

*To Diversity and Beyond*:
Plans for IP Inclusive’s future

# 1 Introduction: the vision

## 1.1 General background

IP Inclusive Management (IPIM) and I have prepared these plans for presentation to IP Inclusive’s 23 March 2021 annual meeting. My contribution is made in my capacity as the initiative’s founder, then leader, and now Lead Executive Officer.

The roles of IPIM and its Lead Executive Officer are explained in Annex I, which outlines the current IP Inclusive structure.

Our plans take account of feedback from stakeholder consultations during the autumn of 2020, in particular the survey we conducted among both our Charter signatories and individual IP professionals[[1]](#footnote-1). These sought initial views on IP Inclusive’s development (including the principle of incorporating it as a Community Interest Company), the value of its work, and the financial support that its stakeholders might be willing to contribute in future.

## 1.2 Our aims in restructuring IP Inclusive

We would like to see IP Inclusive develop, as would the majority of our stakeholders. We want it to do so sustainably. It has already made a lot of progress in improving diversity and inclusion in the IP professions, with relatively few resources, and is uniquely placed to do more. But in order to continue on its current trajectory it needs to invest in its infrastructure and support. Current activity levels cannot be sustained without more human resources, and thus more funding to cover their costs. Expansion will certainly not be an option without additional finance. This is why change is needed, and why it will help the IP professions to build on the incredible progress that IP Inclusive has made so far.

The four founding organisations (CIPA, CITMA, FICPI-UK and the IP Federation) have provided the bulk of IP Inclusive’s funding in the last few years, and carried the formal responsibility for its management. They have been involved in key decisions, contributed guidance and resources, and lent credibility. Whilst they have pledged to continue to support the initiative, we would like to allow them more flexibility in balancing their own – and their own members’ – objectives with those of the wider IP Inclusive movement.

We believe IP Inclusive is ready to become an independent entity that is able to act, and develop, for the benefit of all its stakeholders across the UK’s IP community. We recognise the huge amounts of support (both financial and practical) that individuals and organisations have contributed to bring it to this point. Ultimately, a more formal corporate structure will help reassure and encourage those stakeholders, combining sound and transparent governance with limited risk. To this end, certain changes can be made now to IP Inclusive’s structure and funding mechanisms, to position it appropriately for the next stage of its development once its resources allow.

At the same time we must safeguard the principles that have ensured the initiative’s success thus far. We must allow IP Inclusive’s many supporters and volunteers to continue doing what they do best – working together for a common cause, unrestrained by inter-professional or commercial boundaries. Any new structure must provide a foundation to underpin their activities; support and guide and protect them where necessary; but not constrain them.

## 1.3 Guiding principles

Some key principles emerged from the autumn 2020 survey results and have shaped our plans for IP Inclusive’s future:

* It must remain inclusive.
	+ The benefits of, and involvement in, IP Inclusive should be accessible to all UK-based IP professionals, whether or not they or their organisations are formally connected through the Charter scheme.
* In particular, its events and resources should be free at the point of delivery.
* There should be no hierarchy among its supporters and beneficiaries.
	+ Involvement and benefits should not depend on the contributions made by particular individuals or organisations.
* As far as possible, it must be based on trust.
	+ Its supporters are essentially people of integrity; they should be trusted to contribute what they can and what they feel is right, because of their belief in the ethical value of IP Inclusive’s cause.
* Its governance must be sound but also proportionate.
	+ Stakeholders must be reassured and protected, but volunteers should not be unnecessarily hampered.
	+ Bureaucracy should be kept to a minimum, so as to allow the available resources (both money and time) to be deployed towards the initiative’s key objectives.

There is one further thing. We believe that however IP Inclusive develops from here, it is important to retain the current “branding”. The 2020 survey – and indeed other stakeholder feedback during the last few years – has shown there is a great deal of goodwill attached to the IP Inclusive cause and its way of working. That goodwill runs through the IP professions and to an extent into the wider legal sector. We should keep hold of it. The restructuring should have as little as possible an impact on the day-to-day activities that are currently carried out under the IP Inclusive banner. See 7.1 below for further thoughts on this.

## 1.4 Further consultation

These plans will be put to IP Inclusive’s annual meeting on 23 March 2021, and published on its website. IPIM and I would welcome feedback – from UK-based IP professionals; the organisations that they work in, or that represent or regulate them; the people they work for; and anyone else who has an interest in diversity and inclusion in the UK’s IP sector. We will take that feedback into account when putting the plans into effect.

# 2 The general plan for 2021

## 2.1 Not a CIC (for the time being)

We had considered incorporating IP Inclusive, during 2021, as a “community interest company” (CIC). The autumn 2020 survey revealed broad support for this. It also revealed support for the Charter signatory subscription scheme through which we had thought to fund the CIC.

Having reviewed the survey results, however, and the resources necessary to establish and maintain a CIC, we have concluded that incorporation is neither feasible nor desirable at this stage. A CIC would cost a significant amount of time, energy and money to set up. It would cost more to run than the current arrangement, again in terms of both financial and human resources. The subscription levels that survey respondents indicated they would be willing to pay would be unlikely to cover the operating costs.

We believe that a CIC will be a highly appropriate vehicle for IP Inclusive if it develops as expected. This is our preferred end goal. However, there is still work to be done on sourcing sufficient and sustainable funding for IP Inclusive, as well as hands-on support, before it is ready to become a registered corporate entity. In the short- to medium-term, such additional resources would be better spent on pursuing its core objectives, than on things necessitated by a more formal structure (for example legal and financial advice, reporting requirements, and employer obligations).

We will therefore make certain changes to IP Inclusive’s structure that will take it part-way along the path towards becoming a CIC, providing greater financial flexibility and independence but without at this stage the associated financial and regulatory burden. These changes will model some of the desirable aspects of a more formal corporate structure without, we hope, representing a disproportionate drain on IP Inclusive’s limited resources. In the longer term, if all goes well, IP Inclusive will work towards incorporation as a CIC, for which the current changes will position it well.

## 2.2 Key changes

We plan to alter IP Inclusive’s structure by (a) reconstituting its governing body IPIM and (b) establishing an “advisory board” to support the executive team. See 3 below for more details.

