

Case Study

DTP

Bernicia

Restructuring

Bernicia is based in the North East with two divisions, Bernicia Homes and Bernicia Commercial. It owns and manages 14,000 properties.

BERNICIA

Objective

DTP was asked, following Bernicia's merger with Four Housing Group in 2017, to support it to simplify its legal structure by collapsing each individual entity into one association and streamlining associated funding arrangements for the group.

What we did

We were able to make significant savings from simplifying the loan portfolio and using cash resources to reduce net debt. Loan facilities with all of Bernicia's borrowers were renegotiated at minimal cost. This freed up capacity in financial covenants to give greater overall financial

robustness, allowing the repayment of some loans and conversion of others to more flexible Revolving Credit facilities, and maximising the efficient use of loan security.

What we achieved

The overall result was a more robust business plan, (with improvements of around £25m) which showed considerable savings and greater freedom to exploit Bernicia's financial strength and to deliver more of its corporate objectives. Alongside this, we have provided advice on governance arrangements, corporate strategy development and policy harmonisation. DTP's continued advice and support has ensured that Bernicia is in an excellent position to achieve its future purpose.

The team at DTP were always on hand to support us, providing advice and guidance that allowed us to navigate group simplification with relative ease. Their knowledge and expertise, on what can be a complex subject, was exceptional. Their further support on matters such as governance, policy and harmonisation has allowed us to challenge how we do things.

Mike Axe, Executive Director, Finance and Corporate Services

A different perspective