

Business Plan

2010 - 13



PEABODY

Foreword

Two fundamental principles underpin Peabody's business plan. The first is the belief that customers are at the heart of all we do. The second is that our financial strength must be sustained and used to improve services and grow. These principles drive our business priorities.

Customers tell us every day what they want us to do better – get the basics right. It's their top priority, and it's ours too. Whether it's attending to a repair or dealing with a noisy neighbour they want us to listen, understand, handle their problem effectively and keep our promises and commitments. Our customer satisfaction scores are improving steadily, but we need to do even better to keep pace with customers' expectations.

We are a financially sound organisation with capacity for growth. The strength of our financial position was validated by the Tenant Services Authority in their very positive annual viability report published late last year. Not only are we on track to complete the Decent Homes programme but we have ambitious plans to develop badly needed new homes. We will use our capacity to take advantage of growth opportunities when these are in Peabody's long term interests.

We have bold plans for the next three years and are particularly excited about our 21st Century Peabody work that was launched in December 2009. It sets out our vision for exemplary Peabody communities into the future. Predictably, it is about providing 21st century homes that meet the needs of current and future generations. But it's also about much more than that. It's about tackling problems of deprivation, low skills and worklessness, and creating sustainable and vibrant communities that are truly integrated into their surroundings.

We recognise that these challenges can only be achieved by working in partnership. Therefore, I would welcome your thoughts, comments and the opportunity to work together in the future. Please get in touch.



Stephen Howlett, Chief Executive
April 2010

What we are here to do

We are continuously investing in and modernising our services, and bringing the perceptions of the organisation in line with the breadth of the work we do. As part of this we have created a powerful mission built on George Peabody's ambition to provide disadvantaged people with the opportunities they need to live a good life.

Founded in 1862 as the Peabody Donation Fund, we are now one of London's oldest and largest charitable housing associations with over 17,500 properties across the capital. We work with government and a whole range of voluntary, private and public sector partners to bring services to our customers and others in communities where we work.

Though times have changed since George Peabody's day, his beliefs still prevail at the heart of everything we do as captured in our mission statement:

We make London a city of opportunity for all by ensuring as many people as possible have a good home, a real sense of purpose and a strong feeling of belonging.

A good home: a place that is safe, warm, clean, light, well maintained and evokes personal pride.

A real sense of purpose: regular endeavour through work, learning, caring for others, personal development or volunteering. Pursuits that people look forward to because it makes them feel valued.

A strong feeling of belonging: active involvement in the neighbourhood and the spirit of togetherness and friendliness that goes with it.

These three things are what we want Peabody to be famous for.

The world around us

The UK economy has now just emerged from a prolonged recession. Whilst there are some signs of recovery and renewed growth, the pace of recovery is expected to be slow. Growth of 1-1.5% is expected in 2010/11, followed by 3.5% in the next two years. Public borrowing has reached record levels and cuts in public spending are forecast from 2011.

The housing market has been severely impacted by the economic downturn. New build programmes have slowed. Funds have become scarcer and more expensive. The social housing model, reliant upon cross-subsidy and s106 arrangements, has not withstood these pressures. Whilst there are signs of stabilisation, this has jeopardised the government's house-building ambitions and raised questions about how new homes should be funded and delivered into the future.

With rising unemployment and fluctuations in rents (through Retail Price Index volatility), economic conditions create an uncertain environment for our residents and customers throughout the plan period.

This environment also presents opportunities for financially strong and well managed housing providers. We must ensure we are cost effective, lean and offer good value for money to free up further resources.

The Tenant Services Authority has launched its new regulatory framework for the sector, based around a system of 'co-regulation'. As well as adhering to national standards in certain areas, this requires providers to set local standards that reflect the priorities of local communities by April 2011.

National and local elections will take place in the first half of 2010 and this will impact on our policy and stakeholder landscape. The London housing agenda will continue to be led by Mayor Boris Johnson, and his housing strategy was published in 2010.

