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**NOTE OF INTELLECTUAL PROPERTY OFFICE STEERING BOARD MEETING HELD ON
31 MARCH 2015 AT CONCEPT HOUSE, NEWPORT AND ABBEY ORCHARD STREET,
LONDON**

Attendees:

Non Executive Directors

Bob Gilbert (Chair)
Gary Austin
Iain Maclean
Ralph Ecclestone
Tim Suter
Nora Nanayakkara

BIS

Brigid Feeny Deputy for Amanda Brooks

Intellectual Property Office

John Alty	Chief Executive
Sean Dennehey	Deputy Chief Executive
Rosa Wilkinson	Director, Innovation & Strategic Communications
Neil Feinson	Director, International Policy
Dave King	Acting Director, Finance
Paul Feldman	Chief Technology Officer
Simon Haikney	Head of EU and OHIM Policy
Alison Reed	Head of HR and Organisational Development
Alison Cullen	Fees Review Team Leader
Catherine McGrath	Stakeholder and Communications Manager
Jonathan Rogers	Corporate Planning & Performance Manager
Karen Powell	Head of Governance & Risk
Sally Jones	Head of Secretariat
Sue Henson	Minutes

Apologies

Louise Smyth Chief Operating Officer

Observers

Sarah Harris
Beth Kenure

Shadow

Solomon Williams-Wadley

Action	Timing
Mr Dennehey to provide Steering Board with update on OHIM potential income once known.	As soon as possible
Mr Alty to discuss treatment of investment in Unified Patent Court (UPC) with Mr Gilbert and Mr Austin.	As soon as possible
Mr Rogers to add variances in the budget actual column in the financial dashboard of the performance report.	As soon as possible
Miss Wilkinson to circulate updated election guidance to Steering Board as well as weekly election monitoring information.	As soon as possible
Digital agenda to be included in the Steering Board Awayday.	October 2015
Next Steering Board agenda to include 'New Government, what it means to us'.	May 2015

1. Chair's Introduction

1.1 Mr Gilbert welcomed everyone to the meeting with special welcome to Solomon Williams-Wadley who was shadowing Mr Dennehey and observers Sarah Harris and Beth Kenure. He also gave special thanks to Mr King who was attending his last Steering Board meeting as Acting Finance Director. The Board thanked him for all his hard work.

1.2 Mr Gilbert thanked those that attended the launch of the Corporate Plan and Strategy. He said the strategy was very good and an iterative document.

1.3 Mr Gilbert took the opportunity to take stock of the event. He said he felt disappointed with the attendance level considering the amount of work that had gone into it. Miss Wilkinson said they had used every seat in the room but there were quite a number of 'no-shows'. She suggested doing something different next year and to secure a location which was not limited to numbers. Mr Dennehey said it was important everyone was there and there was good publicity however it would be good to renew the format next year. Mr Maclean said he was surprised and disappointed that the launch was poorly attended and thought it was held at the wrong venue and volunteered to help with the preparations for the next event.

1.4 Mrs Nanayakkara said that she had attended events where stakeholders could streamline the event on-line, make tweets, etc and that the IPO should consider timing of the event, ie IP lawyers were open to turning up to events at mealtimes. Mr Gilbert recognised that it was a good achievement to launch the corporate plan at the end of March in time to be laid in Parliament before purdah.

2. Apologies

2.1 Apologies were received from Ms Smyth.

3. Approval of minutes of the previous meeting

3.1 The minutes of the meeting held on 28 January 2015 were approved without amendment.

4. Update on actions

4.1 Mr Gilbert reviewed actions – the majority of which had been completed.

- Election Guidance: now issued.
- £25m payment to BIS: Ms Feeny reported that BIS would not be asking IPO for the £25m this year.
- Update on OHIM potential income line: amount not significant (£100k-£150k). Could be packaged in Trade Marks reforms, but will report back to Steering Board once clarified.

5. Declarations of Interest

5.1 There were no declarations of interest.

6. GOVERNANCE AND PERFORMANCE

6.1 Chief Executive's Report

6.1.1 Mr Alty had met with Lady Neville-Rolfe who explained that her role during purdah was limited as a campaigner. Mr Alty said he was pleased with the progress they had made

during the Minister's term and had achieved all the priorities set with exception of changing the law for Premier League and pubs. He referred to the amount of activity that had been undertaken up to the run to purdah: the IPO Framework Document was now up on the website and the National Physical Laboratory (NPL) Partnership agreement with Strathclyde University had been signed.

