ninefields, Waltham Abbey, the Freeview pilot proved successful and popular. The average fully inclusive cost per point (i.e including electrical and civil engineering works) was determined as being approximately £167.00 per point.

12. This cost is based on the following summary of works, per block of property that can be served from one system:

- New High Gain Digital aerial on new mast;
- New FM (DAB) aerial;
- New aerial mast;
- New Head-End amplifier and equaliser;
- Bonding to earth for lightning arrester;
- Change of subscriber outlets;
- Connecting of existing block wiring from main system to new system;
- Cross connection of two systems to enable continuance of service to any Houses served by the existing system;
- Notification of frequency changes to affected residents; and
- Provision of new electricity supply to new equipment locations.

13. The cost has been verified by the Head of Environmental Services as being in line with costs elsewhere, because of the other pilot studies undertaken and liaison with other local authorities undertaking similar works.

Single Tender Action:

14. The communal aerial distribution systems associated with Roundhills, Parklands and Ninefields were designed and installed by the GLC in the late 1960’s and these systems are extremely complex, involving line-powered amplifiers to overcome the losses due to the significant area having to be covered.

15. Experience has shown that local knowledge has been an essential requirement in terms of promptly rectifying system failures on these estates and in this respect the Council has been fortunate in that the Managing Director of Cable Television Services Ltd, (the company contracted to undertake system maintenance for the Council), was involved in the original design and installation on these estates.

16. Because of the importance placed on the need for local knowledge of the existing aerial distribution network, to facilitate the Freeview conversion, it is considered to be in the best interests of the Council and residents to approve single tender action for the upgrading of the Roundhills, Parklands and Ninefields estates. Accordingly, subject to acceptable terms being agreed, it is recommended that the Head of Environmental Services be authorised to agree a contract sum, on an open book accounting basis, for the three estates with due reference to historical cost data compiled for similar works.
Digital Upgrading of Aerial Distribution to Houses/Bungalows and Leased Property:

Leaseholders:

17. Under the terms of the Council leases for flats and maisonettes, the Council is responsible for the maintenance of any wireless and television mast or aerial or wires for use in connection with a particular flat or maisonette. The Council can recharge for repairs to the system.

18. Where tenants have recently purchased their flats the Council can charge for improvements, which would include a digital upgrade, however with the older leases, which will be the majority, the lessees need only pay for maintenance. There is established case law, which states that if a system has broken or is uneconomic to repair then the landlord can replace with a more modern system. If the current aerials have become uneconomic to repair the Council could replace with a digital system provided that it was reasonable to do so. However, the Council cannot carry out this work and recharge if it merely wishes to upgrade the system. Further, the leaseholders have a right under their leases to use the aerials. The Council would not be justified under the lease in cutting off their signal. The Council would have to continue to maintain the old system until it no longer worked.

19. Following discussions between technical officers and the Solicitor to the Council, it has been concluded that, because of the system’s age, unreliability, uneconomical repair costs and the anticipated demise of analogue transmissions, legally, the renewal of the existing aerial systems at Ninefields, Parklands and Roundhills with a digital Freeview system should be classed as a repair, for which leaseholders can be re-charged. However, it is felt that because the Council’s other communal aerial systems across the District are still in a reasonable condition, their renewal could not be classed as a repair, but an improvement, for which the majority of leaseholders cannot be recharged. For this reason, and the fact that there is no urgency to upgrade them, it is proposed that these not be converted from analogue to digital Freeview for the time being, but be programmed for conversion nearer to the date proposed by the Government to “switch off” analogue transmissions.

20. It is estimated that 893 flats and maisonettes are connected to the existing systems on the three estates, of which around 58 (6.5%) are leased, however, a detailed survey and analysis during the design stage will be undertaken to determine the precise number included.

