

CORPORATE PLAN 2012-16

INTRODUCTION

1. This Plan updates and revises IPSA's first Corporate Plan, published in September 2011. It sets out IPSA's strategy and priorities for the period 2012-2016 as the independent body responsible for regulating and administering MPs' business costs and expenses, their pay and their pensions.
2. Before turning to those plans and priorities, it is perhaps worth standing back to consider our vision for the future. IPSA may have been born out of the political crisis about expenses which erupted in 2009 but its purpose and ambitions go far beyond the short-term response to a political crisis, however extreme it might have been. We are in no doubt that we have responsibilities to the public and to MPs. Those responsibilities do not just relate to the details, however important, of the administration and payment of business costs and expenses. They extend to the determination of the overall package of remuneration for our legislators. We will not have achieved our vision until we have secured a long-term and stable resolution of that remuneration, a resolution which commands sustained public confidence. We are in no doubt that this is a demanding and difficult brief, rendered all the more so by the political and economic context within which we are working. To succeed, we will have to show clear strategic vision and direction, finely calibrated judgement and appropriate technical expertise. It is a demanding brief, but its fulfilment is essential as contributing to the long-term health of our democracy.
3. In April 2012, IPSA will have entered its second full financial year of operation. 2011-12 was a year of rapid development, change and external scrutiny. We conducted an annual review of the Scheme resulting in a number of adjustments and simplifications aimed at ensuring that MPs are supported appropriately in carrying out their parliamentary functions. We undertook a review of MPs' staffing requirements and included the changes based on the outcome of that review in the latest edition of the Scheme, published in March 2012 in advance of the new financial year. We also took on responsibility for setting the levels of both pay and pension levels and will be embarking on a thorough review in the coming year.

4. In addition, we introduced a number of important adjustments in the administration of the Scheme aimed at improving the experience of users. These included the extension of direct payments and payment cards, the introduction of Trainline, simplification of some aspects of the claiming process, and improvements to our website, training and guidance. As a result, around three quarters of claims can now be paid for using direct payments, meaning MPs do not have to pay up front, and we have reduced our processing time from paying over 95% of claims within 12 working days to paying within 10 working days.
5. During the course of 2011-12, IPSA was also subject to rigorous external scrutiny, by the Speaker's Committee for the IPSA in relation to the approval of its Estimate, by the NAO and the PAC in relation to value for money and cost effectiveness, and by the Committee for Members' Expenses in the context of the governing legislation. We worked closely with each of these bodies. We were particularly encouraged by the NAO's positive report in relation to our achievements and to our providing value for money while acknowledging that there remains scope for improvement in the future. We have published our individual responses to the various reports and will continue to work with each body as appropriate. This Corporate Plan takes account of our responses and details a number of activities, some of which we already had in hand and some which reflect our response to the recommendations made.
6. As a regulator, we continue to see the appropriate management of risk as one of our primary responsibilities. The risk of non-compliance with the Scheme by MPs remains low in many areas and the past year has continued to show high levels of compliance by MPs and a strong desire to operate within the Scheme. In the light of the evidence that we have accumulated on compliance, we have now streamlined our validation processes to allow us to focus on areas where risks are potentially higher, while still ensuring that funds are used appropriately within the framework of the established rules. We will continue to review our approach to risk and to identify opportunities further to streamline our processes as and when appropriate. The pace at which we proceed will continue to be influenced by the level of confidence the public has in the Scheme and in the systems we operate, and by the views of our auditors and the systems we operate.
7. This plan sets out our intentions for the next four years, a period in which there will be a General Election, significant boundary changes, and when a number of our own service contracts are due for review and/or renegotiation. Throughout, we will continue to seek to deliver schemes and systems that are fair, workable and transparent.
8. For the coming year, 2012-13, our key aims will be:
 - to conduct a thorough review of MPs' pay and pensions, including wide engagement with the public;
 - to maintain the accuracy and quality of our existing systems and to realise the benefits of recent improvements in administration ;
 - to continue to take account of the needs of MPs in carrying out their parliamentary duties and, as far appropriate, to adjust the provisions of scheme and our administration to meet these needs;

- to bring down our operational costs in line with our savings targets without compromising public trust or damaging the quality of administration;
 - to ensure that our staff are able to carry out our roles of regulation and administration to the highest standards.
9. Our work in *the following years* will continue to be defined by the need to meet our saving targets while maintaining high levels of assurance and outputs. In **2013-14**, we will continue to bear down on costs and plan to review for our longer term requirements in the context of our current contractual commitments. In **2014-15** we will focus primarily on ensuring that we are fully prepared to meet the requirements of a General Election and are ready to implement any changes to schemes or systems to be introduced in the new Parliament. The **last year of this current plan**, in addition to our regular business commitments, will allow us time to evaluate our performance over the life of the first Parliament and, in particular, in relation to the challenges of a General Election.
 10. The first part of this plan sets out our strategy. This was reviewed and revised in November 2011 as the first stage of the current business planning cycle. The second part then details our activities, linking our objectives to outcomes, key performance indicators, targets and the headline financial resources required to deliver them. Activities for the coming year, 2012-13, have been included in some detail, with those scheduled for the remaining years set out in outline only. Key Performance Indicators (KPIs) and targets are attached as an Annex to this Plan. The Board will continue to review progress against the Corporate Plan every six months and it will be revised annually to ensure that it remains appropriate and challenging.
 11. The strategy and corporate plan provide the framework for our business planning and resource allocation. Within IPSA, each team will draw up detailed work-plans as appropriate.
 12. IPSA will operate a cycle of regular review: work-plans will be reviewed by senior management quarterly, in addition to regular reviews of strategy and the corporate plan by the Board and senior management.

