

# Capital Ambition Board

## London Ventures update

Item no: 7

**Report by:** Thomas Man      **Job title:** Head of Capital Ambition

**Date:** 11 July 2017

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**Summary**      This report contains a number of key updates and decisions for CAB. The report covers the following key areas:

- a) London Ventures business plan for year 2 – approval required.
- b) Targeted Ventures seed funding criteria – approval required
- c) Dragons' Den follow up – approval of next steps
- d) London Ventures progress update – update

**Recommendations**      CAB Members are recommended to:

- a) Approve the following decisions in relation to the year 2 London Ventures business plan –
  - i. To defer the start of second cycle of targeted ventures to no later than April 2018 to allow for further support to the homelessness, TA and housing workstream
  - ii. To have a bi-annual general ventures portfolio review
- b) Approve the seed funding criteria for the targeted ventures programme as set out in Appendix B.
- c) Approve the following decisions in relation to the Dragon's Den report –
  - i. Agree to the next steps and resource allocation proposed for each of the shortlisted ideas from the Dragon's Den session.
  - ii. To commit resource to produce a document to showcase

all rejected ideas from the targeted ventures process

- iii. Note that CAB will be determining which shortlisted ideas will be part of the London Ventures portfolio and allocating seed funding at the October meeting
- d) Note the London Ventures progress update and approve the amended wording for the Oxygen Finance commercial deal.



## **LONDON VENTURES PROGRAMME UPDATE**

### **Background**

1. The Capital Ambition Board awarded the London Ventures contract to EY in July 2016. Since then London Councils has been working in close partnership with EY to deliver the programme.
2. This paper contains some very important documents that set out the forward look for the programme for the forthcoming contract year, as well as a detailed review of the homelessness, temporary accommodation and housing targeted venture and a set of ideas that have been shortlisted to be taken forward following the dragon's den process.

### **Year 2 London Ventures business plan**

3. The London Ventures business plan (included as Appendix A to this report) provides an overview of the aim and objectives of the programme, and summarises the principles and processes for the general and targeted ventures programmes.
4. The document set outs an engagement summary that identifies some of the key stakeholders and groups that have engaged with London Ventures, as well as an outline as to how the programme will seek to achieve financial sustainability.
5. The business plan provides a detailed milestone map of the second contract year of the programme for both targeted and general ventures. The key change from the original business plan agreed by CAB in December 2016 is the deferral of the second targeted ventures cycle to start in April 2018 rather than in the late summer of 2017 to allow for the further development and support of the homelessness, temporary accommodation and housing cycle. The London Ventures will continue to provide the broad innovation space for local government, through the general ventures programme. The introduction of a biannual review using the portfolio assessment will help to ensure that the products and services offered by the programme are still relevant and in line with the London Ventures aim and objectives.
6. There is a marketing plan which sets out the timing and different approaches that the programme will be undertaking to positively promote the programme using different communication channels. We would like to offer more support for CAB in their role as key ambassadors and advocates for the programme, and we have created a communications guide to aid them in championing the programme when

the appropriate opportunity arises. This will be provided to members after the July CAB meeting.

7. Finally the business plan provides an outline for year three of London Ventures as well as the governance structure and risk management approach.

CAB Members are recommended to:

- a) Approve the following decisions in relation to the year 2 London Ventures business plan –
  - i. To defer the start of second cycle of targeted ventures to no later than April 2018 to allow for further support to the homelessness, TA and housing workstream
  - ii. To have a bi-annual general ventures portfolio review.

### **Seed funding criteria**

8. As part of the original tender for the London Ventures programme, a proportion of the contract value was identified for supporting targeted ventures. In total, £93,850 has been set aside.
9. The rationale and proposed criteria for the seed funding criteria are set out in Appendix B to this report. Fundamentally the purpose of the seed funding is to help in the development of new ideas that will address aspects of the homelessness, temporary accommodation and housing targeted venture.
10. The criteria have been developed from the original seed funding criteria set for the first generation of London Ventures.

CAB Members are recommended to:

- b) Approve the seed funding criteria for the targeted ventures programme as set out in Appendix B.

### **Dragon's Den**

11. The Dragon's Den session was held on 19 June and provided members of CAB an opportunity to review and shortlist the ideas and concepts that were generated through the homelessness, temporary accommodation and housing targeted venture process.

12. Members were provided with an outline of the process and how ideas were developed. The London Ventures team then presented each of the ideas and gave members the opportunity to challenge the ideas and to rank them according to their relationship with the programme, specifically in terms of:

- Idea progression – the concept will be developed further, to scope opportunities in the market and identify potential to succeed as a venture partner.
- Signposted – recognising the fact that the concept addresses a strategic need in LAs but may not be suitable for London Ventures, time will be spent signposting the idea to other resources
- Rejection – unsuitable for London Ventures as doesn't align with strategic or commercial requirements

13. Of the ideas presented at the dragon's den session, following extensive discussions with members the ideas were filtered according to the following table:

	<b>Idea progression</b>	<b>Signposted</b>	<b>Rejected</b>
1	Data collection and predictive analytics	Sustained tenancy support	TA health and safety monitoring
2	Digital Personal Housing Plans	Collaborative delivery vehicle	Customer led housing information platform
3	Transition insurance	Volunteer for housing	Digital passport
4	Podbank		
5	Transition support to move out of London		
6	Fairbnb		
7	TA procurement hub and ethical lettings agency		

14. Those ideas that are within the idea progression section will be developed for consideration at the October CAB meeting with a view to determining whether they become part of the London Ventures range of products or services and whether they receive some form of seed funding.

15. The document to showcase all rejected ideas from the targeted ventures process will set out all the ideas that were submitted as part of the targeted ventures process (approximately 100). This is to ensure that there is a record of all the contributions that were made, and also to provide feedback to the stakeholders that participated in the process.

16. Further information about the process and a summary explanation of the ideas is available as Appendix C.

CAB Members are recommended to:

- c) Approve the following decisions in relation to the Dragon's Den report –
  - i. Agree to the next steps and resource allocation proposed for each of the shortlisted ideas from the Dragon's Den session.
  - ii. To commit resource to produce a document to showcase all rejected ideas from the targeted ventures process
  - iii. Note that CAB will be determining which shortlisted ideas will be part of the London Ventures portfolio and allocating seed funding at the October meeting

### **London Ventures update**

Key Programme level highlights since February 2017

17. The team has continued to deliver the London Ventures programme at a pace.

Appendix D contains a visual summary of key activities since the last CAB meeting in February 2017. Some of the key programme level highlights include:

- The London Ventures launch event – held on 23 February with over 150 attendees representing a broad range of public, private and third sector stakeholders. London Venture partners also had the opportunity to engage with local authority attendees.
- The London Ventures hackathon – A half day hackathon session was held on 13 March with a wide range of organisations, charities and public sector representatives, who collaborated to produce a large number of ideas and opportunities to address the targeted venture theme. Each group then presented their best idea to a judging panel for review. A second think tank session, comprising experts in homelessness, temporary accommodation and housing, was held on 23 March to review the ideas generated at the think tank session.
- The London Ventures team masterclasses – designed for London Ventures partners. A session was held in March 2017 to introduce them to the ways of working within local government.

- Dragon's Den - held on 19 June this session allowed members to review and shortlist the range of targeted venture ideas on homelessness, temporary accommodation and housing.
- The London Ventures team continues to engage with a number of professional groups and organisations to support the delivery of the targeted ventures programmes including the London Housing Directors' Network and Steering Group, Trust for London. In addition EY hosted a homelessness trailblazer meeting to support the dissemination and sharing of information and practice.
- To date there have been 21 demos in 22 local authorities for nine of our VPs, which has led to four implementations so far

18. There are also some updates in relation to specific general ventures partners as follows:

- Oxygen Finance has proposed a minor amendment to their commercial deal agreement. The change in wording provides further clarity in the roles for London Ventures and Oxygen Finance. The amended text is included in Appendix E and it is recommended that CAB agree to the revised wording.
- Whereitsat will no longer be launching and so have decided to withdraw from the London Ventures programme.

19. The terms of the Exit Plan between London Councils and EY have been agreed upon and signed off by the parties. Such Exit Plan details the arrangements for a transfer of the services on the expiry or earlier termination of the contract. It sets out the principles which the parties will consider at the time of Exit. These principles include the closing down of the Profit Share Arrangement (PSA). The specific terms, which will include the closing down of the PSA, will be agreed at the time of Exit, and be clearly set out within an Exit Agreement to be signed by the parties".

CAB members are recommended to:

- d) Note the London Ventures progress update and approve the amended wording for the Oxygen Finance commercial deal.

### **Programme level expenditure and income**

20. In summary, by 23 April £264,868 had been paid to EY for programme resources from the total of £906,150 to support the delivery of London Ventures. This amount does not include London Councils' time and resource.

21. The income target for the first year of the programme is £113,000. As of May 2017 the London Ventures programme has received income from working with Blue

Prism, Fiscal Technologies and Oxygen Finance. The total amount of money in the sustainability fund is £18,135. There is at least another £6,000 due to the programme by the end of 2017/18. Further income into the programme is dependent upon the extent to which local authorities take up London Venture's products and services.

