

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2014 - 2015**

**COUNCIL**

**25 JUNE 2014**

**Agenda Item No.11**

**FINANCING OF SCHOOLS USING  
PRUDENTIAL BORROWING**

**REPORT OF THE GROUP DIRECTOR CORPORATE SERVICES**

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**1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to seek Council's approval for the major capital works at Treorchy and Trerobart Primary Schools and Y Pant Comprehensive School at a capital cost of £28.45M, to be funded from 21<sup>st</sup> Century Schools grant (£13.475M) and through borrowing (£14.975M), using powers available under the Prudential Code.

**2. RECOMMENDATION**

It is recommended that Members:

- 2.1 Agree that the net cost to the Council of £14.975M is funded through borrowing, using the Council's powers under the Prudential Code, with the annual revenue cost of £0.813M being met from savings from this and other recent school closures and amalgamations.

**3. BACKGROUND**

- 3.1 On 28<sup>th</sup> January 2013 Cabinet agreed for Trerobart Primary School to be included in the Education and Lifelong Learning's Capital Programme.
- 3.1 Subsequently on the 13<sup>th</sup> May 2014 Cabinet agreed for Treorchy Primary School and Y Pant Comprehensive School to be included in the Education and Lifelong Learning's Capital Programme funded through the 21<sup>st</sup> Century Schools Programme.

3.2 It was agreed :

- To extend and refurbish the existing school at Treorchy Primary at a cost of £2.85M.
- Refurbish the existing school at Trerobart Primary at a cost of £1.5M.
- To extend and refurbish the existing school at Y Pant Comprehensive at a cost of £24.1M.

**4. FINANCIAL DETAILS**

- 4.1 In order to invest £28.45M in the three schools and to borrow £14.975M using the Prudential Code there would be an annual revenue cost estimated at £0.813M per year. The remainder of the costs will be funded from 21<sup>st</sup> Century Schools grant.

**5. CONCLUSION**

- 5.1 Commitment of monies in the capital programme to part fund the projects identified in this report needs to commence from the 2014/15 financial year to ensure that the 21<sup>st</sup> Century Schools Programme progresses in a timely manner and that monies secured from Welsh Government under the 21<sup>st</sup> Century Programme are appropriately match funded, as is a requirement of the grant.

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

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**REPORT OF THE GROUP DIRECTOR, CORPORATE SERVICES**

**Background Papers**

**Financing Schools Using Prudential Borrowing**

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