



Group strategy 2023-26

Getting closer to *our customers*



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Section one *Setting the scene*

Foreword from Ian McDermott

In April 2022, we developed an Inaugural Business Plan for the first three years of the new Peabody, following the merger of Peabody and Catalyst. This year we've refreshed that plan. This new strategy - Getting closer to our customers - reflect our commitments to truly put our residents and customers first. It was developed against a backdrop of economic uncertainty and challenges that are affecting not just our organisation, but also our customers and colleagues. The war in Eastern Europe, the energy crisis, a 40-year high in inflation and rapidly rising interest rates have all had a serious impact. And we're all facing challenges we couldn't have predicted.

Following the merger, we'd hoped we could go further and faster investing more in homes and communities as a combined organisation. But the changes in the market have made that hard. While we are not where we had hoped to be, we are certainly in a much better place than we would have been as separate organisations. We made progress last year and focused on four areas to improve our services to our customers:

- Creating a functional regional model - we've created five regions with more colleagues focused on supporting our residents in person. We're aligning our central teams around our regions to ensure that residents are at the centre of every decision we make.
- Creating one team with a defined culture - the integration of teams is well advanced and should mostly be complete within the next few months. We're developing and starting to embed a 'customer first' culture to support a great customer experience.
- Integrating systems - we're integrating our core systems and processes. This work is on track to be complete in the autumn, as planned.
- Investing in our homes - we're prioritising significant investment in our existing homes.

We've reflected on the past year and believe the purpose, priorities and values we set at the time of the merger remain valid and appropriate. During this time of significant financial challenge, we're having to make some difficult calls. We're convinced that our core priorities are the right ones.

The standard of some of our homes and some of our customer service isn't good enough. We're determined to transform the experience of our residents. And this is reflected in the priorities we've set out in the strategy: supporting and developing our colleagues to put our residents first; a focus on delivering good homes and easily accessible and reliable services; and creating a sustainable and resilient organisation. To deliver this we're aligning our whole organisation around a local service delivery model. This will make sure we put our residents at the centre of every decision we make and is at the heart of our culture change.

The Better Social Housing Review, sponsored by the Chartered Institute of Housing and National Housing Federation, also concluded that housing associations must first and foremost deliver on their core purpose. This was guided by a steering group which I jointly chaired.

The review put forward a number of recommendations including:

- a comprehensive audit of the quality of all social housing.
- partnering with residents, contractors, and colleagues to define new standards for an excellent repairs service.
- and working with residents to ensure they have a voice at every level of decision making.

At Peabody, we'll be taking all these recommendations forward as an integral part of our strategy.

Colleagues across the organisation have been working extremely hard through the integration and in a very challenging environment. Creating an inclusive and inspiring place to work is at our core and underpins everything we do.

Ian



Operating environment

Peabody is one of the UK's oldest housing associations and has a diverse range of residents and customers.

Like all sectors, housing is being affected by the wider operating environment and today's cost of living challenges. We're having to be nimble in shifting our focus and investment to where we can have the biggest impact, while continuing to innovate.

The cost of living crisis and rising energy price cap are having an impact on both our residents, our customers and our colleagues. We'll need to support local communities and wellbeing services and help our residents to manage arrears throughout this.

The energy crisis accelerates the need for us to reduce the demand for gas and electricity in our homes, as global gas markets continue to be volatile. We're also finding managing communal heating networks more challenging with increasing costs often being passed straight to the consumer. To play our part in managing the climate crisis, we're looking to reduce carbon emissions and move to renewable and clean energy in the new homes we build.

The safety of our residents and homes is key. We'll continue to invest in building safety work and meet the considerable new duties and responsibilities under the scope of the incoming building safety regime. Our Building Safety Board oversees this work to ensure we're delivering to the current regulations and looking ahead to adapt our approach as needed.

We'll put our residents at the heart of all our decisions and create an organisation that is adaptable and responsive. We welcome the Social Housing Regulation Bill and new Tenant Satisfaction Measures. This new stronger consumer regulation and complaints process will put our performance in the spotlight as we work to improve our customer service and engagement.

