

Group Strategy

2021-24



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Welcome to Peabody’s Group Strategy 2021–24. The last year has been the most challenging period of many people’s lives. It has been a period of fundamental change for everyone which will be felt for years to come and this is reflected in the new and refreshed strategic priorities that will shape Peabody’s delivery through the next three years.

The pandemic saw our teams join together in the most extraordinary way to support our residents and to do this we had to quickly adopt new ways of working. This has reinforced our social purpose and helped us to accelerate a more digital, flexible way of working. The pandemic will have a long-term impact, with more and more residents facing unemployment and hardship and the knock-on impact that this has on mental health and wellbeing is huge. Supporting them through this as well as helping to shape the recovery, in and around London in particular, is at the front of our mind.

Our values remain the same, and our teams have been working tirelessly to put these into action throughout these difficult times. The tremendous support offered to our residents, customers and colleagues has been extraordinary, and demonstrates that our identity, culture and values are strong. Our people have really lived the Peabody values this year, showing we are an empathetic and effective organisation that helps people make the most of their lives.

We know that we have great people doing great things for others and as an organisation we aspire to be great at everything we do. We are ambitious in our plans, and are committed to ensuring that we get the basics right and to delivering a great service and supporting our customers to be more resilient. So, our priorities are to deliver:

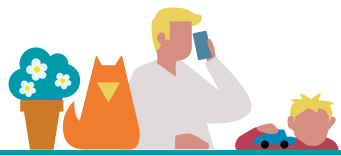
- Great customer experience
- Great social impact
- Great homes and places
- Great place to work

Our priorities are focussed, cutting across all service areas and directorates in the organisation, ensuring that everyone is working to the same ends. Whatever our teams are doing, they are working towards one or more of these strategic goals. They have been shaped through hundreds of hours of consultation. Underneath sit supporting objectives and detailed delivery plans which will be measured and reported throughout the life of this strategy. This will make sure the priorities remain relevant and deliverable, with a focus on the issues that matter to our teams and to people living and working in our communities.

Peabody customers should be able to expect great services, meaningful involvement in decision making, and an effortless experience in getting things done. Our modernisation programme is already bringing tangible benefits, and we are embedding digital improvements alongside new ways to empower and involve customers in both service delivery and our strategic direction.

We will maintain and enhance a strong local presence in our communities, working with partners to make sure tailored support and opportunities are available to all. The response to the pandemic in London has shown the value of great partnership working and we are continuing this to help make the biggest difference for as many people as possible. By capturing social value through our supply chains and with partners, we’ll maximise our social impact. We’ve seen the benefits of this through the work of the Children’s Community partnerships in Hackney and elsewhere, and this approach will continue to be important to us.

Having a good quality affordable home has never been more important and is also reflected in our priorities. Our commitment to affordable rents and affordability more widely will continue. For shared owners we will work to identify opportunities to



Foreward from Lisa Rae



reduce service charges and costs as part of our continued drive to create thriving mixed tenure communities.

In addition to meeting the affordability challenge, we are committed to ensuring our existing homes are safe and sustainable for the long-term. Having conducted a full survey of our homes we know where investment is most needed and have a comprehensive programme planned to ensure they are well maintained. But sustainability stretches beyond new homes and improving the standard of our existing homes, it touches every single thing we do. Our approach will address every area of our activity from reducing our carbon footprint to supporting residents to make greener, more sustainable choices.

The next few years will also be tremendously exciting for us as we develop new homes. Our "whole place" approach to the regeneration of Thamesmead is continuing with real and widespread change well underway. We also have the opportunity to deliver a fantastic new community in Dagenham and our scheme at Holloway Prison will open up and connect the place with the wider area for the first time, as well as delivering hundreds of new genuinely affordable homes.

The people who make everything possible are Peabody employees. Without a talented, diverse, engaged and creative workforce we won't achieve what we set out to do. By investing in our people, technology and workspaces, and embedding equality, diversity and inclusion in our teams, we will ensure that everyone has the opportunity to grow and succeed. Whether people are working at home or in offices, on estates, or in customer facing roles, we are determined to ensure that Peabody is a great place to work.

