

Capital Ambition Board

Annual General Meeting-Operational Matters and Accounts for 2014/15

Item no: 5

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Summary

For review by members, this report includes:

- a) The Capital Ambition Board terms of reference and membership
- b) An end of year summary of operational progress in 2014/15
- c) An end of year financial statement and transactions list for 2014/15
- d) An outline three year budget proposal and business plan

Recommendations That members:

- a) Note the appointment of the Capital Ambition Board and election of its Chair and Vice Chair by Leaders' Committee on 2 June 2015 (see section A)
- b) Welcome the new adviser to the Board: James Rolfe, LB Enfield
- c) Review the summary of progress in 2014/15 (see section B)
- d) Approve the financial statement and transactions list for 2014/15 (see section C)
- e) Review and approve the three year budget proposal and business plan (see section D)

ANNUAL GENERAL MEETING – OPERATIONAL MATTERS AND ACCOUNTS FOR 2014/15

Terms of reference and membership

1. Section A below contains the Capital Ambition Board terms of reference. There are no proposed amendments to the document.
2. The membership of the Board has been included in the terms of reference. It should be noted that the Society of London Treasurers has nominated James Rolfe, Director of Finance and Corporate Resources and Customer Services, London Borough of Enfield as their representative.
3. We are still awaiting confirmation of the GLA Group representative for the Capital Ambition Board

SECTION A) TERMS OF REFERENCE AND MEMBERSHIP

Capital Ambition is London's Regional Improvement and Efficiency Partnership (RIEP) and a formal part of London Councils. It was formed in April 2008 by bringing together the London Centre of Excellence, London Connects, the Improvement and Employment Division of London Councils and London's Improvement Partnership, known as Capital Ambition. With the end of Central Government funding, the London Councils Leaders' Committee of 14 December 2010 agreed to continue Capital Ambition overseen by a Member-led Capital Ambition Board. The board will oversee the legacy investments of the previous portfolio and invest in new projects that meet revised strategic priorities.

Priorities for investment are:

- enhancing collaborative procurement
- developing shared services
- supporting service redesign or significantly improving productivity
- addressing workforce planning & productivity
- supporting major policy programmes

Purpose

The Capital Ambition Board will provide assurance for the legacy of the investments made into the current portfolio and of the efficiency savings that these projects will deliver. Furthermore it will:

- Continue to fund projects that meet the funding criteria agreed by Leaders' Committee on 14 December 2010.
- Help set the strategic direction for improvement, efficiency, transformation and innovation in London local government.
- Encourage participation in and garner support for shared and collaborative solutions in commissioning and service delivery.
- Account for and performance manage efficiency support.
- Report to the London Councils Leaders' Committee on the progress of the investment fund.
- Have oversight of and operational responsibility for the London Ventures initiative – strategic brokerage service.
- Commission activity and / or fund commercial contracts in line with funding priorities.
- Engage with key stakeholders to promote Capital Ambition's ethos, products and outcomes.
- As appropriate, review business cases and agree / not agree funding provisions.

Membership

The board will be Member-led and only by majority of members elected to the board will authority be granted to fund projects that meet the criteria stated above.

The board will consist of 5 Members expressing the political balance across London Councils. The Chair of the Board will be elected from the agreed members. The Chair, Deputy Chair and the remaining Board members will be appointed annually at the Leaders' Committee AGM.

Each of the political parties will nominate a substitute representative to act in the event of the unavoidable absence of the usual representative.

The board will be supported by a number of advisors:

- 3 representatives of the Chief Executives' London Committee (CELC)
- 1 representative from the Society of London Treasurers (SLT)
- 1 representative from the Local Government Association (LGA)
- 1 officer from the Greater London Authority Group (GLA)
- 1 officer from London Fire and Emergency Planning Authority (LFEPA)
- 1 Chair of the London Procurement Strategy Board (LPSB)

Confidentiality

In line with London Councils policies papers for the meeting will be made publicly available 1 week prior to the meetings. Members of the public can attend the Capital Ambition Board Meetings, but are requested to inform London Councils in good time prior to the meeting so that facilities can be made readily available. The only exception to this would be if the board select to hold a private session.

When considering whether to conduct business in private session the provisions of Part VA and Schedule 12(a) of the Local Government Act 1972 will be applied.

Voting

- The quorum shall be three members or their substitutes.
- Each representative (including substitutes) shall have one vote and decisions of the Board will be taken on a show of hands (unless otherwise agreed by the Chair) by simple majority vote.
- Substitute representatives for full members must announce their substitute role at the beginning of the meeting or as soon as possible after their arrival.

Commitment

Board Members are expected to attend Capital Ambition Board (CAB), meetings usually to be held at London Councils offices. It is expected there will be 4 - 6 meetings per year, one of which will be the Annual Meeting to agree the final accounts, and review progress.

Administration and Support

Secretariat support to the Board will be provided by London Councils.

Liabilities

Appended to London Councils Constitution.

Reimbursement & Expenses

The Board will receive no reimbursement and any expense claims will be dealt with under London Councils policies.