6.1.2 Mr Alty highlighted key points from his report:

- The Executive Board were focussing on election briefing.
- EU Single Digital Market: meeting with the Cabinet Committee and the Minister to defend IPO proposals where there was a lot of challenge, however reports suggest that all proposals were endorsed.
- Tools to help university lecturers address how to deal with IP and a report on IP finance were launched which had generated a lot of interest.
- The Corporate Plan and Corporate Strategy had raised a lot of interest, ie Alliance for IP, CIPA which was a testament to the IPO.
- EPO visit by Minister and Mr Alty: Minister raised concerns around finances and engagement with unions.
- Digitalisation portfolio making good progress with GDS approvals on the patent side.
- Shared Services: joint service with Companies House start date had been delayed due to testing problems.
- Treatment of investment in Unified Patent Court (UPC): Mr Alty to brief Mr Gilbert and Mr Austin separately.
- Shared Services: IPO were looking at alternative outsource providers. BIS were reopening the shared services agenda.

Action

- **Mr Alty to discuss treatment of investment in Unified Patent Court (UPC) with Mr Gilbert and Mr Austin.**

6.2 BIS Update

6.2.1 Ms Feeny said BIS had been focussing on preparations for a new government, scenario planning and looking at manifestos against BIS policies. There was also work being carried out on the comprehensive spending review.

6.2.2 Ms Feeny reported BIS had launched a departmental approach to sponsorship and how they worked with partner organisations and how would be taking a risk based approach. She said that IPO fitted into the lower risk category.

6.2.3 Mr Gilbert raised concern that thought should be given to Scotland and what proportion of rights were Scottish. Miss Wilkinson said that all IPO services were UK wide. Mr Dennehey said there would be an opposite risk if there was an EU Referendum.

6.3 Finance and Performance Report

6.3.1 Mr Rogers provided a 'straw poll' of the ministerial targets, all of which were expected to reach their targets. The return on capital employed (ROCE) ministerial target would be reported at year end. Mr Austin asked about the people survey engagement priority and Mr Alty reported that it had not been met.

6.3.2 Mr King reported on the last day of the financial year that they were down on expected income. He said they also had to value the amount of unpaid leave and flexi and compare it with last year. Mr Austin said there was a presentational issue with the pay pilot analysis

and the actual pay figures. Mr Dennehey said the pay pilot numbers was a comparison from a year ago. Mr King said that the figures would be reconciled.

6.3.3 Mr Ecclestone asked whether the performance report should say anything about shared services. He referred to the last Audit Committee meeting where it was reported that there had not been many errors and was stable, however it was now a different story. Mr King said the performance of shared services changed from one month to the next. This month pension statements were wrong and a significant amount of overtime was not paid. Mr Alty said he would be meeting with the interim CEO of UKSBS after Easter to discuss. Mr Austin asked whether they had to stay with UKSBS for another year. Mr Alty said it was not clear and they were working with BIS. He said it was preferable to have a collective approach but there were other organisations, eg ACAS who had different arrangements. Mr Gilbert and Mrs Nanayakkara said they would be happy to write to the CEO separately to the CEO as a pre-cursor to Mr Alty's meeting with him, outlining that their assurances had not been met. Mr Alty agreed that it would be helpful for Mr Gilbert and Mrs Nanayakkara to write to the UKSBS interim CEO.

Action

- **Mr Rogers to add variances in the budget actual column in the financial dashboard of the performance report.**

6.4 Risk Management

6.4.1 Mrs Powell reported the main changes to the Board risk register since the last Steering Board meeting in January:

- The GDS approvals risk (S13) had been closed and was now being managed by Transformational Change Committee (TCC).
- UPC risk (S15) was now closed and being managed at project level.
- The UKSBS risk score had increased and was now showing as red.

6.4.2 Mr Ecclestone referred to the Section 72 risk (S17) and whether they had been able to go out to consult before purdah. Mr Alty said the Secretary of State did not want to consult before purdah. Mr Austin asked why the UPC was showing red on the performance report but had been de-escalated from the Board risk register to be managed at project level. Mr Alty said that the risk taken off the Board register only related to money put in for IT systems relating to the project.

6.4.3 Mr Maclean referred to the watch/worries list and managing change and asked whether anything had been documented. Mr Alty said they had looked at scores in the people survey. Mr Maclean said that managing change could be linked into #Adaptive.

