

CORPORATE PLAN

INTRODUCTION

1. This plan builds on the thinking and approach adopted in the Interim Business Plan, published in 2010, when we made a commitment to developing a longer-term strategic plan. It sets out IPSA's strategy and priorities for the next four years as the independent body responsible for regulating and administering MPs' Expenses, their pay and their pensions (as and when powers are conferred). It has two parts: a statement of the strategy that will define our approach; and a corporate plan that sets how we intend to deliver that strategy.
2. IPSA was set up in response to revelations about some MPs' claims for expenses that shook the public's confidence in Parliament. We have been operating for just over a year and, as indicated in our latest Annual Report, our first year was one of rapid development and change. We introduced a new scheme for MPs' expenses that is fair, workable and transparent. We carried out both an interim and full review of that scheme and adjusted both rules and their operation where necessary to ensure that MPs are supported effectively in carrying out their parliamentary functions.
3. We have set up from scratch and established a new stand-alone organisation, launching a range of new services including the payment and publication of claims for expenses, the payment of salaries and the provision of guidance and training in a variety of forms. As stated in our Annual Report, as a regulator we are concerned with the appropriate management of risk, both risk to the taxpayer that funds may not be used as contemplated by the Scheme and risk to MPs that they may not be enabled properly to fulfil their parliamentary functions. The past year has shown high levels of compliance by MPs and a strong desire to operate within the Scheme. Risk of non-compliance appears in many areas to be low. We therefore believe that, over time, we should focus on areas of expenditure which might be seen to represent potentially higher risk of loss to the taxpayer. This would leave MPs increasingly responsible for making their own judgements about some areas of their expenditure within the framework of the rules we establish. The pace at which we proceed however, will be determined by the level of confidence the public has in the Scheme and systems that we operate.

4. We will continue to focus on continuous improvement, acting responsively, improving the experience of those using our systems and enhancing our cost-effectiveness. The first part of this plan sets out our strategy. The second part then details IPSA's activities across the maximum life of the current Parliament. It links our objectives to outcomes, key performance indicators, targets and the headline financial resources required to deliver them. Planned activities for 2011-12 have been included in some detail, with those scheduled for the remaining years of the Plan set out in outline only. Specific KPIs and targets have been put in place for 2011-12 and are attached as an Annex to this Plan. The Board will review both the Strategy and the Corporate Plan in the autumn of 2011 to determine what, if any, changes are called for from 2012 onwards in the light of developments. Thereafter, the Plan will be reviewed and revised annually to ensure it remains appropriate and challenging.
5. IPSA is operating in a changing environment and both the forthcoming review on pay and the likely additional responsibility for establishing a scheme relating to pensions will affect us, both as a regulator and deliverer of services. The timing of the introduction of these additional responsibilities, and the possibility of our taking on further responsibilities during the course of the Plan, will need to be taken into account as it is reviewed and developed.
6. The strategy and corporate plan provide the framework for our business planning and resource allocation. Within IPSA, each group will draw up detailed yearly work-plans.
7. IPSA will operate a cycle of regular review: work-plans will be reviewed by senior management quarterly and in addition the Board and senior management will review the strategy and corporate plan on a bi-annual basis.

IPSA Strategy 2011-2015

1. IPSA's duties are set out in the Parliamentary Standards Act 2009, as amended by the Constitutional Reform and Governance Act (2010). This strategy addresses the manner in which these duties are to be carried out and the pace at which developments will evolve, and is derived from IPSA's vision and values (see below).
2. The strategy is informed by IPSA's duty to maintain its role as an independent regulator.
3. The strategy is informed by IPSA's **primary** aims, which are:
 - to contribute to the restoration of the public's confidence in Parliament;
 - to determine and manage the provision of financial support to enable MPs to carry out their parliamentary duties, without undue burden but in parallel with increased public confidence;
 - to do everything with constant attention to achieving proper value for money and with a continuing need to achieve savings over the period of the Plan; and
 - to ensure that we assess and review our approach to risk in the light of emerging evidence.
4. 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.
5. The strategy will be informed by IPSA's approach to risk and to value for money. The appetite for risk as regards the validation and settlement of claims for expenses will remain limited until IPSA is satisfied that the patterns of activity as regards claims made warrant any change. IPSA will review its appetite for risk on a regular basis¹.
6. IPSA will continue to maintain communications with the various audiences interested in and affected by its actions – the public, MPs, their staff and the media. IPSA will work with the IPSA-MP liaison group and a group representing MPs' staff to take account of the views of MPs and their staff. It will consider how best to gain the views of the general public, possibly by establishing a similar group.
7. IPSA will also continue to develop its website and other communications to improve their usefulness for the public, MPs and their staff.
8. **IPSA's fundamental goal** over the period of the Plan is to calibrate the relationship between MPs' pay and pensions alongside their own parliamentary expenses and their business costs, so as to meet the public interest in ensuring that MPs' overall remuneration is appropriate for their role as legislators and elected representatives and that they are appropriately reimbursed for their legitimate costs.
9. In achieving this goal, IPSA will:
 - develop further the operation of the Expenses Scheme in an evolutionary manner;

