

Corporate Plan for 2018-19

IPSA was set up in 2009 as the independent body that regulates and administers MPs' business costs and expenses, and decides their pay and pensions. This plan sets out IPSA's strategy and priorities for 2018-19.

In this Parliament, we have three aims:

To assure the public that MPs' use of taxpayers' money is well regulated

We regulate MPs proportionately and effectively by setting rules that support compliance, and by making independent, fair and transparent decisions in line with our fundamental principles.

We provide assurance to the public by consulting them on our rules, operating transparently and publishing accessible information about MPs' business costs.

To resource and support MPs appropriately to carry out their parliamentary functions

We support MPs by making accurate payments promptly, providing clear advice and guidance about MPs' responsibilities for public money in line with IPSA's Scheme of rules, and by continuously improving our systems and processes to make them more efficient and effective.

To enable our staff to be a high-performing, professional team

We develop our staff by giving each person the tools, training and support to perform professionally and achieve excellence in a strong team that is underpinned by respect and trust.

We will place our values of professionalism, respect, integrity, collaboration and improvement at the centre of everything we do.

Our Activity in 2017-18

1. In 2017-18, we had two main challenges. The first was to play our part in the snap General Election of June 2017. We did this successfully within tight timescales and with far fewer staff than in 2015. We put MPs at the centre of this work and were committed to achieving excellence and to working collaboratively with others to support MPs and their staff.
2. The second was to progress IPSA's improvement programme to upgrade our systems and our support to MPs. This will lay the foundations for further continuous improvement so IPSA becomes a world leader in the regulation and administration of parliamentarians' business costs and remuneration.
3. In addition, we implemented a new *Scheme of MPs' Business Costs and Expenses* and continued to deliver our core functions to a high standard, paying 650 MPs and over 3,000 members of their staff accurately and on time, validating around 180,000 annual claims for MPs' business costs quickly, and publishing data about MPs' expenditure throughout the year.

General Election 2017

4. On 19 April 2017 Parliament voted to hold a General Election on 8 June 2017. As in 2015, IPSA had a significant part to play. But unlike then, this time we had just seven weeks to gear up to support MPs through the transition to the next Parliament, including all 98 MPs who chose to stand down or who were not returned, and the 99 new MPs who were elected. The short timeframe meant that we could not recruit and train additional staff, as we had in 2015, but instead redeployed staff internally, particularly those who had worked on the earlier election.
5. A thorough contingency plan for a snap election was already in place, and was implemented immediately. On 24 April, we submitted a supplementary Estimate to the Speaker's Committee for the IPSA (SCIPSA) for £20 million to cover the likely additional costs associated with the election, including the winding-up budgets and loss-of-office payments for MPs who were not returned, and the redundancy payments for the staff members of those MPs. We used our experience of the General Election in 2015 to inform our financial assumptions.
6. We worked effectively with the House of Commons throughout, ensuring that our advice to MPs was consistent and that we were working in partnership to a demanding timeframe and to the high standards that MPs expect.

7. Our plans were delivered successfully. By 13 June we had met each of the 99 newly-elected MPs to set them up on our systems, so they could make claims for parliamentary costs and receive their salaries. We also provided support, advice and guidance to the MPs who were not returned, meeting all those who wanted a meeting to ensure they understood what they needed to do to wind up their offices and fulfil their duties as the employers of staff. We continued to provide support to existing and former MPs and their staff throughout the parliamentary summer recess and into the autumn.

IPSA Online Improvement Programme

8. The unexpected General Election forced us to delay parts of the IPSA Online improvement programme so that we could focus on fulfilling our responsibilities to MPs and their staff. We nevertheless made good progress overall on the programme over the year and met many key milestones on schedule.
9. In September 2016 we signed a contract with a supplier to provide a new, integrated finance, payroll, HR and expenses system to go live in October 2017. As a result of the snap General Election, we postponed the launch date to summer 2018. We nonetheless concluded the design phase of our new system by May 2017, and had built the new system ready for testing by September 2017. The testing itself concluded successfully in February 2018.
10. Despite the General Election there was no delay to the launch, in December 2017, of the new IPSA Online Homepage for MPs and their staff. This provides far better access to information and guidance about IPSA's rules and processes, and gives MPs and their staff online payslips for the first time, and a much faster way to access information about their business costs for publication. From July 2018, the Homepage will be the gateway to the new online finance, payroll and expenses system.
11. We engaged MPs and their staff on these improvements throughout, including through a series of country-wide roadshows, focus groups and other events, with opportunities to test the new system and provide feedback. This ensured that MPs and their staff could use our new systems immediately, whether they were located in a constituency office or at Westminster.