Our operating costs are set to continue to rise more rapidly than the rent cap. Inflation is at an historic high and building materials, repairs and maintenance costs are all increasing at the same time as we invest more in our homes and services.



Our purpose

George Peabody's letter to his original trustees emphasised a clear social purpose:

"To ameliorate the condition of the poor and needy of this great metropolis and to promote their comfort and happiness".

160 years later, this social purpose remains at the heart of our organisation. As well as helping people escape poverty and thrive, our modern organisation provides a broad range of services and support programmes to make a positive impact.

We've defined our core purpose as:
Helping people flourish

We do this by providing great homes and services, by making a positive difference to our communities and by providing an inclusive and inspiring place to work.



Local Peabody

At Peabody, we take a personal and local approach to delivering services to our residents. They are at the centre of our thoughts. We treat everyone with kindness and how we would like to be treated ourselves. We understand that one size doesn't fit all.

Our local approach will ensure we deliver the things that residents tell us matter the most to them. To do this we've created five regions. These regions are run by managing directors who have overall accountability and build strong relationships with our stakeholders. Every team in the organisation supports the managing directors to deliver their services locally, from providing data and insight to informing decision making and providing dedicated regional contacts for each service area.

Within these regions, our neighbourhood teams will have more manageable areas to cover and more time to get closer to residents. The size of neighbourhood areas will vary depending on demand. We'll work together with residents to shape our services and demonstrate how their input and feedback has informed the services we provide.

Our customer facing colleagues will be empowered to make decisions in their area. They'll be supported by colleagues across the organisation so we consistently offer an excellent experience. Everyone at Peabody will pull together to do the right thing for our residents, particularly in these difficult economic times.

Our local approach will be complemented by the Customer Hub and through My Peabody which gives residents an easy way to access our services online. This will give residents the choice about how and when they access our services.

