

Corporate plan 2024-27

Date: December 2023

IPSA

IPSA

Independent Parliamentary
Standards Authority

Enabling MPs to focus on what really matters by providing an exemplary, seamless regulatory service

The Independent Parliamentary Standards Authority (IPSA) is the independent body that regulates and administers the business costs and decides the pay and pensions of the 650 elected Members of Parliament and their staff in the United Kingdom. We were created by the Parliamentary Standards Act 2009, as the world's first independent regulator of MPs' financial remuneration.

Date: December 2023

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Foreword

As the Chair of IPSA, I am pleased to introduce our Corporate Plan 2024-27, through which we will continue to play our part in supporting Parliament and trust in democracy.

Our Corporate Plan 2021-24 fixed the foundations of a funding system which was often described as confusing and complex, with clunky and counterintuitive systems. Since 2019 the number of MPs and their staff rating our services as good or very good has increased by over 34 percentage points, a testament to the commitment of IPSA's people to the new approach.

We know there is more to do. We are now able to undertake a more fundamental review of our approach. We need to make the system **stronger and simpler, more efficient and effective** by reducing the administrative burden and targeting our support on those who need it most. Compliance with our rules is extremely high – change needs to be done in a way which retains and promotes public confidence.

We have added an additional strategic priority for the organisation: supporting trust in democracy. This recognises IPSA's role in ensuring public understanding of the value of the money spent by MPs on their constituency and parliamentary duties, particularly in a General Election year.

The Corporate Plan 2024-27 focuses on strong but simple regulation with clear rules, simple processes and assurance that public money is well spent.



Richard Lloyd, IPSA Chair



Our strategic objectives

IPSA's purpose is to support trust in democracy through great service, fair rules and wise spending.

In our last Corporate Plan, 2021-24, our focus was on fixing the foundations. Feedback was that the IPSA rules were confusing and complex, and that our systems were clunky and counterintuitive. We overhauled our approach and made it easier for MPs and their staff to understand and meet IPSA requirements. Complaints fell, confidence in the scheme grew and there were significant improvements in the satisfaction of MPs and their staff with the service that IPSA provides (Annex 1).

Despite the improvements of the past few years, we know we need to do more. Our 2024-27 "Improving IPSA" strategy will build on these foundations to deliver stronger and simpler regulation, underpinned by a more efficient and effective use of public funds.

- **Stronger and simpler:** by taking a targeted, risk-based approach to regulation, we want to reduce the administrative burden for the vast majority of MPs who are fully compliant with our scheme, while retaining a firm and robust stance towards the small minority who are not.
- **More efficient and effective:** by exploring opportunities for centralising service provision and procurement, we want to free up time for MPs to focus on constituency and parliamentary duties, and ensure we achieve value for money from public funds.

About us

IPSA is a strong and independent body that regulates and administers the business costs and decides the pay and pensions of the 650 elected MPs and their staff in the UK.

We were created by the Parliamentary Standards Act 2009, as the world's first independent regulator of MPs' financial remuneration.

We implement financial controls, internal audit, data protection and transparency to ensure MPs comply with the rules.

Our purpose is to support trust in democracy with great service, fair rules and wise spending.

Our strategic objectives (continued)

To achieve our aims of stronger and simpler regulation, together with more efficient and effective use of public funds, we have five strategic objectives:

- 1. Improving customer service.** Our early priority in the 2024-27 strategy will be to ensure we deliver service excellence during the forthcoming general election, both for departing members and for those new to the House. And we will continue to improve the IPSA Online user experience.
- 2. Simplifying our policy.** We want to do more to simplify our rules and to focus our support on those MPs and their staff who need it most.
- 3. Delivering financial value.** We will explore opportunities for centralising procurement of the goods MPs commonly need and provide 'one stop shop' property management services.
- 4. Supporting trust in democracy.** We want to do more to help the public understand the value of the money we provide to support UK democracy.
- 5. Growing our people.** We want to continue to develop our customer-centric culture and ensure that IPSA colleagues have the skills they need.

We will know we have succeeded when MPs, their staff and the public alike have more confidence and trust in our approach, when MPs are able to spend less time on IPSA compliance and more time on constituency and parliamentary duties, and when the public have greater assurance about the wise use of public funds.

1. Improving our service

We want to reduce the financial and administrative burden on MPs and their staff by avoiding the need for them to spend their own money and then claim it back. Most MP business costs are not “expenses” but a spend against an IPSA-determined budget. We can achieve this by moving to the provision of centralised goods and services, for example constituency office leases, connected utilities, office equipment and consumables. We want to simplify the system and ensure that the role of MP is not solely open to those with independent wealth by finding alternative, but equally transparent, mechanisms for such spend.