Neither of these should have any impact on day-to-day activities. As currently, individual volunteers (for instance those running the communities and regional networks and the Careers in Ideas campaign) will sit outside the formal IP Inclusive structure. The reconstituted IPIM will however oversee, support and be responsible for all activities carried out in IP Inclusive’s name.

We also plan to draw in more funds (see 6 below) to allow us to source the HR support we need (5 below) and thus develop what we deliver to the IP professions.

Table 1 in Annex II summarises the key changes we plan to make to IP Inclusive’s structure and way of working. It also shows where in this document each of the changes is explained.

## 2.3 Clarifying our objectives

A CIC needs to satisfy a “community interest test”, which effectively requires that its activities be carried on for the benefit of the community. Although we are not proposing to convert IP Inclusive to a CIC at this stage, we believe it would be sensible to clarify its objectives in a similar fashion. This should help reassure those who provide either financial or practical support and endorsement, and be of value on following the CIC route later.

In the new IPIM constitution, IP Inclusive’s objectives – and the activities it undertakes in order to deliver on them – will be broadly the same as for IP Inclusive currently (see Annex I.2). Its formal objectives will be “to promote and improve equality, diversity, inclusivity and wellbeing among UK-based IP professionals”.

A CIC has to act for the benefit of a defined “community”. We plan to continue to define the community served by IP Inclusive as “UK-based IP professionals and those wishing to become one”.

We will also continue to define “IP professionals” broadly, encompassing anyone who works in the IP sector. IPIM’s current constitution, for example, states that:

*For the present purposes “IP professionals” includes, inter alia, patent attorneys; trade mark attorneys; barristers and solicitors working in IP; staff within IP registering offices; patent and IP managers; IP administrators, secretaries and paralegals; IP licensing executives; information scientists, searchers, translators and any other professionals (including HR and management professionals) working in IP or with other IP professionals; those who provide representative, support or advisory services to IP professionals; and regulators of IP professionals.*

This we will clarify by defining “UK-based” IP professionals as those whose IP-related work is carried out principally within the UK, again as per the current IPIM constitution, and by adding “or who work for organisations having a UK base”, to embrace the increasing numbers of professionals who work in the overseas offices of UK-based organisations.

The new IPIM constitution will also clarify IP Inclusive’s not-for-profit status, and – again reflecting CIC regulations – its avoidance of overtly political activities and allegiances. We believe this will help to reassure potential donors whilst IPIM remains an unincorporated association.

# 3 The proposed new structure

## 3.1 IP Inclusive Management (IPIM)

### 3.1.1 General

We plan to establish IPIM as an independent body similar to a CIC board of directors. As currently, it will be responsible for overseeing everything done under the IP Inclusive banner, and for its assets, liabilities and obligations. Its legal status, again as now, will be an “unincorporated association”.

It will continue to delegate day-to-day operations to a Lead Executive Officer (LEO), who will also provide the strategic vision for IP Inclusive.

Our volunteers will remain outside the formal IP Inclusive structure, their activities overseen and supported by IPIM.

### 3.1.2 Membership

Organisations, including the founding organisations CIPA, CITMA, FICPI-UK and IP Federation, will no longer be members of IPIM. Instead its members will be individuals. This will provide greater independence for both IP Inclusive and its founders, remove the risk of conflict between different organisations’ interests and streamline decision-making processes.

We expect that the new IPIM will have three to six members. I will be one of them, and from there continue to act as the Lead Executive Officer (see 3.3 below).

Since IPIM will still be the ultimate decision-making body, its membership criteria will be inclusive and will reflect the community that IP Inclusive serves, whilst at the same time maintaining manageable decision-making processes. IPIM members act as custodians of the IP Inclusive initiative – both its past reputation and its future success – so they will need enthusiasm for the cause and a shared vision for its development.

We plan to put out a call for new IPIM members shortly after the 2021 annual meeting. The initial members of the reconstituted IPIM will be approved by its current, outgoing members.

### 3.1.3 The role of the founding organisations

The founding organisations, freed of the liability for managing IP Inclusive and no longer solely responsible for its financial security, will be able to work alongside the initiative as independent stakeholders, and to support it or not in line with their own objectives and their members’ interests. IP Inclusive, meanwhile, will have the independence to draw support from, and to work for, the full range of IP professionals.

We believe this new form of partnership is a healthy basis on which to proceed during the next stage of IP Inclusive’s development. The founding organisations’ involvement in the new advisory board (see 3.2 below) will represent an appropriate, and flexible, mechanism by which they can provide input into, and support, the IP Inclusive of the future.

### 3.1.4 Ownership and liability

It is important to point out that IPIM members will together own IP Inclusive’s assets and liabilities. Whilst the associated risks are not great, we appreciate that this issue may limit the number of people willing or able to participate. There will still be other opportunities for individual IP professionals to be involved with IP Inclusive, whether as regular volunteers or more formally through membership of the non-executive advisory board. In the meantime IPIM will take steps to mitigate the risks involved to its members, and indeed to other IP Inclusive stakeholders, in the ways discussed at 4 below.

### 3.1.5 Constitution

Over the next few weeks, and taking account of our supporters’ feedback, we will redraft the IPIM constitution to reflect these changes and to incorporate the objectives from 1.2 and 1.3 above. The new constitution will be published on the IP Inclusive website.

## 3.2 The advisory board

### 3.2.1 Function

The new advisory board will guide and support IPIM and the LEO. It will act as sounding board and critical friend, both informally and in scheduled meetings, and bring in new perspectives to strengthen IP Inclusive. We expect that on subsequent incorporation as a CIC, the advisory board will be retained to support the company’s members and directors.

### 3.2.2 Membership

The board will comprise a sensible number – say between eight and twelve – of unpaid non-executive advisors. We will provide terms of reference to clarify their roles and their relationship with IPIM.

Membership will be open to any individuals, both IP professionals and others, including representatives of relevant membership bodies and of the IP Inclusive communities, regional networks and Careers in Ideas task force. The membership criteria will be sufficiently broad as to help IP Inclusive understand the needs of as wide a section as possible of its “community”, as well as to bring in other relevant skills and experience from outside the IP sector.