Section two

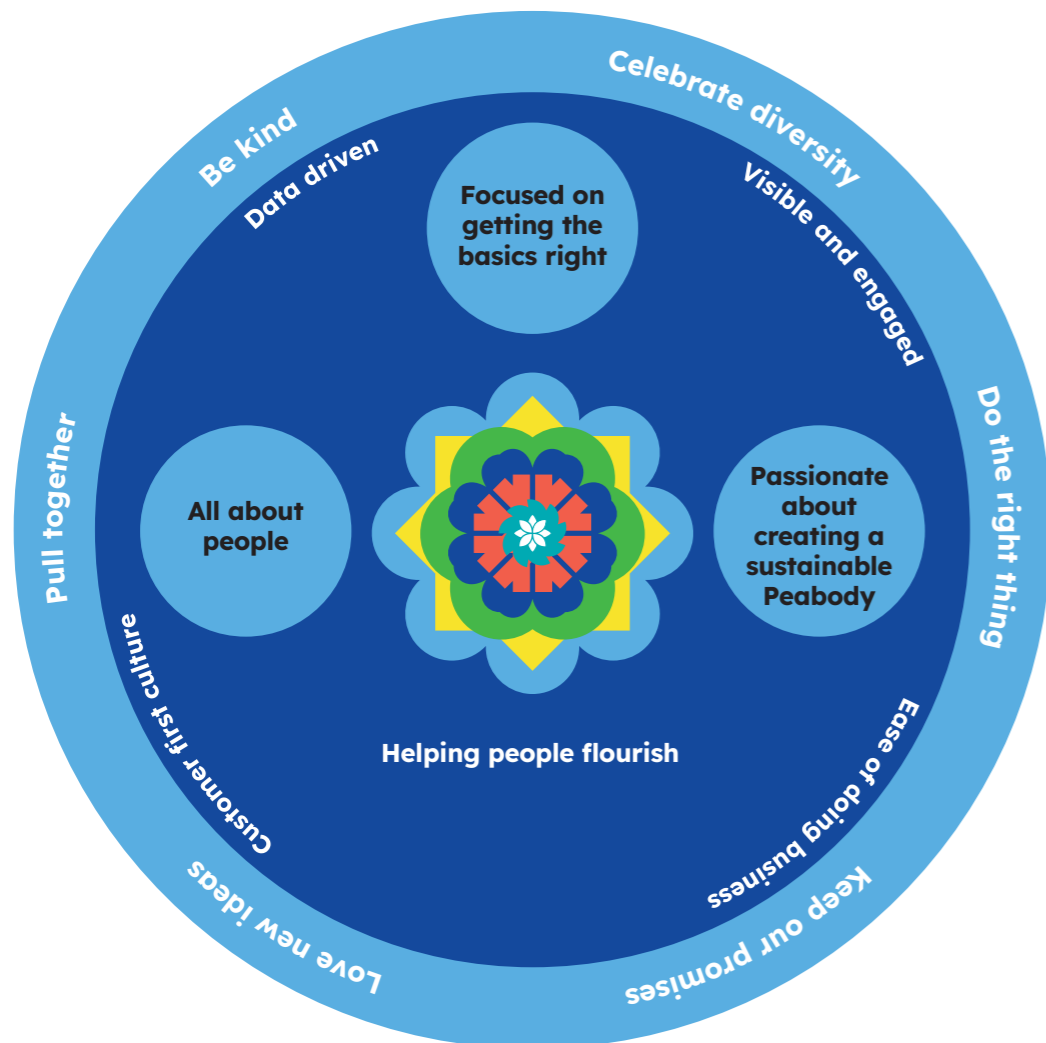
Strategy *summary*

Every year, we refresh our three-year strategy to keep it current. Last year's strategy for the newly merged organisation was called the Inaugural Business Plan. It was ambitious with a strong local focus. It put customers back at the forefront of what we do, reflecting the complex, sophisticated and rapidly changing world in which housing organisations operate.

Our new strategy continues this local customer focus and sets out our path to create a contemporary organisation which reflects our rich heritage and cultures. We'll completely transform our organisation to be regionally led, so that we're focused on the neighbourhoods where our customers live, and every decision puts our residents and customers at the heart.

We'll also be robust in responding to the current challenging environment and preparing for new and emerging regulation. We'll be investing in our existing buildings and improving our services to deliver the homes and experiences our residents want and need.

We will combine local knowledge, relationships and insight with the advantages of scale, resources and influence – the best of all worlds. We'll be looking at opportunities to innovate, both in and out of sector to deliver better services. We'll build a culture focused on putting residents first.



Our strategic priorities

Our three strategic priorities remain the same, but have been updated to reflect the new operating environment and feedback from our customer surveys and discussions:

We're all about people

We're focused on getting the basics right

We're passionate about creating a sustainable Peabody

Our values

At the time of the merger, we worked with colleagues, residents, customers and the board to develop our new values:

Be kind

We are thoughtful and show empathy in every dealing with residents, customers and colleagues.

Celebrate diversity

We encourage everyone to bring their whole self to work.

Do the right thing

We're open and honest and keep the best interests of our residents, customers and colleagues at heart.

Keep our promises

We do what we say we will and follow it through to completion.

Love new ideas

We're curious and always looking for innovative ways to improve.

Pull together

We share our work and seek diverse views in good and bad times. We enjoy collaborating and celebrate successes together.

Enablers and foundations

Our priorities are supported by four core enablers that should be at the centre of every change we make:

- We put our residents and customers first
- We're visible and engaged
- We're easy to do business with
- We use data to inform decisions

These enablers and our values will help to shape the culture we want as an organisation.

Underpinning this are the foundations of effective compliance, value for money, sound finances and technology. These cornerstones of resilience help us ensure that the organisation can continue supporting residents into the future.

Overseeing our strategy

To deliver the strategy, we must be effectively managed and governed. We've put in place new streamlined leadership and management structures, as well as an integrated board and revised committee structures.

We'll measure our outcomes and impact with a clear set of key performance indicators. Further details around each priority are provided within this document, as well as information about how we'll review progress.