### **Financial Implications for London Councils**

22. The Director of Corporate Resources notes that the payment of £264,868 relates to the first eight months of the contract to 23 April 2017. This represents 29% of the total contract sum of £906,150. There is a further £93,850 for seed funding, the proposals for receiving this funding are due to be presented to the October CAB.
23. Since the last report to CAB in February there has been an increase in the income generated by the programme. This now totals £18,135 of which £10,044 was received in 2016/17 and a further £8,091 up to the end of June 2017. While this progress is positive there is still a significant gap between this and achieving a self-financing position.

### **Legal Implications for London Councils**

24. There are no direct legal implications for London Councils as a result of this report.

### **Equalities implications for London Councils**

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

### **Recommendations**

CAB Members are recommended to:

- a) Approve the following decisions in relation to the year 2 London Ventures business plan –
  - i. To defer the start of second cycle of targeted ventures to no later than April 2018 to allow for further support to the homelessness, TA and housing workstream
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# LONDON VENTURES

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*Innovation through collaboration*

## London Ventures Year 2 Business Plan

July 2017

# Executive Summary

The London Ventures year 2 business plan is a build on the year 1 business plan that was presented to and agreed by CAB in November 2016. It sets out how we will work and what we will do, including the detailed delivery approach, financial profile and governance required to successfully meet the London Ventures objectives in year 2. Given the pace and complexity of the programme the business plan may need to be reviewed and amended as strategic decisions change and the programme evolves.

We retain our vision to actively pioneer innovation to drive sustainable change and transformation across the public sector, by providing opportunities for local authorities to access innovation that will ultimately support radical improvements in outcomes for London’s citizens, communities and businesses.

This business plan sets out our approach to achieving this vision in year 2. We will continue to monitor our progress against the key outcomes that indicate the success of the programme:

Identification of innovative / transformative targeted and general ventures	Build the London Ventures brand, profile and reputation	Ventures are implemented by London local authorities	Achieve financial sustainability for the London Ventures programme	Provision of accurate and timely management information
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Our two core work streams, targeted ventures and general ventures, will continue to ensure that these outcomes are achieved.

A robust pipeline of targeted ventures is a key ongoing outcome as this will address the strategic challenges faced by local authorities by bringing together market leaders, local authorities and partners to share knowledge, support and sponsor solutions. A key change for year 2 is that we will continue to focus on one strategic challenge (homelessness, housing and temporary accommodation) to build the portfolio of solutions for CAB approval for implementation, development or seed funding. Pending the lessons learnt from the cycle 1 pilot, it is estimated that one further cycle of targeted ventures will take place over the three year period.

Another key outcome is to achieve a robust pipeline of ‘market-ready’ general ventures to underpin programme credibility as a vehicle for innovation, and will be a key source of income. A key difference in year 2 is that we will reinvigorate and refresh our general ventures on a bi-annual basis to ensure we maintain a cutting-edge portfolio.

Our marketing will be focused on strengthening our brand as an innovative and trusted programme. We will continue to tailor our engagement approach to maximise the effectiveness of our communication and engage with a diverse range of stakeholders with the aim of increasing involvement, support and advocacy for the programme.

A critical outcome for the London Ventures programme is to achieve financial self-sustainability by year three. We will continue to enter all income received from venture partners into a ‘Sustainability Fund’ as well as identifying options for sourcing alternative finance from private equity, social investment or other possible funding streams to accelerate our targeted ventures and generate sufficient funds to finance ongoing seed funding and all programme costs.

**Year 2 business plan, Capital Ambition Board approvals required:**

- Second **targeted ventures** cycle to commence at a later date to provide further investment in ensuring the first cycle ventures are successful
- Review our **general ventures** portfolio on a bi-annual basis to ensure we have the most cutting-edge portfolio and ensure all partners are generating a return back to the programme
- Further support for CAB members to increase **advocacy role** (materials provided post-CAB)



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# Section one: Our ambitions and outcomes

The vision for London Ventures (LV2020) is that our programme will actively pioneer innovation to drive sustainable change and transformation across the public 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”.**

As previously set out in the London Ventures Programme Strategy, the London Ventures programme aims to achieve a number of key objectives, including:

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

We remain focussed on delivering these objectives, and continue to measure the successfulness of achieving these objectives through the outcomes summarised below.

	Outcome	Description
1	Identification of innovative / transformative target and general ventures	<ul style="list-style-type: none"><li>• Achieve a robust pipeline of targeted ventures through to approval, this will involve tackling the major challenges identified by local authorities through articulating the problem and developing a solution.</li><li>• Achieve a robust pipeline of general ventures through to approval, these are market-ready solutions, which offer innovative propositions and advantageous deals to become part of our portfolio.</li></ul>
2	Build the London Ventures brand, profile and reputation	<ul style="list-style-type: none"><li>• Be known by our stakeholders as a credible and relevant network for innovation and transformation</li><li>• Provide boroughs with the space to network and collaborate on innovation</li><li>• Provide an accessible digital resource on innovation and transformation practice</li></ul>
3	Ventures are implemented by London local authorities	<ul style="list-style-type: none"><li>• Maximise the Phase I London Ventures portfolio</li><li>• Ensure local authorities are aware of and understand the London Ventures programme</li><li>• Maintain visibility and awareness of the brand</li><li>• Maximise the investment in pilots</li></ul>
4	Achieve financial sustainability for the London Ventures programme	<ul style="list-style-type: none"><li>• Use of resources during the Funded Period is planned and controlled</li><li>• Achieve minimum level of resource to sustain the London Ventures programme beyond the Funded Period</li><li>• Manage the use of seed-funding to de-risk venture take-up, as appropriate</li><li>• Attract additional resources</li></ul>
5	Provision of accurate and timely management information	<ul style="list-style-type: none"><li>• All CAB updates and management information to be completed on time</li></ul>



# Section two: Our delivery approach

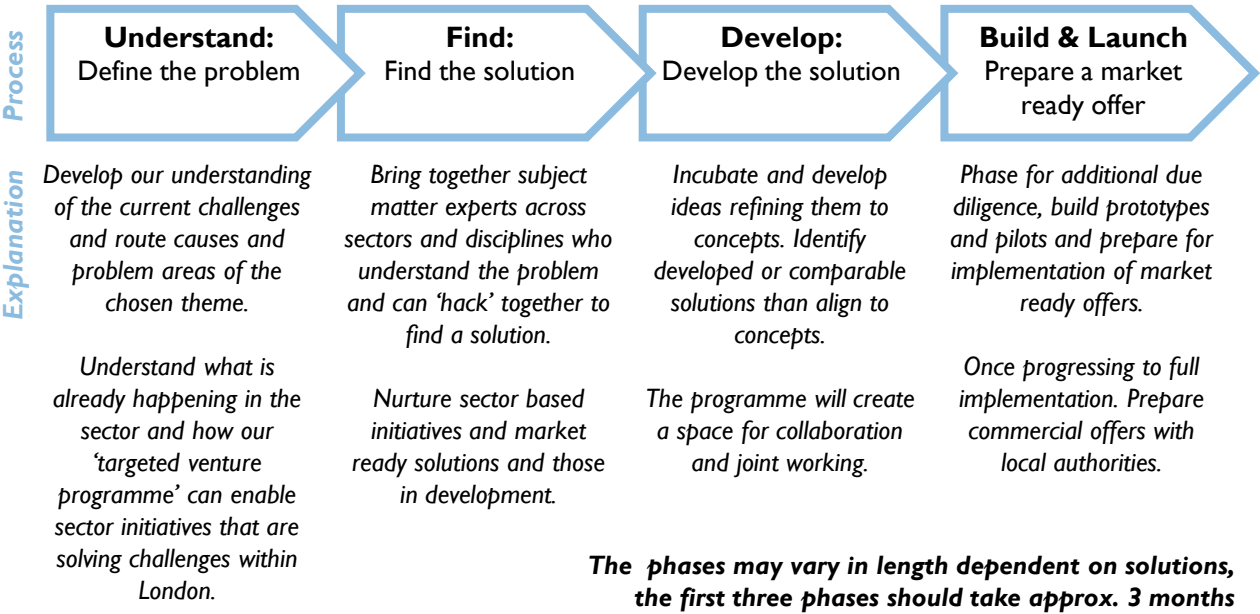
Our two core LV2020 workstreams play a key role in ensuring the outcomes outlined in Section I are achieved. In addition, there are two supporting workstreams that also play a vital part in enabling the success of the core workstreams and the programme in general.

An overview of these workstreams is provided below, with further detail later in the document.



# Section two: Our delivery approach (Targeted)

Targeted ventures workstream is focussed on tackling strategic challenges identified by local authorities. LV2020 will run focussed sessions to articulate the problem, develop solutions and prototypes, and will use crowdsourcing principles to drive innovation and collaboration across multiple stakeholder groups.



Many of the challenges faced by local authorities are not new, but the increase in the demand for these services means that a fundamentally different approach is required to tackle the problem and make a difference to citizens. Our targeted venture approach is designed to understand the whole landscape of the challenge and identify opportunities where the programme can provide additional support and complement work already happening in this area.

The programme has a trusted brand in the LA market, and seed funding available for venture partners. We will use these to support innovative initiatives that will drive better outcomes for our targeted area.



# Section two: Our delivery approach (General)

Our general ventures portfolio is a critical part of the overall success of the programme in a number of ways, including:

- Providing case studies to demonstrate how supporting organisations with their innovative proposition can make a positive difference to the way public services are delivered as well as generate returns to the programme
- Enabling our programme to gain credibility as a vehicle for innovation and a platform for change.

