



Steering Board Meeting Note

Date: Thursday 2 April 2020

Time: 14.00

Location: Remote meeting held via Microsoft Teams

Attendees: Tim Suter (Chair), Tim Moss, David Rawlins, Lopa Patel, Andrew Lawrence, Mandy Haberman, Laurie Benson, Karin Schulte, David Holdsworth, Dominic Houlihan, Mike Fishwick, Neil Hartley, Mary-Anne Venables, Maria Ciavatta, Secretariat, Jo Shanmugalingam (item 7)

Apologies: Kevin Orford

1. Chair's Introduction

1.1. Tim Suter welcomed everyone to the remote meeting noting the core focus was the impact of the COVID-19 crisis on the IPO.

2. Apologies

2.1. Kevin Orford sent his apologies as he was required to attend an NHS Board.

3. Approval of the minutes from the previous meeting

3.1. Minutes from the previous meeting were agreed.

4. Actions

4.1. There was no further update on the actions; there was one action outstanding.

5. Declarations of interest

5.1. None.

6. Update from ARC

6.1. Andrew Lawrence provided an update from the Audit and Risk Committee meeting of 12 February noting the excellent progress on preparations for the year end audit and accounts. He noted the Committee had reviewed the External Audit Planning Report, the Corporate Scorecard, and the Internal Audit Progress Report and plan for 2020-21. Andrew highlighted that the Committee was only able to provide a limited steer on the forward plan for internal audit and had requested a further review at the May 2020 meeting. He noted that this would need consideration in the context of the current situation and may require alteration. Andrew noted the risk registers had been reviewed and an agreement had been made to set up a sub-group of the Committee to review the risk processes.

6.2. Tim Moss said that the annual Governance Workshop took place on 1 April and James Meager had confirmed that 9 out of 11 planned Internal Audits had been either complete

or were in draft form, and there was one audit that may be unable to be completed as it needed onsite attendance. He said James was content to provide a statement on the position for 2019-20 for the annual report. The Chair noted this was a significant step forward from the position reported in January.

6.3. The Board queried whether a specific risk register would be set up relating to COVID-19. Tim Moss confirmed that there was a separate Business Continuity Plan (BCP) risk register and a risk on the Board register related to the immediate interventions needed, and noted that at least three risks covering impact on IPO people, operations and finances would be added to the Board register.

7. Verbal update from BEIS

7.1. Jo Shanmugalingam (BEIS Directors General for Industrial Strategy, Science and Innovation) joined the meeting to give an update from BEIS. She noted the most important message was for continued support of staff. Jo highlighted the continuing responsibilities of BEIS as a Department of State and the IPO's continued responsibilities for services to the economy, noting that other work could be considered discretionary. Jo highlighted the importance of awareness of new risks created by the new ways of working, in particular cyber security and other security risks.

7.2. The Chair asked how well the relationship between IPO and BEIS was working. Jo confirmed that there was more regular dialogue which was helpful given the fast pace of change. She requested that the IPO challenge BEIS if the right information is not received quickly enough or in the right context, and if more support was needed. Jo highlighted that business as usual activities would happen when time allows particularly noting that the Secretary of State was very busy and therefore there may be a delay when communicating with them.

7.3. The Chair thanked Jo for her time and for the update.

8. Executive Board Report and Update on COVID-19 Impact and Response

8.1. Tim Moss presented the Executive Report, highlighting key items for the Board. He thanked the Executive team for doing a great job over the last few weeks to get into the position where staff could work effectively from home and the vast majority of services were working well. He noted there were work arounds being developed for some processes but overall there has been positive feedback from key stakeholders and the IPO was in a good position.

8.2. Tim noted that two key Ministerial Targets had been achieved on Customer Satisfaction and Renewals. From the Executive Report. Tim highlighted good work on service delivery including the reduction of the patents backlog and the high volume of turnover on trademarks. Tim informed the Board that the Coordination Committee of the World Intellectual Property Organisation (WIPO) had nominated Daren Tang from Singapore for the post of Director General and said he would be in position in September.

8.3. Tim highlighted the large amount of work on the trade agenda particularly the impact of the decision for the UK to withdraw from the Unified Patent and Unified Patent Court

(UPC). He noted this would have implications regarding the use of Aldgate Tower in future and said the Executive would make a decision on this.