Measuring our Performance

12. We use monthly data to monitor the activities of our business areas to identify where we are performing well and where we need to make improvements. We have key performance indicators to give us an assessment of our core functions: regulating MPs' business costs, resourcing and supporting MPs, and providing assurance to the public.
13. Our data show that, for the last four years, MPs' compliance with the rules of the Scheme has been high. Only 0.4 per cent of claims have been outside the Scheme, well below our target of less than 1 per cent. Of this 0.4 per cent, most ineligible claims resulted from an inadvertent error rather than from any intentional misuse of the system.
14. Our data also show that we provide good administrative services to MPs. We consistently reimburse MPs' claims for business costs in fewer than 12 calendar days. For the last two years, we have done so in an average of 5.5 calendar days. Our new IT system will make that process even faster in future. Our payroll has been over 99.75 per cent accurate every year. And we respond to over 90 per cent of the 10,000 letters and emails that we receive each year within five working days of receipt.
15. Since IPSA's creation in 2010, we have published, on an annual and bi-monthly basis, all claims for business costs and expenses made by MPs in support of their parliamentary functions. This helps to assure the public that MPs' expenditure is well regulated. In 2017-18, we published around 180,000 claims with 100 per cent accuracy.
16. In 2017-18 we reviewed our performance indicators. The review resulted in minor changes to our indicators which will come into effect from 2018-19. We will take stock of these indicators again in 2019-20 following the implementation of our new IT systems.
17. Our revised set of indicators are:
 - a. Fewer than 1 per cent of MPs' claims are outside the Scheme;
 - b. Claims are reimbursed in fewer than 8 calendar days (reduced from 12 days);
 - c. Payroll accuracy is over 99.75 per cent;
 - d. Over 90 per cent of emails are responded to within 5 working days;
 - e. At least 60 per cent of MPs and their staff satisfied with IPSA support (where previously we targeted increased support year-on-year);
 - f. At least 99.75 per cent accuracy in publishing MPs' claims;
 - g. At least 60 per cent engagement score among IPSA staff (where previously we targeted increased engagement year-on-year).

Our Priorities for 2018-19

18. We have five overarching priorities for 2018-19. These will guide our activities and help us to achieve our strategic objectives for this parliament (as detailed in IPSA's Strategy for 2018-22).
19. In 2018-19 we will:
 - a) Maintain a strong and supportive regulatory environment for MPs
 - b) Implement IPSA Online and a subsequent programme of continuous improvement
 - c) Provide assurance to the public
 - d) Strengthen our arrangements for data security and information governance
 - e) Invest in our team

A strong and supportive regulatory environment

20. The new Scheme, launched in April 2017, is simpler, supports compliance and takes a more principles-based approach to regulation, in line with good regulatory practice. It gives MPs more discretion to decide for themselves how best to use their budgets to fulfil their parliamentary functions, whilst adhering to our fundamental principles. It recognises the distinctive demands placed on MPs and supports them in creating professional workplaces for their staff.
21. In 2018-19, we will monitor the impact of the Scheme to ensure that it enables us to meet our strategic aims. As part of our annual programme of assurance work, we will conduct a review to assess whether the increased flexibility that has been given to MPs is working in practice. We will review MPs' claiming patterns to see whether they have changed in areas where caps on spending have been lifted, such as travel to Europe and the claims associated with working late on parliamentary business.
22. We will also look at ways in which we can further improve our approach to regulation and the processes by which MPs receive funding from IPSA to perform their parliamentary functions. This will include designing a pilot for a simpler approach to funding MPs' constituency mileage.
23. We will review MPs' remuneration by June 2018, as we are required to do by statute in the first year of each new parliament. The review will include MPs' pensions and the loss-of-office payments that MPs receive if they are not returned at an election. It will also include a review of MPs' pay to assess whether there is any reason to alter the determination that we made in 2015, including to link changes in MPs' pay to changes in average earnings across the public sector.

