

Corporate Plan 2020-21

Executive Summary

About the Independent Parliamentary Standards Authority

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

IPSA has a strategic plan for 2018-22 with the following aims:

- To assure the public that MPs' use of taxpayers' money is well regulated
- To resource and support MPs appropriately to carry out their parliamentary functions
- To enable our staff to be a high-performing, professional team

Regulators should carry out their activities in a way that supports those they regulate to comply with the rules. IPSA's regulatory work is done in the course of day-to-day customer service: three-quarters of our team is engaged in validating expenditure, responding to MPs and their staff so that they can apply the rules, and paying 180,000 claims a year. To provide internal and external assurance that taxpayers' money is being spent properly, IPSA implements appropriate financial controls, internal audit, data protection and transparency. Where necessary, issues are referred to an independent Compliance Officer for review.

How IPSA supports MPs is integral to how we regulate: our aims cannot be achieved separately.

What we are seeking to do

In recent years we have introduced a paperless online platform for processing claims. Compliance with the rules is high, in contrast to the situation in 2009, helping to assure the public that past problems are being solved. But we have more to do to achieve excellence.

Both our regulation and customer support should be smarter, simpler and more flexible to meet changing needs and circumstances. Improving how IPSA works will result in MPs having to spend less time on administration so that they can spend more time on serving their constituents and upholding democracy.

IPSA must provide clear and consistent rules, information, guidance, tools and advice to help MPs meet their responsibilities to comply, with the minimum of effort. Building a responsive organisation at IPSA with high levels of customer satisfaction by MPs and their staff is therefore an essential part of promoting public trust.

We expect IPSA's plan for 2020-21 to enable 650 MPs' offices to be more effective, and to lead to value for money improvements: fewer mistakes, less time and money spent claiming and processing business costs, and very high levels of compliance.

Our goal is for MPs to have high-quality, responsive support, within a strong and user-friendly regulatory framework, so that they can quickly access the funds they need for their parliamentary work and we can give assurance that public money is spent in line with the rules.

This plan is the first year of a longer-term programme to transform the organisation to achieve this goal.

