

Prima Group

Demerger and merger

Prima Group is a new housing group formed through the merger of Pierhead Housing Association and Leasowe Community Homes. The latter association was a subsidiary of Your Housing Group (YHG).

Objective

To establish a business case for Leasowe Community Homes to leave YHG, find a suitable partner and support the demerger and new merger.

What we did

We started the process off by advising the board of Leasowe Community Homes, with the support of YHG. The process saw DTP performing detailed financial modelling to determine how Leasowe Community Homes' business plan might look were it to separate from YHG.

A number of significant challenges were found to present potential problems, but these were eventually overcome through detailed engagement with YHG itself, the association's funders and The Pensions Trust.

Having satisfied YHG that the association had a potentially viable future, with a partner, outside the group, through the provision of a viable business case, YHG agreed that Leasowe Community Homes could approach other organisations, with a view to finding a suitable merger partner, with whom to develop a detailed business case for merger.



A process was developed for this purpose and the board of Leasowe Community Homes was able to make an informed judgement about the most suitable partner, with DTP's technical advice and support.

Once the partner, Pierhead Housing Association, was selected, a process was established for managing the process, engaging with all key stakeholders, including YHG, the regulator, the local authority, residents and staff.

DTP provided project management support and detailed advice on governance, financial planning and on all funding related matters. The process involved project meetings, overseeing the project plan for merger, transitional planning and risk management.

The whole process was achieved against a tight deadline, but great teamwork from all involved (YHG, Leasowe Community Homes and Pierhead Housing Association) ensured that everything was achieved.

What we achieved

The merger took place on 1 April 2017 and the new organisation, Prima Group, has a sound footing, both in terms of governance and of financial viability.

The regulator has been closely involved throughout the process and the funders for the new organisation have all been very helpful, positive and supportive.

DTP were instrumental in ensuring the de-merger, re-merger happened within tight timescales, effectively managing the project on time and within agreed budgets and at times, successfully acted as problem solvers and mediators whenever an impasse was reached by all parties concerned. I wouldn't hesitate to recommend DTP to other associations.

John Ghader, Group Chief Executive