The initial members will be appointed by IPIM prior to its reconstitution, and for continuity may include one or more of the current IPIM members. We expect to have the board established by the early summer of 2021.

We hope that the founding organisations will nominate representatives to the advisory board, alongside other IP sector membership bodies. This will allow them a degree of influence and oversight at least in the early days of IP Inclusive’s independence. It will also provide IPIM with a valuable source of knowledge of the IP sector, and experience in the governance of small volunteer-driven organisations.

## 3.3 The Lead Executive Officer (LEO)

IP Inclusive’s LEO will be responsible for its day-to-day running and also more strategic aspects of its leadership. Their job description will remain much the same as now. They will be answerable to IPIM as a body, and be required to take due account of the views of both other IPIM members and the advisory board, who together will guide and support their work although with a relatively light touch.

For the foreseeable future, I will continue in this role, acting as a paid freelance contractor to IPIM rather than an employee. However I will work with IPIM to ensure that IP Inclusive is in a position to appoint an alternative person to the LEO role if necessary in the future.

## 3.4 The community

IPIM’s current constitution requires it to take appropriate account of the views of IP professionals. We believe this should continue to be an essential part of IP Inclusive’s governance apparatus, just as the members and directors of a CIC are obliged to have regard to the wider community that the company serves and to involve stakeholders in its activities.

Thus, the obligation to consult with and respond to the community of IP professionals – as often and as widely as feasible – will be enshrined in the new IPIM constitution and in the advisory board’s terms of reference. We will avoid being prescriptive as to the mechanisms by which this is achieved, and in particular will seek to minimise the associated paperwork. However, we believe there should be (a) an annual meeting, open to all stakeholders; (b) consultation with the community before certain key types of decision are made; and (c) transparency in decision-making processes, as discussed at 4.2 below.

IP Inclusive will continue to engage with the wider community through the volunteer network that acts under its banner, and through the EDI Charter scheme. It already has several channels through which its stakeholders can provide input; it will maintain these and continue to value and respond to the suggestions and feedback that they bring. The five networking and support communities and the regional networks have historically been key to reaching a wide proportion of the IP professions, and will continue to be so.

In this context IP Inclusive will take a broad view of the extent of the “community” that it serves, which might include not just IP professionals and would-be IP professionals, but also potentially their clients.

## 3.5 Ownership

It is probably not helpful to think in terms of “ownership” of IP Inclusive. Those of us who run it do so as custodians, for the many other people who contribute to its success. We believe those contributions are based on the understanding that IP Inclusive is essentially a collective, something that is there for all IP professionals and in which anyone who helps has a stake.

A CIC’s assets are “locked”; they can only be used for the benefit of the community it serves or (on dissolution) transferred to another asset-locked body. We plan to include similar provisions in the IPIM constitution, to ensure that its assets (which will include financial donations, plus intangibles such as goodwill and copyright) are used only for the benefit of diversity, inclusion and wellbeing in the UK’s IP professions, including in the event of its dissolution.

# 4 Governance and risk management

## 4.1 Governance mechanisms

The restructured IP Inclusive will hold few assets, employ few people and carry relatively little risk (see 4.3 below). As has been the case since inception, its affairs will be transparent and open to involvement from many interested stakeholders, who together will ensure that it does not wander too far from its objectives and ethical principles. We believe, therefore, that its governance mechanisms do not need to be heavy-duty.

The main decision-makers will be the IPIM members. IPIM as a body will monitor the performance of the LEO and of the initiative as a whole. It will be able to control what IP Inclusive and its executive staff do, in particular at the strategic level.

IPIM will delegate day-to-day management to the LEO and only expect to intervene in serious situations, for example if it believes the initiative is being taken in an inappropriate direction.

In our case, initially at least, there will be an inevitable blurring of the lines between the LEO’s managerial role and their status as an IPIM member. This is not uncommon in small companies, where an executive director may also be a shareholder. In both contexts the individual’s terms of reference will require them to act first and foremost in IP Inclusive’s interests. The IPIM constitution will however allow for other members to overrule, and if necessary dismiss, the LEO in appropriate circumstances. In due course an alternative arrangement, in which the LEO is appointed from outside IPIM, is likely to prove more appropriate.

As a further safeguard, IP Inclusive’s new advisory board will support, guide and to an extent monitor the executives’ work. The IPIM constitution will require its members to take due account of the advisory board’s input – which will therefore be a key part of the governance apparatus.

The LEO and the advisory board will be separately answerable to IPIM. In other words, the advisory board will not exert direct control over the LEO although will expect to be able to influence their work. It will also be free to report directly to IPIM if it has concerns over the LEO’s actions. IPIM as a body will be able to call the advisory board and the LEO to account and if necessary overrule them on important issues.

## 4.2 Transparency and accountability

A CIC is required to submit annual returns, including a report of its activities and how they benefited its chosen community. These documents are placed on public record, along with required information about the company’s structure, governance and finances (including director remuneration). The community served by the CIC thus has easy access to information about its work.

We will continue to run IP Inclusive along similar lines. Key information and documents will be published on our website. These will include the IPIM constitution; the advisory board’s terms of reference; the LEO’s job description; formal policies; meeting minutes; the annual report and occasional mid-year reports where appropriate; and the annual budget and business plan. Wherever feasible, meetings will be open to observers. Those who contribute, whether financially or in any other way, will be able to see what IP Inclusive has been doing and how that has helped towards its objectives, and to provide their input into its work.

Like a CIC, IP Inclusive will continue to consult with the community it serves: see 3.4 above.

## 4.3 Risk management and contingency planning

We do not see IP Inclusive as a high-risk enterprise. Incorporation as a CIC, in due course, will limit risks yet further, but in the meantime we will take steps to reduce the risks to which our stakeholders are exposed. These include for example:

* The independence of IPIM from individual IP sector organisations, including financially
* The updated IPIM constitution, clarifying the initiative’s objectives and remit
* The new advisory board to support IPIM’s work and provide additional expertise and perspectives
* Extra HR support for the LEO and the spreading of existing workloads (see 5 below)
* An updated LEO job description to facilitate succession planning
* Additional internal policies and procedures to guide those who work under the IP Inclusive banner and to address complaints and problems
* A contingency fund (see 6.3 below)

Our full risk assessment is set out in Annex III, as are the steps we propose to take in response.

