

Capital Ambition Board

Capital Ambition Director's Report

Item no: 4

Report by: Guy Ware **Job title:** Director Finance, Performance and Procurement

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Summary This report provides an update on the following:

- Financial position
- Work programme

Recommendations It is recommended that Board members:

- a) Note the financial summary.
- b) Note the progress on grant funded projects.
- c) Note the progress of Capital Ambition seed-funding of cycle 1 Targeted Ventures projects.

Appendices:

A: Current Financial Statement
B: Project Status

DIRECTOR'S REPORT

Financial Position

1. The current financial position is set out in **Appendix A**. The uncommitted balance to 31 March 2020 is £115k at 28 February 2018.
2. This balance takes into account forecast programme office costs; project commitments; and £51k of London Ventures income.
3. The London Ventures programme is designed to derive income, to be reinvested in innovation. No income projections are included in the calculations provided, although the pipeline of implementation is covered in more detail under agenda item 5.
4. All London Ventures income will be used to support the continuation of the London Ventures programme beyond the funded period, from 23 August 2016 to 22 August 2019 – subject to the outcome of the 18 month review as being discussed under exempt item two.

Work Programme

5. In addition to the London Ventures programme, the Capital Ambition work programme covers two other key areas of work as shown in Appendix B, and described below.
6. The London Ventures work programme is agreed by the operational team at biannual intervals, the current statement of work covers the period from end of October 2017 – end March 2018.
7. Progress on the London Ventures programme is covered under agenda items 5 and the exempt items.

Health and social care – Ask Clive for a paragraph or two

8. London Partners (including London Councils, GLA, NHS England, Public Health England and the London office of Clinical Commissioning Groups) recently agreed a health and care devolution MoU with Government that will facilitate the next steps of the health collaboration agreement made in December 2015. The MoU is an enabling document allowing local areas to opt-in to detailed devolution proposals that build on learning from the London pilots on integration, prevention and reinvestment of capital estate receipts. A Member Event on health and care devolution was held on 1 February 2018.

9. The signing of the MoU reaffirms a shared commitment to accelerate improvement to the health and care of all Londoners through the devolution or delegation of powers and granting of new freedoms to London. It opens up new opportunities for London, at the local, multi-borough and regional level, to better shape provision to local needs and reform the way London health and local government operates so that residents have the best chance to live longer, healthier lives.
10. In the same manner as individual pilot areas have led the agenda, one of the tasks facing all London boroughs appears to be how to ensure reform emerges through bottom-up, locally designed solutions across the capital. This will be a central task in coming months and points to questions of how best the local story can be told, how boroughs can shape this, and how best London can harness collective ambition to deliver on the MoU and improve health and care for Londoners. The CAB contribution is critical factor in supporting London local government to leverage the MoU opportunities for the benefit of local residents.
11. The new powers and freedoms that have been gained through devolution provide a platform for accelerating the development of borough-led integration models in order to improve the health and care system locally. London boroughs with the Mayor and health partners will collectively need to account for how effectively these new powers are used and a report will be brought to the CAB in July 2018.

Behavioural Insights

12. Dissemination of the results of the two completed trials is underway using established professional networks, as agreed by CAB in October. The Behavioural Insights Team have given the following presentations:
 - a. The findings of the housing benefit overpayment trial to both the Deputy Treasurers Group and the Revenues and Benefits Manager's network.
 - b. The results of the recycling trial are on the agenda of the London Environment Directors Network's March meeting.
13. The three new projects that CAB approved at its July Board are progressing. They were designed to test the application of behavioural science in the following areas:
 - a. Improving decision making in children's social care;
 - b. Improving communications around prevention and early help, including messaging around foster care recruitment; and
 - c. Improving immunisation rates of MMR.

14. The desk based research elements have now taken place and the BI team, together with lead officers in the relevant local authorities are deciding which areas to focus on for conducting trials and piloting new ways of working.
15. None of the grant has been claimed to date – however the projects are on track to meet the timetables outlined.
16. A presentation of results is to be organised for late in 2018.
17. Additionally the Capital Ambition Programme Manager has been invited to present on the behavioural insights work sponsored by Capital Ambition at an LGA event in March.

London Ventures – seed funded projects

18. In accordance with decisions made by the Board in October 2017 the team has issued two grant awards, one to London Borough of Southwark to support the development of a predictive analytics module for the early identification of those persons most at risk of becoming homeless; and the second to London Borough of Tower Hamlets to assist the preliminary work required to release the GLA innovation funding for the modular housing project.
19. The predictive analytics project in Southwark is subject to internal approval processes, such that no grant has been drawn down to date – grant allocation is expected to be drawn down in 2018/19.
20. In addition to the grant awards the team have issued two contracts, following a procurement process, for the transition insurance, and property listing platform concepts to work these up into solutions.
21. The two projects are underway and regular project management meetings are taking place.
22. Progress on the delivery of the projects is included in item five.