The General Election will be a major activity for IPSA in 2024-25. Learning from the past, we will be fully prepared to ensure a smooth journey for new, departing and returning MPs and their staff, alongside managing the consequences of constituency boundary changes.

We have begun to create a new user experience for the IPSA Online system and will implement this during the early part of 2024.

In 2023, we began to test outsourcing the property management and direct supply of utilities and services linked to constituency offices. We want to make it easier for MPs to find suitable local office space that ensures a safe, sound working environment for them and their staff, is accessible to their constituents and at fair market rates. Dependent on what we learn and the timing of the General Election, we aim to be able to offer this service to all new MPs, saving them considerable time and effort, and complete a full roll out by March 2027.

Finally, in 2024, we will pilot an online marketplace that allows MPs and their staff to centrally purchase goods such as office equipment and supplies to help us measure the value of a centralised purchasing model. Again, if successful, we will implement this for all MPs during 2025-26.

Strategic objective one *Improve customer service*

We will make wide ranging improvements to the way we support MPs through improved processes, service delivery and engagement.

We aim to be an efficient and effective independent regulator in tune with the differing needs of its customers and that makes it easy for them to comply with the rules.

2024-25

General Election-related activity.
IPSA Online user interface implementation.
Centralised constituency office proof of concept marketplace pilot.

2025-26

Centralised constituency office pilot.
Marketplace implementation.

2026-27

Centralised constituency office implementation.
Improved reimbursement model.

Strategic objective two

Simplify our policy

We aim to be an independent regulator that is trusted to support MPs and their staff to get things right first time in a cost-effective way and that frees up time for MPs to support their parliamentary duties and their constituents.

We will deliver a flexible, intuitive, simple scheme responsive to MPs' needs with guardrails for wise spending.

2024-25

Develop a principles-based Scheme.

Move to a risk-based approach.

MPs' accommodation review.

Implement Speaker's Conference recommendations.

2025-26

Embed principles-based regulation.

2026-27

Review and revise the Scheme rules.

2. Simplifying our policy

Throughout 2024-25, we will move away from the reliance on detailed, prescriptive, rules-based regulation to a principles-based regulatory model. This is a fundamental change in how IPSA and MPs and their staff operate today. We will implement general, overarching requirements that can be applied flexibly and build capability and confidence across MPs, their staff, and IPSA. We will also deliver a risk-based approach to regulating MPs' business and staffing expenditure, tailoring support to MPs who need it most and intervening proportionately where the risk justifies it.

The funding of accommodation costs incurred by MPs working from two locations will be reviewed during 2024-25, to align this with our principles-based model and provide assurance on value for money, mitigate the risk of personal benefit and ensure that funding meets the needs of MPs and their families.

Moving to a principles-based approach will require an overhaul of the existing Scheme of MPs' Staffing and Business Costs, which will be completed during 2024-25.

As IPSA is legally required to review MPs' pay within 12 months of a General Election, in 2025, we will lay the groundwork for this, including public engagement. We will close the MPs' *McCloud* pension project when the remedy is being implemented by the Pension Fund trustees.

We will work with the House of Commons, MPs and their staff to implement the recommendations from the Speaker's Conference on the employment conditions of MP staff.

3. Delivering financial value

We provide more than £250m of funding each year to ensure MPs are resourced appropriately to carry out their parliamentary functions. Aligned to the move to principles-based regulation, we will examine the feasibility of greater budget flexibility and further assess how the funding we provide to resource MPs appropriately is spent through improvements to how we validate spending. It must be used for parliamentary purpose, provide value for money for the taxpayer and MPs must show integrity and accountability when making decisions on spend.

We will continue with our approach to technology, including a move to cloud-based services for IPSA Online (requiring a significant version upgrade), and delivery of intelligent help and self-serve options. We will continue to keep data held by IPSA safe, through continued cyber-security and information governance enhancements.

We have identified changes to our finance processes and in 2025, we will deliver a convenient and secure payment platform alongside a financial planning and analysis tool that will modernise our financial management function and create improved efficiency, modelling and insight.

During 2025 IPSA's office lease expires. We will search for new, smaller and more cost-effective accommodation that suits our hybrid working needs. We will move office in early 2025-26 with no impact on our ongoing service delivery.

Longer term, we will develop an ESG (Environmental, Social, and Governance) framework to enable us to provide greater assurance to the public on the way in which public money is used and ensure its positive impact on environmental and ethical issues.

Strategic objective three *Deliver financial value*

We will deliver value for money for the taxpayer through efficient and effective support for MPs.

We aim to be an organisation that is transparent about how taxpayer money is spent, building trust and confidence that MPs are resourced effectively and efficiently to support their parliamentary duties and their constituents.

