



**NOTE OF THE INTELLECTUAL PROPERTY OFFICE STEERING BOARD MEETING
HELD ON THURSDAY 26 MAY 2016**

Attendees:

Non Executive Directors

Bob Gilbert (Chair)
Iain Maclean
Andrew Mackintosh
Mandy Haberman

IPO

John Alty
Sean Dennehey
Louise Smyth
Rosa Wilkinson
Neil Hartley
Mike Fishwick
Lesley Babb
Simon Haikney
Kathryn Ratcliffe
Sally Jones
Amy Hat-Ellis
Sarah Hughes

Chief Executive
Deputy Chief Executive
Chief Operating Officer
Director, Innovation and Strategic Comms
Director, Finance
Chief Technology Officer
Head of Pay
Head of Strategy & Planning
Head of Secretariat
Secretariat
Observer
Observer

BIS

Paul Hadley

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

1.1 Mr Gilbert welcomed everyone to the meeting noting that although there were a number of apologies – the meeting met quorum requirements. He reported that he had spoken to Mr Orme (DG Finance and Commercial, BIS) who was content with the work that had been completed by the Intellectual Property Office (IPO) and Companies House (CH) regarding the BIS Services Centre.

1.2 Apologies were noted from Mr Austin, Ms Nanayakkara, and Mr Suter.

1.3 The actions were reviewed. In relation to the Women Onboard scheme candidates had been considered by Mr Gilbert and Mr Alty and a potential candidate selected, (the programme was for a period of 18 months). In relation to the request by the Steering Board (SB) for a high level report on Tripod and Operating Model - Mr Gilbert confirmed that he would like something along the lines of the Hargreaves update previously provided to the SB. This was an important area of work and the SB needed regular updates to understand how the work was progressing, particularly given how crucial it was to the organisation. With regard to the Joint Venture Board – Mr Suter had agreed to be the IPO NED representative. Mr Suter had also agreed to attend the BIS Chair's Forum on 9 June on behalf of Mr Gilbert.

1.4 The minutes of the meeting held on 8 April were approved.

1.5 There were declarations of interest by Mr Hadley (Board of the National Physics Laboratory) and Ms Haberman (British Library BIPC (Business and IP CentreIPC)).

Action

- IPO to provide a high level report on Tripod and Operating Model for future SB meetings.

Governance and Performance

2. Chief Executive's Report

2.1 Mr Alty highlighted a number of areas in his report. With regard to the BIS Services Centre the first meeting of the CH/IPO Joint Programme Board was on 2 June, ahead of which a telcon had been held with Mr Orme and Ms Ward (Head of Strategy, BIS), who had confirmed that the work was heading in the right direction. Mr Alty and Mr Moss (Chief Executive, CH) would present the paper to the BIS Executive Board on 8 June.

2.2 The new legislative programme included two pieces of legislation – the Unjustified Threats Bill and the Digital Economy Bill. With regard to patent harmonisation – next steps involved producing a proposal that was sufficiently clear so users could see what the package looked like. On the fees review a meeting had been held with HM Treasury to discuss our vires. Work was progressing on the Copyright Hub.

2.3 The Non Executive Directors (NEDs) liked the new format of the Executive Board Report which aligned with the Corporate Plan. Mr Haikney was asked to look into the presentation of one of goals. On pay the Executive Board had discussed and agreed what would form part of the pay remit, which would be submitted to HM Treasury in due course. A lot of work had been undertaken to address feedback from staff on how Continuous Improvement, Lean, Agile and #Adaptive aligned. An event – The Winning Formula had been held to address the confusion and make the linkages. It was agreed that something could be brought back to the SB on Continuous Improvement.

Action

- Continuous Improvement to be scheduled for a future SB meeting.

3. BIS update

3.1 Mr Hadley updated the SB on BIS issues. Work continued on the preparation of the National Innovation Plan, to which the IPO was contributing. It covered a number of themes including intellectual property, access to funding, research and development and open data. The timing of a public consultation to draw together ideas had not yet been agreed. With regard to the Digital Strategy the expectation was that it would be published in July.