This sets a challenging target of delivering at least 50,000 affordable homes, including 30,000 social rented between 2008 and 2012. Greater prominence and power is given to local authorities, with a move towards a model of 'delegated delivery' for housing investment from April 2011. This would involve voluntary agreements with boroughs to give them more responsibility for local delivery, in return for agreement on key aims with the Mayor and the Homes and Communities Agency.

This places increased importance on our strategic and operational relationships. London faces a changing demographic profile. Its population will stretch between growing numbers of younger and older people, communities will become more diverse and the number of single person households will increase.

With ambitious targets for reducing carbon emissions, the desire for greener homes through environmental improvements or retrofitting, will continue to feature strongly in national and regional policy.

Our objectives

This plan builds on the 2009/12 plan. It also responds to the recommendations received in our Audit Commission Short Notice Inspection in December 2009.

Our four core business objectives are:

- provide great services and quality homes;
- build thriving communities;
- achieve influential growth; and
- achieve business excellence.

Our measures of success in delivering these objectives are set throughout the plan.

Provide great services and quality homes

Customers want us to be great at the basics, and that's what we want too. One of the ways we are going to this is to improve our responsive maintenance service in 2010/11. Work also began in 2009/10 to provide an effective and integrated approach to neighbourhood management. What is now different is we have redefined the role of the neighbourhood manager to focus on: identifying and agreeing local priorities with customers; improving access through the establishment of three regional hubs; and strengthening our approach to dealing with anti-social behaviour. This strategy continues to be at the centre of our approach to improving services for customers. All of this is underpinned by an efficient and effective customer contact centre and improved communication.

We are committed to providing tailored services shaped around customers' needs and refining our use of customer profiling and intelligence data.

Our Decent Homes Standard obligations will be met by December 2010. A fully integrated asset management strategy and long term investment programmes will ensure we continue to meet or exceed this standard. We remain committed to addressing the challenges presented by climate and environmental changes.

Goal 1: Be great at the basics and deliver excellent customer service.

Customers are telling us their experience of Peabody service is getting better. Nevertheless, we know there is more to do before we can confidently say that all our customers are very satisfied. Our vision is for an accessible Peabody that gives, through a Customer Excellence framework, confidence and optimism about the services provided. Our approach will utilise profiling data and insights into customer needs to drive service improvements. We will continue to adopt a customer centred approach to process reviews, for example customer journey mapping, and place emphasis on improving resident communication.

Our delivery plans	Delivery date	Measure of success
Implement and bed in the new responsive repairs contract	31.03.2011	- 80% resident satisfaction with the last repair - 80% of repairs fixed first time - 95% repairs appointments kept
Build on Investors in People and Customer First to develop a customer excellence framework that achieves external accreditation for the quality of our customer service	31.03.2012	- 76% resident satisfaction with the overall service - 91% of all complaints resolved at Stage 1 - 80% resident satisfaction with Peabody Direct service

Goal 2: Involve customers in designing, tailoring, monitoring and evaluating services.

What customers have to say about the quality and breadth of our services is important to us. During 2008/9 we refreshed our Customer Involvement Strategy. This enabled over 1,900 customers from diverse groups to influence and shape services during 2009. Working from a position of strength, we are committed to having effective communication with our customers and having a greater understanding of our customers' experience of the service we provide. This will enable us to shape services and develop local standards and management models to meet their needs and aspirations.

Our delivery plans	Delivery date	Measure of success
Develop and strengthen the contribution and skills of involved customers so they provide an effective challenge to Peabody at both a corporate and local level	31.03.2013	- 75% of customers satisfied that Peabody takes their views into account
Pilot the Tenant Management Model	31.03.2011	- Extent of resident support for the model

Goal 3: Provide great homes that are sustainable, safe and green

We know we have a huge responsibility to take care of iconic buildings, many of which have been part of the London skyline for nearly 150 years. These are also places where people make their homes and live their lives. Our duty is to seek ways to improve the quality of life for customers, by providing comfortable homes and attractive communal spaces where people want to live. These provide the foundations to support successful communities and neighbourhoods.

