



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2021 – 2022

COUNCIL

26th MAY 2021

FINANCING OF THE 21ST CENTURY SCHOOLS CAPITAL PROGRAMME USING PRUDENTIAL BORROWING

REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES

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1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to seek Council approval:

- For a capital investment of £12.135M to increase the capacity and improve the educational facilities at Ysgol Gyfun Rhydywaun. The project will deliver a new teaching block on the school site incorporating 8 general classrooms, community rooms, new drama and music facilities, plus a sports hall, fitness suite and changing rooms.
- To finance the project through the Welsh Government's (WG) 21st Century Schools Band B grant, and to fund the Council's contribution from Council borrowing using its powers under the Prudential Code.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Agree to the inclusion in the capital programme of a new teaching block at Ysgol Gyfun Rhydywaun at a total cost of £12.135M.
- 2.2 Agree that the net capital cost to the Council of £4.247M is funded through borrowing, using the Council's powers under the Prudential Code, with the annual revenue cost of £0.159M being met from savings from previous school reorganisations.

3.0 BACKGROUND

- 3.1 Members will recall that at the meeting of the Cabinet on 20th September 2018 approval was given to develop and submit a 21st Century Schools Programme financial business case to the Welsh Government to increase the capacity of Ysgol

Gyfun Rhydywaun to meet the demand for Welsh medium school places.

- 3.2 An update was reported to Cabinet on 25th February 2021 outlining that the proposal has been through all the relevant business case stages in Welsh Government and an award of funding was imminent. This award of funding has now been received.
- 3.3 Cabinet reviewed the updated costs and funding package on 25th February 2021 and agreed that this report is presented to Council to approve the borrowing for the Council's contribution.

4.0 FINANCIAL DETAILS

- 4.1 The proposal to build an extension at Ysgol Gyfun Rhydywaun will cost an estimated £12.135M in capital investment.
- 4.2 The Council has successfully secured 21st Century Schools Band B grant to fund 65% of the eligible capital expenditure.
- 4.3 The total grant award is £7.888M and the Council's borrowing requirement is £4.247M. The annual revenue cost to repay this borrowing is £0.159M per year for 40 years. This can be funded from revenue savings accrued from previous 21st Century Schools schemes and other school reorganisations that have already been implemented.

5.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 5.1 The equality and diversity implications have been considered and reported as part of the proposals to improve the Education provision and there are no implications as a result of the recommendations in this report.

6.0 CONSULTATION

- 6.1 A formal school organisation consultation on the proposals to extend Ysgol Gyfun Rhydywaun was not required, as the increase in capacity is below the threshold at which a statutory consultation is necessary. There are no consultation requirements as a result of the recommendations in this report.

7.0 FINANCIAL IMPLICATION(S)

- 7.1 The financial implications are set out in the report; in summary this is to invest £12.135M of capital expenditure to build a new block at Ysgol Gyfun Rhydywaun. This will be funded by WG 21st Century Schools Band B grant of £7.888M, and £4.247M of borrowing to fund the Council's contribution. The repayment of this borrowing will cost £0.159M annually for 40 years, which will be funded from revenue savings already accrued.

8.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

8.1 The legal implications have been considered and reported as part of the proposals to improve the education provision.

8.2 The Council has the necessary powers to borrow money to fund expenditure under the Prudential Code.

9.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

9.1 The Council’s Corporate Plan commits to “Investing in new and replacement 21st Century Schools, whilst also meeting the demand for Welsh language provision throughout the County Borough.”

9.2 The financing of this commitment will enable the delivery of proposals that will contribute to all 7 well-being goals within the Future Generation (Wales) Act 2015 and due regard has been made to the Five Ways of Working, as contained within the Wellbeing of Future Generations (Wales) Act 2015. This is well documented in the Business Cases submitted to the Welsh Government

10.0 CONCLUSIONS

10.1 The investment in a new teaching block at Ysgol Gyfun Rhydywaun can be financed by Welsh Government’s 21st Century Schools Band B grant, and by borrowing for the Council’s contribution by the use of powers available under the Prudential Code.

LOCAL GOVERNMENT ACT 1972
AS AMENDED BY
THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
COUNCIL 26th MAY 2021

REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES

**Item: FINANCING OF THE 21ST CENTURY SCHOOLS CAPITAL PROGRAMME
USING PRUDENTIAL BORROWING**

Background Papers

Cabinet 20th September 2018:

[21st Century Schools Programme - Proposal to Improve Education Provision in Cynon Valley](#)

Cabinet 9th April 2019:

[Planning for Welsh Medium Education Places](#)

Cabinet 25th February 2021

[21st Century Schools Programme Update on the Proposals to improve Education Provision in the Cynon Valley](#)

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