IPSA Strategy

1. *IPSA's general duties are set out in the Parliamentary Standards Act 2009, as amended by the Constitutional Reform and Governance Act (2010):*

(1) *"In carrying out its functions the IPSA must have regard to the principle that it should act in a way which is efficient, cost-effective and transparent.*

(2) *In carrying out its functions the IPSA must have regard to the principle that members of the House of Commons should be supported in efficiently, cost-effectively and transparently carrying out their Parliamentary functions".*

2. *The legislation also gives IPSA four regulatory functions:*

(1) *the preparation and maintenance of a scheme of rules to govern the payment of expenses and costs;*

(2) *The publication of claims;*

(3) *The determination of MPs' pay; and*

(4) *The setting of a scheme for MPs' pensions.*

3. *This strategy addresses the manner in which these duties are to be carried out and is derived from IPSA's vision and values.*

4. *IPSA's strategy is based on meeting its four key objectives:*

To provide independent, fair and effective regulation, that

- meets the public interest in ensuring that MPs' overall remuneration is appropriate for their role as legislators and elected representatives;
- ensure MPs are appropriately reimbursed for their legitimate business costs and expenses; and
- achieves a stable settlement relating to pay, pensions, business costs and expenses

To deliver workable and transparent systems that support the Schemes ¹

- thereby providing financial support to enable MPs to carry out their parliamentary duties, in parallel with increased public confidence; and
- that are underpinned by an approach to risk that is proportionate and reflects emerging evidence ².

¹ Schemes refer to the existing Business Costs and Expenses Scheme and will in due course refer also to the Pay Scheme and Pensions Scheme.

² The Board's agreed statement on current risk appetite (June 2011) appears in the Annual Report, 2010-11.

To build public confidence in IPSA's execution of its duties through

- contributing to the restoration of the public's confidence in Parliament; and
- building IPSA's profile as an efficient and effective regulator and deliverer of services, protecting the public purse.

To build a cost-effective organisation with engaged and motivated staff

- with constant attention to delivering efficiency and cost-effectiveness in all we do, achieving savings over the period of the Strategic Plan.
5. In achieving its strategic objectives:
- IPSA recognises the importance of developing a constructive relationship with MPs and their staff;
 - IPSA will actively engage with the public to promote informed debate and will seek to develop channels by which public opinion may be heard;
 - IPSA will maintain communications and regularly seek the views of various audiences interested in and affected by its actions – the public, MPs, their staff and the media; and
 - IPSA will continue to seek to deliver schemes and systems that are fair, workable and transparent

Business Costs and Expenses

6. The Business Costs and Expenses Scheme should :
- become increasingly streamlined and simple to operate both for MPs and IPSA;
 - be increasingly based on payments to suppliers, not needing to be made personally by MPs and then reclaimed;
 - make clear where business costs are incurred by MPs in the running of their offices and where expenses are incurred by MPs in the fulfilment of their duties; and
 - be less prescriptive and rule-based, over time providing MPs increased discretion in how money is spent.
7. Evidence will continue to be required to support claims, but will increasingly be provided through suppliers of goods and services rather than the MP wherever this is possible, commensurate with the need for assurance and cost-effectiveness.
8. IPSA's aim is to provide a cost-effective service which meets the needs of MPs.
9. Publication of claims, as part of IPSA's statutory obligation regarding transparency, will continue to balance assurance and accuracy against cost.
10. IPSA will seek the views of the public, MPs and their staff in relation to their satisfaction with the Scheme and its operation on a regular basis, will publish the results of what is learned and will make appropriate adjustments to its rules and their operation where indicated, consistent with considerations of transparency and value for money.

Pay and pensions

11. MPs' pay is set by IPSA.
 12. IPSA's review of pay and pensions will involve active engagement with the public, MPs and expert practitioners and IPSA will launch a consultation process on pay and pensions in 2012
 13. IPSA will carry out research on, among other things comparators and their relative usefulness, both in the UK and internationally, and will consider the planned boundary changes and any further devolution of powers to national assemblies and parliaments within the UK.
 14. IPSA will aim to co-ordinate the introduction of the outcome of the review of MPs' pay in considering the future for MPs' pensions.
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15. The strategy assumes the agreement by the Speaker's Committee of IPSA's annual Estimate sufficient to allow it to fulfil its duties as both regulator and provider of services.
 16. Key Performance Indicators identifying the performance required and progress in meeting them will be reported regularly and published on the website
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Compliance

17. IPSA's Board, while respecting the independence of the Compliance Officer, will exercise its statutory duty of superintendence in relation to operating procedures and the resources required by the office.
18. The Board will receive regular reports from the Compliance Officer and review his Office's performance by reference to agreed performance indicators and in the light of considerations of value for money, proportionality and deterrence of fraudulent behaviour.

Vision and Values

Vision

IPSA will have realised its goal when there is sustained public confidence in the way in which MPs are funded from the public purse.

Mission

IPSA will:

develop a settlement for MPs' business costs, expenses, pay and pensions which properly supports them in their parliamentary functions and serves the interests of the public; and

build an independent organisation which sets itself, and demonstrates, the highest standards in public service. IPSA will be consultative and open in its approach.

Values

All that we do in IPSA – acting as a regulator, delivering services, or running our own organisation – will be shaped by five values:

- **Independence:** we will maintain our independence and stand firm on what we judge to be right;
- **Honesty:** we will demand high standards of propriety and honesty of ourselves and all those with whom we do business;
- **Openness:** we will work in the open, listening to others and sharing our expertise and information, while observing our obligations to those whose personal data we hold;
- **Accountability:** we expect to be held accountable for the economic, effective and efficient use of public funds and for our actions and, similarly, we expect MPs to be held to account for the funds they receive; and
- **Fairness:** we expect the same qualities of honesty, openness and accountability from ourselves and from those to whom we provide services.

