



# London Ventures Portfolio Assessment

September 2016

# Introduction

The London Ventures programme has a current portfolio of 11 ventures which have already delivered transformative change across the sector, and added significant value to local authorities. Examples include:

Providing safeguarding solutions through predictive analytics and risk modelling

*Xantura*

Unlocking new income from existing spend

*Oxygen Finance*

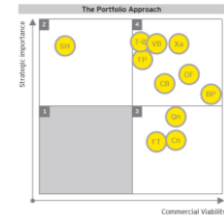
Reducing isolation of the elderly and the cost of caring for them

*Visbuzz*

Increasing productivity from automating back office functions

*Blue Prism*

The Portfolio Approach used in the London Ventures programme to date measures the commercial viability and strategic importance of each venture and places them in a quadrant (see example on the right). This has helped the Capital Ambition Board to make decisions around which ventures the programme should invest / divest in, given the financial envelope within which the London Ventures programme operates.



The London Ventures programme recognises there are opportunities within the current portfolio to deliver further systemic change, but there is a need to assess existing ventures to determine their future potential and reinvigorate the portfolio. It is important to ensure the current portfolio is relevant and:

- Contains a mix of ventures;
- Continues to gain traction and scale (e.g. Counter Fraud Hub, Blue Prism, Oxygen Finance); and
- Has the right amount of resource and support provided to each venture to achieve it's full potential.

