

Peabody

Inaugural Business Plan

2017-2021

1. EXECUTIVE SUMMARY

Our new organisation has over 150 years of history, experience and expertise. Our purpose is inspired by two great social movements - by George Peabody's vision of providing safe and affordable housing for the working poor of Victorian London, and by grassroots community action in response to the 'Cathy Come Home era' of poor quality housing and poverty in post-war Britain led by organisations like Family Mosaic.

In summary, our mission is:

To help people make the most of their lives by: providing good quality affordable homes, working with communities and promoting wellbeing.

We have three key areas which distinguish us from other organisations:

- We put the most vulnerable first
- We create great places at scale, where people want to live
- We build resilience in people and communities

The way in which we seek to achieve our mission is defined by our culture, our processes and our ways of working. There are three elements which bring to life how we deliver our goals:

- We listen to, and know, our customers
- We are reliably good
- People want to work for, and with, us.

Our employees have helped define the values of the new organisation, with each other and with our residents and customers. We will be:

- Ambitious
- Caring
- Collaborative
- Empowering
- Trusted

Our priorities:

- We will deliver good and reliable services to our 111,000 residents, 8,000 care and support customers and the wider communities in which we work. We will provide the opportunity for our customers to use the channel that is right for them. We will maximise the potential of digital technology to give customers new ways to access our services, recognising where more vulnerable residents need face-to-face contact.
- We will aim to build 2,500 new homes each year by 2021, maximising the number of low-cost rent and shared ownership homes we build.
- We will take the next steps in the long-term regeneration of Thamesmead, London's new town. From 2017 we will be investing £40m in 400 existing homes, 591 new homes will be under construction and we will be working with TfL to bring the DLR to the area.
- We will create a strong, distinctive new organisation with a common culture and clear objectives. Together with an empowered and engaged workforce, this means we will deliver the benefits that merger can bring us, including greater efficiencies.
- We will use our knowledge and experience to influence local and national policy about the issues that affect the people we serve, drawing on the wealth of data and insight at our disposal.

2. OUR PURPOSE

Our new organisation has over 150 years of history, experience and expertise. Our purpose is inspired by two great social movements - by George Peabody's vision of providing safe and affordable housing for the working poor of Victorian London, and by grassroots community action in response to the 'Cathy Come Home era' of poor quality housing and poverty in post-war Britain led by new housing associations, out of which Family Mosaic was created. We remain true today to the principles of the committed individuals whose generosity and foresight created the organisation we have become, together.

2.1 Our mission

The new Peabody stands out from the crowd because it strives to do things differently in order to make the biggest difference for our residents and for our communities. Our mission builds on the history of both organisations and our acknowledged strengths and capabilities. We have three key areas of differentiation:

We put the most vulnerable first

We are proud to focus on those who need our help the most and where we can work together to make a real difference to people's lives. We help those on low incomes to lead better lives through low rents and good quality services, including care and support. A commercial approach in other areas of our business helps us to do that.

We create great places at scale, where people want to live

We create truly great places that stand the test of time; neighbourhoods that people want to live in now, and for future generations. The homes we build are designed to a high quality, and our existing homes are well maintained.

Our commitment to great place-making means we invest in the public realm and in creating high quality neighbourhoods that work as communities. It means we improve lives for younger and older generations in our communities and enhance health and wellbeing.

We build resilience in individuals and communities

We provide opportunities for residents to play an active role in their community; to become more financially independent through work; to sustain their tenancy in

times of financial hardship; and to lead independent, dignified and fulfilling lives. This is a fundamental part of what we do, as important to us as being a good landlord and building more homes.

We have a deep understanding of the neighbourhoods where we work, and build strong relationships with a wide range of partners because we know we can achieve more when we work in partnership. Our scale in key areas allows us to build unique partnerships with residents, local authorities, schools and colleges, community groups, NHS and other care and support providers and local employers. We encourage and support volunteers who want to work with us to help improve local communities.

In summary, our mission is:

To help people make the most of their lives by: providing good quality affordable homes, working with communities and promoting wellbeing.

2.2 How we'll achieve our mission

The way in which we seek to achieve our mission is defined by our culture, our processes and our ways of working. There are three elements which bring to life how we deliver our goals:

We listen to, and know, our customers

We put our customers and residents first and genuinely engage with them. Our inclusive, honest and open-minded approach will encourage residents and employees to get involved. We are a listening organisation, learning from what our residents, our people and other stakeholders tell us. We will be a voice for our residents and customers and speak out for those who need to be heard.

Our in-depth understanding of residents and the world in which we operate supports good decision-making. It means we are influential, with the purpose of proposing practical, evidence-based solutions. People listen to us because we speak with conviction and passion and from a position of knowledge.

2. OUR PURPOSE

We are reliably good

We are trustworthy, deliver on our promises and provide consistently good services. We set and maintain high standards in terms of financial strength, good governance and operational efficiency.

