

Capital Ambition Board

London Ventures Progress Report

Item no: 5

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Summary

This report provides an update on the key activities and progress in the London Ventures programme since October 2017. This report highlights activities that have taken place to support both the general and targeted ventures programme particularly in relation to advocating the programme to local authorities and other key promotional activities.

Recommendation

Board members are recommended to:

- i. Note the overview of London Ventures activity since October 2017.
- ii. Note the review of the homelessness, temporary accommodation and housing targeted venture process and value generated.
- iii. Approve the overall theme and approach for the second cycle of targeted ventures.
- iv. Approve the appointment of a CAB member and adviser sponsor for the second cycle of targeted ventures.

LONDON VENTURES PROGRESS UPDATE

Background

1. Since the October 2017 Capital Ambition Board meeting, the team has continued to promote and advocate the London Ventures programme. There has been significant progress and engagement with boroughs as well as other stakeholders.
2. This report provides an overview of the activities of the following activities that have taken place and specifically in relation to the following :
 - General progress update
 - Review of the first cycle of targeted ventures and the value generated
 - A forward look to the second cycle of targeted ventures
3. New general ventures proposals and an outline of the 18 month review process are presented as part of the exempt agenda.

Overview of London Ventures activity since October 2017

4. Since the last CAB meeting a range activities have taken place to promote and advocate the general ventures portfolio as well as developing the targeted ventures programme. The developments are presented below split between general and targeted ventures workstreams:
5. General ventures
 - A half day ventures partner presentation day was held at London Borough of Redbridge, where three venture partners presented their offer to the Place Directorate senior management team. Further follow up discussions are being organised with Redbridge.
 - Three venture partners attended a West London Alliance senior manager's event to demonstrate their technology offer.
 - Two half day workshops were hosted by London Borough of Hackney to promote the Xantura EHPS product.
 - Spacehive host an event at the RSA to promote the benefits of crowdfunding.
6. Targeted ventures
 - The project management roles for the property listing platform and transition insurance have both been advertised through contracts finder.
 - The modular housing concept continues to progress with the commissioning of legal advice and further engagement with the GLA. The predictive analytics concept has garnered further interest from other London boroughs.

Review of the homelessness, temporary accommodation and housing targeted venture process and value generated

7. Appendix A contains a more detailed report setting out the overview of targeted ventures, the process review and the value generated by the programme.
8. The lessons learnt from the first cycle of targeted ventures highlighted the following aspects that will be continued through the next iteration of the process:
 - Creating momentum through engagement of stakeholders.
 - Articulating progress using various communications methods
 - Identifying and developing a broad range of solutions and ideas
 - Working with the relevant groups and networks to generate support and test ideas
9. There were also aspects of the process that were highlighted as needing further consideration and focus in the second iteration of the targeted ventures cycle:
 - Creating a consistent grouping of experts to critique and disrupt thinking through a challenge panel
 - Ensure CAB members and advisers are engaged in a more consistent manner, and having a nominated CAB member and adviser sponsor.
 - Introducing an initial assessment/filtering process to assess ideas and solutions through a “crocodile’s den” which would be composed of challenge panel members and CAB sponsors.
 - Identifying a subject matter expert sponsor for the targeted venture cycle.
10. The London Ventures team have also conducted analysis on the benefits, support and credibility of the targeted ventures process. Some of the key highlights include:
 - London local authorities committing resources and funding in excess of £200,000 of match funding to support the development of the four targeted concepts
 - Bringing in external resources to support the development of London Ventures concepts, specifically the GLA innovation fund to support the modular project.
 - Delivering six major events and engaging over 200 experts

Second cycle of targeted ventures

11. As part of the ongoing delivery of the programme, the London Ventures team have been developing the theme for the second iteration of the targeted ventures process.

12. A series of interviews and discussions were held with CAB members and advisors, London Councils policy leads and a London Borough to test whether the broad area of **children and families** for the second iteration of targeted ventures would be appropriate. The second stage of the process will be a honing down of the subject area in order to identify a discrete focal point to work upon. In summary the respondents all agreed that there was significant merit in considering children and families as the focus and also provided some potential areas of specific focus.