24. We recognise that MPs need a clear, stable set of rules that they can easily understand and implement. Thus, following our comprehensive review of the Scheme in 2016-17, we committed to review the rules only once a Parliament in future and MPs' budgets once a year. But we will be responsive to external events as necessary, and to any material change in circumstances that are relevant to MPs and which may have an impact upon the resources they need to do their jobs. As such, we will take into account as appropriate any recommendations made by the Boundary Commissions, and any relevant consequences of the UK's decision to leave the European Union.
25. We will work with other legislatures and public bodies within the UK and further afield to inform others of our independent regulation of parliamentarians' finances and to learn from approaches elsewhere too. We will provide advice and guidance to international delegations who want to learn about the UK Parliament's successful reform of the way its MPs are funded.

A programme of continuous improvement

26. We will implement our new integrated finance, payroll, HR and expenses system for MPs in July 2018. Thereafter, we will put in place a programme to ensure that we fully embed those changes and continue to improve our systems, processes and ways of working during the course of the Parliament.
27. As part of this programme, we will utilise new technology to support an even more effective and efficient system of administration of MPs' pay and business costs. We will learn from bodies in the public and private sector with similar functions so that we can provide higher-quality support to MPs and their staff. In particular, we will use new data analysis tools to review our approach to validating and paying claims for business costs to see whether there are further process improvements that we can make.
28. We will work with the House of Commons to identify ways to improve our joint working and our support to MPs, particularly during future general elections. We will also work with the House and the police to ensure that MPs have the security arrangements they need to keep them and their staff safe, and we will provide appropriate funding quickly.

Providing assurance to the public

29. We assure the public that MPs' use of taxpayers' money is well regulated by being transparent about the public money that MPs' have claimed from us to support their parliamentary functions. We publish every claim on our website every two months, and in our annual publication of MPs' business costs each autumn. We will continue to

demonstrate our commitment to transparency in this way, whilst protecting personal or sensitive information that is exempt from publication, such as the funding we provide for security measures for MPs and funding for disability assistance.

30. In addition, MPs have an opportunity to use our website to provide a commentary on their annual expenditure to explain to the public in their own words how they use public money to support their role as an MP. Since 2016-17, 50 MPs have voluntarily submitted a commentary on their expenditure for their dedicated page on IPSA's website. We will continue to enable MPs to do this, if they wish, as part of the annual publication in 2018-19.
31. In November 2017, we published IPSA's first annual review of assurance. This reported on our activity in 2016-17 to ensure that claims for MPs' business costs were evidenced appropriately and compliant with our rules. This activity included how we validate and check claims individually before and after payment, and how we examine specific categories of MPs' expenditure post hoc to provide further assurance that their expenditure is compliant with the rules.
32. In 2018-19, we will publish a second annual review of assurance to explain how we have secured similar assurance about MPs' use of public money in 2017-18. Our report will include findings on the public money spent by MPs during and after the 2017 General Election.
33. It will also include an in-depth investigation into MPs' office costs budget to understand more about how MPs use this budget to fund their constituency office and how easy it is for them to find suitable office space across the country that meets their and their constituents' needs. This work will help us to set MPs' budgets appropriately in future, reflecting their needs as well as value for money.
34. We will exploit new analytical tools to understand and present data on MPs' spending in a way that is more visually accessible and helpful. We want to help the public to understand the data that we have collected since 2010, which show that MPs are largely compliant with our rules.

Strengthening our arrangements for data security and information governance

35. In 2017-18 we further improved our arrangements for information governance and data security. We implemented a comprehensive action plan which included how we handle sensitive and personal information about MPs and their staff.