We know that every pound matters and contributes to our organisational outcomes. We're focused on being efficient and effective every step of the way to strengthen our value for money. We are future focused, innovative and will develop strong and effective systems.

People want to work with us and for us

We are a partner and an employer of choice. Partners from other housing providers, local authorities, MPs, private developers and more join with us because we have a clear mission, a drive to work collaboratively and a commitment to delivery.

People enjoy working for us, feeling valued and listened to, and are motivated by the difference they can make. We invest for the long term while being responsive to short term changes and needs.

2.3 Our values

As part of the work to develop a fresh brand identity for the new Peabody, we asked people across both organisations what they'd like to see as our underpinning values, both in terms of the way we work together and with our customers and partners. Almost 1,000 employees responded to our survey and 80 of our people were involved in a series of workshops. The feedback from those activities directly informed the creation of five core values for the new organisation.

Ambitious

We're ambitious for our residents, our communities and for our organisation - whether it's in the number of homes we build or the opportunities we provide our residents and our people to help them achieve their aspirations.

Caring

We're caring in the way we work, and how we treat the people we work with, whether they're our customers, partners or employees.

Collaborative

We're collaborative in how we work, whether in the partnerships we pursue to promote our residents' health and independence, or in the ways we involve residents in improving our services. Our people collaborate effectively across organisational boundaries.

Empowering

We help people to get the most out of their lives by being empowering in how we behave, whether it's enabling residents to get a job, learn new skills or become active local citizens, or supporting employees to realise their potential.

Trusted

We're trusted to keep our promises: we do what we say we will.

2.4 Our priorities

- We will continue to deliver excellent services to our 111,000 residents, 8,000 care and support customers and the wider communities in which we work. We will provide the opportunity for our customers to use the channel that's right for them. We will maximise the potential of digital technology to give customers new ways to access our services, and recognise where more vulnerable residents need face-to-face contact.
- We will aim to build 2,500 new homes each year by 2021, maximising the number of low-cost rent and shared ownership homes we build.
- We will take the next steps in the long-term regeneration of Thamesmead, London's new town. From 2017 we will be investing £40m in 400 homes, 591 new homes will be under construction and we will be working with TfL to bring the DLR to the area
- We will create a strong, distinctive new organisation with a common culture and clear objectives. Together with an empowered and engaged workforce, this means we will deliver the benefits that merger can bring us.
- We will use our knowledge and experience to influence local and national policy about the issues that affect the people we serve, drawing on the wealth of data and insight at our disposal.

3. OUR HOMES

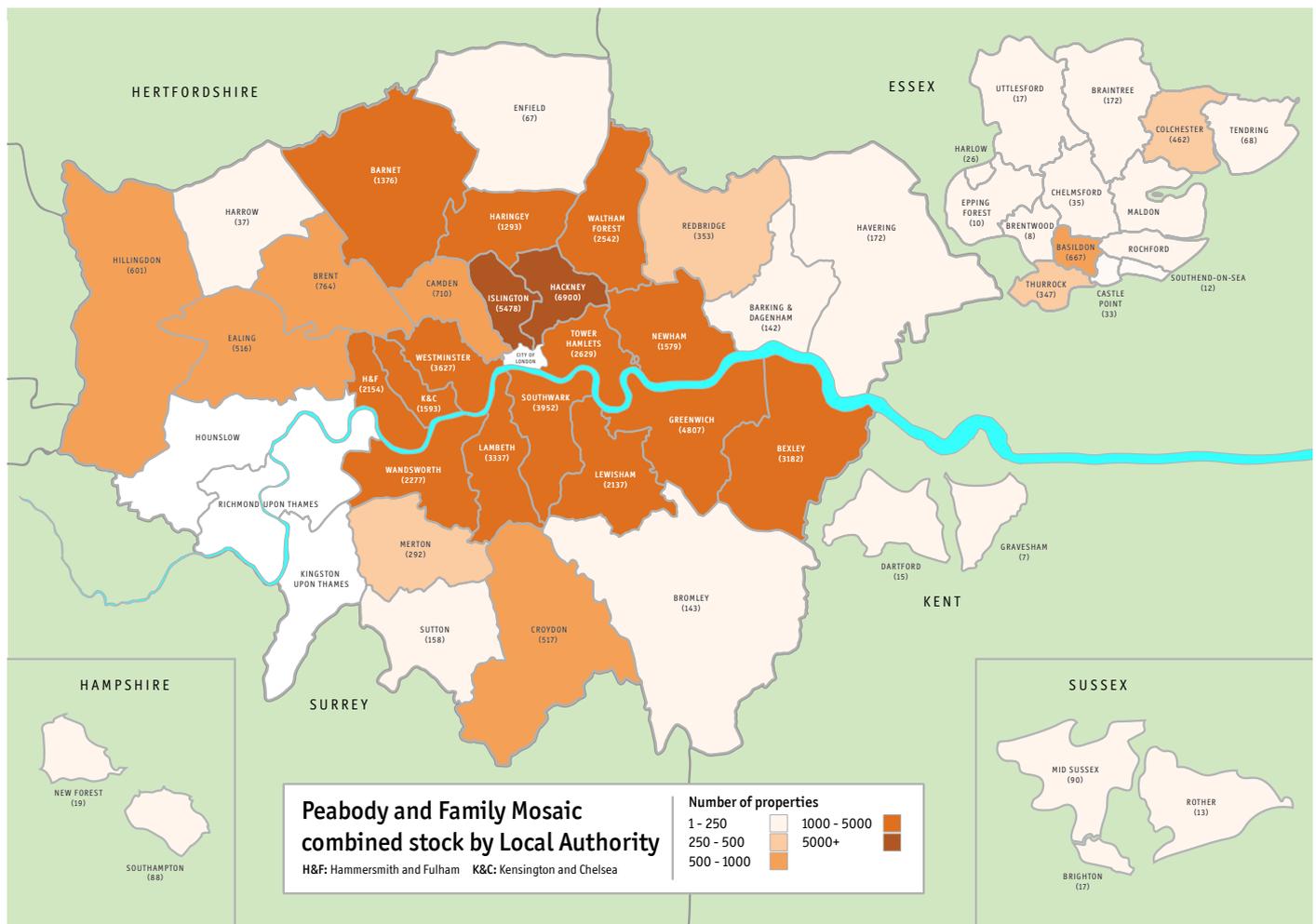
We will aim to build 2,500 new homes each year by 2021, maximising the number of low-cost rent and shared ownership homes we build.