In order to bring the best ventures to London boroughs we are focussed on ‘market ready’ ventures where the product or service has already gone through testing and is ready for implementation. These ventures receive a comprehensive package of support, which includes:


- Coaching to understand and navigate the London local government market
- Dedicated promotion via the London Ventures digital channels
- Promotion to the extensive London Councils network
- Endorsement from the London Ventures programme
- Representation at London Ventures showcase events
- Bimonthly support calls or meetings


As agreed by CAB in October 2016, we refreshed the portfolio and in February 2017 onboarded 6 new venture partners into the programme. As of July 2017, we have 15 venture partners in our portfolio. In year 2, we will be reviewing our portfolio on a bi-annual basis to ensure we have the most cutting-edge portfolio and to ensure all partners are generating a return back into the programme. This Portfolio Assessment will feed into our commercial deal negotiations and/ or renegotiations and will drive the partners that are included in our portfolio.

Current portfolio


SOCIAL CARE & WELLBEING


xantura







MyCognition










COMMUNITY DEVELOPMENT











BACK OFFICE
















# Section three: Our stakeholders

We have a diverse range of stakeholders, each with a critical role to play to ensure the success of our delivery approach and achieve our outcomes. As set out in our Communications and Marketing Strategy, we tailor our engagement approach to maximise the effectiveness of our communication and deliver information that is adapted to meet their needs.

Our key stakeholders and their role in achieving our outcomes are summarised below.



In year 1 we have focused on building our engagement with a wide range of stakeholders.

Our focus for year 2 is to strengthen our engagement with these stakeholders, as well as continue to build and deepen relationships, particularly across the local government market.

## Critical thinkers / subject matter experts

### Who?

The Think Tank - a sub-group of CELC and SLT

### What?

This informal group will continue to be involved in setting the priority issues for the targeted ventures, and also providing access to subject matter experts within local authorities who can then be involved in the targeted ventures process and become potential borough champions.

### Who?

The Innovation Panel - a broad forum of local authority professional leads, innovative organisations, charities, groups etc.

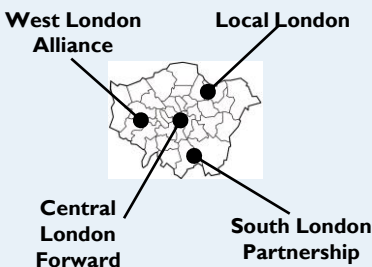
### What?

This group will continue to be used on an ad hoc basis to provide the latest thinking, research and knowledge on a range of matters including funding opportunities. The Panel will operate as an independent body to check and challenge ideas.

## Public Sector Partnerships

### Who?

London sub-regional groups



### What?

Engagement with the sub-regional groups of London has been a key component of year 1 of LV2020, and will continue to be critical to the success of both the general and targeted ventures. To date we have worked closely with the West London Alliance, and during year 2 we will look to deepen relationships with the other three sub-regional groups to test venture concepts, gain access to a pool of senior officers who would be ideal borough champions, and to gain buy in through involvement in the targeted ventures process (e.g. hack events and Innovation Hubs).

## Boroughs

### Who?

Borough champions: borough representatives and advocates for the programme

### What?

Borough champions will continue to test the concept during the initial evaluation/pilot stage and then continue to champion the venture during implementation and encourage further roll out (targeted ventures).

## Venture Partners

### Who?

Innovators who share a common goal to revolutionise the way that public services are delivered

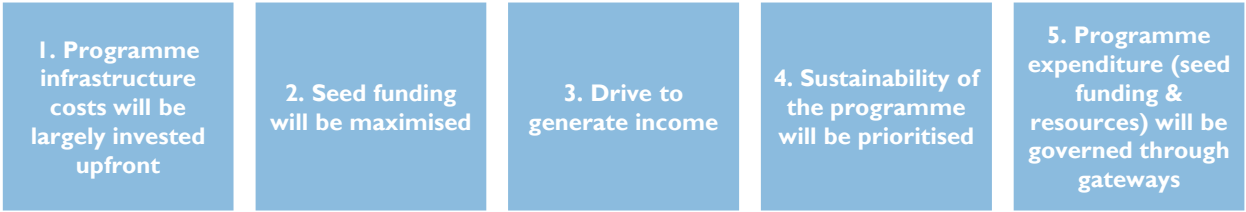
### What?

Market ready solutions (general ventures) that our programme will promote and give access to London's public sector market. Or targeted venture partners where we will give them access to seed funding and support to develop an innovative solution.



# Section four: Financial sustainability

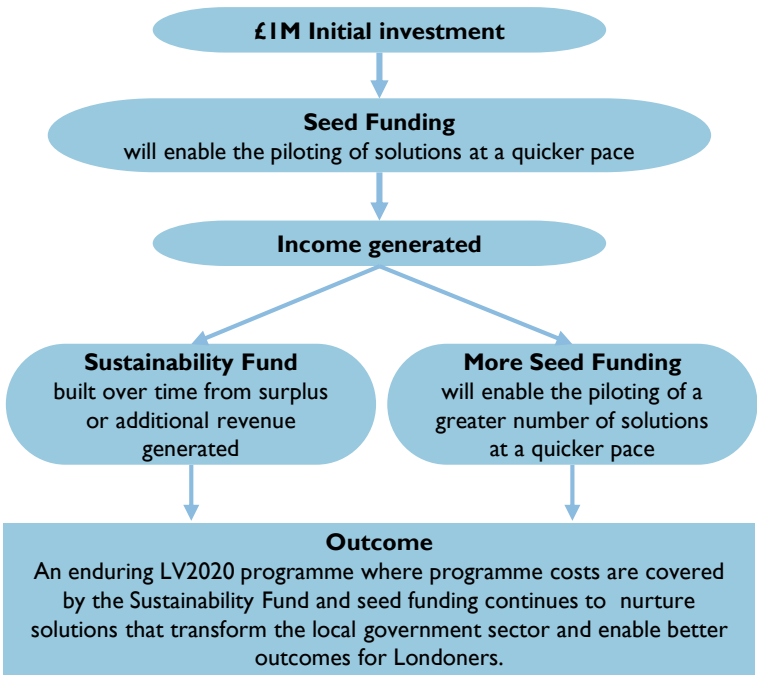
A key outcome for LV2020 is to become self-sustainable by year 3 of the programme. To achieve this, the London Ventures financial model has been underpinned by five key principles:



In order to accelerate programme development and establish our programme identity within the market, programme infrastructure costs have been proportionately higher in year 1 and will be reduced in subsequent years. Our programme expenditure will continue to be governed through gateways and signed off by CAB.

Income accrued from ventures will continue to be negotiated and agreed with venture partners on a case by case basis and therefore actual financial or percentage return to the programme varies by venture. To ensure all ventures generate a financial return to the programme, all ventures will continue to go through a portfolio assessment, and for year 2 this will be on a more regular basis (bi-annual).

Income from general ventures from year 2 will be used to support investment into new concepts in targeted ventures and help achieve sustainability by covering external and internal programme costs.



## Other funding opportunities for targeted ventures

In year 2, we will accelerate our ambition to 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. Through this ‘networked model’ we will seek additional funding streams for venture development and implementation for targeted ventures, for example:

- Business angels and venture capitalists
- Match funding from boroughs
- Other grant funding bodies e.g. central government funding, Greater London Authority (GLA) funding



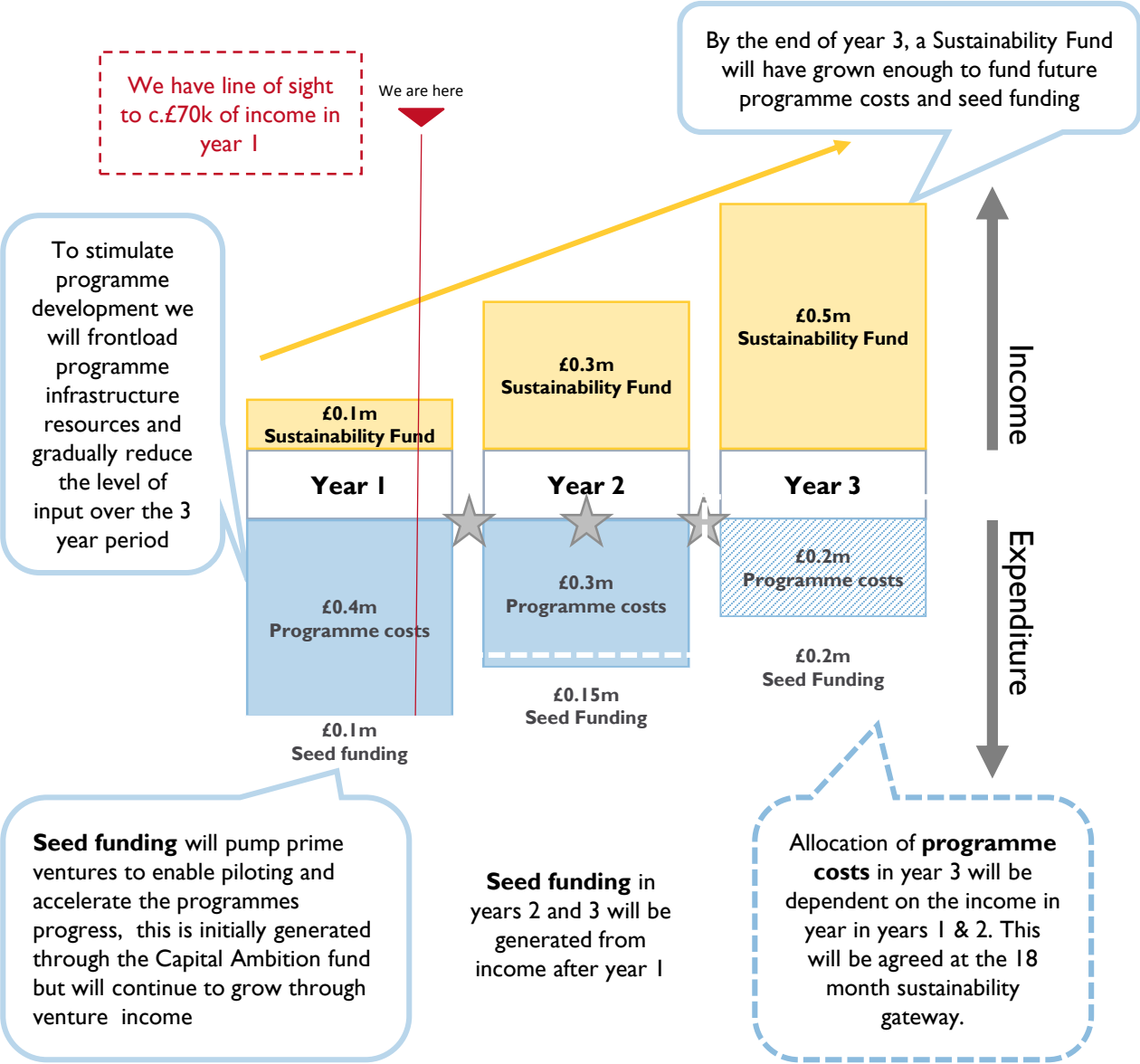
# Section four: Financial sustainability