¹ The Board's agreed statement on current risk appetite (June 2011) appears in the Annual Report, 2010-11.

- settle the salary to be paid to MPs; and
 - assuming it is asked to do so, settle the scheme governing contributions to a pension scheme for MPs and payments from it.
10. IPSA recognises the importance of developing a balanced relationship with MPs and their staff in achieving its goal.
11. IPSA will continue to develop and make appropriate use of technology to enhance its systems and services.
12. Key Performance Indicators identifying the performance required and progress in meeting them will be reported regularly and published on the website.

Expenses

13. The strategic aim is that the Scheme should evolve, so that it becomes:
- increasingly streamlined and simple to operate both for MPs and IPSA;
 - increasingly based on payments not needing to be made personally by MPs and then reclaimed; and
 - less prescriptive and rule-based, leaving MPs increasing discretion in how money is spent, assuming that the evidence, particularly regarding appropriate levels of assurance, warrants it and that it commends itself to the public
14. 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.
15. Publication of claims, as part of IPSA's statutory obligation regarding transparency, will continue to balance assurance and accuracy against cost.
16. 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

17. MPs' pay will be set by IPSA to take effect on 1 April 2013.
18. IPSA will launch a review of pay in September 2011, engaging the public, MPs and expert practitioners.
19. IPSA will carry out research on comparators and their relative usefulness, both in the UK and internationally.

20. IPSA will consider any national developments in developing its plans including, for example, the changed size of constituencies or the further devolution of powers to national assemblies

Pensions (subject to receiving powers)

- 21. IPSA will launch a consultation process on pensions in 2012 subject to the timing of its receiving powers.
- 22. IPSA will consult the public, MPs and a range of experts on establishing any new scheme.
- 23. IPSA will aim to co-ordinate the introduction of IPSA's setting of MPs' pay and with any new scheme relating to MPs' pensions.

Compliance

- 24. 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.
- 26. 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 and proportionality.

STATEMENT OF 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' expenses, pay and pensions which properly supports them in their parliamentary functions and serves the interests of the public.

build an independent organisation which sets itself the highest standards in public service. IPSA will be consultative and open in its approach, but will exercise its own judgement as to what is right.

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 our actions and, equally, 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.

CORPORATE PLAN

IPSA's Strategic Objectives

Independent, fair and effective regulation

1. IPSA acts, and must be seen to act, as an independent, fair and effective regulator, providing confidence to members of the general public and MPs in the schemes it develops and how those schemes are administered to enable MPs to fulfil their parliamentary functions. As set out in the strategy, our **goal** over the period of the Plan is to calibrate the relationship between MPs' pay and pensions alongside their personal parliamentary expenses/business costs, so as to meet the public interest in ensuring that MPs' overall remuneration is appropriate for their role as legislators and elected representatives and that their legitimate costs are being appropriately reimbursed.
2. There are three aspects to this: the development and operation of the Expenses Scheme, the settlement of salary and, assuming we are asked to do so, and the development of a scheme governing contributions to a pension scheme and payments from it.
3. In relation to the Expenses Scheme, IPSA will continue to operate a scheme that is fair to Members of Parliament, enabling them to carry out their parliamentary functions. Increased simplification over time is important and we remain open-minded as to how we achieve this; but the scheme and the systems that underpin it must retain public confidence.
4. Over the course of the plan, we will continue to conduct regular reviews of the Expenses Scheme. We will also conduct thematic reviews into particular topics timed, where possible, to allow the findings to be taken into account in the overall review. In the second half of 2011-12, we will be looking in more detail at MPs' staffing requirements (which account for around 75% of the MPs' expenses budgets) and in 2012-13, we plan to review accommodation. Further thematic reviews are planned in the following years, with topics to be decided.
5. In the 2011 review of the Scheme, we simplified the structure of the budgets for office costs and made clear the distinction between business costs and personal costs and we will continue to review the structure of budgets and explore opportunities for further simplification as part of the next review of the Scheme.
6. The Constitutional Reform and Governance Act 2010 provided for IPSA to take on responsibility for setting MPs' pay and pensions. In May 2011, these powers were commenced in relation to determining MPs' pay and in September 2011, we will launch a