3.1 Our combined portfolio

The new organisation will have 55,000 homes, with 96% of our homes spread across 29 London boroughs. The largest concentration will be in Hackney (6,900 homes), followed by Islington (5,500), Greenwich (4,800) and Southwark (4,000).

Most homes outside London are in Essex (1,800 homes), with a further 250 in Sussex, Hampshire and Kent.

In two London boroughs – Islington and Greenwich – the new organisation will account for more than one in three homes provided by private registered providers (PRPs). In six other London boroughs – Bexley, Hackney, Southwark, Waltham Forest, Wandsworth and Westminster – the new organisation will account for between 20-30% of homes provided by housing associations.



3. OUR HOMES

3.2 Our development strategy

Our growth and development strategy aims to:

- Play an important role in solving the housing crisis in London and the South-east by aiming to build at least 2,500 homes a year. The homes we build for sale and market rent are specifically to generate income that supports our social purpose.
- Maximise the number of low-cost rent and shared ownership homes we build, ensuring we can help the most vulnerable and those in housing need.
- Maintain a high design standard to create homes which are: safe, free of defects, easy to maintain, energy efficient and well-designed. As a long-term investor, we know that good design makes sense from a value for money perspective as well as helping us build the happy and healthy communities of tomorrow.

To deliver our aims we will:

- Deliver the planned programme of new homes, achieving significant income from the homes we build and sell on the market. Become an organisation that builds and delivers at scale, including securing and developing out some larger schemes that deliver high quality homes at volume.
- Develop a broad range of homes, which are accessible and adaptable to suit people at different stages of their lives and meet a diverse range of needs.
- Monitor schemes for two years after completion to assess the build quality and ensure minimal responsive repairs are required.
- Seek to standardise mechanical and electrical products, where possible, and will embrace new construction methods once they are well proven. We will work with our partners to ensure the designs we use minimise service charges. We will also support residents with fuel bills by building homes to environmental and energy standards.

4. OUR SERVICES

We will deliver good and reliable services to our 111,000 residents, our 8,000 care and support customers, and the wider communities in which we work.

Providing effective services to a high standard is the foundation of our business. When we get it right, residents are confident in the services we provide them, we gain their trust and can foster the partnerships we need with them to empower our communities and promote their wellbeing.

4.1 Housing services

The essence of our strategy is to provide modern, responsive, cost-effective services that are fit-for-purpose in the 21st century. Our resident satisfaction levels will demonstrate the success of this strategy, and we aim to increase satisfaction significantly by 2021. As our organisation grows, so our services can become more targeted towards meeting the needs of our residents at a local level.

To deliver our aims we will:

- Maximise the impact and value our residents have in improving our housing services, building on both organisations' approaches to resident involvement and engagement. This will help to ensure we're an organisation with high levels of visibility to our residents.
- Use a devolved management approach to allow us to provide tailored local services. These services might be delivered by us, or in partnership with other specialist organisations. Our size should be an enabler of involvement and local specialisation, rather than a barrier to engagement.
- With a pipeline of 12,000 new homes, an increasing proportion of our residents will be living in a range of different tenures, reflecting the complexity of differing housing need in London. We will deliver the levels of service our tenants, leaseholders and shared owners expect, and be more sophisticated in the way we tailor our offer to our residents.
- Maximise the potential of digital technology so that

residents and customers have a choice of ways to interact with us, and can use the services we offer at a time, place and method convenient for them. For those who are able, we will increase self-service and put the customer in the driving seat of our service provision, balancing the time and money efficiency gains for provider and customer, and the quality of the customer experience. We will still recognise the value of face-to-face contact and other forms of communication where needed.

