

Group Strategy

2016-20



PEABODY

Welcome to our 2016-20 strategy

Welcome to our Peabody Group Strategy outlining our work for the next four years.

There is no doubt that the housing sector faces unprecedented challenges over the next four years. The long-standing housing crisis in London continues. London needs new homes and infrastructure to keep the city successful. With these challenges come great opportunities for Peabody, and my first year with the organisation has shown me how well-placed we are to make a real difference to our residents' lives and to the very fabric of London.

London's population is set to grow to 10 million by 2030. At the same time, we have not been building enough homes to provide for Londoners. A big consequence is that the city is becoming less affordable. Peabody homes can be found right across London, from Westminster to Walthamstow. We provide homes at low rents and affordable to low income working households. We also provide homes for key workers such as teachers, nurses and police officers, and others who could not afford to live and work in London without our help. Continuing to provide these homes, and building more, at truly affordable rents remains at the heart of our plan for the future.

We are in the midst of the biggest shake-up of housing policy in decades. Government is committed to seeing a huge boost in house-building, which is welcome, and we look forward to a constructive relationship with Central and London Government to ensure London has the homes it needs to grow and prosper. Alongside the stewardship of existing homes, Peabody is building around 1,000 new homes each year. As we build new homes, and refurbish older properties, we expect that our estates will have a wider range of tenure types and that this will benefit both new and existing residents.

We face challenging times, but I believe Peabody has an important role to play in helping to solve London's housing crisis. To do this we'll need to be on the front foot – understanding the new operating environment and being flexible enough to respond to change. We'll improve the efficiency and effectiveness of what we do and we'll focus on areas where we can make the most difference. Now more than ever partnerships are vital. In all areas of Peabody's work we're stronger when we're working together with residents, community groups and local authorities. We'll also work closely with government and the GLA to meet the shared goals of building more homes and creating great places to live.

Peabody will be part of shaping the future of housing in London. This year a new London Mayor will be elected who will have the opportunity to respond to London's housing needs. Our wealth of experience means we're well-placed to contribute evidence, views and ideas to that process.

Lord Bob Kerslake

Chair



“London needs new homes and infrastructure to keep the city successful. With these challenges come great opportunities for Peabody, and my first year with the organisation has shown me how well-placed we are to make a real difference to our residents' lives and to the very fabric of London.”

Welcome to our 2016-20 strategy continued

I am delighted to introduce our Peabody Group Strategy which sets out what Peabody will deliver in the next four years.

Our founder, American banker George Peabody, was a social visionary with views far ahead of his time. He was struck by the poverty he saw around him in his adopted home in London, and he wanted to do something about it. In the Victorian era, Peabody pioneered social housing with such unheard-of luxuries as separate laundry rooms and space for children to play at a time when the capital had some of the most horrific slums in Europe. Today we are stepping up our wish to create more great places for people to live in thriving communities.

In the past year alone we have built 1,140 new homes, supported 1,000 people into jobs and made real progress with our plans for Thamesmead with the approval of two new Housing Zones in partnership with the London Borough of Bexley and the Royal Borough of Greenwich.

We remain clear about our core purpose. Peabody's mission to make London a city of opportunity for all is as relevant now as it was in George Peabody's day. There is no doubt that London needs more homes. Peabody is rising to that challenge, and we are now one of the largest developers in London, with a current pipeline of 8,000 homes and a target to deliver an average of 1,000 homes each year across a range of tenures including affordable homes, intermediate market rent and outright sale.

More homes are part of the solution but not the whole story. Housing costs need to be truly affordable for households at a range of incomes. That is why our development strategy will be focused on maximising the number of affordable homes we build, subsidised using the surplus from the homes we sell on the open market.

The next four years will see a reduction of 1% each year in social and affordable rents. This will significantly reduce Peabody's income over the next four years. In turn, this means there is less money available to spend on new homes and on long-term regeneration and maintenance. I am determined that this unexpected reduction will not prevent us from delivering our plans, which is why Peabody has launched a new efficiency programme designed to make up the shortfall and to ensure we can continue to achieve our goals.

By the end of this four year strategy we will have built around 4,000 new homes and created a compelling vision for the long-term future of Thamesmead by building new homes, attracting new partners to the table and providing investment, with tangible impacts on the lives of our residents. Further to this, we will have invested about £20m in our communities through our new Community Foundation and supported more than 4,000 people into work. We will also have streamlined our governance by bringing our subsidiaries into a single social landlord.

Our residents and wider communities are at the heart of all that we do. Amongst the highlights of 2015 were the Peabody volunteers' awards, the launch of our Older People's Strategy at the House of Lords, the Thamesmead Town Football Club fun day and the American Ambassador's visit to the new Pembury community centre. The next four years will see a renewed focus on better meeting the needs of our residents, in particular improving our repairs service where we have more to do to meet the high standards we, and our residents, expect. We have renewed and strengthened our approach to resident involvement and I look forward to working even more closely with our residents and other stakeholders to ensure that Peabody remains at the heart of the communities we serve.

Stephen Howlett

Chief Executive



"We remain clear about our core purpose. Peabody's mission to make London a city of opportunity for all is as relevant now as it was in George Peabody's day."