Our delivery plans	Delivery date	Measure of success
Provide appropriate homes of a good standard	31.03.2010	- 100% of qualifying homes meet Decent Homes Standard (excluding planned redevelopment)
Tackle overcrowding and under occupation	31.03.2013	- 10% reduction in the number of overcrowded homes.
Deliver green, sustainable, environmentally friendly and safe homes	31.03.2013	- average SAP rating of 65.5% for all general needs stock - 100% of properties with a valid gas safety certificate

Build thriving communities

Through direct delivery and working extensively with partner organisations, we continue to develop innovative approaches to creating thriving communities. Our areas of work include youth provision, employment and training initiatives, supported housing (and other support for vulnerable people) and community development activities. We will link our approach to worklessness to local, economic development strategies.

Establishing close links with local schools and education establishments is key to our commitment to improving access to training and employment opportunities. During 2009/10 our community development and neighbourhood services functions successfully worked together on joint projects to improve local access to services and activities through the opening of three regional hubs. We will build on this success during the life of this business plan.

Goal 1: Provide opportunities for people in London to get the most from life

During 2009/10 we successfully launched a range of involvement, healthy living and employment, and training opportunities for customers at different stages of their lives. 'Activate London' helped nearly 10,000 people achieve a healthier lifestyle, we developed 'Linkage Plus' as our outreach service for older people and helped nearly 1,000 people into jobs and training. During the coming business planning period we will link our worklessness activities to local economic development strategies, supporting the development of local enterprise and entrepreneurship.

We also work within some of the most disadvantaged communities in London where young people need real help to become successful and active citizens. We are focussing our resources on a number of key central London boroughs. To address the needs of excluded learners, we are seeking to build our relations with local education establishments to provide outreach work.

Our delivery plans	Delivery date	Measure of success
Assist residents and other customers into employment and training opportunities	31.03.2011	- 250 people accessing training opportunities - 250 people into jobs
Expand the Linkage programme as a model for support to older people	31.03.2011	- 1800 new beneficiaries from the Linkage outreach service - 90% residents in older persons homes satisfied with overall service provided
Deliver 'Healthy Living' opportunities through Activate London	31.03.2011	- 15,636 new beneficiaries from Activate London
Expand youth work provision	31.03.2011	- 500 young people participating in youth activities

Goal 2: Create desirable neighbourhoods where people want to live.

We are committed to increasing people's capacity to shape, influence and achieve sustained improvements both in their quality of life at home and the surrounding environment that affects the way they live. This will include supporting people to design their own compact to set out how they want to contribute to the long term improvement of their communities.

Our delivery plans	Delivery date	Measure of success
Create and implement the next generation of estate action plans/ neighbourhood charters	31.03.2013	- 80% of residents satisfied with their neighbourhood as a place to live by 2013
Establish a resident compact, designed by residents for residents	31.03.2012	
Introduce a pilot reward scheme for residents taking on additional responsibilities	31.03.2011	

Achieve influential growth

Our ambition is to be a key organisation in shaping the future of London. We occupy a unique position in London's history and are one of the best known housing associations in the sector.

The 21st Century Peabody research, our approaching 150th anniversary and the Olympics present excellent opportunities to increase public awareness of our work. This, combined with the forthcoming elections at the start of the plan period, means that we are in an excellent position to influence the agenda and bring about change.

We are committed to growth in a measured and responsible way that meets the needs of our customers, stakeholders and our own business. This will be done in a manner that increases the Peabody portfolio of homes and services, and adds value to communities.

'21st Century Peabody' sets out our vision for exemplary Peabody communities into the future. London is a city made up of villages. We have created the concept of a Peabody Village to bring together these principles and form the basis of the next stage in our work.