These included:

- Partnership working between LAs and police services
- Unaccompanied asylum seekers
- Placements
- Looked after children
- SEN transport

13. The process and high level timeline for targeted ventures cycle two are presented in appendix A.

Programme level expenditure and income

14. In summary, in relation to EY's programme costs London Councils has been invoiced for £491,452 to the end of October 2017 from the total of £906,150 to support the delivery of London Ventures. This amount does not include London Councils' time and resource.

15. The income target for the first year of current commercial deals is £113,000. London Councils has invoiced for £35,719 as at 30 October 2017. 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

16. The Director of Corporate Resources reports that the invoiced contract sum of £491,452 relates to the 14 months to 30 October 2017. This represents 54% of the total contract sum of £906,150. The £93,850 for seed funding was allocated by CAB in their October 2017 meeting.

17. Since the last report to CAB in October 2017 there has been an increase in the invoiced income for the programme. This now totals £35,719 of which £10,344 has been invoiced since the last CAB meeting. While this progress is positive, it remains slow and there is still a significant gap between the current position and moving towards a self-financing position.

18. The contract review is due to be carried out at the 18 month stage in February 2018 and is presented in the exempt agenda

Legal Implications for London Councils

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

Equalities implications for London Councils

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

Recommendations

21. Board members are recommended to:

- i. Note the overview of London Ventures activity since October 2017.
- ii. Note the review of the homelessness, temporary accommodation and housing targeted venture process and value generated.
- iii. Approve the overall theme and approach for the second cycle of targeted ventures.
- iv. Approve the appointment of a CAB member and adviser sponsor for the second cycle of targeted ventures.



**LONDON
VENTURES**

innovation through collaboration

Targeted Ventures Evaluation & Forward Look

13 December 2017

Introduction and Update

Introduction

Since October 2016, we have been focussing our efforts on tackling the pan-London strategic challenge of temporary accommodation, housing and homelessness. The London Ventures programme has engaged widely with public, private, and third sector organisations. We have worked to build a recognised hub for innovative thinking, creating a brand and identifying four transformative concepts to address this challenge. We are now taking four of these concepts forward to turn them into reality.

In parallel, we want to build on the success of our targeted ventures by using the London Ventures brand, approach and ethos to continue tackling the big issues for London local authorities. We are therefore conducting initial engagement and mobilisation for our second targeted ventures cycle due to launch in April 2018.

Progress to date

We are working closely with local authorities, businesses, developers and investors to develop and launch the four solutions to our first targeted ventures cycle. These are:

- early identification of those at risk of homelessness;
- modular temporary accommodation on non-permanent sites;
- 'transition insurance' to reduce the upfront costs of living in the private rented sector;
- a London-wide accommodation platform.

We have also carried out an evaluation of the first targeted ventures cycle in order to inform our approach to the second targeted ventures cycle.

The London Ventures team have been testing our suggested strategic challenge for the second targeted ventures cycle: children and families. To date, we have spoken with a range of stakeholders, including CAB members and advisors, DCS representatives, the charity Barnardo's, and the policy lead at London Councils. Our focus over January and February is to continue with our initial engagement and to start to mobilise and build momentum around our priority area through more focused engagement with sector leaders and the relevant pan-London professional network.

The purpose of this document is to:

- **Provide an overview of the first targeted ventures cycle and our approach for the second targeted ventures cycle**
- **Seek CAB approval on the chosen strategic challenge and approach for our second targeted ventures cycle**
- **Seek CAB approval to appoint a CAB member and advisor sponsor to support the second targeted ventures cycle**



Cycle One: Progress Update

We have been on the following journey to enable us to identify our four innovative solutions to our first strategic challenge of temporary accommodation, housing and homelessness:



Since October, we have been developing our four solutions with a range of key stakeholders.