Our mission, objectives and goals

The 2016-20 Peabody Group Strategy summarises what Peabody plans to do and achieve over the period. It is a four year strategy supported by an annual Delivery Plan which will be updated each year.

Our four overarching business objectives reflect the priorities that support the achievement of our long term mission: 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. The four overarching objectives, shown in the table below, describe what we want to achieve for our residents, for our communities and for London and are supported by 14 strategic goals. As with previous years, five of these goals (highlighted) have been identified as key priorities fundamental to our success. As with previous years, five of these goals (highlighted) have been identified as key priorities fundamental to our success.

The Group Strategy also outlines our approach to Finance and Value for Money, People, Governance, Risk, Health and Safety, Equality and Diversity and Sustainability.

The Delivery Plan details how the overarching business objectives and strategic goals will start to be realised across the organisation, with a focus on 2016-17. This includes a suite of Key Performance Indicators (KPIs) which will ensure we retain a continued focus on our priorities and will enable the Leadership Team and the Board to monitor progress and identify issues for focus and action. The delivery plan also includes a spotlight section on the plan for Thamesmead.

Deliver excellent value for money homes and services	Achieve growth through great place making	Champion thriving communities
01 Provide a high-quality responsive repairs service that meets the needs of our residents, so that satisfaction with the last completed repair increases to 90% by 2017	05 Invest in our existing homes and facilities in Thamesmead and build 600 new homes	08 Support 1,000 people into employment each year
02 Be great at the basics – deliver excellent customer-focused services and continuously improve those that our customers and residents value most	06 Delivery of an average of 1,000 homes each year	09 Provide opportunities for people in our communities to get the most out of their lives
03 Develop a greater understanding of our residents and customers and how they use our services, enabling us to better meet their diverse needs and preferences	07 Shape and influence the national and local agenda	10 Create desirable neighbourhoods where people want to live
04 Provide good quality homes and open spaces that are environmentally sustainable, clean, safe and meet our residents' expectations		



Achieve business excellence		
11 Provide easy-to-access services and efficient processes through technology-enabled transformation	13 Ensure we have the financial strength and optimal business structure to achieve our objectives	14 Ensure our governance framework supports us to manage risk and meet regulatory requirements
12 Invest in our people to achieve our objectives		

Our mission

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.

Peabody has been providing homes for Londoners for more than 150 years, and today more than 80,000 people benefit from the homes and services that Peabody provides.

A good home

A place that is safe, warm, clean, light and well-maintained

A real sense of purpose

Regular endeavour through work, learning, caring for others, personal development or volunteering

A strong feeling of belonging

Active involvement in the neighbourhood and the spirit of togetherness and friendliness that goes with that

How we deliver our business objectives

Our business objectives describe what we want to achieve for our residents, our communities and for London. We are focused on great services to our residents and the wider community, and we play our part in helping to provide new homes for Londoners with one of the largest development programmes of any housing association.

Deliver excellent value for money homes and services

Our residents are at the heart of everything we do. Over the next four years we'll have a focus on encouraging and enabling more residents to be involved in their homes and neighbourhoods. It means the way we design and deliver services will be innovative and flexible, reflecting the needs and wishes of our residents. As part of this our Older People's Strategy, launched in September 2015, will form the backbone of our commitment to provide high quality and responsive homes and services to older residents.

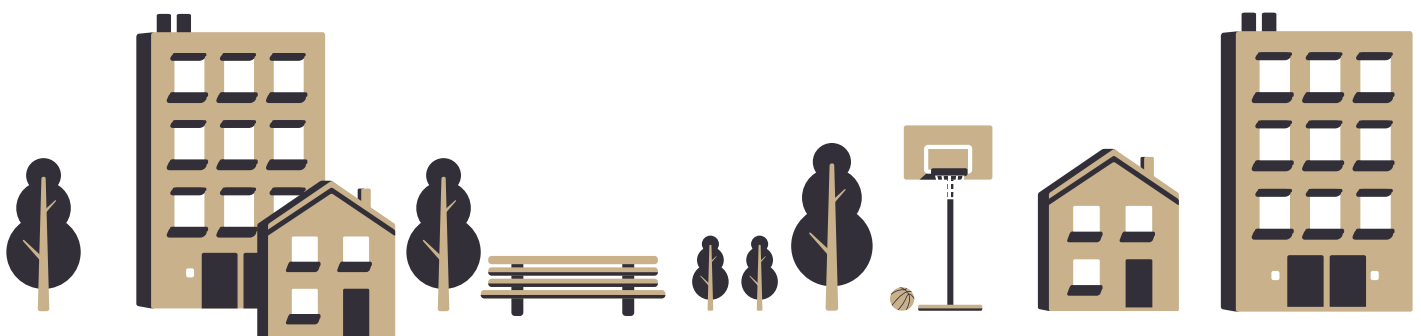
We know repairs is the single most important service for our residents. Good repairs mean residents can live comfortably and safely in their homes, able to make the most of everything a Peabody home and community offers. We've recognised there are issues with the current service and have completed a root and branch review of how it works. A priority goal for us is to ensure our residents will have the positive experience of a smooth, efficient and speedy repairs service.

