



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

28th FEBRUARY 2022

SUSTAINABLE COMMUNITIES FOR LEARNING (FORMERLY 21ST CENTURY SCHOOLS) CAPITAL PROGRAMME – NEW WELSH MEDIUM PRIMARY SCHOOL IN RHYDYFELIN

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES IN DISCUSSION WITH THE LEADER OF THE COUNCIL, CLLR A MORGAN

Author: Barrie Davies, Director of Finance & Digital Services, (01443) 424026

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide an update regarding financing of the proposals to build a new Welsh medium primary school in Rhydyfelin.

2.0 RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Note the position, as set out in the report on the submission of a full business case to Welsh Government in respect of a new Welsh medium primary school in Rhydyfelin;
- 2.2 Review and agree the updated total costs and funding package for the school; and
- 2.3 Review, and if acceptable propose that the Prudential Borrowing report attached at Appendix A to the report is presented to Council on 9th March 2022.

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 To complete the funding package for the new school to enable works to commence in line with the programme.

4.0 BACKGROUND

- 4.1 Members will recall that at the meeting of the Cabinet on 17th June 2021 an update was given on the proposals to reorganise schools in the greater Pontypridd area.

- 4.2 These proposals include a new Welsh medium primary school in Rhydyfelin.
- 4.3 The indicative cost presented to Cabinet in June 2021 was £13M. Following this a revised Strategic Outline Programme (SOP) was submitted to Welsh Government (WG) to incorporate updates to the programme including a commitment to achieve net zero carbon schools. The revised estimated cost, incorporating price increases and additional costs to achieve a net zero carbon school is £14.183M.
- 4.4 The updated SOP was approved by WG in September 2021 and our funding envelope was increased to include, among other things, an increase to achieve net zero carbon schools. An update in respect of this was presented to Cabinet on 4th October 2021.
- 4.5 The final stage in obtaining a formal grant award for individual projects within our SOP is the submission, and subsequent approval, of a Full Business Case (FBC) to WG. The Outline Business Case (OBC) was approved by WG in August 2021 and approval to proceed to FBC was also granted.
- 4.6 The FBC was submitted to WG in January 2022. WG are fully aware of the increase in costs and have approved these via the SOP approval, however a formal grant award is subject to WG panel review. The panel met on 17th February 2022 and recommended approval to the Minister for Education and Welsh Language. The formal grant award is anticipated during March 2022, following Ministerial approval.
- 4.7 The funding arrangements for Sustainable Communities for Learning (formerly 21st Century Schools) Band B capital schemes are 65% WG grant and 35% from the Council's own resources. Based on estimated costs of £14.183M, the WG grant award will be £9.219M and the Council's contribution is £4.964M. It is proposed to fund the Council's contribution by the use of Prudential Borrowing. In order to complete the funding package to enable the scheme to progress, it is now necessary to seek Council approval for the borrowing.

5.0 EQUALITY & DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY

- 5.1 The equality and diversity implications have been considered and reported as part of the decision making process for a new Welsh medium primary school and there are no further implications as a result of the recommendations in this report.

6.0 WELSH LANGUAGE IMPLICATIONS

- 6.1 The Welsh language implications have been considered and reported as part of the decision making process for a new Welsh medium primary school and there are no further implications as a result of the recommendations in this report.

7.0 CONSULTATION

- 7.1 The necessary consultation process has been undertaken and reported as part of the decision making process for a new Welsh medium primary school in Rhydyfelin and there are no further consultation requirements as a result of the

recommendations in this report.

8.0 FINANCIAL IMPLICATIONS

8.1 The annual revenue cost to repay this borrowing (£4.964M) is £0.195M per year for 40 years. It is anticipated that the revenue repayments will commence in financial year 2024/25, therefore the costs will be included in the Council's Medium Term Financial Plan.

9.0 LEGAL IMPLICATIONS

9.1 There are no specific legal implications arising as a result of the recommendations set out in the report.

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

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

10.1 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."

10.2 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 Case submitted to the Welsh Government

11.0 CONCLUSIONS

11.1 The investment in a new Welsh medium primary school in Rhydyfelin can be financed by Welsh Government's Sustainable Communities for Learning Band B grant and by borrowing for the Council's contribution by the use of powers available under the Prudential Code.