IPSA's Strategic Objectives 2012-16

1. Independent, fair and effective regulation

1. IPSA will continue to carry out its responsibility to act, and be seen to act, as an independent, fair and effective regulator. In doing so, IPSA will act to:
 - serve the public interest in ensuring that MPs' overall remuneration is appropriate for their role as legislators and elected representatives;
 - ensure that MPs are appropriately reimbursed for their business costs and expenses; and
 - achieve a stable and long-term settlement relating to pay, pensions and expenses.
2. There are three aspects to IPSA's role: the development and operation of the business costs and expenses Scheme, the settlement of MPs' salary and the development of a new scheme governing contributions to a pension scheme and payments from it.
3. In relation to the Scheme, IPSA will continue to explore opportunities for further simplifications, while ensuring that both the Scheme and the systems that underpin it retain public confidence. We will operate a scheme that is fair to Members of Parliament, enabling them to carry out their parliamentary functions and that distinguishes between business costs and personal expenses.
4. Over the course of the plan, we will conduct regular reviews of the Scheme including thematic reviews which will be timed, where possible, to allow the findings to be included in any full release of the Scheme. Subject to available resources, in 2012-13 we will launch a review of accommodation requirements, both domestic and office. We will conduct detailed research and will formally consult on the findings. We plan to include the outcomes of the review in the 2014 release of the Scheme. We will consider the need, and possible topics, for further thematic reviews in the following years.
5. In 2013-14, we will review the implications of proposed boundary changes on the Scheme, ensuring that we have taken these into account in advance of the next General Election.
6. The Constitutional Reform and Governance Act 2010 provided for IPSA to take on responsibility for setting MPs' pay and pensions and these powers have now been commenced. Interim arrangements have been announced in relation to pension contributions. In May 2012 we will launch a comprehensive review of both pay and pensions. We plan to conclude the formal consultations by early 2013 and to announce the outcome of the review during 2013-14, including the plans for the implementation of any new arrangements.

7. We will continue to develop our analysis of data to underpin all assessments of risk and any adjustments to our risk based assurance and will regularly review our approach to validation to ensure that it remains rigorous and effective.
8. In all that we do as a regulator, we recognise the value of developing a balanced relationship with those we regulate and support and with the general public to whom we are ultimately responsible.

2. Workable and transparent systems supporting the Schemes

9. We seek a balance between maintaining public confidence and simplifying processes to minimise the administrative burden on MPs and their staff.
10. We will continue to operate a system that accurately and efficiently processes and pays MPs' claims for reimbursement of eligible business costs and expenses, and which enables our team to verify the validity of claims effectively.
11. Over the full period of this plan, we will improve our efficiency, reducing the time an MP spends claiming expenses and reducing the extent to which MPs' costs are potentially initially met from their own resources. Our strategy is based on balancing the demands of time, cost and quality – processing claims quickly and accurately, at an acceptable and falling cost.
12. In 2012-13 we will focus on demonstrating stable and reliable processing times, on encouraging users to maximise the utility of the Scheme and on extending opportunities to drive down costs and the time spent by MPs and their staff. We will concentrate on executing accurate claim payments and on the provision of useful and consistent advice.
13. We will introduce any service changes and enhancements on a planned basis in the spring and autumn of each year. In this way we will be able to maximise the communication and positive impact of any changes we make.
14. We aim to provide clear and appropriate guidance and support in whatever format is most appropriate to our users. In 2012-13 we will introduce improvements that will increase the functions and search features of our website and we will seek to make our guidance more accessible and useable.
15. IPSA is responsible for the payment of salaries to MPs and their staff and will continue to make these payments, correctly and on time, both in advance and after the completion of the forthcoming review on pay. In 2012-13 we will introduce a self-service online timesheet facility to speed up the recording of staff time and, in following years, assess the benefits of providing additional self-service HR facilities.

16. IPSA is responsible for developing a new pension scheme. Working with the Trustees, we will ensure that the pension scheme is well managed and all contributions, both in relation to interim arrangements, and following the full review, are correctly administered.
17. Transparency is a critical part of IPSA's statutory obligations and the publication of claims will continue on a bi-monthly basis with aggregated figures provided annually. Following a review in 2011-12, our revised publication website will go live in spring 2012 improving increased useability and accessibility.
18. We will seek regularly the views of the public, MPs and their staff in relation to their satisfaction with our schemes and their operation. In 2012-13 we will regularly survey a sample of our users, in addition to an annual survey and will make adjustments to our processes where appropriate.

3. Build public confidence in IPSA's execution of its duties

19. As both a regulator and a service provider, IPSA's role is to help to restore public confidence in Parliament. While restoring public confidence in MPs and Parliament lies outside IPSA's gift, we believe that building public confidence that IPSA provides a fair, transparent and effective regulatory framework and that we are administering that regulatory framework effectively is a first and necessary step.
20. MPs are responsible for the appropriate use of public funds and, as public confidence grows, we will move increasingly to a position where MPs are held to be, and are seen to be, shouldering that responsibility.
21. To build this confidence, we will be transparent about our own operations and performance, developing our publication and information websites to provide easily accessible information, and regularly reporting both against our key performance indicators and on the deliberations of the IPSA Board. We will also, of course, respond to Freedom of Information requests and to Parliamentary Questions.
22. In 2012-13, we will seek to capture a range of opinions in relation more specifically to MPs' remuneration. Our intention is to have a genuine and informed debate and to allow for a range of views to be aired and considered. In doing so, we will conduct regular polling, launch a web discussion and establish a deliberative forum. We will seek to inform the debate by increasing levels of both awareness and understanding.
23. We will engage regularly with the public as well as with MPs, their staff and the media, to gauge opinion and levels of confidence. We will conduct annual opinion polls to provide us with

insights into public perceptions of both our regulatory and operational activities, and we will continue to work with the IPSA-MP liaison group and groups representing MPs' staff to take account of the views of MPs and their staff. We will continue to hold individual meetings as requested and also plan to hold regular drop-in sessions in the House.

