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**NOTE OF INTELLECTUAL PROPERTY OFFICE STEERING BOARD MEETING HELD ON 16 JULY 2014 AT CONCEPT HOUSE, NEWPORT AND ABBEY ORCHARD STREET, LONDON**

**Attendees:**

**Non Executive Directors**

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

**BIS**

Mark Holmes Deputy for Amanda Brooks

**Intellectual Property Office**

John Alty Chief Executive  
 Sean Dennehey Deputy Chief Executive  
 Louise Smyth Acting Chief Operating Officer  
 Rosa Wilkinson Director, Innovation & Strategic Communications  
 Neil Feinson Director, International Policy  
 Nick Munn Deputy Director, Copyright & Enforcement  
 Ian Webber Assistant Director, Finance  
 Peter Mason Patents Directorate  
 Matt Cope Deputy Director, IP Enforcement  
 Jonathan Rogers Performance Manager  
 Karen Powell Corporate Risk Manager  
 Sue Henson Minutes  
 Kathryn Ratcliffe Head of Secretariat

**Apologies**

Amanda Brooks BIS  
 Ros Lynch Director, Copyright & Enforcement  
 Dave King Director, Finance

<b>Action</b>	<b>Timing</b>
Copyright Hub to give a progress presentation to the Steering Board once Hub established.	5 November 2014
Steering Board to receive a briefing of the Pay Pilot, once the pay offer has been settled.	
Steering Board to note the RAG assessment and comment on the themes before the start of the Corporate Strategy Review workshops.	Immediate
Mr Mason to circulate Corporate Strategy Review workshop timetable and Mr Suter to liaise with Mr Feinson or Mr Mason if any non executives cannot attend.	Immediate
Ms Nanayakkara and Ms Smyth to speak about what message they would like to give to UKSBS. Mr Alty to talk off-line to give thoughts on how to prepare. Mr Holmes said he would be happy to liaise as well.	Immediate
Staff resources to be added to the risk watch list.	Immediate

## **1. Chair's Introduction**

1.1 Mr Gilbert welcomed everyone to the meeting, in particular to Ms Smyth on her first Steering Board meeting as Acting Chief Operating Officer.

## **2. Apologies**

2.1 Apologies were noted from Ms Brooks, Ms Lynch and Mr King.

## **3. Approval of minutes of the previous meeting**

3.1 The minutes of the meeting held on 21 May 2014 were approved without amendment.

## **4. Matters arising from the minutes**

4.1 Mr Gilbert reviewed actions, all being completed except for the issue of accessing IPO Circle using iPads. Ms Smyth reported they had developed two solutions which were one secure access to Circle and a less secure build which did not have access to Circle.

4.2 Mr Gilbert commented on the issue of the funding of the Police IP Crime Unit (PIPCU). He said that at the IP Summit it was perceived that it was government responsibility to fund the unit indefinitely and that this should be flagged up. Mr Alty would update meeting further in his Chief Executive's Report.

4.3 Mr Gilbert said that he had spoken to Richard Hooper and thought that it would be useful if the Copyright Hub gave a presentation to the Steering Board once they were established.

### **Action**

- **Copyright Hub to give a progress presentation to the Steering Board once Hub was established.**

4.4 Mr Gilbert noted the onsite parking issue and an update would be given from Ms Smyth.

## **5 Chief Executive's Report**

5.1 Mr Alty reported that the Cabinet reshuffle and the consequential changes in the House of Lords would have a big impact on BIS. Ed Vaisey would become Minister for DCMS and BIS with a new unit, Digital Industries Unit which would bring in some of DCMS's telecoms and BIS's Information Economy Unit and a bit of Cabinet Office – these would be of interest to IPO and would be more joined up working between BIS and DCMS. Mr Alty said he had been in touch with the Lead of the unit and had received a good response.

5.2 Mr Alty highlighted key points from the report. The future shape of BIS was starting to develop: there were new approaches to sponsorship of partner organisations with separate policy and governance links. He said it would be relevant to Steering Board but was still being worked up.

5.3 The progress towards centralised digital capability in BIS was taking shape. BIS would be talking to partner bodies as they do not have the money to fund it.

5.4 Mr Alty reported The Voluntary Copyright Alert Programme (VCAP) may be announced this week.

5.5 A visit to PIPCU by the Home Secretary and Lord Younger went very well. There was the message that industry needed to fund the organisation going into the future. Mr Alty said that it would be a challenge. Mr Gilbert said he had discussed with Lord Younger and he was anxious for IPO to mount a campaign to bring in industry funding.

5.6 Mr Alty said that they had been unsuccessful in recruiting a Chief Technology Officer (CTO) and were appointing Simon Taylor on a temporary basis. Ms Smyth would continue to work on the IT strategy and managing the transformation programme.

