

**Board Meeting
21 December 2021
Borrowing to fund capital schemes**

Agenda Item Number:		12.2
Presented for:	Decision/Approval	
Report of:	Group Finance Director	
Author (s):	Head of Financial Accounts	
Report History:	NONE.	
Publication Under Freedom of Information Act:	This paper can be made available under the Freedom of Information Act 2000 if requested.	
Links to HIF's Objectives		
Deliver an efficient and effective service offering to Harrogate and District Foundation Trust		√
Create strong sustainable partnerships		
Develop sustainable organisational systems		
Develop and maintain a strong, efficient and agile workforce		
Strengthen the local community through collaboration		

Recommendation:
The Board is asked to approve the attached loan agreement.

Harrogate Integrated Facilities Board Meeting

21 December 2021

Borrowing to fund [REDACTED] capital schemes to maintain and improve the operated healthcare facility.

1.0 Executive Summary

- 1.1 HDFT was successful in being awarded two grants during financial year 2020/21 from the Department for Business, Energy and Industrial Strategy (BEIS) via [REDACTED]. One grant being [REDACTED] the other being [REDACTED] therefore totalling [REDACTED]. The purpose of these grants is to undertake a number of schemes/initiatives to reduce the Carbon Footprint of the Harrogate District Hospital site. Including but not limited to the installation of double glazed windows in some areas, Solar Panel technology, replacements roofs and Ground Source Heating for example.
- 1.2 Harrogate Integrated Facilities (HIF) has been commissioned by HDFT to carry out the work required together with its partner [REDACTED] from the [REDACTED]. The project has a timeline for delivery of 31 March 2022 and is being managed by a nominated project board.
- 1.3 The Board are asked to note the attached loan agreement between HDFT (Lender) and HIF (Borrower), the proposed facility is for [REDACTED] and can be drawn down as required during the Availability Period (until 31 December 2022). The Availability Period allows time for any slippage on the project taking into consideration delays being experienced in the building sector. The wording of the loan agreement is very much the same as previously approved loans between HDFT and HIF (with the exception that this loan has a 15 year term).

2.0 Background

- 2.1 HIF commenced trading on the 1 March 2018 and was funded initially by HDFT via a 50/50 split of equity and debt totalling [REDACTED]. To date HIF have maintained repayments on the [REDACTED] working capital facility element of the funding and the balance of this facility as at the 30 November 2021 is [REDACTED].
- 2.2 During December 2020 HIF and HDFT entered into a loan agreement of [REDACTED] to fund a number of capital schemes. The [REDACTED] loan has now been fully utilised with the first repayment due September 2022.
- 2.3 The capital spend to date on the [REDACTED] Schemes is approximately [REDACTED] and this has been funded by HIF cash reserves and the prepayment of the monthly contract payments.

3.0 Recommendation

- 3.1 The Board is asked to approve the proposed loan facility as the "Borrower". This agreement has been presented to the HDFT Resource Committee (on behalf of the HDFT Board) on 20th December as the "Lender" for approval.

4.0 Supporting Information

4.1 The following paper make up this report:

- Loan Agreement HDFT and HHFM Ltd