review of pay, including resettlement grants. We will carry out research into comparators, both in the UK and internationally and will engage with the public, MPs and expert practitioners. We will then consult formally on proposals for MPs' pay in time for the introduction of a new scheme by April 2013.

7. The provisions enabling IPSA to take on responsibility for MPs' pensions have not yet been commenced; the Act states that the first determination does not have to come into effect before 1 April 2013. Subject to the timing of the receipt of powers, IPSA will seek to introduce a new pensions scheme in line with introduction of the new system on pay. As with pay, IPSA will carry out a detailed review and will consult formally on proposals.
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.

Workable and transparent systems support the Schemes

9. During its first year of operation, IPSA focussed primarily on the development and implementation of the expenses scheme.
10. We seek a balance between maintaining public confidence and simplifying processes to minimise the administrative burden on MPs and their staff and we will continue to operate a system that accurately and efficiently processes and pays MPs' claims for reimbursement of eligible expenses, enables staff to verify the validity of claims effectively.
11. Over the full period of this plan, our Operations Directorate will focus on improving efficiency, reducing the time an MP spends claiming expenses and reducing the extent to which MPs' costs are initially met from their own resources. A programme of service improvements will be delivered in a rolling programme throughout 2011-12, beginning in July and October 2011.
12. We are also 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.
13. Similarly, if and when IPSA is given the powers to introduce a new scheme relating to pensions, working with the Trustees, we will ensure that the scheme is well managed and contributions are correctly administered.
14. As part of our regulatory role, we will continue to maintain a rigorous assurance process. We will explore the possibility of moving to a risk-based approach, but based only on strong evidence of compliance and balanced with the need to maintain and increase levels of public

confidence. 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.

15. Transparency is part of IPSA's statutory obligations and the publication of claims will continue on a bi-monthly basis with aggregated figures provided annually. We will review our approach periodically, balancing value for money and transparency. We will also, in 2011-12, review the presentation of published data to ensure it is sufficiently capable of intelligent interrogation and will introduce any improvements in 2012-13.
16. We will seek regularly the views of the public, MPs and their staff in relation to their satisfaction with our schemes and their operation, will publish the results and will make appropriate adjustments where indicated.

Build public confidence in IPSA's execution of its duties

17. IPSA was set up in the aftermath of the expenses scandal resulting in a marked drop in public confidence in the expenses system, in MPs and in Parliament. As both a regulator and a service provider, IPSA's role is to help to restore that confidence. 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.
18. 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 seen to be, shouldering that responsibility.
19. 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 respond, in line with statutory requirements, to Freedom of Information requests and to Parliamentary Questions.
20. 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 a group representing MPs' staff to

take account of the views of MPs and their staff. We will also consider how best to gain the views of the general public, possibly by establishing a similar group.

21. In addition, during 2011-12, we will introduce regular on-line user surveys to provide us with detailed feedback on their experience of the systems, providing a baseline against which we can measure our performance in future years.

Build cost effective organisation with engaged and motivated staff

22. IPSA is a new organisation that has been operating for only a little over one year. A challenge for the period of this plan will be to establish and develop the organisation in ways that ensure its long-term sustainability. This will mean not just ensuring that we are cost-effective and efficient in what we do, but also that we have a culture that attracts, retains and develops high quality staff.
23. 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.
24. We have developed a people strategy, 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 the first IPSA staff survey (in December 2010) and implemented a number of actions as a result.
25. 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. Accordingly, we have arranged access for all IPSA staff, via their Recruitment Gateway, to opportunities across the civil service.
26. We have reduced our headcount by 33% since our launch. As well as a reduction in size we have reduced the number of temporary staff, recruiting Fixed Term and Permanent employees to the organisation. We will continue to review our workforce requirements and organisational structure at all levels to ensure we have the right capacity and capability within budget to meet further challenges.
27. We have plans in place for succession planning to key posts and will further establish succession planning within the organisation allowing us to identify talent and support our staff in achieving and the organisation to meet our goals.