Changes

Any changes/ amendments to the Capital Ambition Terms of Reference must be agreed to by London Councils Leaders' Committee.

Named CA Board members and advisers (as at June 2015)

London Borough	CA Board member	Party
City of London	Edward Lord – Chair	
Merton	Cllr Stephen Alambritis – Vice chair	Labour
Redbridge	Cllr Jas Athwal	Labour
Hillingdon	Cllr David Simmonds	Conservative
Kensington and Chelsea	Cllr Nicholas Paget-Brown	Conservative

Labour substitute members are: Cllr Blackwell – LB Camden and Cllr McGlone – LB Lambeth
Conservative substitute members are: Cllr Govindia – LB Wandsworth

Organisation	CA Board advisor	Advisor role
LB Croydon	Nathan Elvery	CELC rep
LB Ealing	Martin Smith	CELC rep
LB Enfield	Rob Leak	CELC rep
LB Enfield	James Rolfe	SLT rep
LGA	Heather Wills	LGA rep
		GLA Group
LB Camden	Mike O'Donnell	LPB Chair

Scheduled CA Board meeting dates (as at June 2015)

All meetings are at 10:00 – 12:00 to be held in the Conference Suite at London Councils

2015

Thursday 10 September 2015

Thursday 22 October 2015

Thursday 10 December 2015

2016

Thursday 18 February 2016

Thursday 14 April 2016 – this will fall within the pre-election period for the London Mayoral Election, and therefore will also be rescheduled.

Thursday 23 June 2016 (AGM)

B) END OF YEAR SUMMARY OF OPERATIONAL PROGRESS IN 2014/15

Over the course of 2014/15 Capital Ambition has:

1) Paid out a further £215,000 across programme commitments.

2) Capital Ambition Grant Awards and invitations:

- i) Awarded a grant to London Hive for a second year - £4,000
- ii) Invited London Ventures to consider how to de-risk and prove concepts of two of the first generation Ventures, resulting in grant awards to:
 - a) London Borough of Croydon to become an exemplar site for Blue Prism - £159,000
 - b) London Borough of Hackney to be a pilot site for Xantura CSPM - £91,400
 - c) London Borough of Newham to be a pilot site for Xantura CSPM - £91,400
 - d) London Borough of Tower Hamlets to be a pilot site for Xantura CSPM - £91,400
- iii) Invited London Procurement Strategy Board to submit a bid for further funding to continue their work.
- iv) Invited London Councils' officers to work up ideas for Capital Ambition to support the work on health and adult social care integration.
- v) Invited London Ventures to propose how Capital Ambition might help to de-risk some of the third generation Ventures.

3) London Ventures:

- i) Promoted generations one and two Ventures, such that we now have five of the Ventures in delivery across nine different boroughs.
- ii) Progressed the third generation of London Ventures.
- iii) Transitioned to the self-financing phase of the London Ventures programme, which has required Capital Ambition and EY agreeing to a risk sharing agreement to cover the costs prior to income being realised. This is capped for Capital Ambition at £140,000.
- iv) Nominated for two industry innovation awards.

4) Communications:

- i) Produced the 14/15 Annual Review, which was distributed to all Leaders and Chief executives.
- ii) Attended the London Councils Summit and took a stand with EY to showcase London Ventures.

5) **Staffing:**

- i) Capital Ambition saw the departure of the Director, who had been part-time, replacing her with a full time Head of Capital Ambition, who started at the start of the new financial year.
- ii) Capital Ambition has been approached by the Civil Service to host fast stream graduates, on a short-term placement. These would be 3-6 month placements.

6) **Accounts:**

At the end of financial year 2014/15 London Councils took over the accountable body status for the residual Capital Ambition fund from the London Borough of Hammersmith and Fulham.

C) FINANCIAL STATEMENT AND TRANSACTIONS LIST FOR 2014/15

Capital Ambition programme summary financial year 2014/15

Income

Balance carried forward from 1 April 14	£ 4,480,745
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Expenditure

Total operational spend	£ 194,802
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Project grant draw down (detail below)	£ 354,727
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Balance at year end 2014/15	£ 3,931,216
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Project grant draw down details 2014/15

CA507 - WLA Property and Asset Management	£ 147,887
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CA526 - London Ventures - risk share agreement	£ 140,000
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CA527 - Spacehive	£ 4,000
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CA529 - Xantura Pilot - Hackney	£ 62,840
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Total	£ 354,727
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Project commitments 2015/16 - 17/18

CA507 - WLA Property and Asset Management	£ 287,616
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CA528 - Blue Prism Exemplar - Croydon	£ 159,000
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CA529 - Xantura Pilot - Hackney	£ 28,560
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CA530 - Xantura Pilot - Tower Hamlets	£ 91,400
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CA531 - Xantura Pilot - Newham	£ 91,400
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Total	£ 657,976
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Operational budget commitments 2015/16 - 17/18	£ 948,200
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Balance uncommitted grant fund	£ 2,325,040
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D) THREE YEAR BUDGET PROPOSAL AND OUTLINE BUSINESS PLAN