6.4.4 Mr Maclean referred to the credit card payment provider risk on the Operating Committee risk register (OC20) and whether they would be moving to a new provider. Mr King said they had agreed that the move to a new provider should take place in October.

7. STRATEGIC

7.1 Corporate Strategy Review

7.1.1 Mr Haikney updated the Steering Board on the IPO Strategy since the last meeting. He said the strategy was previewed at the launch of the Corporate Plan on 23 March. He thanked the NEDs for their very useful feedback in a telcon meeting prior to publication.

7.1.2 Mr Haikney reported that they had successfully launched the strategy before the Parliament deadline and they would be having informal consultations using existing fora, ie 4

Presidents, Chartered Institute of Patent Attorneys (CIPA), IP Federation. They would also be starting work with the Economics, Research and Evidence team (ERE) to put measures in place. Between June and September they would prepare the full strategy reflecting stakeholder views with the full consultation commencing in September, however timing was uncertain.

7.1.3 Mr Alty said the consultation would depend on the new government. Mr Feinson said he thought things would morph into a final document and agreed that it would not be necessary to carry out a full three month consultation but would collaborate in line with stakeholder thinking.

7.2 Fees Review Update

7.2.1 Mrs Cullen updated Steering Board with progress on the fees review since the last meeting. She said that the project board had worked extremely well together to agree the recommendations to carry out a tentative stakeholder consultation, the findings of which would form further evidence in which to form a final decision on fee changes and to go forward to a formal consultation.

7.2.2 Mr Alty said the recommendations would need to go to the Minister in the new government and thought would need to be giving to timing. A fee change would also require secondary legislation.

7.2.3 Mr Ecclestone said they had a legal obligation to raise fees to cover costs and asked whether they had a legal right to manage demand through the fees. Mr Dennehey said that Ministers could set fees at any level and there were no criteria for fee levels. Mr Austin said it was an implicit obligation on trading funds to be efficient, therefore it would be regarded as an efficiency measure.

7.2.4 Mr Suter said that an overall strategy was missing and said a box saying what the strategy was would be useful. Mrs Nanayakkara said it would be useful if there was a comparative analysis – she said a specialist company could be brought in to test the consequences.

7.2.5 Mrs Nanayakkara asked whether there were any plans to charge for ex-parte hearings. Miss Wilkinson said the costs IPO imposed were small compared to attorneys. Mr Dennehey said the Hargreaves review reported that attorneys charged £23k and all attorneys were closed on how they calculated their fees.

7.2.6 Mr Gilbert referred to Trade Marks and that there were no comparative figures on what EPO charged. Mr Dennehey said the outcome would rely on the Trade Marks reform and they would have a better idea over the next six months.

7.2.7 Mr Gilbert concluded that the Steering Board were in favour of the review and thanked Mrs Cullen for her update.

7.3 #Adaptive

7.3.1 Mrs Reed reported that the IPO had undergone a huge amount of change over recent years. She said that they had started work on becoming an adaptive organisation, being more chameleon like and flexible.

7.3.2 Mrs Reed said that her paper showed their initial journey from going out to staff to find out what behaviours were needed to be an adaptive organisation. Four workstreams emerged and a 'Dragons Den' pitch by sponsoring directors was given to an audience of

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staff. Mrs Reed said they were at the beginning of the journey and there was a huge appetite for an adaptive organisation across IPO.

7.3.3 Mr Gilbert said the IPO was at the cutting edge of smart thinking and change. Mr Ecclestone said there was a strong foundation of skills leading to the empowerment of staff and that it would be useful to add case studies from the front edge of the business. Mr Maclean said he was happy to share his insights and whilst the level of enthusiasm was high, progress needed to be seen.

7.3.4 Mr Austin said his only concern was the wording of the 'governance' workstream as governance had many meanings. Another name could be 'how we work' or 'efficiency'.

7.3.5 Mr Alty said it would be useful to pick up on people's experiences as an empowerment message – it would be good to go to BIS with IPO as best adaptive organisation.

7.4 The Future Shape of the IPO

7.4.1 Mrs Reed said the future shape of the IPO linked to the changing organisation and defined IPO's operating model. She said that it was linked to the governance workstream and the operating model would impact on roles and structures.