28. In the coming year, we will be working to establish our sustainability in terms of both cost-effectiveness and capability. We will be looking at options around the introduction of multi-skilling to provide greater flexibility, with a training strategy that will allow our staff to perform at their best for the organisation. We will also introduce pay frameworks and reward strategies that are in line with good practice across the public sector.
29. 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 2011, 45% of staff were male and 55% female, with 24% of employees stating that they are from an ethnic minority background. We will continue to monitor the background of our staff by reference to 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.
30. We are also conscious that we are a publicly funded organisation and that 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.
31. We will therefore continue to evaluate all we do by reference to its value for money and cost-effectiveness. Each year we agree 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. 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.
32. Beyond these commitments, we intend over the course of this plan to explore a variety of options to deliver further efficiencies. These will include assessments of our fixed and non-fixed costs, including exploring the feasibility of outsourcing appropriate parts of our service delivery operations.
33. Further details on our approach to providing value for money, and the costs associated with delivering this plan area set out later (see page 21).

| Objective 1: Independent, fair and effective regulation | | | | | | |
|--|---|---|---|--|---|---|
| What we do | 2011-12 | 2012-13 | 2013-14 | 2014-15 | Outcomes | KPIs/Measures |
| Develop and review regularly a Scheme for the payment of MPs' expenses | <p>Each year we will conduct an annual review of the rules governing the MPs' Expenses scheme,</p> <p>Each year we will conduct public consultations to support this review, to be concluded in time for the implementation of any changes at the start of the following financial year.</p> <p>Each year 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> | | | | Overall funding for MPs that is appropriate for a 21 st century legislator and elected representative | Expense scheme is regularly reviewed with appropriate consultation to ensure it continues to be appropriate and fit for purpose |
| | We will conduct a review of MPs' staffing, to be completed by November 2010, with findings to be fed into annual review of the Scheme | A themed review of accommodation, launched in autumn 2012. Research to be completed by end summer 2013. | A themed review will be conducted (tbc) Conduct formal consultation on any recommendations emerging from review of accommodation, for inclusion in annual review of Scheme | A themed review will be conducted, (tbc) | A scheme that is less prescriptive and rule-based (assuming experience warrants it and that it commends itself to the public) | |
| Review and set pay levels for MPs | Launch a review of pay in September 2011 and complete formal consultation in advance of April 2013 | Complete consultation in advance of April 2013 | | Review of pay levels, allowing for any implementation to be in advance of a new Parliament | Pay levels that form part of an appropriate total package | Pay review is launched in September 2011 and formal consultation is completed in advance of April 2013 |
| Responsible for the establishment of a new pensions scheme | Launch a review and informal consultation on establishing a new pensions scheme by | Launch a formal consultation on pensions (subject to receiving powers) for introduction by [April | | Evaluate pensions scheme | | |

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| | [March 2012] | 2013] | | | | |
| Provide high levels of assurance that claims and payments are made in accordance with the Scheme | Maintain a rigorous assurance programme in line with NAO guidance and requirements Maintain a regular programme of external audit in addition to internal audit functions | | | | | Sufficient assurance is provided to allow NAO sign IPSA's accounts without qualification. |
| | We will test various approaches to sampling, based on assessment of risk. Develop data analysis programme to identify areas of higher risk in terms of materiality and regularity | Continue to develop analysis of data to underpin assessment of risk-based assurance Undertake review of feasibility of adopting a risk based approach to validation based on outcomes of data analysis programme Consider options for simplifying and speeding up validation and payment processes | Continue to develop analysis of data to underpin assessment of risk-based assurance Undertake review of feasibility of adopting a risk based approach to validation based on outcomes of data analysis programme Consider options for simplifying and speeding up validation and payment processes | Continue to develop analysis of data to underpin assessment of risk-based assurance Undertake review of feasibility of adopting a risk based approach to validation based on outcomes of data analysis programme Consider options for simplifying and speeding up validation and payment processes | High levels of confidence that payments are appropriate and in line with the schemes. NAO approval of assurance approach | |
| Engage with users to ensure Scheme and pay levels meet public interest in ensuring that overall remuneration is appropriate | Meet regularly with the MPs' Liaison Group to gather views on the Scheme and on possible service improvements Work with MPs' staffing groups to gather views on possible service improvements | | | | IPSA is confident that it has a clear understanding of the needs requirements of MPs and their staff | |