Lord Bob Kerslake
Chair



It's been a tough and challenging year for everyone, and the Strategy and Policy Group was pleased with Peabody's prompt response to ensuring vulnerable residents' needs were met.

The Group is made up of residents, and we understand the difficulties some of our residents face, so the work of the Group has felt even more relevant and more important. I am grateful for the dedication of the Group Members in ensuring that the voice of residents is not only heard but listened to, and I am also grateful for the willingness of Peabody staff of all levels to attend our meetings and answer our questions.

We have achieved a lot over the past year, not only through our reviewing of key strategies and policies but also in prioritising our thoughts for Peabody. Our recommendation for residents to be included in the procurement process has been taken forward by Peabody, and we were well consulted on the corporate strategy priorities. Our feedback and views have helped shape these priorities and we will be reviewing them regularly to ensure they remain the right priorities for residents.

Peabody is actively looking at a more focused approach to resident engagement and the Group has noticed improvements in how Peabody values and listens to residents. There are further opportunities for the Group to make sure these improvements continue and in particular that lessons are learned from Peabody's response to the pandemic. As a Group we are continuing to develop our role, and we know that high quality services are not just about having good strategies and policies but also that residents feel happy and safe, trust Peabody, and want to live in a Peabody home.

Going forward we will be looking at the work of communities, ensuring that residents who are not online are not forgotten, reviewing how Peabody is meeting the Dame Hackitt recommendations, and how they plan to refurbish and build developments to meet carbon neutral and social housing targets. All of these important themes of the new strategy, and a great opportunity for us to continue to advocate for all residents.

Lisa Rae
Chair of Strategy and Policy Group



Who we are

About us

Formed over 150 years ago, Peabody is one of the UK's oldest and most respected housing associations. Together with Town and Country Housing who joined our Group in 2019, we're responsible for over 67,000 homes in London and across the South East. Most of our 155,000 residents live in London, predominantly in the inner boroughs – such as Islington, Southwark and Hackney – with diverse and growing populations. We also work with our local communities through our community foundation and customers with a range of needs through our care and support services. Outside of London, we have a significant number of homes in Essex and Kent, including many sheltered and supported housing properties.

Our mission

Our mission is simple and powerful:

To help people make the most of their lives.



Our priorities
We have four clear priorities to help us deliver our mission:



Great customer experience
co-creating thriving communities through a local focus.



Great social impact
creating resilience and preventing homelessness.



Great homes and places
investing and maintaining for the long-term.



Great place to work
establishing diverse, inclusive, engaged and creative teams.

Each strategic priority has clear outcomes, so we know what change we want to see over the life of the strategy. We also have a plan of activity to deliver each priority, to ensure that our efforts and resources are focussed on where it matters most. We will measure our outcomes and impact with a clear set of key performance indicators (KPIs). Further details around each priority are provided within this document, as well as information about how we review progress.

Values

Our culture and values also play an essential role in who we are and how we do things:



Being human and kind

We are human and kind in the way we communicate. This means that we sound like human beings not robots.

And we use language that is simple, not technical. We make things easy to understand whether it's for colleagues or residents. We do not issue orders; we ask and explain the benefits. Above all we never forget that there's a human being with feelings at the other end of the conversation.



Great customer experience

Our customers have a simple and effortless experience and can access our services through a choice of different ways. We keep our promises and get it right first time, so our customers are happy with our services. Our customers are at the heart of designing our housing and community services and help us to shape our offer based on the needs of each neighbourhood. We listen to and act on our customer's feedback and are transparent about our progress.

The pandemic has brought a strengthened sense of community, mobilising many to reach out to offer help to those in need in their local area. During this challenging time, we have focused on ensuring that the right services and support are in place across our communities. We have shown that when we pull together across the business for a common aim, we have far more impact. We have learnt that in some places we need to take a different role. We recognise that London is a diverse city and this variety extends to the challenges and needs in each of the local areas we work in.

