

## Annex 7

### Consultation Papers

#### Email to Registrants

**Title: IPReg 2018 Business Plan, Budget and Practice Fees**

Dear Registrants

We are finalising our 2018 Business Plan and Budget.

Please follow the link to the Consultations Section of our website where we have posted the draft 2018 Business Plan and Budget.

<http://ipreg.org.uk/2018-business-plan-budget-and-practice-fees/>

We are proposing a zero increase in practice fees for 2018.

The 2018 Business Plan and Budget will be finalised at the Board meeting on 28 September (after which we will apply to the Legal Services Board for final approval).

If you wish to comment on the drafts or the proposal in relation to practice fees, please do so via email at [ipreg@ipreg.org.uk](mailto:ipreg@ipreg.org.uk) **by 5pm on Friday 15 September 2017**.

Kind regards

**Administrator**

Intellectual Property Regulation Board

Fifth Floor, Outer Temple

222-225 Strand, London WC2R 1BA

Website: [www.ipreg.org.uk](http://www.ipreg.org.uk)

*NB This email is being sent out in batches and colleagues in your office may receive their email later or at different times.*

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**Consultation Page on website:**

### **2018 Business Plan, Budget and Practice Fees**

We are consulting on our 2018 Business Plan, Budget and Practice Fees.

We are proposing a zero increase in practice fees for 2018. This will be the second year running that we have not increased the practice fee. We are proposing from 2019 onwards, any increases in practice fees are expected to be limited to no more than RPI, in the normal course of events.

Following Ann Wright's resignation as CEO, the Board conducted an assessment of the role's current and future workload. In light of the increasing number of registrants and size of the overall regulatory workload, it took this opportunity to strengthen and increase the resilience of the executive team with the appointment of two part-time senior executives: a CEO and a new role – Head of Registration. The new CEO, [Fran Gillon](#), started on 1 August 2017. The Head of Registration will start later this year and will have specific responsibilities for the maintenance of the Register and the associated compliance, assurance, admission and disciplinary reviews. These new members of staff will work closely with the Board to develop its strategic direction for the coming years. Therefore, in developing the [draft 2018 Business Plan](#), (*see Annex 3a of application*) the Board has decided to limit the number of new initiatives for 2018.

The draft [2018 Budget](#) (*see Annex 2 of application*) should be read in conjunction with our [Project and General Reserves as at 1 January 2017](#) (*see Annex 5 of application*). The reserves are reviewed at the end of each financial year and will next be reviewed after 31 December 2017. You can access the 2017 Practice Fee page which sets out the level of fees via this [link](#) – the fees will be unchanged in 2018.

The budgeted operational costs for 2018 are £713,100 (2017: £654,700) plus the Legal Services Board levy (including the Legal Ombudsman levy) of £58,700 (2017: £57,200). The total budget for 2018 is £771,800 (2017: £711,900). The increase in operational expenditure is due to an increase in staff costs following the restructuring of the executive team. Where we have ring-fenced reserves in place, we have considered the need to maintain the applicable budget lines for 2018 at the same level as 2017 and have, if appropriate, reduced them. However, we consider that it is prudent to maintain the reserves at current levels to ensure that we can respond appropriately to events as they occur during the coming year.

Our practice fee income to 31 July 2017 was £777,362; additional practice fee income arising from new admissions to the Registers in the remainder of 2017 will not be significant. Additional operational expenditure in 2017 and 2018 can be managed within the current budget.

You can also see our [Annual Report for last year](#). This contains details of the number of new registrants in 2016. Our audit is also complete and you can see the signed Financial Statements via this [link](#) (*see Annex 13 of application*).

If you have any comments on the 2018 Business Plan, Budget or Practice Fees, please send them to:

[ipreg@ipreg.org.uk](mailto:ipreg@ipreg.org.uk) by 5 pm on Friday 15 September 2017.

## **The IPReg Office is headed by its Chief Executive, Fran Gillon**

Fran became Chief Executive on 1 August 2017. She has experience in economic and professional regulation, having held senior positions in Ofgem, Postcomm (the former postal services regulator) and the Legal Services Board (LSB). After leaving the LSB, Fran worked as a Special Adviser at Slaughter and May. Fran has a BSc (Econ.) from the London School of Economics and a Postgraduate Certificate in Competition Policy.

## 2017 Practice Fees

Although our practice fees are reviewed by IPReg annually as part of our budgeting process, we only issue a formal practice fee regulation if there are changes. The current Practice Fee Regulations can be found [here](#).

The practice fees are approved each year by the Legal Services Board.

The practice fees for 2017 remain at the same level as 2016.

Fees are for the year from 1st January. Fees are not pro rata'd but practice fees will be waived if an application for registration is received on or after 1st November in each calendar year.

We do not require any additional payment (and nor do we give refunds) if your practice fee type changes during the year or if you resign from the register.