We're also striving to be the best at customer service. We know many residents view Peabody in a positive light and enjoy the interactions they have with us – but we want to go further. Digital changes have the potential to put power in the hands of our residents to get things done quickly and easily. One of our goals is to enable residents to book a repair or pay a bill on an easy to use online portal.

Achieve growth through great placemaking

Peabody is in a good position to help respond to London's housing crisis. Our development work has already stepped up in the past two years with 1,140 homes built last year alone. Our presence in London will continue to grow over the next four years as we become one of the biggest developers in the capital. We're clear that our growth is firmly connected to our social purpose, with every penny of surplus reinvested into affordable homes for Londoners.

We build homes for Londoners at different life stages and income levels – from social rent to market sale, which helps pay for the housing for people on lower incomes. Despite the lack of grant, we aim to ensure that homes for social rent continue to represent an important element within the overall mix of homes.



How we deliver our business objectives continued

We'll be looking at building more homes in existing estates – both our own and in new areas across London. We can breathe new life into an area as well as provide more homes. We have shown how well this can work in the last year at Pembury and St John's Hill.

As well as regenerating existing estates, we'll also be helping to create new neighbourhoods in London. A large part of that will be in Thamesmead where, working closely with our partners, we'll start to see beautiful new homes, outside spaces and a vibrant economy come to life. There'll be real benefits for current residents who will have improved local services, home improvements and access to a wide variety of cultural and sporting activities. Thamesmead's transport and infrastructure needs must go hand-in-hand with new homes and investment in the place. Peabody is well-placed to work with Transport for London and other local partners to achieve transport and infrastructure goals.

Champion thriving communities

Vibrant, self-sustaining and mutually supportive mixed communities are the foundation for opportunity. This means communities with opportunities for work and leisure, attracting sustainable investment in economic and social activities, with the right homes for a wide range of existing and new residents. We provide homes across a range of tenures including outright sale, intermediate market rent, and homes that are truly affordable. The creation of a Peabody Community Foundation will enable us to bring together the wide range of work we do, strengthening the community activities we provide and offering more opportunities for people to get involved.

Our work with children and young people is particularly important, providing the best opportunities and start in life. Hackney Children's Community shows what we can achieve through working with local partners and we will use this successful way of working in more areas, including Thamesmead.

Our activity in championing and helping to create thriving communities is guided by Peabody's clear vision for an exemplary 21st Century community, as developed in partnership with residents. A 21st century community:

- Is one where people feel they belong.
- Is a place where people have homes that meet their needs and are suitable for the changing circumstances of life.
- Is a place where the service we provide is tailored to the individual.
- Is a place where no child is living in poverty.
- Is a place where all residents are supported in their daily lives and in their longer-term aspirations.
- Feels part of the wider, local area.
- Has a sustainable environment.

Achieve business excellence

To reach our ambitious goals over the next four years our organisation must be fit for purpose. Our new simplified Group structure will ensure that our organisation remains strong and effectively governed for the future and will enable us to focus on delivering our strategy.

Our new IT strategy and programme of digital transformation will see information technology used to create an adaptable and streamlined business. Employees will have a single view of the customer, enabling them to respond effectively to resident requests and freeing up time for what matters most. Residents will notice the difference as their interactions with us become easier and better informed with more self-service at a time and in a way that suits their needs.

We will enhance our asset management capabilities to provide a single view of all Peabody property and land assets which will support planned and cyclical maintenance, risk management and easy access to technical information and documentation.

Peabody's employees make our business and will be key to driving improvements over the next four years. We'll continue investing in our people, helping them to achieve more for the organisation and themselves. This means investing in learning, leadership and development as well as ensuring employees have the opportunity to shape the organisation they work in through new ways of working.



How we deliver our five priority goals

Each year we identify the priority goals that are fundamental to our success. Success in these areas will have a long-lasting positive impact on our performance and, where necessary, we focus resources to protect delivery in these priority areas.

1

We will provide a high-quality responsive repairs service that meets the needs of our residents so satisfaction with the last completed repair increases to 90% by 2017.

We understand how important a high-quality and efficient repairs service is to our residents. Experience of this service is one of the main influences on overall satisfaction with Peabody. We will improve our repairs service so that repairs satisfaction is among the best in London.

2

We will play our part in meeting the demand for housing in London through delivery of an average of 1,000 homes each year

Housing need in London remains acute, widespread and diverse, and in many areas there is a continuing and escalating affordability crisis. Building new homes is a key plank of our strategy to help meet housing need in London. Peabody is committed to providing homes that people can afford. Our development strategy over the next four years will be designed to maximise the number of affordable homes, subsidised through the sale of homes on the open market.

3

We will help more than 1,000 people each year to find work

At the heart of our vision are thriving communities with high levels of employment and community involvement, positive educational outcomes and good health. We will do even more to support our residents and Londoners to achieve their aspirations, investing up to £20million over the next four years in a range of community initiatives. We will work in partnership with local authorities and other agencies to ensure as many people as possible benefit from these services.

