

Capital Ambition Board

London Ventures: Lessons Learnt Report

Item no: 6

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Summary

This cover report introduces the London Ventures Lessons Learnt report; it is a culmination of feedback from local authorities, Venture Partners, CAB Members and Advisors, London Councils officers and EY. It highlights the progress made throughout Phase One of the programme and areas for improvement for Phase Two, marking the official closure of Phase One of London Ventures.

Recommendation

It is recommended that the Capital Ambition Board notes the contents of the report.

LONDON VENTURES: LESSONS LEARNT – COVER REPORT

Background

1. The new contract with EY, which commenced on 23 August 2016 marked the end of Phase One of London Ventures. As part of the official closure of that programme stage a Management Exit Agreement was entered into between London Councils and EY on the 24 August 2016 for the closing down of the risk share arrangement, and other exit provisions. A mutual exit activity set out in this Agreement was for the parties to produce a Lessons Learned Report for Phase 1 of London Ventures for submission to this Board in October.
2. A comprehensive lessons learnt process was undertaken in collaboration with EY.
3. The lessons learnt report doesn't seek to capture a full narrative of programme activities since 2013, instead it draws out areas that can be improved for Phase Two.
4. The Capital Ambition team contacted CAB members, CAB advisors, local authorities and Venture Partners throughout July, as well as holding a workshop with EY and London Councils personnel to seek feedback on particular areas of the programme.
5. This feedback has provided the foundations of the Lessons Learnt Report, with the areas for improvement raised outlined below.

Areas for improvement raised in the report

6. The report covers all aspects of Phase One of London Ventures, acknowledging the successes but focusing on nine key areas that can be improved going forward. These are as follows:
7. **Partnership** - In Phase One of the programme there was an initial failure by London Councils and EY to operate as a true partnership, with unclear roles and responsibilities and separate organisational structures that did not tally and resulted in delays to progress.
8. **Portfolio rationalisation** - The existing London Ventures' portfolio lacks strategic vision, with multiple small projects that are not cohesive and often absorb considerable resource. Prospective ventures need to be assessed for their potential to be scaled up in terms of borough take up and application of the solution as well as their implementation resource requirements before Capital Ambition Board involvement.
9. **Targeted Ventures** - The relationship with the marketplace, as it happened in Phase One, needs to be reversed, with London Ventures posing specific problem statements to the market and seeing what comes back. This will result in targeted

ventures, solutions to issues boroughs have previously identified, leading to a more cohesive portfolio.

10. **Stakeholder expectations** - There was no clear offer to Venture Partners outlining how long their relationship with London Ventures would last, and when resource investment from the programme would start to reduce. The differing expectations created by this were sometimes problematic and could be eradicated by honest conversations at the start of the venture cycle.
11. **Sales and marketing** - The sales role evolved with the programme, it was initially never explicitly considered or agreed. The production of a joint sales and marketing plan for Phase Two will allow this role to be shared and adequately resourced.
12. **Pilot criteria** - The emergence of the need for pilots to minimise the risk of investment in innovation for boroughs and provide a proof of concept has highlighted programme resource constraints. The level of resource required in pilot project management and implementation needs to be factored in to the investment case.
13. **Market analysis** - For Phase One, ventures were viewed as standalone products and were not compared to other solutions available in the marketplace. This resulted in mismanaged expectations, with boroughs assuming that products chosen to be ventures were automatically best in class. This has a significant impact for boroughs in the procurement process which needs to be addressed.
14. **Procurement** - Procurement has caused long delays in implementation for boroughs and has been frustrating for a range of Venture partners.

Implementing lessons for Phase Two

15. The lessons highlighted in the report have already started to be acted on by London Councils and EY throughout the initial stages of the Phase Two programme mobilisation.
16. In the spirit of a real partnership, both parties have contributed fully to the programme strategy and current portfolio assessment presented to the Board.
17. These documents form a key part of the groundwork necessary to maximise the success of Phase Two of London Ventures.

Financial Implications for London Councils

18. There are no financial implications arising from this report.

Legal Implications for London Councils

19. There are no legal implications arising from this report

Equalities implications for London Councils

20. There are no direct equalities implications for London Councils as a result of this report.

Recommendation

It is recommended that the Capital Ambition Board notes the contents of the report.