

# Case Study

## Loreburn Housing Association

DTP

### New funding

Loreburn Housing Association owns and manages around 2,500 properties in the Dumfries and Galloway area. In 2017 DTP were appointed to advise and support LHA in the arrangement of £20m of new funding.



### Objective

Loreburn was looking to arrange £20m of new loans to ensure they have sufficient resources to meet the growth ambitions of the Association. At the same time the opportunity was taken to deal with some of the issues with the existing loan portfolio that were now becoming a constraint on their growth ambitions. This involved renegotiating the terms of some existing loan facilities.

### What we did

DTP undertook a review of the funding capacity. This clearly indicated that capacity existed to borrow and service additional debt although due to restrictions in the

existing loans it meant that existing loans either had to be renegotiated or repaid in order to maximise capacity.

A strategy was formulated to deal with the restrictive covenants in the existing loan agreements alongside the arrangement of the new funding and a tender process was organised to identify new funders to provide the required £20m.

### What we achieved

Loreburn increased their capacity by re-negotiating covenants with existing funders at the same time as agreeing a new £20m revolving credit facility with RBS. This ensured that the Association now has access to facilities to support its aspiration of delivering 226 units in the period between now and 2020.

*DTP were pivotal in providing expert advice and support before and during the tender stage, in particular Sue and Adrian were on hand to ensure the process was dealt with efficiently, whilst delivering value for money. The Management Committee were reassured that by having DTP on board, that key issues would be highlighted and risks assessed appropriately.*

**Alison Anderson, Director of Finance and Corporate Services**

A different perspective