



London Ventures Programme Strategy

September 2016

Foreword

We are delighted to have been awarded the London Ventures contract to continue our work in partnership. We are proud of what the programme has achieved to date supporting public sector transformation and ultimately helping to deliver improved outcomes for Londoners.

We maintain our belief, that the programme represents a real opportunity to deliver transformation across public services in London, a space for local authorities to access and share in the development of innovative solutions and deliver improvements in outcomes for London's citizens, communities and businesses. We know that collectively we must seize the opportunity that this new phase presents, and recognise that achieving sustainability will be imperative to the success and ongoing legacy of London Ventures.

Together we have a proven track record of delivering London Ventures; so far we have launched 15 ventures, supported the implementation in over 20 local authorities and engaged all 33 London local authorities. London Ventures has achieved a lot and developed an infrastructure with relationships that are credible, effective and trusted. However, we recognise that there are still challenges to overcome and have learned a number of lessons. Together with London Councils we have used this learning and gathered feedback from the sector to build the programme strategy and approach for the new phase.

We recognise the landscape and constraints within which the programme, London Councils and the broader London local government sector operates. We are keen to ensure that the opportunities for innovation are taken forwards and the ambition of the programme is delivered in spite of the challenging environment.

London Ventures is an established programme and brand which is recognised across the capital, nationally, and has had international attention, both by the private and public sector. We want to build upon this reputation and extend the networks and relationships to deliver a truly innovative programme delivering in partnership a vehicle for radically transforming public services and bringing additional investment to the sector.

The overarching programme strategy is focused on delivering the programme at pace, through an approach marked by gateways. This will ensure the ventures within the programme are innovative, distinctive, commercially viable and are meeting the strategic priorities of the programme.

This strategy sets out the principles for deploying resource where it is most efficient and can have most impact, operating as one blended team with London Councils and keeping the programme costs as low as possible. The premise is that resource is focussed in the right areas to develop and drive innovation. In support of this, we recognise the value in providing investment to seed fund solutions and support local authorities in incubating and adopting innovation to focus on meeting the strategic challenges set out by the sector. Therefore the financial model developed will ensure a minimum amount of resource can be used to help unlock barriers to the development and delivery of ventures, accelerate the programme over the next three years and ensure that a return can be delivered to create a sustainable future.

London Ventures 2020 is a unique opportunity to continue our collective efforts and we look forward to building upon our successes to achieve the ambition of the new London Ventures programme.



Darra Singh, EY Partner, Local Public Services

A stylized, handwritten signature in dark ink, appearing to read 'Darra Singh'.

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Section One

London Ventures 2020 Vision and Ambition



What does LV2020 want to achieve?

London Ventures 2020 programme vision

The London Ventures 2020 (LV2020) programme will actively pioneer innovation to drive sustainable change and transformation across the sector, by providing :

“A financially sustainable London Ventures programme that provides opportunities for local authorities to access innovation and transformation that will improve their effectiveness and efficiency while ultimately supporting radical improvements in outcomes for London’s citizens, communities and businesses”.

London Ventures 2020 objectives

To actively pioneer innovation in order to drive sustainable change across the sector

To lead a fundamental shift in how public services are delivered

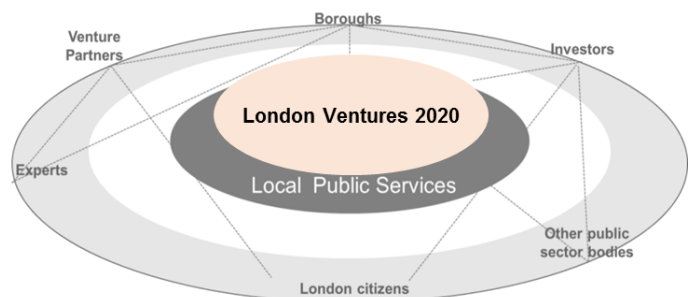
To create an exciting opportunity to bring together a vast and diverse landscape of networks, bodies and stakeholders

To generate investment into public services and use public funds effectively

London Ventures 2020 networked approach

London Ventures 2020 will bring together a vast and diverse landscape of networks, bodies and stakeholders who are invested in, and can contribute to, meeting the needs of London’s citizens. Bringing together these groups with common interests, motivations and goals, as part of the London Ventures 2020 programme will help to:

- Stimulate innovation, develop and access unique propositions;
- Increase our reach and scale;
- Support local authorities to achieve radical transformation;
- Present the opportunity for organisations to share in responding to the challenges faced by local government;
- Utilise the knowledge and insights of leading industry experts;
- Add value by bringing together a diverse range of perspectives to enable us to develop and implement viable concepts that can achieve positive outcomes for London citizens; and
- Access alternative funding streams to build resilience in the financial sustainability of the programme.