Section three *Strategic priorities* 1 – We're all about people

Our vision

We're an inclusive organisation which enables our customers and colleagues to thrive. Customers shape our services, and their voice and experiences empower change. Colleagues and customers develop and grow together in a culture which supports growth and celebrates diversity.

For our customers

We'll put our customers at the forefront of everything we do, looking at how they experience our service. Our customers' voice will be heard at all levels of the organisation.

We will achieve this by:

- Building a customer first culture that creates a sense of belonging and empowers our teams to do the right thing for our customers in their local community.
- Listening and acting on what our customers tell us. Using insights and co-creation we'll work with customers to design services and products that meet their needs.
- Giving our customers choice and control in how, when and where they access our services. This can be through our digital offer or our customer facing teams.
- Creating a focused and targeted programme of community investment to support customers to become healthier, wealthier and happier.
- Celebrating and learning from the rich diversity in our communities so we can all flourish.
- Getting closer to our customers locally and intelligently gathering meaningful data.
- Knowing our customers by improving our diversity data and creating bespoke services and communication relevant to their preferences, aspirations and tenure types.
- Investing in supporting the wellbeing of our customers.

For our colleagues

We will create an organisation which is inclusive, reflects the communities we serve and attracts and retains the best, diverse talent where everyone can bring their whole self to work.

We will achieve this by:

- Building and embedding a culture where we encourage everyone to bring their whole self to work, supporting and promoting equality, diversity and inclusion in everything we do.
- Attracting and retaining the best people by creating a positive employee experience from the moment colleagues first interact with Peabody to when they have left.
- Creating an attractive offer for our people and enhancing engagement to foster pride in Peabody.
- Involving our colleagues in changes and decision making ensuring two-way feedback and strong internal communication.
- Providing the opportunity to learn new skills and grow. Enabling colleagues to build career paths and increase skills through our new Academy.
- Offering a modern and flexible approach to working, enabling creative collaboration with the right tools and information to perform well for the benefit of our customers.
- Creating an environment where failure is a learning, so we build trust and empower our people.
- Improving and investing in wellbeing and support for managing mental and physical health.

2 – We are focused on getting the basics right

Our vision

We're locally focused and deliver what our residents tell us matters most to them. We invest in our properties and prioritise our repairs service. And we provide simple and easy access to our services through a choice of channels.

Investing in our homes

We'll invest in our homes to ensure they're safe, good quality and well maintained. This will, over time, improve resident satisfaction and reduce demand on our repairs service.

We'll achieve this by:

- Increasing the investment in our homes and recognising our residents want good quality, safe and sustainable places in which to live.
- Improving the quality and accessibility of data on our homes to inform timely decision making on investment and disposals.
- Developing consistent practices to meet the requirements of the Building Safety Bill, assured by a Building Safety Board.
- Tackling high-rise external wall issues with a dedicated and skilled team, providing a seamless and co-ordinated service.
- Planning and starting to implement a prioritised long-term investment programme based on a good understanding of the quality of our homes. This will ensure we have safe and secure homes to be proud of.

Effective repairs service

We'll deliver an effective and efficient repairs service, innovating to improve our offer. Feedback from our residents, colleagues and contractors will help shape and improve our service.

We'll achieve this by:

- Reviewing and improving our current repairs service and contractors.
- Empowering our residents and colleagues to raise and track repairs on our digital platform.
- Improving our customer experience by completing repairs quicker through a more dynamic contractor selection.
- Using local resources and knowledge to get repairs right first time and reduce repeat issues.
- Offering a better customer experience by addressing the cause of repairs issues and carrying out regular and timely planned maintenance.
- Using data and insight to identify and target the main causes of resident frustration and dissatisfaction.

Locally focused

We'll take a local approach to delivering our services, adapting what we do to the needs of each area. Our teams will be empowered to do the right thing and will work with customers to shape our services together. The local face-to-face approach will be complemented by a telephone and digital offer allowing customers to access our services when they want and how they want.