4.2 Communities

Our communities are an integral part of our mission. Our ambition is to create communities for the 21st century that are healthier, wealthier and happier. Through our community foundation, we will support a wide range of initiatives to achieve our aims. Co-production ensures we are focused on the issues that matter most to people. We work collaboratively and creatively with a wide range of partners.

We will help people become financially independent by:

- Delivering our employment programme, supporting 2,000 people into jobs each year by 2021, of which at least 75% will be paid the London Living Wage or higher
- Working with other organisations to support their employment programmes
- Supporting an apprenticeship programme, creating 600 apprenticeship opportunities by 2021
- Supporting enterprises and enterprise skills development

We will help people in our communities to get the most out of their lives by:

- Delivering targeted youth programmes involving schools, higher education, employers and young people
- Expanding the Children's Community to Waltham Forest and Thamesmead*
- Supporting the Young Leaders** and Ambassadors programme

*The Pembury Children's Community is an ambitious 10-year programme led by Peabody and Hackney Council aiming to make a step change in the lives of children and their parents on an estate-wide basis. It includes adult education for parents, childcare, reading groups for young children and homework clubs, as well as apprenticeships and work experience for young people.

**The Young Leaders and Ambassadors programme is run in partnership with the US Embassy. Peabody funds 11-24 year olds to develop their own projects, activities and events for other young people and residents in their local area. Young People can then become Young Ambassadors. They will be provided with bespoke training to represent their peers and communities across a variety of structured forums.

4. OUR SERVICES

- Expanding the transitions youth homeless project
- Continuing the volunteers programme, providing opportunities for people to build skills and give back to their communities.
- Providing community development support to community groups
- Supporting the use of our community buildings
- Providing grants through the Peabody Community Fund which help empower people to be involved and make change in their communities
- Supporting well-being activities such as exercise classes, parent and child sessions and healthy living activities.

4.3 Care and support

A cohesive community provides opportunity and support to all its members, including the most vulnerable. Our care and supported housing services are an integral part of our purpose.

The essence of our strategy is to co-produce services with customers that build their personal motivation, wellbeing and resilience. Services are more effective if they are co-designed; vulnerable people can transform their situation if they are afforded better opportunities; and people can have better lives if they get just enough of the right type of support.

We deliver services collaboratively, working with other service providers and voluntary organisations to shape and sustain healthy communities. Our people can only deliver these services if they are empowered and trusted to work with people in the right way, using guided conversations and coaching to help people recognise their strengths, and to be hopeful and aspirational for themselves and their families.

Our aim is to be the provider of choice for self-payers, local authorities and the NHS in those communities we serve. We will grow our business by providing compassionate and effective support, by getting results and because people value what we do. Our key measure of quality is personal: is this service good enough for our loved ones?

4. OUR SERVICES

To deliver our aims by 2021 we will:

- Generate a healthy surplus of at least 2%, additional returns above that will be reinvested into service and staff development.
- Diversify our income streams, increasing income from the NHS and self-payers to at least 5%
- Increase income from supported living by 10%.
- Be managing six new commercial independent living schemes.
- Improve and modernise the housing and support service we provide for older people in our existing sheltered housing stock.

4.4 Property services

Most residents will judge us by how well we maintain their home. That requires reliable and effective responsive repairs and planned maintenance services and a reinvestment programme based on comprehensive and accurate data, alongside a commitment to a high level of customer service.

Our ambition is to have a best in class property service. Both organisations have improvement plans in place, focusing on improved data and data analysis, greater control over suppliers, and an increased focus on local delivery. The merger means we can move more quickly to realise these ambitions.

To deliver our aims we will:

- Create a best in class service delivery model that drives up customer satisfaction and stakeholder engagement, maximising the benefits of digital technology for our employees and residents.
- Embed our new service standards so that residents, contractors, stakeholders and employees are clear about expectations.
- Investigate a range of delivery solutions to promote choice for customers and diversification in the delivery of repairs, maintenance and major works enabling a greater local focus.
- Increase focus on local delivery, making optimum use of estate driven services and local assets
- Ensure excellent value for money in procurement, quality of service and strategic asset planning, supported by improved data, accurate management information and financial analysis.
- Work in partnership with our supply chain to promote apprenticeship and employment opportunities and the delivery of community projects.
- Fully comply with all regulatory and health and safety standards through robust quality monitoring, quality controls and risk management procedures.

5. THAMESMEAD

We will drive forward the next steps in the long-term regeneration of Thamesmead, London's new town.

Our ambition is that Thamesmead will be one of London's most dynamic and cohesive communities, with beautiful green spaces, first class amenities, excellent schools and rapidly improving transport connections, including the arrival of Crossrail in 2018.

As London's new town, Thamesmead has the potential to double in size creating 20,000 more homes, and up to 8,000 new jobs over the next 30 years.

