

Independent Parliamentary Standards Authority

Main Estimate 2012-13

Presented to the House of Commons pursuant to Schedule 1 to the Parliamentary Standards Act 2009

Ordered by the House of Commons to be printed on 28 June 2012

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Introduction

1. As provided by Schedule 1 to the Parliamentary Standards Act 2009, for each financial year the Independent Parliamentary Standards Authority (IPSA) must prepare an estimate of IPSA's use of resources and submit it to the Speaker's Committee for the IPSA. The Committee must review the estimate and decide whether it is satisfied that the estimate is consistent with the efficient and cost-effective discharge by IPSA of its functions. Before deciding whether it is satisfied, the Committee must consult HM Treasury and have regard to any advice given.

2. IPSA has been established to be independent of both Parliament and Government. IPSA is responsible for both regulating and operating systems for the payment of MPs' salaries, business costs and expenses. IPSA's mission is to 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.

3. The central consideration in determining IPSA's operational costs is that public money has been, and continues to be, spent carefully and prudently. Given its regulatory role, and independence, IPSA bears additional responsibilities in relation to MPs' expenses over and above those that have existed in previous years. Nevertheless, IPSA's operating costs during the past year and its proposed estimate demonstrate that the combination of the new scheme and its operation cost significantly less to the public purse than the preceding combined arrangements under the House of Commons.

4. The Estimate includes provision for a resource requirement of £176.00m; £168.861m relates to the direct payment of MPs' pay, staffing costs and expenses; £6.039m relates to the administration of IPSA's operations and the Compliance Officer function in its second full operational year; and, at the request of the Speaker, £0.1m is included to support the renewal process for ordinary members of the IPSA Board when their initial terms expire in January 2013. The Estimate also includes £1.000m in a new subhead for Annually Managed Expenditure (AME) for any provisions and impairments which may arise from the IPSA accounts. The Estimate provides for resource income of £0.507m, which arises from recovery of capital gains on property funded by mortgage interest payments and from payments by the Social Mobility Foundation for the cost of employing interns.

5. In addition to this resource requirement, the Estimate also includes a provision for £2.167m capital. Of this, £1.707m relates to rental deposit loans that are provided for in the MPs' Business Costs and Expenses Scheme and £0.460m which relates to the design and development of IT systems to support IPSA's work and modifications to the accommodation.

Part I

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	175,000,000		175,000,000
Capital	2,167,000	-	2,167,000
Annually Managed Expenditure			
Resource	1,000,000	-	1,000,000
Capital	-	-	-
Total Net Budget			
Resource	176,000,000	-	176,000,000
Capital	2,167,000	-	2,167,000
Non-Budget Expenditure	-		
Net cash requirement	178,013,000		178,013,000

Amounts required in the year ending 31 March 2013 for expenditure by Independent Parliamentary Standards Authority on:

Departmental Expenditure Limit:Expenditure arising from:

Operation and administration of the Independent Parliamentary Standards Authority, and all activities connected to its purpose. Determination and operation of a business costs and expenses scheme for Members of Parliament; payment of salaries, business costs and expenses of Members of Parliament and their staff. Determination of policy for the administration of salaries and pensions for Members of Parliament. Conducting reviews and investigations carried out under the auspices of the Office of the Compliance Officer. Depreciation and other non cash costs arising in DEL.

Income arising from:

Repayment of capital gains on property funded by mortgage interest payments, made under the MP's Business Costs and Expenses Rules, 3rd edition. Funding received from the Social Mobility Foundation to cover the full cost of interns employed by some MPs.

Annually Managed Expenditure:Expenditure arising from:

Provisions and impairments.

The Independent Parliamentary Standards Authority will account for this Estimate.