# 5 Human resources

## 5.1 General

What IP Inclusive most lacks, in order to develop and fulfil its potential, is hands on deck. Our volunteers are not short of ideas or enthusiasm. Apart from our comms platforms (in particular our websites), we do not need many physical resources to pursue our objectives. But our volunteers do need back-up: they need help coordinating and promoting their activities, so that they can make the most of the limited time they have for voluntary work.

As the LEO, I am contracted to work up to two days a week running IP Inclusive. In practice I am now committing between three and four days a week, a good proportion of it unpaid. Although the initiative has achieved a great deal thus far – achievements that the 2020 survey showed are very much valued by its supporters – clearly the situation is not sustainable.

We intend the restructured IP Inclusive to invest heavily in this area. IPIM will be charged with identifying the current – and potential future – human resource requirements, recruiting to meet those requirements and securing the necessary funding. This is likely to be a key part of the first year’s business plan, and should put IP Inclusive into a better position from which to develop.

In the short- to medium-term we will need two types of human resource: (a) day-to-day management and (b) administrative support. (a) will be provided by the LEO; (b) will be needed as soon as possible to support them. The new IPIM will also consider employing, in the near future, someone to develop the Careers in Ideas campaign (see 5.4 below) and potentially someone to assist with comms (5.5 below).

## 5.2 Day-to-day management

As discussed at 3.3 above, basic day-to-day management will be handled initially by me, in a continuation of the current LEO role. We estimate that it will require approximately two days a week, so long as there is administrative support as discussed below. The LEO’s contract will provide that if further work is required, on specific projects, then additional payments can be made for the extra time put in. This will give IP Inclusive flexibility over its HR costs: it will only need to budget management time for projects that have been planned, costed and approved and for which funding had been secured.

The LEO will be expected to work from their own office and as an independent contractor rather than an employee, as currently.

## General administrative support

As IP Inclusive grows, supporter communications and other administrative matters such as event organisation and website maintenance are becoming more time-consuming. Additional fundraising will also necessitate more paperwork. We plan therefore to appoint someone to provide the LEO with administrative support. They will need to be able to work from their own office or home (IP Inclusive does not plan to acquire physical premises at this stage), and ideally as a contractor rather than an employee as this will be simpler to administer.

Two half-days (eight hours) of help a week ought to make a big difference to the LEO’s workload, freeing them up for more high-level activities such as promoting IP Inclusive’s objectives; extending its reach; consulting with stakeholders; guiding and supporting volunteers; coordinating the initiative’s various workstreams; progressing outcomes from key initiatives; building resources such as guidelines, policies and training events; and sourcing funding.

The support role may need to include basic book-keeping, to process the additional funding we hope to bring in – unless this can be outsourced.

## 5.4 Careers in Ideas support

IP Inclusive’s “Careers in Ideas” outreach campaign[[2]](#footnote-2) is a key part of its drive for greater diversity within the IP professions. It has huge potential value to the sector’s employers and recruiters, not least because it is the only pan-professional, IP-specific campaign in which a wide range of employers can amplify their influence by acting through shared communication channels.

We could make much more of Careers in Ideas if we had an IP Inclusive team member dedicated to developing the campaign, building new relationships, sourcing additional funding and coordinating volunteers’ work to maximise return on investment. Again two half-days a week would seem about right, especially with the administrative support referred to above. The role might be ideal for a paid intern, possibly a student seeking longer-term employment opportunities in the IP sector.

## 5.5 Comms support

A lot of the work currently undertaken by the LEO is stakeholder communications such as updates for mailing list subscribers, website content, social media feeds, and event promotion. This might be better delegated to someone with more comms and PR experience.

In the medium term, we hope to employ someone to help with this aspect of IP Inclusive’s day-to-day operations. This role could also occupy two half-days a week, supporting both the LEO and if applicable the Careers in Ideas team member. Again it would be ideal for a paid intern; possibly the same person could perform both the Careers in Ideas and the comms support roles.

## 5.6 General considerations

We will seek legal advice regarding the employment status of these individuals and roles, and on IP Inclusive’s associated obligations and costs.

# 6 Financial matters

## 6.1 Operating costs

We estimate that IP Inclusive’s annual operating costs from 2021 onwards will be around £44,600. A large proportion of this is for the human resources that we believe are essential to maintain current activity levels and enable development. It therefore includes provision for the administrative support discussed at 5.3 above.

Additional support for Careers in Ideas and/or comms would allow the initiative to grow in ways that we believe would be valuable to the IP professions; this would take the annual costs to nearer £54,000. It would also be desirable, although again not essential, to allow an additional £8,000 a year for one or two specific extra projects such as, for example, an upgrade to the Careers in Ideas website.

Table 2 in Annex IV summarises the likely operating costs.

## 6.2 Proposed funding model

Thus far, IP Inclusive (and in particular the LEO’s pay) has been funded primarily by the founding organisations. This is not ideal and nor is it likely to be sufficient as the initiative grows. We believe that now is the time, having demonstrated IP Inclusive’s value and potential, to encourage a wider range of stakeholders to contribute to its continuation. This will also underpin its new independence.

From here on, IP Inclusive will be funded by a combination of:

* Donations and sponsorship sought from its Charter signatories, other interested organisations and individual IP professionals; and
* Relevant external grants if it has the resources to apply for them.

It will operate on a not-for-profit basis; all money raised will be invested into activities that support its core objectives.

Annex V provides further information about the proposed funding model, and explains why we favour this voluntary approach over a formal Charter signatory subscription.

## 6.3 “Set-up” costs

As IP Inclusive embarks on its first year of independence, we think it prudent to establish a contingency fund to reduce its exposure to financial and existential risks (see Annex III.1). We believe that between about £7,500 and £10,000 would be appropriate, representing roughly two months’ worth of operating costs.

