

**NOTE OF THE INTELLECTUAL PROPERTY OFFICE STEERING BOARD MEETING
HELD ON WEDNESDAY 6 NOVEMBER 2013 AT CONCEPT HOUSE, NEWPORT &
ABBAY ORCHARD STREET, LONDON**

Attendees:

Non Executive Directors

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

BIS

Amanda Brooks Director of Innovation

Intellectual Property Office

John Alty	Chief Executive
Sean Dennehey	Deputy Chief Executive
Tim Knighton	Chief Operating Officer
Louise Smyth	Director, Organisational & People Development & Office Services
Rosa Wilkinson	Director, Innovation & Strategic Communications
Karen Powell	Corporate Risk Manager
Sally Jones	Secretariat (minutes)
Conal Clynych	Head of Secretariat
Jo Pullen	Shadow
Kelly Wren	Observer

Action Point	Timing
Mr Knighton to look into IPAD access to IPO Circle for NEDs.	Immediate
Secretariat: <ul style="list-style-type: none"> • to ensure the SB received the fortnightly report to Mr Weatherly • to arrange for information to be provided for the SB Copyright exceptions • to ensure that an update on the SB Awayday priority actions is provided for the NED teleconference. 	Immediate
Mr Knighton to provide an update on the PMF ministerial target.	December
Mr Knighton to produce updates on the IT Strategy/Roadmap at every SB meeting.	January

1. Chair's Introduction

1.1 Mr Gilbert opened the meeting by welcoming everyone, with particular reference to the newly appointed Non Executive Directors (NEDs) Ms Nanayakkara and Mr Suter; Ms Brooks to her first meeting; Ms Pullen who was shadowing Miss Wilkinson; Ms Wren who was observing the meeting and Mr Clynych in his role as temporary Head of Secretariat.

2. Apologies

2.1 There were none.

3. Approval of minutes

3.1 The minutes were approved without amendment.

4. Matters arising from the minutes

4.1 Mr Gilbert summarised the work on actions, the majority of which had been completed. Mr Knighton would be giving an update on the attendance management policy as part of the performance report item. Mr Knighton would lead on the financial strategy work, following Mr Cappock's departure.

4.2 The work on the intranet roll out was on schedule for delivery early in the New Year. Mr Gilbert highlighted that NEDs could not access Circle on their IPADs, and as it was such a useful source of information Mr Knighton was asked to look into how soon this could be resolved.

Action

- Mr Knighton to look into IPAD access to IPO Circle for NEDs.

5. Chief Executive's Report

5.1 Mr Alty highlighted a number of areas in the report, which included the appointment of Mr Weatherly as the Prime Minister's new IP advisor. Although Mr Weatherly was on record as opposing copyright government policy, he had said that he would be supporting the government on any votes on copyright. Mr Weatherly was not a Government Minister and not a member of the government in any sense, and therefore retained the right to speak in a personal capacity. Mr Weatherly would be producing a report (fortnightly) on what he was doing. It was agreed that it would be useful to circulate this to the NEDs. Mr Alty said that Mr Weatherly could be helpful as there was no IP Minister in the House of Commons.

5.2 There had been a lot of interest in the City of London Police work and the IPO was trying to ensure that they were name checked wherever possible. The work on copyright exceptions had moved on and the Secretary of State had agreed the IPO's recommendations. There were a number of technical adjustments (some more significant than others), but nothing fundamentally different, which had to be taken through the rest of Government. Mr Gilbert had attended the launch of IP for Business which had gone well. The launch had been a culmination of a lot of work on refreshing and bringing into delivery of some new products.

5.3 The IPO had re-engaged with China following the Prime Minister's meeting with the Dalai Lama 18 months previously. Mr Feinson had visited China in October and Mr Alty would also be visiting China in December.

5.4 Mr Alty had visited IBM, (one of the IPO's biggest patents customers) who was very positive about the service they were receiving from the IPO. This technology area was where the IPO was under the most pressure.