What does LV2020 want to achieve? (cont.)

Keys to success

The London Ventures 2020 vision will be realised by focusing on the following priorities:

- **Delivering our ambition through innovation;** we will stimulate ideas and encourage a different way of thinking to identify truly innovative solutions to the most challenging issues;
- **Breadth of application and take up;** we will place a focus on marketing and promotional activity to develop a strong London Ventures brand and identity as well as utilise our mutual networks. This will encourage engagement in the development and testing of concepts, building credibility and increasing participation in the programme across London;
- **Delivering transformation;** we will make the programme a catalyst for delivering transformation across the sector, drawing on the expertise from innovators in and outside of the sector, and through the use of an Innovation Panel. We will seek to build our extensive networks across the sector; and
- **Delivering financial sustainability** – it is imperative that the programme becomes financially sustainable and we have devised a business model that will achieve this and generate income to enable the programme to continue.

LV2020 intended outcomes

Pioneering private, public and third sector innovation

A gateway approach will be used to quickly assess and test potential ventures, and the regular review process will ensure that only ventures that remain aligned to the programme's vision and ambition have generated interest from local authorities will continue. By testing concepts at an early stage we will secure credibility and have the opportunity to refine concepts based on the lessons learnt.

A new model for local authorities

The London Ventures programme provides local authorities with a London wide platform and access to resource, to innovate and truly transform their services. The "incubate" phase of the approach (outlined later in this document) will ensure that concepts are tested and refined to instil confidence, ownership in development and secure more widespread participation in the programme.

A public sector which provides value and delivers returns (financial and social)

The programme will assess and test potential ventures against the priorities of the programme and feedback from the sector and then look to progress those that deliver the greatest outcomes to the end user. This will begin to change public service delivery within London and improve the way in which citizens' outcomes are met and how return on investment can be optimised.

True collaboration between public sector bodies to deliver common outcomes

Collaboration is at the heart of the London Ventures programme and we have set out an approach to introduce 'Borough Champions' for each venture, enabling greater collaboration at the outset, further strengthened by input from the creation of an Innovation Panel. The programme will develop a digital capability to provide opportunities to collaborate across multiple mediums and in the most agile way.

Leading insight and expertise to deliver best in class services and outcomes

The partnership between London Councils and EY will aim to utilise our vast networks to gain valuable insight and expertise to improve the services offered by venture partners and focus on delivering the best outcomes. The Innovation Panel will be a key forum for sharing insight and expertise and providing challenge to the development of ventures to ensure confidence and credibility.

Section Two

London Ventures 2020 Approach



How will LV2020 achieve its objectives?

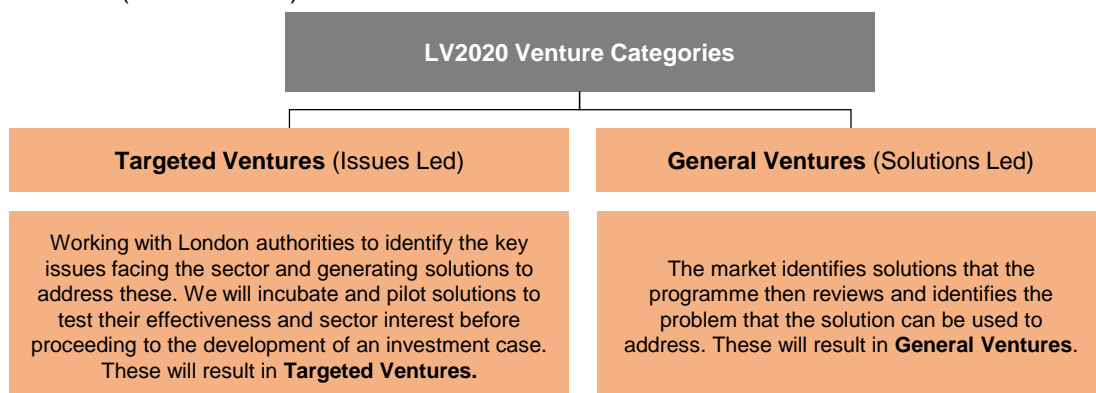
London Ventures 2020 programme approach

The public sector continues to face unprecedented change, resulting from continuing financial challenges and increasing citizen expectations. Our tried and tested approach from phase 1 of the London Ventures programme has been a key enabler of innovation to date. However we recognise the new phase of London Ventures 2020 needs to build on this to truly deliver the ambition of supporting London authorities to meet their most strategic challenges and drive sector wide transformation.