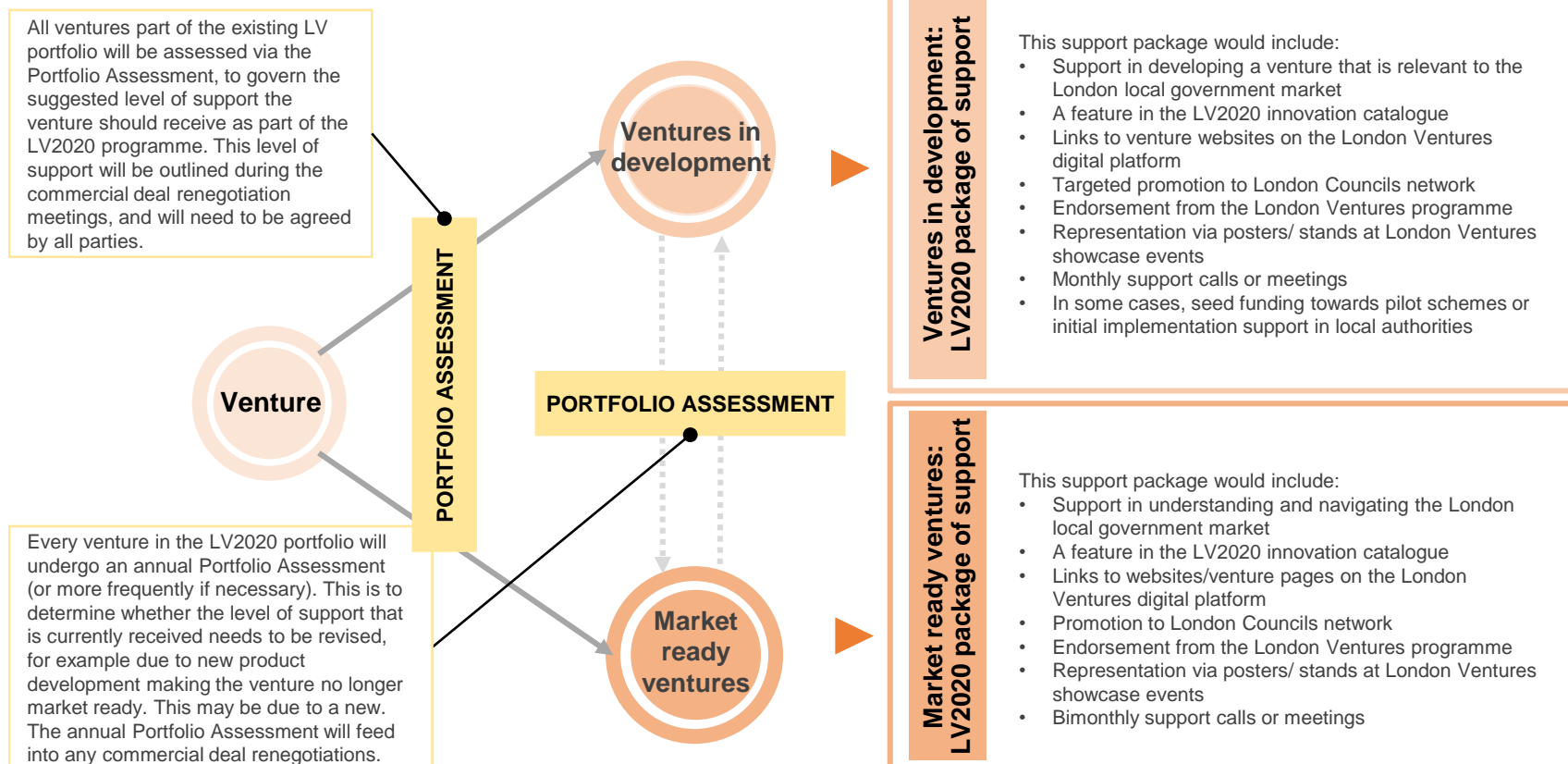
**The purpose of this document is to:**

- **Provide an assessment of the existing ventures in the current portfolio;**
- **Seek CAB approval for the proposed package of support recommended for the current portfolio;**
- **Seek CAB approval to re-negotiate commercial deals for the existing portfolio based on the proposed package of support; and**
- **Seek CAB approval for the proposed package(s) of support for future ventures.**

# We have undertaken an assessment of the current portfolio to determine the future package of support existing ventures should receive as part of the LV2020 programme

## The Venture Portfolio Assessment will direct the commercial renegotiation discussions with each existing venture and help us target resources most effectively

The packages of support have been designed based on understanding the needs of venture partners, to ensure they receive the right level of effort and resource from the LV2020 team in order to realise their potential. They also refer to elements of the Sales and Marketing motivation the LV2020 programme fosters, and therefore how the LV2020 programme will help promote and advertise the venture product or service. The Portfolio Assessment approach developed will signpost the most appropriate package of support each of the existing ventures should receive under the LV2020 programme. There is an aspiration for the Portfolio Assessment to be carried out on an annual basis (or more frequently if deemed necessary), for all ventures that are eventually part of the LV2020 portfolio, to determine whether their level of support is appropriate or requires amending, triggering a need to revise their commercial deal.



# The portfolio assessment carried out measures each venture as high, medium or low against four key criteria

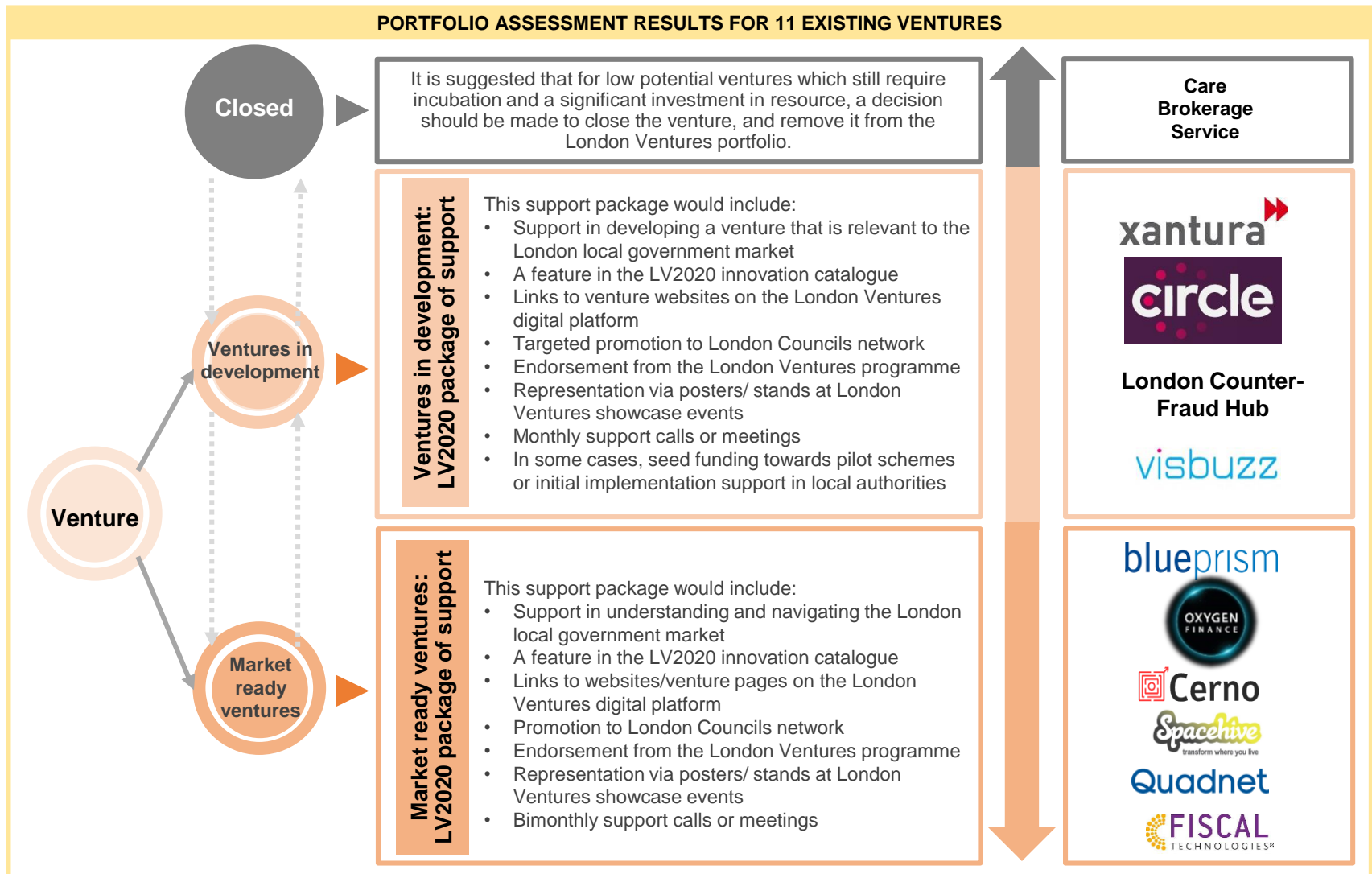
## Portfolio Assessment Criteria and Definitions

