

Independent Parliamentary Standards Authority

Main Estimate 2011-12

Presented to Parliament by the Speaker of the House of Commons pursuant to Schedule 1 to the Parliamentary Standards Act 2009.

Ordered by the House of Commons to be printed on 23 June 2011

Independent Parliamentary Standards Authority

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. This is the first Estimate prepared by IPSA for a full year of operation.

2. IPSA is a new body, which has been fully operational for just over a year. It 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 and expenses. IPSA's aim is for the expenses system to be fair, workable and transparent.

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 combined costs of the new scheme and its administration 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 £172.098m; £149.162m relates to the direct payment of MPs' pay, staffing costs and expenses; £6.364m relates to the administration of IPSA's operations and the Compliance Officer function in its first full operational year; and the balancing £16.572m forms an unallocated provision. In addition to this resource requirement, the Estimate also includes a provision for £2.602m capital. Of this, £1.602m relates to rental deposit loans that are provided for in the MPs' Expenses Scheme and £1m which relates to the design and development of IT systems to support IPSA's work.

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	172,098,000	-	172,098,000
Capital	2,602,000	-	2,602,000
Annually Managed Expenditure			
Resource	-	-	-
Capital	-	-	-
Total Net Budget			
Resource	172,098,000	-	172,098,000
Capital	2,602,000	-	2,602,000
Non-Budget Expenditure	-		
Net cash requirement	157,293,000		157,293,000

Amounts required in the year ending 31 March 2012 for expenditure by Independent Parliamentary Standards Authority on:

Departmental Expenditure Limit

Expenditure arising from:

Establishment, operation and administration of the Independent Parliamentary Standards Authority, and all activities connected to its purpose. Determination and administration of an expenses scheme for Members of Parliament; payment of salaries and expenses of Members of Parliament and their staff. Determination of policy for the administration of pay and pensions for Members of Parliament. Conducting reviews and investigations carried out under the auspices of the Office of the Compliance Officer.

The **Independent Parliamentary Standards Authority** will account for this Estimate.

£

	Voted Total	Allocated in Vote on Account	Balance to complete
Departmental Expenditure Limit			
Resource	172,098,000	70,174,000	101,924,000
Capital	2,602,000	500,000	2,102,000
Annually Managed Expenditure			
Resource	-	-	-
Capital	-	-	-
Non-Budget Expenditure			
	-	-	-
Net cash requirement	157,293,000	70,328,000	86,965,000

Part II: Resource to cash reconciliation

	£'000		
	2011-12 Plans	2010-11 Provisions	2009-10 Outturn
Net Resource Requirement	172,098	159,181	2,905
Net Capital Requirement	2,602	2,451	1,626
Accruals to cash adjustments	-17,407	-561	-1,170
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-740	-411	-
New provisions and adjustments to previous provisions	-	-	-
Departmental Unallocated Provision	-16,572	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-95	-150	-40
<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	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-1,130
Use of provisions	-	-	-
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	157,293	161,071	3,361

Part III: Note A - Forecast Operating Cost Statement & Reconciliation Table

	£'000		
	2011-12 Plans	2010-11 Provisions	2009-10 Outturn
Gross Administration Costs	-	-	-
<i>Less:</i>			
Administration DEL Income	-	-	-
Net Administration Costs	-	-	-
Gross Programme Costs	174,700	159,181	2,905
<i>Less:</i>			
Programme DEL Income	-	-	-
Programme AME Income	-	-	-
Non-budget income	-	-	-
Net Programme Costs	174,700	159,181	2,905
Total Net Operating Costs	174,700	159,181	2,905
<i>Of which:</i>			
Resource DEL	172,098	159,181	2,905
Capital DEL	2,602	2,451	1,626
Resource AME	-	-	-
Capital AME	-	-	-
Non-budget	-	-	-
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the OCS	-	-	-
<i>Adjustments to remove:</i>			
Capital in the OCS	-2,602	-2,451	-1,626
Non-Budget Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
Total Resource Budget	172,098	159,181	2,905
<i>Of which:</i>			
Resource DEL	172,098	159,181	2,905
Resource AME	-	-	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	-	-
Other adjustments	-	-	-
Total Resource (Estimate)	172,098	159,181	2,905

Part III: Note B - Analysis of Departmental Income

No income is expected in 2011-12, 2010-11 or 2009-10

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

No CFER income or receipts are expected in 2011-12, 2010-11 or 2009-10.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individual is responsible for the expenditure within this Estimate:

Accounting Officer Scott Woolveridge, Acting Chief Executive, Independent Parliamentary Standards Authority

who has personal responsibility for the proper presentation of the 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 (FRM), 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*.