



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

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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 £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

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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](#)

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