

# **Business Plan**

## 2011 - 14



**PEABODY**

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# 1 Foreword From The Chief Executive

I am delighted to introduce Peabody's 2011/14 business plan. We are setting our vision and objectives during times of significant change in the sector and our wider operating environment. The 2010 Comprehensive Spending Review and Localism Bill set out new freedoms and flexibilities around tenure and rents, presenting both opportunities and challenges to Peabody and our communities. As a major provider of affordable housing in London, we are keen to build on these opportunities to expand the range of housing options we offer and deliver more badly needed homes in the capital. We recognise the pressures our residents and communities will face as a result of changes to the welfare benefits regime and this makes our mission particularly powerful and relevant.

In challenging economic times it's more important than ever that we focus on raising the aspirations of our residents and communities – particularly for younger people to enable them to make the most of the opportunities available in our great city. Our 21st Century Peabody vision guides these ambitions and our aims create sustainable, vibrant places to live.

Earlier this year we completed the acquisition of 1,230 homes in central London from the Crown Estate and are proud to be the new landlords of these wonderful estates. This demonstrates our ambition for influential growth and to provide more homes and services to people in London. Our target is to grow the number of homes we own or manage substantially over the next three years. Peabody is in an excellent position to contribute to a great future for London's communities and we are building the strong relationships necessary to ensure we meet local priorities and really deliver for our customers.

We've been gearing ourselves up to respond to these opportunities and challenges. We need to work more efficiently and creatively to deliver the great services and value for money our customers and stakeholders expect. Our 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. Our customer satisfaction scores have improved, but we need to do even better to deliver a consistently high-quality service and keep pace with rising expectations.

We recognise that there are challenges ahead, but look forward to the future with optimism, confidence and ambition. 2012 marks Peabody's 150th anniversary and London hosting the Olympics and Paralympics and will be an excellent opportunity to celebrate Peabody's legacy through landmark buildings, projects and people. We will also look to the exciting possibilities to raise individual and collective aspirations in our communities through our 21st Century vision and our role in shaping the future of social housing in London.

We can only achieve our objectives and goals by working closely with our customers and a wide range of partners across London. I would welcome your feedback on our plans and commitment to helping us deliver our vision for Peabody communities into the future.



Steve Howlett  
Chief Executive

## 2 Taking Stock

Peabody is well on its way towards becoming a truly customer-focused, high-performance organisation, with principles built on the strong foundation of our heritage.

Customer satisfaction with our overall service has improved to 73.4% (from 56% in 2006) and we are delivering improvements to the services most valued by our customers. Peabody is leading the way in tackling anti-social behaviour and the cleanliness of our estates and we are working in partnership with our contractor, Osborne, to deliver a high-quality, responsive repairs service. But there's still more to do to deliver the consistently high levels of service our customers expect and deserve.

We have invested in our properties and have now met the Decent Homes Standard obligations (with the exception of the Clapham estate, where we have re-development plans) and concluded our limited sales programme to fund this work. Our commitment to environmental sustainability is serious and deep-rooted and we are looking to the future, as highlighted by our government-backed Retrofit for the Future programme and commitment to install electricity-producing solar panels across our estates.

Through clear-sighted financial management we have put ourselves in a position of real financial strength, allowing us to increase our capacity for growth. Our recent acquisition of 1,230 homes from The Crown Estate demonstrates our intent to grow and we are proud to be continuing to provide affordable rented homes for London's key workers now and into the future.

Peabody runs one of the biggest social and economic development programmes of any London housing provider. Tens of thousands of people in London have benefited from a service spanning training and employment; citizenship activities for younger people; specialist housing and activities for older people; volunteering opportunities; digital and financial inclusion services; and support for vulnerable families. In 2009/10 alone, more than 15,000 people took part in Activate London, Peabody's health and well-being programme.

We have given our customers new powers to shape and scrutinise our services, ensuring they can influence the quality and level of service we provide. Peabody has around 400 involved residents and they all play a valuable role. Our Resident Review Committee scrutinises performance and key services; residents have been involved in the selection of contractors and, at a local level, deciding which digital TV channels they can access.