Programme spend in year 1 has been on programme infrastructure and delivery costs as well as the provision of seed funding for the incubation of targeted ventures. All income received from venture partners in year 1 has been entered into a 'Sustainability Fund' and it is expected that by year 3, there will be sufficient funds generated to finance ongoing seed funding and programme costs thus the London Ventures programme becomes self-sustainable.



## Sustainability Gateway

At the end of each year of the programme we propose a formal Sustainability Gateway, including at the 18 months milestone. This is a tool to check against the success in generating Venture income, agreed revenue targets, and funding streams for future years. This will also be used to increase the accuracy of programme revenue forecasts.



## Section five: Year 1 progress

During year one, London Ventures have engaged with 100s of organisations across the private and public sector in London and beyond,

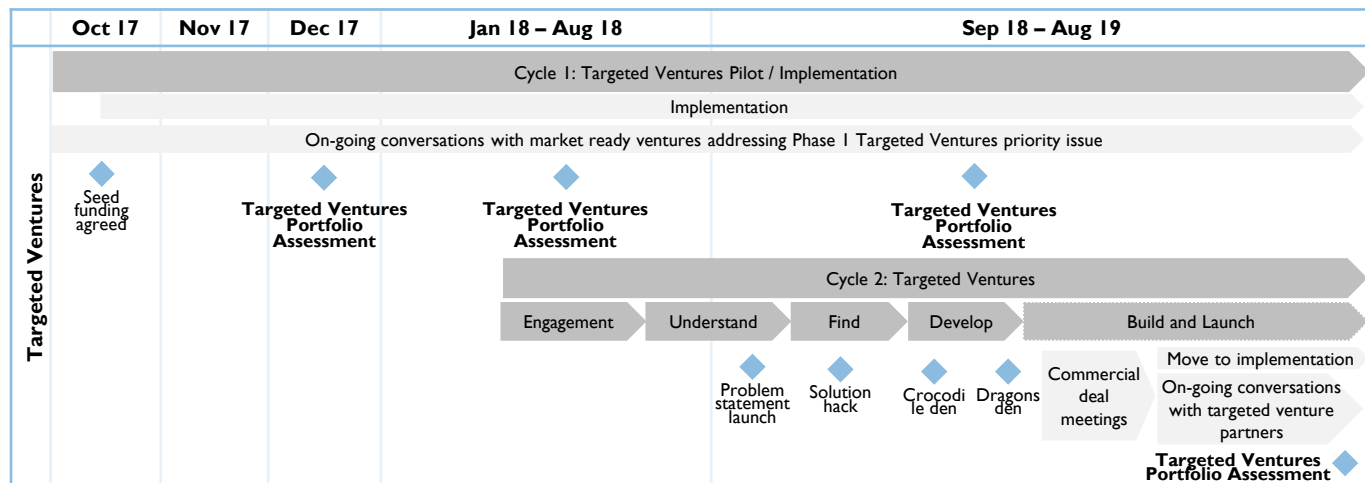
Outcomes	Progress
Achieve financial sustainability for the London Ventures programme	<ul style="list-style-type: none"> <li>Guaranteed income of £21,043 from 4 Venture Partners: FISCAL Technologies, Oxygen Finance, Blue Prism &amp; Spacehive</li> <li>Pipeline for implementation with line of sight to income of c.£70k in year 1</li> </ul>
Build London Ventures brand, profile and reputation	<ul style="list-style-type: none"> <li>London Ventures have engaged with 100s of organisations across the private and public sector in London and beyond</li> <li>We have had extensive engagement with officers across all London local authorities, through either 1:1 conversations, our various London Ventures hosted events, and/ or through the professional networks.</li> <li>There have been 21 demos across 22 local authorities</li> <li>Good programme visibility through professional networks: Housing Directors, Heads of Transformation, London Environment Directors, Heads of HR, Heads of Procurement</li> <li>Hosted a roundtable with venture partner, The Cornerstone Partnership, around fostering recruitment and retention with representation from 20 London local authorities</li> </ul>
Identification of innovative/ transformative Ventures, both targeted and general	<ul style="list-style-type: none"> <li>Developed a diverse general venture portfolio that support local authorities with social care and wellbeing, community development, and back office efficiency challenges.</li> <li>Agreed with CAB a final list of 7 potential concepts to develop for targeted ventures: 100 ideas refined to 50 ideas of potential solutions, with a shortlist of 15 pitched at Dragons Den</li> </ul>
Ventures are implemented by London local authorities	<ul style="list-style-type: none"> <li>21 boroughs implementing ventures in total</li> <li>4 boroughs implementing venture partners from year 1 engagement</li> </ul>
Provision of accurate and timely management information	<ul style="list-style-type: none"> <li>CAB updates completed on time</li> </ul>



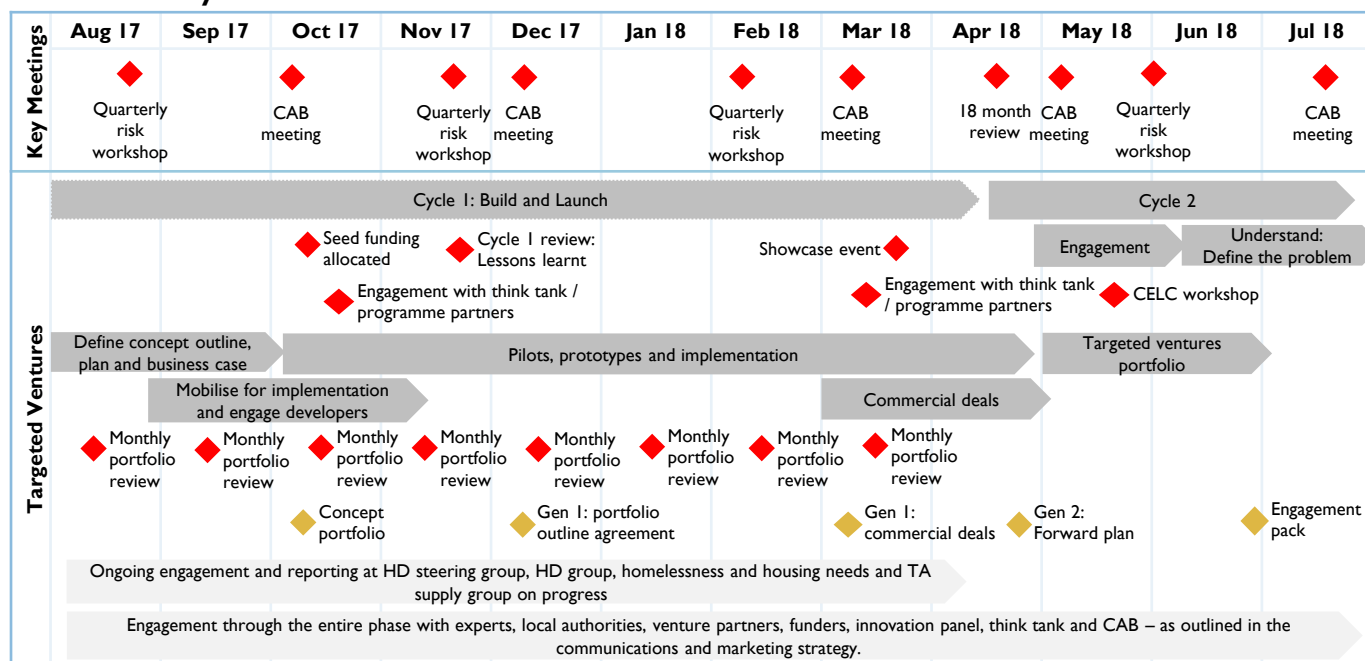
## Section six: Timeline – year 2 – targeted

Set out below are the key timelines for the Targeted Ventures activity over the second year of the London Ventures 2020 programme. We have proposed that the second targeted ventures cycle is not commenced until a later date to provide further investment in ensuring the first cycle ventures are successful.

