



NOTE OF THE INTELLECTUAL PROPERTY OFFICE STEERING BOARD MEETING HELD ON TUESDAY 5 APRIL 2016

Attendees

Non Executive Directors

Bob Gilbert (Chair)
Gary Austin
Iain Maclean
Tim Suter
Andrew Mackintosh
Mandy Haberman

BIS

Paul Hadley

IPO

John Alty
Sean Dennehey
Rosa Wilkinson
Alison Reed
Janice Smith
Neil Hartley
Simon Haikney
Kathryn Ratcliffe
Sally Jones
Claire Blackwell

Chief Executive
Deputy Chief Executive
Director, Innovation & Strategic Comms
Head of HR
Head of IT Central Services
Director, Finance
Head of Strategy & Planning
Head of Secretariat
Secretariat
Shadow

Apology

Louise Smyth Chief Operating Officer
Nora Nanayakkara Non Executive Director

1. Chair's Introduction, minutes and update on actions

- 1.1 Mr Gilbert welcomed everyone to the meeting.
- 1.2 Apologies were noted from Ms Smyth and Ms Nanayakkara.
- 1.3 The minutes of the meeting held on 27 January were approved and actions were reviewed (all of which had been completed).
- 1.4 There were no declarations of interest.

Governance and Performance

2. Chief Executive's Report

2.1 Mr Alty highlighted a number of areas in his report. His attendance at the annual Fordham conference had been successful – Mr Alty had been invited to speak about progress on global patent reform and also the EU Digital Single Market. With regard to stakeholder engagement Mr Alty had visited the Manchester Growth Hub, Universities in Liverpool and the Scottish Enterprise in Edinburgh. The Corporate Plan (CP) had been approved by the Minister who had taken an active interest in the work as it had progressed. The President of the European Patent Office was visiting the UK later in the week which included a meeting with the IPO and Lady Neville-Rolfe. The IPO was working with BIS on the development of a new National Innovation Plan.

2.2 The Non Executive Directors (NEDs) made a number of comments. There was a request for further information regarding the details of the financial information in the CP and

relationship between the latest forecast for 14/15 and the new financial year 15/16. It was acknowledged that the Audit and Risk Committee (ARC) oversee the budget in great detail. There was also interest in seeing the review that had been completed on IP trading platforms. The Operating Model was scheduled on the agenda which the NEDs were keen to hear more about given its significance. With regard to designs modernisation a lessons learned exercise was being undertaken through an audit review by KPMG. Work on the Copyright hub was progressing.

Action

- **Secretariat to circulate the IP Trading Review to NEDs**

3. BIS Update

3.1 Mr Hadley updated the SB on BIS issues. The Budget in March had not re-opened the Spending Review settlement BIS had received in November.

3.2 A main focus now, to which IPO was contributing, was the preparation of the National Innovation Plan. The timing of publication had not yet been confirmed but the desire was to publish in late May. In terms of developing content, work was underway in BIS and across Whitehall in a number of areas including on regulation, public procurement, data, intellectual property, challenger businesses and infrastructure. Separately DCMS were still preparing material for the Digital Strategy which had been announced in the Productivity Plan published in July 2015.

3.3 The BIS 2020 programme meant that there were organisational changes ongoing within BIS. Innovation Directorate was being renamed Business Innovation Directorate and had gained additional responsibilities including the lead on small firms policy and enterprise.

4. Finance Report

4.1 Mr Hartley summarised the position at year end noting that the position would be in line with the original budget. An Executive Board discussion was scheduled later in the month regarding further efficiencies.

4.2 The NEDs questioned whether the IPO would have to continue funding the Police IP Crime Unit (PIPCU). It was clarified that discussions had been held with HM Treasury regarding the IPO's vires position and currently the Corporate Plan assumed that the IPO would continue to fund it. This linked to fee increases and the need to have some contingency plans.

4.3 With regard to capitalisation there was question in relation to increased Tripod costs and it was clarified that there had been no change in capitalisation policy it was more about the difficulty in implementing it. Although progress had been made in Tripod – it had been less than originally anticipated which linked to less being capitalised.