Therefore:

1. The LV2020 programme provides real opportunity to support local authorities to meet their most strategic challenges; and
2. The LV2020 programme should not inhibit or stifle innovation by solely focussing on the biggest strategic challenges and impactful change can be delivered through grass roots innovation. This is key to supporting the sector holistically.

Therefore, the future LV2020 programme will fall into two categories; Targeted (Issues Led) Ventures and General (Solutions Led) Ventures:



London Ventures 2020 programme design principles

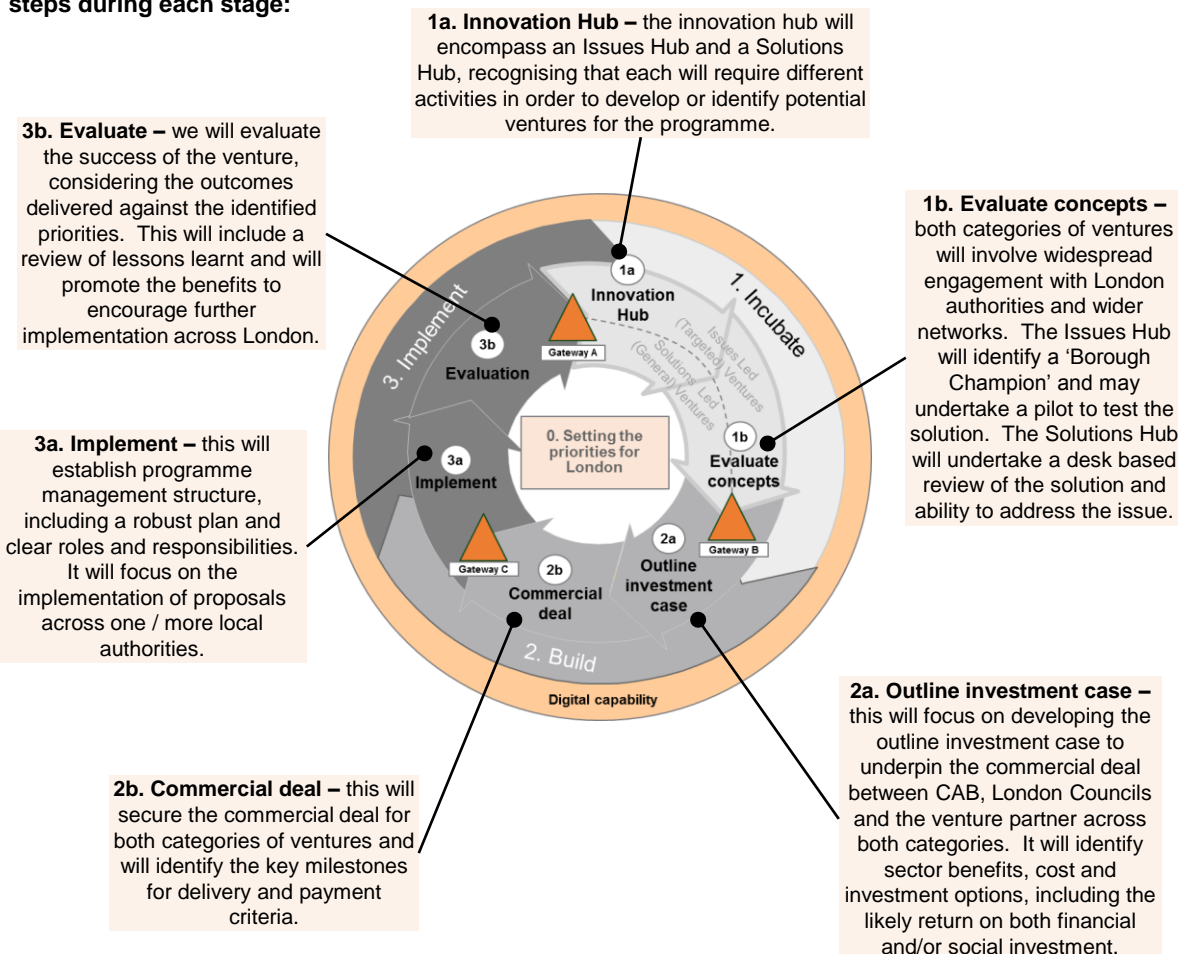
An agile approach	An agile approach able to respond to the changing priorities and deliver in an accelerated way. Implement gateways after each stage to check alignment to the programme's priorities and ability to deliver the required outcomes.	Widespread, active engagement	Facilitate and accelerate targeted pilots to test concepts as part of the Issue Led approach, to determine whether the solutions are effective before progressing to more detailed design and roll out. Identify ' Borough Sponsors ' for each venture to secure greater credibility and accelerated delivery.
Succeed Quickly Mentality	"Succeed quickly" mentality that supports the swift assessment and testing of potential solutions and discounts those not able to deliver against the priorities to maximise time available to focus on the most viable opportunities. Develop Issue Led or Solution Led ventures Deliver tangible proposals which are credible and deliver outcomes for London.	Thriving networks	Ongoing engagement with local authorities, private sector partners and the voluntary and community sector from the outset, to secure high uptake of the ventures.

