

## ACTUAL v BUDGET FOR 9 MONTHS ENDED 30 SEPTEMBER 2023

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

	Note	9 ME 30-9-2023		YE 31-12-2023
		Actual £	Budget £	Budget £
<b>INCOME</b>	<i>a.</i>	<u>1,153,457</u>	<u>1,105,356</u>	<u>1,106,462</u>
<b>EXPENDITURE</b>				
<b>LEGAL SERVICES BOARD AND LEGAL OMBUDSMAN</b>	<i>b.</i>	62,127	61,575	82,100
<b>OPERATIONAL EXPENDITURE</b>				
Board/Directors	<i>c.</i>	58,217	67,275	89,700
Conduct & Disciplinary incl. Assurance & Litigation	<i>d.</i>	28,894	31,875	42,500
Corporation Tax	<i>e.</i>	1,938	75	150
Diversity Initiatives	<i>f.</i>	12,800	12,750	17,000
Education & Projects	<i>g.</i>	5,379	2,500	5,000
Financial Expenses	<i>h.</i>	5,073	6,200	7,000
General Administration Expenses	<i>i.</i>	72,660	78,878	105,170
IT Support (office and website)	<i>j.</i>	43,918	65,625	87,500
Legal & Professional	<i>k.</i>	32,173	75,000	100,000
Legal Choices		4,350	2,900	5,800
PR/Communications		2,820	2,250	3,000
Staff Costs	<i>l.</i>	402,944	433,434	577,910
<b>TOTAL EXPENDITURE</b>		<u>733,293</u>	<u>840,337</u>	<u>1,122,830</u>
<b>OPERATING BALANCE</b>		<u>£420,164</u>	<u>£265,019</u>	<u>-£16,368</u>

See notes overleaf

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Notes:

## a. Income

	9 ME 30-9-2023		YE 31-12-2023
	Actual £	Budget £	Budget £
Budgeted Practice Fees - Attorneys & Entities	1,134,052	1,105,356	1,106,462
Other Income			
Interest Received	9,918	0	0
Late payment penalty fees	1,292	0	0
Licensed Body Application Fees	0	0	0
Role holder registrations	3,600	0	0
Education/Accreditation Recharge	4,035	0	0
Non UK Application fees	560	0	0
	19,405	0	0
	1,153,457	1,105,356	1,106,462

Budgeted Practice Fee Income for 2023 - 6% increase applied to the estimate of the final practice fee income for 2022, which includes a provision for attorney admissions and a reduction for voluntary removals/removals in 2023.

The renewals process is undertaken in the first three months of the year and accounts for approximately 98% of the total practice fees. The 9 month budget comparison has used 99.9% of the total practice fees. It should be noted that the number of individual applicants for admission to the Registers is higher than at the same point in previous years.

Other Income - no estimate has been made for budgeted 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. Included in Other Income is the recharge of costs for the review of the delivery of the implementation plan for the IPReg accreditation of patent and trade mark qualifications at Queen Mary University London.

## b. Legal Services Board and Legal Ombudsman

	9 ME 30-9-2023		YE 31-12-2023
	Actual £	Budget £	Budget £
LSB Levy	58,377	57,825	77,100
LeO/OLC Levy	3,750	3,750	5,000
	62,127	61,575	82,100

The LSB year end is 31 March, therefore the budget is made up of 2 levy years. The 2023 budget figure has been calculated by prorating the indicative levy for 2022/2023 and taking a prorated proportion of an estimated levy for 2023/2024 (based on a similar 7.85% increase on the indicative levy for 2022/2023).

## c. Board/Directors

	9 ME 30-9-2023		YE 31-12-2023
	Actual £	Budget £	Budget £
Replacement of Board Members	0	3,750	5,000
Remuneration	51,800	50,325	67,100
Travel & Subsistence	3,834	10,050	13,400
Employer's National Insurance	2,583	3,150	4,200
	58,217	67,275	89,700

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

Fees - remain at the same level as 2020.

