

Committee Finance Grants Sub Committee	Dated: 21/07/2016
Subject Benefits in Kind Reporting	Public
Report of: Chief Grants Officer	For Decision
Report author: Scott Nixon, Project Manager	

Summary

Members are requested to note the 'Benefits and Grants In Kind' report issued to Finance Grants Sub-Committee in November 2015 (refer to Appendix 1) and to note the existing report parameters.

Members are recommended to agree that a review be undertaken of the procedures in place across all departments to record benefits in kind and the associated reporting processes, with a view to ensuring they are robust, transparent, fit for purpose and that a report of the outcomes be presented to the next meeting.

Recommendation:

To agree that a review of the procedures in place across all departments issuing benefits in kind and their reporting processes be undertaken and reported back to this Sub-Committee.

Background

On an annual basis, the Chamberlains department requests that every department provide details of benefits and grants in kind that are provided to external organisations. This information forms the basis of a report presented to Finance Grants Sub-Committee every November.

Although benefits and grants in kind were not included in the initial scope of the Effectiveness of Grants Service Based Review work, as the Review passed through the various Committees for approval, Members requested that they be considered within the implementation phase.

Members highlighted that the key reputational and value for money risks and issues that were identified in relation to the payment of grants could also apply to benefits in kind, and that this process could also benefit from the application of a similarly consistent, coherent and co-ordinated approach.

As an example Members highlighted that officer time currently spent giving advice, guidance and support to charities, trusts, voluntary and community organisations and volunteers (i.e. which is not recharged to any specific department or part of our statutory duty to provide) is not recorded as part of the 'Benefits and Grants In Kind' report.

The monetary equivalent of all existing benefits and grants in kind, as reported at the November 2015 Finance Grants Sub-Committee was £871,475.

Main Report

Existing Report Parameters

1. The reporting parameters for the existing 'Benefits and Grants in Kind' report have been defined as:
 - Abatement of a full commercial rent;
 - Abatement of a fee or charge for services provided; or
 - Provision of goods or materials free of charge, or at a reduced charge.
2. The current information gathered for the 'Benefits and Grants In Kind' report is confined to benefits to charities or organisations outside the City of London Corporation (i.e. not charities or trusts for which the City of London Corporation is Trustee). The report quantifies as far as possible all forms of assistance given to charitable and other external organisations.
3. The schedule currently does not include staff time and use of rooms where it has been agreed that the City will provide the services of a lead borough or accountable body.

De Minimis Threshold

4. The Finance Grants Sub-Committee requested that grants in kind should not be made without the agreement of their Sub-Committee, unless they fell under the de minimis threshold of £2,500.
5. The threshold is in place due to the quantity of low value 'Benefits and Grants in Kind' being issued and the level of Committee time that would be required to assess and approve them individually.
6. No identifiable review of the de minimis threshold has been undertaken within the last 10 years.

Review

7. In order to understand better the procedures in place across all departments issuing benefits in kind, it is proposed that a scoping exercise be undertaken.
8. The main objectives of the exercise would be to:
 - a. Identify how each department currently receives, assesses and agrees benefits in kind requests;
 - b. Ascertain how benefits in kind that fall under the de minimis threshold of £2,500 are reviewed, by who and how frequently;
 - c. Quantify the time and resource spent by each department managing the benefits in kind process;
 - d. Identify any obvious gaps in the existing benefits in kind reporting procedures and information gathered;
 - e. Identify any departments that are currently not recording their benefits in kind;
 - f. Make recommendations as to how the existing processes and reporting procedures could be improved to ensure that they are more robust, transparent and fit for purpose; and
 - g. Identify ways in which the level of benefits in kind could be highlighted to achieve positive reputational benefits for the City of London Corporation.

9. It is proposed that this Sub-Committee be presented with a report of the outcomes of the review at its next meeting.

Background papers:

- Policy and Resources Committee, 19 November 2015 'Update on Cross Cutting-Service Based Review'

Appendix:

- Appendix 1: Report of the Finance Grants Sub-Committee - Benefits and Grants in Kind 2015/2016

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