### Updated year 2 and 3 outline plan (revised from London Ventures Year 1 Business Plan)



### Detailed year 2 timeline



#### During months 1 to 3

- There will be a focus on ensuring the success of the Targeted Ventures portfolio from cycle 1, as agreed by CAB
- This will include concept outline and business case development to inform seed funding allocation

#### During months 4 to 9

- The Targeted Ventures portfolio as agreed by CAB will be piloted and implemented
- Commercial deals will also need to be agreed for all partners and there will be deliver on the agreed deals

#### During months 10 to 12

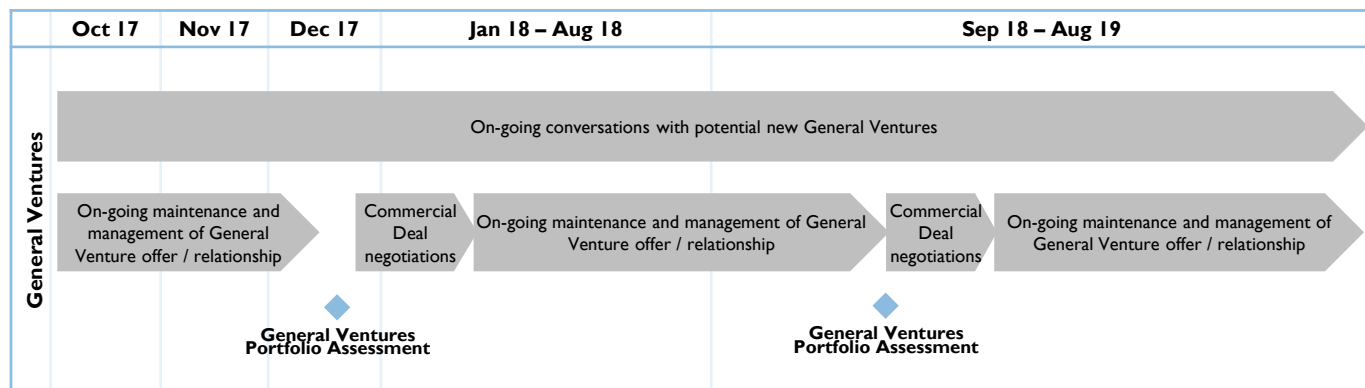
- Cycle 1 partners will become part of the portfolio
- Cycle 2 of Targeted Ventures will begin, taking into account the lessons learnt from cycle 1



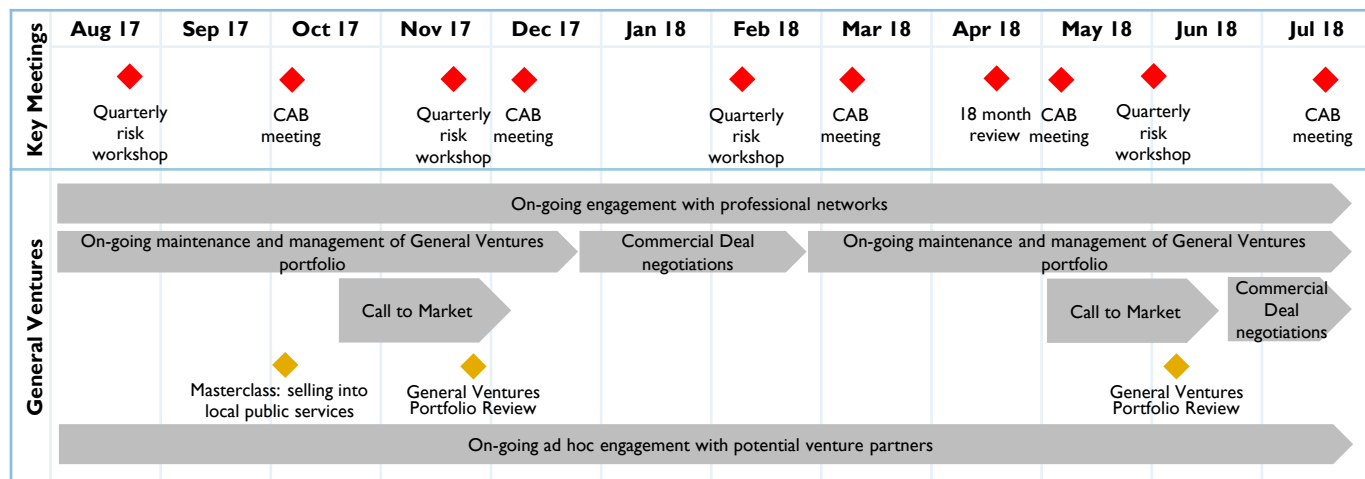
## Section six: Timeline – year 2 – general

Set out below are the key timelines for the General Ventures activity over the second year of the London Ventures 2020 programme. We have proposed that in year 2 we will be reviewing our portfolio on a bi-annual basis to ensure we have the most cutting-edge portfolio and to determine whether the level of support that is currently received needs to be revised.

### Original year 2 and 3 outline plan (from London Ventures Year 1 Business Plan)



### Detailed year 2 timeline



#### During months 1 to 6

- There will be a General Ventures portfolio review to assess the current partners and their relevant in the market as well as ensure our support is optimised for all parties and agreed by CAB. Commercial deals with General Venture partners will be revised and/or developed.

#### During months 7 to 12









































- The General Ventures portfolio will continue to be promoted and implemented across London local authorities.
- There will be a General Ventures portfolio review to assess the current partners and their relevant in the market as well as ensure our support is optimised for all parties and agreed by CAB. Commercial deals with General Venture partners can be revised, divested or developed.



## Section six: Timeline – year 2 – marketing

Set out below are the key timelines for marketing and communications activity that will take place over the second year of the London Ventures 2020 programme. We aim to ramp up the level of activity occurring under our Marketing and Communications workstream, in order to continue to grow London Ventures' presence in the market.

### Detailed year 2 timeline

	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18
Key Events	 Quarterly risk workshop	 Masterclass: selling into local public services  LGA: Homelessness and TA lessons from local gov innovations  Spacehive event	 CAB meeting  LGA: National Children & Adult services conference  Cornerstone event	 Quarterly risk workshop	 CAB meeting  London Councils summit		 Quarterly risk workshop  Heroes of homelessness / showcase event (tbc)	 CAB meeting	 18 month review  Masterclass: selling into local public services  Venture launch / showcase for investors and LAs	 CAB meeting	 Quarterly risk workshop	 CAB meeting  LGA Conference
Webpage	 Blog announcing venture portfolio	 Blog on Masterclass		 Blog on Venture partner events (Spacehive, Cornerstone)			 Blog on Heroes of homelessness event		 Blog on Masterclass  Blog on Venture launch / housing research		 Blog on end of phase update	
Twitter	On-going tweets and interactions on twitter to: generate interest before events, provide live updates during events and interact with stakeholders after events.											
E-newsletter			 End of phase update		 Progress update		 Progress update		 Launch Summary  Progress update			 End of phase update
LinkedIn	 Link to blog announcing venture portfolio	 Link to blog on Masterclass		 Link to blog on Venture partner events (Spacehive, Cornerstone)			 Link to blog on Heroes of homelessness event		 Link to blog on Masterclass  Link to blog on Venture launch / housing research			 Link to blog on end of phase update
Press	On-going review of potential press opportunities across industry press and London media, including: MJ, LGC, Tech City News, LocalGov, BBC London, Evening Standard, City AM and The Guardian											

#### During months 1 to 6

- A number of events are taking place that link to both our general and targeted venture workstreams – we will use these to promote the London Ventures brand and advertise our services to a wider sector audience