2024-25

Improve budget flexibility
Value for money assessment

Validation review

Intelligent help and self-service options
Identify and secure new offices for IPSA

2025-26

IPSA Online upgrade
Finance systems and process improvement
IPSA office relocation

2026-27

ESG framework

4. Supporting trust in democracy

We recognise that IPSA has a part to play in helping the public to understand the value, as well as the cost, of the money we provide to support democracy. From 2024, we will improve awareness of, and trust in, IPSA's purpose. We will work with our stakeholders throughout, continuing to ensure that our decisions are based on robust evidence, made transparently, and are in line with a principles-based approach to regulation and our corporate values.

We will consult and communicate proactively with our stakeholders through intensive planned engagement and support MPs and their staff with relevant, timely information and context about the changes to ensure the new regulatory model is embedded successfully and its benefits are realised.

Our publication data is often misinterpreted by the media and public and can deter MPs from legitimate spending on their parliamentary activities. Early in 2024, we will change how we display the data to improve clarity and accessibility and from 2025, we will conduct a strategic review of the impact of our new regulatory approach, revised reimbursement model and the centralisation of services on publication and meaningful transparency.

The change in regulatory approach will be supported by a stakeholder and public engagement strategy, starting with an informed debate on how democracy is resourced with a view to improving its effectiveness and value for the electorate. We will raise awareness of our strong but simple regulation and how this acts as an enabler of democracy.

During 2026-27, towards the end of this Corporate Plan, we will fully evaluate the impact of a principles-based approach and centralised services to ensure these support trust in democracy as intended.

Strategic objective four *Supporting trust in democracy*

We will help the public understand the value, as well as the cost, of the money we provide to support democracy.

We aim to be an organisation that the public trusts to take the necessary action to ensure MPs' pay, staffing and business costs are regulated independently and effectively.

2024-25

Stakeholder and public engagement approach
Short term publication review

2025-26

Strategic publication review

2026-27

Evaluate principles-based regulatory approach

5. Growing our people

We have made great strides in the delivery of IPSA's People Strategy. Our staff engagement for 2023 is 77%, up from 57% at the start of the 2021-24 Corporate Plan. We have improved customer focus, as measured in the survey, and will continue to do so in line with customer needs and the Improving IPSA programme. We will be ambitious, making fundamental changes to our approach rather than just making poor systems and processes better.

We will continue to implement the existing People Strategy to engage, empower and enable our people to deliver principles-based regulation through service, and will create a new three-year People Strategy in 2025-26 to embed our new ways of working within a principles-based model.

Resilience and the health and wellbeing of IPSA's people is key and we will invest in our people further to build greater resilience and positivity, vital in the preparedness for a General Election, but also in the day-to-day work with MPs and their staff.

As a General Election draws near, we have a robust resourcing plan that repurposes IPSA people into temporary roles and will deliver a smooth experience for MPs and their staff whether they are departing, new or returning.

A move to principles-based regulation, a change to the reimbursement model and centralised purchasing will require an overhaul of our Target Operating Model during 2026-27. Throughout the period of this plan, we will focus on the required job redesign and skills development to create a sustainable organisation design to take us into IPSA's next chapter. This will include robust succession planning and a people development programme covering redeployment and retraining, where necessary.

Strategic objective five *Grow our people*

We aim to be an organisation that values customers and where people want to work and give their best. One that evolves and addresses challenges to continually improve.

We will develop a customer-centric culture that empowers our people to ensure rigour, add value and make IPSA a great place to be.

2024-25

Resource General Election-related activity

2025-26

Update People Strategy

2026-27

Review and implement Target Operating Model

Measuring success

We will know we have succeeded when we have met the following measures. We will keep these measures under review.

How we will measure whether we've achieved our ambition

MPs and their staff trust us and use our services efficiently and effectively to enable them to focus on representing and supporting their constituents.

- Consistently improving feedback from MPs and their staff, rating IPSA's services as good or great.
- Significantly improved feedback from new, returning and departing MPs following the General Election.
- There are simpler, stronger principles for MPs to follow in using public funds, with fewer detailed rules.
- A significant reduction in the total administrative burden placed on MPs and their staff as a result of IPSA's requirements.
- All MPs have right-sized, secure and accessible offices offered to them when required.
- MPs' staff working conditions are enhanced to improve retention

The public trusts that we take the necessary action to ensure MPs' pay, staffing and business costs are regulated independently and effectively.

- We can demonstrate that our risk-based approach is robust but proportionate.
- The publication of MP claims is accurate and easily understood.
- The public are aware of IPSA, understand our role and the value of the expenditure we provide to support and service democracy.

