

Meeting of the Capital Ambition Board

Wednesday 18 October 2017, 10.30am

London Councils, Conference Suite, 59½ Southwark Street, London SE1 0AL

Members

Edward Lord OBE JP
Cllr Stephen Alambritis
Cllr Fiona Colley
Cllr Kevin Davis

Local Authority

City of London (Chair)
LB Merton
LB Southwark
RB Kingston upon Thames

London Councils

Frank Smith
Guy Ware
Thomas Man
Lisa Henry

Role

Director of Corporate Resources
Director, Finance, Performance and Procurement
Head of Capital Ambition
Capital Ambition Programme Manager

Advisers

James Rolfe

Executive Director of Finance, Resources and
Customer Services, LB Enfield

Board Secretariat

David Dent

Principal Corporate Governance Officer

EY

Neil Sartorio
Shu Fei Wong

Partner, Local Public Services
Manager, Local Public Services

Behavioural Insights Team – for item 5

Tim Pearce

Head of Local Government, BIT

Targeted Ventures

Mark Baigent

Divisional Director Housing and Regeneration, LB
Tower Hamlets

1. Declarations of Interest

1.2 There were no declarations of interest.

2. Apologies for absence

2.1 Apologies were received from Cllr David Simmonds (LB Hillingdon), Cllr Nicholas Paget-Brown (RB Kensington & Chelsea) and Paul Najsarek (LB Ealing).

2.2 It was also noted that John Hooton from LB Barnet would be joining CAB as a Chief Executive Adviser for future meetings but was unable to make this meeting.

3. Minutes of the meeting held on 11 July 2017

3.1 The minutes of the non-exempt part of the meeting held on 11 July 2017 were agreed as an accurate record.

3.2 CAB noted that Cllr Davis's apologies had been recorded for the meeting although he is a Conservative group substitute member for CAB and hadn't expected to attend on 11 July.

4. Capital Ambition - Director's Report

- 4.1 The report was noted by CAB. The Chair noted within the report that the majority of the original Capital Ambition fund has been allocated and spent.

5. Behavioural Insights Report on Trials

- 5.1 The Chair welcomed Tim Pearce from the Behavioural Insights team to report back on the results of the recent BI trials.
- 5.2 Mr Pearce confirmed that two pilots had been undertaken in the borough of Croydon relating to improving recycling rates and recovery of Housing Benefit overpayments.
- 5.3 In terms of the recycling pilot, the driver for this was that household recycling rates were below the national target, with rates in London typically lower. The pilot was challenging because they were trying to create changes in household behaviours, the motivation for which is not always clear, or easy to shift and sustain. An additional challenge was in measuring the full impact as individual bins are not weighed, so only aggregate changes in recycling versus landfill could be measured. However the letters sent to households who didn't regularly recycle had a marginal impact, with those households 6% less likely to miss a recycling round in subsequent weeks as a result of the communication.
- 5.4 Mr Pearce informed CAB that the recovery of Housing Benefit overpayment pilot was relevant because of the £2 billion outstanding HB debt nationally. The pilot addressed the issue in Croydon by altering the wording in the letters sent to those who had received overpayments, and providing options for repayment depending upon the level of overpayment. The pilot had achieved success by increasing repayment of debt within 45 days by 14%, with the total amount repaid increased by 42%. If this were rolled out it was estimated that £212,000 could be brought forward per year.
- 5.5 Cllr Alambritis questioned the low level of the 6% figure for increased recycling. Mr Pearce commented that the way to improve recycling rates was to address issues of habits and behaviours which were long term activities, but felt that in this trial there was a small improvement.
- 5.6 In response to a question from Cllr Colley as to whether the successes of the HB pilot could be applied to other forms of debt, Mr Pearce agreed. Guy Ware, Director, Finance, Performance and Procurement mentioned a similar scheme run at the London Borough of Lambeth in relation to Council Tax which had been similarly effective. James Rolfe also commented that Enfield had run similar initiatives related to Council Tax debt, which also had the broader benefit of reducing demand on their Customer Services team.
- 5.7 Cllr Davis felt that the improvements in the recycling pilot might be short term, and that to establish effectiveness a repetition of the exercise would be necessary. Mr Pearce again felt that recycling was a behavioural issue. Cllr Davis also raised the issue as to whether there were cultural factors around recycling, and Mr Pearce agreed, and also stated that much of the success of recycling could also be linked to social norms within areas of boroughs i.e. whether or not other households on the same street recycled.
- 5.8 The Chair thanked Mr Pearce for his presentation, and now felt it important to communicate the results. Lisa Henry, Capital Ambition Programme Manager, informed CAB that there were plans to utilise the existing professional networks for this, and also to link up with the work recently carried out by Lambeth and the LGA.
- 5.9 On this basis CAB noted the presentation and the results of the trials, and agreed to the dissemination of the results through the professional networks.