3.2 A second reading had taken place in the House of Commons on the Higher Education and Reform Bill regarding the consolidation of Research Councils and Innovate UK. The legislation was likely to take 9 – 12 months.

3.3 As reported at the previous SB the BIS 2020 programme meant that there were organisational changes ongoing within BIS. Mr Hadley noted that BIS had created a disrupted businesses directorate for sectors (e.g. drones) where there was a need to manage their IP under scrutiny.

4. Finance Report

4.1 Mr Hartley provided an update on the IPO's financial position at the end of March 2016. In summary the IPO ended the financial year with a surplus, (but would report a deficit position following payment of dividends to BIS). There were also a number of potential adjustments to be made. The Audit and Risk Committee would be looking in detail at the accounts at their next meeting.

4.2 The NEDs made a number of queries which were clarified. Loans from BIS had not been paid off as it was not cost effective to do so. The increase in exit packages related to a small number of individual agreements which had been made – for a number of different reasons. It was suggested that including details on the number of people would be helpful. There was a query around cash generation and it was clarified that an increase in the volume of applications did not increase cash as the fees were back loaded.

4.3 A wider discussion followed on the fees review and IPO's flexibility to fund other things e.g. PIPCU. As detailed in the Corporate Plan the IPO would fund PIPCU for another financial year and consideration was now being given to what would happen subsequently. This linked to the vires point, fees review (and consultation) and Enforcement Strategy (which had recently been published). The NEDs were clearly concerned about the continued funding of PIPCU beyond what had been agreed and noted the need for transparency. They were reassured that the IPO was working through what was a challenging multi-faceted issue which the SB would continue to be updated on as the work progressed.

Action

- Neil Hartley to provide a further update on the fees review/ PIPCU funding at the next meeting.

5. Corporate Performance Report

5.1 Ms Ratcliffe introduced the corporate performance report as at year end. The NEDs congratulated the IPO on achievements which provided a good message for all staff.

5.2 There was a discussion about Tripod as delivery was showing red. This was because delivery was not complete – although it was noted that completion had not been expected by the end of 15/16 financial year. Mr Gilbert highlighted that there was a perception amongst NEDs that Tripod had 'hiccopped' which was a cause for concern given its crucial importance to the organisation. This perception linked to the Internal Audit on Tripod. It was noted that reporting performance at year end was perhaps not as straightforward as reporting progress throughout the year. It was also acknowledged that software programmes were difficult to manage as the software was invisible until it worked or not.

5.3 With regard to rights granting the point was made that the increase in rights granting did not correlate with the scorecard because of the scale – and there was a question about whether the scorecard helped to run the organisation. It was noted that within Patents, Trade Marks and Designs more detailed information was considered.

5.4 Labour turnover was considered in the different areas, and it was very different amongst policy staff where there was a high turnover in comparison to a low turnover in other areas. There was also a high rate of change amongst the economists who were on rotation.

5.5 Mr Gilbert congratulated the IPO on huge amount of success achieved by the organisation and it was agreed that the NEDs would issue a note to all staff.

Strategic

6. Steering Board Awayday

6.1 Ms Ratcliffe introduced the options for the Steering Board Awayday in October 2016 as detailed in the paper. The options were discussed fully and the following points formed the key points made:

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- The annual SB Effectiveness Review was a good starting point.
- At the July meeting there would be more visibility on BIS changes and impact on the organisation.
- There were a number of options for topic 2 - looking at the impact of our Accommodation and Remote Working Strategies was not significant enough and could be covered as part of topic 1.
- In terms of shaping the sessions it was suggested that if Executive Directors were predominantly responsible for the running of the session it could simply result in a confirmation of their initial thoughts whereas NEDs shaping the session would provide a valuable and different perspective. As with previous awaydays the preparation would be a joint effort by NEDs and Executive Directors.
- Cyber security and disaster recovery was a potential topic – essentially a risk based discussion - perhaps better at a SB meeting as oppose to the Awayday.
- Topic 3 provided an opportunity to have a discussion around the pressures on the IPO to do things which were related to intellectual property but unconventional. This linked to the IPO's vires and the Business Services Centre.
- There were a number of volunteers for the topics. Topic 1 – Simon Haikney, Rosa Wilkinson and Iain Maclean and Topic 4 – Mandy Haberman
- There were a number of suggestions on possible speakers.

