

The Patent Regulation Board and the Trade Mark Regulation Board

Agenda

Thursday 8 September 2022 at 12 noon

Orwell Room, 20 Little Britain and Video Conference

1. Apologies
2. Notification of any conflicts of interest

PART A – NON-CONFIDENTIAL ITEMS

3. Minutes of 14 July 2022 meeting and matters arising
4. Action Log (FG)
5. 2023 business plan and practising fees (FG/KD)
6. Review of regulatory arrangements – rule change application (EL)
7. Progress on Governance Action Plan implementation (FG)
8. Other activities (not covered elsewhere):
 - a. 3 CEOs (FG)
 - b. Regulatory Forum (Chair/FG)
 - c. Board recruitment update (Chair/FG)
 - d. Compensation Fund – one year review (FG)
 - e. IP Inclusive blog – In2Science – to note

PART B –CONFIDENTIAL ITEMS

9. Complaints update (SE) – to note
10. LSB engagement (FG)
 - a. LSB letter to all Chairs and CEOs – to note
 - b. Sanctions (FG)

c. LSB regulatory performance framework update (FG) – no paper

11. Red risks (FG) – to note

12. Regulatory Statement

Confirmation that, except where expressly stated, all matters are approved by the Patent Regulation Board and the Trade Mark Regulation Board.

IPReg Board Meeting Actions Log - New and Outstanding Actions

Date of Meeting in which action arose	Agenda Item	Action	Responsibility	Status	Notes/Update
July 2022 Board Meeting					
Jul-22	Financial Statements (IPReg Ltd), Directors Report and Letter of Representation	Update financial procedures	KD	Ongoing	
Jul-22	Progress on Review of Regulatory Arrangements	Review wording of Principle 6	EL	Closed	
Jul-22	Progress on Review of Regulatory Arrangements	Publish response to consultation	EL	Closed	
Jul-22	Education Working Group Update	Arrange a meeting with QMUL senior staff	VS		
Jul-22	Governance and Transparency Working Group – Report on findings and recommendations	Take forward Action Plan including regular updates to Board Meetings	FG	Ongoing	
Jul-22	LSB Engagement	Submit response to LSB performance assessment framework	FG	Closed	
Jul-22	LSB Engagement	Submit amended gap analysis to the LSB	FG	Closed	
Jul-22	LSB Engagement	Send sanctions letter to LSB setting out actions taken	FG	Closed	
Jul-22	Risk Register	Review risk wording	FG		

IPReg Board Meeting Actions Log - New and Outstanding Actions

Jul-22	2023 Business Plan, Budget and Practising Fees	Publish consultation on 2023 business plan and practising fees	FG	Closed	
May 2022 Board Meeting					
May-22	Complaints Update	Review disciplinary webpage information to provide information about the ability of the JDP to make a costs order	SE/MB		
March 2022 Board Meeting					
Mar-22	Recruitment of Joint Disciplinary Panel Members	Take forward JDP recruitment with Thewlis Graham	SE	Closed	
January 2022 Board Meeting					
Jan-22	Annual Renewal Process Update	Review annual return information categories similar to PAMIA questions	SE	Ongoing	Any changes will be put in place for 2023 renewal year
November 2021 Board Meeting					
Nov-21	Governance Matters	FG to develop an Escalation Policy/Procedure (similar to "Speak Up Guardian") and share with Team and Board	FG	Ongoing	
Nov-21	Governance Matters	FG to ask auditors to review financial controls and report to Board	FG	Closed	Audit taking place w/c 23 May. Auditor attended July Board meeting.
Nov-21	Governance Matters	Governance documents to be reviewed in 2 years' time	FG	Open – Nov-23	

IPReg Board Meeting Actions Log - New and Outstanding Actions

July 2021 Board Meeting					
Jul-21	Compensation Arrangements	Develop risk profile	FG/SE/MB	Ongoing	Auditor to update risk profile as part of one year review of compensation fund (Autumn 2022)
May 2021 Board Meeting					
May-21	Diversity - next steps - workshop feedback	Implement the diversity initiatives	FG	Ongoing	
May-21	Diversity - Inclusive Language	Adopt and publish Inclusive Language Policy	FG	Ongoing	
July 2020 Board Meeting					
Jul-20	Risk registers	Discuss how cyber risks should be added to the risk register and arrange for IPReg to undertake the Cyber Essentials programme.	IPReg team and SF	Ongoing	
January 2020 Board Meeting					
Oct-19	LSB CEO Meeting	Invite Matthew Hill to Board meeting	FG	Open	Date TBC

Board Meeting 8 September 2022

2023 practising fee application to the LSB

Agenda Item: 5

Author: Fran Gillon, CEO (fran.gillon@ipreg.org.uk 020 7632 7174) and Karen Duxbury (karen.duxbury@ipreg.org.uk) and

This paper will be published without the Annex.