We have also been getting ourselves fit for the future. We have re-structured our operations and teams to respond to the changing environment: bringing together our key services for residents; placing new emphasis on growing Peabody for the future; reducing costs; and improving efficiency.

### 3 The World Around Us

The coalition government is facing a record budget deficit and the Comprehensive Spending Review, delivered in October 2010, set out plans to address this. The housing budget was reduced by 63% to £4.4 billion over the next four years, with only £1.9 billion available to fund new homes. At the same time, the need for affordable housing is greater than ever. More than 800,000 people are on a waiting list for social housing in London and a similar number live in overcrowded homes.

We are operating in a dynamic and changing operating environment. The government has set out the basis for the reform of social housing, which enabled registered providers to offer new tenants a new “affordable rent” product at rent levels up to 80% of the local market rate from July 2011. These agreements may be for a fixed term only. As a major provider of affordable housing in London, we recognise the need for change and support the requirement for increased freedom and flexibility in the way social housing is let, both in terms of who we house and the terms on which housing is offered. This is necessary not only to increase housing options for those in need of affordable good-quality homes but also to maximise funding opportunities to develop new homes.

Significant reform of the housing and welfare benefits system is also underway and this is likely to create an uncertain environment for many of our residents and customers throughout the plan period.

The government has set out the concept of a ‘Big Society’ to give local communities more powers, encourage people to take an active role in their communities and support social enterprises and volunteering. These themes are reflected in the Localism Bill and present a number of opportunities for Peabody and our neighbourhoods. We are, however, likely to face increased pressure and competition to access funding for our community programmes and activities.

Our regulatory framework is changing. The Tenant Services Authority will be abolished, with their functions transferred to the Homes and Communities Agency, and co-regulation retained at the heart of the regulatory approach. In London, the housing, regeneration and land functions of the Homes and Communities and London Development Agency are being brought together under the Mayor of London.

The 2012 Olympics and Paralympics will place increased focus on the capital and the legacy project will focus on the regeneration of part of East London. London continues to face 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. An increased range of digital channels and online options means that our customers expect greater choice and ways of accessing services.

## 4 Our Vision

Though times have changed greatly since our inception in 1862, the thriving spirit of London remains the same and George Peabody's beliefs still prevail at the heart of everything we do. Our mission is to 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. We have always maintained a special focus on helping people and communities to develop and, by bringing these three elements together, we are creating vibrant, cohesive, thriving neighbourhoods in one of the world's great cities – places where people and whole communities can improve their quality of life and fulfil their aspirations.

### Growth

Being a Peabody resident is special and we want more people in London to benefit from our activities. This means providing more homes and more services and we have set ourselves a target of growing the number of homes we own or manage substantially over the next three years. This would create economies of scale, further increase our financial strength to enable us to generate new capacity for the sector and strengthen Peabody's force for good in London. The 2012 Olympic and Paralympics Legacy project will provide an exciting opportunity for Peabody to be involved in the regeneration of the areas of East London around the Olympic Park.

### Raising aspirations

Our operating environment is changing rapidly and we believe Peabody is well-placed to take advantage of the new freedoms and flexibilities around tenure, rents and the allocation of affordable housing. This will enable us to provide more opportunities and choice to people who need an affordable home, make better use of our existing stock and optimise our income to generate further capacity to deliver more badly-needed homes. Whilst we will remain focused on providing social housing, it is important that our communities are balanced. A mix of sub-market rental opportunities could increase aspiration, improve mobility and encourage a wider cross-section of people into our neighbourhoods, which in turn, supports local economic life.

The introduction of shorter, flexible tenancies will require our residents to consider their housing needs and aspirations in a different way. Our community programmes and services mean we are ideally positioned to provide a 'springboard' to expanding options for the future, promoting financial inclusion and supporting residents when their tenancies end.

