

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2015-16**

**COUNCIL**

**27<sup>th</sup> April 2016**

**Agenda Item No.8**

**FINANCING OF THE 21<sup>ST</sup> CENTURY  
SCHOOLS PROGRAMME USING  
PRUDENTIAL BORROWING**

**REPORT OF THE GROUP DIRECTOR CORPORATE AND FRONTLINE  
SERVICES**

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**1. PURPOSE OF THE REPORT**

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

- for a capital investment of £1.956m at Cymmer Infant and Junior schools; and
- to finance the refurbished school buildings through the Welsh Government's 21<sup>st</sup> Century Schools Programme (£0.978m) and from Council borrowing (£0.978m) using its powers under the Prudential Code.

**2. RECOMMENDATION**

It is recommended that Members:

- 2.1 Agree to the inclusion in the capital programme of the major capital works at Cymmer Infants and Junior schools at a total cost of £1.956m.
- 2.2 Agree that the net cost to the Council of £0.978m is funded through borrowing, using the Council's powers under the Prudential Code, with the annual revenue cost of £0.048m being met from savings from this and other recent school closures and amalgamations.

**3. BACKGROUND**

- 3.1 Members will recall that at the meeting of Cabinet on 19<sup>th</sup> January 2016 approval was given to implement the proposal to close Cymmer Infants' and Cymmer Junior Schools and open a new Community Primary School for

Cymmer, in existing buildings that would be refurbished and remodelled for this purpose. The new school will open on 1<sup>st</sup> September 2016.

**4. FINANCIAL DETAILS**

- 4.1 This proposal to create one primary school for Cymmer will realise annual revenue savings of £0.156M.
- 4.2 The Welsh Government 21<sup>st</sup> Century Schools Programme will fund 50% of the total cost of £1.956m, with the Council borrowing the balance of £0.978m using the Prudential Code to fund its share of the capital expenditure cost. There would be an annual revenue cost estimated at £0.048m per year for 40 years and these costs will be funded from the revenue savings arising from closing these and other recent school closures and amalgamations.

**5. CONCLUSION**

- 5.1 The Council's investment in new and refurbished schools in Cymmer can be financed by Welsh Government 21<sup>st</sup> Century Schools Programme funding and the Council's use of the Prudential Code, providing first class learning environments for over 258 students.

**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 AND FRONTLINE SERVICES**

**Background Papers**

**Financing of Schools Using Prudential Borrowing**