5.5 With regard to the pay pilot the IPO had met with HM Treasury (HMT). Mr Gilbert had seen the letter which set out the proposal to address the recruitment and retention problems to allow the IPO to pay more where needed to alleviate the problems. This in turn would increase delivery, reduce backlogs and introduce electronic services more quickly. HMT had been very positive with the quality of material, and while they did not sign it off, it had given them the opportunity to understand the reasons underpinning the proposals. In terms of timing HMT would like to announce something in the Autumn Statement, therefore the work was urgent. The IPO would be responding to HMT by 14 November and consideration was being given to how best to update the Minister.

5.6 Mr Maclean questioned whether there was another way of approaching this work with HMT. Mr Gilbert, Mr Alty and Lord Younger had discussed and agreed that the approach being taken was the best. The IPO's meeting with HMT had gone well and the work was coming into the crunch period so the IPO would need to think carefully about what offers would be made. There was also a potential meeting with Mr D Alexander (Chief Secretary to the Treasury), which would be attended by Lord Younger, Mr Gilbert and Mr Alty.

5.7 In relation to Corporate Services, as Mr Cappock had left consideration had been given to how best to address the areas with the biggest challenges. Ms Smyth had been asked to focus on the People Strategy and more recently the change related capability (previously part of the Finance Directorate). It had also been decided that a Chief Technology Officer would be recruited for the IT Directorate. Mr Knighton would be the Finance representative on the Executive Board. Mr King would continue in his current role as Deputy Director of Finance. Mr Knighton highlighted that there was a very experienced team within Finance which was important and lined up with the shared services work and the Government's strategy and Department's agenda.

5.8 Mr Alty reported that the IPO had achieved a response rate of 84% for the People Survey which was excellent, and the findings would be representative of what people in the organisation.

5.9 Mr Gilbert was keen to understand all of the work around copyright exceptions and it was agreed that Ms Heyes or Mr Quilty would put something together. Mr Suter said it would also be useful to understand the engagement plan in terms of stakeholder management, in order to have a fuller understanding.

5.10 Mr Gilbert said that the IP for Business event had been excellent – and feedback received to date had been very positive.

5.11 Mr Alty noted his thanks to Mr Clynych for putting together the written report.

Action

- Secretariat to ensure the SB received the fortnightly report to Mr Weatherly
- Secretariat to arrange for information to be provided for the SB Copyright exceptions.

6. BIS Update

6.1 Ms Brooks updated the SB on BIS issues relating to the IPO. The department was working hard on the new Small Business Strategy, which was due to be launched early December. The document was short, very sharply drafted and should include the IPO tools. A response was being drafted to Mr A Witty's report on Universities and Growth, and the aim was to publish it before Christmas. Much of what had been recommended in the report was in line with what BIS was doing. The 'Arrow' projects were at the research stage and would

provide potential opportunities to be the businesses of the future, although it was difficult to get to grips with the concept. BIS would not have a definitive answer by the Autumn Statement and it came with a high price tag.

6.2 With regard to the Industrial Strategy, BIS thought that there was a need to re-script the 8 great technologies and how they resonated with external stakeholders, (consideration was being given to how to scope the workstream). At a recent meeting of the partner organisations Leadership Council of the 8 great technologies, lots of interesting feedback on scope had been received.

6.3 In the longer term evidence was being gathered on the impact of spend on science and innovation, in preparation for the next spending review. Also the next annual Innovation Report was due to be published the following spring.

6.4 Mr Alty said that the IPO should be engaged with the Small Business Strategy. The IPO were publishing an Innovation Report as part of a Bill that was going through Parliament that put a duty on the Secretary of State to report on the IPO's active contribution to growth and innovation. This report should be aligned with BIS's Innovation Report.

7. Finance Report

7.1 Mr Knighton introduced the IPO Financial report as at month 6. Income was strong and up slightly due to higher overall renewals than budgeted and expenditure was lower than budget. Generally the financial position was sound. The financial dashboard showed red/amber on the income side.

