



Steering Board Meeting Note

Date: Monday 3 August 2020

Time: 15.00

Location: Remote meeting held via Microsoft Teams

Attendees: Tim Suter (Chair), Tim Moss, Lopa Patel, Mandy Haberman, Kevin Orford, Laurie Benson, Karin Schulte (Board Apprentice), David Legg (BEIS – alternate for David Rawlins), David Holdsworth, Neil Hartley, Mary-Anne Venables, Maria Ciavatta, Secretariat

Apologies: David Rawlins (BEIS), Andrew Lawrence

1. Chair's Introduction

1.1. Tim Suter welcomed everyone to the remote meeting focused on the Quarter One Reforecast.

2. Apologies

2.1. None.

3. Approval of the minutes from the previous meeting

3.1. Minutes from the previous meeting were agreed.

4. Actions

4.1. All actions were noted as closed.

5. Declarations of interest

5.1. Lopa Patel raised a standing declaration regarding her position as Chair of Diversity UK, noting that CISCO, Microsoft and IBM were looking to sponsor the charity.

6. Verbal update from CEO

6.1. Tim Moss provided an update on key highlights since the last Steering Board meeting. He first noted that trade mark volumes remained around 20% above forecast with associated impacts on backlog and booking of income. He said patents input was rising back up towards the forecasted levels.

6.2. Tim said the Executive Board recently had a discussion on prioritisation given the restart of work preparing for the end of the EU Exit Transition period on 31 December. He highlighted the size and scale of the preparation needed, including work related to changes in the approach where there is no reciprocal solution between the EU and UK such as the address for service for registered rights. Tim explained this work was impacting on work on business continuity and the Transformation Programme, hence the need for prioritisation decisions. He

said the Executive Board had agreed to outsource some discrete pieces of work to reduce resource pressure and noted this was taken into account in the quarter one reforecast.

- 6.3. Tim moved on to update the Board on the ongoing discussions around future working plans at the IPO. He explained that the guidance from No.10, BEIS and the Welsh Government was being taken into account. Tim said more people had been using the Concept House site recently, particularly to support the end of the period of interruption, and highlighted it was unlikely that more than 8% of total staff would be on site on a weekly basis for the next month. Tim noted an ongoing survey of staff showed that the majority wanted to work remotely for at least 50% of the time for the foreseeable future but some people did want to be onsite more, so this was a key consideration for the Executive Board.
- 6.4. The Board asked if the survey had shown a breakdown by age and other characteristics. Tim said that once the survey closed this would be available. The Board stressed the need to consider individual circumstances rather than a broad-brush approach, and Tim agreed noting this was key for the Executive Board considerations. He said the approach was to ensure people had a choice about where they worked noting that some may not have the facilities to maintain remote working in the long term and that there were wellbeing perspectives to keep in mind.
- 6.5. Tim noted the amount of annual leave being taken was still being monitored but that this had improved through June and July. He said there was still a build up of annual leave which would need to be addressed, particularly regarding the impact on service delivery going forward. He said the Executive Board had sent out a strong message and would consider any further steps.
- 6.6. Tim explained the Executive Board discussions around the HMRC homeworking allowance of £26 a month noting that they had agreed to pay the allowance to all staff if this was permitted within the guidance, or to those eligible if it was not possible to give the allowance to everyone. Tim explained the Board were awaiting a steer from Civil Service HR given the lack of clarity in the guidance on whether permanent homeworkers would or would not be eligible. He said this was a difficult decision and may cause division.
- 6.7. Tim highlighted the ongoing conversations with Government Digital Service (GDS) around the Renewals project reassessment. He said that GDS were also querying other areas of IPO work including technology spend but it was not clear that this was necessary. Tim noted he was in contact with the GDS Director General and the BEIS contact in order to find a pragmatic solution and build the relationship.
- 6.8. Tim updated the Board regarding the funding of staff seconded to other government departments, as requested at a previous meeting. He explained that the IPO funds secondees unless they become permanent members of staff in other government organisations. Tim noted that a number of people had been brought back to the IPO from their secondments in recent weeks.

6.9. Tim told the Board about the new Senior Leadership Group that had been set up with around 40 senior managers and the Directors. He said the group was meeting monthly to build cross-organisational thinking and behaviours. Tim noted a further group of around 160 would also be set up for leading managers and influencers within the organisation.

6.10. Tim asked the Board for their thoughts on how to maintain the sense of IPO community across the organisation. He noted that relationships within teams appeared to be strong but by remote working it seemed that the casual cross-team interactions were being lost and this appeared to have a detrimental effect on the culture and community of the organisation.

6.11. The Board thanked Tim for the update and asked if there was any further news on the potential centralisation of comms functions across the Civil Service. Tim said this was still being discussed and there was a data audit underway. He noted the IPO were keen to have clarity on the scope, particularly around operational and customer communications as this was the focus of many partner organisations' communications functions.