#### During months 7 to 12

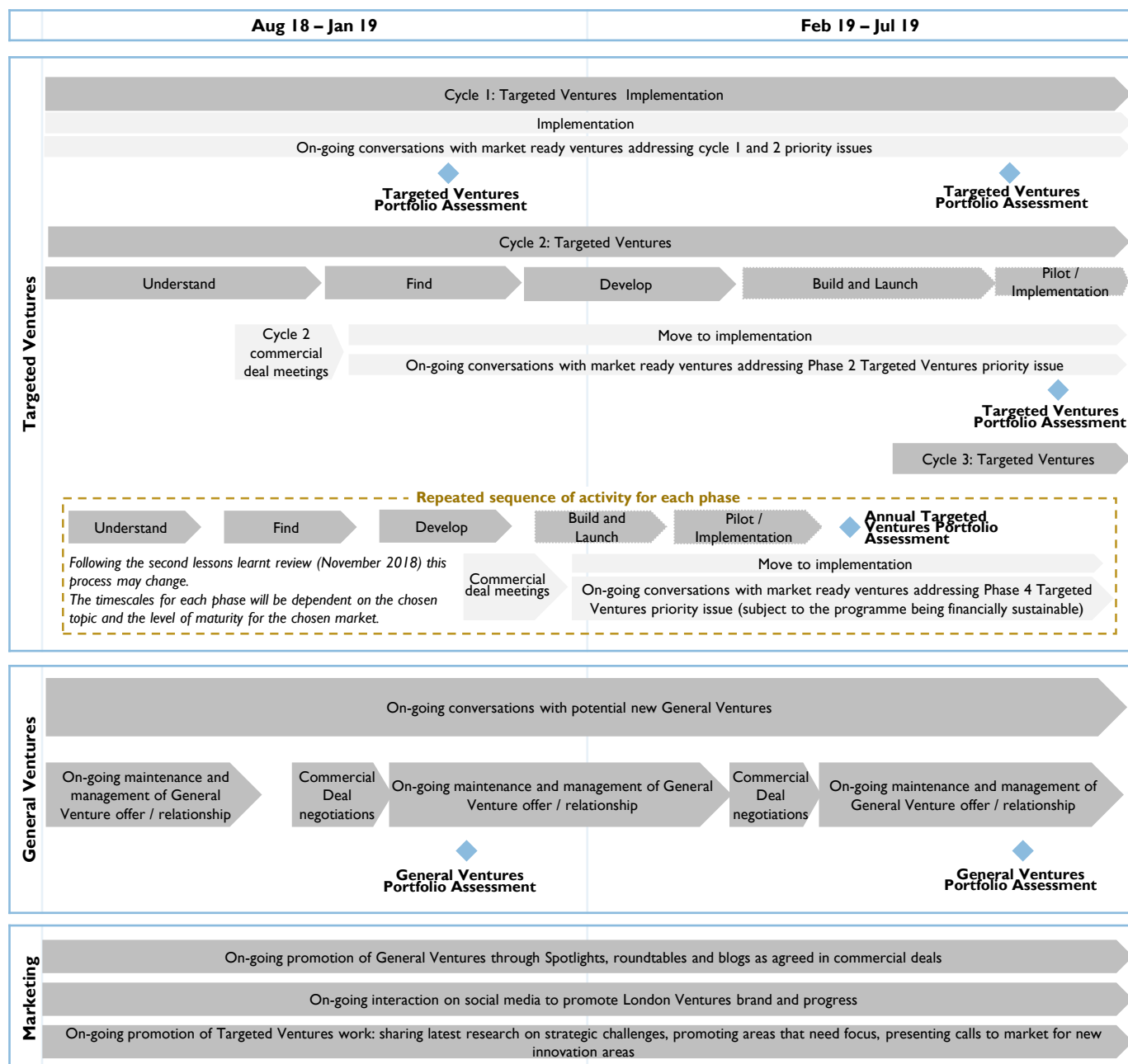
- With a well established brand in London, we will look to share our success stories with a wider audience across the UK, reaching out to national press and promoting our Venture Partners to UK-wide local authorities (with agreed return to London Ventures as per most recent commercial deals)



## Section six: Timeline – year three

Set out below are the key timelines for the General Ventures and Targeted Ventures activity, over year three of the London Ventures 2020 programme.

Activity is dependent on progress and lessons learnt from the first and second years. Therefore timelines below are only indicative and subject to change.



### During year 3 of the LV2020 programme

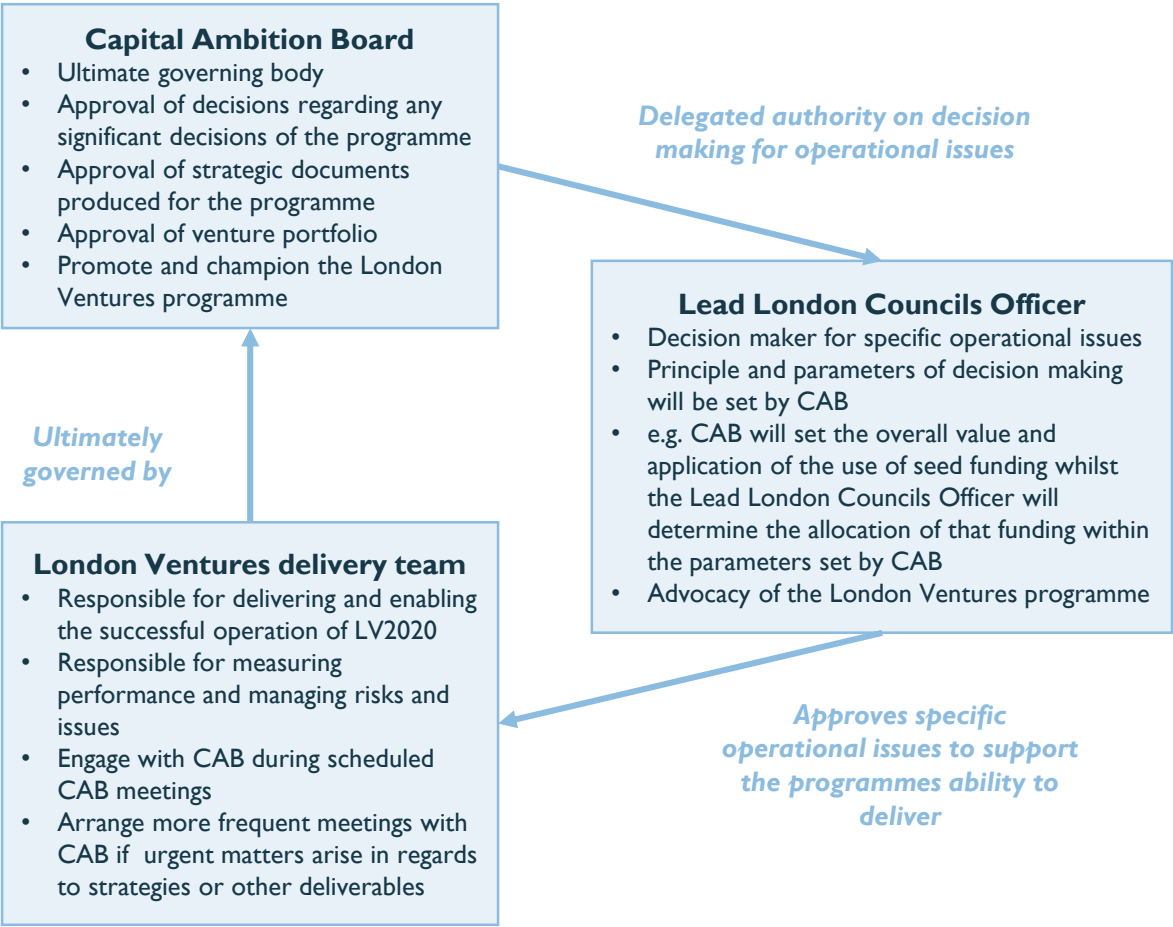
- A bi-annual portfolio assessment will take place for both General and Targeted Ventures
- Cycle 3 of the Targeted Ventures cycle will commence



# Section seven: Governance and risk management

London Ventures is accountable to London Councils’ Capital Ambition Board (CAB), which has the vital role in providing leadership and overall direction to the programme. As CAB is a cross party member led body, it ensures that London Ventures is focused on delivering on those activities that are beneficial to London local government.

Given the vision and ambition for the London Ventures 2020 programme, as well as lessons learnt from the first phase and year 1 of the second phase, there is recognition that momentum and pace are vital to the future success of LV2020. Capital Ambition’s pre-determined board meetings are the primary points in the governance structure to provide leadership, direction and challenge. Therefore, in addition to reporting at the Capital Ambition Board meetings, it may be necessary on occasion, to seek further agreement from CAB on key strategic decisions outside the meeting cycle using its urgency procedures.



The London Ventures delivery team will support the overall governance of the programme. We are responsible for delivering and enabling the successful operation of LV2020 including delivering the general and targeted ventures and promoting and communicating the programme to key stakeholders.



# Section seven: Governance and risk management

As part of the overall process for managing and controlling the risks and issues that arise from the London Ventures programme, there is a robust risk management methodology in place to identify, manage and mitigate those risks that arise from the programme. As with a complex programme with multiple dependencies and stakeholders that can influence the key outcomes, it is vital to be able to manage and mitigate any possible risks in a timely and controlled way.

Our process for managing risks using the London Councils risk management strategy;



Risks are managed and reviewed by the operational London Ventures team formally on a quarterly basis. We have also put in place a periodic review of risks that need to be escalated, due to the mitigations or contingencies being insufficient, with the Senior London Councils’ officer. If further escalation is required it will be taken to Capital Ambition Board for management.

The highest priority risk we have identified is that *the programme does not achieve self-financing status by the end of year three*.

Risk	Type of Risk	Risk Description	Likelihood (1-4)	Impact (1-4)	Overall
LVI: The programme does not achieve self financing status by the end of year three	Financial project, operational, strategic	London Ventures programme fails to achieve sufficient income into the programme to achieve self financing status which means that the programme can no longer continue	3	4	12
		Controls in place	Likelihood (1-4)	Impact (1-4)	Overall
		In the short term focus on maximising commercial return on existing LV portfolio to create initial income stream. Where possible attract external investment into particular elements of the programme e.g. seed funding pilots, to diversify resource streams. 18 month review process will provide an opportunity to continue or stop the programme depending on overall performance.	2	4	8

After developing an understanding of the risk and its potential causes, we have continued to reduce the likelihood of this risk becoming an issue by putting in several controls:

- maximising commercial returns on our venture portfolio in the short run i.e. through ongoing revenue return from certain ventures partners and including a clause for ROI for any implementations made through introductions outside of London
- looking to attract external investments in the long run.





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## **Appendix B: Seed Funding Criteria: first cycle of targeted ventures**

### **Background**

As the innovation programme for London local government, London Ventures is designed to support the public sector in London to utilise the best and the newest innovations to meet their key challenges.

A critical outcome for the London Ventures programme is to achieve financial self-sustainability by year three. We believe that to enable this ambition we need to provide the best environment to nurture and incubate innovation for the sector, and part of this includes the provision of seed funding. This funding will be used to help support the development of new innovative ideas and solutions.