Our focus will be on utilising our knowledge and experience in our communities so we can offer a simple and effortless experience to all of our customers; to listen and understand their needs and then act on this to improve the way we do things. Customers must truly be part of shaping services so that we can offer a great experience. We will show how we listen to their feedback, tailor our approach locally where we need to, be transparent about where we are making improvements, and provide genuine opportunities for them to influence. We have found new ways of engaging, using technology such as Zoom and in doing so increasing our visibility and understanding of customers' needs.

Modernisation of our core services such as repairs will ensure we get the basics right. This is also why we are prioritising the right technology – ensuring our teams have more knowledge at their fingertips and we are more joined up in what we do. As part of this we will be offering a range of ways for our customers to get in touch, including better digital channels which more customers are choosing.



Key objectives

Effortless and caring experience

We will have all the relevant information about customers in one place, have processes that are effortless and be more proactive, empathetic and personal in our communications. We will keep our promises and get it right first time. Our new digital offer will improve our customers' experience and enable us to be more efficient and strengthen our local focus. All of our customers will have more choice in how they can access our services, recognising their different needs.

Customer involvement and influence

We will listen to our residents and involve them in directly shaping local services and decisions that affect them. We will use our data to make better decisions. Residents will have real influence and more choice over how we plan and deliver services. We'll work with our customers and the

wider community to co-design our community programmes. We will be inclusive in our approach to involvement and influence to ensure a diverse range of voices are heard. We will also regularly share our progress, including how we have listened and acted on what residents have told us.

Local planning and partnerships

We will work across teams and functions to shape our role and services by borough. We will use insight and evidence from our data and experience to understand and respond to the needs and opportunities in each community. We will establish and maintain partnerships that provide services which benefit our local communities. This includes developing strategic partnerships with local decision makers, as well as working with community service providers to create and sustain better places.

Key outcomes

- A better and effortless customer experience.
- Get it right first time.
- Increase digital inclusion and digital transactions.
- Decrease complaints through more timely and effective communications.
- More services created with customers.
- Make more decisions locally.
- Deliver more actionable insight.
- Customers feel that we listen and act on their feedback.
- Increase partnership working.



Great social impact

We alleviate homelessness by having more genuinely affordable homes and provide a range of community and care and support services which help our customers to become more resilient. We understand and maximise the social impact of every area of our activity, including our contracts with partners. We use both strategic and local partnerships to amplify our residents' voice and influence policy on their behalf.

Supporting our residents, care and support customers, and local communities throughout the pandemic underlined the importance of preserving a strong social purpose at the heart of everything we do. The longer-term impacts will be enduring, and as inequality deepens, things will get tougher for many. The financial consequences of the pandemic will drive an increase in homelessness linked to a rapid increase in unemployment. Demand for care and support services will also continue to rise in line with the growth in population, driven by increasing numbers of younger people with more complex needs, as well as our ageing population. The demand for a good home that's affordable for the long term is more important than ever, as is ensuring people are able to access services that effectively meet their needs.

The pandemic has taught us is that we can all be 'vulnerable', and residents have told us vulnerability really depends on your circumstances and the situation. We recognise we need to move away from labelling those we work with in this way. Our focus must be on better understanding their experiences, so we can use this insight to reduce inequality by influencing government policy, as well as our own services and partnerships. Through this approach we will create resilience and solutions that can be more tailored to individual and local circumstances.



Key objectives

Affordable homes

We will provide more affordable homes for those who need them the most. This includes through direct delivery and supporting partners to deliver more affordable housing. We will do all we can to ensure our social homes are genuinely affordable to reduce the risk of residents losing their home. This means making sure they are affordable from the start - through our design, rent setting and service charges. We also know that by working with our residents we can help tackle challenges such as costly energy bills, whilst also reducing their impact on the environment.

Influence and partnership

We will ensure our customers' experiences help to shape key public policy decisions to tackle inequalities in the communities where we work. We'll also form both strategic and local partnerships to help amplify our residents' voice and influence policy on their behalf. We will focus on increasing the supply of affordable homes, and other social issues such as Universal Credit, employment and pay. By putting the experience of residents first, we will use evidence to demonstrate issues and shape new ways of working.