We'll achieve this by:

- Using data and insight to inform decisions which meet the needs of our customers in local areas.
- Enabling customer-facing colleagues to resolve issues first time through access to data and mobile working.
- Making sure our neighbourhood sizes are manageable and give customer-facing colleagues the time and space to get to know their customers.
- Building stronger relationships with local partners to ensure more community involvement in the design and delivery of our services.
- Investing in our customer and colleague digital offer and self-service, including mobile technology for colleagues.
- Simplifying and streamlining operational processes, with devolved decision making.

3 – We are passionate about creating a sustainable Peabody

Our vision

We focus on sustainability and consider how decisions we make today affect future generations. We invest in sustainable solutions for our communities, spaces and homes that benefit people and the planet.

Tackling climate change

We'll play our part in tackling the climate emergency by preparing to become a net zero carbon organisation by 2050.

We'll achieve this by:

- Co-designing solutions to tackle climate change with our customers through regular engagement.
- Improving our reporting on carbon emissions KPIs to achieve our 2050 target.
- Developing sustainable environmental management systems aligned to best practice.
- Retrofitting our least environmentally friendly homes.
- Developing new homes that are resource efficient and climate resilient.
- Embracing environmental, social and governance principles throughout the business.
- Making the most of available funding to ensure efficient delivery of energy improvements.

Investing in communities

We'll work in partnership with our residents, customers and stakeholders to understand needs, deliver local plans and ensure that people in our communities, whatever their circumstances, can live happier and healthier lives.

We'll achieve this by:

- Investing in local community programmes using co-funding and co-design principles and partnerships.
- Developing an outcomes framework, measuring social value to ensure we invest in programmes that deliver impact.
- Using learnings from our placemaking studies and stewardship models to embed into the organisation.
- Providing high-quality care and support services, reviewing our housing and agency managed portfolios.
- Developing an early intervention offer for customers who need extra support.
- Improving the health of those living within Peabody communities by investing in community spaces and homes.

Developing new homes

We'll build genuinely affordable homes for those unable to access home ownership or market rent. To do this we'll explore new ways of delivering this to move beyond the cross-subsidy model of market sales.

We'll achieve this by:

- Including more homes for affordable rent in our developments.
- Creating a development pipeline across the next three years which recognises our competing priorities.
- Focusing on the acquisition and control of large sites, complementing these with shorter-term, lower-risk opportunities.
- Investing in Building Information Management for the future.
- Developing alternative funding models for new development.

Section four

Enablers and foundations

Enablers

To achieve our strategic priorities, we're starting the journey to reshape our organisation. As we align our organisation behind our regional model, we'll be creating new ways of working. We'll develop systems and policies to support the regions to enable us deliver effectively and with a customer-first approach. We've identified four enablers that support our strategic priorities and illustrate the outcomes that we want to see. We'll ensure all activity aligns with the enablers and provides a mechanism to prioritise work in line with the strategy.

We put our residents and customers first

We'll create a customer-facing 'outside-in' culture. We'll empower our colleagues to make locally sensitive decisions within clear frameworks which put our residents and customers first. Our colleagues, residents and customers will work hand-in-hand to co-create services and truly understand the customer experience. Our new values and behaviours underpin our culture and will be the foundations for the success of the new organisation.

We're visible in our local communities

We want to be more visible and accessible in our communities, bringing the human touch to our customer experience. We'll build robust and meaningful relationships with our residents and customers and our stakeholders locally. We're making sure the number of homes each colleague is responsible for is manageable and will reduce the Peabody neighbourhood area sizes. We will empower our customer-facing colleagues to do the right thing. The new organisation will require a change in the way we operate with colleagues across the organisation focused on supporting local delivery. To achieve this, colleagues must feel connected and understand how the decisions they make and the way they behave will improve services for residents and customers.

We're easy to do business with

We know that it can sometimes be complicated and frustrating to deal with us. We want to offer our residents and customers a better experience and make it easy to interact with us. This is an area we want to significantly improve, which in turn will have a positive impact on customer satisfaction. We want all our customers to have choice in the way they access our services either through our local teams, our digital channels or our Customer Hub. We envisage that, increasingly, digital channels will be used for simple transactions, leaving local teams and specialist resources to focus on more complex issues.

