

Committee(s)	Dated:
Resource Allocation Sub-Committee	24 January 2024
Subject: Benefits-in-Kind Review and Annual Reporting	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly insofar as it is in the best interests of each of the charities within scope of the Review to support?	Outcomes 2, 3, 4, 5, 9 & 10
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	£10,000
What is the source of Funding?	City's Estate Reserves
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of: David Farnsworth, Managing Director of City Bridge Foundation	For Decision
Report authors: Jack Joslin, Head of the Central Grants Unit	

Summary

The purpose of this report is for Members to receive an update on an internal review of Benefits in Kind (BIK) that has been undertaken by the Central Grants Unit (CGU) in collaboration with the offices of the Chamberlain and Chief Operating Officer. The review was originally commissioned at the request of Alderman Tim Hailes in his capacity as Chair of the Operational Property and Projects Sub-Committee. Finance Committee endorsed the review at its meeting in December 2023 and agreed for the ongoing increased budget for the CGU to come to RASC for decision.

Recommendations

- a) To note the process undertaken to review BIK across CoLC Departments/ Institutions.
- b) To approve an additional £10,000 per annum (increased annually in line with pay reviews) from City's Estate Budget for the CGU to provide an enhanced service for departments on an ongoing basis.

Main Report

Background

1. 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 CoLC. This includes Officer volunteering time and general support and the provision of advice or guidance to external bodies/charities. The decisions around BIK fall to the Finance Committee, since the winding up of the Finance Grants Performance Sub Committee.

Current Position

2. In March 2023, following a request from Alderman Tim Hailes in his capacity as Chair of the Operational Property and Projects Sub-Committee, the Chamberlain and Chief Operating Officer requested that the CGU conduct a review of the current policy and process, including a Chief Officer peer review. The intention of this was to refresh and tighten the annual process to ensure that:
 - all BIK aligned with the Corporate Plan or departmental/ Institutional Strategies; and
 - appropriate recognition of the City Corporation's generosity was noted in Annual Reports (in the case of free accommodation or pro-bono advice) or at events hosted on the Guildhall Estate at a subsidised rate.
3. The current data suggests that the City Corporation made 180 BIK with an overall value of £2,475,128 in the 2022/23 Financial Year. While many of the BIK awarded are small, the collective value across all departments is significant. It should also be noted that the amount of BIK awarded has significantly increased from £1,662,154 in financial year 2021/22. This is an increase of more than £800,000.

Future Position

4. At the meeting of the Finance Committee in December 2023 it received a report outlining the work of the comprehensive review of BIK across CoLC. It reviewed and agreed that a Corporate-wide process for BIK should be adopted and applied to each Department/ Institution, and agreed that further work needed to take place to make Departments aware of the policy and how it should be managed on an annual basis. The approved BIK policy can be found at **Appendix 1**.
5. A new BIK policy was agreed at the meeting and will be adopted from f/y 2024/25. Members of the Finance Committee supported the £10,000 cost of the review conducted by the CGU from the Finance Contingency Budget. Members also noted that additional work on the implementation of the policy and an enhanced Central advice service will require an uplift in the annual budget of the CGU of £10,000 p.a.(increased annually in line with pay reviews). Members of the Sub-Committee are asked to approve the uplift in budget to support this ongoing work.
6. The CGU will continue to report BIK data to the Finance Committee annually and will be working with the Efficiency and Performance Working Party and the Executive Leadership Group to ensure that increased scrutiny on BIK across CoLC is implemented.

Conclusion

7. This report outlines the work that has taken place to review Corporation wide BIK, presenting recommendations to Chief Officers on amendments to BIK Policy and its phased implementation across CoLC. Given the significantly increased value of these BIKs at a time of considerable cost pressures, we need to be certain that

they remain of strategic value and that CoLC's generosity in providing them is appropriately recognised. A budget uplift for the CGU is required to support this ongoing work.

Appendices:

Appendix 1: Revised BIK Policy

Jack Joslin

Head of Central Grants Unit

T: 020 3834 7324

E: Jack.Joslin@cityoflondon.gov.uk