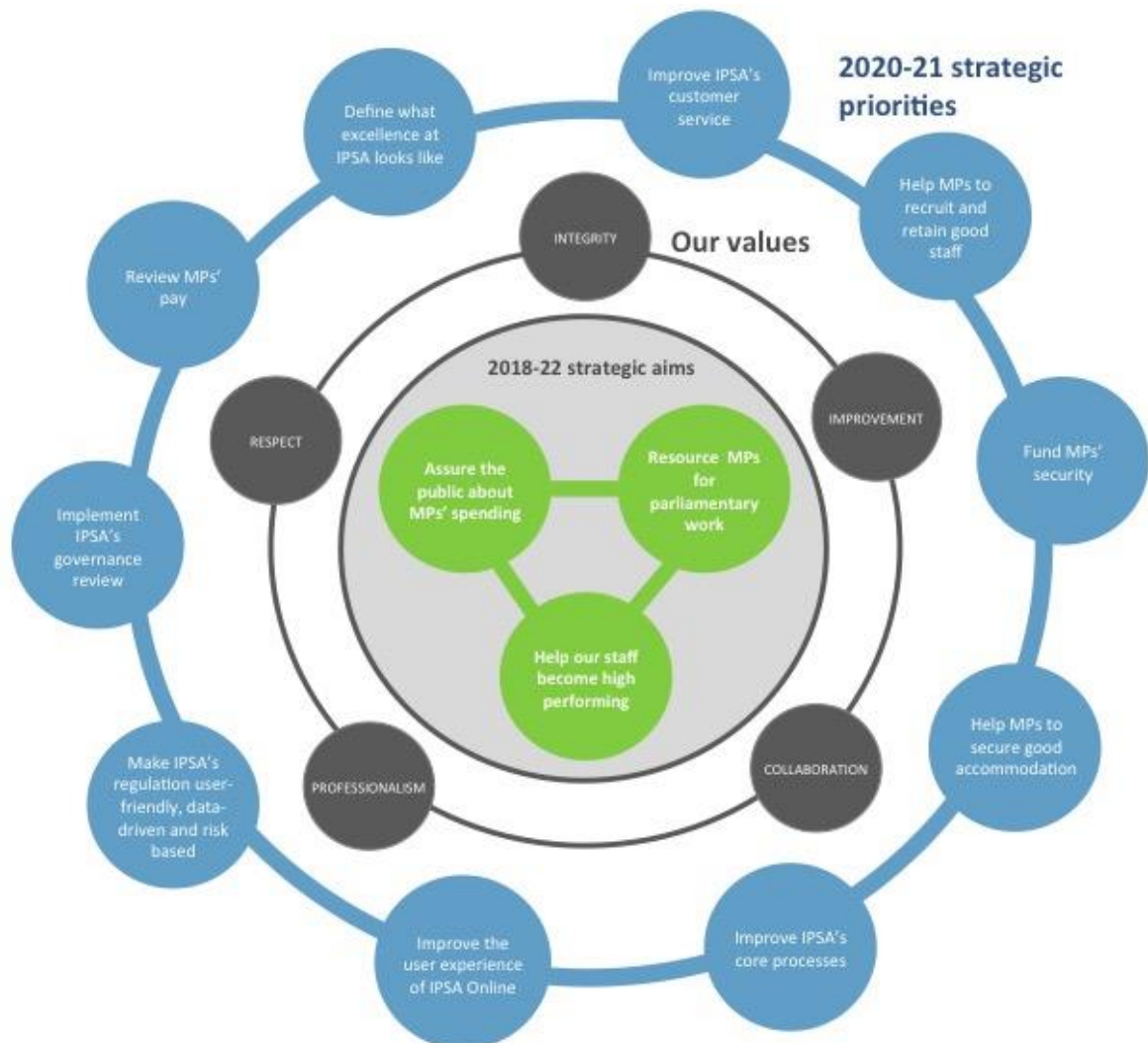
This plan is how we intend to move towards this goal in 2020-21. We will:

- **improve customer service** within our current model, with realistic resourcing, providing particular help for MPs and their staff following the General Election
- **help MPs to recruit and retain talented staff** by implementing the findings of the independent review of job descriptions and staff salaries, and of the Gemma White report, and by increasing funding for staff training
- fund and **improve security measures** to keep MPs, their families and their staff feeling safe in their work, working closely with other parliamentary authorities and the police
- improve our help to MPs so that they can **secure appropriate quality office accommodation**
- begin immediate work to **make IPSA's core processes customer-focused, leaner and more effective**, investing in our people to ensure our staff are equipped to provide consistently high-quality, professional support
- **improve the user experience of IPSA Online** based on continuous feedback from MPs and their staff

- begin to identify ways to **make the regulatory rules more user-friendly, but not weaker**, so we can develop a data-driven, risk-based model for future validation and compliance
- work with our stakeholders to **define what excellence at IPSA looks like in the future**, how we will get there and how we will know when we have achieved it
- **carry out a review of MPs' pay** as required by statute
- **implement the findings of internal governance and assurance reviews** carried out in 2019

We welcome further engagement with stakeholders inside parliament and beyond as we progress plans in the coming weeks to better define our goal and to begin developing IPSA for the future.

Richard Lloyd
Interim Chair, IPSA
 March 2020



Our Activity in 2019-20

1. Throughout 2019-20, IPSA paid 650 MPs and their 3,750 staff on time and with 99.83 per cent accuracy, checking 180,000 claims for business costs quickly and paying those within the rules, and publishing data about all MPs' expenditure to provide assurance to the public.