| Objective 2: Workable and transparent schemes | | | | | | |
|---|---|---|---------|---------|---|--|
| What we do | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 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 | | | | <p>A scheme that is increasingly simple to operate for both MPs and IPSA</p> <p>A scheme that is increasingly based on payments not needing to be made personally by MPs</p> <p>Evidence requirements increasingly provided through suppliers of goods and services rather than the MP</p> <p>A decrease in processing time for expenses over the plan period</p> | <p>At least 95% of claims are processed within 10 working days</p> <p>Errors identified on review account for under 1% of all claims</p> <p>Resolve over 90% of correspondence items within five working days</p> <p>Reduce from NAO-reported baseline in 2010-11 the percentage of value of claims funded through reimbursement</p> |
| | We will pilot a simplified system for claiming mileage, aiming to introduce by September 2011 | Investigate appetite and scope for offering central procurement | | | | |
| | Implement rolling programme of service improvements to Expenses@Work from July to October 2011, to simplify process of making claims | Run full testing of risk-based validation and introduce, if appropriate by March 2013 | | | | |
| | Investigate on-line booking system for train travel, and introduce by March 2012 | Introduce supplier provided evidence by September 2013 | | | | |
| | Test risk -based validation approach and report on outcomes | | | | | |
| Investigate feasibility of electronic evidence submission by January 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 |
| | | Be ready to make agreed salary | | | | |

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| | | payments (following review) by April 2013 | | | | information provided) |
| Provide guidance and training to users on the scheme and processes | Each year we will maintain delivery in line with published service targets and improve the users' experience in their interactions with IPSA | | | | The utility of the website increases over time Users' report that guidance and training increasingly match expectations. | Twice-yearly on-line survey indicates that user views on the utility of IPSA's website improving over time. |
| | Review and improve website and search facilities by end August 2012 Conduct first of twice yearly on-line surveys of users' views on website, setting baseline for KPIs Complete early planning for General Election to ensure state of readiness by end October 2011 | Conduct a full review of the usefulness of website and introduce improvements to increase functions and search features Conduct a twice yearly on-line survey of users' views on website Review preparations for General Election planning | Conduct a twice yearly on-line survey of users' views on website Review preparations for General Election planning | Conduct a twice yearly on-line survey of users' views on website Review preparations for General Election planning | | |
| Publish details of claims | We will continue to publish details of claims on a bi-monthly basis and aggregated data on an annual basis | | | | | |
| | Review frequency of publication, balancing value for money and transparency | | Review frequency of publication, balancing value for money and transparency | | | |

| Objective 3: Build public confidence in IPSA's execution of its duties | | | | | | |
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| What we do | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 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 and the media | | 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' expenses |
| | Consider how best to gain the views of the general public, possibly by establishing a consultation group. | 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 | | | | 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 | Conduct website survey of public opinion | Conduct website survey of public opinion | Conduct website survey of public opinion | | |
| | We will introduce regular publication of Board papers | Regular publication of information about IPSA decisions | Regular publication of information about IPSA decisions | Regular publication of information about IPSA decisions | | |
| Publish details of MPs expenses and costs | Each year we will continue to publish details of MPs' expenses regularly | | | | Users and the public are able to access and interrogate data to provide a clear picture of expenditure | Published information on MPs' claims maintains accuracy levels of over 99.75% |
| | We will publish budget totals and other costs to the public purse annually | | | | | |
| | Each year we will review publication frequency, balancing value for money and public interest considerations | | | | Users and the public are confident that the data published is accurate | |
| | Review usability of published data by [end March 2012 | Introduce improvements to usability of published data to increase transparency | | | | |

| Objective 4: Build a cost-effective organisation with engaged and motivated staff | | | | | | |
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| What we do | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 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 to assessing value for money 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 IPSA's expenditure on administration, salaries and expenses is within the budget provided. |
| | 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 | Investigate feasibility of reducing short-term facilities costs | Conduct a full feasibility study into options for reducing fixed costs including accommodation Explore feasibility and opportunity for outsourcing elements of service delivery (on a like for like basis) | | | | |
| Build and support our team | In each year we will assess capability of our staff, provide appropriate business oriented development and hold staff engagement events. We will conduct a staff survey every six months to assess staff engagement and commitment | | | | 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 |
| | Develop and negotiate a fair long-term reward strategy for IPSA's staff, in line with public sector good practice. | Conduct a full skills gap analysis to assess longer term staff development needs Assess and if | Conduct a review of succession planning | Standard review of people strategy and HR policies | | |

