

Business Plan 2019/20

1. The appointment in 2017 of a new Chief Executive and a Head of Registration provided the opportunity for IPReg to review the way in which it carries out its core regulatory activities. This review has highlighted a significant range of areas where can improve our overall efficiency and effectiveness.
2. The changes that we have identified so far are likely to take time to implement; more changes may be identified in due course, now that our new Chair is in post and has started working with the Board and the executive team to develop IPReg's strategy for the medium term. We consulted on a draft Business Plan over the summer of 2018. This Business Plan takes into account the responses to that consultation and sets out our current view of the key work that we need to do over the next 1-2 years. Once a new strategy is developed, we will consult on that and make any necessary consequential adjustments to our Business Plan.

Improving our efficiency and effectiveness

Our "core regulatory activities"

3. The IPReg team carries out a wide range of "business as usual" activities. These include:
 - considering applications from individuals and entities for registration;
 - providing advice on our regulatory arrangements;
 - investigating complaints and taking disciplinary action where necessary;
 - dealing with enquires to our "Info" email box;
 - a rolling accreditation process of examination agencies and considering applications from new entrant agencies;
 - responding to LSB consultations and requests for information (e.g. on the regulatory performance framework and diversity);
 - developing policies following recommendations from external bodies (e.g. the CMA legal services market survey).

These activities occupy most of the team's time over the course of a typical year.

4. In addition, the annual re-registration process currently takes significant resources, particularly dealing with telephone and email queries from registrants. We estimate that over the period from December to March, around 80% of the team's time (including additional days worked) is spent on the re-registration process.
5. We have been reviewing how we carry out these "core" activities and have identified two key areas where we want to significantly improve how they are conducted. These are:

Implementing a new IT system

6. We have identified that the database which supports the operation and maintenance of the registers (and has been in use since 2013) needs significant improvements to its functionality. It would not be cost-effective to make the required changes on the current system and we are therefore in the process of scoping a new CRM system that will include our registers of individuals and entities. The improved functionality that it will offer should help to streamline our annual renewal process as well as improving the way in which we interact with registrants

and reducing the number of queries that get. Inevitably, developing, testing and implementing a new system will take a considerable amount of the team's time during 2019, particularly because we want to have it in place well in advance of the 2020 annual renewal process.

Improving our regulatory arrangements

7. Our regulatory arrangements (our rules and regulations) have built up over time and, inevitably, there are areas where they could be improved. We do not plan to change our overall approach to regulation – risk-based, keeping prescriptive rules to a minimum and providing guidance to help understand the outcomes we are seeking. However, we need to review our regulatory arrangements in their entirety. In doing so, we will make them more streamlined and consistent. We will also consider whether a “lite” version of regulatory arrangements for in-house attorneys and overseas attorneys would be appropriate, taking into account the risk posed to consumers. In developing new regulatory arrangements, we will remove any actual or perceived barriers to providing *pro bono* advice, whilst ensuring that regulatory protection is afforded to consumers who are provided with *pro bono* advice.

8. This is a significant piece of work, both for IPReg and those we regulate and we would like to maximise the input we get from the consultation process Our initial thinking on timing is:

Q1 – Q4 2019 – scoping the review (building on work already done in 2018) with input from CIPA, CITMA and other stakeholders

Q1 2020 – initial consultation on proposed approach and outline of new regulatory arrangements

Q3 2020 – detailed proposals for new regulatory arrangements

Our aim would be to apply to the LSB for approval of the new regulatory arrangements in Q1 of 2021 with a view to them being in force in Q3 2021.

Other activities

9. There are also other areas where we consider that changes are needed. These are:

Improving the application process for individuals and entities

10. We receive applications from individuals and entities to be regulated. We have identified that we could make the application process more efficient overall. Our aim, once our new CRM is in place is to move to on-line applications for individuals and entities.

11. We have a statutory objective to promote competition in the provision of legal services and want to ensure that our application process for entities is not an unnecessary barrier to entry. We therefore want to review our approach – this could include new guidance and new application forms. Our initial thinking on timing for this review is:

Q3 2019 – scoping the review and identifying areas for change/improvement

Q1 2020 - consultation on proposed changes

Q3 2020 – application to the LSB for approval of the new arrangements

12. We are not planning any changes to the standard education requirements for qualification as an attorney (i.e. the foundation courses and subsequent specialised examinations). However, we

consider that it is appropriate to review whether the current system of exemptions (e.g. for qualifications and for litigators) is targeted, proportionate and consistent. This work is unlikely to start until late 2020.

More appropriate categories of registrant

13. In reviewing the operation of the current register, we have identified that some categories of registrant need to be changed to reflect better the commercial framework within which they practise. This is particularly the case for some attorneys who are classified as sole traders. We also consider that it is appropriate to review whether attorneys who are “not in active practice” should be allowed to remain on the register indefinitely, or whether it would be more appropriate to restrict this category to events such as sabbaticals or maternity leave. Ideally, we would conduct this review in time for implementation before the 2021 annual renewal process. We consider that it would be appropriate to start this consultation in 2019 since there are potential overlaps with the review of our regulatory arrangements (see paragraphs 7 and 8). Our initial thinking on timing is:

Q1 - Q4 2019 – initial discussions with CIPA, CITMA and other stakeholders about possible changes to registrant categories;

Q1 2020 – consultation on proposed changes

Thereafter, implementing any changes will take into account the need to provide certainty as to the level of fees in 2021 and progress on reviewing our regulatory arrangements.

Moving offices?

14. The lease on our current premises (which we sub-let from CITMA) expires in February 2020. We are considering whether we should move to other offices that would be more suitable for our needs. Any move would have to take place well before the start of the 2020 annual renewal process.

Diversity funding

15. For the avoidance of doubt, we will continue to keep a ring-fenced reserve to fund suitable diversity initiatives.

Summary

16. In addition to our business as usual activities (see paragraph 3) and developing a new CRM system, we propose to do the following (colour coded for ease of reference):

2019	
Q1 – Q4	<ul style="list-style-type: none"> ● Scope review of regulatory arrangements ● Initial discussions on possible changes to registrant categories
Q2	
Q3	<ul style="list-style-type: none"> ● Possible office move ● New CRM system in place ● Scope review of application process
Q4	
2020	

Annex 9

Q1	<ul style="list-style-type: none"> • Initial consultation on new regulatory arrangements (high level) • Consultation on proposed changes to registrant categories • Consultation on proposed changes to application process
Q2	
Q3	<ul style="list-style-type: none"> • Consultation on detailed proposals for new regulatory arrangements • Application to LSB for proposed changes to registrant categories (with 2021 practising fees, etc.) • Application to LSB for changes to application process
Q4	<ul style="list-style-type: none"> • New registrant categories in place • New application process in place
2021	
Q1	<ul style="list-style-type: none"> • Application to the LSB for approval of new regulatory arrangements
Q3	<ul style="list-style-type: none"> • New regulatory arrangements in force