4.4 Mr Alty commended the Finance Team for their work in liaising with BIS regarding the handling of some costs e.g. Creative Content and UPC.

4.5 Mr Gilbert thanked Mr Hartley for the update.

5. Corporate Performance Report

5.1 Mr Haikney introduced this item and highlighted the changes to the report provided for the SB. The paper set out the Corporate Dashboard which detailed corporate performance across all measures, a summary of the previous Executive Board discussion, an Exception Report which highlighted measures rated red, (and for convenience the full report had also been included). The rationale behind the new report was to provide the SB with the right level of information and there was a general consensus amongst NEDs that it did. The full performance report would continue to be included but as an information paper on Boardpad, as Mr Austin in his role as ARC Chair needed further detail. The Exception Report would also include details of the lead Director. An explanation of measures and how they related to each other was provided for the benefit of new NEDs.

5.2 The NEDs made a number of comments. The target in relation to return to work interview targets was 78% and it was suggested that this could be easily remedied by making the system easier for managers to record that return to work interviews had been held. Average working days lost and engagement had improved which all linked to the desired cultural shift.

5.3 The greenhouse gas emissions target had been narrowly missed due to problems with the shared biomass boiler – and NEDs queried how quickly this would be rectified.

5.4 With regard to the quality target panels undertook quality sampling on the technical work on a number of levels and specific trends had not been identified – although as detailed in the paper increased trainee headcount had stretched the capability to capture issues before they reached the customer. There was also a concern in relation to the replacement of formalities examiners in line with the new policy – as this role required a high level of training. It was agreed that Mr Dennehey would provide further information on the sampling.

Action

- Mr Dennehey to provide further information on quality assessment and size of sampling.

Strategic

6. BIS 2020

6.1 Mr Alty introduced this item noting that the main focus for BIS was their 8 big projects to transform the partner organisation landscape – which the IPO was not part of. This was an opportunity to brief the SB on the options work that had been undertaken by IPO in consultation with Companies House which included the vision for the Business Centre, business model and governance, back office functions, customers, location and expanding the Business Services Centre. The vision was about delivering efficient and effective services to customers. There was a need to have some governance around this - a joint board approach was recommended – which would own the vision and in due course come up with potential challenging proposals both organisations (IPO and CH) would need to consider. This would also provide the scope to bring in other organisation – if BIS thought this was the right thing to do. With regard to location – it was a developing picture.

6.2 The options were discussed at length and the NEDs made the following key points:

- What was the driver for this work? Was there a need for a business services centre in South Wales and did it have to be a physical presence? Was there a need for co-

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location? It was clarified that this was not about providing a counter service it was about bringing people together and increasing efficiency.

- From a consumer perspective what benefits would this provide? The approach was similar to something the Department of Transport did by bringing 4 agencies together to see what they could share and although the customer had been the key factor in time it had been disbanded. It was suggested the primary driver was efficiencies within BIS. That said it was acknowledged that there was some synergy from a customer perspective that added value to this working in a more joined up way which was a good first step. There was a consensus that it had to be customer driven and concern that there seemed to a number of pinch points which could create something that might not be any better than the current service provision.
- It would create more opportunities for career development – which was already happening to some degree with people moving between the two organisations.
- There was a suggestion in presenting a range of options to BIS – they might not agree with the recommended approach. In formally presenting the options paper to the BIS Programme Board the aim was to demonstrate what would make sense.
- With regard to the joint board approach - it was suggested that one of the Non Executive Directors (not the Chair) should sit on the joint board. The point about setting up an initial joint board was that at this point the degree of synergy had not been looked at in any detail. By taking a stepped approach it would mitigate against the risks.

6.3 Mr Gilbert concluded that there was support for the recommendations as set out in the paper. The risk section needed to be included, further details included on the back office functions and due diligence given to the customer offering.

Action

- Mr Gilbert and Mr Alty to discuss NED representation on the joint venture board.

7. Tripod Update

7.1 Mr Dennehey introduced this item noting that the portfolio would result in efficiencies across the organisation. The forthcoming Governance Workshop would provide an opportunity to consider how this work had progressed. Ms Smyth and Mr Fishwick were heavily involved and Ms Nanayakkara as a member of the Transformational Change Committee was also involved.