Summary

1. The consultation on the Business Plan, Budget and practising fees for 2023 closed on 22 August 2022. IPReg is required to make an application to the LSB under section 51 of the Legal Services Act 2007 for the approval of practising fees. The draft 2023 Practising Fee application including annexes is attached (**Annex A**). The draft uses the LSB application template and addresses all the requirements for the LSB's consideration of the level of the 2023 practising fees. Analysis of the consultation responses is also included, and the following changes have been made as a consequence:

a. 2023 Budget

- The costs for Directors' Remuneration, Employers National Insurance and Directors Travel and subsistence have been taken out of "Staff Costs". They are now shown under a general heading "Board of Directors" along with the costs to recruit new Board members.
- The supporting note for "Board of Directors" references these and now includes a note stating that the Board members are directors of the limited company.
- The number of regulatory officers and administrative officers have been shown in the supporting note for "Staff Costs"

To confirm no change has been made to the proposal to increase fees by 6% or the budget figures. The budgeted operating deficit remains the same.

b. The equality impact assessment has been updated

No change has been made to the proposed Business Plan.

Recommendation(s)

2. The Board is asked to agree:

- a. The changes to the 2023 budget and equality impact assessment;
- b. That we should broaden the provision to waive fees in cases of hardship;
- c. The 2023 Business Plan (**Annex B**);
- d. Make the Practice Fee Regulation 2022 (**Annex C**) which will only come into effect when the LSB agrees the 2023 fees;
- e. To submit a draft application to the LSB for comment;
- f. Delegate authority for finalising the formal application to the Chair and CEO.

Risks and mitigations

Financial	Risk	If the LSB does not approve or delays the approval of the application, IPReg will be required to either resubmit an application or delay the collection of the fees for 2023. A reduction in the proposed level of fees will mean that the budgeted operating deficit to be financed through Reserves will be higher or certain elements of the Business Plan will have to be postponed. Note: A delay in the collection of fees can be financed through the General Contingency Reserve.
	Mitigation	The submission of a draft application will enable the LSB to identify and communicate to IPReg any concerns which can then be addressed in the formal application.
Legal		[REDACTED]
		[REDACTED]
Reputational	Risk	It will be reputationally damaging to IPReg if the application is denied or has to be resubmitted.
	Mitigation	The application articulates the reasoning behind our actions, proposals and decisions. We will submit a draft application.
Resources	Risk	The draft application has been prepared by the Finance Officer and Chief Executive and has utilised approximately 3 days and 2 days respectively. If the LSB review requires significant changes to the application this will take additional resources. Responding to LSB queries once the formal application is submitted will also take additional resources.
	Mitigation	The submission of the draft application may help to ensure that the formal application is easier to finalise and enable a more simplified approvals process by the LSB.

Background

3. The LSB is required under the Legal Services Act 2007 to approve or refuse applications for the practising fee that the frontline regulators charge those they regulate.
4. The LSB provides [Guidance](#) to the application process and a proforma application to ensure that consistency from all regulators.
5. The approval process includes the provision for a draft application to be submitted for comment by the LSB. This will highlight the areas of concern that the LSB has, allowing for these to be addressed in the formal application, which may make the approval of the formal application a more simplified process within the statutory timeframe.