7.2 Mr Knighton said that the National Audit Office were due in the following week to do the pre half year audit.

8. Performance Report

8.1 Mr Knighton introduced the Performance Reports as at month 6. There was a slight increase in the number of sick days, which linked to the forthcoming policy changes on the attendance management policy. The IPO Operating Committee had agreed a number of changes: reducing the triggers points for short term absence: reducing the number of occurrences; changes to medical/sick appointments taken during the working day and the policy around staff going home unwell. The next steps involved discussion and agreement with the trade union side.

8.2 In delivering high quality rights the introduction of a secure identification system was important. This was part of a wider government initiative around identity assurance – it was not just about being fit for the IPO. It had to be something that worked for everyone and there were also dependencies on the Government Digital Service (GDS). The IPO had been pushing hard for an integrated solution that worked for everyone – which was complicated. As such this target would be difficult to meet by the end of the year. This also linked to the Patents Roadmap which was currently in the discovery phase and was one of the first things the newly formed Transformation and Governance Committee would be dealing with, i.e., in what order things would be done.

8.3 Mr Maclean questioned whether the PMF target would be met – and it was clarified that once missed the target could not be met. It was agreed that an update would be provided on completion rate.

8.4 Mr Maclean went on to query the large amount of time that was being lost as a result of medical and dental appointments and people going home ill – as it did not seem to be a seasonal issue. Mr Knighton said that the policies around all of this would be tightened up and would be a culture shift across the organisation. Mr Dennehey commented that should the outcome of any changes in policy result in increased sick leave – the organisation would not have achieved anything and it would be important to track the impact of changes.

8.5 Mr Suter highlighted that there appeared to be disconnect between the downwards arrow and the language used in the progress update for Hargreaves. Mr Alty agreed and clarified that the IPO continued to be anxious about the delivery of copyright exceptions and was not totally within the IPO's control.

8.6 Ms Nanayakkara questioned how important the delivery of the new intranet was to meeting the internal communications priority, as it had a red rag status. Mr Knighton explained that this was not an issue as it was more about resource availability. A lot of work was ongoing on communications and there was a need to make more use of shared walkways. The digital signage across the organisation was working well and headline messages were changed daily. IP Connect was produced for external stakeholders and staff were also interested in it. The Executive Board Report was produced for the Steering Board was made available to all staff on Circle. It was acknowledged that more work was needed on corporate communications.

8.7 With regard to the recruitment target it was noted that this was amber more as a result of delays in terms of line manager availability and not because recruitment staff were slow. Mr Alty said that the IPO had had problems recruiting IT staff and a number of new and innovative recruitment methods had been tried with some success. Miss Wilkinson said that when staff were recruited for the Information Centre – a reserve list was created to ensure continuity of resources.

8.8 Mr Gilbert concluded that that SB was satisfied that the IPO was addressing the issues around attendance management as well possible. Managing the backlog was however more difficult.

8.9 Mr Dennehey provided an update on the patent search goal to issue 90% of patent search reports between 4 – 6 months, which was currently at 6 months exactly. This also linked to authentication and the importance of having a system that worked for the IPO.

Action

- Mr Knighton to provide an update on the PMF ministerial target.

9. Board Risk Register

9.1 Ms Powell introduced this item and summarised the recent review of progress by KPMG following the Risk Review in 2012. Overall there had been significant improvement in the IPO's risk management processes across the organisation. There were some areas where action continued to be under development which included work on the risk appetite, assurance mapping and training for the Executive Board.

9.2 Mr Maclean made reference to the KPMG Report – and questioned why horizon scanning in some areas was not being evidenced. Ms Powell said that Risk Representatives had been encouraged to undertake specific forward looking sessions within their directorates.

9.3 Mr Maclean also questioned whether staff engagement was falling in some areas and whether the Directorate Action Plans were sufficient. It was noted that the People Survey had just been completed and when the results were available this question could be answered. The Pulse Surveys held throughout the year had indicated that things had improved. The IPO had been concerned as the results of the previous People Survey had been lower than the Civil Service average.