24. We will also conduct an annual survey, building on the NAO's survey carried out in 2011, to provide us with detailed feedback on users' perceptions and experience of the systems, providing us with data against which we can measure our performance.

4. Build a cost effective organisation with engaged and motivated staff

25. IPSA is a publicly funded organisation and we have a duty to the taxpayer to ensure that we are cost effective and provide value for money. This is an important part of building public confidence in what we do and the role we perform.
26. Each year Parliament agrees an Estimate of the resources we require to carry out our duties and obligations and we have committed to achieving expenditure levels at or below this budget each financial year.
27. We will continue to evaluate all that we do by reference to its value for money and cost-effectiveness.
28. In addition, we have committed to identifying and delivering a 5% saving on a like for like basis each year of the current Comprehensive Spending Review and will be implementing a programme of work to achieve these targets.
29. In 2011-12 we conducted an initial study of the feasibility of outsourcing parts of our administration. We concluded that outsourcing is not a cost-effective or viable option at this stage, but we will revisit this question during the course of 2014-15. In the interim we are exploring options for considerably reducing our accommodation and facilities costs and anticipate that we will be in a position to implement these plans, with the associated savings beginning in 2012-13.
30. In 2012-13 we will also complete the implementation of a revised business model whereby claims are validated on the basis of the assessment of risk. We will also complete a programme of IT improvements and will be introducing a number of adjustments relating to the MPs' staffing and budgets. We anticipate that these will result in a reduction in our resourcing requirements.
31. Further details on our approach to cost-effectiveness, and the costs associated with delivering this plan are set out at page 24.

32. IPSA is still a relatively new organisation. The challenge for the period of this plan continues to be to establish and develop the organisation in ways that ensure its long-term sustainability while meeting our challenging saving targets. We continue to believe that this will mean both that we are cost-effective and efficient in what we do, and that we have a culture that attracts, retains and develops high quality staff.
33. We recognise the importance of, and place great value on, the people who work for us. It is only because of them that we are able to deliver and we are strongly committed to ensuring that they have the capability and capacity to achieve the results we want.
34. We have established a performance management system where good performance is recognised and continuous improvement encouraged, and implemented policies on capability, recruitment, sickness absences and flexible working. We have also carried out a second IPSA staff survey (in 2011) and have taken a number of actions in response to its findings.
35. We are conscious that we are a small organisation with relatively limited opportunities for internal career progression and we therefore believe that we need both to develop our staff and to provide them with opportunities to pursue their careers within IPSA or elsewhere. In 2012-13 we will be developing and implementing a robust development plan based on good practice and designed to ensure that we provide the support and development our staff require.
36. We will continue to reduce our headcount over the course of this plan and have in place challenging targets. We will continue to review our workforce requirements and our organisational structure to ensure we have the right capacity and capability within budget to meet further challenges.
37. We have developed our succession plans for key posts and will review these plans throughout the organisation, allowing us to identify talent and support our staff and the organisation. During the course of this plan, the first round of Board appointments/renewals will also be carried out
38. At IPSA we believe that diversity improves our performance and the services we provide. This makes attracting and retaining the best staff from the whole community essential. As at 31 March 2012, 38% of staff were male and 62% of staff female with 27% of employees stating that they are from an ethnic minority background. We will continue to monitor the background of our staff by reference to each of the “Protected Characteristics” set out in the Equality Act 2010, to allow us to look at representation including background and disability, within different areas and at different levels across the organisation and take action as necessary. More broadly, we aim consciously to create an inclusive culture, where people feel valued and can be themselves, regardless of difference.

CORPORATE PLAN: 2012-2016

Objective 1: Independent, fair and effective regulation						
What we do	2012-13	2013-14	2014-15	2015-2016	Outcomes	KPIs/Measures
Develop and review regularly a Scheme for the payment of MPs' business costs and expenses	<p>We will review periodically the rules governing the MPs' Scheme of Business Costs and Expenses</p> <p>We will conduct thematic policy reviews to continue to improve IPSA's understanding of the requirements of MPs and the evidence base supporting IPSA policy decisions</p> <p>We will conduct public consultations as appropriate to support reviews, to be concluded in time for the implementation of any changes at the start of the following financial year.</p>				Overall funding for MPs that is appropriate for a 21 st century elected representative	Business Costs and Expenses Scheme is regularly reviewed with appropriate consultation to ensure it continues to be fit for purpose
	Subject to resource; launch a review of accommodation (domestic and office) in autumn 2012. Research to be completed by summer 2013.	<p>Consider requirements for themed policy review.</p> <p>Conduct formal consultation on any recommendations emerging from review of accommodation, for inclusion in annual review of Scheme and implementation in spring 2014</p> <p>Review implications of proposed boundary changes on the Scheme</p>	<p>Consider requirements for themed policy review.</p> <p>Ensure that implications of any agreed boundary changes are taken into account within the Scheme</p>	Consider requirements for themed policy review.		