36. This included a strengthened data breach policy to make our procedures even clearer to our staff to help us protect the sensitive information we hold about MPs, their families and their staff. We also reviewed all relevant internal policies to ensure that they complied with best current practice. As such, we strengthened our policies on password-protecting all documents, for both internal and external circulation. We provided all staff with renewed guidance and training on the management of the information they are responsible for, including its protective marking, retention and disposal. Every member of our staff completed online courses on information governance and data security, and we made this training mandatory for all new starters. We also implemented tighter controls for the publication of information on our external website.
37. We also reviewed (and renewed, where necessary) every formal mechanism for sharing information with all our external suppliers. We appointed a Data Protection Officer to take forward our plans to ensure that we are compliant with the EU General Data Protection Regulation (GDPR) and to continue our programme of improvements to data handling and security.
38. IPSA's data security has previously been certified through the RMADS accreditation, which was the government standard. In 2015, in recognition of the importance of data security and the sensitive information we hold, we determined to move to accreditation by the ISO27001 standard which has now become the latest benchmark for government and industry. We have achieved a number of key milestones towards the achievement of the ISO27001 standard. We will complete our certification in 2018.
39. In addition to GDPR compliance and ISO27001 accreditation, we will further improve and strengthen our arrangements for cyber security in 2018-19 by ensuring that our current good practices are codified in formal policies and procedures, including a defined incident management process. We will produce a new knowledge management strategy for IPSA to ensure that our policies relating to information governance are aligned, that we properly manage all the data and information that we hold, and that we draw effectively on our knowledge of our responsibilities, for the benefit of MPs and the public.

Investing in our team

40. We want IPSA to be an outstanding employer by ensuring our staff reach their potential and achieve excellence. We will continue to invest in the development of our team, enabling each member of staff to enhance their skills and perform to the highest standards.
41. In 2017-18 we conducted a 'skills audit' with every member of staff to understand whether they have the right type and level of skills and expertise to perform their roles effectively. In 2018-19, we will use this work to develop and implement a training plan

for each member of staff which reflects their own needs and provides opportunities for them as individuals to excel in their job. We will set stretching objectives, nurture their talents and create a working environment where everyone has access to the information, training, tools and support they need to reach their potential and help IPSA to achieve its goals.

42. We will build a workforce with more advanced skills that reflect the requirements and capabilities of our new systems. These changes to our ways of working will enable us to make savings to our headcount and become an efficient organisation that continues to demonstrate value for money. They will also ensure that we have the necessary skills and knowledge internally to work flexibly so that we can react to unexpected events, such as snap General Elections.
43. We will build a collaborative team where people work effectively together and are committed to what they do, the goals of their team and IPSA's wider objectives. In 2017-18, we involved staff through focus groups and staff events in the development of our strategy for the new Parliament and our new organisational values. In 2018-19, we will continue to consult staff on decisions that affect them. We will build stronger links between teams to embed a culture of team work and collaborative working.
44. We will continue to respect people's diverse backgrounds and ensure there is no bullying, harassment or discrimination in the organisation. We will do this, in part, by investing in education and training for our staff, managers and senior leaders in diversity, inclusion and mental health. We will ensure that every member of IPSA is aware of the responsibilities they have towards their colleagues and that they live our values of professionalism, respect, integrity, collaboration and improvement in all that they do.

Governance and Accountability

45. IPSA is an independent regulator, established under the Parliamentary Standards Act 2009 to pay MPs' salaries, and to develop a Scheme to pay MPs' business costs and expenses. The Constitutional Reform and Governance Act 2010 provided for the appointment of a Compliance Officer to investigate if an MP may have been wrongly paid an amount under IPSA's scheme, and gave IPSA additional responsibilities to determine MPs' salaries and pensions.

IPSA's Board

46. The Parliamentary Standards Act 2009 stipulates the constitution of IPSA's Board. The Chair and Board members were appointed following an open recruitment process, conducted by an independent panel. The Board comprises:

- Ruth Evans (chair)
- Will Lifford (auditor)
- Sir Robert Owen (former holder of high judicial office)
- Jackie Smith
- Rt. Hon Jennifer Willott (former Member of Parliament)

47. IPSA's Board is responsible for deciding the policies that form the Scheme governing MPs' business costs, expenses, pay and pensions, and for setting IPSA's strategic direction. The Board meets every four-to-six weeks. Minutes of Board meetings are published on IPSA's website.

IPSA's Executive

48. IPSA's executive is led by Marcial Boo, chief executive, who provides day-to-day leadership and is responsible for all aspects of organisational performance, in line with the policies and objectives set by the Board. He is IPSA's Accounting Officer. He is supported by three directors and a senior management team. The directors are John Sills, director of regulation, Victoria Fox, director of MP support services, and Alastair Bridges, director of finance and corporate services.

Accountability to Parliament

49. The Speaker's Committee for the IPSA reviews IPSA's annual estimate of the resources it needs, ensuring that it is consistent with the efficient and cost-effective discharge of IPSA's functions. The estimate is then laid before the House of Commons by the Speaker.