4

We will invest in our existing homes and facilities in Thamesmead and build 600 new homes

We believe Thamesmead has the potential to be one of London's most dynamic new living environments, with beautiful green spaces, first-class amenities, excellent schools and rapidly improving transport connections including the arrival of Crossrail in 2018. Since 2014, when we formally welcomed Gallions Housing Association, Trust Thamesmead and Tilfen Land into the Peabody Group, we have made good progress in developing the strategic framework that will guide and inform the transformation of Thamesmead in the short, medium and long term. We have also forged the partnerships necessary to achieve our mission, including with the London Borough of Bexley and the Royal Borough of Greenwich as delivery partners in the Abbey Wood and Plumstead Housing Zones. By 2020 we will have built the first 600 of more than 3,000 new homes in these areas.

In 2016/17, we will translate of our strategic ambition into on-the-ground results in Thamesmead. This includes making headway on the delivery of long-term strategies that are fundamental to sustainable success, including securing inward investment, first-rate transport infrastructure, enhanced arts and culture and exemplary public spaces. We will also invest to achieve a 'step-change' in current services for residents in Thamesmead, including making improvements to existing homes, communal areas and public spaces.

5

We will provide easy to access services and enhance the efficiency of our processes through technology-enabled transformation

Our ambitious and comprehensive IT strategy recognises that technology is a vital enabler of transformation and improvement. Over the lifetime of our business plan we will deliver a comprehensive self-service for customers that will allow them to report and track the status of repairs, make payments and get statement information.

Strong finances

Fundamental to the delivery of our mission and goals is financial strength, capacity for future funding and the effective and efficient management of financial resources and assets. Our 30-year financial plan is reviewed each year and is tested against a range of scenarios to ensure that Peabody will have the resources to meet commitments and deliver our business objectives.

Our approach to financial planning and budgeting is based on sound principles of financial management. Investment in existing homes is funded from operating cashflows; investment in new developments is funded from a combination of cross subsidy (mainly from surpluses on commercial activities), grant and borrowing.

Over the next four years we will:

- Achieve an operating margin of at least 30%
- Invest £6.7m each year in the Peabody Community Investment programme, with £5.3m funded from Peabody resources and £1.4m funded from external partners

Value for Money and efficiency

Peabody's Value for Money Strategy (www.peabody.org.uk/media/4989/value-for-money-strategy) sets out how we will deliver value to a range of stakeholders, and how we will safeguard, improve and use our assets.

Put simply, value for money is about getting the most out of the resources at our disposal, so we can continue to deliver great services, quality homes and thriving communities for the benefit of our residents and the people of London. This means much more than only being more efficient. It means proactively seeking opportunities to create new value for residents, and maintaining a consistent and forensic focus on how we use both our financial and non-financial assets. Our 14 Group Strategy goals shape the ways in which we create and maintain value for current and future generations.

The external environment remains challenging, and Peabody has set new and stretching efficiency targets for the next four years that will enable us to continue delivering our business priorities whilst mitigating the impact of new policies such as the 1% annual reduction in social and affordable rents. These targets do not focus solely on reducing costs but also on increasing revenue and maximizing value from our existing asset base. In 2016-17 we will make efficiency gains of around £6m from a combination of reduced costs and increased revenue.

We will put in place a business transformation programme to improve and streamline our business whilst protecting front-line services. This will include:

- Reviewing our operating model and benchmarking with the most efficient Housing Associations;
- Implementing our IT strategy to enable more digital and self-service options and streamline internal processes;
- A focus on third-party spending – reviewing and consolidating our external contracts and embedding excellent contract management and partnership working;
- Maximising income through intelligent asset management, reducing arrears, and effective partnership fundraising for the Peabody Community Foundation;
- Reviewing our corporate estate to ensure we are making best use of our offices and community buildings, with more flexible working and hot-desking;
- Reviewing our people strategy to ensure our organisational structures are fit for purpose and we continue to recruit and empower high quality staff, building on our Leadership and Management Programme (LAMP).



Great people

By engaging, motivating and involving our people, we will maximise performance and deliver the highest standards of customer service. We will secure Investors in People accreditation at gold standard, reflecting the high standard of support our staff can expect from us.

The Peabody behaviours will remain the foundation for the way we work with each other and engage with our customers.

The Peabody Behaviours

Customer focused – 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

We will continue to improve the leadership and management culture, building on our successful Leadership and Management Programme (LAMP). The LAMP themes remain as relevant as ever:

One Peabody – We collaborate and have ambitions for the way we work and create together. We take great pride in our company and use our resources most efficiently. We collaborate across organisational boundaries to deliver our goals.

Learning – We take responsibility for being confident in ourselves and our potential. We share our competence freely and appreciate learning from each other. We know we learn from mistakes, we appreciate the opportunity to understand how things happened and we encourage open feedback.

Empowerment – We take responsibility for our own initiatives and how we respond to others. We seek clarity in the vision, the purpose and long term goals. The level of support we get and give is tuned into our role and individual needs.

New ways – We are courageous and curious and look for new ways to achieve results. We revise our own ideas and challenge ourselves to continue improve. We use our creativity to find new ways to work and look for innovative solutions.