Social value

We will gain more social value from our procurement contracts to address the key issues faced by our residents and communities, such as providing employment opportunities through our supply chain. We will continue to secure funding that enhances our social purpose, building on work such as our sustainability linked loan with BNP Paribas. We will increase our social value and impact by boosting incomes through initiatives like employment support, as well as improving mental and financial wellbeing through our investment, services and partnerships - addressing the key issues that can cause homelessness.

Early intervention

We provide homes and services to those that need them most and who do not have the right support in place. Our customers will have the support, advice and tools they need to sustain their tenancies and reach their personal goals through our care and support services such as living well, being self-reliant and connected to their community. By focusing on prevention and early intervention, we will ensure customers can more easily access our services as well as those of our partners.

Key outcomes

- Increase the number of affordable homes.
- Increase influencing activity and impact.
- Increase income and reduce debt/ costs for customers we support.
- Improve tenancy sustainment including reducing arrears and helping people keep their homes.
- Increase and leverage partnerships that boost positive outcomes.
- Make it easier to access our services and those offered by our partners.
- Increase focus on the people that use our services in their design and delivery.
- Improve how we measure, track and evaluate our social impact so we can focus on the activity that gives us the most return on our investment.



Great homes and places

We invest in our homes and places for the long term, ensuring our residents' homes and communities are safe, secure and sustainable. Residents work with us to design inclusive neighbourhoods that support wellbeing and ensure that everyone has access to green spaces and community facilities. Our new homes are sustainable and easy to maintain and we work with residents to help them make greener choices and cut energy costs.

A large proportion of our resources has been and will continue to be focussed on investing in the safety our homes, as well as improving our processes, engagement, and communication around this. This means we are having to carefully prioritise our expenditure on maintaining our homes and places, informed by comprehensive asset survey data. Many of our residents and leaseholders continue to face immense challenges brought on by fire safety concerns, and we want to do more to proactively support them and speak out about the issues they face.

When speaking to our residents to help shape this strategy we heard how important it was to feel safe where they live. This includes providing adequate security to property entrances, having CCTV in the right places to deter anti-social behaviour, and making sure that we take the time to listen to their concerns. By doing so, we know we can provide solutions that tackle the root cause of problems, such as providing buggy and bike storage so that items are not kept in communal areas.

We also need to be Carbon neutral by 2050 –and this requires planning ahead, so we have sufficient time to meet that challenge. With 74% of our emissions generated by existing homes and properties, our investment and work with residents to tackle energy bills needs to be focussed there. Our longer-term programme needs to start with getting the right data and processes in place to ensure resources are focussed in the right places and are joined up with our other asset investment efforts.

We want to create homes and places for the long term. Sustainability isn't just about improving the environment, it extends to designing homes so they are well managed and maintained, and creating communities so our residents have access to the right amenities, infrastructure and green space. This requires utilising our data, and also the knowledge and experience of our residents and colleagues to ensure we are learning and trying new approaches to drive greater value for money.



Key objectives

Safety

Our highest priority is ensuring our buildings are safe. We will have the right data and systems in place, review our homes and proactively test new processes to improve building safety. New homes will meet or exceed established safety standards and in partnership with peers we will deliver evidenced policy solutions. From how we design and manage our homes, to how we support and communicate with our residents, we will work directly and in partnership to ensure our residents feel safe and secure in their homes and neighbourhoods, now and in the future. We will be proactive in engaging with residents to understand issues and improve safety in its widest sense to the places and wider local areas that we work.

Sustainability

We will ensure our new developments are efficient and environmentally sustainable. We will also begin to plan and mobilise improvements to the environmental sustainability of our existing homes, including our heritage estates. We will explore internal and external funding to meet our goals and take steps to minimise and offset our carbon footprint. We will work with residents so they can make greener choices and can access specialist support and advice if they're struggling with their energy costs. We will also work with residents so they can make more of their green spaces and we will test different approaches across sustainability themes, such as making it easier to recycle on estates.

