

ACTUAL v BUDGET FOR 3 MONTHS ENDED 31 MARCH 2024

THESE FIGURES HAVE BEEN PREPARED FOR MANAGEMENT INFORMATION PURPOSES AND ARE UNAUDITED

	<i>Note</i>	3 ME 31-3-2024		YE 31-12-2024
		<u>Actual</u> £	<u>Budget</u> £	<u>Budget</u> £
PROJECTED INCOME	<i>a.</i>	<u>1,234,571</u>	<u>1,222,825</u>	<u>1,247,781</u>
PROJECTED EXPENDITURE				
LEGAL SERVICES BOARD AND LEGAL OMBUDSMAN	<i>b.</i>	21,251	22,900	91,600
PROJECTED OPERATIONAL EXPENDITURE				
Board/Directors	<i>c.</i>	29,067	24,750	99,000
Conduct & Disciplinary incl. Assurance & Litigation	<i>d.</i>	17	12,500	50,000
Corporation Tax	<i>e.</i>	1,145	750	3,000
Diversity Initiatives	<i>f.</i>	10,800	6,750	27,000
Education & Projects	<i>g.</i>	252	22,500	90,000
Financial Expenses	<i>h.</i>	4,705	4,500	7,000
General Administration Expenses	<i>i.</i>	22,551	26,793	107,170
IT Support (office and website)	<i>j.</i>	33,285	24,625	98,500
Legal & Professional	<i>k.</i>	15,359	22,750	91,000
Legal Choices		1,450	1,450	5,800
PR/Communications		0	750	3,000
Staff Costs	<i>l.</i>	142,079	141,500	566,000
TOTAL EXPENDITURE		<u>281,961</u>	<u>312,518</u>	<u>1,239,070</u>
OPERATING BALANCE		<u>£952,610</u>	<u>£910,307</u>	<u>£8,711</u>

See notes overleaf

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Notes:

a. Projected Income

	3 ME 31-3-2024		YE 31-12-2024
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Budgeted Practice Fees - Attorneys & Entities	1,225,574	1,222,825	1,247,781
Other Income			
Interest Received	6,028	0	0
Late payment penalty fees	560	0	0
Role holder registrations	400	0	0
Licensed & Registered Bodies Application fees	1,449	0	0
Non UK qualification application fee	560	0	0
	<u>8,997</u>	<u>0</u>	<u>0</u>
	<u>1,234,571</u>	<u>1,222,825</u>	<u>1,247,781</u>

Budgeted Practice Fee Income for 2024 - based on a fee increase of 8% applied to the estimate of the final practice fee income for 2023 for all practising fee paying categories (no increase was applied to the not in active practice fee paying category) and also a provision for attorney admissions which was then reduced by an estimate for voluntary removals and removals in 2024.

The renewals process is undertaken in the first three months of the year and accounts for approximately 98% of the total practice fees and this figure has been used in the 3 month budget comparison.

Other Income - no estimate has been made for other income from bank interest and as per our usual practice, from role holder/licensed body applications and costs awards/fines from disciplinary cases as these are outside our control.

b. Legal Services Board and Legal Ombudsman

	3 ME 31-3-2024		YE 31-12-2024
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>
LSB Levy	20,001	21,650	86,600
LeO/OLC Levy	1,250	1,250	5,000
	<u>21,251</u>	<u>22,900</u>	<u>91,600</u>

The LSB year end is 31 March, therefore the budget is made up of 2 levy years. The 2024 budget figure has been calculated by prorating the indicative levy for 2023/2024 (which is 10.34% higher than the 2022/2023 levy) and taking a prorated proportion of an estimated levy for 2024/2025 with a similar increase.

c. Board/Directors

	3 ME 31-3-2024		YE 31-12-2024
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Replacement of Board Members	10,003	3,500	14,000
Remuneration	18,566	17,625	70,500
Travel & Subsistence	498	2,625	10,500
Employer's National Insurance	0	1,000	4,000
	<u>29,067</u>	<u>24,750</u>	<u>99,000</u>

Board members are also directors of The Intellectual Property Regulation Board Limited.

