

## **Appendix 1 - Justification of loan drawdown by NMITE**

### **Requirement**

The business justification is for a drawdown of funds against the loan agreed by Herefordshire Council on 4<sup>th</sup> July 2017. The terms of the drawdown are as per the Herefordshire Council – NMITE Loan Agreement dated 11<sup>th</sup> July (“Loan Agreement”):

### **Loan Agreement (July 2017)**

**Name of the lender ('Lender'):** The County of Herefordshire District Council

**Name of the Borrower ('Borrower')** New Model in Technology & Engineering

The conditions of the drawdown are as specified in the Loan Agreement together with additional conditions listed below.

The requirement is for a drawdown of £300,000 which is needed to contribute to the implementation of key priorities from the schedule of Campus Development tasks December 2017 to July 2018.

Priority 1: The priorities is acquisition and adaptation of 6a St. Peters Street and ground floor Offa Court, Hereford – identified as suitable for early teaching and administration space; city centre location; high profile and high priority.

Priority 2: Investigations into the potential to develop Gaol Street.

Priority 3: Developing the teaching and living space specifications to be applied to all property developments.

Priority 4: Establishment of a strategic vision and creation of a masterplan – engaging with the community and key stakeholders.

### **Details of drawdown**

All expenditure included is for capital items and are exclusive of VAT. The breakdown of applications for the drawdown is shown categorised according to their contribution to priorities.

**SELECTED NMITE CAMPUS DEVELOPMENT CAPITAL COSTS December 2017 to July 2018**

	2017/18 December - March Qtr 4	2018/19 April - July Qtr 1	Total
<b>Priority 1 - Adaptations and Fitting Out of 6A St Peters Square/1B Offa Street</b>			
Adaptation Works 6A St Peters Square/1B Offa Street	20,833		<b>20,833</b>
Professional Fees related to the acquisition of 6A St Peters Square/1B Offa Street	8,333		<b>8,333</b>
WiFi Connectivity at 6A St Peters Square/1B Offa Street	8,333		<b>8,333</b>
Teaching equipment for 25 students & 2 staff		79,167	<b>79,167</b>
PCs/Printers/Software	12,500	20,833	<b>33,333</b>
<b>Priority 2 - Investigations into potential development of Gaol Street Car Park</b>			
Preliminary Archaeological Surveys	4,167		<b>4,167</b>
Further Archaeological/Environmental/Flood Risk/Transport/Geotechnical/Utility	37,500	25,000	<b>62,500</b>
<b>Priority 3 - Teaching &amp; Living Space Review</b>			
Specification - Teaching Space	20,833		<b>20,833</b>
Specification - College	20,833		<b>20,833</b>
<b>Priority 4 - Establishment of Creative Vision and Masterplan</b>			
Contribution to Hereford as a University City Masterplan		41,667	<b>41,667</b>
	<b>133,333</b>	<b>166,667</b>	<b>300,000</b>

**Proposed drawdown regime**

To ensure the project is delivered on time it will be necessary for the loan to be drawn down in full by 12 July 2017. NMiTE requires that funds should be deposited before procurement can commence.

**Repayment regime**

Repayment will be in accordance with the Loan Agreement.

Interest will accrue until 30<sup>th</sup> April 2018 (anticipated completion date of the adaption works). Thereafter interest will be paid monthly on the outstanding debt with the repayment of the entirety of the interest and the principal by 31<sup>st</sup> March 2021 (when NMiTE expect to receive funding from the LEP).

**For NMiTE****For Herefordshire Council****Signed:****Prof Janusz Kozinski Chief Executive****David Sheppard, Director****Date:****Date:**