Discussion

6. The proforma application has been used a template for this draft application (**Annex A**).
7. In 2022, IPReg did not submit a draft application to the LSB because of time constraints - the finalisation of the business plan and decision on practising fees meant that the consultation was undertaken later than usual as a result of uncertainty due to the pandemic and only closed in October. This left insufficient time to take advantage of the draft application process and IPReg instead, sent in a formal application in order to minimise the time line for the decision to meet the start date of the end of November/early December for renewals.
8. However, the LSB criticised IPReg for not leaving sufficient time to submit the draft application. They sought further information and issued an extension notice for a further fortnight while they considered IPReg's responses.
9. This year, the preparation of the business plan, budget and practising fee consideration has been undertaken earlier which enables us to submit a draft application, obtain feedback from the LSB and then submit a formal application which will take into account the points raised by the LSB.
10. The draft application also seeks to address the points/questions raised by the LSB when they considered last year's application and the requirements that they articulated as part of their [decision letter](#).
11. Please note that the formal application will include a more up-to-date set of figures for this year in Annex 7 and Annex 8, which are at the moment the figures to end of June.

Next steps

12. If the Board agrees, the draft application with annexes and a note detailing the point raised in paragraph 11 above will be submitted to the LSB for comment.

Supporting information

Links to strategy and business plan

13. Included in application.

Supporting the regulatory objectives and best regulatory practice

14. Included in application.

Impacts

15. Included in application.

Communication and engagement

16. Included in application.

Equality and diversity

17. Included in application

Evidence and data

18. Included in application.

Board Meeting 8 September 2022

Review of regulatory arrangements – rule change application to LSB

Agenda Item: 6

Author: Fran Gillon, CEO

Summary

1. Following the discussion at the July Board meeting and our subsequent discussions with Kingsley Napley, we are approaching the point where we can make a rule change application to the LSB for our new regulatory arrangements. The draft application in the format that the LSB requires is set out at **Annex A**. This includes:

- a. The final regulatory arrangements;
- b. Glossary;
- c. Tracked version of the final regulatory arrangements showing the changes made as a result of the consultation, subsequent Board discussions, stakeholder engagement and advice from Kingsley Napley;
- d. Revised impact assessment;
- e. A suite of draft Guidance.

2. The Guidance included in Annex A is:

- a. Draft decision making guidance;
- b. Draft guidance on client money;
- c. Draft requirements and guidance on CPD;
- d. Draft guidance on transparency requirements;
- e. Draft guidance on PII Sandbox;
- f. Draft authorisations guidance;
- g. Draft enforcement and disciplinary guidance;
- h. Standard Operating Procedure (SOP) – admission and authorisation;
- i. Standard Operating Procedure (SOP) – investigation and disciplinary.

Our current view is that this Guidance will be submitted with the final application; we are taking advice from the LSB as to whether any Guidance needs to be included in the draft application.

3. In addition, Guidance has been drafted (or is in development) on:

- a. Publications (disciplinary);
- b. Conflicts;
- c. Waivers;
- d. Disciplinary sanctions;
- e. Character and suitability.

We are not proposing to submit this Guidance to the LSB (although will do so if requested). If any Board member would like to see any of the Guidance in this list, please contact a member of the Team.


4. In terms of next steps, we propose:
 - a. Final review by Kingsley Napley;
 - b. Submission of a draft application to the LSB (note that this will not be published);
 - c. Considering LSB response;
 - d. Submission of final rule change application (this will be published).

Recommendation(s)

5. The Board is asked to agree:
 - a. That we should submit the draft application to the LSB once it has been reviewed by Kingsley Napley;
 - b. To delegate authority to the Chair, Alan Kershaw (Chair of the Review Working Group) and the CEO to finalise and submit the rule change application unless substantial policy or procedural issues are raised by the LSB's review.

Risks and mitigations

Financial	<p>We have agreed that Kingsley Napley will undertake a final review of the LSB application in its entirety (including draft guidance) before we submit a draft application to the LSB. This is to make sure it is coherent and consistent throughout and add weight to the application, given the experience Kingsley Napley has in this area.</p> <p>An update on the cost will be provided at the Board meeting.</p> <p>We have a budget of £20k in place for this year to fund our external expert advisors (who provide challenge and support in key areas including PII, diversity and inclusion, and assessing the likely impact of alternative forms of regulation). We have engaged these experts in the development of the documentation.</p>
Legal	<p>[REDACTED]</p> <p>[REDACTED]</p>
Reputational	<p>This continues to be a high-profile piece of work for IPReg and finalisation of the rule change application is a significant milestone for the project.</p> <p>We held a stakeholder roundtable on 27 July after the response document was published. This provided a good opportunity for IPReg to explain its position and next steps. The discussion was very positive and constructive with attendance from CIPA,</p>

