



IPSA's Strategy - 2015-2020

Our purpose and aim

IPSA is the independent body that regulates and administers MPs' business costs, expenses, pay and pensions.

Our aim is to assure the public that MPs' use of taxpayers' money is well regulated and that MPs are resourced appropriately to carry out their parliamentary functions.

How we will achieve our aim

We will achieve our aim **effectively** by:

- being an intelligent and open regulator, working in the public interest;
- ensuring that our rules are clear and enforceable;
- making better use of IT to bring about change;
- making independent, fair decisions about MPs' pay and costs;
- listening to the public and all other interested parties; and
- providing clear guidance to MPs about their responsibilities.

We will achieve our aim **efficiently** by:

- always seeking the best value for money in our own processes;
- paying MPs' business costs, expenses and salaries accurately and on time;

- enabling MPs to do their job;
- encouraging MPs to adopt efficient working practices and to spend money well; and
- making our expenses and payment systems as straightforward as possible.

We will achieve our aim **transparently** by:

- being open about our own costs and processes;
- routinely publishing the business costs and expenses of all MPs; and
communicating with and providing the public with evidence about MPs' expenditure.

As IPSA staff we will work **collaboratively**, espouse our values of **independence, transparency** and **fairness**, develop our **diverse talents** and take pride in our **work for the public interest** as part of a **high-performing organisation**.

Our strategy 2015 - 2020

The Independent Parliamentary Standards Authority (IPSA) was set up following the MPs' expenses scandal of 2008-09. We were charged with devising and implementing a new expenses regime which was independent of Parliament, Government and the political parties. We achieved that in time for the start of the new Parliament in May 2010, with robust rules and a transparent,

evidence-based system for handling claims. Parliament later gave us responsibility for MPs' pay and pensions, for the first time introducing independent regulation of MPs' personal remuneration.

During the 2010-15 Parliament, IPSA established a strong regulatory regime from scratch and built systems and processes to pay MPs' salaries, business costs and expenses. There were early teething problems and difficult relationships. But the National Audit Office reported in 2011 that IPSA "has done well to create a functioning new expenses system which safeguards public money and has made a significant contribution to public confidence". Our safeguarding of public money is supported by IPSA's Compliance Officer, an independent office-holder who investigates complaints that an MP may have been reimbursed incorrectly.

There is no appetite to go back to the days before 2009 when MPs voted on their own salaries and "allowances". The principle of independent regulation of MPs' pay and business costs is now accepted. IPSA's role, therefore, is to perform its functions effectively, efficiently and transparently in support of our aim:

To assure the public that MPs' use of taxpayers' money is well regulated and that MPs are resourced appropriately to carry out their parliamentary functions.

We will continue to improve

We are now looking ahead to the second Parliament of IPSA's existence, from 2015-20. In doing so, we will draw on our five years of regulatory and operational experience so that we build on and improve what we do.

We will also draw on five years of data: we have processed almost a million claims from over 650 MPs and published every penny of their expenditure. This expenditure relates not only to the 650 MPs themselves, but also to the nearly 4,000 staff they employ. This wealth of data enables us to regulate more effectively and efficiently by examining patterns of expenditure across MPs and over time so that we can identify and remedy any potential mis-claims quickly. The overwhelming majority of MPs work within the rules.

We still face challenges

In the first year of the coming Parliament, we have some big challenges. First, we must ensure that the funding of MPs during the General Election itself goes smoothly. All those MPs leaving Parliament must have their financial affairs wound up quickly, with no outstanding debts to the taxpayer, while all MPs entering Parliament must be promptly helped to take up their new parliamentary functions. Second, we must undertake a statutory review of MPs' pay after the General Election. And third, we must

take account of the Court of Appeal's decision on a case brought under the Freedom of Information Act that relates to the publication of receipts relating to MP's' claims.

In this document, we describe the steps that we will take in 2015-16 to meet these challenges. This strategy also looks to the longer term, describing what we aim to achieve over the whole Parliament so that, by 2020, the public has ever-increasing confidence that MPs' use of taxpayers' money is well regulated, and that MPs themselves have access to appropriate taxpayer-funded resources to enable them to carry out the parliamentary functions that they were elected to perform.

1. Regulating MPs' business costs and expenses

The first of IPSA's two core purposes is to provide effective regulation of MPs' business costs and expenses. This reflects our founding legislation. Given the backdrop of the MPs' expenses scandal of 2009, the public rightly has high expectations that IPSA does this well.

IPSA will continue to ensure that MPs claim only for expenditure that is wholly, exclusively and necessarily in support of their parliamentary functions, and assure the public that this is the case. We will make sure that our rules are enforceable and that the Compliance Officer is supported in his role in investigating any concerns.

What we've already done

In the last Parliament, we:

- established from scratch a new, transparent regime to pay MPs' business costs and expenses;
- reviewed and consulted on our Scheme every year to continue to improve it;
- took responsibility for MPs' pay and pensions, determining them independently for the first time; ended the outdated practice of paying resettlement payments to all MPs who leave Parliament; and
- published every penny of MPs' expenditure, storing all supporting evidence in case of challenge.

What we'll do next

In the next Parliament, we will:

- ensure there is a stable, long-lasting Scheme of MPs' business costs and expenses;
- end MPs' generous final salary pension scheme and replace it with a career-average scheme that reflects the approach adopted across the public sector and is less costly to the taxpayer;
- continue to make fair decisions on the rules of the Scheme and on MPs' pay and pensions, based on evidence and a good understanding of the risk to the taxpayer;

- consult and listen to the public as we continue to ensure that we have in place a robust Scheme that protects taxpayers' money;
- identify any areas for potential confusion or non-compliance, and conduct thorough reviews of the rules where necessary;
- take action where we suspect non-compliance, working with the Compliance Officer to ensure that concerns are resolved quickly;
- encourage MPs to demonstrate value for money in their expenditure; and
- limit the burden of the Scheme, making it simple to understand and use.

