

Independent Parliamentary Standards Authority

Explanatory Memorandum for 2023-24 Supplementary Estimate

This note provides the Speaker's Committee for the IPSA (SCIPSA) with an explanation of the proposed 2023-24 Supplementary Estimate for the Independent Parliamentary Standards Authority (IPSA), as approved by IPSA's Board. For comparative purposes the Supplementary Estimate includes the original 2023-24 budget.

Summary

IPSA is not seeking any additional funding; IPSA is reallocating existing budgets from revenue to capital.

IPSA's net spending is broken down into several different spending totals, for which SCIPSA's approval is sought. The two relevant spending totals for this Supplementary are:

- Resource Departmental Expenditure Limit (Resource DEL) - a net limit comprising day-to-day running costs, less any income; and
- Capital Departmental Expenditure Limit (Capital DEL) - investment in capital equipment.

These are further subdivided in IPSA's Main Estimate into:

- Subhead A: MPs' business costs, pay and pensions; and
- Subhead B: IPSA's operational costs.

This Supplementary only covers a movement of £273k from Resource DEL to Capital DEL within Subhead B. It does not impact on IPSA's overall budget allocation of the 2023-24 financial year which remains in line with the previously approved Main Estimate. It does not involve any transfer of budget between Subhead A and Subhead B.

Key Driver of Change in Spending Profile

There are no material changes in IPSA policies or to the ambit. This Supplementary Estimate is required, in part, due to SCIPSA deadlines for the Main Estimate occurring early in the financial year (earlier than central government departments). Accordingly, there is a greater degree of uncertainty over the spend profiles of improvement projects.

Many of the aspirational projects which IPSA seeks funding for at Main Estimate stage are yet to be subject to a strict business case approval procedure. This will determine the project's value for money case, affordability, and accounting treatment (split between revenue and capital).

While IPSA is delivering its projects in line with the total budget, it is now apparent that the contracts we intend to enter into require us to reclassify a portion of our original spending assumptions. A larger element of the work will need to be covered from capital budgets as opposed to resource.

While total expenditure remains the same, as resource and capital spend are separate control totals, IPSA must reallocate resource funding to capital.

The impact of these changes can be seen in the following table.

Changes Proposed to Main Estimate

£'000	Resource DEL			Capital DEL		
	Main Estimate	Supplementary Movement	Revised Estimate	Main Estimate	Supplementary Movement	Revised Estimate
Subhead A	239,252	0	239,252	30	0	30
Subhead B	11,137	-273	10,864	220	273	493
Total	250,389	-273	250,116	250	273	523

This movement will have no impact on IPSA's cash requirements for the year which will remain at £250,112m as per the 2023-24 Main Estimate.

Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit. The information in this Estimates Memorandum has been approved by myself as Departmental Accounting Officer.

Ian Todd

Accounting Officer

15/12/2023