Board Fees - the 2024 budget has a projected increase of 5%, the first increase since 2020. Board fees were increased by 4% (CPI for the 12 months to December 2023) with effect from 1 January 2024.

Travel & subsistence - an estimate for travel and subsistence (grossed up and paid through payroll) to attend all board meetings in person is shown separately and not part of Directors Remuneration for transparency.

Additional fees charged by directors have been allocated where applicable to the relevant budget lines and are not shown in Remuneration.

ACTUAL v BUDGET FOR 3 MONTHS ENDED 31 MARCH 2024

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Notes (continued):

d. Conduct & Disciplinary incl. Assurance & Litigation

	<u>3 ME 31-3-2024</u>		<u>YE 31-12-2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
External Legal costs and hearing costs	17	12,500	50,000

e. Corporation Tax

Corporation Tax is payable on interest received which is higher than budgeted due to the increase in interest rates (see Interest Received in note a.).

f. Diversity Initiatives

	<u>3 ME 31-3-2024</u>		<u>YE 31-12-2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
Donations	10,800	1,750	7,000
Diversity research and survey	0	5,000	20,000
	10,800	6,750	27,000

g. Education & Projects

The budget also includes an estimate of £85,000 in respect of the work to consider the regulatory policy issues regarding the development of different routes to qualification particularly for the patent attorney qualification, accreditations, review of the Accreditation Handbook and review of the Competency Frameworks.

h. Financial Expenses

The largest component of the Financial Expenses budget line relates to commission on card transactions, which is predominantly incurred during the first three months of the year (the renewal process). The three month budget comparative has been adjusted to reflect this.

i. General Administration Expenses

	<u>3 ME 31-3-2024</u>		<u>YE 31-12-2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
Licence & Services	19,800	20,543	82,170
Other Office Costs	2,751	6,250	25,000
	22,551	26,793	107,170

Licence & Services - the budget is based on the same office space with a provision for a 5% increase when the licence and services agreement expires at end of March 2024. The licence has been extended to the end of September 2024 with no additional increase.

ACTUAL v BUDGET FOR 3 MONTHS ENDED 31 MARCH 2024

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Notes (continued):

j. IT Support (office and website)

	3 ME 31-3-2024		YE 31-12-2024
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
Support	2,675	3,375	13,500
CRM - Operational	4,667	3,750	15,000
CRM - Enhancements	25,943	17,500	70,000
	<u>33,285</u>	<u>24,625</u>	<u>98,500</u>

CRM - Enhancements budget is the estimated expenditure in respect of the website redevelopment & enhancements arising from the regulatory arrangements review.

k. Legal & Professional

	3 ME 31-3-2024		YE 31-12-2024
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
Legal & Professional Costs	10,078	6,500	26,000
Actuarial and Legal Costs in respect of Compensation Fund	5,281	2,500	10,000
Statistical Sampling in relation to Thematic Reviews	0	3,750	15,000
Costs associated with the implementation of PII Sandbox	0	2,500	10,000
Transparency Thematic Reviews	0	7,500	30,000
	<u>15,359</u>	<u>22,750</u>	<u>91,000</u>

l. Staff Costs

	3 ME 31-3-2024		YE 31-12-2024
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£
CEO	24,123	24,150	96,600
Regulatory Officers	74,228	75,150	300,600
Administrative Staff	24,024	21,088	84,350
Employer's National Insurance	14,327	14,112	56,450
Pension Costs	3,311	3,000	12,000
Staff Benefits	1,616	2,750	11,000
Staff development and training	450	1,250	5,000
	<u>142,079</u>	<u>141,500</u>	<u>566,000</u>

Staff costs - the 2024 budget projected an increase of 5% for current IPReg staff salaries. Staff salaries increased in January 2024 by 5%.

The Board has committed to utilising Reserves to offset against an operating deficit if required.

[See our Reserves](#)

[See our Reserves Policy](#)