Context

1. The Capital Ambition programme was established in 2008 as London's Regional Improvement and Efficiency Partnership. By March 2013, Capital Ambition had invested £34 million in improvement and efficiency projects, with further commitments of nearly £3 million to on-going work.
2. Since 2013, Capital Ambition has driven innovation in local government primarily through the London Ventures programme that is delivered in partnership with EY.
3. The following sections sets out the following:
 - High level indicative spend over the next three years
 - Outline workstreams and activities

Three year indicative spend overview

FY 2015/16	FY 2016/17	FY 2017/18
Staffing and internal recharges £186k	Staffing and internal recharges £191k	Staffing and internal recharges £196k
Operational Budget £125k	Operational Budget £125k	Operational Budget £125k
Capital Ambition legacy projects (WLA) £288k		
Capital Ambition funded LV pilots £370k		
LV 3 rd generation investment cases £262k		
Health and social care £?		
New LV programme £?		
<div> <div>CAB 09/15</div> <div>CAB 12/15</div> <div>CAB 10/15</div> <div>CAB 02/16</div> <div>End of 3 year LV contract with EY</div> </div>	<div> <div>CAB 04/16</div> <div>CAB 06/16</div> </div>	
FY 15/16 total expenditure £1.23m	FY 16/17 total expenditure £316k	FY 17/18 total expenditure £321k
		Total FY 15/16–17/18 expenditure £1.87m
		Indicative uncommitted balance £2.05m

4. The diagram sets out broad areas of activity that constitute the Capital Ambition, programme. For 2015/16 the proposed spend is £1.23 million, and this is allocated as follows with a brief explanation:

- **Salary and overheads:** £185,891. This includes salary and on costs for London Councils Capital Ambition Team as well as internal recharges for accommodation, IT and corporate support.
- **Operational budget:** £125,000. This fund will cover activities that support the operational delivery of the Capital Ambition programme and include areas such as events and conferences and publications. This budget can also be used to support developmental work to support the overall Capital Ambition programme for example improving knowledge sharing and best practice in London.
- **Capital Ambition legacy project:** £287,616 WLA Property and Asset Build Initiative. This is the final year of the Capital Ambition funded legacy project.
- **Capital Ambition funded London Venture pilots:** £370,360. These funds will fund the implementation of the LB Croydon Blue Prism as well as the LB Hackney, LB Newham and LB Tower Hamlets Xantura projects.
- **Capital Ambition funded third generation business cases:** £261,600. These funds could be used by the Board to de-risk the implementation of the Visbuzz video calling project and Xantura tap it safety app.
- **Health and Social Care Integration:** £TBC. Further details is provided in the Capital Ambition Workplan overview and item 6 on the agenda.

5. The budgets for 2016/17 and 2017/18 will depend upon the Board's decisions about the future direction of the Capital Ambition programme. Below is an overall summary for each year:

- 2016/17 indicative budget: £315,924
- 2017/18 indicative budget: £321,386
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6. In total there is a proposed three year spend of £ 1,867,776. This leaves an uncommitted indicative balance of £2,049,761.

Capital Ambition Workplan overview

7. For the 2015/16 financial year the following key activities are already in place and currently being delivered. These are:

- London Ventures programme. Advocacy and delivery of generations one to three Ventures in partnership with EY. This includes implementation of the Blue Prism and Xanutra pilots. There are also opportunities to fund pilots in the latest round of approved Venture partner projects.
 - Capital Ambition legacy projects. The remaining legacy project will draw down its remaining funding and formally close down as a Capital Ambition project at the end of the 2015/16 financial year.
 - Communications: Raising awareness among London boroughs of the London Ventures programme through improved marketing and communications activity.
8. There are a range of potential opportunities for the Board to consider as part of its overall strategy going forward in relation to using the remaining Capital Ambition funding. The following bullets are not an exhaustive list and contain workstreams that will require further development and consideration. The potential areas for development include
- London Ventures “2.0” (please see agenda item 7): a refocused workstream that focuses on a key challenging area for local government and seeks to identify innovation and solutions from the private sector. This revised approach may also utilise existing London Ventures projects and potentially utilising them differently to meet the needs of the new workstream. Given the potential change in scope of the programme and the spend limitations imposed by EU procurement regulations, it is likely that any new activity will need to undergo a procurement process.
 - Health and social care integration: following Leaders’ Committee request to Capital Ambition Board to look at options around use of CAB funding to facilitate health partnerships. Given the breadth of this area the Board will need to carefully consider what specific activities it wishes to engage in. A paper will be presented to the Board later in the agenda that will present an opportunity for grant funding a targeted activity in this area.
 - Knowledge sharing and dissemination: there has been significant feedback from various Chief Executives and the recently held joint CELC/SLT workshop about the need to understand and share in a more proactive way what local authorities are doing to address the challenge of the Government’s austerity programme. This could be an area of work that the Board could invest into which could provide significant long terms benefits to boroughs.
9. There will also be other opportunities that present themselves going forward as the political and economic landscape changes over the next 12 months so the Board may wish to request officers to continue to look for areas and opportunities where the Capital Ambition programme could add value in subsequent board meetings.