



World-Class
Belfast

John McLean, OBE
Radius Housing



Engineering success

“I am a chartered engineer and I’ve worked in oil and gas and the electricity utility sectors, overseas and at home. I’ve spent much of my earlier career on business in the Middle East, Far East and South America, and particularly working on installations and infrastructure projects. I then moved back to Northern Ireland to work for the local electricity utility company, Viridian, focusing on unregulated contract work. And then the next natural progression was to move into social housing.”

John McLean, CEO of Radius Housing explains how he came to head Northern Ireland’s largest social housing organisation. He’s clearly well-travelled, calm and urbane and has the gentlest of smiles on his face as he utters the words ‘natural progression’ with transposable skills that mean he remains calm and level headed in the midst of an almighty challenge.

“What I found very attractive about the post was the diversity of the role, the challenges and our people. We target starting between 300–400 new homes each year, and maybe have a similar number being built at any time. We employ 1,000 staff and we also spend between £20m–£25m each year on our existing stock, so we’ve got a substantial asset management business too.

“As a social housing provider, we must balance the public sector requirements of regulation, visibility and transparency, and all sorts of EU procurement regulations with good business acumen. That’s only made possible by having really good people in the business. Some have come from different parts of the private sector like myself. This combined with highly experienced individuals from the public sector from Housing and Health.

“Social enterprises like ours can really make a difference across, I believe, almost any aspect of the economy. Sure, we exist to make a surplus or profit, but that gets reinvested straight back into our business. The bottom line is to maximise the return so we can then do more with our resources. And we’ve been getting better at that.”

McLean had previously been Chief Executive of Fold, one of the two social housing entities to merge in 2017 to form Radius.

“Our legacy firms operated in two related but distinct parts of the sector. One was synonymous with housing for older people, the other more so with singles and families. The combination has allowed everyone to think bigger, to play bigger. As an organisation, I felt we (at Fold) were performing at a near optimal level in terms of our efficiency and the things we were doing process wise. But to move it to the next stage, we needed greater economies of scale.

“The bringing together of the two organisations through a successful merger meant that we had, first of all, some very innovative people from either side of the merger. And we were able to combine that on the Board as much as in our management teams and in our staff.

“Suddenly, we could move it up a gear in terms of things like private finance. Pre-merger, we possibly could have done the bond issue but it would have been less attractive to the investors. We were the first to come out of Ireland to do this and we were 300% oversubscribed. I’ve no doubt when we go back again, as we will do in future, that that figure will be higher as people have more confidence and knowledge of our sector and our organisation.”

What has Radius been able to achieve as a result of merger?

“Our new economies of scale mean that we have been able to invest in things like technology. Modern organisations need to be clear on their digital strategies and the needs of their customers. We would have invested in technology regardless of the merger, but it would have taken us longer and probably would have happened in a more disparate way. We’re currently developing a call centre type support unit for our customers including investing in a CRM system.

“The scale of the merged business also means we may be able to attract talent. If people who work in IT or HR can see career progression with us, then they’re more likely to want to work here. That’s really important when it comes to try and retain good people and to bring new blood into the organisation. It’s even more essential in some roles – like IT – where the talent is constantly being drawn to major cyber companies. I believe that being a values-driven organisation, having a purpose and a role in literally building a better community is part of what attracts and retains great people.”

Has the Bond issue has paved the way for growth?

“Radius’s growth plans are part through merger and part organic. We want to reduce poverty across Northern Ireland by maximising our new-build programme. There is a record need for new eco-friendly homes and our target is to deliver between 300–400 new starts every year. Our bond issue will help fund up to 2,000 new starts over the next 4 years. Such were the favourable terms we secured we can also reduce our borrowing costs on historical deals. Our treasury strategy is a key enabler to us delivering on our objects.”

It’s unspoken, but McLean has clearly been a driving force of bringing the communities from the two legacy organisations together.

How did the merger work?

“Pre-merger, the truth is the actual values of both businesses were very similar, very aligned. But their focuses were probably slightly different. Fold would have traditionally had more of a focus on older people’s support services in Northern Ireland. Helm more so on families and singles. When you put the two businesses together, they actually complement each other very well and give us a really good regional representation, and the ability to articulate tenant needs and concerns to decision makers like politicians.”

And that’s when we turn to the external communities and how this social enterprise is influencing change beyond its people and its customers.

“Our lobbying activities on behalf of our tenants are really important right now. Welfare reform is biting hard, so we work hard to make sure that we’re a leading organisation that politicians think of when considering their policies and their mandates. We are seeking to educate the various people involved based on our deep understanding of our sector and our communities and our practical insight into tenant experiences. We’ve definitely had some successes when it comes to being heard on welfare reforms and in mitigating the bedroom tax.”

He has quite the portfolio of issues on his desk....

“That’s what makes this an exciting sector. There’s always something that needs attention from development and all that’s going on with supply issues. We’re also at the beginning of a long journey with ministers on issues such as capacity within the Northern Ireland utilities sector which inhibit developments. On the community side, we’re working on behalf of tenants to show the true impact of some welfare reforms. In recent years we played our part in highlighting the need to maintain direct payment of rent to landlords. Together we managed to secure local concessions on direct payments and bedroom tax mitigation, issues which positively impacted on our Moody’s rating.