7.4.2 Mr Gilbert said as a next step a strategy would be crucial and changes should be divided into bitesize chunks which would go hand in hand with #Adaptive. Mr Suter said the paper was really good and that they should start with an answer and test the model. Mrs Nanayakkara said an HR Roadmap would see how everything supported the corporate plan, ie Lean, the Key, #Adaptive.

7.4.3 Mr Alty said there were some views that had come out of TRIPOD which would ensure they were looking across the organisation and this needed to be articulated and would need sensitive handling.

7.5 Digital Vision

7.5.1 Mr Feldman said that the Digital Vision covers the aspirational direction for TRIPOD as well as the impact of digital on policy so that it was an inclusive document.

7.5.2 Mr Austin said it would be beneficial to say a bit more to embrace the open data aspect. Mr Feldman said that IPO only had a small subset of data that they could not share. Miss Wilkinson said that they knew that if they could prove access to data stocks they held, small businesses could get finance, etc. Mrs Nanayakkara said they could identify hotbeds of innovation making it easier to use.

7.5.3 Mrs Nanayakkara said the paper was very good but that service delivery was not mentioned and that 'full inclusion' in the third paragraph should be 'optimum inclusion'.

7.5.4 The Steering Board were happy to endorse the vision.

8 TOPICAL

8.1 IT Strategy and Roadmap Update

8.1.1 Mr Feldman gave Steering Board an update on progress made on the IT Strategy and Roadmap. He said that within the TRIPOD portfolio they had received GDS approval for Apply for a Patent and Apply for a Designs projects. He said they were finding a commonality for IT provision in various areas, eg common services, front end customers and

the mainframe contract ending next year. Mr Feldman said that people working on TRIPOD and #Adaptive were now fully mobilised throughout the organisation.

8.1.2 The Steering Board noted progress made on the IT Strategy and the Roadmap update.

8.2 Election Watch

8.2.1 Miss Wilkinson said the election watch brief gave an update on what IPO's preparations for the arrival of potentially new ministers. Miss McGrath said the briefing for a minister was twofold: one on what the IPO did, its core functions, key figures, Steering Board, how they worked and their agreed priorities. The second briefing would be topical issues, week one briefing for a new minister and a short letter from Mr Alty and a series of two-page briefings on core themes, ie Europe, IP, creative content, copyright depending on whether a minister had a background in IP or not. Miss McGrath said they were working closely with BIS to feed into their briefing packs. They had also looked into the format of briefings, iPads, etc.

8.2.2 Mr Gilbert said IPO should blow their own trumpet at how good they were. Miss Wilkinson said it would not be unreasonable to pull together an infographic about what people said about IPO and the pace at which they progress things.

8.2.3 Miss Wilkinson said they would share the updated election guidance to Steering Board referring to the few additional comments on social media. She would also let Steering Board see the monitoring information on a weekly basis.

Action

- **Miss Wilkinson to circulate updated election guidance to Steering Board as well as weekly election monitoring information.**

8.3 Round Table Update

8.3.1 Mr Maclean had facilitated a Key management programme which had generated a number of skills people could seek to apply. He asked whether there were any measures in place to make sure people were using those skills. Miss Wilkinson said she had seen the application of some new skills, eg journalist questions, in many of her team meetings. Mr Alty said there were no mechanisms to measure the development activity, but a number of approaches had been shared and were having an impact. .

8.3.2 Mrs Nanayakkara said that there was not much opportunity for NED networking. Mr Austin said he was organising Audit Committee training for NEDs where there could be an opportunity for networking with other BIS organisations. Mr Alty said they needed to make it happen and pull BIS along. Mrs Nanayakkara said she would be interested in the digital agenda because it was new to everyone and the only guidance was from 2010. Mr Alty said that the digital agenda could be relevant to the next Steering Board Awayday and thought it would be useful to work up some ideas, who to invite, etc.

8.3.3 Mr Alty said the next Steering Board agenda in May might include an item on what the new government meant to the IPO and could also be an opportunity to meet the new Minister.

Action

- **Digital agenda to be included in the Steering Board Awayday.**
- **Next Steering Board agenda to include 'New Government, what it means to us'.**

9 INFORMATION

9.1 Minutes from the previous Audit Committee meeting

9.1.1 Mr Ecclestone reported that the Audit Committee held on 17 February was a straightforward meeting which ran on time and to schedule.

10 Any other Business

10.1 There was no any other business.

Date of Next Meeting: 20 May 2015