Appendix A

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2021 – 2022

COUNCIL

9th MARCH 2022

FINANCING OF SUSTAINABLE COMMUNITIES FOR LEARNING (FORMERLY 21ST CENTURY SCHOOLS) CAPITAL PROGRAMME USING PRUDENTIAL BORROWING

REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES

Author: Barrie Davies, Director of Finance & Digital Services, (01443) 424026

1.0 PURPOSE OF REPORT

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

- For a capital investment of £14.183M for a new Welsh medium primary school in Rhydyfelin;
- To finance the project through the Welsh Government's (WG) Sustainable Communities for learning (formerly 21st Century Schools) Band B capital grant and to fund the Council's contribution from 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 Welsh medium primary school in Rhydyfelin at a total cost of £14.183M; and
- 2.2 Agree that the net capital cost to the Council of £4.964M is funded through borrowing, using the Council's powers under the Prudential Code, with the annual revenue cost of £0.195M being included in the Council's Medium Term Financial Plan.

3.0 BACKGROUND

- 3.1 An update on proposals to reorganise schools in the greater Pontypridd area was considered by Cabinet on 17th June 2021, which included a new Welsh medium

primary school in Rhydyfelin.

- 3.2 As reported to Cabinet on 28th February 2022, the proposal is now at the Full Business Case (FBC) stage with Welsh Government (WG), which has been recommended for Ministerial approval by the WG review panel, and a formal grant award is expected during March 2022.
- 3.3 Cabinet reviewed the updated costs and funding package and agreed that this report is presented to Council to approve the borrowing for the Council's contribution.
- 3.4 Whilst the formal award of funding in respect of this proposal is awaited following submission of the FBC, the proposal and updated costs have been approved by WG as part of an updated Strategic Outline Programme.
- 3.5 Contractual commitments and formal appointments of contractors will only be progressed once the formal WG grant award is received and accepted. However, in order to progress the scheme and complete the funding package it is necessary to seek Council approval for the Prudential Borrowing.

4.0 EQUALITY & DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY

- 4.1 The equality and diversity implications have been considered and reported as part of the decision making process for a new Welsh medium school and there are no further implications as a result of the recommendations in this report.

5.0 WELSH LANGUAGE IMPLICATIONS

- 5.1 The Welsh language implications have been considered and reported as part of the decision making process for a new Welsh medium primary school and there are no further implications as a result of the recommendation in this report.

6.0 CONSULTATION

- 6.1 The necessary consultation process has been undertaken and reported as part of the decision making process for a new Welsh medium primary school in Rhydyfelin and there are no further consultation requirements as a result of the recommendations in this report.

7.0 FINANCIAL IMPLICATIONS

- 7.1 The proposal to build a new Welsh medium primary school in Rhydyfelin will cost an estimated £14.183M in capital investment.
- 7.2 The funding arrangements for Sustainable Communities for Learning Band B capital schemes are 65% WG grant and 35% from the Council's own resources. Based on estimated costs of £14.183M, the WG grant award will be £9.219M and the Council's contribution is £4.964M funded through borrowing, using the Council's powers under the Prudential Code.

7.3 The annual revenue cost to repay this borrowing is £0.195M per year for 40 years. It is anticipated that the revenue repayments will commence in financial year 2024/25, therefore the costs will be included in the Council's Medium Term Financial Plan.

8.0 LEGAL IMPLICATIONS

8.1 There are no specific legal implications arising as a result of the recommendations in the report.

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 Case submitted to the Welsh Government

10.0 CONCLUSIONS

10.1 The investment in a new Welsh medium primary school in Rhydyfelin can be financed by Welsh Government's Sustainable Communities for Learning Band B capital 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 9th MARCH 2022

REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES

Item: FINANCING OF SUSTAINABLE COMMUNITIES FOR LEARNING (FORMERLY 21ST CENTURY SCHOOLS) CAPITAL PROGRAMME USING PRUDENTIAL BORROWING

Background Papers

Cabinet 3rd October 2018

[21st Century Schools Programme - Proposals to Improve Education Provision in the Greater Pontypridd Area](#)

Cabinet 18th July 2019

[21st Century Schools Programme - Proposals to Reorganise Primary Schools, Secondary Schools and Sixth Form Provision in the Greater Pontypridd Area](#)

Special Overview & Scrutiny Committee 31st July 2019

[21st Century Schools Programme - Proposals to Reorganise Primary Schools, Secondary Schools and Sixth Form Provision in the Greater Pontypridd Area](#)

Cabinet 17th June 2021

[21st Century Schools Programme - Proposals to Reorganise Primary Schools, Secondary Schools and Sixth Form Provision in the Greater Pontypridd Area](#)

Cabinet 4th October 2021

[21st Century Schools Programme - Band B Update](#)

Cabinet 28th February 2022

Sustainable Communities for Learning (Formerly 21st Century Schools) Capital Programme – New Welsh Medium Primary School in Rhydyfelin (Link pending publication of report)

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