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 as part of Remuneration.

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Notes (continued):

**d. Conduct & Disciplinary incl. Assurance & Litigation**

	9 ME 30-9-2023		YE 31-12-2023
	Actual £	Budget £	Budget £
External Legal costs and hearing costs	23,947	26,250	35,000
Recruitment/training of panel members	4,947	5,625	7,500
	<u>28,894</u>	<u>31,875</u>	<u>42,500</u>

**e. Corporation Tax**

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

**f. Diversity Initiatives**

	9 ME 30-9-2023		YE 31-12-2023
	Actual £	Budget £	Budget £
Donations	12,800	5,250	7,000
Diversity Survey	0	7,500	10,000
	<u>12,800</u>	<u>12,750</u>	<u>17,000</u>

**g. Education & Projects**

Education includes the costs that were recharged to Queen Mary University in respect of the review of the delivery of the implementation plan for the IPReg accreditation of patent and trade mark qualifications (see note a.).

**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 nine month budget comparative has been adjusted to reflect this.

**i. General Administration Expenses**

	9 ME 30-9-2023		YE 31-12-2023
	Actual £	Budget £	Budget £
Licence & Services	59,400	61,628	82,170
Other Office Costs	13,960	17,250	23,000
Write Back of Provision against the recoverability of costs awards	-700	0	0
	<u>72,660</u>	<u>78,878</u>	<u>105,170</u>

Licence &amp; Services - the budget estimated a 5% increase when the licence &amp; services agreement expired at end of March 2023, however we were able to extend our licence to March 2024 with no increase.

**j. IT Support (office and website)**

	9 ME 30-9-2023		YE 31-12-2023
	Actual £	Budget £	Budget £
Support	6,728	10,125	13,500
CRM - Operational	9,847	10,500	14,000
CRM - Enhancements	27,343	45,000	60,000
	<u>43,918</u>	<u>65,625</u>	<u>87,500</u>

CRM - Enhancements - budgeted expenditure in respect of the website redevelopment &amp; enhancements arising from the regulatory arrangements review.

**ACTUAL v BUDGET FOR 9 MONTHS ENDED 30 SEPTEMBER 2023**

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Notes (continued):

**k. Legal & Professional**

	9 ME 30-9-2023		YE 31-12-2023
	Actual £	Budget £	Budget £
Legal & Professional Costs	19,498	15,000	20,000
Actuarial and Legal Costs in respect of Compensation Fund	0	22,500	30,000
Recruitment for case examiners and other associated fees	0	15,000	20,000
Review of Regulatory Arrangements	10,822	22,500	30,000
Data Gathering Exercise	1,853	0	0
	<u>32,173</u>	<u>75,000</u>	<u>100,000</u>

Legal & Professional Costs - Review of regulatory arrangements covers anticipated expenditure in respect of advice on diversity, advice on Professional Indemnity insurance, costs and other ancillary costs.

**l. Staff Costs**

	9 ME 30-9-2023		YE 31-12-2023
	Actual £	Budget £	Budget £
CEO	69,008	66,308	88,410
Regulatory Officers	224,026	241,275	321,700
Administrative Staff	61,067	57,938	77,250
Employer's National Insurance	34,178	46,800	62,400
Pension Costs	8,282	9,863	13,150
Staff Benefits	5,723	7,500	10,000
Staff development and training	660	3,750	5,000
	<u>402,944</u>	<u>433,434</u>	<u>577,910</u>

Staff costs - the 2023 budget has a projected increase of 5% for current IPReg staff salaries. Staff salaries increased by 9.3%.

Staff figures for the Regulatory Officers were based on the estimates to implement the proposed restructure which is now in place and is slightly different to the budgeted plan.

Employer's National Insurance - the budget included the additional 1.25% Health & Social Care Levy which was reversed by the Government.

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

[See our Reserves](#)

[See our Reserves Policy](#)