Part I

£

	Voted Total	Allocated in Vote on Account	Balance to complete
Departmental Expenditure Limit			
Resource	175,000,000	77,444,000	97,556,000
Capital	2,167,000	1,171,000	996,000
Annually Managed Expenditure			
Resource	1,000,000	-	1,000,000
Capital	-	-	-
Non-Budget Expenditure	-	-	-
Net cash requirement	178,013,000	70,782,000	107,231,0000

Part II: Subhead detail

£'000

2012-13 Plans									2011-12 Provisions	
Resources						Capital			Resources	Capital
Administration		Net	Programme			Gross	Income	Net	Net	Net
Gross	Income		Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
Spending in Departmental Expenditure Limits (DEL)										
Voted expenditure										
-	-	-	175,507	-507	175,000	2,167	-	2,167	171,098	2,602
<i>Of which:</i>										
A MPs pay, staffing and expenses										
-	-	-	169,368	-507	168,861	1,707	-	1,707	164,734	1,602
B IPSA operations										
-	-	-	6,039	-	6,039	460	-	460	6,364	1,000
C Recruitment of IPSA Board										
-	-	-	100	-	100	-	-	-	-	-
Total Spending in DEL										
-	-	-	175,507	-507	175,000	2,167	-	2,167	171,098	2,602
Spending in Annually Managed Expenditure (AME)										
Voted expenditure										
-	-	-	1,000	-	1,000	-	-	-	1,000	-
<i>Of which:</i>										
D Provisions and Impairments										
-	-	-	1,000	-	1,000	-	-	-	1,000	-
Total Spending in AME										
-	-	-	1,000	-	1,000	-	-	-	1,000	-
Total for Estimate										
-	-	-	176,507	-507	176,000	2,167	-	2,167	172,098	2,602
<i>Of which:</i>										
Voted expenditure										
-	-	-	176,507	-507	176,000	2,167	-	2,167	172,098	2,602
Non-voted expenditure										
-	-	-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	2012-13 Plans	2011-12 Provisions	2010-11 Outturn
Net Resource Requirement	176,000	172,098	125,928
Net Capital Requirement	2,167	2,602	3,479
Accruals to cash adjustments	-154	-1,835	-429
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-813	-740	-334
New provisions and adjustments to previous provisions	-1098	-1,000	-
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-85	-95	-95
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	1,744	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	98	-	-
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	178,013	172,865	128,978

Part III: Note A – Statement of Comprehensive Net Expenditure & Reconciliation Table

	£'000		
	2012-13 Plans	2011-12 Provisions	2010-11 Outturn
Gross Administration Costs	-	-	-
<i>Less:</i>			
Administration DEL Income	-	-	-
Net Administration Costs	-	-	-
Gross Programme Costs	176,507	172,098	125,928
<i>Less:</i>			
Programme DEL Income	-507	-	-
Programme AME Income	-	-	-
Non-budget income	-	-	-
Net Programme Costs	176,000	172,098	125,928
Total Net Operating Costs	176,000	172,098	125,928
<i>Of which:</i>			
Resource DEL	175,000	171,098	125,928
Capital DEL	-	-	-
Resource AME	1000	1,000	-
Capital AME	-	-	-
Non-budget	-	-	-
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the SOCNE	-	-	-
<i>Adjustments to remove:</i>			
Capital in the SOCNE	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the SOCNE	-	-	-
Other adjustments	-	-	-
Total Resource Budget	176,000	172,098	125,928
<i>Of which:</i>			
Resource DEL	175,000	171,098	125,928
Resource AME	1000	1,000	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	-	-
Other adjustments	-	-	-
Total Resource (Estimate)	176,000	172,098	125,928

Part III: Note B - Analysis of Departmental Income

£'000

	2012-13 Plans	2011-12 Provisions	2010-11 Outturn
Voted Resource DEL	-507	-	-
<i>of which:</i>			
Programme			
Section A: MPs pay, staffing and expenses	-507	-	-
Total Voted Resource Income	-507	-	-

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2012-13, 2011-12 or 2010-11.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Principal Accounting Officer Andrew McDonald , Chief Executive

Andrew McDonald, has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of *Managing Public Money*.



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