Houses and Bungalows:

21. In addition to the flats and maisonettes served with the existing communal system, a significant number of houses and bungalows also have the benefit of the system. It would be very expensive, with a number of practical and technical difficulties, if an attempt was made to upgrade the tenanted and sold houses/bungalows on the three estates. Indeed, in a small IRS trial that was undertaken, one private owner refused to allow cabling to be clipped to his property, which limited the number of properties that could benefit from the small trial. These estates are the only ones in the District to have a communal aerial system provided to houses and bungalows, with the Council meeting the ongoing maintenance costs (including for non-Council properties); elsewhere, occupiers are responsible for the provision of their own television aerial. Furthermore, all house/bungalow occupants are able to erect their own satellite dish on their property, whereas only one resident in a block of flats is able to erect a satellite dish without planning permission. Therefore, it is proposed that the digital upgrade is not undertaken for tenants and private occupiers of houses and bungalows on the estates.

22. An advantage of the Freeview solution, is that at locations where houses and bungalows are connected to the original aerial system emanating from an adjacent
block of flats, the old system can be left in situ and remain operational until such time as it first fails. At that time, the system would not be repaired, and occupiers would need to meet the costs of supplying and erecting their own television aerial, in accordance with their Conditions of Tenancy.

23. For this reason, due notice will be given to such residents during 2005/06, advising that they should consider the procurement of a stand alone digital aerial to their property as soon as possible, and before April 2007.

Other Considerations:

24. Freeview and the associated Top-Up TV will provide tenants and leaseholders with a greater choice of channels. It is likely that, in the future, the choice will increase further. However, the Cabinet are reminded that the selection of Freeview as the preferred digital upgrade solution, will result in a more limited freedom of choice, in terms of the range of television channels tenants will be able to access, compared to the more expensive IRS system (which would cost at least double to provide). A further consideration, therefore, is the extent to which limiting choice will result in social exclusion, as a digital IRS system offers access to a range of services and information, not just television programmes. However, the IRS system can no longer be recommended because, not only the higher cost to the Council, but also the higher cost to leaseholders; the leaseholders could challenge the level of the recharged cost on the basis that there is a cheaper option (Freeview) available.

25. Moreover, television services are not included in the Government’s Decent Homes Standard. Therefore, because of the lower cost, the Freeview option cost saving will assist in the prioritisation of the Council’s housing maintenance programme towards meeting the Decent Homes Standard.

26. If the Cabinet is minded to approve the recommendations, it will be necessary to undertake a full leasehold consultation exercise, consult with the Tenants and Leaseholders Federation and then specify the work. Therefore, it is proposed that this process be programmed to achieve completion by the end of March 2006, with a contract undertaken between April 2006 – March 2009, dependent on funding availability.

Costs:

27. Based on the costs of the pilot, the experience of other local authorities, and an allowance for economies of scale, the estimated costs and leaseholder income to undertake the proposed digital conversion are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>£149,131</td>
</tr>
<tr>
<td>Less Leaseholder Income</td>
<td>£9,686</td>
</tr>
<tr>
<td><strong>Cost to the Council</strong></td>
<td><strong>£139,445</strong></td>
</tr>
</tbody>
</table>

Statement in support of recommended action:

28. Notwithstanding the Government’s proposed timescale for the termination of analogue broadcasting, the Cabinet is advised that the communal aerial distribution systems associated with the Roundhills, Parklands, Ninefields and Springfields estates are at the end of their design life. Indeed, the system failure rate is now significant and system rectification is hampered by the inability to procure replacement equipment manufactured in the 1960’s.

29. Delaying the implementation of the digital upgrade beyond 2006/07 could result in a catastrophic failure of a system, resulting in a significant number of tenants and leaseholders being unable to view television.
30. Clearly IRS affords tenants complete freedom of choice in terms of channel availability. However, the cost difference between IRS and Freeview is significant and as the Council’s primary objective is to achieve the Decent Homes Standard, the cost saving achieved by adopting the Freeview solution will release funding to assist in achieving this objective.

Other options considered and rejected:

31. To reaffirm the earlier Executive Committee decision to adopt the IRS approach.

32. To also provide a Freeview or IRS system to residents of houses and bungalows on the three estates.

33. To instruct that a consultation exercise with tenants and leaseholders be undertaken and that a report on the conclusions of the exercise be reported to the Cabinet.