Our seven core principles define an exemplary 21st century community as being a place where:

- people feel they belong
- people have homes that meet their needs and are suitable for the changing circumstances of life
- the landlord's service is tailored to the individual
- there is no child living in poverty
- all residents are supported in their daily lives and their long term aspirations
- the community feels part of the wider, local area
- the community has a sustainable environment

This will be the cornerstone for the development of sustainable Peabody communities over the next 25 years. Our delivery plan comprises of five goals.

Goal 1: Build and manage more homes

We will use our financial capacity and strength to take advantage of growth opportunities. This will include having a solid, long term business model and a clear strategy for investment in our stock. Having a sound delivery mechanism to achieve effective strategic partnerships and growth opportunities is vital.

Throughout the life of the business plan we will adopt a rational approach to growth i.e. seeking new business opportunities that fit well with the needs of our business and customers. We believe this approach will underpin our commitment to the highest of service standards to our current customers and grow Peabody for the benefit of future generations.

Our delivery plans	Delivery date	Measure of success
Identify opportunities to provide new homes and facilities within existing Peabody communities	31.03.2013	- A net increase of homes rising to 300 per year by 31.03.2013
Identify and secure new business opportunities with key local partners	31.03.2013	- Number and scope of new opportunities secured

Goal 2: Shape and influence the national and local agenda

Peabody is a voice for London and we want that voice to be an influential and enabling power, delivering a real and positive change in people's lives. We will use the findings of our 21st Century Peabody research project to influence and shape policy debates around affordable housing, sustainable communities and the role of housing associations.

Our delivery plans	Delivery date	Measure of success
Implement a stakeholder engagement programme to influence policy debates and increase awareness	31.03.2013	- An improvement in stakeholder engagement measured by external surveys

Achieve business excellence

We are committed to achieving business excellence by delivering Peabody's key aims efficiently and effectively.

We will provide an employment experience that our people value and enjoy. We place great value on talented and committed people who care for our customers and are passionate about our mission. We are committed to providing a 21st Century workplace which will ensure our people have the right working environment and the right tools to do the job.

At Peabody, our first class organisation will:

- have the best people with shared values and a clear sense of direction
- conduct its business efficiently and manage its finances and exposure to risk
- have the capacity and capability to take advantage of opportunities and to grow
- facilitate collaborative working to achieve coherent outcomes
- engage effectively with all its stakeholders
- provide a healthy, safe and environmentally friendly working environment

Goal 1: Recruit and retain capable people with the right skills and attitudes to achieve our objectives

We will be an employer of opportunity, providing a good job, a real sense of purpose and a strong feeling of belonging. We will build on our successful Customer First training programme and ensure we have high quality IT systems which support the delivery of joined up and easily accessible services for our customers.

Our delivery plans	Delivery date	Measure of success
Provide opportunities for all staff to learn and grow, so they can do their jobs effectively	31.03.2013	- 80% employee engagement score
Provide a good quality support environment that enables staff to deliver an excellent service	31.03.2013	- 99.5% IT systems availability
Deliver a healthy, safe, high quality working environment which supports teamwork and retention	31.03.2013	- 96.5% staff attendance levels - 92% posts held by permanent staff

Goal 2: Ensure we have the financial strength to achieve our objectives

Pivotal to our success is sound financial management, having flair and imagination to take advantage of financial markets and having this underpinned by effective control and scrutiny. Our plans include strengthening our approach to achieving value for money, so there is a clear insight into the links between cost, performance and resident satisfaction, setting clear targets for this.

Our delivery plans	Delivery date	Measure of success
Deliver a consolidated of plan to maximise income from all available resources	31.03.2013	- 100.3% of rent collected as a % of all rent due - 5.2% current rent arrears as a % of annual rent roll - 26 days to relet a social housing dwelling
Strengthen our approach to delivering value for money	31.03.2011	- 19% operating margin - £1,193 management cost per property

How we manage our business

Employees

Peabody considers that employee involvement is essential for its success and uses a variety of methods to inform, consult and involve its employees, which includes a Staff Consultation Group and a Joint Negotiating Committee. Unite the Union is the recognised trade union.