We use data to inform our decisions

We'll use data to run an efficient and effective organisation. This will help to reduce failure, identify risks and opportunities and direct resources more effectively. This insight will enable us to improve the quality of understanding of our customers and organisational performance. It will also help us identify and anticipate problems and guide investment and resources, turning insights into actions.

Foundations

We'll ensure we're robust and agile enough to respond to opportunities through a mixture of investment, short-term financial targets, compliance and long-term business transformation. These foundations help to protect our core purpose and priorities around our properties and customer services to provide a stable base for longer-term planning.

Effective compliance

We must comply with relevant standards and engage effectively with our regulators. This will safeguard our reputation, funding and investment so we can deliver on our priorities. This will be delivered through robust governance and risk management, with appropriate procedures in place across all teams to help us stay compliant. We'll continue to simplify our organisational governance and streamline the corporate structure of the group. We want to continue establishing clear financial targets, define a modern customer-focused organisation and service delivery model, and create new ways of working to transform the future.

Value for money

Every change and investment we make should have a positive impact. Our value for money strategy is key to monitoring and measuring the change we're delivering. Within our service delivery we don't just look at the cost of delivering a service to our residents, but also at the quality of the outcome for them. We use benchmarking and specialist advice to identify opportunities across the business to drive better value and embed the new strategy within simplified and streamlined operational processes. This will enable us to make savings and continue to become more efficient. We'll also generate cash by disposing of non-housing assets.

Investment, treasury and tax

Continuing to attract sustainable investment is essential to supporting the delivery of our outcomes in the future. We're committed to continuing to be an "A" grade investment proposition and will reinvest our financial surplus into our social purpose of helping people flourish. A new asset investment plan will reflect current evidence arising from data on our homes, continually improving our confidence in the investment plans we devise. We'll prioritise investment in existing homes and services. To support our development targets, we'll explore the opportunity for alternative financial and partnership models.

Technology

Our priority is to complete our IT integration creating a solid foundation for the new Peabody. We'll continue to invest in and improve our cyber security, business resilience and data quality to provide stability for the organisation. We'll equip colleagues with better tools by investing in digital first and automated technologies. These will allow access to up-to-date customer and asset information, supporting customer-facing teams within our local areas.

Section five

Overseeing our strategy

Foundations

Our Group Strategy sets the framework to ensure that the activity we deliver clearly links back to our priorities to deliver the change we want to see. We'll review progress against our priorities quarterly to allow us to monitor outcomes and success during the year and adapt as needed. Our KPIs will help us to monitor progress and hold ourselves to account.

Supporting our Group Strategy are several strategies which provide detail and focused information on how we plan to deliver the change. These are listed below:

- **Asset management**
- **Customer experience**
- **Community investment**
- **Care and support**
- **Equality, diversity and inclusion (ED&I)**
- **People**
- **Placemaking**
- **Sustainability**
- **Thamesmead.**



Leadership and governance

Our governance is designed to support the achievement of our strategy. This is done through effective decision making, oversight and providing the Peabody board with a detailed view of all activities, risks and opportunities of the group.

Board members take an active role in the delivery of our corporate objectives, acting as a sounding board and providing constructive challenge, ensuring we put our customers first. They bring rich insight and external focus from involvement in other sectors as well as diverse perspectives from different life experiences (both professional and personal). They offer innovative approaches and ideas drawn from their wider skills and connections. A more ethnically diverse board, reflective of the communities it serves, will be a more effective board. We'll continue to work towards ensuring that by 2025, our board will include 30 per cent Black, Asian and Minority Ethnic board members.

The board is supported by a committee structure, which provides assurance and ensures the business can be agile and operate at the correct pace without duplicating effort. We'll review the opportunities to simplify further the group's corporate structure.

Beneath these committees is the executive team. Supporting the executive team is a structure of groups each led by an executive member, co-ordinated to provide direction and leadership on a range of issues such as information management, building safety, health and safety and safeguarding.

Measures and targets

Our board agrees our targets, which are linked to our strategic priorities and regularly tracked within our governance forums to review progress in the delivery of our strategy.



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