



**NOTE OF INTELLECTUAL PROPERTY OFFICE STEERING BOARD MEETING
HELD ON WEDNESDAY 20 MAY 2015 AT ABBEY ORCHARD STREET, LONDON
AND CONCEPT HOUSE, NEWPORT**

Attendees:

Non Executive Directors

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

BIS

Paul Hadley

IPO

John Alty
Sean Dennehey
Louise Smyth
Neil Feinson
Rosa Wilkinson
Neil Hartley
Dave King
Sally Jones
Sue Henson
Heather Dalton

Chief Executive
Deputy Chief Executive
Chief Operating Officer
Director, International Policy
Director, Innovation and Strategic Communications
Director, Finance
Deputy Director, Finance
Head of Secretariat
Secretariat
Secretariat

Shadow

Val Waters (Newport)

1. Chair's Introduction, Minutes and Update on Actions from Previous Meeting (31 March 2015)

1.1 Mr Gilbert welcomed everyone to the meeting with a special welcome to Val Waters, who was shadowing Mr Dennehey, and to Mr Hadley from BIS. There were no declarations of interest from the Non Executive Directors (NEDs).

1.2 The minutes of the meeting held on 31 March 2015 were approved.

1.3 The action points were discussed. They agreed it would be useful to see a bit more information on the completed actions in future updates.

Governance and Performance

2. Chief Executive's Report

2.1 Mr Alty provided an update since the last meeting:

- Digital Single Market (DSM) was still at the early stages. Ed Vaizey had been given responsibility for the DSM issues and Lady Neville-Rolfe was responsible for the EU/single market.
- Shared services: IPO now had more scope to look for an alternative solution.
- Unitary Patent Court (UPC): The fitting out costs of the court had been reconciled.

2.2 The NEDs congratulated everyone on the move of the accounting system to a shared solution with Companies House. They discussed the IPO Pay Strategy and agreed that it might be the last year that there was significant scope for pay restructuring under the pay pilot.

2.3 The NEDs agreed the Executive Board Report was an excellent read and liked the 'quick picks'.

3. BIS Update

3.1 Mr Hadley updated Steering Board on recent developments at BIS and the changes in the ministerial team:

- Sajid Javid, new Secretary of State
- Jo Johnson, new Minister of State for Universities and Science
- Lady Neville Rolfe now working jointly with BIS and the Department for Culture, Media and Sport. She was leading on European affairs for BIS and Ed Vaizey was leading on digital matters.

3.2 Mr Hadley made reference to the Spending Review which was expected to be exceedingly tough and noted that there was a budget set for 8 July. He said the Department was aiming for a higher quality of engagement with Innovation Directorate and IPO, NPL and Innovate UK. He was grateful to the IPO senior team for meeting him in Newport and going forward he would like a better understanding of the challenges IPO were facing and look at opportunities to work with Innovate UK and BSI.

4. Finance and Performance Report Year End

4.1 Mr Hartley introduced the item saying he was pleased that the accounts had been produced earlier and thanked his team. All ministerial targets had been met, however the sick absence figure was not accurate and the correct figure should have been 7.2 instead of 6.5. He reported:

- a £1.4m surplus.
- the auditors were due to audit the accounts and that the pension provider, MyCSP, had still not provided the pension data despite chasing.
- NAO had advised there were no issues and were not envisaging any problems and were confident of a clear audit.

4.2 The NEDs congratulated the team on creating the surplus. They discussed the engagement score and the People Survey and the changes that had been carried out since then. They referred to the shared services implementation and resources and the BaU critical business application availability which only just missed the target due to some issues around TM10.

5. Risk Management

5.1 Mr Hartley introduced the item and gave an update on the Board Risk Register.

5.2 The NEDs discussed the register and referred to the forecasting. The Executive Board said the end of year budgets forecasts came within the 3% they set themselves and the issues for them were things that happened that were out of their control or happened late in the year.

5.3 The NEDs referred to the Hague Agreement on the Board Watch/Worries list and it was agreed that the primary descriptor did not help and an update would be circulated to Steering Board.

5.4 The NEDs discussed Managing Change on the Watch/Worries and agreed it was an enormous piece of work. The Executive Board said they had recruited a TRIPOD Portfolio Manager and one of the workstreams in #adaptive was about change and building networks, etc. They said they were dividing HR into two: HR and organisational development and the

Business Change Management (BCM) network had clearly defined their roles. The NEDs wondered whether there was a Change Plan to drive up the quality of change management in the organisation and although the Executive Board had a Change Forward Look they would look into drawing up a Change Plan.