IPSA Online

2. We launched our new finance, payroll and expenses system, IPSA Online, in April 2019. Salaries to MPs and their staff were paid accurately and on time from the start. We now reimburse MPs' costs in an average of 5.0 days, faster than in 2018-19. The new system gave us and MPs better data quality, stronger data protection and increased security against cyber-attack.
3. Many MPs welcomed the new online approach, with its up-to-date interface and faster payments, and we conducted quantitative and qualitative surveys of MPs' feedback in January and February 2020. But, like many new digital platforms, the system required post-launch refining and optimising, so that it could be a user-friendly tool that works for MPs as well as provide better financial control. We therefore immediately resolved technical issues and provided training, increased online advice and more responsive telephone and email support.

General Election

4. From July 2019, we planned for a possible election, by preparing to meet new MPs and publishing revised dissolution guidance. We recruited additional staff and trained them in readiness. We brought forward policy work, including guidance to new MPs on choosing constituency offices.
5. IPSA then supported the 76 MPs who stood down, and the 79 MPs who were defeated at the snap December election, to wind up their financial affairs, return any money owed to the taxpayer and make loss-of-office payments to MPs and redundancy payments to their staff. We also supported 155 new MPs to get them paid in December and give them budgets to make claims for parliamentary expenditure.

Our Priorities

6. In addition to work on IPSA Online and the General Election, we maintained a strong regulatory environment for MPs. Compliance with IPSA's rules was high, as shown in our annual assurance report in December 2019. We published detailed reviews of the subletting of MPs' constituency offices and the funding of professional services. We continued to assure the public by publishing data bi-monthly on MPs' expenditure.
7. Following discussions with House authorities, we funded additional security and reassurance measures for MPs. We also increased support for MPs on parental leave. We completed a review of MPs' staffing budgets, consulting and gathering evidence from MPs' staff, leading to changes to job descriptions and changes to staff salaries in line with comparators. We responded to recommendations by Gemma White QC by strengthening staff contracts to be clearer that staff can make complaints of bullying or harassment, and we will share data about MPs' employment practice with the new HR department to be established by the House of Commons to support MPs' staff.
8. We implemented the first year of our updated IT strategy, moving services to the cloud and improving our in-house capability, resulting in better support at a lower cost. We maintained high standards of data security, with no reportable data breaches.
9. We started to improve our people development by independently reviewing our staff pay, setting stretching objectives for staff and beginning to embed IPSA's values. We recruited temporary staff to respond to increased demand after implementing IPSA Online. We moved to better office space in the Strand with good long-term value for money.

Our Performance

10. We monitor our activity on a monthly basis to assess performance against the key indicators below and other measures:

Indicator	Target	Actual ¹ (2019-20)	Actual (2018-19)
MPs' claims outside the Scheme	Under 1%	0.01%	0.2%
Claims reimbursed	Under 8 days	5.0 days ²	5.9 days
Payroll accuracy	Over 99.75%	99.83%	99.91%
Emails responded to in 5 working days	Over 90%	70%	85%
MPs and their staff satisfied with IPSA	Over 60%	25%	68%
Accuracy of publication of MPs' claims	Over 99.75%	100%	100%
IPSA is a good place to work	Over 60%	73%	77%

1. Figures from April 2019 to January 2020.

2. Time taken by IPSA to process and pay claims. The figure is based on a random selection of claims submitted in January 2020 pending the creation of a comprehensive monthly report.

11. We began a review of our key performance indicators following the introduction of IPSA Online, with proposed changes to be implemented in 2020-21.

Our Priorities for 2020-21

12. In 2020-21 IPSA will continue with our present regulatory approach to **resourcing MPs**, ensuring high compliance with the rules, while we put in place foundations for the future. We will conduct thorough validation checks, publish all MPs' claims for business costs, further strengthen financial controls, and produce our annual assurance report for the public on MPs' spending.
13. We will improve our **support to MPs within our current model** with stable rules and a modern IT system. We protect MPs' data and we are GDPR compliant. And we provide funds to keep MPs safe and to support those with caring responsibilities or disabilities.