We will play a unique role in Thamesmead's future, delivering our ambitions by:

- Improving the experience for people living in Thamesmead by investing in existing homes, services and the public realm. In 2017/18 we will be underway with a programme to refurbish over 400 homes investing over £40m to improve the living environment; 591 new homes will be under construction providing much needed new housing in the area; and we will be creating new and improved landscaped areas, investing over £9.5m.
- Unlocking Thamesmead's potential, transforming local, regional and national perceptions about Thamesmead and its future. This will include working with local authorities and the GLA to create a town-wide plan to help bring forward our regeneration and development plans across Thamesmead.
- Secure major transport infrastructure investment working in collaboration with Transport for London to bring the DLR to Thamesmead Town Centre.
- Support the development of a resilient, socially connected and economically sustainable community in Thamesmead by working closely with local groups, schools and other charities to provide training and skills development, cultural projects and activities, and places for communities to gather and participate. In 2017 we will be launching the design competition for a new community library in South Thamesmead to create a lakeside civic building for existing and new residents to enjoy.

6. OUR FINANCES

6.1 Our business model

Peabody's financial plan is built around three objectives:

- To deliver our social purpose
- To safeguard our assets so our organisation is still operating in the next 150 years
- To be an 'A' grade investment proposition

Our programme of market sales and market rents, together with the funds we generate from our social housing operations, will provide the financial resource to build many more affordable homes for rent and shared ownership and deliver the services that will support our residents and customers make the most of their lives and support their wellbeing.

Our shared financial capacity and delivery expertise has the potential to generate a net surplus of more than £150m in 2017-18.

Bringing our two organisations together creates significant efficiencies and increases our capacity to do more together than we can as separate organisations. Through a combination of savings already planned and new savings from the merger, we expect to realise efficiencies over the first ten years, including saving around 20% from the combined back office costs once full integration has been achieved.

6.2 Our golden rules

Our golden rules ensure we remain within the prudent limits agreed by our Board. These rules relate to our social housing interest cover; market sales as a percentage of turnover; debt to turnover ratio; and gearing. We are focused on ensuring we have sufficient liquidity to enable us to deliver our ambitious plans, and remain able to draw on untapped asset security of over 22,000 homes.

6.3 Treasury and funding

We will adopt a simplified approach to treasury and funding activities, consolidating and aligning funding agreements which will largely be concentrated in Peabody Trust at the top of Group which will then on-lend funds to other Group companies under intra-group agreements. We will aim for a fixed level of debt in the region of 60-80% of the total.

We will concentrate on maintaining long term relationships with a limited number of key banks building on existing relationships to provide short, medium and long term funding.

New funding to support our development programme will largely be sourced from the debt capital markets (public or private bonds).

Where an appropriate opportunity arises through our development and regeneration programme we will diversify our funding sources through the use of special purpose funding vehicles such as joint ventures.

We will, at all times, ensure that we meet our obligations to maintain sufficient liquidity with a minimum of 18 months' net spend or contractual commitments if higher, covered by available facilities plus cash.

7. HOW WE WILL DELIVER

7.1 Governance Structure

In the spirit of operating as one new organisation we have adopted a common governance structure from the outset which immediately post-merger will provide for overlapping board memberships and board meetings for the principal entities in the Group which provide social housing, and oversight of all activities across the new Group by the new Peabody board. A Designate Board has been in place since January 2017 to guide the merger and integration work.

The Designate Board comprises:

- Chair
- Vice Chair
- Chief Executive
- Two residents
- 9 further Non-Executive Directors

The Board will be supported by the following Committees:

- Audit and Risk
- Community
- Thamesmead/Development
- Finance and Treasury
- Nominations and Remuneration

7.2 Efficiency and Value for Money

Both our organisations already had efficiency gains targeted in our stand-alone business plans, aimed at dealing with the -1% rent cuts and other efforts to improve value for money. The merger is seen as an opportunity to create benefits from consolidation and scale, in addition to any pre-existing planned savings.

The Finance directorate will service the needs of clients across the business; helping business areas to deliver value for money through procurement, budget management and sound financial planning.

7.3 Risk

We recognise that we are coming together at a time of significant change and uncertainty in the external environment, following (in particular) Brexit and the formation of the new government. Together – with our scale, financial capacity and influence – we will be better able to weather volatility in the market than either organisation could alone. Risk appetite for the new group will be led by the Board and set within this context, to optimise delivery of our mission and protect our reputation.

The top six risks for the new organisation are:

1. Establishing a corporate culture of robust and sustainable compliance, grounded in strong ethics
2. Realising value for money while managing the impact of welfare benefit reforms
3. Delivering an expanded development programme
4. Delivering the asset management service
5. Realising integration opportunities
6. Managing the scale and complexity of Thamesmead

The group has an effective system of risk management and suitable mitigating controls are in place to manage these risks.

Our financial plan has been thoroughly tested against a range of scenarios to ensure we will have the strength and resilience to weather changes in the external environment.