9.4 Mr Austin commented on the retention of IT staff on the Board Watch List, and the concern as the IPO continued to lose IT staff. Mr Knighton confirmed that while contractors were very competent they were extremely expensive. The IPO was actively pursuing a graduate recruitment scheme for government and apprenticeships. This would be best taken forward collectively by working across government (possibly in South Wales).

9.5 Mr Ecclestone commented on the contrast between the Board Risk Register and the Operating Committee Risk Register – which was more concise.

9.6 Ms Nanayakkara questioned whether risks around IT security were part of a separate process and suggested the inclusion of two new risks around – hardware and social engineering testing. Ms Powell clarified that the Information Security Team had a separate risk register which routinely came to the Audit Committee.

9.7 Mr Gilbert queried whether the IPO was concerned about the impact of the Dalton Phillips Strategic Review. Mr Alty said that it could be seen as both an opportunity and a threat.

9.8 Mr Gilbert confirmed that the SB was happy with the risks on the Board Risk Register and that the IPO was implementing the KPMG review. There was some concern around the Risk Appetite Statement and Ms Powell confirmed that this would be considered by the IPO Audit Committee in February 2014.

10. Update on Priority Actions from the SB Awayday

- **Managing demand**

10.1 Mr Dennehey updated the SB on progress to date and highlighted that the 30-60-90 timetable was not compatible with addressing this area of work. The corporate planning process had started and this work would be integrated into it. A number of meetings had been held before the SB Awayday to develop ideas which had included a brainstorming meeting with managers from Patents and Trade Marks and Designs Directorate. Managing patent demand was a central issue – and part of the thinking towards the next Corporate Plan. The output of this meeting would be subject of team meetings across the directorate and would also feature in the reputation work. The idea of a Growth Channel had been suggested (there were already a number accelerated routes available, including the Green Channel). This could perhaps fit with the 8 great technologies of the Industrial Strategy. – and played into growth agenda. Ms Brooks said that the department would be willing to help in work on the growth channel. In taking this idea forward careful consideration would be needed in terms of how it was operated within the law.

10.2 There was a discussion about how best the NEDs could be engaged in taking this work forward – given the time in between meetings. Mr Dennehey confirmed that he would continue to work with Mr Maclean who could also provide a wider update to NEDs. An update on all workstreams would also be included for discussion by NEDs at their regular teleconference held in between SB meetings.

- **Commercialisation**

10.3 Mr Knighton introduced this item and highlighted the work done for Lord Marland on the operating model for the IPO earlier in the year. Lord Younger was also aware of the work done and conclusion reached – which was that the better option would be to negotiate more “earned autonomy”.

10.4 The work had been scoped and a timeline had been agreed – as set out in the paper. An initial workshop had been held with people from across the office which would now be developed into an updated view on pricing across components detailed in the scope. (A lot of work had been done previously on pricing, and would be updated). There was a need to link up with the rights granting work. With regard to new business opportunities – this linked to the outreach work and how the IPO was supporting business. It would be important to price the Opinions Service for Designs correctly.

10.5 The NEDs had a number of comments on this workstream. Mr Suter said that this linked to the IPO’s internal culture and internal processes, i.e., a more commercial approach to opportunities. The question was how could the organisation get energised to take this approach? Mr Maclean commented that the IPO could calculate the cost of providing a service in relation to income and level of subsidy – to establish a greater understanding of internal cost and what could be done to make processes leaner or more efficient.

10.6 Mr Austin said that trading funds were meant to be more innovative and offer services in a slightly different way, (supposedly unconstrained by bureaucracy – although this had not turned out to be the case). In relation to any new services the IPO would need to do a competitive analysis so that any new service did not erode another service provider. In line with the IPO’s strategic goals it was important the IPO provided value for money, efficient services ensuring things were being done leaner and better, which linked to the IPO’s approach to the corporate planning process.

10.7 Mr Gilbert thanked Mr Knighton for his update and said that he would be happy to help take this work forward. Mr Ecclestone was also happy to be involved. Mr Alty highlighted that on completion of the work the IPO would need to prioritise the top three or four things.