How will LV2020 achieve its objectives? (cont.)

The gateway approach

A gateway approach will be used to assess and regularly review the value of ventures, and to ensure that efforts are targeted on innovative ventures that can deliver the greatest benefits and transformation across London to maximise the impact of the programme. There will be a bespoke approach for the initial stages for Issues Led and Solutions Led ventures and these approaches will co-exist and operate in parallel. Ventures will then follow the same process regardless of whether they are Issues Led or Solutions Led.

The 3 stage gateway approach is underpinned by digital capability, and involves a number of explicit steps during each stage:



Section Three

Market Analysis



By bringing together groups with common interests, motivations and goals, the London Ventures 2020 programme provides a powerful vehicle that can work collaboratively to transform public sector delivery and improve outcomes.

The context and opportunity for LV2020

The local government financial challenge

Between 2010 and 2015, local authorities have been faced with an estimated 37% real term reduction in their core government funding. As outlined in the London Councils Spending Review 2015, between 2011-12 and 2015-16 London local government has received a 44% cut to core funding.

Taking into account the reduction to funding, current rates of growth in demand and inflation, and pressures on public services, London could be facing a funding gap of over £3 billion (31%) by 2019-20, and that includes larger assumptions about increases in council tax and business rates. The equivalent figure for England is 25%

London's challenges and opportunities

Recent years have seen major changes across the London authorities, including substantial demographic shifts as people have moved from inner to outer London, increasing diversification of communities. Such changes have, in turn, created challenges around how to drive economic growth, improve infrastructure and adapt public services to accommodate the evolving needs of the community.

London authorities continue to respond to these ongoing changes as well as austerity by innovating and working across sectors and organisational boundaries. The opportunities for London authorities posed by devolution and the booming tech start-up scene in the capital presents the next few years as a prime time for collaboration to convert new innovations into tangible benefits for London citizens and London Ventures 2020 is uniquely placed to support this wider agenda.

Responding to the challenges

The LV2020 programme sits in an increasingly complex environment particularly in terms of policy, finances, stakeholders and competing priorities. This is against a backdrop of significant challenges London authorities are facing. It is therefore important the LV2020 programme adopts the behaviours below:

Collaborate, not compete

Working across organisational and sector boundaries to achieve a high degree of collaboration and join organisations together with a common goal

Secure active participation and engagement

It is essential that there is active participation and engagement from London authorities to develop and deliver the ventures

Sustain focus

A strong focus must be maintained to ensure that the development and delivery of ventures is targeting the most strategic priorities for the capital

Avoid conflicts of interest

A delivery role needs to maintain a balance between assisting local authorities and venture partners to deliver the agreed outcomes, whilst maintaining independence and objectivity

Networked Approach

A number of innovation programmes exist in and outside of the local government sector. The behaviours listed to the left make the LV2020 programme a unique platform for London's Local Authorities to access wider innovations, as well as more broadly within the sector.

The context and opportunity for LV2020 (cont.)