Planning and design

Our employees will be empowered to utilise data to inform better project-level and strategic decisions for existing assets and new developments. We will undertake more comprehensive and joined up communication and planning across teams. By having better planning and data we will have an enhanced understanding of costs and make better judgements to deliver better quality and value for money. We will be more proactive when bidding for, planning and designing new schemes to ensure our places deliver the right amenities and facilities, and are easier to manage. We will be more insight led, and also work to develop new approaches to engaging with stakeholders, communities and residents so they can shape plans from the outset.

Key outcomes

- Safer homes and buildings.
- Effective influence of building safety policy.
- Residents feel safer and more secure.
- Reduce carbon footprint.
- Reduce cost-in use / energy use.
- Reduce fuel poverty.
- New revenue streams to deliver our sustainability goals.
- Increase benefits of shared green spaces to our residents and the environment.
- More customers have influenced design.
- Buildings and places that meet local demand and need.



Great place to work

Peabody is a inclusive place to work where everyone is welcome and has the opportunity to thrive. Our people are empowered to choose how they work and develop and have the freedom to be themselves and live our shared values. They have the right tools and technology at their fingertips to be creative, to collaborate and effortlessly find the information they need. Our modern workplaces are comfortable and well-equipped spaces to drop in, connect and socialise.

Throughout the last year, like most other businesses, we have been operating in a very different way. While many of our teams have worked very effectively despite being remote from the office, we have continued to deliver important services to our customers and communities safely. Working in this way, and at this scale, was untested and has accelerated our thinking about the role of the office, how we should change and how we can best support our teams in the future. It brings the opportunity for us to consider the environmental impact of our accommodation and working practices, as we set out to meet sustainability standards in our workplace of the future.

With the experience and insight that we gained from a different way of working during the pandemic, we are creating a new approach to the workplace and flexible ways of working that are inclusive and fair for all our employees. We want them to have the right tools and technology to do their job, the opportunities to share their ideas and try new things, and also offer the right support and techniques to keep them engaged, healthy and feeling valued. This will include simplifying some of the former ways of working that don't support our future workplace.

We know that only by investing in our people to establish diverse, engaged and creative teams, will we be able to deliver great services for our customers. For the first time, we have a strategic objective of creating diverse and inclusive teams, showing our commitment in this area, and we have created a new dedicated role of Head of Equality, Diversity and Inclusion.



Key objectives

Equality, diversity and inclusion

Our leadership team will be more diverse and we will be an inclusive organisation where everyone has the opportunity to thrive. We will embed ED&I into our policies and culture, making it relevant to everyone through training and increasing the understanding of everyone's active role in stamping out discrimination of any kind. We will understand our performance as an employer, and use our data to identify and address areas for improvement. We will provide more opportunities for all employees to be heard and will support and promote our ED&I Networks to have more impact.

Engaged employees

We will attract and retain the best talent and will develop our people to be ambitious, creative, and business focused. Employees will be able to take ownership of their career progression, and we will recognise and celebrate talented people. Leadership development will be a focus for us as we move into new ways of working. We will embed a tailored approach to learning and development, supported by more opportunities for growth. We will also create a more flexible approach to performance management. We will empower

our colleagues to take ownership of their results, development and wellbeing, providing them with the right tools and resources. Colleagues will feel able to talk openly about their mental health. We will regularly listen to our employees, and act on their feedback.

Technology and workplaces

We will make flexible and agile working 'the norm' and create a culture and working environment which actively supports innovation and creativity. We will provide the right tools, technology and support for our people to do a good job and stay connected regardless of their location. Wherever employees are based, we will create an environment which facilitates collaboration. This includes ensuring our places of work are exciting and engaging places to connect, collaborate and create. We will develop a culture of trust which encourages employees to use their judgement and allows them to be dynamic, while protecting Peabody. We will remove unnecessary bureaucracy and simplify our processes, automating those where a human-touch isn't needed, so employees will be able to focus their time on adding value to customers.