The public has confidence that we deliver a value for money service.

- Improved value for money in the provision of MPs' office accommodation and associated costs such as utilities, equipment and consumables.
- IPSA has secured and occupied fit for purpose, right size office accommodation without interruption in service.
- IPSA has the capacity and capability to assure the public that our regulation is world class

Our key risks

We define risk as every obstacle and issue that has the potential to materially affect the achievement of our strategic objectives. As with any plan, there are risks to delivery. We will manage risks with active oversight and tracking aligned to our risk management framework. The risk landscape is dynamic and therefore the risks below are likely to change over the period of the plan.

Governance standards

- We fail to deliver robust quality and best practice on financial management, cyber security, information governance and data security, impacting IPSA's and MPs' reputations.

Engagement

- The general public believe a modernised regulatory approach means less rigour.

External environment

- We are unprepared to deal with threats or opportunities generated externally.

Quality of regulation

- Principles-based regulation is misunderstood as IPSA loosening its grip on MP spending and the public loses confidence.

Quality of delivery

- Resource is focused on transformation activity rather than BAU: a General Election creates significant demand, and we fail to deliver the right support to MPs and their staff.

People

- IPSA doesn't have the internal or external capability and capacity required to deliver the plan.

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Emerging and developing risks

- Global instability increases the threat of **cyber-attack** to IPSA's critical infrastructure and services
- Failure to accelerate **digital transformation and technology** risks efficiency, security and innovation
- **Climate change** and a move to an ESG framework changes IPSA's business practices, policies and processes, impacting how we fund and resource MPs
- **Workforce** and skills shortages impact IPSA's internal and external capability and capacity to deliver
- UK **financial pressures**, including inflationary pressure, increases the burden on IPSA's people, MPs and their staff and IPSA spending, and value for money comes under increased scrutiny
- Instances of **impropriety and fraud** have put pressure on public standards and increased regulation of MPs' spending may be required

Our funding

IPSA decides MPs' pay, their annual budgets for business costs and what they can spend their budgets on. We have been doing this since 2010. Our decisions are made independently from Parliament, and we work to ensure public money is spent appropriately.

IPSA is funded by HM Treasury through an annual budget. Each year, IPSA's budget is reviewed by the Speaker's Committee for the Independent Parliamentary Standards Authority before it is laid before the House of Commons for approval.

In addition to a basic salary, MPs receive a budget to cover the costs of running an office, employing staff, having somewhere to live in London or their constituency and travelling between Parliament and their constituency. The major component is MP staff costs.

IPSA's own costs are made up of around two thirds staffing costs, with additional funding for improving IPSA activities.

For each year of the Corporate Plan, there will be a business plan detailing IPSA's activities and the budget required to cover the cost of delivering these activities, as well as MP salaries and annual budgets.

For 2024-25, there will be a one-off uplift given the likelihood of a General Election and the timing of the *McCloud* remedy. As there is uncertainty in the General Election costs, these will be subject to a Supplementary Estimate.

IPSA funding is only for expenditure MPs incur while performing their parliamentary and legislative duties, not as a top up for MPs' salaries.

MPs cannot claim for personal expenditure like food and drink during their normal working day but can claim for some subsistence costs if they are travelling for work.

The majority of MPs' expenditure (c.90%) is to pay their staff and run their constituency offices. It is invested in local communities through caseworkers and parliamentary assistants, who work to support constituents on a huge range of issues.

Corporate plan 2021-24 – our achievements

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58.9%

of MPs and their staff rate satisfaction with IPSA as **good**

2019	2020	2021	2022
25.2%	34.7%	51.8%	58.9%

66.8%

of MP Proxies rate satisfaction with IPSA as **good**

2019	2020	2021	2022
26.4%	30.3%	56.7%	66.8%

13/17

of IPSA's services have seen a **significant improvement** in the gap between importance and satisfaction

2019	2020	2021	2022
5/17	4/17	5/17	13/17

81%

of MPs and their staff are **broadly or very confident** with the Scheme

2020	2021	2022
73%	74%	81%

89%

of MPs and their staff are **broadly or very confident** using IPSA Online

2020	2021	2022
75%	76%	89%

72%

of MPs and their staff spend **fewer than 10 hours** making claims each month

2020	2021	2022
58%	72%	72%

86.5%

of MP/staff calls answered within **20 seconds**

21-22	22-23	23 ytd
79.2%	77.6%	86.7%

99.9%

Compliance with the Scheme is **consistently high**

21-22	22-23	23 ytd
99.9%	100%	99.9%

2.6 days

taken to **reimburse** MPs and their staff

20-21	21-22	22-23	23 ytd
8	3.5	3.5	2.6

Contact us

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