Raising individual and collective aspirations in our communities is at the heart of our 21st Century vision. To achieve this, we aim to:

- Promote enterprise and entrepreneurship by providing support for our residents – particularly young people – in setting up their own businesses and exploring how we can use our commercial properties, community facilities and links to other organisations to assist them.
- Create opportunities for young people to maximise their potential and take advantage of the opportunities London has to offer through engagement in civic life and in a range of educational, cultural and leisure activities.
- Enable more residents to benefit from the digital technologies which make it easier to communicate, maintain networks and access information and services. This presents an opportunity for us to change how we communicate with our customers, providing them with greater choice and a more efficient, cost-effective service.

Our community programmes and activities are a key part of our offer and we recognise the need for a continuous funding stream to support these activities. We will set up and use the Peabody Foundation to create exemplary communities through the principles of our 21st Century Peabody vision. Peabody is a trusted partner in London and our understanding of local neighbourhoods and the barriers people face in their day-to-day lives enables us to work closely with our residents, tackling the issues impacting London and our communities head on and focusing on what works. We aim to be a thought leader in our sector and will combine intellect with action to create innovative and practical solutions. We will carry out evidence-based research to understand the position in our communities and how we can best focus our resources to make the greatest difference.

## Great homes

Thriving Peabody communities are also about quality, affordable homes in central London locations that residents can be proud of and the provision of consistently high levels of service in the areas they value:

- 21st Century homes – the original Peabody homes have stood the test of time, architecturally and functionally. We will invest to improve the quality and environmental sustainability of our homes into the future.
- An effective, efficient repairs service – we will get the job done on time, right first time and deliver a first-class service.
- Clean, safe and well-maintained estates and communal areas. Anti-social behaviour is resolved quickly and in the most appropriate way.
- Our contact centre is the primary point of contact, delivering more services to residents. We understand our customers; keep them informed; use their feedback to improve services; and resolve complaints effectively, if things go wrong.
- People have a stake in their communities and a greater say in the issues that impact on their daily lives. We will continue to involve our residents in influencing, shaping and improving key services. We will foster an environment where residents are good neighbours and treat each other with respect and where responsibilities and expectations of Peabody and residents are understood.

## Business excellence

We will achieve our vision by operating an excellent business which places a real emphasis on constantly looking for ways to improve efficiency and to provide great customer service through an engaged and motivated workforce.

# 5 Achieving Our Vision And Objectives

Our plans to achieve this vision are focused around four core business objectives:

1. Provide great services and quality homes
2. Build thriving communities
3. Achieve influential growth
4. Achieve business excellence

## Provide Great Services And Quality Homes

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

- Provide a first class repairs and maintenance service, which offers an excellent customer service.
- 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.
- Improve communication with residents through a planned, coherent programme of contact that supports improvements in our services, customer satisfaction and business efficiency.

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

- Develop and strengthen the contribution and skills of involved customers so they provide an effective challenge to Peabody at both a local and corporate level.
- Promote resident involvement in making the most of the opportunities provided by the Big Society.

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

- Provide quality, affordable homes that residents can be proud of – through the delivery of our 'Quality Homes' programme.
- Tackle overcrowding and under-occupation.
- Deliver safe, clean, well-maintained homes and communal areas that are environmentally friendly.

## Build Thriving Communities

### Goal 4: Provide opportunities for people in our communities to get the most from life

- Create opportunities and provide support for enterprise and entrepreneurs through a strategy focused on:
  - Micro-hubs – provision of workspace for young social entrepreneurs.
  - Training and support packages for residents who want to set up their own business.
  - Partnerships with five London enterprise agencies and the Federation of Small Businesses to promote our services.

- Assist residents and other customers into employment and training opportunities – through personalised services for unemployed Peabody residents.
- Set up the Peabody Foundation and raise targeted external income to support community programmes and activities.
- Deliver ‘Healthy Living’ opportunities through Activate London.
- Support Peabody residents in understanding and mitigating against the impact of changes resulting from the 2010 Comprehensive Spending Review by working with individuals to offer advice on accessing opportunities, benefits and support when tenancies end.
- Create opportunities for people at different stages in their lives through:
  - Expanding Peabody’s volunteer programme.
  - Building on community hubs as centres of wide-ranging community development activities.
  - Increasing the number of partners delivering services from the hubs.
  - Creating opportunities for young people to be engaged in civic life and a range of educational, cultural and leisure activities.