The Portfolio Assessment measured each venture on a scale of Low, Medium and High against 4 key criteria. Set out below are the associated criteria and definitions, which have been based on London Ventures experience to date and industry best practice.

PORTFOLIO ASSESSMENT DEFINITIONS			
	Low	Medium	High
<b>Venture exposure</b> What level of experience does the venture partner have within the London local government market and more widely across the sector?	<ul style="list-style-type: none"> <li>The venture partner is new to London; <b>and</b></li> <li>The venture partner is new to local government.</li> </ul>	<ul style="list-style-type: none"> <li>The venture is new to London but has experience in local government; <b>or</b></li> <li>The venture is new to local government but has experience in London.</li> </ul>	<ul style="list-style-type: none"> <li>The venture has experience in London; <b>and</b></li> <li>The venture has experience in local government.</li> </ul>
<b>Maturity of the venture</b> Readiness of the venture partners' product or service. Does it still require development or is it "ready to go"?	<ul style="list-style-type: none"> <li>The venture partners' product or service is not yet ready for implementation and requires development and/ or testing</li> </ul>	<ul style="list-style-type: none"> <li>The venture product or service is established, but it could benefit from modifications and development to make it better suited to local government</li> </ul>	<ul style="list-style-type: none"> <li>The venture partners' product or service is fully established and can be delivered without any testing or development</li> </ul>
<b>Commerciality</b> Over the next 12 months, what is the expected financial return of the venture? Can the product or service be scaled up to yield a greater return?	<ul style="list-style-type: none"> <li>Low financial return of between £0 and £5,000 to the London Ventures programme</li> </ul>	<ul style="list-style-type: none"> <li>Medium financial return of between £6,000 and £14,000 to the London Ventures programme</li> </ul>	<ul style="list-style-type: none"> <li>High financial return greater than £15,000 to the London Ventures programme</li> </ul>
<b>Strategic importance</b> How significant is the venture to local authorities? Does it provide a solution to any of the key challenges of the sector?	<ul style="list-style-type: none"> <li>The venture doesn't address any of the key challenges identified by local government but could provide a number of other benefits for local authorities</li> </ul>	<ul style="list-style-type: none"> <li>The venture goes some way to address the priority challenges faced by local government challenge and offers a number of additional benefits</li> </ul>	<ul style="list-style-type: none"> <li>The venture addresses a high priority local government challenge, for example, homelessness</li> </ul>



Set out below are the outputs of the detailed assessment conducted on the 11 existing ventures, which indicate the packages of support each existing venture should receive



# Decisions and next steps

## Decisions for the Capital Ambition Board

1	Approve the proposed package of support recommended for the current portfolio
2	Approve the commencement of commercial deal re-negotiations, for the existing portfolio based on the proposed package of support
3	Approve the proposed package(s) of support for future ventures

## Next steps

1	Engage with existing venture partners
2	Confirm existing venture partners commitment to the future programme
3	Hold commercial deal renegotiation meetings
4	Report back to CAB in December for sign off and approval