6. London Ventures Progress Report

- 6.1. Thomas Man, Head of Capital Ambition, introduced the report, informing CAB that since the July Board meeting the team had been very active in promoting the programme to networks, boroughs, national conferences with high levels of interest and engagement across all stakeholders. Reflecting on the targeted ventures process and development the Head of Capital Ambition reflected on the fact that one of key new elements of the London Ventures programme had now created feasible innovative concepts and the entire process had been predicated on the engagement and involvement of boroughs, central Government agencies and charities. The targeted ventures process had been tested against one of the biggest challenges facing London and had proven to be very challenging, but also a successful way to channel stakeholders into creating new ideas and opportunities.
- 6.2. In terms of the London Ventures programme, CAB were informed that the position was healthy in that London boroughs were actively approaching the London Ventures team to get involved, and understand more about the opportunities, products and services offered through the programme. Given the nature of the programme and its offer it was noted that boroughs had different levels and types of engagement with the programme.
- 6.3. With the award of the new London Ventures contract last year, Neil Sartorio from EY reminded CAB that the London Ventures programme had been 'reset' 12 months previously to seek wider engagement and establish a broader network. There had also been some initial engagement with venture capitalists and social investors, although this was at an early stage. EY were aware of the financial objectives and were aiming to achieve a financially stable programme position.
- 6.4. In response to a question from Cllr Alambritis regarding potential venture capitalist involvement, Mr Sartorio commented that there was interest around some of the venture partner projects where there was capacity for greater involvement. However these discussions had not been progressed pending a steer from CAB, and also taking into account the governance implications.
- 6.5. Cllr Colley asked about the level of member awareness, particularly around Leaders and lead Members, as she felt that understanding and awareness of the programme was still inconsistent across local government. Mr Sartorio responded that awareness could vary from borough to borough as well as within the authority itself. Cllr Coley wondered whether the London Councils summit might be a good opportunity for engagement, as well as London Councils briefings. The Head of Capital Ambition informed CAB that the London Ventures team would have a stand at the event. He also mentioned that he was soon to carry out a stakeholder survey, including Cabinet Members, which would inform future communications activities, but that a lot of work had been done at officer level on this issue. The Director, Finance, Performance and Procurement pointed out that it was sometimes difficult to identify programme successes directly as capturing the benefits and savings achieved within boroughs as a result of London Ventures could be difficult. The London Ventures team had created social media packs for members to use through their own existing social media channels. Officers were advised to provide appropriate content as and when necessary for members to utilise.
- 6.6. In response to a question from the Director of Corporate Services, Mr Sartorio explained to CAB that although there was likely to be little immediate return on investment, venture capitalists were interested in seed funding low cost ideas because the initial risk was low, and there was the future potential to capitalise and invest which made it an attractive longer term opportunity. Also, some companies' involvement was in line with their own social impact aims, and there was the added attraction of being able to work through London Councils rather than making approaches to each individual London Borough.

6.7. CAB noted the London Ventures progress report.

7. Any Other Business

7.1 None.

Members resolved to exclude the press and public from the meeting for the exempt part of the meeting.

The meeting finished at 11.40