34. To delay a decision until such time as a deadline for the termination of analogue transmissions is published by the Government, the risk of this option being that there may be insufficient time for the Council to undertake the digital upgrading of its communal aerial systems.

35. To provide a Freeview or IRS system to all the other blocks of flats/maisonettes served by a communal aerial system

36. To do nothing, although this has to be listed, as an option, leaving 5680 properties without an aerial facility and no television is unacceptable; therefore, this is not considered a realistic option.

Consultation undertaken:

37. Waltham Abbey Ward Members. At the time of agenda dispatch, no response had been received from ward members. If any responses are received prior to the Cabinet meeting, they will be reported orally.

Resource implications:

Budget provision: As detailed in the report.
Personnel: Within existing resources.
Land: Nil.

Community Plan/BVPP reference: None.

Background papers: Communal TV systems and digital switchover report 450459/February 2005.

Environmental/Human Rights Act/Crime and Disorder Act Implications: None.
Key Decision Reference (if required): None.
<table>
<thead>
<tr>
<th>Available on Freeview TV</th>
<th>Available on Freeview Radio</th>
<th>Available on Top-Up TV</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBC 1</td>
<td>BBC Radio 1</td>
<td>E4</td>
</tr>
<tr>
<td>BBC 1 Extra</td>
<td>BBC 1 Extra</td>
<td>UKtv Gold</td>
</tr>
<tr>
<td>BBC 2</td>
<td>BBC Radio 2</td>
<td>TCM</td>
</tr>
<tr>
<td>BBC 3</td>
<td>BBC Radio 3</td>
<td>UKtv Style</td>
</tr>
<tr>
<td>BBC 4</td>
<td>BBC Radio 4</td>
<td>Discovery channel</td>
</tr>
<tr>
<td>ITV 1</td>
<td>Five Live Sports Extra</td>
<td>Discovery Home &amp; Leisure</td>
</tr>
<tr>
<td>ITV 2</td>
<td>BBC Radio 5</td>
<td>UKtv Food</td>
</tr>
<tr>
<td>ITV 3</td>
<td>BBC Radio 6</td>
<td>Cartoon Network</td>
</tr>
<tr>
<td>Channel 4</td>
<td>BBC Radio 7</td>
<td>Boomerang</td>
</tr>
<tr>
<td>Channel 5</td>
<td>BBC Asian Network</td>
<td>Bloomberg</td>
</tr>
<tr>
<td>SKY Travel</td>
<td>BBC World Service</td>
<td>TVX</td>
</tr>
<tr>
<td>UKTV History</td>
<td>The Hits</td>
<td></td>
</tr>
<tr>
<td>Fttn</td>
<td>Smash Hits radio</td>
<td></td>
</tr>
<tr>
<td>Abc1</td>
<td>Kiss</td>
<td></td>
</tr>
<tr>
<td>Yoo play</td>
<td>Heat</td>
<td></td>
</tr>
<tr>
<td>Cbeebies</td>
<td>Magic</td>
<td></td>
</tr>
<tr>
<td>BBC C</td>
<td>Q</td>
<td></td>
</tr>
<tr>
<td>The Hits</td>
<td>Oneword</td>
<td></td>
</tr>
<tr>
<td>TMF</td>
<td>JazzFM</td>
<td></td>
</tr>
<tr>
<td>BBC News 24</td>
<td>Mojo</td>
<td></td>
</tr>
<tr>
<td>BBC Parliament</td>
<td>Kerrang</td>
<td></td>
</tr>
<tr>
<td>Community Channel</td>
<td>TalkSport</td>
<td></td>
</tr>
<tr>
<td>Sky News</td>
<td>3c</td>
<td></td>
</tr>
<tr>
<td>Sky Sports News</td>
<td>Premier</td>
<td></td>
</tr>
<tr>
<td>ITV News (Regional)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teletext</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifestyle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UKtv Bright Ideas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ideal World</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QVC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bid.up.tv</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price-drop.tv</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>