The Speaker's Committee currently has the following membership:

- Rt. Hon John Bercow MP (Speaker and Chairman of the Committee)
- Rt. Hon Sir Kevin Barron MP (Chairman of the Standards Committee) ex officio
- Kirsty Blackman MP (SNP)
- Chris Bryant MP (Labour)
- Rt. Hon Dame Cheryl Gillan MP (Conservative)
- Rt. Hon Andrea Leadsom MP (Leader of the House), ex officio
- Valerie Vaz MP (Labour)
- Charles Walker OBE MP (Conservative)
- Kenneth Batty (lay member)
- Bronwen Curtis (lay member)
- Shrinivas Honap (lay member)

Charles Walker MP responds on behalf of IPSA to questions in the House of Commons on matters relating to IPSA's work.

Compliance

50. IPSA's Board, while respecting the independence of the Compliance Officer, also exercises its statutory duty of superintendence in relation to operating procedures and the resources required by the office.
51. The Board receives regular reports from the Compliance Officer and reviews his performance by reference to agreed performance indicators and in the light of considerations of value for money, proportionality and the deterrence of improper behaviour.

Financial Management

52. IPSA is independent of Parliament and Government. It is funded from the Consolidated Fund through the process of Parliamentary Supply. IPSA's Estimate is scrutinised by the Speaker's Committee for the IPSA to ensure that it is consistent with the efficient and cost-effective discharge of IPSA's functions. Our Annual Report and Accounts can be found on our website.
53. The Chief Executive is the Accounting Officer and is responsible for the propriety and regularity of IPSA's finances. Monthly financial reports on expenditure are discussed by IPSA's Board and the senior executive.
54. IPSA's Audit and Risk Assurance Committee is supported by a head of internal audit and meets quarterly. The committee offers advice to the Chief Executive, in his role as Accounting Officer, on the strategic processes for risk, control and governance, IPSA's accounting policies (including the approval of the Annual Report and Accounts), the activity and the results of both internal and external audit (by the National Audit Office), and IPSA's anti-fraud and whistle-blowing policies. IPSA will continue to implement rigorous standards of financial control in line with those that apply across the public sector.
55. IPSA will continue to demonstrate good value for money during 2018-19 and particularly as we start realising the quantitative and qualitative benefits of the IPSA Online improvement programme.
56. In 2017-18, we received a budget of £185.16 million (under Subhead A of our Estimate) to cover MPs' salaries, staff, accommodation and other business costs. However, as a result

of the unexpected General Election in June 2017, we required additional funding to fulfil our statutory responsibilities to support MPs' transition from one Parliament to the next, including through the provision of loss-of-office payments to MPs who are not returned, redundancy payments to their staff and the costs of winding-up their offices. Our experience of the General Election in 2015 helped to inform our assumptions about additional costs that would be required. SCIPSA approved an additional Estimate for subhead A of £19.1 million.

57. In 2018-19, we propose a budget for Subhead A of £187.12 million, an increase of 1.1 per cent. This figure incorporates a 1.8 per cent pay rise for MPs, in line with Office of National Statistics figures on the average change in public sector earnings. It also increases MPs' staffing, office costs and accommodation budgets in line with inflation or by less.
58. In 2017-18, we received £6.99 million for IPSA's core administrative costs (under Subhead B of our Estimate). We were able to manage the delivery of the General Election within our existing staffing complement. But there were other activities arising from the unexpected election which were not within our budget for the financial year, including the extension of the contracts of fixed-term staff and the publication costs required to support our engagement with MPs and their staff. The Speaker's Committee for the IPSA therefore approved an additional Estimate for subhead B of £950,000.
59. For 2018-19, we propose a resource budget for administrative costs of £7.95 million. This includes a marginal 0.3 per cent increase in IPSA's staffing costs but a more significant provision of £762k to cover an office move in 2018-19 in advance of our lease ending in 30 Milbank. The budget also includes a £290k increase in IT costs as we move our IT services onto the cloud, thereby reducing our capital budget to £1.3 million in 2018-19 from £2.5 million in 2017-18.
60. Overall, IPSA is proposing an Estimate to Parliament of £196.4 million for 2018-19, a 0.9 per cent increase from 2017-18. This will enable us to meet our objectives and deliver the value for money improvements described in this corporate plan.