7. Outcome of Quarterly Reforecast

7.1. Tim Moss introduced the quarterly reforecast item noting the thorough process that had been led through the Executive Board in order to understand the impacts of COVID-19 on the Corporate Plan progression. He highlighted the key issues discussed were income and pay assumptions and said the Directors would challenge back to business areas on the level of optimism bias relating to delivery of corporate priorities. Tim asked the Board if they had any queries that the Executive Board should look to answer and asked for an opinion on the level of information that should be reported to Steering Board in future.

7.2. Neil Hartley took the Board through the detail of the reforecast. He noted the papers included detail of the main income and spend changes. In addition to the key issues that Tim raised, Neil also highlighted that the approach to the Police Intellectual Property Crime Unit (PIPCU) funding needed to be finalised; the Board agreed this should be confirmed as soon as possible. Tim highlighted that this would be a topic of discussion with BEIS and Treasury in the upcoming spending review.

7.3. Neil explained the key target was to ensure operating costs were covered by operating income. He said the Executive Board had agreed the need to review key areas and make changes for further review and sign off at their meeting in August.

7.4. The Board thanked Tim and Neil for the information provided and commented that the Executive Board had given a well-grounded opinion particularly around the potential optimism bias. The Board queried if there was available data on the deliverability of priorities, particularly key customer services, which would provide evidence of the level of optimism bias. David Holdsworth advised that he was content with the data provided for trade marks and patents but that the forecasting in the Business Operations Division was much more difficult.

7.5. The Board asked if the current policy and approach on recording income on the accounts was now clear, given previous discussions at Audit and Risk Committee. Neil confirmed that this

was clear but there was a potential to change the approach particularly around operation assumptions. He said if this was to be revisited a proposal would be provided.

- 7.6. The Board queried the principle on ensuring operating income covers operating costs and asked if the IPO should consider using reserve funds to assist with pressure areas such as meeting customer service standards in trade marks given the unprecedented circumstances. Neil advised that trading fund rules stipulate that the IPO should not plan to operate at a loss or profit, and the rules on fees prohibited subsidy of work not directly related. He noted it was possible to operate outside of a balance in the short term, but this would need careful planning. The Board noted Neil's advice and recommended a further discussion on IPO reserves in the future.
- 7.7. David provided more context to the trade marks backlog, explaining that the recent increase in applications were related to Coronavirus such as soaps and hand gels rather than related to EU Exit as was expected. He noted there were two types of volume increases with different characteristics hence the difficulty in forecasting. Regarding the customer service standards particularly time taken to examination for trade marks, David noted there was a planned increase in headcount but that this may need to be scaled up. He said the AI tool to assist examiners was being built and should improve efficiency when deployed.
- 7.8. The Board noted that if customer satisfaction was to slip below the level required to meet the Ministerial Target this would have a negative impact on morale across the organisation given the linked bonus payment. Tim agreed and explained the hard work of the customer unit to keep customer satisfaction levels high.
- 7.9. The Board queried if the timeline for the Transformation Programme should be revisited to bring forward work on trade marks systems, and David explained that the issues with the patent technology was more urgent and there was not the internal capacity or capability to run both projects in tandem.
- 7.10. The Board asked if there would be an impact on input caused by the Research & Development roadmap that was underway, and Tim advised that any specific actions would likely be in the following year. He said the focus was on the broader innovation ecosystem and support for businesses including IP education and awareness.
- 7.11. The Board requested an update on the work around IP as an Asset noting that it appeared to be far behind schedule. David said the big challenge had been on recruiting for a Head of IP Finance, but this was now complete so work on building the framework could progress.
- 7.12. The Board noted the need to achieve a balance of priorities. The Chair commented that if a priority is to deliver a specific outcome then the reforecast should aim to find the resource to achieve the outcome or to rebalance the priorities.
- 7.13. The Board considered whether the information provided in the papers was at an appropriate level for their consideration. It noted that the first ten slides in the pack provided were particularly useful for their discussion and were grateful for the graphic presentation and narrative. Neil suggested that providing the full detail gave context behind the high-level

messages even if it was not required for discussion at Board level. The Board noted that the full pack also provided much-needed background for the newer Board members to build their institutional understanding.

7.14. The Chair noted the gratitude from the Board for the preparatory work for the reforecasting and thanked everyone for the interesting discussion.

7.15. Tim noted that following the August Executive Board meeting a note would be provided to Steering Board on the outstanding issues and next steps.

8. Reflection and Close

8.1. The Chair thanked everyone for their input to the meeting and extended his thanks to the Executive Board and those who had helped with preparations for the meeting.

Date of Next Meeting: Wednesday 16 September

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