<p>Review and set pay levels for MPs and establish a new pensions scheme</p>	<p>Introduce revised pension contributions</p> <p>Conduct a comprehensive review of MPs' pay and pensions, launching in May 2012</p> <p>Conduct formal consultations on MPs' pay and pensions by early 2013</p> <p>Implement interim resettlement grant arrangements in advance of longer term review</p> <p>Consult on short-term pay levels in advance of implementation of outcome of comprehensive review</p>	<p>Announce outcome of review of pay and pensions, including long-term plans and proposals for implementation</p>	<p>Review of resettlement grant</p>	<p>Conduct an evaluation of new pensions scheme</p> <p>Conduct review of pay levels in first year of new Parliament as required by legislation</p>	<p>Pay levels that form part of an appropriate total package</p> <p>Established pension scheme in operation.</p>	<p>The review of Pay and pensions is conducted and concluded in time to allow for implementation at an appropriate time. and certainly in time for introduction in the new Parliament</p>
<p>Provide high levels of assurance that claims and payments are made in accordance with the Scheme</p>	<p>Maintain a rigorous assurance programme in line with NAO guidance and requirements</p> <p>Maintain a regular programme of external audit in addition to internal audit functions</p>			<p>High levels of confidence that payments are appropriate and in line with the schemes.</p> <p>NAO approval of assurance approach</p>	<p>Sufficient assurance is provided to allow NAO sign IPSA's accounts without qualification.</p>	
<p>Continue to develop analysis of data to underpin assessment of risk-based assurance</p> <p>Conduct a review of stream-lined validation based on outcomes of data analysis programme</p>	<p>Continue to develop analysis of data to underpin assessment of risk-based assurance</p> <p>Review streamlined validation based on outcomes of data analysis programme</p>	<p>Continue to develop analysis of data to underpin assessment of risk-based assurance</p> <p>Review streamlined validation based on outcomes of data analysis programme</p>	<p>Continue to develop analysis of data to underpin assessment of risk-based assurance</p> <p>Review effectiveness of streamlined validation based on outcomes of data analysis programme</p>			

<p>Engage with users to ensure Business Costs and Expenses Scheme and pay levels meet public interest in ensuring that overall remuneration is appropriate</p>	<p>Meet regularly with the MPs' Liaison Group to gather views on the Scheme and on possible service improvements</p> <p>Work with MPs' staffing groups to gather views on possible service improvements</p> <p>Meet regularly with individual MPs and their staff to gain and understanding of their views and to provide information, training and support as necessary</p>	<p>IPSA is confident that it has a clear understanding of the needs requirements of MPs and their staff</p>	<p>Feedback is seen to be taken into account in any adjustments to the Scheme and to operational changes</p>
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Objective 2: Workable and transparent schemes						
What we do	2012-13	2013-14	2014-15	2015-16	Outcomes	KPIs/Measures
Validate and reimburse claims	Each year we will maintain delivery in line with published service targets and improve delivery to demonstrate service improvements in claim processing				A scheme that is increasingly simple to operate for both MPs and IPSA	At least 95% of claims are processed within 10 working days
	We will continue to consider options for simplifying the process of making, validating and paying claims thereby reducing the administrative requirements placed on MPs and their staff					
	Complete implementation of risk based validation process, including establishing the optimal level of automation by July 2012	Continue to extend, where cost effective, the range of business costs and expenses suitable for direct payment or for use of payment card.	Conduct a full review of service levels and performance to identify potential quality improvements		A scheme that is increasingly based on payments made directly to suppliers and not requiring MPs to be reimbursed	Errors identified on review account for under 1% of all claims
	Introduce centrally provided legal expenses insurance by end of 2012					
	Encourage increased take-up of recent service improvements by MPs and their staff				Evidence requirements increasingly provided through suppliers of goods and services rather than the MP	Reduction from NAO-reported baseline in 2010-11 of the percentage of value of claims funded through reimbursement
	Continue to extend, where cost-effective, the range of business costs and expenses suitable for direct payment or for use of payment card.				A decrease in processing time for business costs and expenses	
	Consider/implement options for simplifying and speeding up validation and payment process					
	Withdraw interim arrangements on mortgage interest by end August 2012					

Pay salaries to MPs and their staff	Each year we will continue pay salaries to MPs and their staff, accurately and on time					Payroll accuracy levels of over 99.75% in any one month (based on information provided)
	Introduce self-service online time-sheets for MPs' staff by end June 2012	Assess benefits of providing other HR self-service facilities				
	Roll out staff budget reports by end June 2012 Launch project to assess potential for providing other HR self-service facilities	Implement real-time information and compulsory pension enrolment in line with HMRC requirements				
Provide guidance and training to users on the scheme and processes	Each year we will maintain delivery in line with published targets and improve users' experience in their interactions with IPSA Each year we will seek to improve MPs' understanding and use of service improvements and to reduce the time required to submit claims.					The utility of the website increases over time Users report that guidance and training increasingly match expectations. Surveys indicate users' views on the utility of IPSA's website improving over time Results of surveys are taken into account in reviews of guidance and in administrative developments
	Introduce improvements to increase functions and features on website	Conduct annual survey of users' views on website	Conduct annual survey of users' views on website	Conduct annual survey of users' views on website		
	Investigate ways to make our guidance more accessible and useable Conduct an annual survey of users' views on website Conduct surveys of a sample of users Introduce regular drop in events for MPs at the House by September 2012	Conduct surveys of a sample of users	Conduct surveys of a sample of users	Conduct surveys of a sample of users		
Provide means	Introduce staffing budgets and on-					

for MPs to monitor and plan budgets and spend	line timesheets by May 2012					
Publish details of claims	We will continue to publish details of claims on a bi-monthly basis and aggregated data on an annual basis				A useable and transparent website providing up to date and accurate details of claims	
	Develop publication website, go live in Spring 2012			Consider the frequency of publication, balancing value for money and transparency		
Ensure smooth transition during and post a General Election	Complete planning for General Election		Begin active preparations for General Election, in line with plans and including testing of plans	Implement and evaluate arrangements for General Election	General Election arrangements are smoothly and efficiently managed.	