Actions:

- **Mr Dennehey to provide an update on The Hague Agreement item from the Watch/Worries list.**
- **Ms Smyth to look into drawing up a Change Plan.**

Strategic

6. New Government – What it means to us

6.1 Miss Wilkinson provided Steering Board with a summary of what the new government meant to IPO:

- whilst retaining Baroness Neville-Rolfe as Minister she now had a significant expanded portfolio (both a BIS and DCMS Minister) therefore they would need to think how they would use her time effectively.
- the Minister would also be covering DSM issues in the Lords although Ed Vaizey would be leading on DSM more generally and continue to lead on the Creative Industries.
- the new Secretary of State, Sajid Javid, liked things to be crisp, and well evidenced. His DCMS successor was John Whittingdale.
- Jo Johnson, new Science and Universities Minister, would be the IP spokesman in the Commons. As he did not have a science background, they would be getting the IP story to him.
- Lady Neville-Rolfe did not want to change the Corporate Plan and targets and wanted IPO to finalise the Strategy and publish later in the year. She would be re-engaging with stakeholders around the Strategy in some round table discussions.

6.2 The NEDs asked whether there would be any impact as a result of a Referendum Bill on the way IPO played their international hand. The Executive Board said they believed that IPO's expertise and EU relationships would enable the organisation to continue to influence effectively.

7. Corporate Strategy Review

7.1 Mr Feinson updated Steering Board on activities since the last update. During purdah they had been testing the strategy with stakeholders and one thought was to hold initial roundtables with stakeholders as a starting point and then speak to Lady Neville-Rolfe and partner organisations. Going forward they would complete stakeholder soundings and drafting and would keep Steering Board involved matching members with themes. He said that the content would include TRIPOD and enforcement. Also, Directors would be contacted further to make sure everything was included in the five year strategy. They were planning that the strategy would be (around 25-30 pages) with annexes and web clips throughout as well as an additional one-two pager.

7.2 The Executive Board agreed there was a lot of pressure on them to do more, for instance, on enforcement. The strategy would be important in identifying priorities and saying how they were going to be remunerated. The fees review would be an important element.

7.3 The NEDs agreed that with a Spending Review and budget coming up, it would be important to have an agreed strategy to defend against any unjustified calls on IPO's reserves. They agreed it could be a topic at the Steering Board Awayday and that the format of the Awayday should be discussed at the next Steering Board meeting.

Action:

- **Steering Board Awayday to be discussed at next Steering Board meeting.**

8. International Forward Look

8.1 Mr Feinson thanked Adam Williams for the Forward Look paper and said it was the first of its kind and would be produced on a six monthly basis. He said they had focussed on themes and issues that were emerging and said the IPO had a track record of effective international influencing and progress and they had a strong story to tell.

8.2 The NEDs agreed that the Forward Look paper was very useful and welcomed an update every six months. They thought that it should include a top paragraph summarising each theme and should indicate where they should focus their attention. They had a number of concerns and it was agreed that a further update would be provided at the next meeting. Mr Feinson agreed to share a paper relating to European issues with the NEDs.

8.4 The NEDs asked about the financial risks arising from developments in Europe. Mr Dennehey said they would put together a paper on the European financial issues.

Actions:

- **Mr Feinson to share the paper relating to European issues to Non Executive Directors.**
- **Mr Dennehey and Mr Hartley to put together a paper on the European financial issues.**
- **Mr Feinson to consider format of next international forward look paper in view of discussion at meeting.**

Topical

9. IPO Diversity and Respect Agenda

9.1 Mr Feinson introduced the paper saying that it was a joint paper between the Diversity and Respect Champion and HR. He said that the IPO did not have sufficient evidence of the diversity of its staff. He said that the Equality, Diversity and Inclusion Strategy would give them a good evidence base to ensure IPO was a diverse and inclusive organisation.

9.2 The NEDs were surprised that IPO did not already have a strategy and asked whether there would be a launch. The Executive Board said they were launching the strategy later that month.

10. IPO IT Strategy and Roadmap

10.1 Ms Smyth introduced the item and said that Mr Feldman had made a great deal of progress on the IPO IT Strategy and Roadmap. Ms Smyth said she was grateful to him for pushing it through. She said they now had the right structures in place to deliver the TRIPOD work and they were focussing on mobilisation of resources to get the projects up and running. They held a very successful recruitment event and had got 80% of the posts. They had, however, struggled with Java programmers and automated testers and were looking to use the scarce skills allowance.

Information

11. SB Effectiveness Review Action Update

11.1 Mr Gilbert reported that actions from the Steering Board Effectiveness Review had all been completed apart from the last section which was work in progress. Secretariat would be shortly issuing the self assessment questionnaire in readiness for discussion at the Steering Board Awayday.

12. Update on Audit Committee Meeting held on 7 May 2015

12.1 Mr Austin provided an update on the Audit Committee meeting held on 7 May. He said the NEDs had received Audit Committee CIPFA training which had been very useful. He said the meeting focussed on the Internal Audit (IA) Annual Report where they had given IPO a moderate opinion. He said IA struggled to justify the opinion and IPO had disputed the marking. The NEDs asked what the best way to challenge the opinion marking was and Mr Hartley agreed to speak to Mr Drye.

13. Any Other Business

13.1 No items were raised.

Date of Next Meeting: 22 July 2015