

## REPORT ON BEHALF OF THE PROPERTY & PROJECTS GROUP

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### **SUBJECT: NEWPORT PARROG UNDERGROUNDING SCHEME**

#### **Purpose of Report**

To update Members on the proposed undergrounding of existing overhead electrical and telecom infrastructure at Newport Parrog.

#### **Background**

At its meeting on the 9th August 2017 the National Park Authority approved the ongoing work of officers towards the delivery of a joint undergrounding scheme by Western Power Distribution (WPD) and BTOpenreach at Newport Parrog. At the date of that meeting, WPD had estimated their costs to be in the order of £187,000 which they would fully self-fund, whilst the basis upon which BTOpenreach were willing to proceed was on a partial cost recovery basis requiring the Authority to contribute £14,000 towards the BTOpenreach total estimated cost of £33,000. The Authority resolved to proceed on this basis reflecting a circa 6.3% intervention rate against a total estimated scheme cost of circa £220,000.

Whilst the basis of WPD's involvement remains unchanged, BTOpenreach have now withdrawn their offer of a partial cost recovery model and are only able to proceed on a full cost recovery basis which they have estimated downwards to £24,054. With a reduced aggregate scheme cost of circa £211,000, the full cost recovery which BTOpenreach now require the Authority to contribute in the sum of £24,054 equates to an intervention rate of circa 11.3%.

In summary, and notwithstanding the increased financial cost to the Authority as outlined above, your Officers remain of the opinion that the proposed scheme represents an outstanding opportunity to achieve permanent visual benefits within one of the National Parks most iconic locations. It also offers the potential to be the ninth undergrounding scheme delivered under this WPD initiative within our National Park.

#### **Financial, Risk & Compliance Considerations**

Unlike WPD, the continuing support shown by BT Openreach for these undergrounding schemes is at their complete discretion. However, unlike previous schemes where they have voluntarily subsidised the full cost of their works, on this occasion their support is conditional upon a full cost recovery approach. Your Officers are of the opinion that an externally funded WPD only scheme in this location (which would leave the existing overhead BT Openreach network in situ)

would not achieve the required level of landscape gain to warrant such a scheme progressing.

The combined cost of the proposed WPD and BT Openreach schemes is presently estimated to be in the order of £211,000. The required level of contribution by this Authority in the sum of £24,054 equates to approximately 11.3% of that overall scheme cost. To make provision for any currently unforeseen circumstances your officers consider it prudent for the Authority to build in a further contingency of 10% taking the total budget for which approval is sought up to say £26,500.

### **Human Rights/Equality Issues**

No issues

### **Biodiversity Implications/Sustainability Appraisal**

No issues

### **Welsh Language Statement**

No issues

### **RECOMMENDATION**

**That Members endorse the opinion of your Officers as summarised above and authorise their ongoing work towards securing the delivery of an undergrounding scheme at Newport Parrog to include a financial contribution by the Authority towards the schemes cost up to maximum of £26,500.**