14. But we want higher levels of user satisfaction with our systems and processes. In 2020-21 we will begin the next phase of IPSA's improvement: refining business processes, improving the user experience, producing better and more accessible training and guidance and improving IPSA's own professionalism and effectiveness. **Our goal is for MPs to have high-quality, responsive support, within a simple, strong and user-friendly regulatory framework.** Fully implementing these improvements will take time. Starting this next phase of improvement will be our main focus in 2020-21.
15. Improving IPSA's support will help MPs to stay within the rules, maintain high compliance and continue to assure the public in turn.
16. The consequences of the 2019 **General Election** will also require further work in 2020-21: inducting new MPs and their staff in managing public money; helping former MPs to wind up their financial affairs; conducting an assurance review of MPs' expenditure during the election period; and reviewing MPs' pay as required by statute every new Parliament.
17. We will continue to invest in our **people**, focusing on attracting and retaining talented individuals and further developing our skills, expertise and professionalism. We will also continue to build on our levels of engagement including through our well-being strategy, further invest in our culture and continue to build a diverse and inclusive organisation.

Resourcing MPs

18. IPSA has a statutory duty to set and pay MPs' salaries, pensions, staff and business costs, and to assure the public that this public money is well-regulated. We regulate by setting rules that support compliance, and by making independent, fair and transparent decisions in line with our principles. We provide assurance to the public by consulting them on our rules, operating transparently and publishing accessible information about MPs' business costs.
19. In 2020-21, we will continue to do this by paying 650 MPs and their 3,250 staff their salaries and pensions accurately and on time, and by making a typical 240 or so MP staffing changes every month. We will more quickly validate and pay the 180,000 annual claims from MPs for business costs. All claims will be published every two months in arrears. This gives taxpayers transparency about how MPs spend public money.
20. In November 2020, we will publish our annual report on MPs' spending, with detailed reviews of their expenditure during the December 2019 election period, and on pooled services, utilities and mobile phones. This work provides further detailed assurance that MPs' spending is in line with the rules.

21. We will protect MPs' sensitive data by retaining high data security standards, remaining compliant with the GDPR and cyber-security benchmarks.
22. We will retain our links with parliamentary and other regulators across the UK and internationally so that we learn from good practice elsewhere. Over the last ten years, IPSA has become a benchmark of good parliamentary regulation. We intend to continue our effective regulation throughout 2020-21, with high compliance by MPs.

Wider support to help MPs serve their constituents

23. We will improve the support we provide to MPs and their staff. In addition to paying MPs' monthly salaries and business costs, we will continue to pay for measures to keep MPs, their families and their staff safe from threat, including CCTV for reassurance when necessary. We will fund adjustments for MPs and staff with disabilities and provide resource for MPs with caring responsibilities, working closely with the House of Commons. Payments will be validated and within transparent rules, with security, reassurance and disability expenditure published overall, rather than individually, in order to protect MPs' personal data and security.
24. We will provide further financial support to MPs' offices. We will provide additional money to fund staff training. We will support paid internships in MPs' offices. We will work collaboratively with the House of Commons, MPs' staff, unions and other staff representatives to make further improvements to IPSA's support for MPs, addressing the recommendations made by Gemma White. We will work with the House to explore better ways of providing MPs with good-quality office accommodation, and safeguarding the well-being of MPs' staff.
25. We want to enable MPs to recruit and retain talented, motivated, respected staff to support them; to work and meet constituents in good-quality offices; and for MPs and staff to be safe conducting parliamentary and constituency work. We will monitor how the money for increased staff salaries, training and internships is spent by MPs and will publish our findings.
26. Our modern, paperless finance and claims system, IPSA Online, has improved data quality and data security. We will build on this IT platform, responding to feedback from MPs and staff. We will add guidance on its features, and train MPs and their staff across the UK in its use. We will plan for future system upgrades to implement improvements from the manufacturer and to respond to user feedback.

