Peabody Group

Case Study for Sustainability First's Fair for the Future Project
Workshop on 25th June 2019 on
Roles and responsibilities –
Expectations and working with stakeholders on what is 'fair'

The **Peabody Group** is a housing association with a 150-year plus history. Housing associations are not for profit organisations set up to offer affordable accommodation to low income households. They are regulated by the government and restricted by legislation in their activities, for example the rents they can set. The vast majority of housing association tenants come via local authority waiting lists, and housing associations have "nominations agreements" with local authorities giving them rights to vacant properties in their area. Peabody's purpose is inspired by two great social movements:

1. George Peabody's vision of providing safe and affordable housing for the working poor of Victorian London, and
2. Grassroots community action in response to the 'Cathy Come Home era' of poor quality housing in post-war Britain led by organisations like Family Mosaic.

The merger of Peabody, Family Mosaic and Gallions Housing Association in 2018 gave rise to a new Group, which has 66,000 homes in London and the South East and 8,000 care and support customers. They also deliver an extensive range of community programmes. The Group is funded by reserves and debt in the form of long-term bank loans and private and public capital market bond finance.

Their board includes executive and non-executive roles and also has Resident Representatives. They currently have two resident board members, both of whom were recruited on a skills basis. Peabody has two main formal resident groups:

- The Scrutiny Panel undertakes scrutiny reviews of specific service areas and reports into the main board.
- The Strategy and Policy Panel ensures strategies and policies reflect resident concerns and that, where appropriate, residents have been consulted.

Members are recruited to the panels using a skills and training matrix, and the resident chairs (and other residents) play a role in recruitment. The Panel Chairs attend main board meetings annually.

Following the amalgamation in 2018 extensive work was done to develop the Mission and Priorities of the new body, which states:

We are here to help make people's lives better. We do this by developing and delivering reliably good modern services, building and maintaining the best quality developments, working with local communities and building long-term partnerships, and growing and using our position of influence to create positive change.

More information on their Mission, Priorities and Values can be found here. Building on this work Peabody published a Group Strategy, 2019-22.

The amalgamation provided the impetus and need for this new Strategy and as part of this work their Board, Executive and Strategy team challenged the assumptions and approaches in the old organisations and carried out detailed analysis and stress testing to inform and develop the plans for the new combined organisation.

In addition, they carried out research to better inform them about the needs of their tenants and the communities in which they live. In February 2019 they published their latest Peabody Index report https://www.peabody.org.uk/media/10307/pub_19_002_peabody_index_artwork-fin-update.pdf . They intend to continue to publish this every six months so they can track through leading indicators whether matters are improving and use the research as input into their planning processes.

Of particular note is their priority to put the most vulnerable first and to provide the support they need. This underpins their priorities and their drive to provide great places for people to live. The following examples illustrate this point.

Social Rents

In 2018 Peabody decided to freeze or cut rents on thousands of its homes below the level they were able to charge under the legal framework in which they operate. They wanted to provide more social housing at the lowest rents possible to meet the needs of people in their communities. They also recognised that the housing benefit bill was more than £25bn a year and that higher rents were not just a burden for their residents, but also for the general population and the government.

They did this with a commitment that service standards to tenants would remain the same but knowing that it would impact on their finances and could mean they have less money to bid for new land and develop it.

The work on developing this was led by a Senior Manager with a cross-functional team considering the issues in detail and how the decision could be implemented effectively. Detailed analysis and stress testing were done to fully understand the ramifications before the Board made the decision.

Lifetime Tenancies

Fixed-term tenancies were introduced by legislation in 2011. The idea behind them was that people's needs would change over time and that having fixed term tenancies would enable housing associations to assess this better and to utilise their stock more effectively.

Detailed analysis by the Peabody strategy team demonstrated that there was no evidence that fixed-term tenancies enabled the allocation of homes to be managed more effectively. They concluded that they caused uncertainty for residents and were unnecessarily onerous to administer for landlords. For example, if, at the end of the fixed term the landlord was going to properly review the need for a property of that size to be allocated to that tenant, then this needed to be done well and have adequate resources allocated to it. They therefore stopped issuing fixed term tenancies with effect from 1 March 2019.

'Children's Community' Pilot in Hackney

Peabody is the owner of an estate in Hackney transferred from the local authority in the 90's. Over a 10-year period Peabody made significant investment in the physical and community regeneration of the area. However, the local perception of the estate and the life chances of people living there remained the same. In 2010 Peabody commissioned the University of York to look at Child Poverty levels on Peabody estates across London. In 2011 the estate in Hackney was impacted by the riots at the same time Peabody was responding to the recommendations of the University of York report. The estate was therefore chosen as the first pilot for a 'Children's Community'. Based on the Harlem Children's Zone model, the programme looks at how to engage and support children, young people and their families across home, school and community.

They wanted to improve life chances of children and young people living on the estate and to improve the outcomes for people in the area. Peabody recognise they have a key role as a place maker and to work with key stakeholders and residents to develop and implement a shared strategic direction. It was imperative that the local authority was involved and supportive to reinforce the legitimacy of what was being proposed. They also worked closely with Save the Children to ensure that the varied support available to children and families was well integrated and easy to access.

They carried out extensive engagement with local residents to understand their needs and wishes, to develop shared desired outcomes and to mobilise the local community. A key learning point is that there is an absolute need to understand where any stakeholder is coming from and what they want to get out of the dialogue before you start. For example, there is no point is seeking views on critical components of a development if the tenants want to discuss problems with where their next meal is coming from.