7. HOW WE WILL DELIVER

Key financial risks and mitigations

RISK	MITIGATION
Housing market fluctuations lead to reduced sales revenue	Consider options to convert properties from sale to market rent
Higher inflation and/or labour shortages lead to increased construction costs	Reduction in development activity by pausing on uncommitted development; altering tenure mix to ensure schemes remain viable
Changes to interest rates increase the cost of borrowing	Fix interest rates where possible to reduce exposure to rate rises
Government policy requires further reductions in social rents	Cutting back on spending – such as delaying non-essential maintenance and works
Pressure on household incomes leads to increased arrears	Provision of advice services – such as employment and welfare – to support household incomes

7.4 Commercial

Peabody will own and manage a mixed portfolio of commercial property, providing over 1.8m sq ft of accommodation across London and with a current focus in Thamesmead. The portfolio will be managed by a dedicated in-house commercial team which ensures that the estate is run effectively and efficiently to produce a commercial income (currently over £9.5m pa) for reinvestment into our core group activities. The portfolio is varied and provides space for a range of businesses representing a broad range of sectors. These include national retailers, restaurant and café operators, creative industries and manufacturers. The portfolio also includes medical and dental centres, colleges and accommodation for training and community support services.

To deliver our aims in 2017/18 we will:

- Undertake a review of the management of the commercial portfolio to ensure its commercial performance is being fully realised and develop a long term commercial strategy to take forward from April 2018.
- Develop a private rented sector subsidiary with a high quality and sustainable offer to tenants. It will be a commercial vehicle aimed at generating surplus as a further income stream for the new organisation; helping diversify our income, creating tenure mix where necessary and capturing value in schemes. Our trusted brand and our ability to develop good quality homes and places people want to live, means Peabody will be well-placed to create a new offer in the private rented sector.

8. CREATING THE NEW ORGANISATION

We will create a strong, distinctive new organisation of which our people are proud.

We are committed to ensuring that the opportunities and benefits presented by the merger will be fully realised.

The new organisation will be called Peabody, but the focus will be on building a new organisation that builds on the strengths and successes of the founding organisations. The new organisation will be reflected through a new visual identity and brand strategy.

We will develop a plan for the integration and transformation of our service delivery over the lifecycle of this business plan. At the forefront of our thinking and planning will be maintaining an orderly transition from business as usual to an integrated state; ensuring that dependencies and risks are understood and effectively managed.

During the first 12 months of the new organisation, our focus will be on integration, starting with those services that can be integrated more quickly, such as back office functions; whilst taking time to develop the right plans to optimize our offer to our customers.

Subsequent years of the business plan will focus on transformation, maintaining the momentum of the merger, while seizing opportunities to change the way we work so that we can deliver services more efficiently and effectively.

Throughout we will ensure that there is continuous but appropriate checking in/testing opinion with customers, employees and partners that our programmes are achieving the right outcomes and actively using feedback to learn and improve.

A small Integration Directorate has been created to guide, support and co-ordinate the planning and delivery of critical milestones; ensuring that projects and programmes are resourced for success. An important benefit to be realised is the identification of talent and change agents; who by supporting the integration programme will gain unique and stretching experiences and be equipped to support future growth, change and innovation.