Good governance

Our aim is that Peabody's governance rating is retained at the highest G1 level. Our priorities are to ensure a governance structure and culture that:

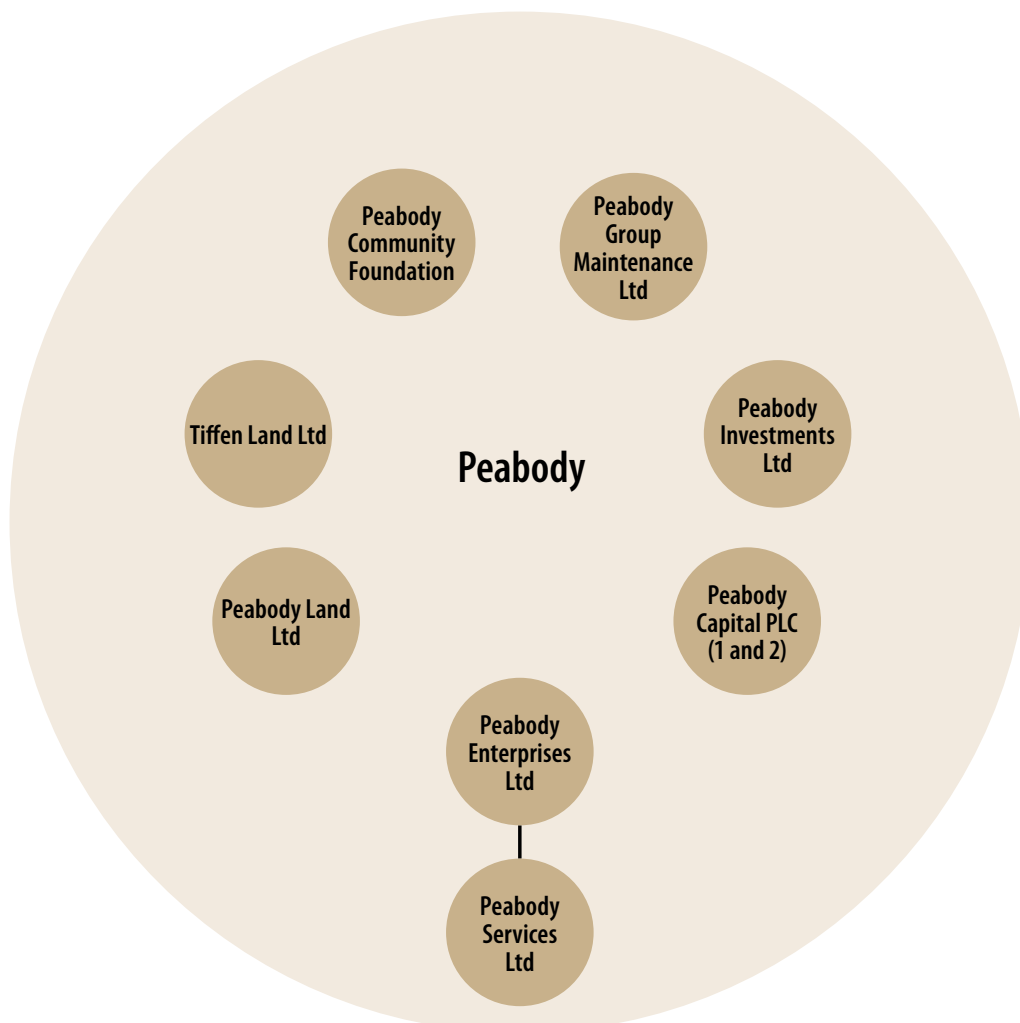
- Meets the requirements of an expanded Group and evolving business model – in particular an increase in development activity and our ambitious plans for the regeneration of Thamesmead.
- Meets changing stakeholder expectations and requirements, including those of residents, customers, investors, regulators and the taxpayer.

We will complete the journey we have started to reshape and streamline our Group structure and governance arrangements, consulting fully with residents and working closely with our Regulators and other stakeholders.

The key features of the proposed structure are:

- Peabody Trust would act as the registered provider landlord for the Group
- Community investment activity would be carried out in a separate subsidiary for the whole Group
- Ring-fence Peabody Land to carry out regeneration activities
- Ring-fence a separate entity to carry out market rent activities.

The following structure is the proposed outcome of this simplification.



Responsible business

Health and Safety

Peabody continues to improve its Health and Safety Management System to reflect guidance from the Health and Safety Executive (HSE) and organisational learning. Our commitment is to provide a healthy and safe environment for residents, employees, contractors and visitors.

Internal and external monitoring, through audits and reviews, take place to measure our performance and to assess compliance with legal and regulatory obligations. The Group Health and Safety Policy sets out our approach. The Group Health and Safety Committee meets quarterly and is the organisation-wide forum for communication and consultation.

Equality and diversity

Peabody values diversity and is committed to achieving equality of opportunity for all. Our Equality and Diversity Strategy and action plan set out how we will meet statutory and regulatory obligations, as well as raising awareness of diversity issues for employees and customers.

Environmental sustainability

Peabody understands the impact we have on the environment. As a social organisation, we recognise our responsibility to provide high quality, energy efficient homes that are affordable and comfortable for our residents to live in, as well as protecting the environment for future residents. The Group's Environmental Sustainability Strategy identifies four key themes where we can make the biggest difference:

- **Providing affordable and sustainable homes.** We want our new developments to meet high standards for energy and water efficiency. And we are looking at how we can make our existing homes warmer and more affordable to heat.
- **Generating and helping to ensure the supply of affordable and sustainable energy.** We generate our own electricity from solar panels and large communal heating systems.
- **Ensuring our neighbourhoods are healthy and managed to improve their environmental sustainability.** It is important that our estates are green and pleasant places, which are well managed and support issues like recycling.
- **Leading by example in environmental sustainability issues.** Peabody is improving its own environmental performance by being more energy efficient in our offices, recycling more and ensuring our suppliers have adequate systems in place to manage their environmental impacts.