Solution	Key stakeholders	Next steps	Timeline
 <p>Early identification of those at risk of homelessness Uses predictive analytics to identify households most at risk of entering homelessness. Enables councils to target earlier intervention and prevention.</p>		<p>Start development of the homelessness module with Southwark and xantura</p>	<p>*subject to change Model built by summer 2018 and implemented by winter 2018*</p>
 <p>Modular temporary accommodation on non-permanent sites Local authority owned modular units to be procured on a pan-London basis for use as affordable temporary accommodation. Units can be placed on non-permanent sites and re-located as necessary.</p>		<p>Identify and appoint suitable resource to drive SPV set-up and deliver the solution</p>	<p>Special purpose vehicle live in summer 2018 and a 200 home pilot to begin in early 2019*</p>
 <p>'Transition insurance' to reduce the upfront costs of living in the private rented sector An insurance product that provides an alternative option to a lump sum cash deposit. Enables individuals to remain in the private rented sector and reduces the likelihood of entering homelessness.</p>		<p>Hold the first Working Group and develop the product specification</p>	<p>Call to market prospectus issued in summer 2018 *</p>
 <p>London-wide accommodation platform Pan-London platform for local authority use listing all properties available for temporary accommodation. Increases visibility of options available and enables placements to be made faster.</p>		<p>Develop detailed specification through engagement with London local authorities</p>	<p>Platform live in early 2019*</p>



Cycle One: Value Generated

Our four innovative solutions have gained support from an array of organisations across the public, private, and third sectors, which will help drive their successful development and implementation.



Our four solutions are receiving **£93,000** in investment from the **Capital Ambition Board**



This is being matched by over **£200,000** in funding from **London local authorities**



And is leveraging **over £11 million** in funding from other sources, including the **Greater London Authority**

Over the past year, we have:



Arranged **six major events** on homelessness, including our hackathon event, which was attended by over 50 individuals



Engaged **over 200 experts** in the field



Secured **buy-in and support** from a number of London Boroughs, the GLA, private businesses and charities in developing our 4 solutions

Our four solutions are attracting additional funding and driving improvements for local services:



Early identification of those at risk of homelessness
Identified **savings of c.30% of officer time** to identify and process individuals and families



Modular temporary accommodation on non-permanent sites
Helped secure **£11-55m** of GLA funding



'Transition insurance' to reduce the upfront costs of living in the private rented sector
Identified the opportunity to help London boroughs to **save c.£22m** on private rented sector deposits



London-wide accommodation platform
Supporting Housing Directors to **access £25m** DCLG funding



Cycle One: Lessons Learnt

The London Ventures programme delivery team have carried out an evaluation of our first targeted ventures cycle in order to inform our approach to the second cycle. We identified a number of aspects that we will look to replicate going forward, as well as agreeing some ideas that we can build into our approach to improve the delivery of our next targeted ventures cycle. Some examples of our key learnings are detailed below.



CAB Member and Advisor Sponsor: As a new role for our second targeted ventures cycle, the CAB Member and Advisor sponsor will act as champions of the cycle. The role will include promoting our approach and events among your network; brokering introductions to relevant contacts; and acting as sounding board and critical friend to challenge thinking and refine the scope of the solutions as we move through the second cycle.



Cycle Two: Strategic Challenge

The suggested focus for our **second targeted ventures cycle** is on **children and families**, which has been born out of discussions and engagement with senior stakeholders as well as our ongoing conversations with boroughs as part of the London Ventures programme.



“It’s demand on children’s social care that is now keeping them [senior councillors] awake at night and not adults”
Richard Watts, Chair of the LGA’s Children and Young People Board

National Picture

English councils spent **£11bn** on Children’s Services in 2016-17, comprising **£8bn** on Children’s Social Care

In 2015/16, **three quarters** of English councils surpassed their Children’s Social Care budgets by a combined **£605m** – over a **7% overspend**

Spending by English councils on Children’s Services has **dropped by at least 9%** since 2010 whilst the number of **children in need rose by 5%**

A **£2 billion** funding gap in Children’s Services is projected by 2020

As of 31 March 2017, **389,430 children are in need** and **90 children** are coming into care **every day**

London Challenge

In 2014-15, Children’s Social Care budgets totalled **£1.5 billion** in London

In 2016/17, **27 out of 30 boroughs** reported overspending in their Children’s Social Care budgets – over a **10% overspend**

London has experienced a much more rapid increase in demand for **SEND places** than in other regions, which cost on average **three times** that of a mainstream place