The fees for an individual/body to be entered on or to remain on a single register or both registers can be found below:

Practice Fee Types	Single Registrant Fee	Dual Registrant Fee
Attorney solely undertaking corporate work	£ 159.00	£ 255.00
Attorney in private practice	£ 193.00	£ 317.00
Attorney not in active practice	£ 144.00	£ 232.00
Sole trader not employing other attorneys or other professionals	£ 317.00	£ 453.00
Sole trader employing others:		
Base Fee	£ 317.00	£ 453.00
Plus for each employed registered attorney	£ 63.00	£ 63.00
And each employed other professional providing legal services	£ 255.00	£ 255.00
<b>Registered Body Fees</b>	For Entry on or to remain on a single register or both registers	
i) Registered body through which only a single attorney and no other attorneys or other professionals provide services	£124.00	
ii) Any other registered body	£317.00 + £63.00 for each attorney practising via the body + £255.00 for each other professional practising via the body	

## Annual Report 2016/2017

### Message from the Board

My appointment as the Acting Chair commenced in November 2016 although I have been a Board Member for two years.

The LSB conducts Regulatory Standards performance assessments including comments from the wider profession submitted via an anonymous survey and detailed feedback from the representative bodies. In 2016, IPReg demonstrated significant progress and high level of performance, noting that IPReg's report was amongst the strongest of the front line legal regulators.

In December 2016, the CMA published its report on the Legal Services sector. As one of the seven Legal Service Regulators, IPReg is playing an active role supporting their findings and consequent action plan, whilst also reflecting the specialised B2B nature of our regulated members' activities.

Inevitably, Brexit will bring new challenges to our profession, as will the continued development of web-based tools to innovate and expedite efficient services, whilst ensuring adequate cyber security protections.

Ann Wright (CEO) was the architect of our IPReg systems and processes, but has chosen this opportunity to stand-down from her role. After 8 years, she feels her work is largely completed and her recommendation is that a new CEO should lead the next phase of IPReg's development. Following an assessment of the CEO's current and future workload, the Board have decided to strengthen the executive team, by the appointment of two part-time senior executives; a CEO and a Head of Registration with specific responsibilities for the maintenance of the Register and the associated compliance, assurance, admission and disciplinary reviews. We wish Ann every success in her career and welcome Fran Gillon, formerly of the Legal Services Board, as our new CEO. Further details will be made available shortly.

***Steve Gregory, Acting Chair***

### Chief Executive's Report

This last year has been a further cycle of welcomes and goodbyes. Our Chair, Caroline Corby, left after 6 months in the post for personal reasons. I thank Steve Gregory, a serving lay Board member, for agreeing to stand as our Acting Chairman pending the appointment of a permanent Chair.

After 8 years as Chief Executive, I am retiring. Having been at IPReg since November 2009, it is time to pass the baton.

Notwithstanding the challenges of change, significant milestones, particularly in education, have been achieved.

### Accreditation Handbook

Accreditation plays a critical role in maintaining and developing professional standards.

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The [IPReg Accreditation Handbook](#) sets out our approach to accrediting a course, or other provision, of Examination Agencies, for inclusion in the attorney qualification pathway.

It was developed with the Examination Agencies (such as universities and the Patent Examination Board) and seeks to guide them, or others interested in applying for IPReg accreditation, in delivering qualification courses and/or examinations which meet our standards.

It also specifies the credit allocations, Core Subjects and Learning Outcomes which any provider of the Foundation Level Qualification (FLQ) must deliver. It seeks to ensure those seeking to study for the FLQ will have a range of providers, both in terms of format and location of delivery. At the same time, it aims to ensure that, regardless of the qualification pathway/provider chosen, all students experience a similar balance and breadth of subject coverage, and gain the same general transferable skills.

The re-accreditation cycle using these new standards has already commenced.

### **FD4 (formerly P6) Infringement and Validity Examination – Research Report**

The Quality Assurance Agency (QAA)'s 2015 review of the policies, procedures and processes of the Patent Examination Board (PEB), included a recommendation to the PEB to investigate the consistently poor candidate success rate in the 'Infringement and Validity' examination.

IPReg agreed to fund this work and established a Steering Group, including representatives from the PEB, CIPA and the IP Federation, to commission and manage independent research into this matter. After a tender process, the Middlesex University Research Team (Institute for Work Based Learning and the School of Law) was appointed.

The resulting **Publication Report FD4(P6) Exam Review** was endorsed by the IPReg Board, which judged it to be comprehensive, well researched and an important milestone, for the first time gathering data and evidence about this matter in a collaborative manner and providing a clear path forward through a number of 'Suggestions'.

The report's 'Suggestions' were commended to both the Patent Examination Board and the Chartered Institute of Patent Attorneys.

My especial thanks to the IPReg Board members and Director of Policy who took forward these important education projects.

### **Client Care Letters**

A client care letter is the first written communication a consumer receives after taking up legal advice. There has been growing recognition that often the language these letters use and the way in which they present the information is creating a barrier to consumer engagement.