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| | <p>We will put in place a robust succession plan, taking account of workforce capability and recruitment</p> | <p>appropriate implement multi-skilling to enhance capacity and capability</p> <p>Review performance management system, established in 2010.</p> <p>Review disaster recovery and business continuity plans</p> | | | | |
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Governance

34. 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.*

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

Chairman: 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.

36. 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.

37. 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.

38. 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. IPSA will also in due course assume responsibility for the determination of Members’ salaries.

39. The Speaker’s Committee 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.

40. The Committee has a membership of 11. Rt Hon Jon 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 Standard section are ex officio members. Five further members are appointed by the House: Bob Russell MP (Liberal Democrat), Rt Hon Nicholas Brown MP (Labour), Laura Sandys MP (Conservative), Rt Hon Hilary Benn MP (Labour) 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.²

41. Mr Charles Walker MP also responds to questions in the House of Commons on matters relating to our work.
42. 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

43. 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 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.
44. 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.
45. 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.

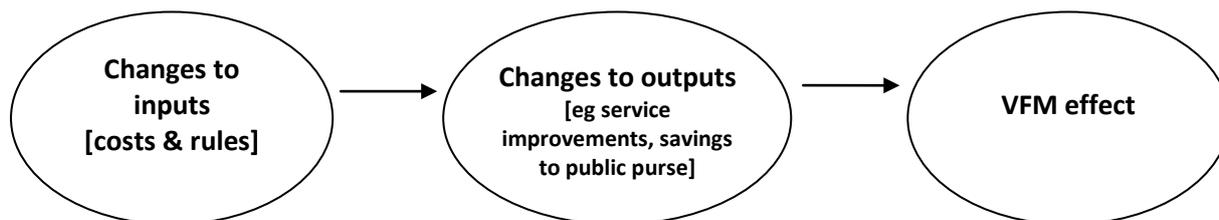
VALUE FOR MONEY

46. IPSA is still relatively new but has established itself as an effective organisation committed to delivering value for money (VFM).
47. The NAO conducted a Value for Money audit, and reported its findings in July 2011. Its recommendations concerned both sides of the VFM balance-sheet, relating to both inputs and outputs.
48. We have welcomed the report which finds that IPSA was set up with commendable speed, has made a significant contribution to increasing public confidence on the issue of MPs' expenses, and that, in contrast to the old regime, IPSA safeguards public money. It is encouraging that the NAO find much to be positive about, but we have been the first to acknowledge that despite the progress we have made, there is more for us to do. The NAO made some helpful recommendations; some of these we have already acted up and others are under consideration.
49. In terms of inputs, IPSA's costs are less flexible than at first sight and are driven by the combination of operational and regulatory responsibilities and the cost of maintaining an independent organisation, as well as by volumes of claims. Most of the non-staff costs are

² Membership as at July 2011

committed in the short-term and a further third of the staff related costs are required to support an independent organisation whatever approach to expense is adopted. IPSA will continue to explore the feasibility of reducing both its fixed and non-fixed costs, against the background that any changes in IPSA's approach must be balanced by the need to maintain public confidence and reflect the needs of MPs. The implementation costs in any substantial change to IPSA's operating model also means that savings would only materialise in the medium term and are unlikely to be realised during this parliament.

50. IPSA is currently developing an approach to assessing and improving VFM based on the following model:



51. We will look systematically at our inputs and implement changes to improve VFM. Inputs will be assessed under a number of headings. These include the standard categories such as efficiency and cost reduction; but are also likely to include investment, ie increasing our spend to significantly increase outputs.

COST OF DELIVERING PLAN

52. This section sets out the anticipated costs of delivering the Corporate Plan and table summarising our planned spend between 2011 and the maximum length of the current Parliament is set out below.

53. In 2010, the Government announced tight spending controls across the public sector. IPSA is an independent body, but as a publicly funded organisation has sort to plan in accordance with the wider public sector approach and has therefore committed to achieving savings in administrative costs on a like-for-like basis of at least 5% per annum over the period of the current Comprehensive Spending Review (2010-14).