5.7 Mr Alty reported that relatively speaking there had been a positive reaction towards the Pay Offer from the Trade Union Side (TUS). Ms Smyth reported that the TUS had recommended acceptance of the Offer to their members. Mr Gilbert said the Pay Pilot had been trialled as a plus point for other agencies to consider. Mr Alty said the Treasury were looking at pay pilots, currently IPO and Defra SCS have undertaken a pilot and IPO were at the cutting edge. Mr Gilbert said it would be helpful, once the pay offer was settled, for the Steering Board to receive a briefing of the Pay Pilot to help them understand the details.

#### Action

- **Steering Board to receive a briefing of the Pay Pilot, once the pay offer has been settled.**

5.8 Mr Gilbert said he would be speaking to David Evans about carrying out a Steering Board Effectiveness Review.

5.9 Mr Maclean asked in relation to the temporary changes to the Board structure whether it was a precedent for the future being a resource down and the level of activity senior management got involved in. He referred to the performance report and some priorities showing amber and red RAG status. He asked whether it was the best solution and what were the risks. Mr Alty said that it was a problem and the IPO was also without a CEO for six months. They knew it was always a challenge; however they were recruiting a Programme Director at SCS level and had taken a set of actions to get the best capability they could. Mr Dennehey said the number of red RAG scores in the performance report was not due to not being able to recruit a CTO.

5.10 Mr Maclean referred to the Executive Report and to Business Outreach and the events that were carried out aimed at the accountancy profession which was a good example of how to leverage IPO's profile. Ms Wilkinson said that accountants take account of the full business and gave a wider approach. For example, the Law Society has indicated they would like to work with the IPO.

5.11 Mr Suter asked whether the parliamentary Orphan Works worked smoothly. Mr Alty said the Commons passage went well and the Lords debate was likely to be before the rise for summer.

5.12 Ms Nanayakkara asked about mediation services to support for SMEs in dispute recognition. She said she was happy to share her experiences with SMEs. Ms Wilkinson said the IPO had a good mediation services, however few people used it. It would be useful to look at other examples from those who had run a mediation service.

5.13 Mr Gilbert thanked Mr Alty for the update.

## 6 Corporate Strategy Review

6.1 Mr Feinson reported that they were now coming to the end of the first phase of reviewing the strategic goals outcomes. He said Mr Mason would be leading a stream of work which would look at the outcomes for the next five years.

6.2 Mr Mason explained that they kicked off the project with a RAG assessment. They found that the outcomes have a lot of overlap and it was not wholly clear what they were indicating. He said they were now looking to develop new outcomes from April 2014 for the next five years by running a series of cross-directorate workshops based on themes. The workshops would generate what success would look like and identify how to get there. Mr Mason asked the Steering Board to note the RAG assessment and comment on the themes before the start of the workshops.

### Action

- **Steering Board to note the RAG assessment and comment on the themes before the start of the workshops.**

6.3 Mr Gilbert said he would like to have Steering Board members to take on one category and Mr Suter to oversee and mentor the process. Mr Mason said the running order of the workshops was not set in stone and he preferred that they were not carried out using video conference facilities. Mr Gilbert asked how the workshops would be split up. Mr Alty said everyone could indicate to Mr Gilbert and Mr Suter which workshop they would like to attend. Mr Maclean said he would like the dates as soon as possible. Ms Wilkinson said that as the workshops were starting in two weeks, the dates should be circulated to gauge availability.

### Action

- **Mr Mason to circulate timetable and Mr Suter to liaise with Mr Feinson or Mr Mason if any non executives cannot attend.**

6.4 Mr Ecclestone asked what the relationship was to the corporate performance report. Mr Feinson said it was not intended to be a rigorous approach and was not related directly to the performance report. Ms Wilkinson said they were not just looking at this corporate plan but looking at the period of the corporate strategy.

## 7 Steering Board Awayday

7.1 Mr Alty provided a paper outlining proposals for the awayday. Mr Gilbert asked whether an external speaker would be required. Mr Maclean said that feedback from the last awayday indicated that sessions should be extended to include action planning. This could be done if the session was started earlier on the first afternoon and started earlier, 8.00am, the next day. Mr Austin said that the new Minister could be invited to speak or attend the dinner and drinks.

7.2 Mr Dennehey said that last year's speaker was very good. An appropriate speaker could help mix up the group. Mr Gilbert said it would depend on whether the Minister is able to attend as to whether an external speaker is invited. Mr Alty agreed that an earlier start on the second day would be preferable and they should find ways of looking at things to maintain energy levels: sometimes an external inspiration helps.