Working collaboratively with the other Legal Regulators and the Legal Services Consumer Panel, IPReg helped fund and commission research to review the effectiveness of these letters and to identify the principles for improving them.

Please see the [Client Care Letter Note](#) on our website.

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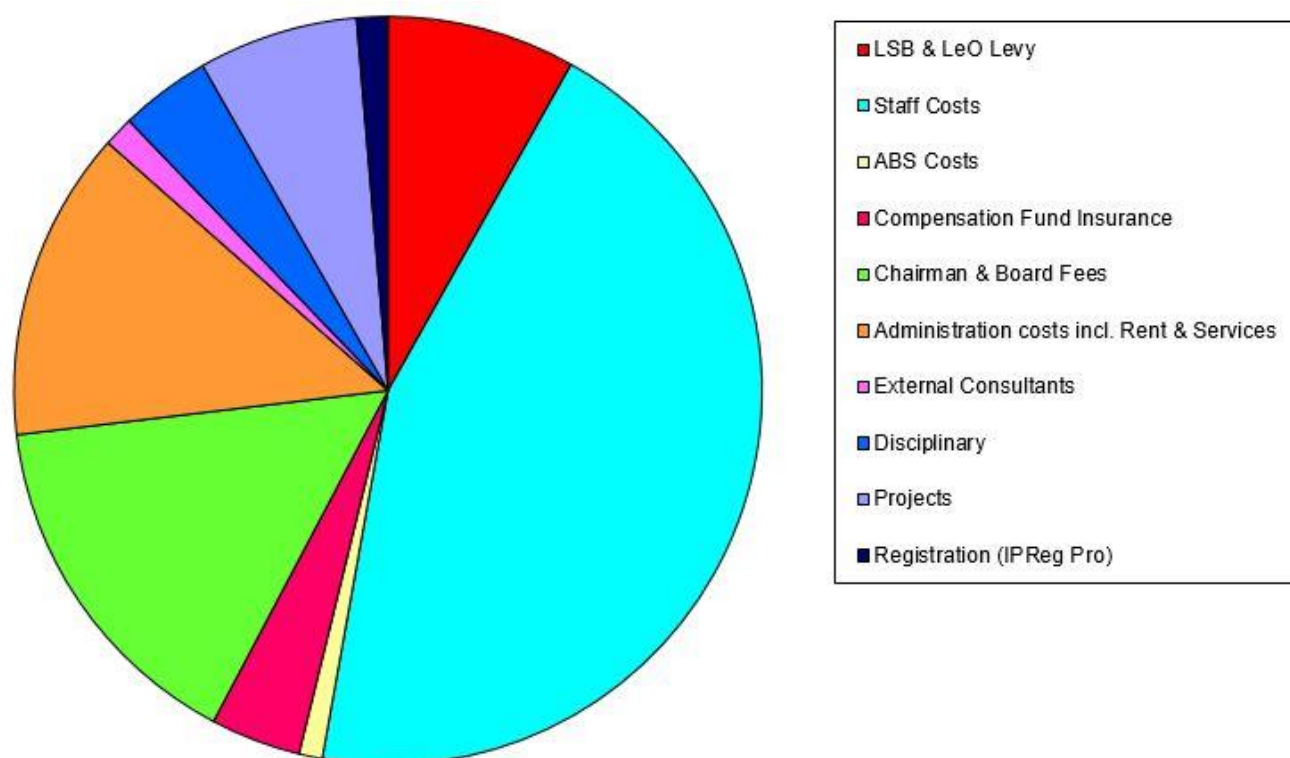
### Funding diversity initiatives

IPReg, having previously established a fund to support initiatives aimed at promoting our regulatory objective of a diverse profession, made a grant to [Generating Genius](#). Generating Genius works with young people from disadvantaged backgrounds who are talented in STEM (Science, Technology, Engineering, Mathematics).

Two 'STEM in Action' Days were funded.

### Financials

We have published [a comparison between our 2016 Budget and our actual spend](#) on our Financials page but here is a pictorial guide to the split of costs. The red slice represents the levy to the Legal Services Board and the Legal Ombudsman.



### Admissions

The admission for both individuals and entities are shown below.

	2016	2015	2014	2013	2012	2011
Applications for Admission to the Patent Register	77	106	89	82	78	96
Applications for Admission to the Trade Mark Register	44	44	54	56	72	51
Applications by Entities	12	20	32	26	22	24

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### Complaints

“First tier” complaints data:

<b>Type of complaint</b> (as declared by entities at 14 July 2017)	<b>Number</b>
Failure to follow instructions	17
Failure to advise or poor/wrong advice	15
Failure to keep informed/failure to reply	18
Failure to comply with agreed action/remedy	10
Delay/failure to progress	28
Failure to keep papers safe	1
Cost information deficient/costs excessive	56
Failure to release/file papers	4
Conduct	7
Other	19
<b>Total</b>	<b>175</b>