How we manage risk

We will strengthen our risk management to meet the demands of our growing business and the challenging external environment. We will implement a best practice risk management framework to ensure risks are robustly identified, assessed, prioritised and managed. Our current top four risks are:

Thamesmead regeneration

Peabody's vision for the regeneration of Thamesmead involves significant investment and ambitious delivery targets, working in partnership with local authorities, including the London Borough of Bexley and the Royal Borough of Greenwich, and other local agencies. Failing to meet expectations poses a risk to our financial health and reputation, as well as to the area and its residents. With our key partners, we will put in place comprehensive plans including a clear vision for success. We will attract and retain skilled and experienced staff, and explore a range of options for delivery and governance, learning lessons from successful regeneration schemes elsewhere.

Development and sales

Our current development pipeline of 8,000 homes, and target to deliver an average of 1,000 homes each year over the course of our business plan, represents an unprecedented demand on Peabody's skills, capacity and resources. We will put in place a new development strategy and continue to ensure that our financial plans are based on cautious assumptions and forecasts that are stress-tested against a range of scenarios. This may enable us to further increase our pipeline in future years.

Regulatory environment and governance

The regulatory environment continues to change and it is vital our corporate governance framework and culture keeps pace to avoid reputational and regulatory problems. We will deliver effective monitoring mechanisms and a governance structure and culture that ensure we meet our regulatory obligations. We will regularly review organisational structures to make sure they are fit-for-purpose, efficient and effective.

Core landlord services

The external operating environment is challenging, including skills shortages and high housing costs in London and the impact of the reduction in revenues from social rents. We will implement an efficiency programme that protects front-line services, prioritising improvements in our repairs service and taking advantage of opportunities to use digital technology to streamline our business processes.





Delivery plan

Spotlight on Thamesmead

In September 2015, Peabody's Board approved the Thamesmead Strategic Framework (TSF). This will guide Peabody's regeneration and custodianship of Thamesmead and sets the direction, ambition and strategic context for Peabody's work in the area. We will rely on a strong partnership with public and private sector stakeholders, and a sound delivery plan to focus activities across the group. This can be exemplified through our partnership with the London Borough of Bexley and the Royal Borough of Greenwich as delivery partners in the Abbey Wood and Plumstead Housing Zones.

In the short-term... a four year intensive campaign to improve the experience for current residents

Peabody will provide firm foundations for Thamesmead's sustainable rejuvenation by investing in existing homes, infrastructure and services to improve quality of life for existing residents. By 2020, there will be a fundamental shift in the experience on the ground for the local community, setting a new standard for Thamesmead that residents will be proud of.

To achieve this we will:

- **Build high quality, well designed new homes that will stand the test of time:** By 2020 we will have delivered c.600 new homes, with a further 2,200 in the construction and planning process, which will form part of the first phase of development in Thamesmead. The new homes will enhance the existing character of the area and will be integrated successfully around existing homes, meeting local and London-wide demand. To achieve this we will work in partnership with local authorities, the GLA and the local community.
- **Consult and deliver a major programme of investment and improvements on the South Thamesmead estate:** Working with the community we will address the quality of housing and public spaces on the estate. Consultation with residents will commence in 2016.
- **Deliver public realm improvements across Thamesmead:** We will continue to improve the public and communal areas, including play spaces and routes across the Moorings estate.
- **Keep the estates clean, tidy and in a good state of repair:** Through visible estate inspections and investing in our caretaking service team
- **Deliver an intensive repairs and maintenance campaign in people's homes:** This will include a 2 year damp, mould and condensation action programme, internal decorations work and property MOTs.
- **Work with existing and new residents to support a smooth transition through a prolonged period of change, to create a vibrant integrated community:** Through high quality ASB management, new resident induction process, visibility of front line employees, tenant and family support service, authentic community engagement from local 'area teams' and empowering neighbourhood officers

In the medium to longer-term... sustainable value creation

By 2020, we will have laid the foundations for long-term value creation, complementing the works to the built environment with holistic place-making programmes that will transform local and regional perceptions about Thamesmead and its future.

To achieve this we will:

- **Continue to explore the feasibility of future development sites and create value to unlock these sites:** This includes looking at joint-venture partnership arrangements, the creative use of private rent to capture and create value, and working to bring forward future sites, to realise the Thamesmead capacity to deliver 15,000-20,000 new homes
- **Create a long-term landscape strategy:** A clear and viable approach to both maintaining and enhancing the living landscape of Thamesmead's lakes, canals, open spaces and parks through a sustainable strategy, revenue stream and long-term funding plan aligned to the vision
- **Use the regeneration as a catalyst for cultural activity:** Developing and enabling cultural activity in Thamesmead, including supporting an annual Thamesmead festival leading up to a 50 year anniversary celebration in 2018
- **Put Thamesmead on the map to attract game-changers and investors:** to help Thamesmead become a recognised area of growth and opportunity and a great place to live, work and visit
- **Supporting the development of thriving, socially connected, resilient and economically sustainable Thamesmead community:** through a strong community investment programme
- **Make a compelling case to improve transport connections to the rest of London and the South East:** Working with partners to secure investment for major transport improvements

Deliver excellent value for money homes and services

Thriving Peabody communities are about consistently high levels of service, and high-quality homes and open spaces that residents can be proud of. We will improve overall satisfaction with our services, and maintain clean and safe estates and communal areas. People will have a stake in their communities and opportunities to influence and shape services.