#### **Goal 5: Create desirable neighbourhoods where people want to live**

- Create and implement the next phase of neighbourhood charters.
- Connect Peabody neighbourhoods to their wider communities and understand the impact of local stakeholders.
- Deliver IMPROVE and grounds maintenance programmes to further enhance the open spaces around our homes.

### **Achieve Influential Growth**

#### **Goal 6: Build and manage more homes**

- Develop a new-build construction programme delivering 300 units per annum, taking advantage of opportunities provided by the “Affordable Rent” Model.
- Regenerate the Clapham Estate in line with our 21st Century Peabody vision.
- Pursue opportunities for:
  - Appropriate local authority or housing association stock transfers
  - Rationalisation and appropriate merger and/or take-over of other Registered Providers.
  - Play a role as a significant registered provider partner in the 2012 London Olympics and Paralympics Legacy project.

#### **Goal 7: Shape and influence the national and local agenda**

- Continue to build Peabody’s reputation and increase our influence through:
  - A well-focused stakeholder engagement strategy and plan.
  - Stimulating debate on key social issues, including child poverty, through undertaking and promoting evidence-based research.
  - Considered and well-argued responses to national, regional and local consultations.
  - An exciting and engaging programme of events to celebrate our 150th anniversary.

## Achieve Business Excellence

### **Goal 8: Recruit and retain capable people with the right skills and attitudes to achieve our objectives**

- Create a modern and flexible pay, benefits and grading structure that rewards and supports a high-quality performance culture.
- Develop the leadership and management skills of managers for the future.
- Relocate Peabody's Head Office – providing a healthy, safe, high-quality working environment which supports teamwork and retention.

### **Goal 9: Ensure we have the financial strength to achieve our objectives**

- Maximise financial capacity and deliver sound financial management.
- Strengthen our approach to delivering value for money.

### **Goal 10: Ensure our information systems support an improvement in services and efficiency**

- Implement a suite of fully integrated business applications covering all Peabody's main business processes, ensuring that Peabody has excellent IT systems that are fully secured, accessible from any location and available 99.9% of the time.
- Develop and implement an online strategy for enabling key stakeholder self-service, particularly focused on our residents.

## 6 Measures Of Success

Outcomes of our Business Plan goals will be measured by our performance framework, made up a suite of five indices. This comprehensive library of performance indicators provides intelligence to underpin our strategic and business decision-making processes and feed into local Service Plans. Three-year targets have been set for each measure within the indices. The target performance level for each index is 100. This will be the level reached when all the measures within an index meet their individual target.

### Satisfaction Index (Target – 100)

- % satisfaction with the service offered by Peabody Direct
- % of residents satisfied with their neighbourhood as a place to live
- % satisfaction with the last completed repair
- % of residents satisfied with the overall quality of home – Lettings
- % of residents satisfied with the complaints service (handling)

### Operating Index (Target – 100)

- % repairs appointments kept
- % of repairs completed within target
- % of complaints resolved at stage 1
- % of all social housing rental dwellings vacant but available to let
- % of all social housing rental dwellings vacant but unavailable to let
- average days to re-let a social housing dwelling
- % of calls answered
- % of repair calls that are repeat repair calls
- % of repairs fixed first time
- current tenant arrears – as a % of annual rent roll – all revenues teams
- former tenant arrears – as a % of annual rent roll – all revenues teams
- total arrears as a % of annual rent roll – all tenures
- % of properties meeting the Decent Homes Standard
- % reduction in RIDDOR reportable incidents
- % of customer contacts assessed as avoidable
- % of properties with a valid gas safety certificate
- average SAP rating of all General Needs self-contained dwellings

### Community Index (Target – 100)

- % of estate inspections performed
- % of estates achieving the cleaning standard
- % of tenancy audits completed against monthly target
- no. of people into jobs
- no. of people accessing training opportunities
- no. of Activate London beneficiaries
- no. of young people participating in youth activities
- % occupancy rate of Peabody entrepreneur hubs
- % overcrowding / under-occupancy

### Growth Index (Target – 100)

- net increase in stock
- no. of secured units in development
- make final shortlist on all stock transfer opportunities
- % of total units won that Peabody had bid for
- % stakeholders with a positive perception of Peabody