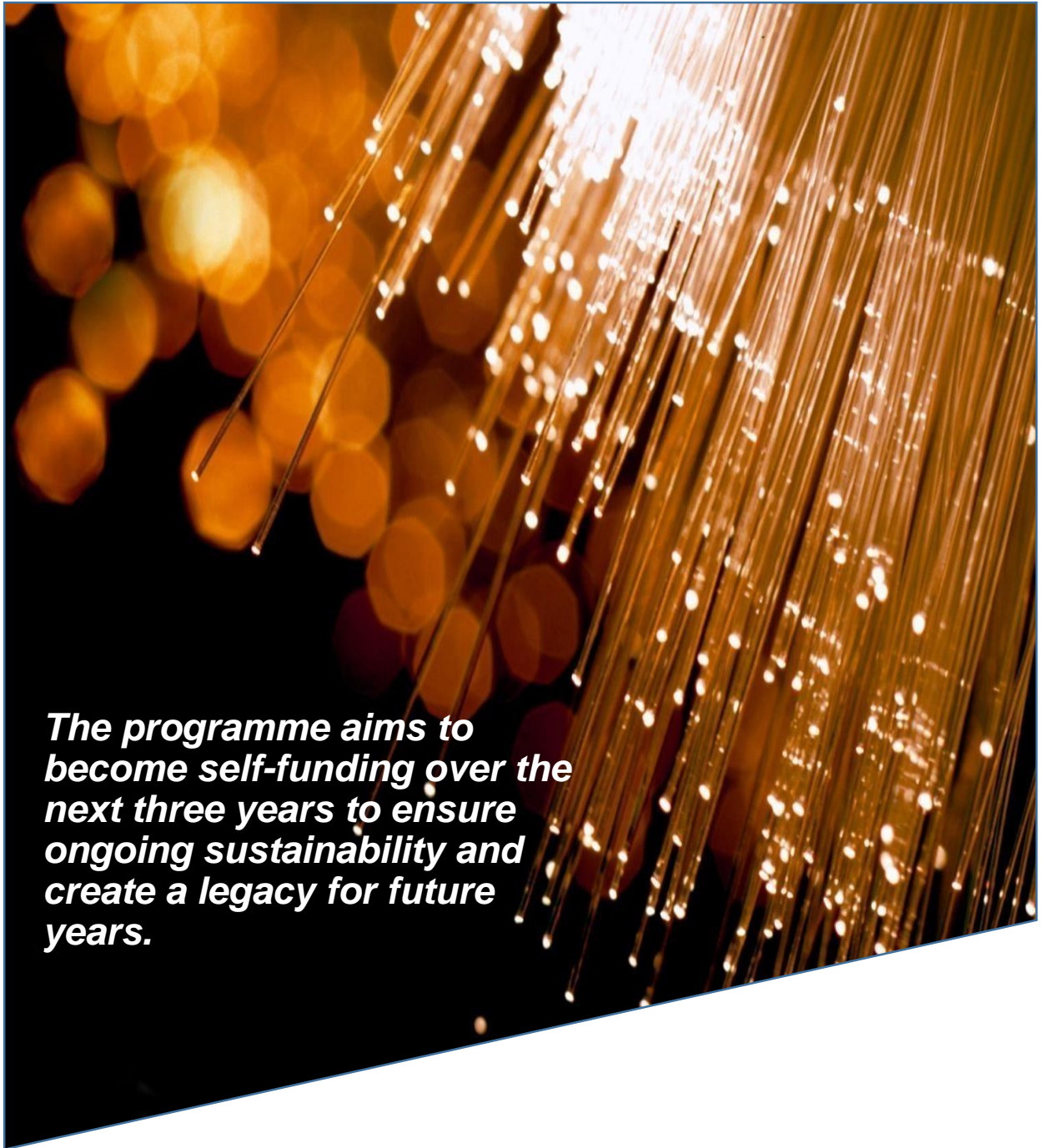
Sector engagement

Engagement with a range of London Authorities and Venture Partners from the previous phase of the London Ventures programme, has confirmed the need for the LV2020 programme to go beyond a supportive role and actively pioneer innovation, to drive sustainable change and transformation across the sector with sector:

Who?	What did they tell us?	What this means for London Ventures 2020
Chief Executives of London Committee	<i>The scale of the ventures need to be larger, across London and more ambitious to help us truly tackle the challenges we are facing.</i>	Extend our networks
Society of London Treasurers	<i>The efforts invested to date are now coming to fruition – it feels like we are on the verge of something big and genuinely revolutionary for Local Government. We need to promote this.</i>	Market the programme better
Senior Officers across London Authorities	<i>You have tested the model, now it is time to exploit the opportunity. We all need to increase our appetite to risk and explore the art of the possible, moving at pace.</i>	Increase the scale and pace of delivery
Venture Partners	<i>London Ventures should continue to build on the diverse and far reaching networks established to date.</i>	Adopt a 'succeed quickly' mentality
Local authorities outside of London	<i>The opportunity to interact and engage with other local authorities implementing ventures has been invaluable – an opportunity to share lessons learnt should be a fundamental part of the programme.</i>	Focus on both strategic and tactical ventures
Implementation leads within local authorities	<i>There is an opportunity to expand communications of venture implementation. For example, customer journeys, 'good news' stories, greater engagement with members etc.</i>	
	<i>The scale of the challenges facing the sector continues to grow. Going forwards we need to be able to quickly assess and discount those ideas that don't deliver the benefits we need.</i>	
	<i>The portfolio should have a mix of both strategic and tactical ventures and not necessarily focused on technology</i>	

Section Four

Delivering Financial Sustainability



The programme aims to become self-funding over the next three years to ensure ongoing sustainability and create a legacy for future years.

