

Capital Ambition Board

London Ventures Programme Summary

Item no: 7

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Summary

This cover report introduces the London Ventures Programme Summary. The report updates the Board on the progress of the Ventures that are currently part of the London Ventures portfolio, and early indications of their impact. The report also sets out how the London Ventures programme can be re-focussed to support some of the biggest challenges facing London local government.

The report includes a summary of the London Ventures programme commercial structure and detail of the current financial position.

Recommendations

It is recommended that the Capital Ambition Board receive and discuss the report and the decisions posed, and agree to:

- a) Note the progress of the London Ventures programme, in particular the first hand reports from investment case pilot sites.
- b) Note the programme financial projections and approve the budget to deliver the programme in 2015/16.
- c) Agree the focus of work for the rest of 2015/16, including agree to divest of Ventures not aligned to the strategic or commercial programme priorities.
- d) Note the feedback from the recent consultation event with CELC and SLT, and provide the remit to work up plans to be brought back to CAB in October 2015.

LONDON VENTURES PROGRAMME SUMMARY – COVER REPORT

Background

1. Capital Ambition's London Ventures initiative was launched on 23 February 2013, with the first generation ventures signed off on 7 October 2013, and second generation ventures followed swiftly, being signed off by CA Board on 14 February 2014. In October 2014 CA Board agreed to invest up to £433k in proof of concept pilots in two Ventures. Generation three of Ventures was signed off in two phases, the first on 18 February, and the second on 21 May 2015.

Summary of decisions made at last meeting

2. At the May 2015 Capital Ambition Board meeting the following decisions were made:
 - a. The Board agreed to take four ventures into delivery. These will support boroughs by providing them with: cutting software costs, continuous protection against spend fraud, video calling made simple for lonely or vulnerable people, and an app to support persons who are subject to domestic or intimate partner abuse.
 - b. To continue with the current London Ventures programme and to invite EY and London Councils to work together to bring back a proposal to the June Board around options for investing in a 'new' generation: to enable Capital Ambition, and the resources available, to play a key role in addressing some of the big strategic challenges facing local government.

Presentations by investment case project managers

3. As part of the grant award to the investment case pilot sites they committed to attend CAB and give timely updates. Progress updates will be given by Croydon, implementing Blue Prisms' robotic automation Venture, and Hackney, Tower Hamlets and Newham will feed back on developing the children safeguarding predictive risk model with Venture partner Xantura.

Key activities May - June

4. Met with new Venture partners to discuss how we might promote their Venture to the local government market, considering the most appropriate target audience.
5. Held a consultation event with members of CELC and SLT to begin the process of re-focussing the programme.
6. All boroughs have now engaged with the programme, and the net benefits have been conservatively estimated at £6million.

Programme financial summary and budget for 2015/16

7. The financial summary shows that income has begun to flow back into the programme. EY's financial projections indicate that by the end of March 2016 the Ventures programme is expected to generate a total income of £85k. A further £196k of committed income is due from the deals that have been signed over future financial years. There is potential, over 2015/16 for deals to be signed that will bring an additional £164k into the programme.
8. EY are proposing to use this committed and non-committed income to support the delivery of the programme over 2015/16, continuing to use the agreed risk-sharing fund.

Resource allocation and next steps

9. The report outlines how the resource will be allocated to meet the objectives of the programme, and the decisions made at CAB 21 May 2015, within the proposed budget.
10. The focus of activities will be on facilitating engagement between third generation Ventures and local authorities, with a proposal to divest in those Ventures that do not align sufficiently with either the commercial attractiveness or strategic importance.
11. Developing the new generation building on the feedback from the consultation event held with members of CELC and SLT:
 - a. Proposal to re-focus the priorities of the programme by running three working sessions with a small number of chief executives and finance directors;
 - b. Developing case studies and using intelligence to support good decision making; and
 - c. Develop a maximum of six propositions for CAB to consider in October, as to how best to develop the next generation of London Ventures.
12. London Councils' officers propose to engage fully with this process and ensure that conversations are strategically aligned with the work of other teams within the organisation. Including briefing and involving portfolio leads and policy heads at appropriate junctures. This will reduce the potential for duplication and increase the added value that London Ventures brings.

Financial Implications for London Councils

13. The Director of Corporate Resources reports there are financial implications arising from this report, as detailed below.

14. Members are reminded that the total approved investment to date is £947,000 however £433,200 of this is in the form of grants to Boroughs, which will be drawn down over the next 12 months.
15. By the end of March 2016 the Ventures programme is expected to generate a total income of £85,053. A further £196,114 of income is committed from the deals signed, and EY are confident in other deals being signed this year which will support the programme. Members are asked to note that the budget for 2015/16 is based on this committed and non-committed income.
16. As agreed between London Councils and EY, income generated from the Ventures programme will be used to pay back EY's investment over and above the originally agreed £280,000 jointly owned overdraft facility. London Councils' investment in the programme will be equal with EY's once the overdraft has been reduced to a total of £280,000.

Legal Implications for London Councils

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

Equalities implications for London Councils

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

Recommendations

19. It is recommended that the CA Board receive and discuss the progress summary and agree to:
 - a) Note the progress of the London Ventures programme.
 - b) Note the programme financial projections and approve the budget to deliver the programme in 2015/16.
 - c) Agree the focus of work for the rest of 2015/16, including agree to divest of Ventures not aligned to the strategic or commercial programme priorities.
 - d) Note the feedback from the recent consultation event with CELC and SLT, and provide the remit to work up plans to be brought back to CAB in October 2015.