	Objective 3: Build public confidence in IPSA's execution of its duties						
What we do	2012-13	2013-14	2014-15	2015-16	Outcomes	KPIs/Measures	
Act to build public confidence that MPs are appropriately supported financially to enable them to carry out their duties Seek public opinion to provide insight into IPSA's activities	Each year we will conduct an annual public opinion poll to provide insight into IPSA's operational and regulatory activities We will continue to maintain communications with the various audiences interested in and affected by our actions – the public, MPs, their staff				IPSA has an informed understanding of the views of the general public in relation to the role of IPSA and the remuneration of MPs	Annual poll shows improved public confidence in the regulation of MPs' business costs and expenses	
	Conduct regular consultation with public to gain understanding of current views, in particular in relation to review of pay and pensions	Conduct regular consultation with public to gain understanding of current views	Conduct regular consultation with public to gain understanding of current views	Conduct regular consultation with public to gain understanding of current views			
Make information easily accessible to the public	Each year we will continue to publish details of our activities including performance against our published KPIs We will continue to respond to FOI requests, in line with statutory duties				IPSA is a transparent organisation and users and the public are easily able to access information about IPSA decision	100% of FOI requests on IPSA's operations and performance are answered within 20 working days. Board papers are published after six months	
	Conduct website survey of public opinion Regular publication of information about IPSA decisions	Conduct website survey of public opinion Regular publication of information about IPSA decisions	Conduct website survey of public opinion Regular publication of information about IPSA decisions	Conduct website survey of public opinion Regular publication of information about IPSA decisions			
Publish details of MPs business costs and expenses	Each year we will continue to publish details of MPs' business costs and expenses regularly We will publish budget totals and other costs to the public purse annually				Users and the public are able to access and interrogate data to provide a clear picture of	Published information on MPs' claims maintains accuracy levels of over 99.75%	
	Introduce improvements to usability of published data to increase			Review usability and transparency of			

	transparency			published data	expenditure Users and the public are confident that the data published are accurate	
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Objective 4: Build a cost-effective organisation with engaged and motivated staff						
What we do	2012-13	2013-14	2014-15	2015-16	Outcomes	KPIs/Measures
Deliver and demonstrate value for money in all we do.	We will continuously evaluate what we do by reference to its value for money and cost-effectiveness with a consistent approach across the organisation				IPSA demonstrates that it provides value for money	5% savings on costs on a like for like basis achieved year on year for period of current Comprehensive Spending Review
	Each year we will achieve expenditure levels at or below budget at the end of the financial year					
	In each year of the current CSR, we will identify 5% savings on a like for like basis for the next financial year					
Investigate feasibility of alternatives operating models and structures that may provide greater cost-effectiveness and efficiency	Seek to reduce current facilities costs, including accommodation, in line with savings targets Restructure accounts to improve efficiency of direct payments process Rationalise data holdings to improve efficiency	Review medium term accommodation plans in line with contractual arrangements Review IT strategy and opportunities for improvements to both structure and interface in line with market developments	Re-visit feasibility and opportunities for out-sourcing elements of service provision in advance of new Parliament Review current contracts relating to facilities and services			IPSA's expenditure on administration, salaries and expenses is within the budget provided.

Build and support our team	<p>In each year we will assess capability of our staff, provide appropriate business oriented development and hold staff engagement events.</p> <p>We will conduct a staff survey regularly to assess staff engagement and commitment</p>			IPSA has an engaged and motivated workforce that demonstrates commitment and a high level of performance	Survey results show increased staff engagement against 2010 baseline
<p>Implement conclusions of skills analysis, including introduction of multi-skilling to enhance capacity and capability</p> <p>Develop a clear and robust development programme and roll out to all parts of the organisation</p> <p>Regular review of succession planning arrangements</p> <p>Implement succession planning arrangements as required</p> <p>Develop recognition and reward strategy</p> <p>Review disaster recovery and business continuity plans</p>	Review performance management system, established in 2010.	<p>Standard review of people strategy and HR policies</p> <p>Conduct a regular review of succession planning</p>	<p>Conduct a regular review of succession planning</p> <p>Review disaster recovery and business continuity plans</p>		

Governance

39. The Parliamentary Standards Act 2009 (Schedule 1, part 1) stipulates the constitution of the IPSA Board membership as follows:

1. The IPSA is to consist of the following members—

a. one member who is to chair it (“the chair”) appointed in accordance with paragraph 2, and

b. four other members (referred to in this Schedule as “ordinary members”) appointed in accordance with that paragraph.

2. At least one of the members of the IPSA must be a person who has held (but no longer holds) high judicial office (within the meaning of Part 3 of the Constitutional Reform Act 2005 (c. 4)).

3. At least one of the members of the IPSA must be a person who is qualified under Schedule 3 to the National Audit Act 1983 (c. 44) to be an auditor for the National Audit Office.

4. One of the members of the IPSA (“the Parliamentary member”) must be a person who has been (but is no longer) a member of the House of Commons.

5. Apart from the Parliamentary member, a person who has been a member of the House of Commons at any time within the last five years may not be a member of the IPSA.

40. The Chair and Board members were appointed following an open recruitment process, conducted by an independent panel. The Board comprises:

Chair: Professor Sir Ian Kennedy

Former holder of high judicial office: The Rt Hon. Sir Scott Baker

Auditor: Professor Isobel Sharp CBE

Former Member of Parliament: Jackie Ballard

Ken Olisa OBE

Full details for all Board members can be found on the IPSA website:

www.parliamentarystandards.org.uk

41. IPSA’s Board is responsible for deciding the policies that form the scheme governing MPs’ expenses and for setting IPSA’s strategic direction. The Board meets at least once each month. Minutes of Board meetings are published on IPSA’s website.

42. The Executive is led by Andrew McDonald, Chief Executive, who provides day-to-day leadership and is responsible for delivery in line with the policy direction set by the Board. He is the Accounting Officer for IPSA. He is supported by a Senior Leadership Team, including the following executive Directors: Bob Evans, Director of Finance and Corporate Services, Anne Power, Director of Communications, John Sills, Director of Policy and Scott Woolveridge, Director of Operations.

43. IPSA is an independent regulator. It was established under the Parliamentary Standards Act to pay Members’ salaries, set and pay Members’ allowances and to appoint a Compliance Officer to conduct investigations where there is reason to believe that a Member may have been paid an amount under IPSA’s scheme that should not have been allowed. The Constitutional Reform and Governance Act 2012 provided IPSA with additional responsibilities for the determination of Members’ salaries and Members’ pensions.

