

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2016-17**

**COMMITTEE:**

**COUNCIL**

**11<sup>th</sup> January 2017**

<b>AGENDA ITEM NO: 10</b>
<b>FINANCING OF THE 21<sup>ST</sup> CENTURY SCHOOLS PROGRAMME USING PRUDENTIAL BORROWING</b>

**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 £7.242M for a new Community Primary School in Cwmaman; and
- to finance the new school building through the Welsh Government's 21st Century Schools Programme (£3.621M) and from Council borrowing (£3.621M) 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 a new Community Primary School in Cwmaman at a total cost of £7.242M.
- 2.2 Agree that the net cost to the Council of £3.621M is funded through borrowing, using the Council's powers under the Prudential Code, with the annual revenue cost of £0.179M 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 2nd November 2016 approval was given to implement the proposal to close Cwmaman Infants and

Glynhafod Junior Schools and open a new Community Primary School for Cwmaman in a new school building that will be constructed for this purpose. The new school will open on 1st September 2018.

#### **4. FINANCIAL DETAILS**

- 4.1 This proposal to create a community primary school for Cwmaman will realise annual revenue savings of £0.162M.
- 4.2 The Welsh Government 21st Century Schools Programme will fund 50% of the total cost of £7.242M, with the Council borrowing the balance of £3.621M using the Prudential Code to fund its share of the capital expenditure cost. There would be an annual revenue cost estimated at £0.179M per year for 40 years with these costs being funded from the revenue savings accrued from this and other recent school closures and amalgamations.

#### **5. CONCLUSION**

- 5.1 The Council's investment for a new Community Primary School in Cwmaman can be financed by Welsh Government 21st Century Schools Programme funding and the Council's use of the Prudential Code, providing first class learning environments for 240 pupils.

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

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

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**COUNCIL**

**11<sup>TH</sup> JANUARY, 2017**

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

**Background Papers**

**Financing of Schools Using Prudential Borrowing**