- **IP as a financial asset**

10.8 Miss Wilkinson reported that on 17 October the IPO had published the headline findings of a major piece of research: Banking on IP – The role of intellectual property and intangible assets in facilitating business finance. It had generated a lot of interest amongst HMT, Cabinet Office and collectively in business. The report recommended a number of actions: Create a standard language toolkit to help SMEs, lenders and other financiers identify, understand and make more effective use of their IP; Make it easier for businesses to show what IP they have when looking for funding; Develop templates which helps banks and others understand the cash flow and business value of IP. Miss Wilkinson said that the IPO needed to engage all stakeholders to sign up to the actions.

10.9 Mr Gilbert said that until businesses could put a number on a balance sheet – it would be difficult for them to meaningfully engage with banks. It was noted that the Patent Box had helped in this area and the two main professional accounting bodies, who were now involved.

10.10 Mr Maclean questioned whether the IPO had looked internationally and Miss Wilkinson confirmed that Innovation Directorate had been looking at what other countries

were doing. While other countries were looking at this, the measures being developed elsewhere were still not well developed enough and as such the IPO could be the leader in this field.

- **Skills and capability**

10.11 Ms Smyth updated the SB on the progress of work and highlighted that while it was important to maintain the pace of work – she did not want to put people under any additional pressure, given their workload. Mr Austin was involved in taking the work forward – which was progressing well.

10.12 Mr Gilbert questioned whether the IPO had established the extent to which government agencies were able to use sponsorship or other forms of incentivisation. The IPO had previously offered a bursary to women going into engineering.

10.13 Mr Gilbert concluded that if the IPO could do something in this area it would be good to come up with a scheme.

- **2020 Vision our Strategic Framework**

10.14 Miss Wilkinson introduced this item – Ms Pullen had led on this work and had spoken to Executive and Non Executive Directors to establish whether there was a need to amend the IPO's Corporate Strategy (Vision, Purpose, Goals). The paper set out a number of recommendations:

- IPO's overarching Vision should remain unchanged.
- IPO's statement of purpose should be updated.
- IPO's existing goals should be updated to bring out IPO priorities and activities more clearly.
- IPO Values do not require adjustment to reflect Awayday discussions.

10.15 Ms Pullen reported that following discussions with Executive and Non Executive Directors there was no appetite to change the Vision. Although almost everyone had said that there was no appetite to change the Goals, there were some suggested clarifications. There was no suggestion to increase the number of goals and no major changes were needed to the wording. With regard to the IPO Values there was no suggestion to change them as they continued to be relevant. Another question looked at how each of the Goals fitted with the outcome of the SB Awayday – the commercial element had generated comments around what was meant by 'commercial'. There were also questions around the IPO's strategic appetite (Mr Goodridge was working with the IPO on this aspect).

10.16 Miss Wilkinson highlighted that in terms of refining the strategy there was a need to make sure that it translated into a narrative so that people in the organisation knew how they were contributing.

10.17 Mr Maclean questioned how the IPO could make sure that people were clear about their contribution. There was no need for another well written document – another way of conveying the information would be better, e.g., screensavers and digital signage. Mr Alty said that this was the approach taken across the organisation when rolling out the Corporate Plan, to ensure that the different areas had a clear understanding of their contribution. Individual directorates also did a lot of work in embedding the Corporate Plan. The IPO's internal Communications Strategy was being tailored to achieve clear messages although

there was some way to go to make the link to the Corporate Strategy. The line of sight from the People Survey was improving and a consultation had taken place around the Values and the Working Group set up to look at this would be producing an Action Plan on embedding the values further. The IPO's annual Excellence Awards also linked directly to the Values.

10.18 Mr Gilbert concluded that there was no need to change the Vision or Purpose and the language used in the Goals would be looked at to make them easier to relate as a story and make them more active.

Action

- Secretariat to ensure that an update on the SB Awayday priority actions is provided for the NED teleconference.