- 8.4. Tim said the Investors in People reassessment had been completed and the IPO had been awarded gold status; he highlighted that fewer than 20% of organisations worldwide are rewarded gold so this is a great success. Tim said the IPO had also been awarded silver in the Chwarae Teg Fair Play Employer assessment which was another good achievement.
- 8.5. Regarding the corporate plan for 2020-21, Tim explained it was hoped that this could be approved by the Minister by 6 April. He noted there would be a large impact from COVID-19 on certain targets and activities and said the Executive would complete a quarter one reforecasting exercise.
- 8.6. Tim highlighted key points from the call with Alex Chisholm (Permanent Secretary for BEIS) and noted that the steer was to keep the economy moving as much as possible. Tim said it was important to balance maintaining business as usual for customers along with offering up staff to assist elsewhere. Tim explained a second COVID-19 legislation would be put through parliament and said any proposals for legislative support would need to be raised as soon as possible, particularly for reducing burdens on customers and easing impact on businesses.
- 8.7. Dominic Houlihan provided an update on welfare of staff and the business continuity activities. He said the BCP plan had been successfully implemented explaining that this had been planned for in desktop exercises. Dominic said desktop homeworking kit had been provided to an additional 550 people meaning that 96% of staff were available to work from home. He noted the remaining 4% have operational roles, for example in printing or in the mailroom. He said work was ongoing to consider what additional work they could undertake.
- 8.8. Dominic highlighted that the wellbeing of staff was paramount particularly given the situation was likely to last a long time. Dominic provided the context that Gwent is the worst hit area in Wales for coronavirus cases. Dominic said that trends in the IPO were being monitored regarding amount of paid special leave for childcare responsibilities and similar, and explained that an exercise regarding unresolved health and safety issues was ongoing.
- 8.9. Dominic explained that a 12-week program of engagement for staff was being put in place around homeworking skills, performance management, managing remotely and other issues. He said he was sharing knowledge with BEIS HR directors and the South Wales Director Forum. He said that wider workforce implications were being reviewed and noted that recruitment in particular would be challenging but a remote onboarding process had been devised.

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- 8.10. Dominic noted that more broadly the IPO were considering how to support the local community. He highlighted the goodwill among staff was high regarding the decisive actions, wellbeing initiatives and communications in the initial period.
- 8.11. David Holdsworth gave an update on operations. He noted that incoming volumes of registered rights applications had been impacted explaining that patents experienced a slight dip in the first two weeks but had since recovered. He noted that patents were historically less susceptible to economic shocks. David explained that trade mark applications had dropped by 25 to 30% and said this was much more susceptible to economic changes. David highlighted that operations were continuing on all fronts thanks to the facilities management, IT and operations managers. He said patents was operating at close to normal levels and this was supported by roll out of a pilot to email reports to customers which had been well received by the industry.
- 8.12. David highlighted some challenges for trade marks, particularly that part of the trade mark system requires forms to be scanned in so a technical work around was needed. He noted that some manual scanning would take place to keep case flow going. David noted that this also applied to tribunals work where all new cases and new evidence was paper based and required scanning. He noted this was not likely be resolved in the short term so regular onsite scanning would be needed. On Designs, David noted that a significant drop had been seen in applications which was to be expected.
- 8.13. In terms of supporting the Centre, David noted that analysis had been completed on patents for ventilators and similar and this search information had been sent to the Centre to utilise. David explained that the Office had moved to interrupted days to enable a delay of deadlines. He said this was dated from 24 March with no end date given the uncertain situation and explained the sector would be given at least two weeks' notice before the interrupted days period was ended. David said this accounted for the vast majority of deadlines but not all, for example international treaties, and said he and Tim Moss had been involved in international calls with the Vancouver Group to coordinate a way to approach these issues.
- 8.14. David highlighted that there was no power under current legislation to delay payment of fees other than those that came under the interrupted days declaration. He said there was ongoing discussion around if the IPO should ask for the power to delay the fees in order to support businesses in the long run and a proposal would be put forward by the end of the following week.
- 8.15. Mike Fishwick provided an update on IT noting that this provided an enabling service to the organisation as a whole. He noted IT teams were monitoring the load on the network and infrastructures and were comfortable in terms of the performance of devices. Mike explained the challenges around needing onsite access to fix or replace hardware if problems arose. Mike said he was confident that the IT directorate could support the Office and highlighted that there was resilience built in.