Another set-up cost will be professional advice on:

* The tax and accounting implications of our proposed funding scheme, including VAT and other registration requirements if applicable
* The management of increased book-keeping and the extent to which this and other forms of administrative support (including payroll) could be outsourced
* The employment status of the personnel we intend to take on, the contracts we would need for them, the minimum requirements of IPIM as an employer (eg in terms of documentation and pension provision) and the associated costs
* The type and amount of insurance we should secure from now on, both to accommodate the increased turnover and also to protect individual IPIM members
* Potentially, formal documents such as the LEO’s contract, the IPIM constitution and the advisory board’s terms of reference

Annex IV.2 provides our assessment of likely set-up costs.

## 6.4 Fundraising campaigns

Once a year, IP Inclusive will publish its business plan and budget for the following twelve months, ideally alongside a simple impact report for the previous year, and seek donations from its stakeholders to allow it to proceed.

The first such campaign will begin shortly after the 2021 annual meeting; it will seek to cover the first year’s operating costs and also the set-up costs discussed at 6.3 above, which together we estimate to be between about £56,000 and £75,000 (depending on the amount of help recruited).

The founding organisations CIPA and CITMA have kindly pledged funding to support IP Inclusive’s continuation until the end of 2021. Those pledges do not carry any associated influence or control. However, as an independent entity IP Inclusive will need to source its own funding from here on, not only from the founding organisations but from elsewhere too. Therefore, if the spring 2021 campaign does not yield the requisite funding, the new IPIM will need to reconsider the future of the initiative (see 7.3 below), or at least its planned activity levels.

# 7 The process from here

## 7.1 General

We plan to begin making the changes discussed above straight after the 2021 annual meeting. The first stage will be the reconstitution of IPIM, followed soon after by publication of a first budget and business plan and the launch of a fundraising campaign to cover the first twelve months of IP Inclusive’s independence. In parallel we will establish the new advisory board. I will manage these processes, with IPIM’s assistance.

We will aim to have gathered the first year’s funding by the end of the summer of 2021. We will begin trying to recruit administrative support as soon as resources permit.

Changes, and the associated paperwork, will be kept to a minimum. Thus, IPIM will continue to exist and retain its previous name, so that bank and other accounts do not need to be altered or assets transferred. The IP Inclusive banner will continue to fly, alongside other relevant badges such as “Careers in Ideas”, “IP & ME”, “IP Ability”, etc.

## 7.2 The impact on our volunteer base

There should be little impact on the day-to-day activities of IP Inclusive’s supporters, especially its volunteers, due to changes in the underlying management structure. We must retain the current sense of community, in which everyone feels welcome to contribute and also to benefit, and where many of the important decisions are driven or at least informed by IP professionals themselves. This is what we believe is now associated with the IP Inclusive “brand”, to which a great deal of goodwill is attached. And it is particularly important that we maintain the value of that brand now that we are asking supporters to help fund the initiative.

## 7.3 “Plan B”

If the initial fundraising campaign fails to yield sufficient donations to cover the proposed business plan, IP Inclusive will need to scale down its intended activities. We hope that this will not be necessary, as it risks limiting the initiative’s reach and in turn a gradual (but accelerating) decrease in its relevance and value.

Andrea Brewster
Lead Executive Officer
IP Inclusive

# Annex I:IP Inclusive’s current structure

(See also the IP Inclusive Management section of the IP Inclusive website.[[3]](#footnote-3))

## I.1 The role of IP Inclusive Management (IPIM)

IPIM is the governing body that oversees everything done under the IP Inclusive banner, including the Careers in Ideas campaign. It is there to ensure transparency, accountability and control; to establish clear lines of reporting for IP Inclusive’s work; to mitigate risk and liability; and to provide reassurance to both internal and external stakeholders, including those who donate funds or contract with us. It is responsible for IP Inclusive’s finances and bank account, and looks after legal, compliance and other formal issues such as insurance and data protection. It also owns the assets and liabilities that arise from the initiative’s work.

IPIM’s work is largely unseen, and deliberately light-touch so as not to detract from, or unduly fetter, IP Inclusive’s crucial volunteer activities. It oversees the work of the Lead Executive Officer, to whom it delegates the authority to provide the vision for IP Inclusive and to realise that vision with IPIM’s support.

## I.2 IPIM’s constitution

IPIM is an unincorporated association, with a limited number of members that are elected at IP Inclusive’s annual general meeting each year. The current membership is:

* CIPA, represented by Sheila Wallace
* CITMA, represented by Mark Foreman
* FICPI-UK, represented by Liz Dawson (Treasurer)
* IP Federation, represented by Julie Browne
* The IP Bar Association, represented by Michael Silverleaf QC and James St Ville

The Chief Executives of CIPA and CITMA (Lee Davies and Keven Bader) serve in an advisory capacity. Ben Buchanan, representing the UK Intellectual Property Office, joins IPIM as an observer, “critical friend” and non-executive chair. Julia Florence, formerly the CIPA representative, will continue as IPIM Secretary until the 23 March 2021 annual meeting.

The association has a formal constitution which sets out its objectives. These are, essentially, to improve equality, diversity and inclusivity in the UK’s IP professions. Other key features of the constitution include broad membership criteria for UK-based IP professionals and associated organisations, and a requirement to report to and consult with the wider IP Inclusive community.

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# Annex II:Summary of 2021 changes

**Table 1: summary of 2021 changes**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Area** | **Section** | **Current model** | **New model** | **Benefits of new model** |
| IPIM membership | 3.1 | Mainly membership bodies, incl founding organisations | Only individual IP professionals | Greater independence; reduced risk of conflict; more streamlined decision-making |
| IPIM legal status | 3.1 | Unincorporated association | No change | Works well as is; bureaucracy-lite & inexpensive |
| Advisory board | 3.2 | N/A | New | Support for IPIM & LEO; wider perspectives to aid decision-making |
| Volunteers | 3.1.13.4 | Activities supported & overseen by IPIM | No change | Works well as is; ensures accountability & focus on core objectives for the benefit of the whole UK IP sector |
| Input into IPI plans & priorities |
| Governance | 4.1 | IPIM (ie membership bodies) | IPIM (minus membership bodies), supported by advisory board | See above re IPIM membership & advisory board |
| Staffing | 5 | LEO, paid for 2 days pw, usually working 3-4 | LEO 2 days pw | Supports current workload & allows for development |
| Admin assistant 1 day pw |
| Ideally also help with Careers in Ideas & comms |
| Funding | 6 | Mainly from membership bodies, plus additional sponsors for individual projects | Voluntary donations sought annually from membership bodies, Charter signatories, individual IP professionals & elsewhere | Greater financial independence; hopefully enables funding of higher activity levels & increased staffing  |
| Additional safeguards | 2.34.3 | N/A | Contingency fund | Tightening of risk management measures commensurate with growth & increased independence |
| Clarification of objectives & remit & of not-for-profit status |

# Annex III:IP Inclusive risk assessment

## III.1 Financial risks

We do not believe IP Inclusive represents a high financial risk to its stakeholders, for the following reasons.