11. Reputation

11.1 Miss Wilkinson introduced this item, noting that the IPO needed customers to be willing participants and collaborators. There had been a lot of discussion around earned autonomy to allow the IPO some license about the things being taken forward. There was a question about the reputation the IPO wanted. The concept was about being the best in the world and the IPO was well recognised with customers and stakeholders who already had a broadly positive opinion. Whether or not people considered the IPO a great place to work would be seen following the results of the People Survey. The IPO's Customer Insight Team queried whether it was 'reputation' or 'reputations'. Mr Suter said that it was clearly reputations. In relation to policy there was a question around whether the IPO projected itself as owner or implementer of policy, which in itself could be a creative tension (which was unresolved). This paper was the starting point to take the work forward.

11.2 Mr Gilbert said that the IPO's reputation was important and a key cornerstone to culture within the organisation. It was agreed that a further discussion was needed with the Executive Board at the next meeting. In the interim any further comments could be forwarded to Miss Wilkinson.

Action

- Secretariat to schedule Reputation for the January SB meeting.

12. IT Strategic Goals and Roadmap

12.1 Mr Knighton introduced this item noting that it had been designed to set the strategic framework which clearly lined up with organisational objectives. From a technological point it was important to get a real grip on whole landscape infrastructure which was constantly changing. The landscape across government was more linked up in terms of what it was trying to achieve.

12.2 The newly formed Transformational Change Committee would look at IT prioritisation in line with the organisational objectives. The Committee would also be managing the governance of what was a very large change project, i.e., Patents Roadmap, E Services.

12.3 Mr Gilbert highlighted the need for the SB to monitor the progress of the IT Roadmap going forward. The regular Hargreaves updates that had been provided for the SB by Ms Heyes had been a great success (the SB had been kept fully briefed on progress, in simple terms). Mr Gilbert said the SB would like a similar sort of reporting structure for the IT Roadmap. The document was a great improvement on the previous IT Strategy which had been presented to the SB. There were however a number of concerns around the

resourcing of the work given that the IPO was losing IT staff and had experienced difficulty recruiting the right staff.

12.4 Mr Maclean questioned what the IPO was doing to refresh current staff make sure they were leading edge, given that the IT Strategy assumed that the IPO had enough people to deliver it. Mr Knighton said that in his experience resourcing of an IT Strategy was always a challenge as the IT desire list did not necessarily match the IT capability in any organisation. The IPO were using innovative ways to recruit IT staff which had had a degree of success – but resourcing continued to be a challenge. Strategic partnerships were how best value was derived. Mr Alty said that the work with HMT regarding the pay pilot including proposals to solve the IPO's recruitment difficulties could help this issue.

12.5 Mr Ecclestone said that he had expected the document to include more on the strategic side of security. Mr Knighton said that security was critically important – and needed further consideration.

12.6 There was also some concern about the impact on the IPO if identity assurance was not achieved, as it would impact directly on customer work. Mr Knighton said that the IPO would need to get approval for some things and work was being done to accelerate the processes. The IPO was actively engaged with GDS on identity assurance which was good.

12.7 Mr Gilbert concluded that the SB would need updates on the IT Strategy/Roadmap (along the lines of the Hargreaves updates) at every meeting. Where approvals were required a gantt chart setting out where approvals were needed would also be monitored by the SB. Mr Alty said that a section was needed on key risks and approach.

Action:

- Mr Knighton to produce updates on the IT Strategy/Roadmap at every SB meeting.

13. Audit Committee Terms of Reference

13.1 Mr Gilbert introduced the revised Audit Committee Terms of Reference which had been discussed fully and agreed at the Audit Committee on 10 October. The SB was asked to ratify them.

13.2 It was noted that there was no need to name people in the Terms of Reference.

13.3 The SB approved the AC Terms of Reference. Mr Gilbert said that Ms Nanayakkara would be joining the Audit Committee, and that at the end of the financial year he would step down.

13.4 Mr Gilbert noted that the two remaining issues that had not been included as part of the SB Awayday, reputation and enforcement would be scheduled for the January and March meetings respectively.

13.5 Mr Gilbert concluded the meeting by thanking everyone for their contributions.

Date of next meeting: 30 January 2014