Peabody has a comprehensive staff learning and development policy and has Investors in People accreditation. We recruit and retain employees who are professional, competent and passionate about customer service. The Peabody behaviours set the standard for working with colleagues and customers:

- Customer focussed - we deliver excellent service
- Results focussed - we get things done
- Collaborative - we work effectively with others
- Can Do - we are positive and helpful
- Principled - we are trustworthy and fair
- Continuously improving - we are always looking to get better

For those responsible for the direction and development of others, we have designed a set of Management Expectations which sets out clearly what is expected of leaders at Peabody. These form part of the performance assessment of managers.

Customer involvement and diversity

Peabody has developed policies for customer involvement and diversity.

Customers

Peabody has a Resident Involvement Strategy that promotes the involvement of all sections of the community. Peabody has a formal structure for resident involvement at strategic and operational levels. A revised structure has been put in place based on 3 core involvement functions – policy review, scrutiny and performance and local standards monitoring.

The strategy provides a menu of involvement options for residents. Peabody has a direct relationship with over 50 Resident Associations and other community groups. It also has a Sheltered Housing Forum and a Youth Council. Peabody also has a Customer Panel to provide a range of opportunities for individuals to be involved, which is composed of 200 residents. As a result of our strategy, Peabody now has an active ongoing dialogue with over 1900 residents through both formal and informal involvement routes.

Diversity

Peabody values diversity and is committed to achieving equality of opportunity. Peabody has established a Diversity Forum to: review proposed policies and the impact these may have on diverse groups; champion our valuing diversity programme and act as a sounding board to plan future improvements. During the life of this Business Plan, we plan to refresh our approach to diversity so we can be confident this is systematic and consistently meets best practice.

Value for money

Peabody has a Value for Money (VFM) Strategy with an objective of ensuring that Peabody derives optimum value from its resources and provides efficient and high quality services to residents and other stakeholders in support of the Business Plan. The Strategy sets challenging but achievable VFM targets that are aligned with the Government's objectives to attain efficiencies through business re-engineering, smart procurement and better asset management.

Governance and regulation

Peabody is regulated by the Tenant Services Authority (TSA), the Homes and Communities Agency (HCA) and Charity Commission with whom it is registered and is therefore required to comply with the TSA's Standards and other requirements, together with those of the HCA and Charity Commission. The TSA assesses Peabody's performance by a range of means and in its most recent assessment of financial viability it gave Peabody the strongest possible rating. The Audit Commission conducted a short notice inspection of Peabody's responsive repairs, resident involvement and gas services in December 2009. In their report, inspectors made a range of recommendations and we are now working with residents to implement our action plan to address these.

The Board is the incorporated body of trustees of the charity and as such is the ultimate governing body of Peabody. There are 12 Board Members, including two resident Members who use their experience to bring a resident's perspective to discussions and decisions. Peabody is managed by an Executive Team led by the Chief Executive and supported by directors of Customer Services, New Business, Finance and Corporate Services.

Subsidiary entities boards

The Board of Trustees of CBHA (a company registered as a charity and a housing association) consists of 12 members, seven of whom (including the Chair) are residents, three are independent members and two are nominated by Peabody.

Risk management

Peabody's Risk and Risk Management Strategy identifies the key risks facing Peabody and develops strategies for monitoring and mitigating them.

Internal audit

The Internal Audit function plays a critical role in providing assurance to the Board of Governors, particularly through regular reporting to the Audit and Risk Committee, on the integrity of Peabody's internal control environment.

Business continuity

Peabody's risk management strategy includes Business Continuity and Emergency Management plans, which detail contingency measures for continuing to provide services to staff and customers in the event of a major incident.

Health and safety

Peabody is continuing to refine and improve its health and safety strategy and management systems to provide healthy and safe working and living environments for staff, contractors, customers and visitors. Internal and external audits take place to measure Peabody's health and safety performance and ensure compliance with all legal and regulatory obligations.