Financial implications for London Councils

23. The Director of Corporate Resources reports that Appendix A summarises the projected Capital Ambition fund balance at the end of the 2019/20 financial year.

Taking the forecast costs of £1.898 million over the next two financial years (2018/19 and 2019/20) into account, this reduces the Capital Ambition fund to a closing uncommitted balance of £115,219 at 31 March 2020, which includes £50,787 for the London Ventures Sustainability Fund which will need to increase significantly to support the continuation of the programme beyond the contract funded period – which ends on 22 August 2019. However this is all subject to the outcome of the 18 month review detailed in item E3 elsewhere on this agenda.

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

26. It is recommended that Board members:
- a) Note the financial summary.
 - b) Note the progress on grant funded projects.
 - c) Note the progress on Capital Ambition seed-funding of cycle 1 Targeted Ventures projects.

Capital Ambition - Funding Position as at 28 February 2018

	Programme Office	LV Phase 2 Contract	LV Seed Fund	LV Sustainability Fund	
Opening Balance 31 March 2017	-1,207,863	-666,665	See note 1 -93,850	See note 2 -10,044	Total -1,978,422
London Ventures in year income 2017/18			-40,000	-40,743	-80,743
Total Funds	-1,207,863	-666,665	-133,850	-50,787	-2,059,165
Indicative Staff costs and operational budget 2017/18	236,331				236,331
Project Spend	322,263	341,737			664,000
Seed Fund - proposals committed 2017/18			93,000		93,000
Subtotal spend and commitments 2017/18	558,594	341,737	93,000	0	993,331
Indicative Closing Fund Balance 2017/18	-649,269	-324,928	-40,850	-50,787	-1,065,834
Indicative Staff costs and operational budget 2018/19	241,380				241,380
Project Commitments	99,441	246,487			345,928
Seed Fund - Commitments 2018/19			40,000		40,000
Subtotal spend and commitments 2018/19	340,821	246,487	40,000	0	627,308
Indicative Staff costs and operational budget 2019/20	244,866				244,866
Project Commitments	0	78,441			78,441
Seed Fund - proposals anticipated 2019/20			0		
Subtotal spend and commitments 2019/20	244,866	78,441	0	0	323,307
Total spend and commitments 2018/19 to 2019/20	585,687	324,928	40,000	0	950,615
	1,144,281	666,665	133,000	0	1,943,946
Uncommitted/ unallocated Balance	-63,582	0	-850	-50,787	-115,219

Notes

1. London Ventures Seed Fund - CAB allocated seed funding October 2017

2. London Ventures Sustainability Fund - income derived from Ventures implementations is 'banked' in the sustainability fund. This fund is required to support the continuation of the programme beyond the contract funded period. Projected income is not included in this table.

3. London Ventures Phase 1 income and expenditure is included in the Programme Office operational and project spend.

Capital Ambition - Project status
Item 4 - Appendix B

Project Name	Lead Organisation	Status	Total Approvals	Total Claimed to Date	Balance to Claim Current	Project End Date Only
London Ventures - Phase 2*	EY	ACTIVE	£906,150	£491,542	£414,608	22 August 2019
Behavioural Insights Work - Phase 1	LB Croydon	ACTIVE	£120,000	£67,737	£52,263	31 October 2017
Behavioural Insights - Phase 2: Immunisations	LB Croydon	ACTIVE	£59,242	£0	£59,242	31 December 2018
Behavioural Insights - Phase 2: Children's social care	RB Kensington and Chelsea	ACTIVE	£140,199	£0	£140,199	31 December 2018
Health and Social Care - Phase 2	London Councils	Initiating	£150,000	£0	£150,000	TBC
Targeted Ventures - Modular Housing**	London Borough of Tower Hamlets	ACTIVE	£20,000	£0	£20,000	31 July 2018
Targeted Ventures - Predictive Analytics**	London Borough of Southwark	Initiating	£8,000	£0	£8,000	31 July 2018
Targeted Ventures - Property Listing Platform**	London Councils	ACTIVE	£35,000	£0	£35,000	31 July 2018
Targeted Ventures - Transition Insurance**	London Councils	ACTIVE	£30,000	£0	£30,000	31 July 2018

* Total approval was originally £1,000,000 - as EY allocated £93,850 from the contract maximum to seed funding possible pilot projects - the total reflects this - such that the maximum value EY can claim is £906,150

** Targeted Ventures funding approvals are from within the seed funding allocation of £93,850