In addition to this we will identify opportunities for sourcing alternative finance from private equity, social investment or other possible funding streams to accelerate our targeted ventures workstream and generate sufficient funds to finance ongoing seed funding and all programme costs.

### **Seed funding**

At this time there is circa £94k of seed funding available for the first cycle of targeted ventures. This has been ring fenced by the contractors from the initial Capital Ambition investment of £1 million.

As income flows into the programme the Capital Ambition Board may be presented with the opportunity to use income received into the sustainability fund to provide additional seed funding. The first time this decision can be made is at the end of year one. At that time the full implications to the financial sustainability of the programme will be set out to enable an informed decision to be made.

### **Seed funding criteria**

Clear and equitable criteria are needed to determine which, if any, potential targeted ventures the Capital Ambition Board may wish to invest in. The following criteria are proposed for CAB investment in targeted ventures around homelessness, temporary accommodation, and housing.

It is envisaged that such criteria may be applicable to future cycles of targeted ventures, however further iterations may be required to tailor the criteria to the issue.

### **Pre-requisites**

Before being put forward for consideration each potential venture must first meet two pre-requisites –

1. Have a borough champion/sponsor (s)
2. Have some form of match-funding/resource allocation

Potential ventures must also successfully meet the portfolio assessment principles of strategic fit, commerciality and scalability as described below –

1. Strategic fit for the programme. The Venture provides an innovative product or service and so aligns with the core values of the London Ventures programme.
2. Commercial. The Venture has a high level of commercial sustainability i.e. it will generate a return to the programme and be a self-sustaining venture.
3. Scalable. The Venture can be scaled out of its immediate implementation area to increase its' value to local authorities, either on a sub-regional or regional basis: it is not only relevant to an individual borough or locality.

### **Investment required**

The Venture requires investment due to one, or more, of the following reasons –

1. The Venture is new to the sector, i.e. a tried and tested approach, but with no track record in the public sector. Investment would create a sector specific proof of concept.
2. The Venture is new geographically, i.e. not previously used in London. Investment would create a London specific proof of concept.
3. The Venture is not at an advanced level of maturity. Investment would help develop it into a fully formed solution.
4. The Venture is only commercially viable if it is implemented at a large geographic scale, i.e. across multiple local authorities. Investment would cut across the need to gain coincident local agreements to procure and implement.
5. The implementation of the Venture requires a significant financial outlay with benefits attributable to a range of partners. Investment would provide a test case for savings, in order to inform likely distribution of future required investment and potential savings.
6. The opportunity to design and produce a strategic and scalable solution is time critical. Investment would accelerate build and deployment – ensuring a commercial return.
7. There is an opportunity to create a unique product or asset for the London Ventures programme and therefore create a greater financial return subject to future and wider application.



# LONDON VENTURES

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*Innovation through collaboration*

## Targeted Ventures

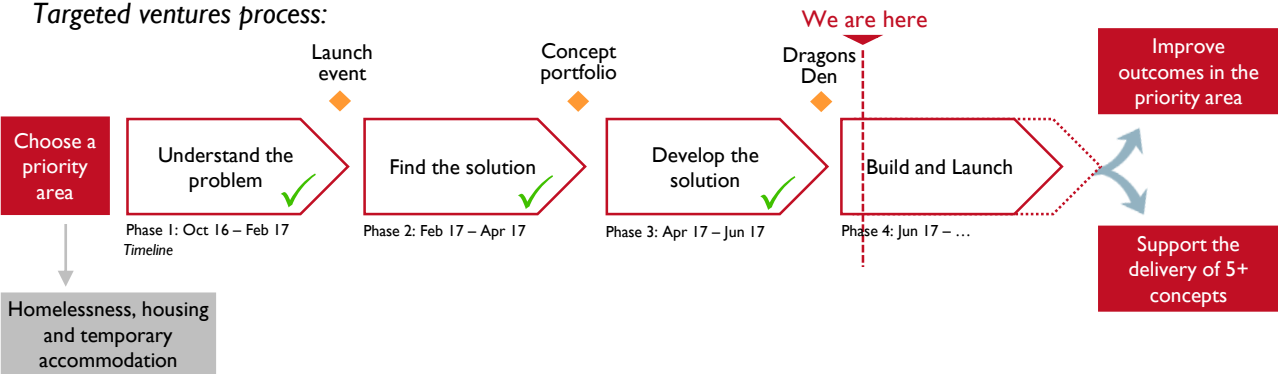
July 2017

# Progress to date

## Targeted ventures cycle I: Temporary Accommodation, homelessness and housing

We have now concluded the first three phases for the first cycle of targeted ventures. A summary of the phases to date and the respective activities completed for each are outlined below and the proposed next steps following Dragons Den are outline on the next page.

Targeted ventures process:



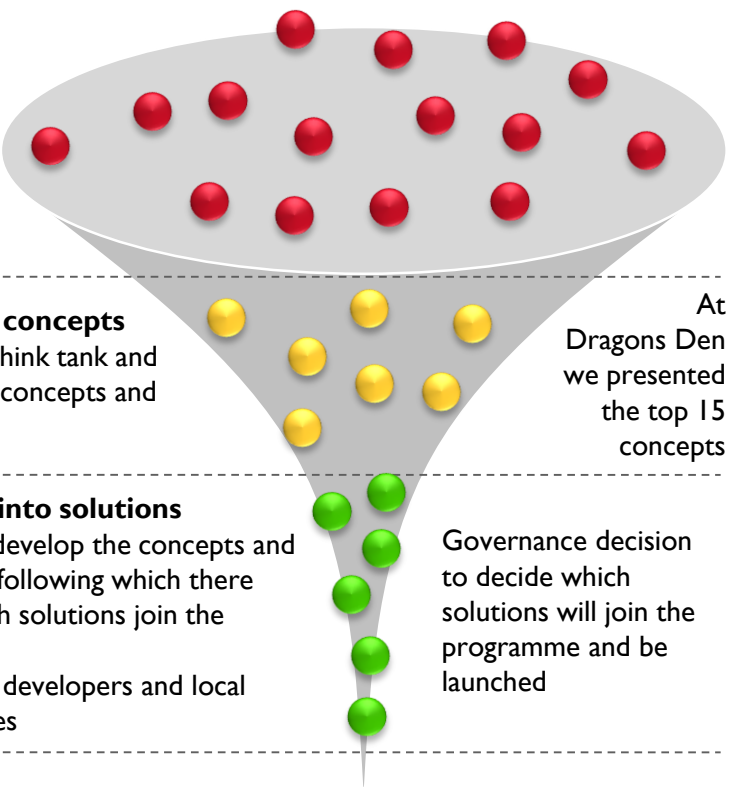
Refining the concepts:

- ✓ **Find the solution: identified 100+ ideas**  
Through cross-sector engagement and a series of workshops and hacks we identified a long list of ideas that could solve the challenges we had identified in the prior phase

- ✓ **Develop the solution: refined to 30 concepts**  
Using subject matter specialists via our think tank and housing officers we refined our ideas to concepts and aligned them to core problem areas.

- Build and launch: develop shortlist into solutions**  
*Step one:* following dragons den we will develop the concepts and solutions with a high level business plan following which there will be a governance decision as to which solutions join the portfolio and get seed funding  
*Step two:* chosen solutions are built with developers and local authorities to deliver improved outcomes

Next phase



The next page outlines the next steps and governance decisions to progress to the next phase.



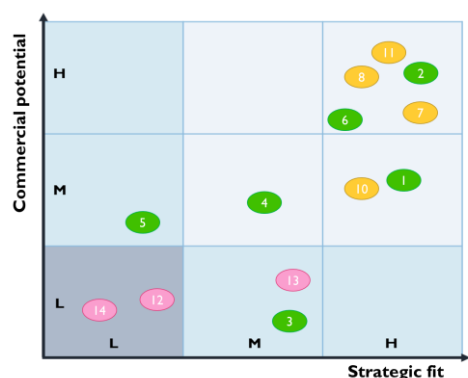
## Next steps following Dragons Den

### Process of Dragons Den

On 19<sup>th</sup> June, a shortlisted total of 14 concepts aiming to tackle key issues around housing, homelessness and temporary accommodation were presented to a selection of the Capital Ambition Board.

Feedback was collated on each of the concepts proposed to the Board, and a prioritisation exercise took place to identify which of them were most suitable to be supported through the London Ventures programme. Initial prioritisation took place by placing concepts on a matrix of commercial potential against strategic fit for the London Ventures programme.

Following this, the Board agreed the proposed next steps, to determine which ideas the delivery team should be focussing on over the coming months.



**Idea Progression** – the concept will be further developed, to scope opportunities in the market and identify potential to succeed as a Venture Partner of the programme, with the associated resource and time investment

**Signposting** – recognising the fact that the concept addresses a strategic need in local authorities, but that London Ventures may not be the best avenue to develop it further, time will be spent signposting the concept to other resources

**Rejection** – the concept is unsuitable for London Ventures as it does not align with our commercial or strategic priorities

### Next Steps following output of Dragons Den

Based on the feedback from the Board, we propose the following next steps:

- **For progressed ideas:** allocate sufficient resource to refine funding and investment required, identify potential developers and review likelihood success in the market. This will be done with a view to present updated solutions to CAB in October, at which point a “Venture Partner / Affiliate / Reject” decision can be made as well as the allocation of seed funding
- **For signposted ideas:** allocated minimal resource to signposting existing providers to other known sources of funding / resource investment
- **For rejected ideas:** no further resource implications
- **All stakeholders:** tailored engagement that outlines the decisions made and proposed next steps, personal engagement to be sent where appropriate

#### The Capital Ambition Board are requested to:

- Approve the proposed allocation of resource to next steps as stated above
- Consider the best way to respond to those ideas not being progressed and decide if any resource should be used to showcase best practice and findings
- Approve the proposed next steps for each of the concepts as outlined on the next page
- Note that at October CAB there will be a decision on which concepts will become part of the portfolio and seed funding will be allocated



## Concept allocation

The below table shows the next steps Capital Ambition Board representatives selected for each of the pitched concepts.