### Central Services Index (Target – 100)

- % statutory notice compliance
- % operating margin
- % interest cover
- % shared ownership and leasehold rent and service charge arrears
- write-offs as % of rent roll
- % IT systems availability
- sickness levels (days)
- voluntary staff turnover as a % of staff in post
- cost of insurance claims per unit
- % uptake of total training days

# 7 How We Manage Our Business

## Our employees

Our employees are at the heart of Peabody. We recognise that, by engaging, motivating and involving our employees, we will maximise performance and deliver the highest standards of customer service. This underpins being an Employer of Choice.

We use a variety of methods to inform, consult and involve our staff, including a newly launched Employee Council.

Peabody has a comprehensive learning and development programme and has an Investors in People accreditation. All Peabody employees have been trained in the bespoke Peabody Customer First programme and all managers have been trained as Customer First coaches.

Six Peabody Behaviours set the standard for how we work with our 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 set out clearly what is expected of leaders at Peabody.

## Involving our customers

We are committed to providing the highest standard of services and ensuring that we meet the needs of our customers. Involving and obtaining feedback from our customers is a key part of this.

We have given our customers new powers to shape and scrutinise our services, making sure they can influence the quality and level of service we provide. Our Customer Involvement Strategy promotes the involvement of all sections of our communities, and is matched with a structure that places residents at all levels of the organisation, including our Board.

Peabody's menu of involvement options includes over 50 local residents associations, regional consultative forums, a Diversity Forum, Tenant Liaison Committee, Sheltered Housing Forum, customer inspectors, mystery shoppers and a Customer Panel, with over 200 resident members. Our Resident Review Committee, made up of 11 residents, decides on service review priorities, commissions and evaluates mystery shopping exercises and makes recommendations for policy and procedure changes (see Appendix 1 – Resident Involvement Framework).

We carry out regular customer satisfaction surveys on our key services to obtain feedback on our performance and how we can improve.

## Equality and diversity

Peabody values diversity and is committed to achieving equality of opportunity. Our resident Diversity Forum plays a key role in reviewing proposed policies and the impact these may have on diverse groups; championing our 'valuing diversity' programme and acting as a sounding board to plan future improvements.

Peabody has a Single Equality Policy and Action Plan, which sets out how we will meet our statutory and regulatory equality and diversity obligations, as well as how we will raise awareness on diversity issues for staff and customers.

We have collected more profiling data about our customers and are using this to tailor our services to meet our customers' needs.

During the life of this 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 strategy with an objective of ensuring that we derive optimum value from our resources and provide efficient and high-quality services to residents and other stakeholders. The strategy sets challenging but achievable value-for-money 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 the Charity Commission. In the TSA's most recent assessment of financial viability, Peabody was awarded 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. Our Action Plan, in response to the recommendations made, was signed off in late 2010.

The Board is the incorporated body of trustees of the charity and as such is the ultimate governing body of Peabody. There are nine Board members, including one resident member who uses her experience to bring a resident's perspective to discussions and decisions. There are three Board sub-committees – Finance and Investment Committee, Audit and Risk Committee and the Nominations and Remuneration Committee.

Peabody is managed by an Executive Committee led by the Chief Executive and supported by the Executive Directors of Customer Services, New Business, Finance and Corporate Services. Peabody's Operating Committee, comprising nine directors, meets regularly to review operational performance against the business plan and monitor risk.

## 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 management strategy identifies the key risks facing Peabody and strategies for monitoring and mitigating them. We regularly review our risk map which sets out our key corporate risks, how we mitigate them and an action plan to improve our control framework.

## **Internal audit**

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

## **Business continuity**

Peabody has a business continuity plan, which details contingency measures for continuing to provide services to staff and customers in the event of a major incident.

## **Health and safety**

Peabody continues 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 to ensure compliance with all legal and regulatory obligations. Peabody's health and safety policy sets out our approach in this area and our Health and Safety Committee provides an organisation-wide forum for policy development and consultation.

# Appendix 1 – Resident Involvement Framework

