

IPSA Business Plan 2022-2023

**Summary for SCIPSA,
1 March 2022**

Business Plan 2022/23

Foreword

In 2021, IPSA presented to Parliament a three-year strategy to transform the Authority to become an innovative, intuitive and lean regulator, providing an exemplary service that enables MPs to focus on what really matters. To date we have made incremental but impactful changes that have stabilised IPSA, improved our relationships with stakeholders and made a difference to how MPs go about their business. For 2022-23, we will continue to focus on improving customer service, simplifying our policy, delivering financial value and growing our people. We will embark upon a fundamental review of our approach to regulation with the aim of achieving the same regulatory outcomes of very high compliance and value for public money within a simpler framework.

Our Strategic Objectives

We know there have been inefficiencies in the way we process and validate MPs' pay and business costs and that our regulatory scheme is overly complex, resulting in MPs and their staff spending a significant amount of time on administration. We have worked hard over year one of our Corporate Plan to address these issues and have delivered a series of changes aligned to our strategic objectives to improve our service, simplify the Scheme, deliver better value for money for the taxpayer and develop our people.



This Business Plan sets out our immediate priorities and planned activities covering the period April 2022 to April 2023.

Progress 2021-22

In 2021-22, IPSA maintained the high level of compliance with the Scheme rules whilst stabilising the organisation, improving the basics of our service and building the foundations for our transformation.

We listened carefully to better understand the needs of MPs and their staff, regularly attending user groups and House forums. We collaborated with the House, MPs and their staff, involving them in testing ahead of making changes.

We embedded a new organisation design that offers regionalised, named account managers and payroll officers and the feedback tells us that this localised, personalised approach to building relationships works well. Returning to inbound calls has been well received (with 80% of calls answered within 20 seconds).

We have provided more proactive budget support to reduce overspends and budget issues, with more accurate, consistent advice to MPs, ensuring issues are resolved quickly and accurately.

While we recognise that IPSA Online remains difficult for new or irregular users to navigate, we have begun optimising the platform with increased automatic alerts, a single workspace hub for Office Managers, dynamic pre-populated forms where layout changes according to data input and a Financial Planning and Analysis tool to support budget management and financial forecasting.

We have made changes to our policy and the Scheme, aggregating health and wellbeing publication data and creating an extended absence policy. Further changes are being made to the Scheme and our publication policy in light of recent security concerns, including how we fund security arrangements.

We have invested in IPSA's people to improve the consistency of our advice, with a new programme of training, developing a knowledge management system, and introducing a quality assurance framework that focuses on service improvement. We stabilised the retention and tenure of knowledgeable people, and increased employee engagement despite the backdrop of change.

The key results of the 2021 MP and Staff Satisfaction Survey and IPSA's Employee Engagement Survey are highlighted overleaf and show good progress.

2021 MP/Staff Satisfaction Survey



**Most satisfied =
MP Proxies at 56.7%**

'IPSA has become much more approachable and are finally taking on the issues many proxies have reported over a number of years. Whilst there is still a lot to do the steps taken so far have been nothing short of amazing. You can see this in the meeting that IPSA attend both staff group and The House meetings'

'Thank you - IPSA is getting better every year'

'I think IPSA - particularly over the last couple of years - has made a real effort to work better with MPs and staff and it shows. Systems have improved, the named account manager is great and I feel IPSA listens a lot more and has made allowances as demands on MPs and their staff have increased. As someone who has worked for an MP since 2010 it hasn't gone unnoticed'

MPs and their staff tell us that the majority of our services have improved, with the gap between how important a service is and how satisfied users are with the service narrowing significantly

Improvement themes

- IPSA Online User Experience
- Claims and evidence process
- Ease of contact
- Customer service and advice

'Communication has significantly improved over the past year. It feels finally as if IPSA are listening and taking on board some of the feedback we are sending. Relationship between IPSA and MPs offices is improving'

**2021 IPSA
Employee
Engagement**

64%
up from 57%
in 2020

Significant improvement in:-

- Enablement & job satisfaction
- Strategy & leadership
- Managing change

Priorities 2022-23

We have five priorities for the coming year, in addition to our day-to-day work in regulating MPs' use of taxpayers' money and administering the business costs and pay of the 650 elected UK MPs and their staff.