Key outcomes

- Increase the diversity of employees, with a focus on diverse leadership.
- Improve awareness of ED&I.
- Increase opportunities for employees to influence ED&I policy and practice.
- Improve our understanding of ED&I performance (e.g. pay gap reviews).
- Improve employees' views on how ED&I is embedded at Peabody.
- Employees feel they are able to grow and develop more.
- Improved employee retention
- New starters report having a great experience
- Simplified processes where employees find it easier to get things done
- Improved staff wellbeing
- Employees feel they have the right tools and technology to do their job
- Employees feel more empowered and trusted

Foundations

We have several cross-cutting themes that are supportive to the delivery of our strategy and are foundational principles to ensuring we achieve our priorities.



Information management

Information and data are vital to ensuring we can deliver our priorities. Knowing our residents and customers, understanding their lived experience and using this insight, means we can tailor our services to their needs and influence effectively on their behalf. Similarly, knowing our properties and assets means we can make the right decisions about how to make them safe, manage them, and invest in them for the long term. We have achieved clear ownership of data across the entire business and this will help to drive improvements to many existing data challenges.

Now, a comprehensive programme of activity is underway to ensure we use data effectively and have the right technology and systems to enable good information and insight. Our vision with this programme is for people to have access to data which is accurate, consistent, comprehensive, easily accessed, and available at the time it is needed.



Finances and value for money

The emerging fire safety landscape challenges our original financial plans with our assets. However, we have a well governed, thoughtful process for working our way through this challenge, and will continue to take a prudent approach to finance matters. Attracting sustainable investment across our development, economic and social activities is essential if we are to achieve our ambitions. We are committed to continuing to be an "A" grade investment proposition and will reinvest our surplus into our core mission of helping people to make the most of their lives. We are dedicated to our decision to charge lower rents than we could because of the needs of our residents, and to build as many genuinely affordable rented homes as possible.

We want to get the biggest positive impact possible from every pound we spend – and that means we do not just look at the cost of delivering a service to our customers but also at the quality of the outcome for them. We have launched a new Value for Money strategy which sets out how we monitor and measure value creation. In order to achieve our priorities fully, we need to ensure that we make the best possible use of the resources which are available to us and demonstrate to all of our stakeholders that we have done so. We are also setting out to establish a clear way of articulating our social value and collaborating with others in the sector to enable better understanding of what activities have the greatest effect.



Protect Peabody

Good governance is crucial to our ambitions. When the regulatory environment is changing rapidly, it is critical that we comply with relevant standards and engage effectively with our regulators. This safeguards our reputation, funding and investment so we can continue to deliver our corporate priorities. Our sector carries a high exposure to a range of inherent risks and, to safeguard our strategic priorities from being impacted by a variety of challenges, we make sure we have good controls and the ability to adapt our plans when needed. We have an ambitious strategy and our system of internal control is designed to manage risk to a reasonable

level rather than taking a completely risk-averse approach. We do not want to stifle innovation, positive change and growth, but take a sound, risk-based approach to business decision-making. We have appropriate rules and procedures in place at Peabody that help us to stay compliant. They cover everything from how we build our homes to how we look after our customers and employees. They help us work together to do the right thing and show that we can be trusted. We all protect Peabody by maintaining these standards, showing we care about Peabody, each other and our customers.

Measuring success

We have ensured that initiatives are clearly linked to strategic objectives and outcomes, so we know our activity is clearly aligned to our strategy and delivering the impact we want to see. As well as having a corporate delivery plan which includes activity across a range of departments to make it successful, individual Directorate Delivery plans have also been developed to ensure all parts of the organisation know their role in delivering our corporate priorities.

We will monitor outcomes and successes through a quarterly review of our delivery plans alongside our financial processes for budgeting and forecasting, overseen by our Executive Team and Board. Our suite of Key Performance Indicators has been created to help us to monitor progress and hold ourselves to account. We keep our list of activity live throughout the year, through quarterly review cycles, so we can adapt and change if needed.





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