	<p>CITMA, the IP Federation, IP Inclusive, IP Practice Directors Group and the Legal Services Consumer Panel.</p> 
<p>Resources</p>	<p>The appointment of expert advisors has enabled us to fill the gaps in our resources identified so far. For example, our diversity and inclusion expert has completed a review of our updated impact assessment and provided feedback.</p> <p>The appointment of an external consultant to assist with the guidance has enabled us to make rapid progress and also provided some useful additional challenge as we develop our policy position in the response document and amended regulatory arrangements. We consider that this additional resource is providing added value and enabling us to meet what is a challenging timetable.</p> <p>The remaining area to consider getting external advice is on the economic impacts of any fee changes at the appropriate point. We have made clear in the response to consultation that any fee changes are unlikely to come into effect until 2024 at the earliest.</p>
<p>Regulatory Objectives</p>	<p>The overall aims of the review balance all of the regulatory objectives and in particular:</p> <ul style="list-style-type: none"> • Protecting and promoting the public interest - by ensuring adequate standards are in place for all regulated persons • Promoting competition in the provision of services - by removing unnecessary barriers to competition and enabling new business models • Protecting and promoting the interest of consumers - by providing an appropriate level of consumer protection and ensuring that consumer needs can be serviced by a suitably diverse market of legal services providers. <p>All of our proposals have been assessed against the regulatory objectives at consultation stage and again through the updated Impact Assessment.</p>

Board Meeting 8 September 2022

Governance and Transparency

Agenda Item: 7

Author: Fran Gillon, CEO (fran.gillon@ipreg.org.uk)

Summary

1. At its July 2022 meeting, the Board adopted a Governance and Transparency Action Plan in response to the LSB's performance management framework assessment. This has now been published with the July Board papers.
2. Updates on progress implementing the Action Plan will be provided to each Board meeting – please see **Annex A** for progress as of 31 August.

Recommendation(s)

3. The Board notes progress on implementing the Action Plan.

Risks and mitigations

Regulatory objective(s)	Good governance enables the Board to discharge its objectives effectively and transparently. Therefore any improvements to IPReg's governance should support the Board's ability to deliver its regulatory objectives in a manner which is open, transparent, and accountable.
Strategic objective(s)	This work is not included in the current strategic objectives or 2021/22 business plan. However, the action plan that has been adopted will need to be incorporated in plans for both this year and future years, in keeping with recommended timelines.
Financial	it is envisaged that there will be costs associated with the proposed work plan, for example for an external minute-taker.
Legal	[REDACTED]
Reputational	Boards which make decisions ineffectively, or in ways that lack transparency, expose their organisations to reputational risk. This work should assist IPReg with assurance that it is not exposing itself to such risks.
Resources	This work is an addition to the current year's work plans. The main resources currently being expended on it are staff time. The need for external support may be sought should internal capacity requires it.

September 2022 Board

Item 7 Annex A

Priority 1 short term Actions: 0-6 months – complete by 14 January 2023

1. *Review the items considered at Board meetings to ensure agendas meet IPReg's current and future strategic and regulatory objectives.*

Rationale: This action is intended to support effective Board decision-making. Developing clarity and precision about what the Board wishes to consider at its meetings (both now and in future) will enable it to ensure its discussions are well-planned and that it receives the information it needs to set strategy and scrutinise performance. Regular review of this nature also enables the Board to learn from its reflections about its own effectiveness. This action should support the delivery of LSB Well Led 1.

Suggested approaches: It is strongly suggested that future Board Agendas should include a quarterly review of organisational performance against the Strategic and/or Business Plan. It is also suggested that the Board considers including reports from the Chair and/or Chief Executive alongside regular reports from Chairs of Sub-Committees or Working Groups at each Board Meeting. Other regular reports could include learning from organisational complaints. It is also suggested that this review also consider the current break down between public and confidential Board Agenda items, as well as IPReg's overall approach to redaction, with a view to increasing transparency. Lastly, it is suggested that the Board develops a rolling Forward Plan of Agenda items. This will provide stakeholders with transparency about the Board's decision-making cycle. Board away, reflection time, horizon scanning, and strategy development could be included in this.