- Security - working with the House of Commons to transition security arrangements from IPSA to the House of Commons to optimise the provision of security with the contract, expertise and funding in one place
- McCloud - addressing the significant policy issue of implementing the McCloud remedy to the MP pension scheme, with a joint governance model between IPSA and the Trustees to oversee the delivery of an effective programme of change for those pension scheme members impacted by McCloud
- Guidance - providing greater guidance using web pop ups and collaborating with the House to better induct and train MPs and their staff on managing their business and staffing costs
- IPSA Online - progressing further optimisation of IPSA Online to improve reporting for MPs and their staff, explore Office Manager/Proxy administrator permissions, create parallel financial years and simplify our chart of accounts
- IPSA culture – continuing to transform our culture and ways of working and ensuring we continue to build a highly engaged, diverse workforce

Our ongoing day-to-day activity will include:

- reimbursement of business cost claims
- administering pay and contract changes for MPs and their staff
- registering home and office leases
- publishing claims and responding to Freedom of Information requests
- responding to queries and funding requests via calls and emails from MPs and their staff
- supporting MPs to manage their budgets
- annual reporting and accounts and audit

Strategic Review of Regulatory Approach

In addition, we will begin to change our approach to the way we regulate. This will include reviewing our approach to how we validate and publish MP spend as well as understanding the value of creating centralised services to remove the burden on MPs' offices and improve value for money.

IPSA has begun exploring alternative regulatory models that might be adopted in the future and we plan to move towards a new regulatory approach by 2024 whilst simplifying the Scheme ahead of the 2022-23 financial year.

We will:

- review then change our approach to the way we regulate, validate and publish data
- understand the value of creating centralised services to remove the burden on MPs' offices and improve value for money

Between now and September 2022, we will conduct an exploratory phase of work to allow us to articulate the perceived strengths and weaknesses of the current model, increase awareness and understanding of alternative models and their potential relevance to IPSA and set out our ambition for change.

We will:

- gather feedback from our stakeholders on the current system including the IPSA Board, IPSA people, MPs and their staff and the public
- benchmark to learn lessons from other models used in comparable contexts including the Australian Independent Parliamentary Expenses Authority and the parliaments of New Zealand, Wales, and Scotland and researching regulatory theory and case studies of other regulators from other sectors
- research alternative regulatory models, engaging with interested academics, and research public opinion

The Cost of Delivering the Plan

The IPSA 2022-23 budget and high-level assumptions (including assumptions on MP staff pay) are summarised below. The aim is for a broadly flat headcount for the duration of the corporate plan.

Subhead A - MP Business and Staffing Costs

- The budget for 2022/2023 is broadly similar to previous years in terms of scope however the post covid impact on inflation, particularly in the property rental and utilities sectors, means that some budgets have been subject to significant increases to remain viable. The budget is also subject to our announcement on MPs' pay.
- There are three areas which have created new considerations for 2022-23 and beyond:
 - Security is likely to require significant additional expenditure. Current budget is uncapped with c£5.4 million forecast spend for 2021-22.
 - Extended absence cover funding is required, mainly maternity cover, and is dependent on uptake; a new MP Representative role has been added to the IPSA approved job description bank funded at £60k p.a. pro rata.
 - Staffing costs have been assessed in light of economic circumstances and the Budget, for the Estimate process. Staffing budgets have been increased by 3%, with an automatic implementation to reflect a cost-of-living award for MPs' staff, unless they opt out.
- We have heard and seen evidence that casework volumes, which increased significantly during the height of the covid pandemic, have not returned to pre-Covid levels and, in light of the duration of the pandemic and its impact, are not expected to return to pre-Covid levels in the near future if at all.
- We have increased the current staffing uplift to a full 12 months caseworker equivalent and subsumed this within the general staffing costs budget to be used flexibly for staff capacity at the MP's discretion. The cost is c£4.5 million over 2021-22 budgets and c£18 million over pre-Covid budget levels.
- IPSA will also provide funding to cover the 1.25% NI increase, in line with government guidance for Civil Service departments.
- We do not expect staffing levels to be further reviewed during this Parliament and general staffing contingency claims should reduce.

Subhead B – IPSA Costs

The budget enables delivery of the corporate plan and our business-as-usual work. The total revenue budget is broadly in line with last year's budget, including taking account of the NI change and changes in non-cash depreciation. IPSA's headcount on a full-time equivalent basis is to be held flat, except where it is better value for money to employ staff than external provision. As for Subhead A, the numbers include an indicative pay award in line with that provided for MPs' staff.

The provisional budget includes a movement against our Capital budget to reflect changes to how we are now required to account for our office space but does not include potential costs relating to data breach litigation.