44. The Speaker’s Committee for the IPSA reviews the IPSA’s annual estimate of the resources its needs, ensuring that it is consistent with the efficient and cost-effective

discharge of the IPSA's functions, before the estimate is laid before the House by the Speaker.

45. The Committee has a membership of 11. Rt Hon John Bercow MP (Speaker and Chairman of the Speaker's Committee), Rt Hon Sir George Young MP (Leader of the House), Rt Hon Kevin Barron MP (Chair of the Standards and Privileges Committee) are ex officio members. Five further members are appointed by the House: Rt Hon Nicholas Brown MP (Labour), Ms Angela Eagle MP (Labour), Sir Bob Russell MP (Liberal Democrat), Laura Sandys MP (Conservative) and Mr Charles Walker MP (Conservative). In addition, three lay members are appointed by the House of Commons following fair and open competition: Dame Janet Gaymer DBE QC (Hon), Elizabeth McMeikan and Sir Anthony Holland.³
46. Mr Charles Walker MP also responds to questions in the House of Commons on matters relating to our work.
47. Our Annual Report, including details of our performance can be found on our website. We also publish on a monthly basis our performance measured against our Key Performance Indicators.

FINANCIAL MANAGEMENT

48. 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 which is required to review IPSA's annual Estimate of the resources and to ensure that it is consistent with the efficient and cost-effective discharge of IPSA's functions.
49. The Chief Executive is the Accounting Officer and is responsible for the propriety and regularity of IPSA's finances. He is supported in these responsibilities by the Director of Finances and Corporate Services.
50. The work of the Audit Committee, supported by internal and external auditors forms a key part of the financial controls. IPSA will continue throughout the period of this plan to seek further improvement in its financial control processes.

COST EFFECTIVENESS, VALUE FOR MONEY AND COST SAVINGS

51. IPSA has established itself as an effective organisation committed to delivering value for money (VFM).
52. We were encouraged by the NAO report, published in July 2011, although we acknowledge that, despite the progress we have made, there is more to us to do. We have responded separately to the report, recognising that the NAO made a number of helpful recommendations; some of them have already been acted upon and others are incorporated into this Plan.
53. We will continue to assess all we do in terms of its cost effectiveness and drive down IPSA's operating costs whenever an opportunity can be found. The NAO report confirmed that many of our costs are less flexible than at first sight and are driven by

³ Membership as at March 2012

fixed term investment in accommodation and IT systems, a combination of operational and regulatory responsibilities, the cost of maintaining an independent organisation, as well as by volumes of claims. However, we have in place a detailed programme of work that we believe will allow us to remain sustainable and will drive down costs while continuing to meet our strategic objectives.

54. Specifically, we will:

- reduce staff numbers by more than 5% year on year, by investing in improved processes and more cost effective means of delivering support to MPs; and reduce fixed costs by seeking to reduce our accommodation footprint and absorbing the impact of inflation by securing fixed price contracts wherever possible.. We have explored the options and concluded that sub-letting part of the current space is the most cost-effective route. Work is in hand to find a suitable tenant, although at this point in time no final agreements have been reached. The table below includes the projected saving and demonstrates that securing a reduction in our accommodation remains key to our ability to achieve the savings required

Savings Trajectory, 2012-16

		2012-13 £000s	2013-14 £000s	2014-15 £000s	2015-16 £000s
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IPSA Operational Savings (cumulative)

Staff		413	770	898	898
Non Staff		278	328	440	440
Total		691	1,098	1,338	1,338

Cost Pressures (inc depreciation, inflation etc)		79	230	230	230
Net Savings after Cost Pressures included		612	868	1,108	1,109
Saving Required		557	847	1,123	1,123
Difference		55	20	-15	-15

55. The net impact of these savings measures will enable us to continue to deliver savings of at least 5% per annum in our operational expenditure over the period of the current Comprehensive Spending Review.

COST OF DELIVERING PLAN

56. This section sets out the anticipated costs of delivering the Corporate Plan with the table below summarising our planned spend between 2012 and 2016. Future years do not at this stage include the one-off costs, for example those associated with a General Election or the outcome of the current review of MPs' pay and pensions policy.

Independent Parliamentary Standards Authority Expenditure

	2011-12 £000s	2012-13 £000s	2013-14 £000s	2014-15 £000s	2015-16 £000s
MPs Pay, Staffing and Expenses Budget	150,630	163,033	166,256	169,551	169,022
Resources Expenditure (IPSA)	6,364	5,807	5,517	5,241	5,241
Capital Expenditure	2,602	2,062	1,461	1,141	1,141
Unallocated Provision	15,572	10,000	10,000	10,000	10,000
TOTAL resource and capital	175,168	180,902	183,233	185,933	185,404

NB not checked against formal estimate

57. IPSA's resource Estimate consists of four subheads: programme funding for MPs' salaries, MPs' staff salaries and MPs' business costs and expenses; IPSA's operational costs, including those of the Compliance Officer; capital expenditure and the unallocated provision.

58. We will continue to control our costs tightly, both our resource expenditure and our capital expenditure.

DATA SECURITY AND INFRASTRUCTURE

59. We take the security of the information we hold very seriously and have in place policies, procedures and systems to protect it. Each member of the Senior Leadership Team acts as an Information Asset Owner, responsible for managing the risks associated with their information assets. This accountability ensures appropriate protection is maintained. IPSA staff have attended a programme of information management security briefings and have completed the on-line training in protecting information provided by the National School of Government. IPSA has achieved full accreditation of its information systems under the Risk Management Accreditation Document Set (RMADS) standard in accordance with HMG Information Assurance (IA) Guidance Standard No 2,

which informs our data security strategy. Accreditation of our systems provides confidence that risks to information & communications systems are being properly managed. This assurance is maintained to the risk profile throughout the service life of the information system by regular post implementation IA reviews, which also constitute best business practice.

