

Committee(s): Finance Grants Oversight and Performance Sub-Committee	Dated: 21/09/2021
Subject: Benefits in Kind – Annual Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	2,3,4,9, 10, 11, 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£0
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Managing Director of BHE and Chief Charities Officer	For Information
Report author: Jack Joslin, Head of the Central Grants Unit	

Summary

The purpose of this report is for Members of this Sub-Committee to receive an update on the annual BIK data collected and the amount of time that officers have reported spending on volunteering or providing advice and guidance to external bodies/charities during the period between April 2020 and March 2021.

CoLC's definition of BIK is: Abatement of a full commercial rent; abatement of a fee or charge for services provided; or the provision of goods or services to a third party at either a nil or reduced charge by the City of London Corporation. This is to include Officer volunteering time and general support and the provision of advice or guidance to external bodies/charities.

In the meeting of this Committee in November 2019 it was agreed to align the BIK reporting with the financial year to correspond with both the Philanthropy Strategy reporting and all other City Corporation annual reporting.

Work is ongoing by the Central Grants Unit to ensure comprehensive reports are completed by all departments.

It is worth noting that the impact of the Coronavirus Pandemic on how the City of London operates has had an impact in what BIK's could be offered. It is expected to see an increase in BIK uptake in 2021/22.

Recommendations

- a) To note the update report on BIK data collection and reporting

Main Report

Background

1. It was recognised in the corporate Effectiveness of Grants Service Based Review that CoLC offers support to the wider community in a number of ways – through direct financial contributions (or grants) often for charitable purposes; through the CoLC's support and trusteeship of many charities; and through non-monetary resources or BIK. The Grants Review excluded consideration of BIK, but as that report passed through the various committees the relevance of some of the findings to BIK were noted. It was requested by Members of various committees that BIK be considered in implementing the Grants Review outcomes.
2. Members highlighted that the key reputational and value-for-money risks and issues that were identified in relation to the payment of grants also apply to a BIK. Members identified that BIK would also benefit from the application of a similarly consistent, coherent and co-ordinated approach to ensure that there are no hidden financial costs to the organisation which are not being properly quantified and managed and to ensure reputational risks are mitigated by a fair decision making process.
3. To date, on an annual basis, the Chamberlain's Department requested that every department provide details of BIK that are provided to external organisations. This information formed the basis of an information report presented to the Finance Grants Sub-Committee (FGSC) every November. In 2016, FGSC was dissolved by the Finance Committee with the agreement of Policy and Resources Committee. Since that time, the BIK report has been the responsibility of this Sub-Committee to review.
4. In November 2017 a review of the BIK policy and framework was undertaken. Members of this Sub-Committee agreed that this refreshed and more comprehensive corporate BIK policy be submitted to the Finance Committee and Policy and Resources Committee for approval. The corporate-wide BIK policy was agreed by both committees and is now part of the Corporation's Financial Regulations which came into force on the 1st April 2018.
5. In the meeting of this Committee in November 2019 it was agreed to align the BIK reporting with the financial year to correspond with the Philanthropy Strategy reporting.
6. This policy is part of the Financial Regulations and works alongside any local charging policies which are already established and operate effectively, such as that of the Remembrancer's Department.
7. A copy of the implemented BIK policy and framework is at **Appendix 1**.