01

Provide a high-quality responsive repairs service that meets the needs of our residents so satisfaction with the last completed repair increases to 90% by 2017

- Provide a first class repairs and maintenance service, increasing resident satisfaction with last completed repairs to 90% in 2016/17. This will contribute to the achievement of our group target of at least 76% of residents are satisfied with the overall service they receive.

02

Be great at the basics – deliver excellent customer-focused services and continuously improve those that our customers and residents value most

- Undertake a pilot project to drive enhanced efficiency and effectiveness in our rent collection process, and to explore the potential for digital transformation in service delivery.
- Implement our Welfare Reform Strategy, ensuring the right support is in place to support residents to adapt to benefit changes.

03

Develop a greater understanding of our residents and customers and how they use our services, enabling us to better meet their diverse needs and preferences

- Involve residents in the design and evaluation of services through a menu of involvement that reflects sector best practice, including scrutiny and consultative panels; local and topic-focussed groups; resident-led reviews; an online forum and a Resident Council.
- Implement our Complaints Strategy to reduce the time taken to satisfactorily resolve issues and to tackle the root causes of complaints. We aim to resolve at least 85% at Stage 1 of the process by March 2017.
- Implement a new Insight Strategy, including a rolling customer research programme to better understand and positively influence the key drivers of residents' satisfaction.

04

Provide good quality homes and open spaces that are environmentally sustainable, clean, safe and meet our residents' expectations

- Continue to deliver our 10-year Quality Homes programme, investing £42million in our properties in 2016/17 and ensuring all qualifying homes continue to meet the Decent Homes Standard. Our target is that at least 84% of residents are satisfied with the improvements we make to their home.
- Continue to deliver our IMPROVE programme to create and enhance open spaces, with at least 85% of residents satisfied with the improvements we make to their estate each year from 2016/17.
- Implement our new Group Sustainability Strategy that supports us to protect the environment now and in the future.

2016-2017 KPIs and targets (GROUP)

Overall resident satisfaction

Target: 76%

Rent collection

(including arrears recovery)

Target: 100.1%

Void loss:

Targets:
<1.5% / <£2.1m

Casual void re-let days

(social housing):

Target: <24 days

Resident satisfaction with last completed repair

Target: 90%

Achieve growth through great place-making

05

Invest in our existing homes and facilities in Thamesmead and build 600 new homes

Being a Peabody resident is special and we want more people in London to benefit from our activities, homes and neighbourhoods. We will continue to grow by building more homes, playing a leading role in meeting the need for affordable housing in London. Peabody developments are high quality and characterised by great placemaking – we will draw on this expertise in the regeneration of Thamesmead, working with key public and private sector partners.

- Work in partnership with local authorities, including the London Borough of Bexley and the Royal Borough of Greenwich, the GLA and the local community to deliver the first 600 new homes in the Abbey Wood and Plumstead Housing Zones by 2020. Ultimately, around 2,800 new homes will be built in the Housing Zones a significant contribution to our long-term plans for the transformation of Thamesmead.
- Unlock future potential for homes and growth in Thamesmead, ensuring that our land use across the area is aligned to plans to deliver new homes, jobs, transport and other amenities necessary to secure a successful long-term transformation of the area. This includes effective management and development of the Tilfen Land portfolio.

06

Play our part in meeting the demand for housing in London through delivery of an average of 1,000 homes each year

- Manage an ambitious long-term development pipeline which currently comprises around 8,000 homes, completing more than 400 and starting more than 720 on site in 2016/17, including 262 affordable homes. Over the course of our business plan we aim to deliver an average of 1,000 new homes each year.
- Further enhance our sales and marketing capacity, generating more than £690 million in revenues by selling more than 1,300 homes on the open market by the end of March 2020, with surplus reinvested to build more affordable homes.

07

Shape and influence the national and local agenda

- Inform and shape the public policy debate through the implementation our comprehensive influencing strategy that aims to safeguard and promote the interests of Peabody, our residents and the housing sector.
- Deliver a pipeline of research aligned to our business plan priorities, ensuring our strategy, plans and policies are evidenced-based and reflect the insight we gain through service delivery. This includes working with partners to build the evidence base in relation to the value of mixed communities and the economic case for affordable housing in the capital.
- Enhance our ability to measure and demonstrate the impact of our services and programmes, and work with partners to identify and share best practice in this area. We will produce an annual impact report setting out the added value of our work.
- Make a compelling case to improve transport connections to the rest of London and the South East and ensure Thamesmead is recognised as one of the top growth areas in London.