60. Following the breach of RSA's proprietary security technology in 2011, we put in place arrangements to re-issue tokens to all MPs and staff. This was a major logistics challenge, but was completed by the end of the financial year.
61. We seek to maximise the accuracy and quality of our systems, in particular in terms of the quality and accessibility of our information assets.
62. Two projects – to improve our batch processing and to implement automated bank reconciliation have both been completed in 2011-12 and we anticipated that both should demonstrate benefits in terms of both speed and efficiency early in 2012-13.
63. During 2012-13 we will be completing the introduction of some technical modifications to our IT accounting system as part of our regular programme of improvements, rolling out on-line time sheets for MPs staff and running a project assessing the benefits of implementing a full self-service HR system for MPs and their staff.
64. IPSA continues to be committed to promoting and sustaining a healthy, safe and supportive working environment for our staff. Our approach to our accommodation and facilities is to ensure that both are fit for purpose, provide a safe and productive working environment and represent value for money.

COMPLIANCE

A business plan for the Compliance Officer, including objectives and KPIs is published separately and can be found at www.parliamentarycompliance.org.uk

Key Performance Indicators 2012-13

Objective 1: Independent, fair and effective regulation		
Key performance target	Key Performance Indicators	Target metrics
<p>Have in place and regularly review an <i>MPs' Scheme of Business Costs and Expenses</i> that is fair to the public purse and enables MPs to carry out their parliamentary functions</p>	<p>1. The <i>MPs' Scheme of Business Costs and Expenses</i> is reviewed with appropriate consultation to ensure it continues to be appropriate and fit for purpose</p>	<p>1a. Annual review of <i>MPs' Scheme of Business Costs and Expenses</i></p> <p>1b. Results of any thematic reviews are fed into annual review of Scheme</p> <p>1c. Equality impact assessment results form part of annual reviews and are reflected in the <i>MPs' Scheme of Business Costs and Expenses</i></p> <p>1d. IPSA consultations to include a range of activities, including public engagement, online consultation</p>
<p>Carry out a review of pay and pensions and implement recommendations</p>	<p>2. Review of pay and pensions is commenced</p>	<p>2. Pay and pension review is launched in May 2012 and formal consultations are completed in advance of April 2013</p>
<p>Provide high levels of assurance that claims are made in accordance with the Scheme</p>	<p>3. The assurance programme, developed in line with the principles set out in HMT's guidance, provides the Board with appropriate levels of confidence</p>	<p>3. Less than 1% of claims are identified as not having been made in accordance with the Scheme</p>

Objective 2: To deliver workable systems that support the schemes

Key performance target	Key Performance Indicators	Target metrics
<p>Operate an expenses system that accurately and efficiently pays and processes MPs' claims, maintaining and seeking to improve 2010-11 service levels</p>	<p>4. Time taken to process and reimburse MPs' business costs and expenses claims</p>	<p>4. Claims are reimbursed within an average of 12 working days</p>
	<p>5. Percentage of processed claims identified as validated in error during regular assurance and review programme activities</p>	<p>5. Errors identified on review account for under 1% of all validated claims</p>
	<p>6. Percentage of correspondence items resolved within five working days</p>	<p>6. Resolve over 90% of correspondence items within five working days</p>
	<p>7. Accuracy of published information on MPs' claims</p>	<p>7. Published information on MPs' claims maintains accuracy levels of over 99.75%</p>
<p>Operate a system that pays 100% of the salaries of MPs and their staff correctly and on time.</p>	<p>8. Number of payroll adjustments per month resulting from errors by IPSA as a percentage against total salaries paid</p>	<p>8. Payroll accuracy levels of over 99.75% in any one month (based on information provided)</p>
<p>Operate a system that supports MPs in the execution of their parliamentary functions, with appropriate guidance and training</p>	<p>9. Users' surveys results</p>	<p>9. Users' surveys show an increase in satisfaction levels year on year, measured against NAO survey baseline (May 2011)</p>
	<p>10. Percentage of value of claims which can be funded through reimbursement falls over time</p>	<p>10. Reduction from NAO-reported baseline in 2010-11 of 50 per cent of salary after deductions</p>

Objective 3: To build public confidence in the execution of its duties

Key performance target	Key Performance Indicators	Target metrics
<p align="center">Operate a transparent MPs' Scheme of Business Costs and Expenses that is easily understood by MPs and the public.</p>	11. Regular programme of publication of MPs' claims for Business Costs and Expenses	11. Bi-monthly publication of MPs' claims in accordance with IPSA's stated publication schedule
	12. User's views on the utility of IPSA's website improve over time	12. Annual online survey
<p align="center">Improve public confidence levels in the regulation of MPs' Scheme of Business Costs and Expenses</p>	13. Increase in reported levels of public confidence in regulation of MPs' expenses	13. Annual polling shows improved public confidence levels in the regulation of MPs' business costs and expenses
<p align="center">Be transparent about IPSA's internal operations and performance.</p>	14. Percentage of Freedom of Information requests on IPSA's operations and performance answered within the 20 working day deadline	14. 100% of Freedom of Information requests on IPSA's operations and performance answered within the 20 working day deadline
	15. Regular publication of information about IPSA's performance and IPSA decisions	15. Information is published on the IPSA website in line with agreed targets.

Objective 4: To build a cost-effective organisation with engaged and motivated staff

Key performance target	Key Performance Indicators	Target metrics
Build and support an engaged and motivated workforce.	16. Staff engagement survey	16. Survey results show increased staff engagement against 2010 baseline
Demonstrate cost-effective and provide value for money	17. IPSA's actual expenditure against budget estimate	17a. IPSA's expenditure on a) administration, b) salaries and c) business costs and expenses is within the budget provided 17b. 5% savings on cost on a like-for-like basis achieved year on year for period of current Comprehensive Spending Review