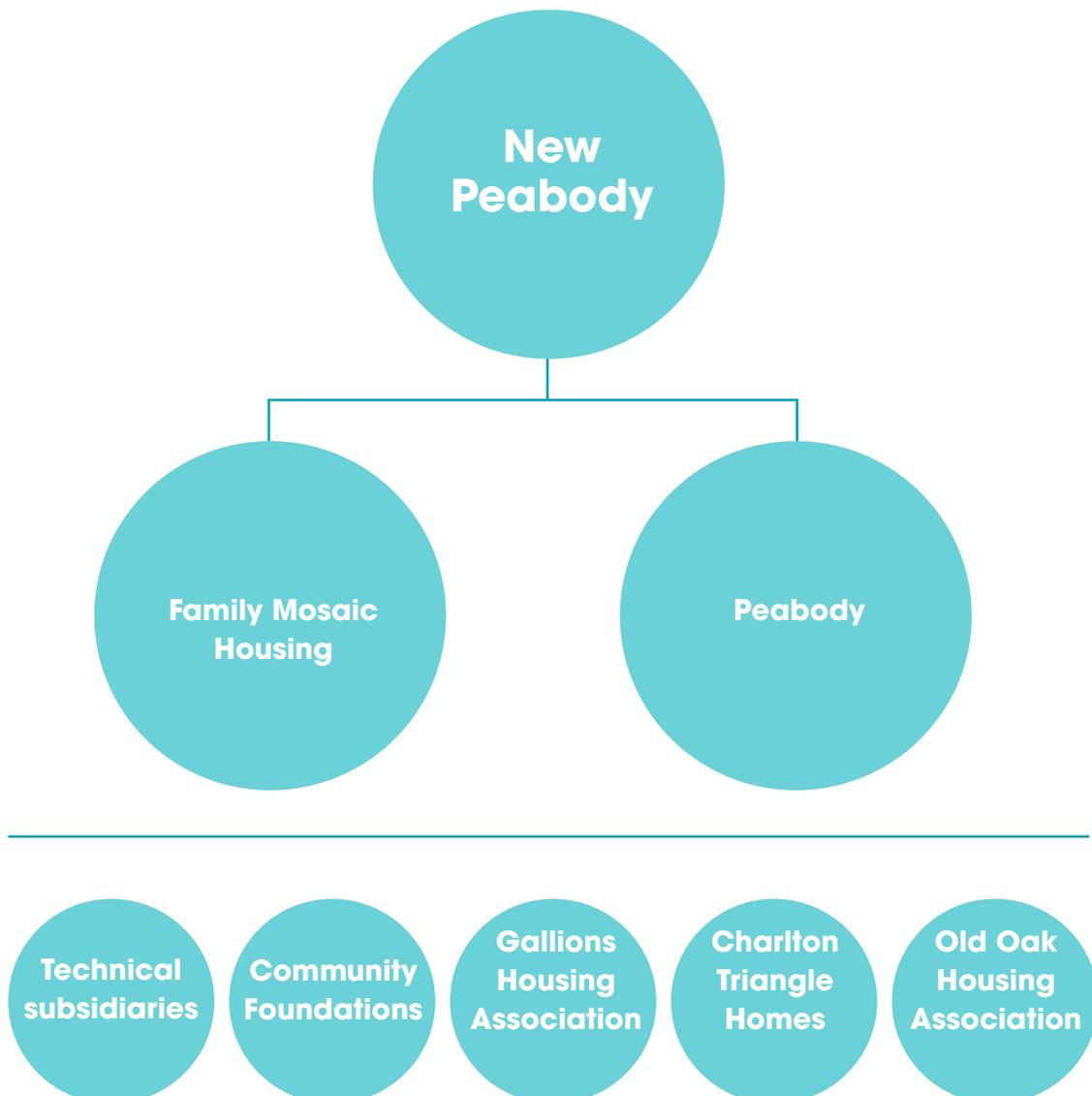
8. CREATING THE NEW ORGANISATION

8.1 The shape of the new Peabody group

The new Peabody group will be created in two phases. Phase one in July 2017 will see a new Peabody grouping created with the Family Mosaic landlord as a subsidiary.

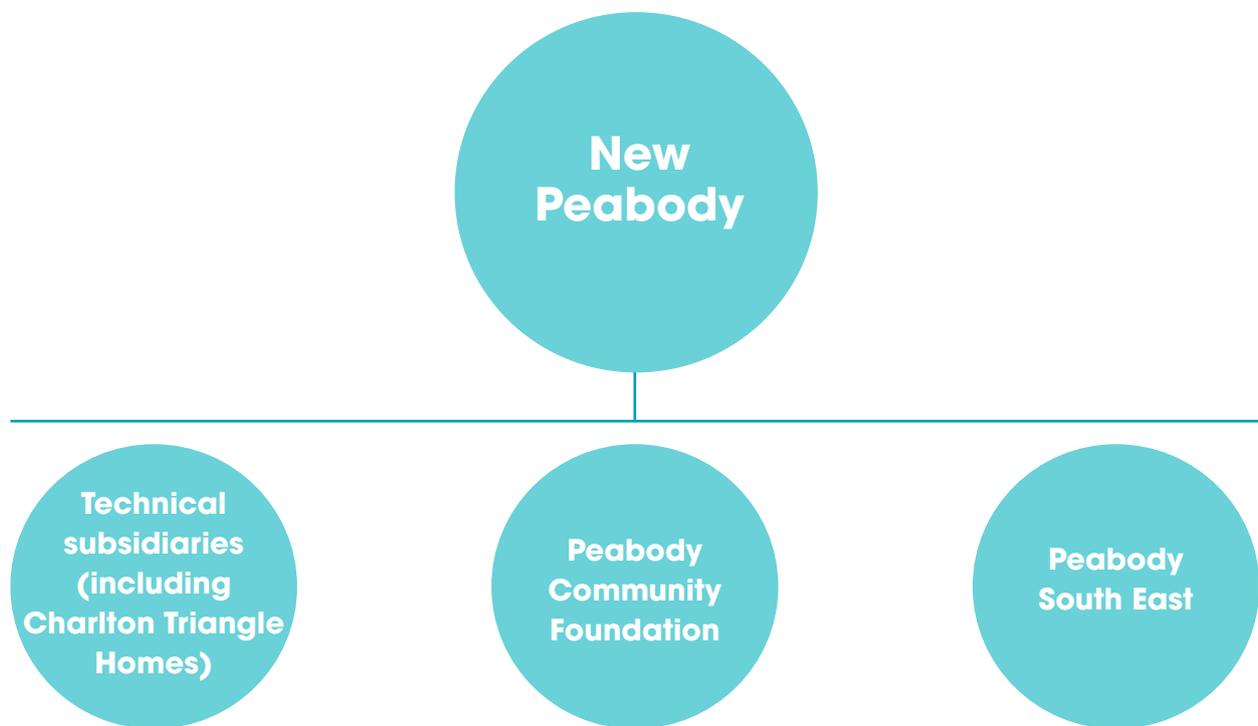
The various subsidiaries and foundations of each landlord will remain. Phase two, anticipated to be in April 2018 will see one landlord created in the new Peabody group and a streamlining of the subsidiaries.

