

Subject: Digital Communal Aerial System Briefing Note

Report to: Management Team – 19th February 2018
Housing and Neighbourhoods – 21st March 2018

Report by: Head of Property and Asset Management

SUBJECT MATTER/RECOMMENDATIONS

The report outlines the contract for Community Housing Communal Aerial provision and updates the committee in relation to the current position.

1. Briefing Note

The existing Communal Aerial Contract is with Stanley Security and was entered into in 2009 for a 20 year period. A copy of the contract is attached appendix 1.

The contract was entered into to deliver digital communal services to all tenants with the equipment remaining the responsibility of Stanley Security under an agreed SLA as described within the contract documentation, page 3.

Since the introduction of the digital system providers have continued to develop additional services. Individual providers have until recently funded upgrades to the communal system to enable tenants to access these services at an extra charge, for example Sky 3D, providers have now withdrawn funding and no further upgrades will be available leaving some tenants without the opportunity to access these services through the communal system.

2. FINANCIAL

The communal system has an annual cost of approximately £98k with additional costs in relation to repairs of £15k bringing the total cost of the system to £113. The income received based on the number of users is £90k per annum leaving a shortfall in funding of £23k per annum.

3. LEGAL POSITION

With regard to termination of the Contract, the Council's rights (also applying to supplementary agreements) are set out at clause 7 of the attached Contract. This permits:

- 7.1 Termination at the end of the primary period, i.e. 30th March 2030
- 7.2 Termination following a material and persistent breach by Stanley + 90 days' notice (provided the breach isn't remedied during the notice period)

- 7.3 By written notice and payment of all rental due to date of termination plus total hire for the remainder of the term (less 20% with the remaining 80% discounted at 5% per annum)
- 7.4 If the premises or part are disposed of the Council may assign the agreement to a new owner (in the case of a part disposal a discount will apply)
- 7.5 The Council may terminate part of the agreement by 6 weeks written notice if certain dwellings are sold, damaged or destroyed, but must pay all rentals to the following 31st March and payment of the total hire on the points to be terminated (discounted as for 7.3 above). The remainder of the points would have a proportionately reduced rental.

Assuming that 7.3 above was the sole basis for termination, to sensibly make a decision you would have to weigh the cost to terminate the Contract circa £750k with the requirement to provide an alternative system or allow individual occupants to install an alternative.

3. **BACKGROUND PAPERS – Digital Communal Aerial System Contract**

Area for consideration	Comment
Monitoring Officer Consultation:	Above – Legal position
Section 151 Officer Consultation:	None
Existing Council Policies:	Considered
Financial Implications (including VAT and tax):	Considered
Legal Implications (including human rights):	Considered as above Monitoring Officer comments to follow
Risk Implications:	Considered
Equality Issues/EQIA assessment:	None
Crime & Disorder:	None
Every Child Matters:	None