6.2 Mr Gilbert confirmed that Ms Ratcliff would follow up with a summary of the discussion setting out the agreed topics – after which Non Executive and Executive Directors could volunteer for their preferred topic. A list of potential speakers would also be circulated for consideration. A timetable would then be put together for discussion at the next NEDs telcon early July. At the July SB meeting a timeline and allocation of responsibilities could be agreed.

Action

- Ms Ratcliffe to circulate a note setting out the topics. NEDs/Executive Directors to volunteer for topic areas. Further discussion at NED telcon early June.

Topical

7. IT Strategy and Roadmap Update

7.1 Mr Fishwick reported that the IPO's Business Continuity Plan (BCP) had been tested recently in IT – a link on the BBC website had caused a hundred fold increase in demand for trade mark searches. In line with the BCP a decision had been made to take down the service to enable all other services to remain available. It was noted that there were sometimes things like this which could cause a transient but huge impact on search facilities. This linked directly to the IPO's IT Strategy and principles in place to deal with such scenarios. It also linked to the IPO's approach to testing systems and the extent to which you could test a spike of such magnitude. Mr Fishwick explained that automatic load and performance testing had been introduced into development and production.

7.2 In terms of operational delivery work concentrated in two key areas. The programme of work on TM10 to restructure the platform was going well. A new approach was being taken to re writing code would result in the work being completed very quickly which was a significant achievement for TM10, and had implications for Tripod in terms of how the service transition to production would be managed going forward.

7.3 Internal Audit had undertaken review on IT Change Management and the management response had been completed. It was noted that the departure of the Head of Digital Services

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had been mitigated by the programme of work already in place. Work on the IT Strategy and Roadmap continued to be developed and would be presented to the Steering Board in July. There were two key messages in the strategy – ‘buy don’t build’ and ‘configure don’t code’.

7.4 Mr Gilbert noted the progress being made – although it was complex and would take time to work through. The SB was partially sighted but reassured by the update. Ms Nanayakkara would be kept informed on the development of the IT Strategy.

7.5 Ms Haberman raised a query in relation to the destruction of hard copy files with a suggestion that before anything was destroyed the rights holder should be contacted. Mr Dennehey noted that he would take the idea away as this was not current practice and could have significant implications.

8. Diversity Strategy

8.1 Ms Babb introduced this item – an update on the results of the independent deep dive review, the revised IPO Equality, Diversity and Respect Strategy and planned activities for 2016.

8.2 The NEDs made a number of comments on the review, noting that the IPO was ahead of many organisations given the all the work that had been done and continued, to drive up engagement. It was important for organisations to think differently about how people felt valued – particularly for those 50 and over. The lack of understanding in relation to mental health was being addressed as part of the recently launched mental health strategy. With regard to part time working comments had been made in the review that workloads had not been adapted to the hours being worked. There extension of the flexi bandwidth was another dimension to the IPO’s approach to engage better with the workforce.

8.3 Clearly there was a need for accurate data and the new HR system would provide an opportunity to drive up compliance rates.

8.4 Mr Gilbert thanked Ms Babb for the update and noted that the SB endorsed the strategy.

9. Non Executive Directors – Round Table Update

9.1 Mr Maclean reported on the IP Crime Group event he had attended. Mr Suter had attended a global digital conference in WIPO and Ms Haberman and Dr Mackintosh had attended an event at the Royal Institute of Chartered Surveyors.

10. Information Papers

10.1 Information papers were noted and Mr Gilbert closed the meeting by thanking everyone for their contributions.

Date of next meeting: 28 July 2016