

Man with a plan

The Housing Corporation's director of resources Peter Marsh is responsible for the regulator's annual £1.7 billion funding programme. **Kate Allen** talks to him about future financing and next year's comprehensive spending review



Peter Marsh's CV

- 2005 on – Housing Corporation, director of resources
- 2000/4 – City and Islington College, deputy principal in charge of finance and corporate planning
- 1997/9 – Gateshead College, rising from finance manager to deputy principal in charge of finance and corporate development
- 1996/7 – KPMG Newcastle, assistant manager
- 1992/6 – Audit Commission, Gateshead, rising from graduate trainee to senior auditor
- 1990/1 – University of Newcastle, students' union vice president in charge of finance

Peter Marsh is the epitome of a technocrat. As one of a group of bright young things brought to the Housing Corporation by its ambitious chief executive Jon Rouse, he blends in better in the airy corridors of government departments than on the housing estates he funds. Yet Mr Marsh can claim to feel at home on those estates. He was born on one, the Oakridge in Basingstoke, where the corporation recently funded a large regeneration programme.

His background isn't what brought him to work in the housing sector however; it was his experience of student politics while at university (see box) that first attracted him to the public sector. 'I spent a year on sabbatical with the students' union and I underwent a damascene conversion from politics to public administration,' he recalls.

Housing wasn't his first love. After stints at the Audit Commission and KPMG he went into the further education sector. 'It's one place where people can transform their lives, especially if school taught them about failure, which is a lot of people's experience,' he says.

Overlapping boundaries

He also encountered ambitious building plans that included housing development, and thus the Housing Corporation. 'There's a close correlation between what further education colleges try to do unlocking individuals' potential and what the corporation tries to do by unlocking the social capital of communities. I live in Hackney and you can't live somewhere like that without realising what a critical life determinant access to decent housing is.'

His role as director of resources involves managing IT, human resources and corporate development as well as the corporation's spending programme. He is currently tied up in final negotiations with the Office of the Deputy Prime Minister before it announces the 2006/8 funding round in March. Beyond that his goal is to shape the sector sufficiently to maximise the impact of its shot at Chancellor Gordon Brown's 2007 comprehensive spending review.

'There's a challenge for us to see how far we can continue to raise our game,' he explains. 'We're not saying the sector hasn't already raised its game, as will be revealed in March. It's a question of how we can stretch things even further and think outside the box to do more with what we've got.'

It's about positioning the sector as 'agents of choice' to deliver the government's demanding house building, regeneration and communities agenda, he says. Obviously efficiencies are vital in this; they demonstrate that the sector can be trusted to spend its funding wisely. Housing associations are doing well at delivering their efficiency targets, Mr Marsh says. But winning the Chancellor's trust in what will be an extremely competitive spending review requires more. The sector must show it is not only willing but eager to change, he argues. And that means blurring the boundaries between housing associations and private developers.

'It's about doing more for the same money but it's also about thinking about how we can do things differently,' he says. 'The extent to which some housing associations

choose to play a bigger role in the market sale area in the creation of mixed communities, and what knock-on [effect] that has in terms of the potential to realise land values, is something a number of big associations are already thinking about. If those considerations allow us to level more value out of our grant then we should pursue them.'

Social landlords needn't be anxious, Mr Marsh reassures. Big housing associations already have more in common with big developers than they do with small landlords in many respects. Further steps into market home sales are merely an evolution. 'There are unique things that housing associations have in their history and they are fundamentally a different type of organisation to a private developer. Is there any reason why such an organisation can't do more of the things private developers do? No, subject to it not undermining their philosophy and prime reason for existing.'

The corporation isn't just waiting for this evolution to happen, though. It has taken the radical step of opening social housing grant up to private developers, blurring the divides still further. The winners of a pilot round of funding were announced in January and the winning bids for a full programme are expected in March. This timescale implies there won't be enough time for any lessons from the pilot to be implemented. But Mr Marsh disagrees: 'I think it will be evident the pilot has contributed substantially to the opening of the market and probably to improvements in the efficiency of both RSLs' and developers' bids as a result.'

Future developments

He admits, however, that there are further things to be learned. He's clear that the corporation needs to better understand how private developers work in order to get maximum value from the programme. 'We need to do a piece of work after we've announced the bidding round to examine further the differences and share practice across both sectors.'

Housing associations shouldn't feel aggrieved at this, he adds. 'We will only invest public money in things that make the best sense for the public purse. It's not a monopoly.'

The corporation has offered associations some reassurance through longer term funding allocations for key strategic development sites. This will increase landlords' ability to deliver new homes, Mr Marsh says. 'Slippage on major housing schemes is well-known in terms of the risks associated with planning. This will help them acquire land over a longer period, enter planning applications and appoint contractors with greater certainty.'

This may go some way towards addressing the major planning system bureaucracy and delays which housing developers say they currently face. Corporation board member Kate Barker is now working on a report on further measures which could alleviate the problem. But will all this be enough to deliver the kind of results that the Treasury will expect to see in 2007? Mr Marsh must hope it will – so that he can help to land an impressive funding deal to secure the sector's future.