* It will hold relatively small amounts of cash and no tangible assets.
* It will not have any rental or lease-hold commitments.
* Its basic operating costs will be relatively low, most of them for personnel employed on from one to three months’ notice.
* As now, it will only embark on projects, and enter into the associated third party contracts, after securing the necessary funding. Funds received for a specific project will be ring-fenced for that purpose, in line with the approved budget.
* There will be nothing business-critical about the activities it engages in; ceasing those activities, even at short notice, will not cause serious harm to individuals or organisations within the community it serves.

In the Annex IV cost forecasts, we have allowed for a contingency fund in case IP Inclusive needs to be dissolved at short notice, plus small annual top-ups to accommodate its growth. This fund will provide for the (we believe unlikely) case where income is insufficient to cover anticipated basic expenditure for the following year and there is little or no prospect of IP Inclusive continuing to fulfil its objectives. In this case donations already received would, so far as possible, be returned, and the contingency fund would allow us to provide at least a month’s paid notice to staff and to retain the LEO for sufficient time and with sufficient funds to wind up the initiative in an orderly fashion and/or establish an alternative route forward.

Although this significantly increases the up-front costs, it will provide valuable reassurance to IPIM members, donors and other key stakeholders. So long as IP Inclusive continues to engage effectively with its supporters, however, we do not expect this type of situation to arise unexpectedly.

## III.2 Key personnel

Probably the biggest risk to IP Inclusive at the moment is the loss of its LEO. However, a great deal of its current work is carried out by the individual communities and regional networks: each of these has a committee of people sharing the workload. A similar arrangement spreads work on the Careers in Ideas campaign between a good number of individuals. Formal and operational aspects of IP Inclusive are known to IPIM; key information is shared and backed up. Thus, much of the knowledge and energy that make IP Inclusive function is in practice shared by several people from a range of IP sector organisations.

Part of the LEO’s role will be to ensure that suitable back-up plans are in place, that key information and instructions are appropriately shared, and that a clear job description exists to which a successor can be recruited.

## III.3 Reputational damage and loss of goodwill

Should IP Inclusive fail, there could be some risk of reputational damage, and/or loss of goodwill, for those who initially invested in its creation. Its founding organisations might feel this risk particularly keenly, although with their envisaged independence this risk will decrease with time. We believe they should be reassured. The measures outlined in III.1 and III.2 above will mitigate the risks – both financial and operational – associated with the two most likely problem scenarios.

Maintaining good stakeholder communications will help ensure that if IP Inclusive’s fortunes change, its supporters can be adequately prepared. Clarity over the core objectives and remit, good governance and transparency – as discussed at 4.1 and 4.2 above – will reinforce that, reducing the risk of loss of trust or credibility and making it highly unlikely that IP Inclusive’s affairs could be mishandled.

A perhaps greater potential risk could be that arising from the actions of individual supporters who act – or claim to act – under the IP Inclusive banner. To help limit this risk, we suggest that IPIM establish (a) codes of conduct for the volunteers and others who represent IP Inclusive; (b) terms of reference, guidelines and where appropriate formal policies to assist those people; (c) procedures for the handling of complaints and disputes; and (d) policies and procedures for situations in which Charter signatories do not – or are alleged not to – fulfil the Charter commitments.

## III.4 Liability insurance

IPIM already holds third party liability insurance appropriate for a small unincorporated association acting in the community interest. This includes £5M of public liability insurance and £10M of employer’s liability insurance, together with legal expenses protection. We will seek legal advice on the insurance that ought to be secured in light of the 2021 changes, in particular the move to individual as opposed to organisational IPIM members, the appointment of staff, and the generation of significantly greater funds than before.

# Annex IV:Operating costs

## IV.1 Annual operating costs

The anticipated costs of maintaining IP Inclusive for the next twelve months are summarised in Table 2 below. These figures are estimates only, based on current operating costs but altered to take account of the change in structure and to allow for price increases.

**Table 2: anticipated CIC operating costs**

| **Item** | **£ pa** | **Notes** |
| --- | --- | --- |
| Staffing |
| LEO fees | 24,000 | 1 |
| LEO expenses (travel, office & misc professional costs)  | 5,000 | 2 |
| Administrative support | 9,200 | 3 |
| Costs of employment (payroll scheme) | 600 | 4 |
| (Careers in Ideas support) | (4,600) | 5 |
| (Comms support) | (4,600) | 5 |
|  |
| IT & comms |
| Website hosting & domain name registrations (IP Inclusive & Careers in Ideas) | 1,300 |  |
| Mailchimp, SurveyMonkey & Zoom accounts | 1,000 |  |
| Accounting software | 200 |  |
| Website maintenance contingency | 500 | 6 |
|  |
| Other operating costs |
| Accountants’ fees | 1,000 |  |
| Third party liability insurance | 800 |  |
| Other (bank charges, data protection fee) | 500 |  |
| Contingency fund top-up  | 500 | 7 |
|  |
| (One or two specific projects) | (8,000) | 8 |
|  |
| **Total (basic operating costs)** | **44,600** |  |
| **Total (including Careers in Ideas & comms support)** | **53,800** |  |
| **Total (also including specific projects)** | **61,800** |  |
| Additional note |  | 9 |