Suggested actions:

- a. Board agenda structure:
 - Standing items (each meeting) = apologies; conflicts; minutes; action log; Chair's report; CEO report; working group reports; red risks; finance report; Governance Action Plan implementation;
 - Quarterly reports = performance vs business plan; KPIs (when developed – currently LSB's performance management data set); research update report including horizon scanning; diversity – work in progress, updates from sponsored organisations;
 - 6-monthly reports = risk register; complaints about IPReg;
 - Policy items – non confidential = Review of regulatory arrangements progress;
 - Policy items – confidential = complaints (suggest that this is broken down into a publishable covering paper with numbers + confidential Annex with case details; LSB engagement;
- b. Board agenda to indicate whether a paper and related Annexes will be published;
- c. Forward planning – standing items:

- January: staff pay review; annual declaration of interests review;
- March: IPReg Annual Report;
- July: auditor's report and IPReg Limited accounts; business plan and practising fees;
- September: decision on business plan and practising fees;
- November: strategy day (preceded by Board only discussion).

d. CEO's report to include:

- CIPA/CITMA CEOs meetings;
- Other external meetings;
- TBC

Planned actions

- Develop new Board agenda template
- Test with Team and amend as necessary

Action taken

Date	Action taken
August 2022	Structure drafted – see above

2. *Review the template for Board Meeting papers to ensure that these meet IPReg’s current and future strategic and regulatory objectives.*

Rationale: This action is intended to support effective Board decision- making. Reviewing the structure and content of meeting papers will enable the Board to ensure it receives the information it needs to make effective decisions and hold the executive to account. Regular review of this nature also enables the Board to reflect on its own effectiveness. This action should support the delivery of LSB Well Led 1.

Suggested approaches: It is believed that all Board papers should clearly appraise different options, fully explore risks and mitigations, set out the relevant the evidence base and/or summarise relevant stakeholder feedback. Papers should also set out the background to recommendations including the process used to develop proposals so that any previous discussion and decisions affecting the item are understood. Other beneficial additions to the papers template might be details on communication plans, equality, diversity and inclusion considerations, and linkages to the strategic plan. [FG 4 August 2022 – also: (a) discussion of relevant regulatory objectives; (b) better regulation principles]

Planned actions

- a. Design new template;
- b. Discuss new template with Team and amend as necessary;
- c. Introduce new template at November Board meeting – amend as necessary following Board feedback;

Action taken

Date	Action taken
5 August 2022	New template drafted for discussion with IPReg Team
August 2022	Agreed that new template will be trialled at the November 2022 Board meeting

3. *Expand Board minutes to provide detailed reasoning for Board decisions.*

Rationale: This action is intended to support effective Board decision-making. More fulsome minutes will provide enhanced clarity about the board's decision-making process, better reflect its rationale underpinning such decisions and better demonstrate its effectiveness in holding the executive to account. This action should support the delivery of LSB Well Led 1.

Suggested approaches: It is suggested that minutes should outline options considered, capture issues raised during discussion, and provide more of the reasoning for decisions taken. It is suggested that this is best enabled by a modest expansion of the budget to fund a minute taker.

Planned actions

- a. Design new template for minutes – linked to structure of new Board paper template
- b. Explore professional minute takers – [Chartered Governance Institute](#) (CGI)

Action taken

Date	Action taken
August	Outline template for Board minutes drafted for discussion with IPReg Team
11 August	CGI public practice membership directory is being upgraded, not currently available. NB – website states “use the Public Practice tab to find members that provide independent governance services”.
August	Agreed that new approach to minutes will be trialled at the November Board meeting

4. *Publish the Governance Action Plan with Board papers, and report on progress in subsequent Annual Reports and Board meetings*

Rationale: This action is intended to enhance organisational transparency. It should support the delivery of LSB Well Led 3.

Suggested approaches: none

Planned actions

- a. Publish Action Plan;
- b. Updates to September, November, December 2022 Board meetings;
- c. Updates to all 2023 Board meetings;
- d. 2023 Annual Report to include update (NB – Action Plan #17: 6-12 month priority: review the scope of the Annual Report, with a view to providing enhanced transparency about how IPReg operates);

Action taken

Date	Action taken
August	Governance Action Plan published with July Board papers



IP Inclusive Blog

We have been working with the social mobility-focused charity [In2scienceUK](#) for several years now, primarily through our [Careers in Ideas](#) outreach campaign. This has led to fruitful partnerships between the charity and various IP sector employers, all helping to improve access to STEM-based IP sector careers.