27. This modern IT system replaced four separate, paper-based legacy systems that were implemented rapidly in 2010 when IPSA was established. But a better system must lead to a better user experience. This will be the focus of our next phase of improvements.
28. From 2020-21, we will concentrate on improving the experience that MPs and their staff have of IPSA's systems, processes and support. In practice, this will involve a programme of improvements to redesign and streamline our business processes and our organisational design in ways that have our users – MPs and their staff – at the centre of our focus. We want MPs to see the benefit of these improvements in the quality of support from IPSA's staff, and an improved experience of managing their budgets and making claims, without impacting on compliance.
29. Our improvements will initially concentrate on the issues raised as priorities by MPs and their staff: the key processes most used by MPs and their staff, including the way we handle and respond to phone calls and emails, how we reimburse MPs' claims, process their payment card transactions, and recover monies owed. We will provide additional guidance and training to help MPs and their proxies to manage their own budgets, without needing to contact IPSA as frequently or at all.
30. We will invest in our people so our work is of a consistently high standard. To do this, we aim to be an inclusive employer that attracts and retains high quality, diverse and engaged staff, by investing and supporting our team and their wellbeing, and setting clear and reasonable expectations of their performance. We will identify an independent employer excellence benchmark, respond to our own staff feedback, embed our values in everything we do, and work towards external recognition as an employer of choice.
31. We expect this work to lead to higher-quality interactions between IPSA and MPs, less time spent by MPs and their staff on making claims, greater efficiencies to IPSA and to MPs' offices, continued high compliance by MPs with the rules, and an organisation that can demonstrate value for money.
32. Building a responsive organisation with high levels of satisfaction by MPs and their staff in the way they are paid from public funds is an essential part of IPSA becoming a world-leading parliamentary regulator, trusted by the public to work on their behalf, and a model of efficiency and effectiveness.
33. We will define and begin the initial phase of our programme of improvements in the first half of 2020-21, once we have fully wound up the financial affairs of 155 former MPs who left Parliament and supported 155 new MPs through their first financial year-end. This will include defining indicators of output and success, which we will report to the Speaker's Committee in the autumn of 2020. We anticipate the programme of improvements to be implemented over two or more years.

The consequence of the 2019 General Election

34. In December 2019, IPSA supported new, departing and returning MPs and their staff through the General Election, inducting 155 new MPs and their staff in financial management, while winding up the financial affairs of 155 MPs who left Parliament. We will continue to provide this support to these 310 individuals, and to the 495 returning MPs in the first part of 2020-21.
35. Following any General Election, IPSA is required by statute to conduct a review of MPs' pay. This will involve consulting the public, MPs and others.
36. We will also conduct an assurance review of expenditure by MPs during the General Election period and report on compliance, as we did following the 2015 and 2017 elections. Learning from this work will also help us to refine our rules and our programme of organisational improvement.

Financial Management

37. 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 Reports and Accounts are on our website.
38. 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.
39. IPSA's Audit and Risk Assurance Committee is supported by a head of internal audit and meets quarterly. The committee advises the chief executive, in his role as Accounting Officer, on the strategic processes for risk, control and governance, IPSA's accounting policies (including approval of the Annual Report and Accounts), the activity and the results of internal and external audit (by the National Audit Office), and IPSA's anti-fraud and whistle-blowing policies. IPSA implements rigorous standards of financial control.