Independent Parliamentary Standards Authority Expenditure 2011-12 to 2014-15

| | 2011-12 £000s | 2012-13 £000s | 2013-14 £000s | 2014-15 £000s |
|---------------------------------------|------------------|------------------|------------------|------------------|
| MPs Pay, Staffing and Expenses Budget | 172,098 | 172,755 | 181,577 | 181,284 |
| Resources Expenditure (IPSA) | 6,364 | 6,426 | 6,705 | 7,063 |
| Capital Expenditure | 2,602 | 1,782 | 1,461 | 1,141 |
| TOTAL resource and capital | 181,064 | 180,963 | 189,743 | 189,488 |

54. IPSA's Estimate consists of three subheads: programme funding for MPs' salaries, MPs' staff salaries and MPs' expenses; IPSA's operational costs, including those of the Compliance Officer; and capital expenditure.
55. Provisions have been included for anticipated costs relating to our new responsibility for determining and administering a scheme for MPs' pay, and for the costs associated with our anticipated responsibility for pensions.
56. We will continue to control our costs tightly, both our resource expenditure and our capital expenditure.

INFRASTRUCTURE

57. IPSA is 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.
- Over the period of this plan, we will continue to ensure that our business continuity arrangements are up to date, tested and audited.
58. 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. All 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. In September 2010 IPSA 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.
59. We recognise the contribution that information and communications technology can make and will invest where, on the basis of clear evidence, we believe that this will improve our efficiency and effectiveness.

60. A project to put in place robust record management systems will be conducted in 2011 and an intranet will be introduced in July 2011 to improve internal communications and the sharing of information in support of our business objectives.

COMPLIANCE

A separate 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 2011-12

| Objective 1: Independent, fair and effective regulation | | |
|---|--|--|
| Key performance target | Key Performance Indicators | Target metrics |
| <p>Have in place and regularly review an expenses scheme that is fair to the public purse and enables MPs to carry out their parliamentary functions</p> | <p>1. The expenses scheme is regularly reviewed with appropriate consultation to ensure it continues to be appropriate and fit for purpose</p> | <p>1a. Annual review of Expenses Scheme</p> <p>1b. Results of thematic reviews are fed into annual reviews of scheme</p> <p>1c. Equality impact assessment results form part of annual reviews and are reflected in the expenses scheme</p> <p>1d. IPSA consultations to include a range of activities, including public engagement, online consultation and direct approaches</p> |
| <p>Carry out a review of pay and implement recommendations</p> | <p>2. Review of pay is commenced</p> | <p>2. Pay review is launched in September 2011 and formal consultation is completed in advance of April 2013</p> |
| <p>Provide high levels of assurance that claims and payments are made in accordance with the Scheme</p> | <p>3. Assurance is provided in line with NAO requirements and provides appropriate levels of confidence</p> | <p>3. Sufficient assurance is provided to ensure that the NAO signs IPSA's accounts without qualification</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. Percentage of claims processed within the ten working day target</p> | <p>4. At least 95% of claims processed within ten working days</p> |
| | <p>5. Percentage of processed claims identified as errors during regular assurance and review programme activities</p> | <p>5. Errors identified on review account for under 1% of all 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>To 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>To operate a system that supports MPs in the execution of their parliamentary functions, with appropriate guidance and training</p> | <p>9. Service user survey results</p> | <p>9. Service user survey results show an increase in satisfaction levels year on year, measured against NAO survey baseline (May 2011)</p> |
| | <p>10. Percentage of value of claims funded through reimbursement reduces over time</p> | <p>10. Reduce 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">To operate a transparent expenses scheme that is easily understood by MPs and the public.</p> | 11. Regular programme of publication of MPs' expenses claims | 11. Bi-monthly publication of MPs' expenses claims in accordance with IPSA's stated publication schedule |
| | 12. User's views on the utility of IPSA's website improve over time | 12. Twice-yearly online survey |
| <p align="center">Improved public confidence levels in the regulation of MPs' 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' expenses |
| <p align="center">To 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 IPSA decisions | 15. Board papers are published on the IPSA website after six months |
| | 15. Regular publication of information about IPSA's performance IPSA decisions | 15. Board papers are published on the IPSA website after six months |

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. Twice-yearly staff engagement survey | 16. Baseline results December 2010 |
| 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) 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 |