Specifically in 2015-16, we will:

- further refine the rules to remove some personal expenses;
- conduct a statutory review of our determination of MPs' pay after the General Election;
- subject to the review, link MPs' pay to national average earnings, so that MPs' salaries are tied to those of their constituents; and
- conduct a thorough review of the Scheme in autumn 2015.

2. Helping MPs and their staff to do their jobs

IPSA's second core purpose, as set out in the legislation, is to have regard to the principle and take such measures as appropriate to support MPs in the performance of their parliamentary functions. This means that we must ensure that MPs and their staff are paid accurately and on time, reimburse MPs' claims for business costs and expenses, and make payments to suppliers on their behalf. In all cases, we check that expenditure is made within the rules that we have established. By assessing claims fairly and paying them efficiently, we aim to minimise the time taken by MPs and their staff on administration.

What we've already done

In the last Parliament we:

- improved our IT and payment systems to reduce the administrative burden on MPs and their staff;
- provided additional telephone support by opening our phone lines from 10am till 5pm;
- put in place better guidance for MPs on compliance with the Scheme and the law;
- gave MPs a variety of methods to claim business costs and expenses, including direct payments to suppliers and an IPSA-provided payment card;

- provided MPs with online tools and financial statements to help them to budget their expenditure;
- extended the use of IPSA's payment card over time to facilitate payments for legitimate costs
- provided MPs with a £4,000 advance loan to help their cash flow when they are first elected; and
- met every MP who is standing down from Parliament to help them wind up their financial affairs.

What we'll do next

In the next Parliament, we will:

- continue to pay MPs and their staff accurately and on time;
- continue to provide MPs and their staff with online and telephone guidance to ensure that they have a good understanding of the rules of the Scheme and make accurate claims;
- draw on the five years of data that we hold on MPs' expenditure to identify opportunities to resolve potential problems and to improve compliance;
- continue to offer a range of payment options, including reimbursement, a payment card and direct payments to suppliers;
- give MPs new online tools so they can better monitor their budgets and ensure value for money; and
- work closely with the House of Commons to ensure that we have an aligned, sensible approach in areas where we both

provide support to MPs, such as the provision of stationery and IT equipment.

Specifically in 2015-16, we will:

- provide improved training for MPs in Westminster about our Scheme;
- visit MPs' staff across the UK to help them to understand IPSA's systems and processes;
- give personalised support to every MP who leaves or joins Parliament at the General Election to help them to wind up or set up their office;
- develop an improved online interface to assist MPs in their financial management and their interaction with us;
- support MPs in fulfilling their responsibilities under the new pensions automatic enrolment legislation;
- introduce a new pension scheme that meets the needs of MPs' staff and complies with new legislation; and
- review and re-tender our IT systems in order to have improved IT infrastructure in place in 2016.

3. Assuring the public

In 2009, the public understandably felt betrayed by some MPs who had made excessive claims for expenses and, in some cases, behaved illegally. Reassuring the public that an expenses scandal cannot recur will take time. The public's trust in MPs, so fundamentally damaged in 2009, will be slow to rebuild.

IPSA's remit gives us independent authority over their expenditure. We will demonstrate that, within that remit, the public can be assured that MPs only claim for legitimate costs to support their parliamentary activity and that any claims outside our Scheme are refused.

We are committed to being an independent, fair regulator that operates transparently. When developing our rules, we will listen to MPs and to the public, but the decisions will be made by us, independently of both. We will always be willing to explain and defend decisions, and to listen and, on occasions, amend our approach in response to evidence. Thus we hope that confidence in the way that MPs are funded can gradually be restored.

What we've already done

In the first Parliament, we:

- communicated our Scheme to MPs, their staff and others so that the rules are clearly understood;
- consulted the public each year on our Scheme and on any proposed changes to our rules and processes;
- consulted specifically on contentious issues, including MPs' pay and staffing, and communicated directly with the public to explain the evidence and our proposals;
- published every two months every penny of MPs' expenditure; and
- retained all the evidence of every MP's claims since the time we were established.

What we'll do next

In the next Parliament, we will:

- continue to improve the way we publish MPs' business costs and expenses, providing new tools to make it easier to examine and analyse over five years of data of MPs' claims;
- develop further our engagement with the public, consulting them and all interested parties through traditional and new media;
- work with MPs to develop new ways for them to set in context their use of taxpayers' money for their parliamentary functions;

- seek good value for money in our own processes; and
- challenge MPs themselves to spend money well, and achieve good value for money.

Specifically in 2015-16, we will:

- improve our website and develop our ability to communicate with the public through social media;
- continue to consult on our Scheme and on any changes we propose to MPs' pay; and
- actively seek opportunities to explain how IPSA regulates MPs' business costs and expenses fairly and independently.

4. Our next steps

This strategy acts as the framework for all our work. All our decisions will be made in order to help us to secure the aims and objectives that we set out here.

In the short term, we have drawn on this strategy to produce a business plan and budget for 2015-16. Our business plan in turn informs team plans within IPSA and the objectives of individual members of staff.

If you have any comments on our strategy, please contact us at info@parliamentarystandards.org.uk