7.2 This work was extremely challenging and complex and was probably the most exciting work ever undertaken in the organisation. It was noted that previously it could have been said that the IPO had not been ambitious enough – something that had been reflected on the risk register. The current situation was different and perhaps reflected an over ambition. The NEDs commented that they had seen a complete transformation within the IPO regarding its appetite for change which was good. In terms of timescale Mr Dennehey said that he had challenged the thinking on this i.e., rather than looking at the portfolio as work that would take a specific amount of time e.g. 5 years the work was being completed in chunks. On designs the majority of work would be completed by September whereas the work on patents which was more complicated would take longer.

7.3 The NEDs queried whether there was a need to take on additional insurance as a result of going digital. It was clarified that there was a need to take a balanced view between risks and opportunities i.e. the IPO did everything possible to ensure systems were secure. A key aspect of getting IPO services on line related to Identity Assurance which was already in place for some systems.

7.4 Mr Gilbert said that the NEDs would find it helpful to have a regular report that showed how Tripod and the Operating Model overlapped, e.g. a high level overview of the journey and timescale, (similar to the reports produced for Hargreaves).

Action

- IPO to produce a regular high level report for Tripod and Operating Model given the reputational importance.

8. Operating Model Update

8.1 Ms Reed provided an update on the progress of work on the Operating Model. The overall commonality of activity across the rights aligned neatly with the work being taken forward on Tripod. With regard to resources there were benefits to co-location of teams e.g. multi skilling. Work was ongoing regarding implementation and mapping out which areas would be considered next. Although staff had been updated as the work had progressed it was important that staff were all informed at the same time. Mr Gilbert asked whether there was a sense of how people would react particularly to the co-location of teams. It was clarified that comms had been issued and Mr Dennehey, Ms Smyth and Mr Hartley would be holding discussions with teams being co-located to answer any questions they might have. Mr Maclean said that he was happy to be involved in taking this forward.

8.2 Efficiencies were closely linked with the timeline for Tripod – as technology was the enabler. The NEDs noted the need for customers to be able to access historical information e.g. regarding filing dates. It was clarified that the policy regarding destruction of public records would apply in the same way to digital records, (which customers would need to be made aware of).

8.3 Mr Gilbert thanked Ms Reed for the update. This was an important area of work which linked closely with Tripod.

9. Steering Board Awayday Actions

9.1 Ms Ratcliffe provided an update on actions following the SB Awayday in October. Mr Gilbert informed the SB that the next Awayday in October 2016 would be held in Concept House and Mr Alty highlighted that the date for the IP China Symposium had not yet been agreed which could potentially impact on the dates for the Awayday.

Topical

10. IT Strategy and Roadmap Update

10.1 Ms Smith introduced this item noting that the failure of the penetration test on the network had not been anticipated and a programme of work that needed to be done to meet the requirements of the security standards of the Public Service Network (PSN). Mr Austin confirmed that as Chair of the Audit and Risk Committee he had been informed by Ms Smyth.

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The NEDs suggested that going forward it might be useful to do monthly tests internally of a similar standard.

10.2 With regard to TM10 a lot of work had been done to resolve the issues and further work was planned to ensure remaining problems were resolved to deliver the service to customers.

10.3 Mr Gilbert thanked Ms Smith for the update.

11. Non Executive Directors – Round Table Update

11.1 The NEDs provided an update on their IPO related activities since the last meeting. Dr Mackintosh and Ms Haberman had attended the IPO's Business Advisor Networking Conference at the Royal Institute of Chartered Surveyors. There was a brief discussion around their feedback from the event, in particular the feeling from business participants that the cost of professional advice from was both expensive and uncertain. Miss Wilkinson said she would raise this in her discussions with CIPA.

11.2 Mr Maclean had met with Ms Reed regarding the #Adaptive, Operating Model and continuous improvement.

12. Information

12.1 Mr Gilbert noted thanks for the information papers: Customer Feedback Report and the update from Ms Nanayakkara regarding the last Audit and Risk Committee meeting.

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