## **8 BIS Update**

8.1 Mr Holmes provided the BIS update. Mr Holmes reported that since the Cabinet Reshuffle there had been no change in the Liberal Democrats. Greg Clarke retains Minister for Cities and Constitution. George Freeman now Minister for Life Sciences.

8.2 Mr Holmes reported that Europe was high on BIS agenda with challengers to influence change in EU Parliament and Commission. There was a general call to get to know people in EU division and Mike Donnelly was aware.

8.3 The S&I Strategy had been published and there was quite a lot of stakeholder engagement: 70 events were planned.

8.4 Progress and announcements: a survey of knowledge was commissioned to pick up trends. Three announcements – employer ownership pilots, £16m in skilled training, £2m in science and technology partnership. Google £58m venture capital fund around tech city. Research partnership fund by David Willets.

8.5 Mr Holmes thanked everyone who came to the session on Design Policy.

## **9 Finance Report**

9.1 Mr Webber provided the update to the Finance Report. He reported income was up and expenditure was down and was running ahead of budget. The surplus position was £1.9m with a return on capital employed of 12%.

9.2 Mr Webber explained that the income was ahead compared to the same position last year because of increased demand and the start of the TM10 where renewals will be higher in the next two years.

9.3 Mr Webber said the expenditure was down due to unfilled posts and pay costs were 2% lower. Expenditure budgeted for GDS and projects have not been spent yet as approvals have not been given although they may catch up later in the year. The second half of the year will be more expensive due to more staff and the pay award.

9.4 Mr Webber reported that within the £93m held there were commitments IPO were committed to and that expenditure remained an issue. Mr Gilbert asked whether PIPCU had been budgeted for. Mr Webber said that the PIPCU had been budgeted for the period agreed in the Corporate Plan. Mr Maclean said that there were a few red RAG statuses after Qtr 1 on the Financial Dashboard. Mr Webber said that they had made some fairly strong budget assumptions and that; from a financial viewpoint what drove IPO work did not drive income.

9.5 Mr Ecclestone asked whether they should be concerned that Patents PDAX applications were down 30% on budget on patent applications. Mr Webber said that this was a good thing as a lot of applications did not go forward to search and examination. Mr Dennehey said that the numbers refer to applications where fees are filed. The actual number of applications was up by 1% and 14% up from last year. Mr Webber said there were a number of factors which made it difficult on a month by month basis and he was concerned more of hitting financial figures on a downward trend. Currently they were under 1% on budget but up on income.

9.6 Mr Austin asked whether IPO needed to start carrying out cash flow forecasting. Mr Webber informed him that the IPO actually invest their money on a weekly basis. Mr Austin said it would be useful to go through the outstanding issues.

9.7 Mr Gilbert thanked Mr Webber for his update.

## 10 Performance Report

10.1 Mr Rogers introduced this item and summarised the performance report at the end of month 3. Mr Rogers informed the meeting that they were trialling a new performance report which would bring in the financial report and people report and consolidate into one package. He said that at the end of Qtr 1 he had added some input and output graphs. Mr Gilbert thanked Mr Rogers for accommodating their requests and was pleased with the report acknowledging that it was a work in progress.

10.2 Mr Suter said that he thought the arrows did not add much value and that the Copyright Hub was not in the report. Mr Munn said that although the Hub was not in the report, they were keeping a close eye on it. Mr Dennehey said the Hub was not one of IPO's priorities for 2014/15.

10.3 Mr Maclean said he liked the addition of the graphs in the report and asked whether it was lack of resources that some priorities were showing a red RAG status, i.e. GDS. Ms Smyth said it was not due to lack of resources. Mr Knighton had spent a lot of time working with GDS to get to an understanding of what they require from IPO. Mr Dennehey said that GDS were at the end of the Cabinet Office hammer and their position was equally uncompromising on their view of projects and programmes and how websites should be approached. They would be meeting GDS shortly to discuss the website, how to get a new design service and how programmes should be run. Mr Dennehey said they were putting in a lot of senior resource to make sure IPO's ambitions fit in with GDS language.

10.4 Mr Maclean asked who the customer in the GDS relationship was. Ms Nanayakkara said that GDS were held in very high regard in transforming services to customers. She said that getting a Programme Director on board would get a major part in getting the IPO/GDS relationship right. Mr Alty said that GDS had two roles: supporting and advising and improving the way services were delivered, however they had also a control function and did not see IPO as a customer.