Their Development Manager Luke McKelvey has kindly provided an update on In2scienceUK's recent work, and information about their 2022 programme in case your organisation would like to get involved. In his words:

"Working with IP Inclusive and partners has helped In2scienceUK increase our level of support to young people and continue to promote greater inclusion of under-represented communities."

Luke writes:

The In2scienceUK programme provides young people from low income and under-represented backgrounds the opportunity to achieve their potential and progress to careers in science, technology, engineering and maths (STEM). This year we are pleased to have returned to an in-person programme, providing 680 young people with unique work placements on the In2scienceUK programme. Young people will collaborate with dedicated volunteer STEM professionals, undertaking cutting edge research and learning STEM skills in some of Britain's pioneering centres of STEM education, research and industry.

In2scienceUK has also developed our new alumni network to ensure every young person that completes their placement can access long term support. The alumni network aims to connect young people with relevant employers, apprenticeships and training opportunities. Young people from under-represented backgrounds lack the connections and access to information that are essential to taking their first step on the career ladder. In2scienceUK is committed to working in partnership with STEM industries, educational institutions and young people to support inclusion within graduate roles.

GROWING DEMAND

The In2scienceUK programme continues to expand into new regions of the UK. This year In2scienceUK is launching its first pilot programmes in Wales and Scotland.

We received over 2800 applications this year from young people wanting to participate in the programme. The long-term aim is to expand to every nation of the United Kingdom and increase the number of additional young people supported each year to meet demand.

OUR LINKS WITH IP

The IP sector positively contributes to diversity and inclusion within the STEM sector. This year, In2scienceUK has been able to help over 40 young people from low-income backgrounds thanks to our IP partners.

In2scienceUK is proud to work with the IP department of [GSK](#), and with [The IP Federation](#), [IPReg](#), [HGF Limited](#), [Appleyard Lees](#) and [D Young & Co](#). We are incredibly grateful to our IP industry partners for enabling us to support more young people yearly.

SUPPORT OUR MISSION

In2scienceUK is passionate about partnering with organisations determined to make a positive difference in young people's lives. IP firms and organisations can sponsor young people through the innovative In2scienceUK programme. Please see our latest IP sector proposal [here](#).

Please email luke@in2scienceuk.org for more information on how you can get involved and make a difference.

Board Meeting 8 September 2022

Information paper: Complaints update

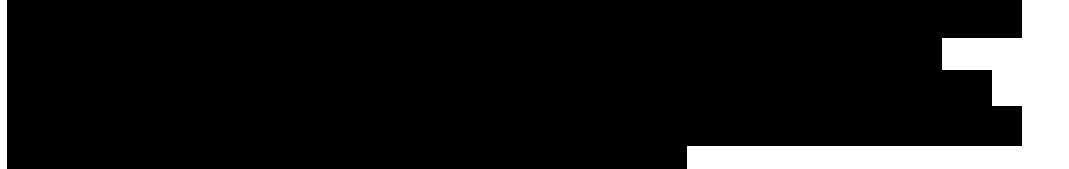
Agenda Item: 9

Author: Shelley Edwards, Head of Registration (shelley.edwards@ipreg.org.uk), Mark Barnett, Assurance Officer (mark.barnett@ipreg.org.uk).