### Notes to Table 2

1. The LEO is currently paid a maximum of £2,000 pcm, as a contractor. This is based on an assumed two days’ work a week. We have assumed this will stay the same for the foreseeable future, although we believe that will only be feasible with the administrative support discussed at 5.3 above.
2. The LEO currently covers their own out-of-pocket expenses. It would be better practice for IP Inclusive to reimburse those. Whilst the LEO will be expected to work largely from their own office, they will need to travel occasionally to attend key events; we have allowed for about two such trips every month (although even post-lockdown, travel to meetings may in fact be less frequent than pre-2020), plus a small amount for office expenses.
3. Eight hours a week, at a rate of say £20/hour, would equate to £8,320 pa. Even if this person had to be an employee, we do not believe that NI and pension contributions would be necessary at the anticipated salary level[[4]](#footnote-4). We have however taken account of the person’s home office expenses, plus an associated increase in the employer’s liability insurance premium.
4. These systems will be outsourced as far as possible; the figures take account of that. They may not be needed if none of the staff are employees.
5. Assuming we employed interns for these two (optional) roles, a fair wage might be around £11 an hour (slightly higher than the London Living Wage of £10.75 an hour). For 8 hours a week, say 46 weeks a year, that would equate to £4,048 pa for each position. To this we should add an allowance towards the intern’s office expenses, making the overall total probably nearer £4,300 pa. If they were based outside London, a lower wage might be appropriate. We believe it would be possible to recruit through our own networks and not therefore incur any advertising costs, but that we should include an additional day or so a year of LEO time (per post) to manage any associated recruitment, appointment, re-appointment and induction processes: this would take the total for each post to nearer £4,600 (assuming a LEO daily rate of £220).
6. We have allowed a small amount for essential fixes and upgrades in case of technical issues, since the two websites (in particular ipinclusive.org.uk) will be business-critical for organising and promoting IP Inclusive’s activities.
7. The contingency fund will be established as part of the initial set-up costs; this figure represents an annual top-up to allow for growth. See Annex III.1.
8. Although funding for additional projects will be sought on a case-by-case basis (see Annex V.4), we believe it would be prudent to allow for one or two smaller items each year.
9. We should seek professional advice on the tax implications of the proposed funding model (see 6.3 above). Income tax ought not to be a major issue since IP Inclusive will not seek to generate profit, only to raise funds to cover planned expenditure. However, tax liabilities might depend on the source of the income raised and on IPIM’s ability to spend it during the relevant financial year; this will need to be factored in when determining the amount it needs to raise.

## IV.2 Set-up costs

The “set-up costs” referred to at 6.3 above will need to be covered by the 2021 fundraising campaign. They include:

* Professional advice
* An initial uplift to our third party liability insurance
* Some additional LEO time for managing the transition and the recruitment and appointment of requisite personnel
* The contingency fund (see Annex III.1)
	+ We suggest about two months’ worth of operating costs, ie between about £7,500 and £10,000

We believe the total set-up costs might be of the order of £11,000 to £13,000, depending on the size of the initial contingency fund. We will attempt to reduce these costs by seeking pro bono professional advice where feasible and sourcing services through contacts outside of the larger city centres.

# Annex V:Proposed funding model details

## V.1 Why not Charter signatory subscriptions?

In our autumn 2020 stakeholder consultations1, we mooted the idea of funding IP Inclusive through a Charter signatory subscription scheme. The idea met with broad approval and the survey yielded useful information about the subscription levels that signatories might be willing to pay: these ranged from about £100 pa for small organisations up to about £500 pa for larger ones. Some appeared willing to contribute significantly more. Some (for example the IPO and in-house departments) might be unable to commit to a subscription at all although perhaps able to contribute to specific projects on an ad hoc basis.

Taking into account the make-up of our current community of Charter signatories, their survey responses, and IP Inclusive’s likely operating costs (see Annex IV.1), we concluded that a subscription scheme would not be viable as IP Inclusive’s main source of revenue. We could certainly not be confident that it would suffice to establish and maintain a formal CIC structure. We will adopt instead a funding model based on voluntary donations, which will be sought from both organisations and individual IP professionals and can be supplemented by applying for relevant external grants, resources allowing.

## V.2 The pros and cons of the voluntary model

We favour this model over a Charter signatory subscription scheme for a number of reasons:

* Flexibility
	+ Supporting organisations (including Charter signatories) can pay less if they need to, whilst others who can – and want to – pay more will be welcome to do so.
	+ Each organisation can tailor its contribution year on year to suit its financial circumstances and corporate priorities, based on IP Inclusive’s proposed business plan.
	+ Charter signatories such as the IPO and IPReg, who might be unable to commit funds to the full range of IP Inclusive’s activities because of their organisational structure or governance, will still be free to contribute to specific aspects that align with their objectives and safeguard their independence.
	+ Membership organisations can also choose a level of support commensurate with their members’ priorities and if necessary linked to specific aspects of IP Inclusive’s work.
	+ Non-Charter signatories, including from outside the IP sector, will also be free to contribute if they support the IP Inclusive cause.
* Inclusivity
	+ Nobody will be excluded from signing up to the Charter commitments – something we want to encourage – simply because of the level of their financial contributions.
	+ Individual IP professionals can contribute as well as organisations, for example on philanthropic grounds or because of what they personally have gained from the movement.
* Engagement
	+ An annual fundraising campaign will provide the opportunity to engage with Charter signatories, as well as with other stakeholders. It could be combined with a request for signatories to re-confirm their commitment to the Charter pledges, and/or to provide feedback on their interactions with IP Inclusive or other diversity and inclusion (D&I)-related issues.
	+ Reliance on IP professionals’ approval of the business plan, and their concrete support for it, will represent an excellent way for IP Inclusive to take account of the community it serves, arguably more meaningful than a mandatory subscription scheme.
* Administrative simplicity
	+ Donations and sponsorships will be easier to process than a blanket signatory subscription scheme. They will only require interaction with genuine donors. We believe it may be possible to register with a platform such as Virgin Money Giving to handle some of the administrative burden, making processing easier for both IP Inclusive and its donors.
* Trust and goodwill
	+ An approach based on trust is we believe more appropriate in view of IP Inclusive’s history and its future objectives: the initiative has been a success because both individuals and organisations have given voluntarily, which is worth retaining and perhaps marks us out.
	+ Asking for donations to a good cause, rather than *requiring* payment for a business proposition, shifts the mindset towards the CSR section of the corporate budget, where we may be more likely to see generosity.
* Risk management
	+ By publishing the business plan well in advance, and seeking the funding to support it, IP Inclusive can establish at the start of each year whether its plans are financially viable. If the necessary funding is not available, it will have the option to alter the business plan and/or attempt a different approach to fundraising.