10.5 Mr Austin said he liked the addition of the graphs in the performance report and it was good to have some commentary of the back page as well. He noted that the shared services corporate priority arrow direction had gone down and thought that it was useful for Steering Board to have an update. Ms Smyth said they were now looking at other options for moving away from UKSBS to one of the large shared service organisations for government who would be more professional, have a better quality of service and better value for money. Ms Smyth said that she had met with Jonathan Preece about the service transformation plan for HR and payroll. Currently this was not working well: there were a lot of staff pay errors, the MI was unable to identify staff by organisation and IPO were mixed in with BIS. Auditors were going to look at UKSBS because of these concerns. Another issue was that voluntary redundancy notices had been issued to UKSBS staff.

10.6 Mr Alty said we will look at the options but the IPO did need to be part of a shared service arrangement. Mr Alty said that they were not using UKSBS for the financial side. Mr Gilbert said he was happy to speak the Chairman of UKSBS, Mr Clive Grace. Mr Alty said UKSBS did need to get feedback at all levels. BIS were also very concerned. Mr Gilbert said it was a real concern and said it would be useful for partner organisations to get together at BIS Chair meetings. It was agreed that Ms Nanayakkara and Ms Smyth would speak about what message they would like to give to UKSBS. Mr Alty said he would talk off-line to give thoughts on how to prepare. Mr Holmes said he would be happy to liaise as well.

## Action

- **Ms Nanayakkara and Ms Smyth to speak about what message they would like to give to UKSBS.**
- **Mr Alty to talk off-line to give thoughts on how to prepare. Mr Holmes said he would be happy to liaise as well.**

10.7 Mr Ecclestone said the comments against the Digital by Default priority looked positive, however the RAG status was red. Ms Smyth explained that it referred to the bulk of IPO services being digital and IDA could not deliver the approved solution for business using EPO smartcard.

10.8 Mr Gilbert thanked Mr Rogers for his update.

## 11 Risk Management

11.1 Ms Powell introduced this item and summarised the changes to the Board Risk Register and Board Watch List since the last iteration.

11.2 Ms Powell said that the shared service risk (S14) was now an issue and the risk of uncertainty of future costs.

11.3 Mr Gilbert referred to the watch list and car parking. Ms Smyth said that they had negotiated with their neighbour, International Rectifiers who were closing one of their factories, to rent or sell land that joined onto IPO site. This would amount to 130 car parking spaces and after 6-12 months the car park could be increased to 230 spaces.

11.4 Mr Alty said that Scotland should remain on the watch list until September.

11.5 Ms Nanayakkara asked whether IT resources should be on the worries list as it was possible to underestimate the scale of the changes. Ms Smyth said they had launched an IT Recruitment in readiness to prepare IPO for the changes. They had taken a different approach to IT recruitment and would be holding a Recruitment Fair at the beginning of August using a 'speed dating' format where interested individuals would be given a 10 minute interview followed up by a formal interview in the same week.

11.6 Mr Dennehey said there was a big risk that a lot of business resource would be needed and there were constraints on how many people they could put into it and that it should be on the worries list.

## Action

- **Staff resources to be added to the risk watch list.**

11.7 Ms Powell informed the meeting that the IPO had been nominated under the best Annual Report and Accounts category and she attended the award ceremony, however BIS won the award.

11.8 Mr Gilbert thanked Ms Powell for her update.

## 12 IP Enforcement Summit

12.1 Mr Cope introduced this item. He said that the IP Enforcement event had received very positive feedback from the Minister and the media and they were now proceeding to

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complete the first draft on the Summit Report to OHIM by September. Mr Cope advised that there would be spin-off events next year but IPO were not organising.

12.2 Mr Cope said they were happy with the framework and goodwill with OHIM.

12.3 Mr Gilbert congratulated all the team on an excellent event.

### **13 People Survey**

13.1 Ms Smyth provided an update to the People Survey. Ms Smyth explained that the Corporate Action Plan focussed on two areas: leadership and managing change. She said there had been a huge amount of work carried out with varying degrees of success.

13.2 Mr Maclean acknowledged that progress had been made and asked whether Ms Smyth had explored involving people in making change. Ms Smyth said they had set up a Values Focus Group which they used as a sounding board.

13.3 Mr Gilbert thanked Ms Smyth for her update.

### **14 IT Roadmap Update**

14.1 Ms Smyth introduced the update and said that the third paragraph referring to the transition of the finance system may have been misleading but should have meant that the Alpha Project had been agreed, but only internally and not with GDS. Ms Smyth said a new Head of Infrastructure was not in post together with the temporary appointment of the Chief Technology Officer.

14.2 Mr Gilbert thanked Ms Smyth for her update.

### **15 Information Papers**

15.1 Mr Gilbert noted his thanks for the information papers.

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

16 During the course of the meeting the Steering Board were notified of a change of Minister as a result of the reshuffle.

**Date of Next Meeting:** 5 November 2014