Summary

1. This paper stands as an update on complaints received and processed by IPReg.

Risks and mitigations

Regulatory Objective(s)	<ul style="list-style-type: none"> • <u>Protecting and promoting the interests of consumers</u> • <u>Increasing public understanding of the citizen's legal rights and duties</u> • <u>Promoting and maintaining adherence to the professional principles</u> <p>- Complaints handling and disciplinary action against regulated persons is designed to protect the public and uphold public confidence in the professions and in the provision of intellectual property legal services by regulated persons.</p> <p>Information given to complainants ie generally consumers of IP legal services, on receipt of a complaint, informs them of their rights (and obligations) when something has gone wrong.</p> <p>- Investigating alleged breach(es) of the Rules of Conduct (or any of our regulatory arrangements) may lead to a written finding of no misconduct and explanation given to both the complainant and the subject individual or firm, thereby increasing the public's knowledge and understanding of what legal regulation is and how it works, and promoting adherence to the professional principles to regulated person (more so if ethical advice is also given).</p> <p>- Investigations leading to disciplinary action against a regulated person(s) will lead to a published decision which, in the case of a finding of breach and sanction, will protect the public and also act as a deterrent to the professions. Or where no breach is found, there will be transparency and clarity on what level of professional standards is regarded as reasonable and acceptable.</p>
Financial	None. Existing resources are dedicated to the oversight and administration of complaints received.
Legal	
Reputational	In common with all regulatory bodies, we can expect that complainants who are disappointed with the outcome of their regulatory complaint may make a corporate complaint about IPReg's decision or processes. This reputational risk will be mitigated by the Corporate Complaint policy and procedure which is currently being developed. This will be published on the website and followed where applicable.

Resources	Whilst the overall number of complaints received about regulated persons is low (with approximately 1 new complaint received every month), the complaints that have been investigated and taken forward to CRC (and beyond) have been resource-intensive. The development and refinement of internal procedures, as well as the additional capacity to investigate and process cases in-house should assist. The need for external legal support should also be reduced due to increased internal capacity.
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Recommendations

- The Board is asked to note this paper.

Investigation Stages

Under Investigation

Information has been received which is being investigated under Rule 5 Disciplinary Procedure Rules (“DPR”) to determine whether it amounts to a Complaint. If it does not amount to a Complaint¹, the case will be closed. If it does amount to a Complaint, it moves to the Complaint Initiated stage.

Complaint Initiated

Information has been received which suggests a breach of IPReg’s regulatory arrangements under Rule 5.3 DPR. Further investigation and liaison with parties may be required at this stage, including obtaining brief and concise observations on the complaint from the respondent.

CRC

Case has been referred to or is being dealt with by the Complaints Review Committee under Rule 8 DPR. A case at this stage may be adjourned for further investigation, closed, dealt with summarily or referred to the JDP.

JDP

Case has been referred to or is being dealt with by the Joint Disciplinary Panel / Disciplinary Board. under Rule 9.10 DPR.

Appeal

The Disciplinary Board has made a decision following a disciplinary hearing, and this is under appeal or notice has been given that an appeal will be lodged under Rule 20 DPR.

Cases by numbers

Category	Number	Notes
Complaints received in last month (since last meeting)	1	

¹ For example, because information provided does not support an allegation of a breach of any of IPReg’s regulatory arrangements, no evidence has been provided to support any allegations made, allegations have been made prematurely (e.g. the firm’s complaints procedure has not been exhausted), the matter is not within IPReg’s jurisdiction (more appropriate to be dealt with by police, LeO, other regulator or organisation) etc

Total open cases	5	Under investigation = █ Complaint initiated = █ CRC stage = █ JDP stage = █ Appeal stage = █
Complaints closed in last month (since last meeting)	2	

Open cases

Case ref	Stage and Status
█	█ █ █
█	█ █ █ █ █ █ █

	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]

Closed cases in last month (since last meeting)

[REDACTED]	[REDACTED]
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	[Redacted]
[Redacted]	[Redacted]

Recommendation

The Board is asked to note this information paper.



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08 August 2022

All Chairs' meeting follow-up

Dear Chair,

Thank you for attending the Annual Chairs' meeting in June. I have set out below the main overarching themes I took away from the discussion.

Firstly, I welcome the continued enthusiasm for meaningful collaboration to deliver against the challenges identified in the Reshaping Legal Services strategy. I was encouraged by regulators' who have mapped their own objectives against the sector-wide strategy, such as setting new educational standards for professionals to give *stronger confidence* to consumers by ensuring *high quality legal services and strong professional ethics*, and consumer segmentation work to help *close gaps in consumer protection*. It is positive to see regulators writing blog pieces for the Reshaping Legal Services microsite about the work they have been doing and demonstrating their alignment with the challenges in the strategy.