July 2017



8. CREATING THE NEW ORGANISATION

April 2018



8. CREATING THE NEW ORGANISATION

8.2 Stakeholders and research

We will use our knowledge and experience to influence local and national policy about issues that affect the people we serve.

With the increased scale of the new organisation, and our unique place in London housing, we will be able to work to create an operating environment that supports our mission and gives a voice to those in need.

Our research and policy work will position us at the forefront of housing policy - setting the agenda and helping shape the future policy direction. We'll form long-term effective working relationships with local, regional and national politicians and other policy-makers and listen to what partners and our residents say.

We'll have a breadth and depth of knowledge and will be able to use a robust evidence base to show what is needed to help our residents lead successful lives. We'll promote policies that create opportunities for the poorest in society, whose voice may not otherwise be heard.

8.3 People

Our people make our business. We will build on best practice from both organisations to create a working environment where all employees can develop their potential and feel valued.

We will create a set of behaviours, based on the organisational values, which will become the foundation for the way we work with each other and engage with our customers. We will develop the right skills set to deliver our ambitions.

Our focus during the integration period will be working towards an agreed culture and behaviours: openness and honesty; respect and understanding of cultural and operational differences; a commitment to retaining knowledge and skills; and a measured approach to sensitively managing the effect of the integration on individuals.

We will achieve our ambitions for the new organisation by:

- Putting in place a new People First service programme to ensure all employees take pride in their work, understand their role and how it contributes to the performance of the team, building on the new Peabody values.
- Implementing a consistent set of competitive terms and conditions.
- Maximising performance and delivering the highest standards of customer service, by engaging, motivating and involving our people.
- Anchoring the new values in all people processes – from recruitment to performance management, talent development, promotions, remuneration and keeping the work-life balance.
- Continuing investing in our people, helping them to achieve more for the organisation and themselves. We'll deliver a range of in-house and online courses focused on the key knowledge and skills.
- Evolving our current leadership programmes to make sure our leaders have the capability, skills and qualities to support, develop and empower all employees through integration and the achievement of our organisational goals.
- Laying the groundwork for achieving a place in the Sunday Times '100 Best Companies to Work For' rankings.

8. CREATING THE NEW ORGANISATION

8.4 IT strategy

Excellent IT and telephony are vital to allowing our people to work successfully and for our customers to receive the best service from us. IT infrastructure and business applications will support integration and transformation as well as the future growth of the business.

In the longer-term, employees will have a single view of the customer, enabling them to respond effectively to resident requests and freeing up time for what matters the 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 are working to integrate our infrastructure and applications in 2017/18 and complete transformation in 2018/19. To do this we will:

- Consolidate our existing infrastructure, applications and teams to deliver cost savings and simplification.
- **Leverage the best commercial applications for the merged organisation including:**
 - Keystone to support asset management and compliance
 - Northgate housing management system to provide core housing processes and rent accounting
 - Customer relationship management to provide a single view of the customer and underpin core processes and channels be they telephony, self-service or mobile working.
 - Infor Sun to underpin core financial processes
 - Systems to support HR and development and sales
- Support the transformation of our care and support business with a focus on mobility.
- Support wider business transformation through provision of rich self-service, mobile working for our front-line staff and agile working.
- Strengthen information security to protect our information assets.

9. Corporate KPIs

Our 16 corporate KPIs reflect our top priorities and are focused on the strategic measures most important to track the success of the new business in 2017/18.

INAUGURAL BUSINESS PLAN PRIORITY	KPI	TARGET FOR 17/18
We will aim to build 2,500 new homes each year by 2021	Number of new homes	Starts: 1,785 Completions: 686
	Satisfaction with new home	80%
We will deliver good and reliable services	% of care and support customers leaving Peabody for positive reasons	85%
	Customer satisfaction with landlord	76% Peabody 81% Family Mosaic
	Number of people supported into work	1,250
	Repairs-related complaints as a % of repairs logged	< 1%
	% of work in progress (WIP) in responsive repairs under 30 days	85%
	Operating margin	> 30%
We will create a strong, distinctive new organisation	Net surplus on contract income (Care and Support)	2%
	Void loss	1.44%
	Absence rate	5 days
	Efficiency targets	On track
	Direct cost per unit (includes revenue and capital maintenance)	£3,911
	Central overheads as a % of turnover	10%
	Statutory and regulatory compliance	100%
	Thamesmead - resident satisfaction with neighbourhood	80%
We will take the next steps in the long-term regeneration of Thamesmead, London's new town.		