The financial model principles

The London Ventures programme must be self-financing within the first three years so will need to generate sufficient income to cover the costs of programme infrastructure and seed funding. Therefore it is critical that good progress is made within the early years of delivery to support the transition to self sustainability.

As such, the following principles have been developed to underpin the LV2020 programme financial model:

1. Programme infrastructure costs will be largely invested upfront

This will enable us to sustain momentum in the programme and stimulate innovation and external investment from the outset. Programme infrastructure costs will be reduced over time.

2. Seed funding will be maximised

Where advantageous, seed funding will be available to test and incubate concepts. This will energise the programme and enable us to develop innovative solutions to address key strategic challenges. We will maximise the amount of seed funding available by reducing programme infrastructure costs over time.

3. Drive to generate income

We will actively explore ways to generate income from the programme to increase the level of seed funding available. We will begin by maximising income received from the existing portfolio of ventures, through using the portfolio assessment as a basis to renegotiate existing commercial deals.

4. Sustainability of the programme will be prioritised

Our priority is to ensure long term sustainability for the programme. We will maintain an open dialogue with CAB regarding any surplus that is generated over and above the base costs, to ensure this is invested appropriately. We will evidence the sustainability of the programme through regular reporting and will provide further detail of this after the 18 month review.

5. Programme expenditure (seed funding & resources) will be governed through gateways

Programme income and expenditure will be monitored and reported to CAB. Any increases or reductions in programme expenditure (either resource or seed funding) will be governed through Gateways with CAB. In order to deliver at pace, the programme may explore opportunities to seek delegated authority, particularly with regards to the seed funding of ventures.

The LV2020 financial model

Funding will be allocated per annum over a three year period and then apportioned between programme infrastructure and seed funding.

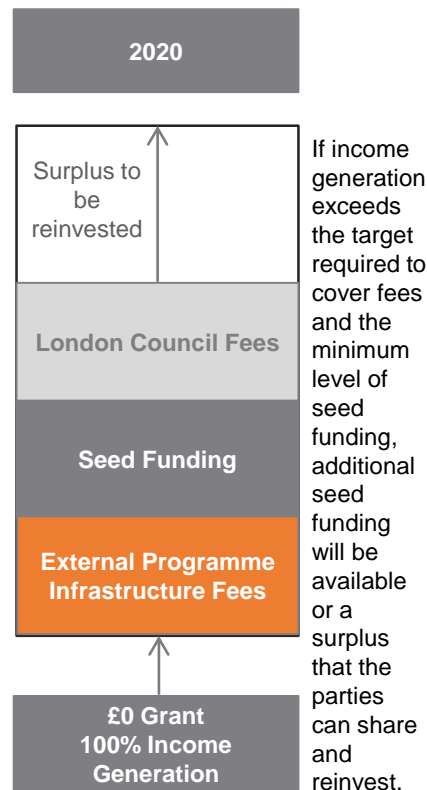
The key components of the financial model are outlined below:

Principle	Financial Model Component	What is it seeking to achieve?	How do we expect it to change over time?
Infrastructure costs will be kept to a minimum	Infrastructure cost	Establish and maintain the programme's infrastructure including reporting and PMO.	Infrastructure costs will reduce over time as a proportion of total costs as the size of the programme increases and economies of scale can be achieved.
The London Ventures team will be focused on driving innovation	Resource input	Focused resource on driving innovation	We expect resource input which is focused on innovation, promotion and marketing to increase over time. This will be determinant on the income generated through ventures.
Seed funding will fund pilots approved by CAB and aim to accelerate the programme	Seed funding	Seed funding will pump prime ventures to enable the piloting and delivery of a greater number of ventures, particularly where the programme and CAB believe there are significant transformation opportunities for the local government sector and the need to deliver at pace.	We expect seed funding to increase as a proportion of total expenditure over the lifetime of the programme. Seed funding will be initially generated through the Capital Ambition fund and will continue to grow through income generated from the existing portfolio and new ventures but we will also seek to source additional funding streams.
Sustainability is a priority	Sustainability Fund	Sustainability is a key priority for the programme. A Sustainability Fund will be built over time from any surplus or additional revenue generated to ensure we can create an enduring programme legacy.	We expect the Sustainability Fund to grow over time. The fund will grow through: <ol style="list-style-type: none"> 1. Income from the existing venture portfolio 2. Revenue from new General or Targeted ventures under London Ventures 2020 3. One off contributions (either time, resource or additional funding streams)