On driving forward our EDI commitments, we discussed examples of initiatives that seek to help address the challenge of *dismantling barriers to a diverse and inclusive profession at all levels*, including looking at the diversity of our own Boards and panels and tackling counter-inclusive behaviour. A priority for us all on EDI must be channelling our collective enthusiasm and desire for change in a way that will deliver the meaningful and lasting improvements that are so desperately needed. The more we can evaluate the impact of our initiatives, share the learnings from this and work collaboratively to do more of what works, the better placed we will be as a sector to bring about meaningful change. We also welcomed the suggestions on how we maximise the opportunity of the LSB and LSCP's upcoming conference to catalyse more progress in this area.

The discussion on proactivity of regulation identified some good examples of regulators at both ends of the spectrum in terms of size, seeking to better understand risks in their sector, and respond to them proactively. It appeared that other regulators found it helpful and thought provoking to hear these examples. As we all prepare for finalisation and implementation of a new regulatory performance framework, those regulators who can demonstrate curiosity and proactivity in identifying and responding to risks to the regulatory objectives, are likely to be particularly well placed to demonstrate that they meet the new performance standards. I would encourage regulators to continue to collaborate and share learning in this area.

We will schedule another All Chairs' meeting in the spring.

I am sending a copy of this letter to our respective Chief Executives.

Yours faithfully,

A handwritten signature in cursive script that reads "Helen Phillips".

Dr Helen Phillips

**Chair
Legal Services Board**

Board Meeting 8 September 2022

Sanctions

Agenda Item: 10b

Author: Fran Gillon, CEO (fran.gillon@ipreg.org.uk)

Summary

1. On 28 July, the LSB wrote to IPReg setting out its concerns about our approach to our assessment of risk in relation to our regulated attorneys/firms breaching the financial sanctions framework (**Annex A**). The letter stated that the LSB had engaged its enforcement policy to seek the assurance that it required. It provided IPReg with two options to resolve the matter informally. Following discussion with the Board by email, a response to the letter was submitted on 17 August (**Annex B**); this included a detailed action plan. At the time of drafting this paper (31 August) no substantive response had been received from the LSB.
2. An updated version of the action plan is at **Annex C**. This shows, in tracked changes, how the plan has been implemented and progress/evidence as of 31 August. The next step will be to send an email to our regulated firms and sole traders requesting information on compliance (see section 12 of the action plan).
3. An oral update will be provided at the Board meeting.

Recommendation(s)

4. The Board notes progress on the plan and next steps.

Risks and mitigations

<p>Regulatory objective(s)</p>	<p>Raising awareness of the sanctions framework among registrants supports the regulatory objectives of:</p> <ul style="list-style-type: none"> - Protecting and promoting the public interest – it is clearly in the public interest that registrants comply with the sanctions framework; - Supporting the constitutional principle of the rule of law – by ensuring that registrants are aware of the need to apply for a licence from OFSI if they are undertaking certain activities. <div style="background-color: black; width: 100%; height: 50px; margin-top: 10px;"></div>
<p>Strategic objective(s)</p>	<p>These are not directly engaged.</p>

Financial	<p>There are no direct financial risks currently. If the LSB decides to pursue formal enforcement action which results in it using its power under LSA s32 to give Directions and which it subsequently considers have not been complied with, it does have power to impose a financial penalty.¹</p> <p>If the LSB decides to pursue formal enforcement action, it may be necessary to obtain external legal support.</p>
Legal	<p>[REDACTED]</p>
Reputational	<p>Our approach on sanctions has been to raise the awareness of the regulated IP sector to ensure that it is compliant with the sanctions framework. This includes awareness of the need to apply to OFSI for a licence to undertake certain activities. So far, we have not been informed that any registrant has applied for a licence. A formal information request asking for information about sanctions compliance may be seen as over-zealous by some registrants, however it seems likely that the LSB would expect us to use this power given its concerns. We will continue to liaise closely with CIPA and CITMA on messaging and the rationale for an information request in case they get queries from their members.</p> <p>If the LSB decides to pursue formal enforcement action this may have a negative impact on IPReg's reputation.</p>
Resources	<p>If the LSB decides to pursue formal enforcement action this will have a significant impact on IPReg's resources and is likely to take considerable amount of time of the CEO, Head of Registration and Director of Policy with consequent disruption to other areas of work.</p>

¹ LSA s37(2) - financial penalties can also be imposed in relation to non-compliance with the Internal Governance Rules and Practising Fee Rules.