The main estimate is laid out overleaf (and attached separately in larger format), with further details in the accompanying explanatory memorandum:

2022-23 IPSA Main Estimate

SCIPSA Tables
All figures in £000

Subhead A: MPs' Pay, Staffing, Business Costs and Expenses		2021-22 Budget	Forecast Outturn - Nov	2022-23 Proposed Budget	Variance to 2021-22 Budget Increase/ (decrease)	Variance %	Variance to 2021-22 Outturn Increase/ (decrease)	Variance %
Contingency (1% of Subhead A)		2,246	595	2,380	134	6.0%	1,784	299.6%
Business-as-usual Scheme Costs		224,613	206,602	237,988	13,375	6.0%	31,386	15.2%
MPs' Salary		61,095	60,936	62,744	1,650	2.7%	1,808	3.0%
MPs' Staff Salary and Pensions Full Budget		123,815	111,560	133,517	9,702	7.8%	21,957	19.7%
MPs' Expenses Budget (Capped)		27,283	23,730	28,776	1,494	5.5%	5,046	21.3%
MPs' Expenses (Security)		5,979	5,401	6,218	239	4.0%	817	15.1%
MPs' Expenses (Uncapped)		6,681	4,987	6,957	277	4.1%	1,971	39.5%
SPPS Grant Income		(239)	(12)	(225)	14	(5.9%)	(213)	1741.4%
Other MP Income		0	0	0	0	0.0%	0	0.0%
Total Subhead A		226,859	207,198	240,368	13,508	6.0%	33,170	16.0%
Subhead B: IPSA Operations (Core Costs)		2021-22 Budget	Forecast Outturn - Nov	2022-23 Proposed Budget	Variance to 2021-22 Budget Increase/ (decrease)	Variance %	Variance to 2021-22 Outturn Increase/ (decrease)	Variance %
Pay								
IPSA Staff Costs		6,425	5,632	6,677	252	3.9%	1,045	18.6%
Seconded Staff Costs		0	79	0	0	0.0%	(79)	(100.0%)
Contractors and Agency		0	192	0	0	0.0%	(192)	(100.0%)
Subhead B Pay		6,425	5,902	6,677	252	3.9%	775	13.1%
Non-Pay								
HR Associated Costs		279	258	241	(38)	(13.6%)	(17)	(6.4%)
Legal, Audit and Professional Fees		560	633	414	(146)	(26.1%)	(219)	(34.6%)
Consultancy		551	678	291	(260)	(47.2%)	(387)	(57.1%)
IT Services and Telephony		986	1,135	1,320	334	33.9%	185	16.3%
Premises Costs		652	595	315	(337)	(51.8%)	(280)	(47.1%)
Travel and Subsistence		68	34	138	70	103.7%	105	310.8%
Printing, Postage and Stationery		26	22	47	21	82.1%	25	111.4%
Charges and Provisions		154	154	166	12	7.9%	11	7.2%
Other Costs		73	64	174	101	139.9%	110	172.4%
Planned Capital Expenditure		0	0	0	0	0.0%	0	0.0%
McCloud - Legal and Consultancy Fees		0	0	314	314	0.0%	314	0.0%
IPSA Contingency		450	430	200	(250)	(55.6%)	(230)	(53.5%)
Subhead B Non-Pay Subtotal		3,797	4,002	3,619	(178)	(4.7%)	(384)	(9.6%)
Depreciation and Amortisation		1,509	964	850	(659)	(43.7%)	(114)	(11.8%)
Subhead B Non-Pay		5,306	4,966	4,469	(837)	(15.8%)	(497)	(10.0%)
Total Subhead B		11,731	10,868	11,146	(586)	(5.0%)	277	2.6%
TOTAL Resource DEL		238,591	218,066	251,513	12,923	5.4%	33,447	15.3%
Capital DEL		2021-22 Budget	Forecast Outturn - Nov	2022-23 Proposed Budget	Variance to 2021-22 Budget Increase/ (decrease)	Variance %	Variance to 2021-22 Outturn Increase/ (decrease)	Variance %
Deposit Loans		150	40	150	0	0.0%	110	273.7%
IT and Building Capital		302	260	1,111	809	267.9%	851	327.1%
Total Capital DEL		452	300	1,261	809	179.0%	961	320.0%
TOTAL DEL		239,043	218,366	252,774	13,732	5.7%	34,408	15.8%
Annually Managed Expenditure (AME)		2021-22 Budget	Forecast Outturn - Nov	2022-23 Proposed Budget	Variance to 2021-22 Budget Increase/ (decrease)	Variance %	Variance to 2021-22 Outturn Increase/ (decrease)	Variance %
Current Liabilities Provisions		150	150	150	0	0.0%	0	0.0%
Total AME		150	150	150	0	0.0%	0	0.0%
TOTAL DEL and AME		239,193	218,516	252,924	13,732	5.7%	34,408	15.7%