Self-financing legacy

By year three the London Ventures programme will be self-financing, through:

- Programme investment (both programme costs and seed funding) will be funded from actual investment and income available to the programme rather than being based on any future year's income. The Sustainability Fund will be the vehicle through which to do this – in essence sustainability will be easily assessed and judged through this ring-fenced and forward looking investment arrangement.
- We will develop a 'targeted income level' that means momentum and investment in innovation is maintained across 3-5 years. This is our ambition but also have a scenario that shows sustainability can be maintained if lower than targeted levels of income is returned to the programme.
- We will ensure that funding is targeted to test concepts quickly to support our "succeed quickly" principle, so we can assess whether continued investment of resources in a venture is of value. This will be supported by our gateway approach to evaluate concepts before they proceed to the next stage, including delegated authority where appropriate to sustain the pace of the programme.
- Commercial arrangements will be agreed only where there is a sponsoring authority, therefore, securing guaranteed income through these arrangements.
- We will seek to generate additional income by:
 - **Utilising networks** – develop awareness of the programme to build momentum and attract investment. This will include exploring match funding from local authorities, business angel/investor funding and funding from other external investors.
 - **Design and implement a marketing plan** – to raise awareness of the programme and sell the benefits of participation and investment.
 - **Borough champions** – ensure that each opportunity is piloted so there are tangible outcomes that can be described and shared with others.
 - **Re-invigorate the existing portfolio** – we anticipate additional income through the existing venture partners through re-engaging with the sector, the ventures partners and re-defining the commercial arrangements.



Section Five

Mobilisation of London Ventures 2020



The London Ventures 2020 team will deliver at pace to sustain the momentum of the programme and move the next phase of the programme forwards.

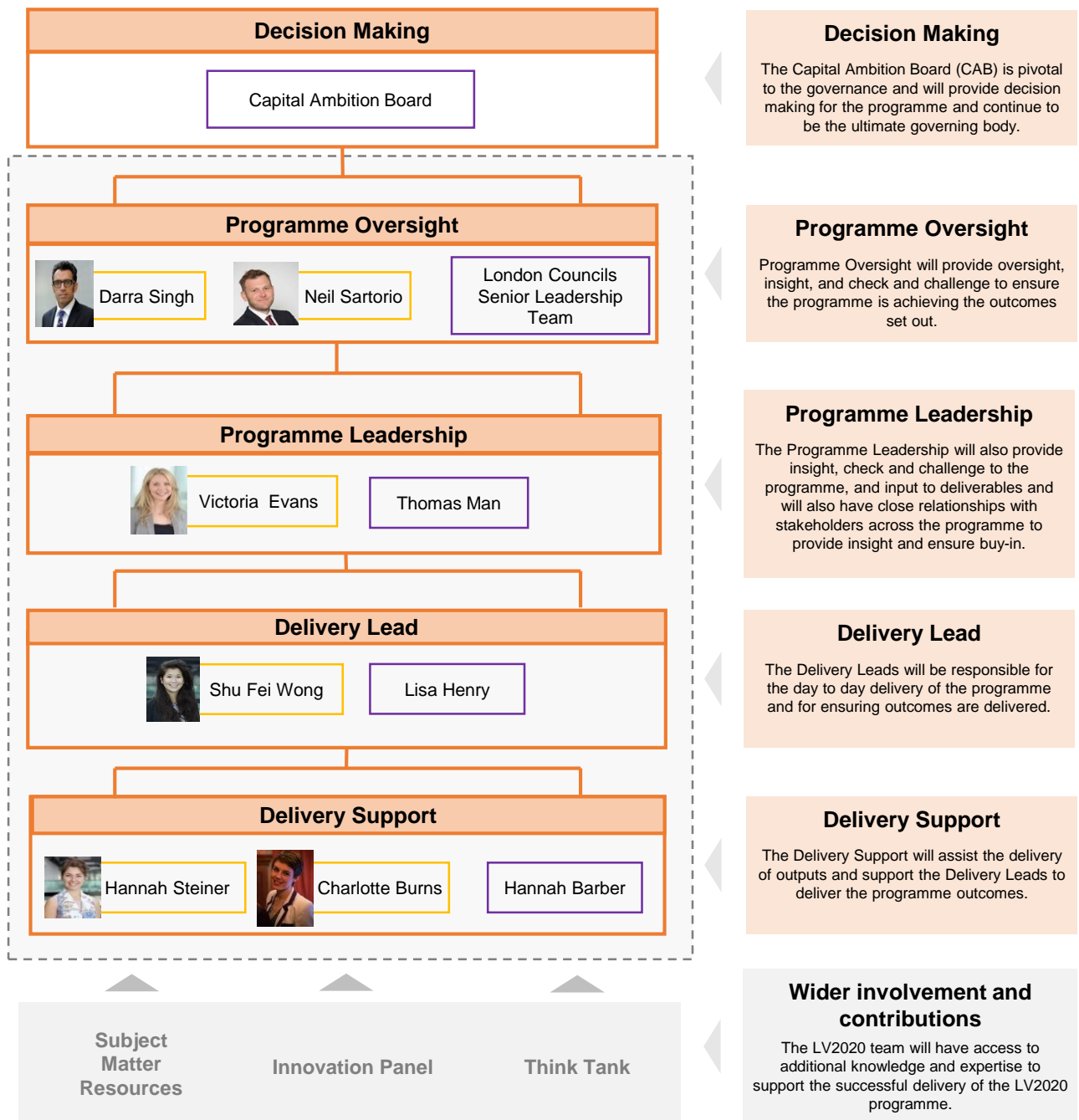
The LV2020 team will be organised around four core workstreams