The two main (potential) disadvantages of this model would be (a) uncertainty around whether IP Inclusive could raise sufficient funds to continue each year and (b) the human resources needed to solicit donations, in particular from larger donors. Arguably, however, a signatory subscription scheme would also carry some uncertainty (potential loss of signatories, or simply failure to pay) and would also require resources in, for example, soliciting and processing subscriptions each year, chasing late payers, and agonising over the status of those who failed to pay. Both disadvantages can be mitigated by running a single annual fundraising campaign and shaping the following twelve months’ plans around the funding achieved.

## V.3 Articulating the value

This type of funding model will require IP Inclusive to articulate the impact and value of its work, sufficient to persuade people that the IP sector would be the poorer without it. We suggest that the annual business plan, published as a basis for raising the following year’s funds, be accompanied by an impact report for the preceding year. It will then be clear to potential donors how their money will be spent and the effect it could be expected to have on D&I in the IP professions.

Responses to our 2020 survey1 confirmed that IP Inclusive’s work has value to both individual organisations and professionals and also the IP sector as a whole. They told us, for example, that our Charter signatories value access to our support networks; our training and resources; the sector-wide networking and business development opportunities we make available; the sense of community we engender; and the fact that involvement in IP Inclusive can be of help in demonstrating an organisation’s D&I and/or CSR commitments, for example to clients and recruits. They told us that this value has been largely retained through the Covid-19 restrictions. We know that to obtain many of IP Inclusive’s benefits elsewhere could cost an organisation several times the donations we hope to receive from them, and would likely be less well-tailored and lack the associated networking and community benefits. We also know that many recognise the importance of IP Inclusive on moral as well as commercial grounds.

We know in particular – from several of our 2020 events – that recruitment and outreach matter to IP professionals, and thus that our Careers in Ideas campaign has value to individual employers, the membership bodies that represent them and the wider IP sector.

Accordingly we believe that donations to IP Inclusive can be justified on both a business and an ethical basis. We are hopeful that the proposed scheme will yield sufficient funds to allow the initiative to thrive – and indeed grow – over future years.

IP Inclusive has, of course, different types of value for different people, and the way we present our funding requests will need to be tailored accordingly. The 2020 survey results provided valuable information in this context, and whilst our report of that survey talks in terms of Charter signatory subscriptions, it provides a useful discussion of how we might shape an IP Inclusive funding scheme and associated communications.

## V.4 Specific additional projects

IP Inclusive will still be free to embark on additional projects if it wishes, depending on its success in sourcing funding above the level of its basic operating costs. Where possible such projects will be planned in advance each year, included in the published business plan, and thus subject to stakeholder approval. We would like to allow for at least one or two each year, as indicated in the Annex IV cost forecasts (see Table 2).

Additional funding, for example through sponsorships, external grants or “crowd-funding” campaigns (see below) could be sought on an ad hoc basis for specific projects, activities, events or items of expenditure, the need or desire for which might become clear after publication of the business plan. For this we could approach our Charter signatories, our individual supporters and potentially also external partners. Campaigns such as the 2018 and 2019 “IP Inclusive Weeks” might provide good opportunities.

If a project requires LEO input beyond the planned two days a week, that will be funded as part of the project costs and the LEO will be expected to budget and fundraise accordingly. This will provide more flexibility for expanding the LEO role, which will only need to be remunerated as necessary for individual projects.

## V.5 Additional sources of funding

Other potential sources of funding could include:

* Applying for external grants where available (and provided the LEO has time)
* Occasional “crowd-funding” campaigns, whether or not linked to particular projects
	+ Again, events such as IP Inclusive Week might provide a focus for these

The 2020 survey responses indicated that charges for access to IP Inclusive events and resources would not be popular. This fits with our underlying values and the intention that the benefits of IP Inclusive should be available to all IP professionals. Instead we will stay with the current model, in which events and resources are free at the point of delivery and not used to generate revenue. This will also simplify our administrative and accounting systems.

## V.6 Other forms of support

IP Inclusive will continue to welcome non-financial forms of support such as event hosting and catering, publication and promotion of resources, access to professional networks, and the provision of pro bono advice and content. We should in fact nurture an expectation that in this context, every individual and organisation gives what they can to maintain the inclusive and collaborative community that IP Inclusive has created.

## V.7 Administrative matters

The proposed funding model will require at least some record- and book-keeping, invoice generation, correspondence with donors and potential donors, and doubtless a certain amount of chasing. We may be able to use an online platform for some of the associated administration, particularly for donations from individuals, but data from that platform will still need to be reconciled with bank statements and input into the IP Inclusive books. This makes the administrative support discussed at 5.3 above even more important.

We will seek an accountant’s advice about the level of book-keeping required and how best to handle that (including opportunities for outsourcing), as well as on reporting requirements and the tax implications of our proposed fundraising systems.

Sourcing sponsorship, donations and grants will require input from relatively high-level and well-connected personnel: this will be part of the LEO’s role although IPIM and advisory board members will no doubt help. IP Inclusive’s communities and regional networks will be able to help promote fundraising requests, and contacts with other organisations (for example through the Careers in Ideas task force) might also prove fruitful.

1. See <https://ipinclusive.org.uk/newsandfeatures/to-diversity-and-beyond-survey-results/> [↑](#footnote-ref-1)
2. See <https://ipinclusive.org.uk/careers-in-ideas/> [↑](#footnote-ref-2)
3. <https://ipinclusive.org.uk/ip-inclusive-management/> [↑](#footnote-ref-3)
4. Our understanding is that employer’s NI is 13.8%, but only payable on a salary above £169 pw (£8,788 pa); and that the auto-enrolment pension minimum is 3% but only payable for employees who earn over £833 pcm. [↑](#footnote-ref-4)