Current Position

8. A new requirement of CoLC departments was to report on Officer volunteering time and general support and the provision of advice or guidance to external bodies/charities. The amount of time reported is once again below what we had expected, however, as part of the Philanthropy Strategy's aim of modelling excellent philanthropy (the giving of time, money and skills) a new corporate Volunteering Strategy has now been agreed at the September 2019 meeting of the Policy and Resources Committee and a dedicated Corporate Volunteering Manager (CVM) was recruited and is pushing forward the strategy. A key task of this post will be to increase the reporting pan-Corporation. The LEAP volunteering platform was launched in 2020 which will provide accurate recording data for future BIK Annual Reports.
9. Due to the Coronavirus Pandemic BIK reporting has decreased as there have been less offered offers made or taken up this year due to the closure of the Guildhall estate and social distancing rules. The Coronavirus Pandemic has impacted how CoLC operates especially its ability to provide space and hospitality.
10. The CGU will be working with departments going forward to ensure that they are aware of the requirements of the policy and offer support where required. The CGU Funding Officer will be providing this service on an ongoing basis and has already started working with officers across CoLC to implement this.
11. The CGU has identified departments that have historically not reported, or under reported BIK data and will work with them proactively to ensure this is captured going forward.
12. The new process will involve departments filling in a simple form when agreeing a new BIK or recording an ongoing BIK. The CGU will hold all this information centrally ensuring all of the data is clear and formatted which will provide more accurate reporting. Training on the new process and the importance of it will be provided to ensure departments are providing the most accurate data.
13. Following a meeting with the Chairman of the Finance Committee the Chamberlain has requested that all departments factor in BIK to all future Budget cycles. This will not only promote the importance of accurate recording but support the CGU in its data collection each year.
14. Additional to this the CGU will be issuing advice to departments this year that all historic BIK are reviewed to ensure they are still relevant and align to Strategic Corporate objectives.
15. It is hoped that these new actions will lead to a rationalisation of BIK across the City of London ensuring more accurate reporting.

Conclusion

16. The purpose of this report is to update Members of this Sub-Committee on the ongoing BIK data collection and amendments made to how it is collected.

Appendix 1: Corporate Wide BIK policy and framework

Jack Joslin

Head of Central Grants Unit

T: 020 7332 3712

E: Jack.Joslin@cityoflondon.gov.uk

Appendix 1: Corporate Wide Benefits In Kind (BIK) policy and framework

The City of London Corporation's definition of BIK is:

- a) Abatement of a full commercial rent;
- b) Abatement of a fee or charge for services provided; or
- c) The provision of goods or services to a third party at either a nil or reduced charge by the City of London Corporation. This is to include Officer volunteering time and general support and the provision of advice or guidance to external bodies/charities

1. In accordance with the existing corporate governance framework, all BIK should be approved by either a Chief Officer (or delegate), or relevant service Committee (or Sub-Committee):

a. Any BIK decisions with a monetary equivalent of under £10,000 may be taken by Chief Officers –

i. In relation to property matters, subject always to the advice of the City Surveyor, in both managing the physical assets, including land and buildings for which they are responsible; and in approving the casual or occasional use of land, premises or equipment under the control of the department (as provided under the officer Scheme of Delegations); and

ii. otherwise in respect of goods and services in accordance with any properly approved charging policy (as provided for in the Financial Regulations).

iii. If the aggregate value of the delegated BIK's (agreed by a single department) in any financial year reach £100k, the relevant service Committee (or Sub-Committee) must receive notification, including a breakdown of all decisions to be taken.

b. Any BIKs with a monetary equivalent over the threshold of £10,000 shall, subject to a specific discretion otherwise granted to a Chief Officer (as provided for in the Financial Regulations), should be reported to the relevant service Committee for approval in setting any charging policy.

2. At the time of agreement of a BIK, a review or end date must be included.
3. All data from internal volunteering programmes must be included. This would include any Officer time provided in terms of general support, advice or guidance to external bodies/charities. An aggregation of data (time spent and equivalent cost) is acceptable from each department. This data collection does not apply to City of London Corporation Members.
4. All BIK allocated to external organisations over a value of £10,000 should be acknowledged in any relevant publicity. City of London Corporation branding

should be used in each such instance (in line with the current guidance of the Communications Department).

5. All departments are expected to maintain a rolling register of BIK, in a standard format rather than relying on end of year data capture. These will be fed into the CGU who will maintain a central, transparent register.
6. All BIK to be reported to the FGOPSC, annually in April/ May. A standardised template will be provided to all departments for completion throughout the year.