- 8.16. Neil Hartley gave an update on finances of the IPO noting that it was too early to understand the full impact. He noted that the reduction in trade mark applications would have an impact on income. Neil explained that Renewals fees were the biggest source of income for the IPO and it is hard to judge the impact on this. Neil said the Economics Research team and Informatics would be compiling a report for the April Executive Board meeting covering scenarios and predictions.
- 8.17. The Chair thanked the Executives for the updates and asked for questions from the Steering Board. The Board queried if there was an expectation to give fee relief to help businesses, whether there was consideration of a stimulus package for the market, and how SMEs would be supported. The Board asked if the IPO could be involved in a system to help companies sell or license their IP.
- 8.18. Tim Moss noted that on fee relief, initial work was complete under the interrupted days decision and teams were considering other options to put forward to Ministers next week noting that this would require a statutory vehicle. Tim thanked the Board for the ideas around how to help businesses and said these would be considered in the coming weeks. He noted that the IPO would feed into BEIS to lead on business support given that as IP is only one element. On the suggestion to help companies sell or license IP, Tim noted this had been tested in previous years and had not been successful, but it was an option that could be explored.
- 8.19. The Board asked about the status of patent work subcontracted to the EPO and asked if any research on vaccine patents was being undertaken. David Holdsworth explained that the work subcontracted to EPO was due to continue for the remainder of the year, but if the EPO were unable to deliver this due to the impact of the crisis on their offices then the work would be taken back in house. He also confirmed that vaccines had been included in the patent searches to assist the Centre.
- 8.20. The Board asked how performance management was being supported. Dominic explained that 86% of staff currently have objectives on the performance management system and products and communications on how to have conversations remotely were being reframed. Dominic said this would be reviewed monthly through the Brilliant Place to Work Committee.

9. Forward Look

- 9.1 The Executive Directors explained the key plans and issues expected over the next few months given the ongoing COVID-19 situation and asked the Board for their thoughts.
- 9.2 On issues relating to IPO people, Dominic noted that previous priorities were on the operating model including the skills and capability required across the Office; the accommodation review including smart working and how to become a carbon zero organisation; and embedding our culture including the Deal, performance management, and the new reward system. Dominic noted that the priorities were now slightly shifted but had similar themes. He said the new priorities in the current situation were to enhance the health and wellbeing support available; to

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sustain the level of engagement over the next three to six months when people may feel more isolated; and review smart working noting that the current situation showed that the organisation can operate in a very different way.

- 9.3 David noted that in operations the focus was on the patents backlog, the customer strategy and legislative reform needed in order to digitise services. He also noted that the policy teams were supporting the transition period and trade. David highlighted the challenges of continuing cross-team working on these priorities particularly creating capacity to work effectively.
- 9.4 David explained the focus for the Transformation Programme was on mobilisation. He noted the original plan was to complete this in September, but it would be moved back. He explained the Transformation Programme Board had reviewed options and agreed to continue with what could be done noting that this would be slightly reduced from the original plan.
- 9.5 Mike explain the priorities for IT were maintaining existing systems, delivering the transition period IT requirements, and supporting Transformation through mobilisation via transformed business services. Mike noted the need to keep existing systems running had impacted on the ability to support the Transformation agenda. Mike said one challenge was the loss of development resources recently and noted these would be difficult to recruit for.
- 9.6 Neil provided an update on the Annual Report and Accounts noting that Treasury and the Government finance function had communicated that they would be reviewing the impact of requiring comprehensive audited accounts at this time. He noted that the administrative deadline for laying annual accounts had been shifted from July to September but said it was not yet known whether the requirements would change. Neil said for the time being the Office was working as per the existing timetable in order to complete by July. Neil explained one challenge was that there were 10 key people for completing the annual accounts and therefore not much resilience if people were unable to work.
- 9.7 The Board noted their approval for the approach to the Transformation programme and suggested that the challenging situation highlighted how important transformation was which may help with understanding within the organisation.
- 9.8 Tim Moss highlighted that the Executives were keen to get the views from the Steering Board about engagement internally and externally in light of the organisation working remotely.
- 9.9 The Board highlighted the importance of keeping up visual communication throughout the home working period. It suggested a well-orchestrated return to the office should be put into place and suggested it could be an opportunity to trial smart working options. The Board noted that the ways of working appeared to be more collaborative rather than hierarchical and suggested this could impact business models going forward. The Board highlighted the importance of setting expectations for the longer term regarding regular team engagement and project development.
- 9.10 The Board questioned how well external engagement was working and Tim Moss noted that there were weekly calls with the Four Presidents group which had been very positive. The

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Board highlighted the need to be open and attentive to the needs of customers and suggested a focus on engaging customers in creative ways and ensuring that the customer base was consulted about what they needed. The Board said it would be useful to know if there were any issues coming up in specific customer segments.

9.11 The Board asked whether there was an Executive Board level focus on cyber security. Tim assured the Board that there was a big focus on cyber security with regular reporting and that this would continue.

9.12 Tim Moss thanked the Board for their input and the suggestions noting that there was a lot to learn about the ways of working and approaches to smart working in the future.

9.13 The Chair thanked everybody for their input and closed the meeting.

10. **AOB:** None

Date of Next Meeting: Wednesday 10 June 2020