Idea progression	
1	<b>Data collection and predictive analytics:</b> early identification of households at risk of homelessness using cross-service line data
2	<b>Digital Personal Housing Plans (PHPs):</b> digitisation of forms required for all clients under new legislation
3	<b>Transition Insurance:</b> insurance scheme to underwrite deposits for private rental sector properties
4	<b>Podbank:</b> modular temporary accommodation units that can be moved and placed on meanwhile sites
5	<b>Transition support to move out of London (OOL):</b> increasing options for house seekers by supporting them through OOL transitions
6	<b>Fairbnb:</b> platform to enable non-priority single homeless to stay as lodgers in empty rooms in council housing
7	<b>TA procurement hub and ethical lettings :</b> platform that includes a live portfolio of all bookable properties procured for local authorities to use as temporary accommodation that ensure quality standards and work with landlords to reduce rents. Creating more readily available temporary accommodation at an affordable price
Signposted	
8	<b>Sustained Tenancy Support:</b> ensuring care leavers are provided with the necessary skills to maintain a tenancy
9	<b>Collaborative delivery vehicle:</b> local authorities to share risk in building new developments
10	<b>Volunteer for housing:</b> employment skills training for the homeless through volunteering with proceeds placed in housing deposit funds
Rejected	
11	<b>TA Health &amp; Safety monitoring:</b> establishing pan-London approach to monitor environmental quality in temporary accommodation residences
12	<b>Customer led housing information platform:</b> improving quality and accessibility of local authority information online, to increase ability to self-serve and greater manage expectations of residents
13	<b>Digital passport:</b> creation of a unique identifier not reliant on paperwork for improved access to benefits / services



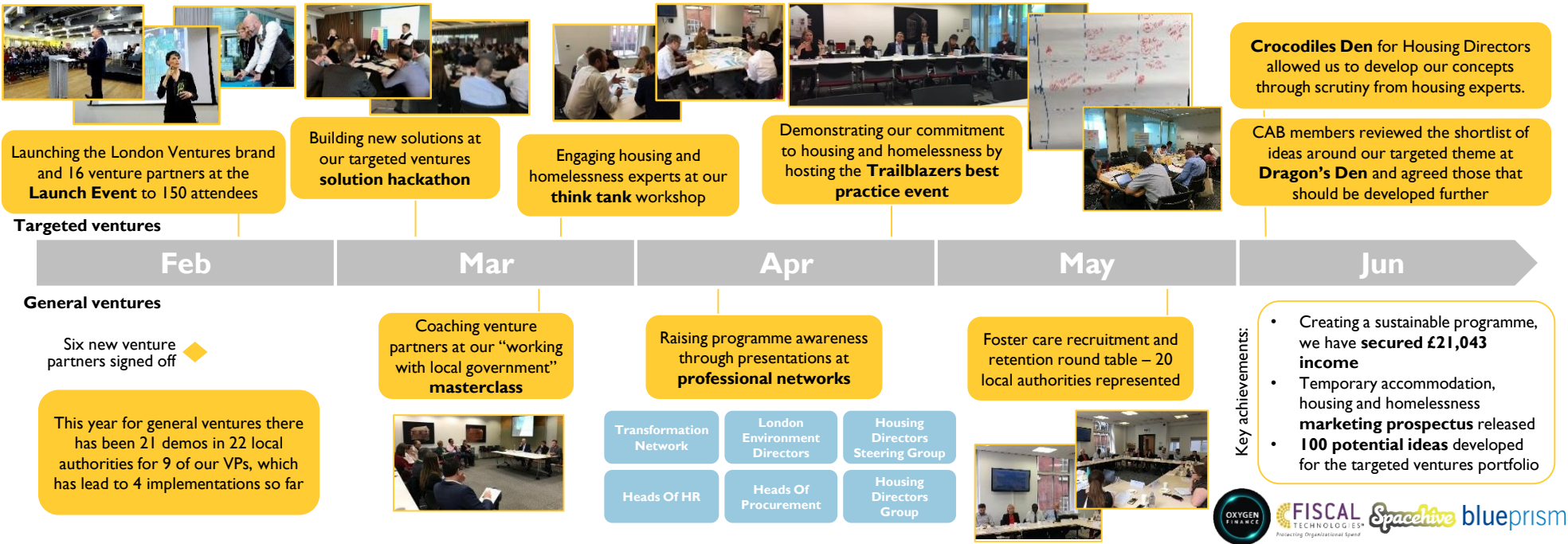
# London Ventures: *Progress update*

London Ventures has had a high impact first year of phase two, building a brand and identify, having innovative ventures partners and delivering our first targeted ventures cycle. There has been a focus on building our enabling workstreams, in particular marketing and communications to build our profile and reputation in the market to deliver a strong pipeline for implementation.

## Since February Capital Ambition Board meeting:

- Our focus for **general ventures** has been on leveraging the success of the launch event and other relationships to lead to venture partner demos and implementations.
- For **targeted ventures** we have continued to build our profile with housing professionals and have completed the first three phases of our targeted ventures process.

We have provided a snapshot below of our programme successes to date and further detail about our focus and forward plan on the next page.



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# London Ventures: Forward Plan

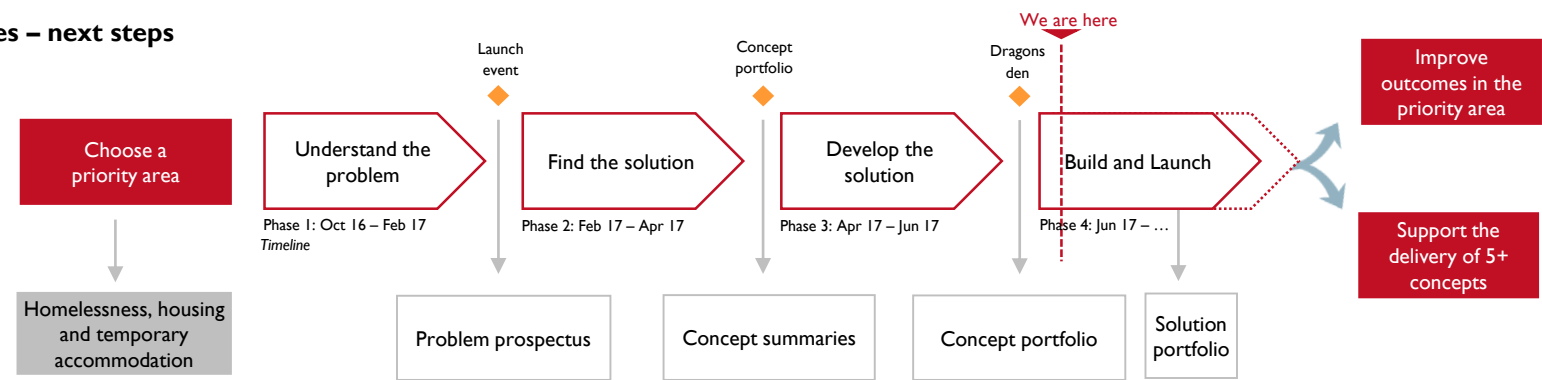
The London Ventures team are focussed on achieving the programme outcomes of building financial sustainability, developing our brand and identity and ensuring we have an innovative portfolio focussed on addressing key issues for the sector.

### Key next steps:

- Our focus for **general ventures** in the coming months is on converting demonstrations into implementation and delivering benefits to London local authorities and their residents as well as building financial sustainability for the programme.

- For our **targeted ventures** we will be focussed on developing the high level business cases for the concepts selected by CAB at Dragons Den to be part of our portfolio. With a final decision at October CAB for becoming a venture partner.

### Targeted Ventures – next steps



### Upcoming events

Jul		Aug		Sept		Oct	
<b>Jul (tbc)</b> GLA funding announcement for Podbank	<b>17 July</b> Working session with Directors of Children's Services	<b>Jul / Aug (tbc)</b> Trailblazers event		<b>Sept (tbc)</b> Commercialisation roundtable	<b>Sept (tbc)</b> Crowd funding roundtable	<b>October (tbc)</b> CAB meeting	<b>6 October</b> Housing Directors Group full meeting
Ongoing engagement with housing directors and officers via housing directors group, housing directors steering group and TA supply group.							



## Appendix E: Oxygen Finance amendments

The commercial deal for Oxygen Finance has been amended to clarify the expectations on the London Ventures programme. The changes to the original text are italicised and underlined for clarity:

1. Where Oxygen signs a Letter of Engagement (LoE) with a local authority within twelve months of the introduction by London Ventures and provided that the Milestones have been met, it will pay the sum of £5,000.

Milestones:

- a) An initial meeting with senior client staff (i.e. the decision maker) takes place within six months of the introduction;
- b) there is clear confirmation of positive interest and intention to progress with an Oxygen Product within three months of the initial meeting;