Area	Objectives
Targeted Ventures	<p>The targeted ventures workstream will:</p> <ul style="list-style-type: none"> • Develop and refine a set of priority issues which the targeted ventures need to address; • Generate momentum through calls to market via online communications, a launch event and digital platform; and • Support potential partners to implement their ventures. <p>This is to ensure the LV2020 programme is supporting local authorities to meet their most strategic challenges.</p>
General Ventures	<p>The general ventures workstream will:</p> <ul style="list-style-type: none"> • Reinvigorate the existing portfolio of venture partners through a portfolio assessment; • Conduct commercial renegotiation meetings to ensure all existing ventures are receiving the most appropriate level of support from the LV2020 programme and benefits are being realised; • Continue to implement the existing portfolio of ventures; • Hold exploratory conversations with new potential general venture partners; • Identify sponsoring local authorities for new general ventures concepts; and • Support potential general venture partners to implement their ventures. <p>This is to ensure the LV2020 programme is supporting the local public services sector holistically and maximises the opportunities of the existing portfolio.</p>
Sales & Marketing	<p>The sales and marketing workstream will:</p> <ul style="list-style-type: none"> • Develop a new identity for the LV2020 programme to increase awareness and recognition across the sector; • Organise a launch event for the LV2020 programme; • Establish a digital platform for the LV2020 programme; and • Develop a 'welcome pack' for London Venture Partners part of the LV2020 programme. <p>This is to ensure the LV2020 programme builds strong networks for innovation at all levels of local authorities by promoting the compelling narrative of the London Ventures programme, in order to generate commitment to, and adoption of, ventures.</p>
Governance & Programme Management	<p>The governance and project management workstream will:</p> <ul style="list-style-type: none"> • Develop robust plans for delivery during the early stages of the programme; • Set up and hold regular progress meetings; • Establish and maintain a reporting cycle; and • Set up and hold strategic risk workshops. <p>This is to ensure the LV2020 programme executes its forward plan, and ensures governance and reporting cycles are adhered to and risks are escalated and managed accordingly.</p>

A 36 month plan, which expands upon the workstreams detailed above, will be developed in the upcoming weeks.

LV2020 programme governance and delivery

To achieve the LV2020 ambition, the London Ventures partnership will operate as a truly blended approach across organisations. The programme structure outlined reflects the importance of utilising shared skills and experience to best effect, and implements joint working at all levels:



Section Six

Next Steps



Within the first 3 months of programme mobilisation, the LV2020 team will have developed detailed delivery plans, and re-engaged with key stakeholders.

Next steps

Over the coming weeks the LV2020 team will continue the mobilisation of the programme with an initial focus in planning and re-engagement of key stakeholders.

We will:

1

Build a London Ventures 2020 36 month delivery plan

2

Develop a sales and marketing plan

3

Re-engage with stakeholders

4

Undertake commercial negotiations to reinvigorate the current portfolio

5

Develop and design our digital capability