Value for money

40. IPSA will deliver good value for money. In the four years from 2010 to 2014, we reduced our operational costs by 29 per cent in real terms.
41. Since 2015, demand on IPSA has increased. MPs' staff numbers have risen by 9.2 per cent since April 2016. Turnover in MPs' offices is 38 per cent a year, compared to a UK average of 15 per cent for most businesses. This results in around 240 MP staff changes in each month's payroll. Nonetheless, the ratio of IPSA payroll staff to those being paid is 1:368, in line with industry averages. In addition, IPSA is now processing claims for security funding worth £4 million a year, compared to £150,000 a year in 2015. As a consequence, in the four years to 2018-19, we estimate that we have made efficiency gains of 15 per cent by processing higher volumes of MPs' staffing and financial transactions and pensions payments without increasing our headcount.
42. We are making further financial savings. IPSA's previous improvement programme has generated annual 2.5 per cent cost savings since 2018-19 in lower IT and accommodation costs. It has also brought benefit to 3,250 MPs' staff by giving them all direct access to IPSA's system, to payments and to information about their pay, where previously, only one person in each MP's office could access IPSA's systems. This improved usability has also increased demand on IPSA.

2020-21 Budgets

43. IPSA incurs additional cost during a General Election as we make payments to former MPs and their staff, including redundancy pay and winding up budgets, and support new MPs to Parliament, including by providing them with start-up budgets. In 2019-20, we submitted a Supplementary Estimate for £30.2 million to cover these costs. We will require a further £1.6 million in 2020-21 to fund remaining work to support new and departing MPs, and to conduct a review of MPs' pay that is a statutory requirement in the first year of a new Parliament.
44. IPSA's costs are incurred in three subheads within the Estimate:
- a. Subhead A (£190.3 million in 2019-20, excluding election costs) covers the costs incurred by MPs, including their own and their staff salaries, their travel, security, office and accommodation.
 - b. Subhead B (£8.9 million in 2019-20, excluding election costs) covers IPSA's operational costs, including staffing, office rent and equipment. It also covers expenses incurred by the lay members on the Speaker's Committee for the IPSA.
 - c. The capital budget (£0.4 million in 2019-20) pays returnable deposit loans to MPs to secure their office and accommodation, and any capital costs within IPSA.
45. In 2020-21, excluding election costs, we propose a budget for Subhead A of £214.5 million, an increase of 12.7 per cent. The proposed budget includes:
- a. 3.1 per cent pay rises for MPs, in line with Office for National Statistics figures on the average change in public sector earnings. This would bring an MP's annual salary to £81,932 from April 2020.
 - b. Increases of 1.9 per cent to MPs' office costs budgets and 1.0 per cent to their accommodation budgets. These increases reflect actual changes to utility, rent and other costs incurred by MPs.
 - c. An additional £4,000 for each MP's office to fund staff training. This amounts to £2.6 million in total, and reflects IPSA's wish to provide funding to MPs so they can invest in and develop their own staff to deliver a high-quality support to their constituents and the wider public.
 - d. Changes to the pay ranges of MPs' staff following an independent review of their pay and the evidence gathered by IPSA in 2019 that demonstrated increased demand in MPs' offices. We propose to amend staff pay bands to bring them into line with comparable benchmarks. We will publish the new pay ranges once our budget is agreed. This proposed increase also reflects IPSA's wish to support MPs to recruit and

retain high-quality staff in their offices. We will automatically raise any salary bands that fall below the national living wage, but MPs, as the employers, make the decisions about the rate of pay of their staff.

