



BOXER COMMUNICATION TOWERS

The 114 Boxer communication towers were part of a network, built during the cold war, to provide survivable secure communications between Royal Air Force stations in the event of Warsaw Pact attack. Once the network was deactivated the high specification Boxer Towers were redundant. The towers remained an annual cost due to the need for safety inspections. Demolition would cost £50,000 per tower. The location of the towers within secure Ministry of Defence facilities made disposal difficult.

Following a competitive process the Defence Communications Services Agency entered into partnership with NTL (now known as Arqiva) for a 20 year period in December 2001. Arqiva is paid a basic lease fee of £3,000 per tower for managing, maintaining the towers to an agreed standard and marketing them. Arqiva generates revenue by sub letting space on the towers to mobile telephone operators. The towers are attractive to third party operators because of their secure locations and the high quality of the towers. From the gross revenue Arqiva deducts a ten per cent management fee. The remainder of the income is split 88 per cent/12 per cent between the Ministry of Defence and Arqiva. Over the life of the deal the Ministry of Defence expect to achieve average annual gross revenues of £720,000. The deal is now being extended to other Ministry of Defence towers and to leases of land for new tower builds (subject to planning permission being granted). For new tower builds the cost of maintenance reduces £1,500 per tower per annum, but the profit share remains the same. Five percent of the Ministry of Defence's share of the revenue is retained by the Defence Communications Services Agency to cover administrative costs. The Defence Communications Services Agency has used some of this money to establish a small development fund to cover the cost of adding towers from other communications systems to the scheme. The remainder being returned to the unit or establishment at which the relevant tower is located.

Source : NAO

CASE STUDY

WIDER MARKETS

The creation of business ideas for wider markets projects has come from a number of sources. It is something which is not easy to do in a systematic manner. Our case examples show a mixture of opportunity and/or necessity to be common sources of business ideas for the wider markets case examples we examined. The Boxer Tower project made particular use of the opportunity presented by the mobile telephone industry's need to build out their third generation mobile phone networks.

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