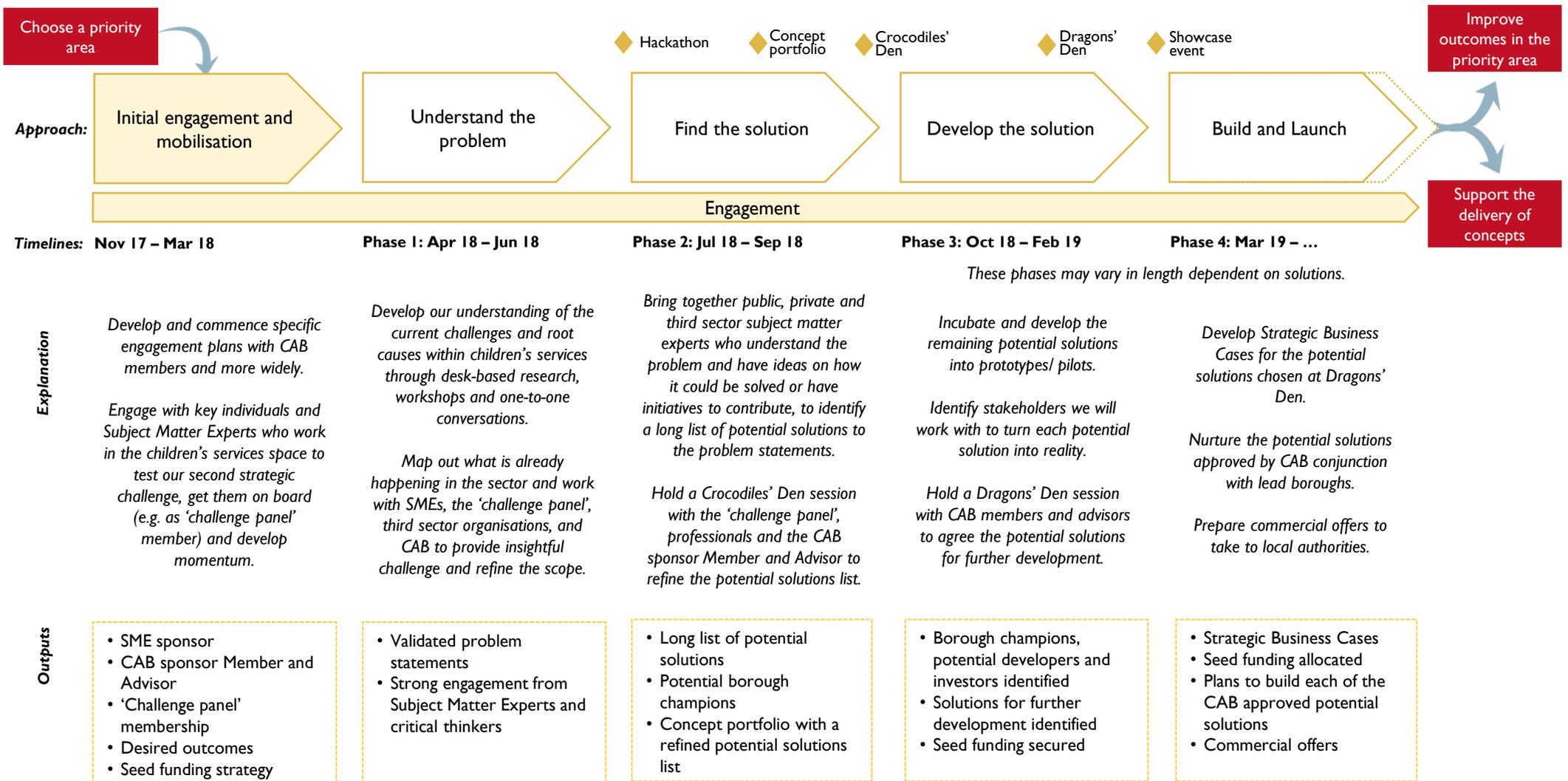


Sources: London Councils, Local Government Association, Department for Education, The Guardian



Cycle Two: Approach

We have refined our approach based on lessons learnt from our first targeted ventures cycle. We have included a dedicated initial engagement and mobilisation stage and will also place much greater emphasis on engagement as a bespoke activity throughout the duration of our second cycle.



Cycle Two: High Level Plan

The plan below outlines the proposed timescales for each phase as well as the planned events and deliverables. Further detail on the activities for each phase and for the concepts will be dependent on their maturity.