Where did this ability to cope with most things come from?

“It’s hard to sometimes put into words, but when you’ve been through certain situations, I think that you just learn how to cope. I remember that one of my first jobs, I was sent to Saudi Arabia to build a particular installation. You had to basically, make sure everything was in the container. There was no B&Q in Saudi Arabia back then and no mobile phones! So if you didn’t have the right bolt or spanner or the piece of equipment – and we’re talking about, you know, maybe 10 or 20 containers full of equipment here – then you really were in a difficult position. As the project manager you were in charge of it. And if you didn’t have something you needed, you had to learn how to improvise. You store these things up and I guess it all feeds into your life experience.

“So then when you’re maybe sitting in a situation, that might be a difficult social issue in Belfast or another local community, that prior experience sort of shapes your decision making and gives you skills that maybe you don’t need every day, but when you need them, they’re there and you fall back on them. And I think, therefore, it maybe gives you the resourcefulness to see solutions rather than problems.

Are there any downsides to his engineering background and his working method?

“I think, I can be a bit more circumspect in terms of how I will review situations. I tend to approach things in a sort of a semi logical approach, and that’s possibly to the frustration of others sometimes, but I tend to want to walk through things in a way that says, here’s how we ended up in that logical situation.

“I’m not given to spontaneous decision making for the sake of it and I have an eye on what people call precedent consequence. You’ve got to be able to think reasonably quickly, but logically, and, importantly, within the context and requirements of a regulated environment. In our sector, good governance is essential. One must remember the role of Boards and the need for us all to demonstrate the key principles of accountability and transparency.

“There will be times when you do need to think fast and deeply and have the brass enough to stand up to the system and say, ‘We will do what’s right to protect our tenants and staff.’ Let’s just say that the experience I’ve had in other sectors, I think stands me in good stead.”

Where did this Apollo 13-esque mindset of just ‘working the problem’ come from?

“In my younger days, sitting on the other side of the world, we didn’t have mobile phones and when desks closed at 5pm back in the UK, you simply had to make decisions. I’ve no doubt this made us more self-sufficient and in-charge. We probably had more forgiving bosses then! There’s something in the Northern Irish spirit or mentality of ‘We’ve got to make the most of what we’ve got’. I do recall one incident 25+ years ago – during our darker past – while manning a stand at an international trade event in Saudi trying to promote the brand of Northern Ireland when it was really tough. I’ve got too many stories about how it went poorly, but from that period, I do think that we ended up with resourceful, entrepreneurial, resilient people. So when you come to challenges like the pandemic, I think there’s depths and strength of character that people can reach into that which stand us in good stead.”

Does he think that there’s a group of these entrepreneurs returning to Northern Ireland now?

“Years ago, many of our young folk went away to GB universities, and some of them came back and some of them went on to greater things. But equally, some never left and they spent their lives here. And I think, I think a mixture of the two is actually really good.

“The worst thing you can have is an incestuous learning and working environment where they all go to local universities, and we just keep doing the same things we always did. We need to bring in people that will help us all hone our skills and expand our minds a bit. It’s easy to think that that happens with professional people, but it can also happen in the construction sector.

“People who were forced to go away post 2008 due to the lack of local opportunities came back having worked on the 2012 Olympics in London. You don’t want a total brain or skills drain, nor do you want to remain insular. I say that the people coming back to Northern Ireland, with their ingenuity, and their different ideas mix well with the really good people that are already here, and we’re all better for it.

“Over the last couple of weeks one of our development managers has just returned from London, having spent quite a few years there. And I think she’s going to bring a new dimension to our team. We’ve found that when Fold and Helm came together, that the third aspect was the breath of fresh air which came when new people joined the new organisation.

How does that look to others overseas?

“It was essential to have this kind of outward looking mindset when it came to getting the bond issue. We brought Moody’s over to do our rating and they gave us an A1 stable rating, which actually is the highest given to any other GB Housing Association. Their view was that we had a real clarity of vision for the organisation, and that our profitability was quite high given the diverse areas that we were covering. They also praised our regulators and suggested that they were even more supportive than their GB equivalents. They liked the fact that we have a strong relationship with our regulator and were in a regular dialogue with them. Finally, they looked closely at how we were likely to cope with Brexit and they felt that we had some very good contingency plans in place which gave them a lot of comfort. Combined, those elements meant we were able to get a rating which enabled us to go to London and to the US to meet investors with some confidence.

“We believe that we were the first Irish social enterprise, certainly the first Irish housing association, to go for a private placement. But even within the GB group of associations, there’s not that many housing associations have gone for investment in this form.

Why does he believe it was a success when it comes to the funding?

“We were extremely passionate in how we presented the organisation and what it is trying to achieve. We were very, very transparent, about your plans, and they liked the clarity and simplicity of our model which is, in the eyes of the investors, significantly lower risk. I think they also found it refreshing that we went ourselves and we know our business inside out and we were able to answer their questions there and then. We didn’t have some big agency fronting it up – it was the people who work here.”

And now we’re done and McLean has things to attend to. From the streets of Belfast to Wall Street via Saudi Arabia and Hong Kong, McLean is where he’s always been: at the thick of the action, fronting it up.



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