- e. Provision to enable MPs to make a 2 per cent pay rise to their staff on top of the revised pay ranges. This is in line with average pay settlements in the public sector. Collectively, these staff pay changes will result in a 21 per cent rise in MPs' staffing budgets.
 - f. An additional £1.4 million in security costs, enabling the funding of measures, such as CCTV, that provide reassurance to MPs, their staff and their families, including those new to Parliament.
46. In 2020-21, excluding election costs, we propose a budget for Subhead B of £9.5 million, an increase of 7 per cent. The proposed budget includes:
- a. Retaining existing levels of staffing to enable IPSA to provide current levels of support to MPs, recognising increased demand pressures, while we plan the further improvements outlined in this plan.
 - b. Recruiting fixed-term staff, at a cost of £395k, to help IPSA to improve the user experience of MPs and their staff, enabling improvements to IPSA's processes, skills and our online interface with MPs, so that payments are 'right first time, every time'.
 - c. Consultancy funding of £326k to provide specialist IT and other expertise in support of these improvements, including work on organisational design and system development.
 - d. Additional capacity at a cost of £50k to enable IPSA to work with the House of Commons on a range of policy development issues, including MPs' office accommodation.
 - e. An added £118k to our recruitment budget to support these changes and the Speaker's Committee in its recruitment of three IPSA Board members in 2020.
47. In 2020-21, excluding election costs, we propose a capital budget of £1.9 million, most of which is accounted for by a £1.7 million non-cash item which reflects Treasury requirements on how we account for our office lease. Excluding this technical, non-cash adjustment there is a 49 per cent reduction in our capital budget, reflecting the annual savings being made following previous improvements.
48. Overall, excluding election costs, IPSA proposes a 2020-21 Estimate of £226 million, a 13.2 per cent increase. Including General Election costs, the budget Estimate is reducing by 1 per cent from £229.9 million to £227.7 million.

Annex: Governance and Accountability

49. 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 under IPSA's scheme, and gave IPSA additional responsibilities to determine MPs' salaries and pensions.

IPSA's Board

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

- Richard Lloyd (Interim Chair). Richard's term of appointment as a Board member is scheduled to end in December 2023. The Speaker's Committee for the IPSA is recruiting a permanent Chair to IPSA, with the appointment expected in 2020.
- Will Lifford (auditor). Will chairs IPSA's Audit and Risk Assurance Committee. Will's term of appointment is scheduled to end in January 2023.
- Sir Robert Owen (former holder of high judicial office). Sir Robert's term of appointment is scheduled to end in December 2020. The Speaker's Committee for the IPSA will recruit his replacement in 2020.
- Rt. Hon Jennifer Willott (former Member of Parliament). Jenny chairs IPSA's Remuneration Committee. Jenny's term of appointment is scheduled to end in December 2020. The Speaker's Committee for the IPSA will recruit her replacement in 2020.

51. IPSA's Board is responsible for deciding the policies that form the Scheme governing MPs' costs, expenses, pay and pensions and for setting IPSA's strategic direction. The Board meets nine times a year. Minutes of Board meetings are published on IPSA's website. Reviews of IPSA's governance and assurance in 2019 will result in recommendations to be implemented in 2020.

IPSA's Executive

52. IPSA's executive is led by Marcial Boo, chief executive, who provides day-to-day leadership and is responsible for delivery in line with the policy set by the Board. He is IPSA's Accounting Officer. He is supported by three directors and a senior management team. The directors are Alastair Bridges, director of finance and corporate services, Vicky Fox, director of regulation and insight, and Georgia Wilson, director of improvement and MP support.

Accountability to Parliament

53. 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 by the Speaker.

54. The Speaker's Committee in 2020-21 has the following membership:

- Sir Lindsay Hoyle (Speaker and Chair of the Committee)
- Rt. Hon Jacob Rees-Mogg MP (Leader of the House) ex officio
- Kate Green MP (Chair of the Standards Committee) ex officio
- Rt. Hon Valerie Vaz MP
- Sir Charles Walker OBE MP
- Rt. Hon Dame Cheryl Gillan MP
- Sir Desmond Swayne MP
- Marion Fellows MP
- Peter Blausten (lay member)
- Cindy Butts (lay member)
- Shrinivas Honap (lay member)

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

Compliance

56. IPSA's Board, while respecting the independence of the Compliance Officer, Tracy Hawkings, also exercises its statutory duty of superintendence in relation to operating procedures and the resources required by the office.

57. The Board receives regular reports from the Compliance Officer and reviews her performance by reference to agreed performance indicators and in the light of considerations of value for money, proportionality and the deterrence of improper behaviour.