2016-2017 KPIs and targets (GROUP)

New homes completed

Target: 409

Average number of defects per new home

Target: 0.5
(average per home/per month)

Value of new homes not exchanged more than 3 months after completion

Target: £0.00

Development Return on Investment

Target: 10%

Champion thriving communities

At the heart of our vision are thriving communities with high levels of employment and community involvement, positive educational outcomes and good health. We are well placed to reach the most excluded and break down the barriers preventing the fulfilment of individual and collective aspirations. We will support 1,000 people into employment each year, and improve the participation and achievements of 1,000 young people.

08

Support 1,000 people into employment each year

- Help 1,000 people into employment each year through the provision of support, training and advice. Our aim is that at least 35% of those who we support are Peabody residents, and to achieve this we will bolster collaboration between front-line service delivery teams and community programmes so they are targeted at those who will benefit.

09

Provide opportunities for people in our communities to get the most out of their lives

- Create a Peabody Community Foundation to bring together our community work across London.
- Support at least 1,200 young people to participate in education, training, apprenticeships, volunteering and social enterprise activities each year, and build partnerships with schools, universities and employers to increase the range and quality of opportunities available to young people.
- Continue to deliver the innovative Children's Community programme in Hackney, in partnership with the London Borough of Hackney and Save the Children. Our aim is that at least 85% of participants report that it has had a positive impact on their lives.
- Deliver a comprehensive programme of socio-economic investment in Thamesmead to support the development of thriving, socially connected, resilient, economically sustainable Thamesmead community; will include work on health and wellbeing, older people, employment and enterprise and a Thamesmead Children's community.
- Provide 45,000 hours of free to access community activities, working in partnership with local management committees, community and voluntary sector providers.

10

Create desirable neighbourhoods where people want to live

- Deliver a step-change in the look and feel of the Thamesmead estates, transforming the public realm, enhancing communal areas and supporting the creation of a new Standard for Thamesmead.
- Ensure 95% of our estates are rated at Gold Standard for cleanliness, and that those rated Silver and Bronze attain Gold Standard by the next inspection.
- Successfully resolve at least 80% of antisocial behaviour (ASB) cases each year, and demonstrate our commitment to providing an exemplary service in this area by securing external accreditation for our ASB approach by March 2017.
- Ensure all of our estates are covered by Neighbourhood Charters, which reflect the priorities of local communities. All Charters will be complemented by an action plan, and progress will be reviewed and reported annually.

2016-2017 KPIs and targets (GROUP)

Number of people supported into employment
Target: 1,000

Cost per job outcome
Target: £1,044

Number of young people engaged
Target: 1,200
Number of volunteers
Target: 1,000

Fundraising income
Target: £1 million

Achieve business excellence

We will achieve our objectives by operating an excellent business that places a real emphasis on constantly looking for ways to improve value for money, service quality, performance and structures across the Group. We will implement our new IT strategy to support continuous improvement in our services, and ensure Peabody has the right employees and skills to deliver.

11

Provide easy-to-access services and efficient processes through technology-enabled transformation

- Implement our new IT strategy paving the way for a significant investment in IT architecture and systems, including a single Customer Relationship Management (CRM) solution to support all interactions with customers and enhanced business intelligence capabilities to improve our services and manage our assets.
- Understand and harness the opportunities afforded by digital technology to enhance efficiency and effectiveness. Expand the channels through which our residents can interact and transact with us, including offering an improved online self-service option.
- Continue to implement a robust approach to programme/project management that supports us to more effectively deliver the savings and benefits achieved through investment in improvement initiatives.

12

Invest in our people to achieve our objectives

- Secure Investors in People accreditation at the gold standard during 2016 and continue to strengthen our leadership and customer service capability by embedding the Leadership and Management Programme (LaMP) and Customer First principles.
- Support and invest in the learning, development and progression of our employees and aim to fill at least 35% of vacancies with internal candidates each year from 2016/17.
- Implement action plans in response to the findings of our employee survey.

13

Ensure we have the financial strength and optimal business structure to achieve our objectives

- Actively manage rent collection and arrears through early intervention, personalised contact and the implementation of our Welfare Reform Strategy and Action Plan, collecting 100.1% of rent, reducing void loss to 1.5% and reducing the arrears rate to below 5.1% in 2016/17.
- Achieve year-on-year efficiency gains, including identifying opportunities to maximise our income, in order to safeguard investment in front-line services and community programmes.
- Simplify Group structures and strengthen our governance framework, including by merging landlord entities into a single organisation, in order to magnify our impact and maximise efficiency.

14

Ensure our governance framework supports us to manage risk and meet regulatory requirements

- Regularly scrutinise and report our performance against the HCA's Value for Money Standard, and continuously improve our ability to monitor, evaluate, report and achieve value-for-money so we build capacity for the achievement of future growth and high performance.
- Implement a new system to support a comprehensive and integrated approach to the management of risk.

2016-2017 KPIs and targets (GROUP)

Total employee turnover
Target: < 19%

Central overheads as a % of turnover
Target: 11.1%

Operating margin (excluding property sales and community investment)
Target: 30.4%

Number of unique visitors to residents' portal per month
Target: 3,500

www.peabody.org.uk

   PeabodyLDN

For translations, large print, braille or audio format, please contact:


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