



Steering Board Meeting Note

Date: Tuesday 29 March 2022

Time: 10.00 – 15.30

Location: Concept House, Newport & Remote via Teams

Attendees

Chair: Harry Rich

Steering Board Members: Laurie Benson, David Holdsworth, Felicity Howe (BEIS Sponsor), Harriet Kelsall [remote], Andrew Lawrence, Tim Moss, Hilary Newiss, Kevin Orford & Lopa Patel [remote].

Non-Board member participants: Chris Mills, Karen Powell, Sophie Reynolds (Secretariat), Adam Williams [remote]

Additional participants for afternoon: Sian-Nia Davies, Neil Hartley, Guy Robinson

Support: Maria Ciavatta (CEO Office), Lisa Robinson (Secretariat),

Observer: Angela Jones [remote]

Apologies: None

Presenters: Andy Bartlett, Julie Griffiths, Simon Haikney, Charlotte John (BEIS Partnerships Team), Sarah Whitehead

Chair's introduction

1. Harry Rich welcomed all attendees to the meeting both in person and joining online. He noted this was David Holdsworth's final Steering Board meeting before he leaves the IPO. The Chair thanked David for his significant contribution to the IPO as Deputy CEO and wished him all the best in his new role.
2. The Chair welcomed Felicity Howe from the BEIS Sponsorship Team, noting that Shahid Omer had moved to a new role within BEIS.

Apologies

3. None.

SB(22)12 Approval of the minutes from the previous meeting

4. Minutes from the previous meeting were reviewed and a spelling mistake was noted on Hilary Newiss's name. The minutes were otherwise approved as an accurate record. There were no matters arising from the previous meeting for discussion.

Actions

5. There were no open actions.

Declarations of interest

6. The Chair invited declarations that were not already on the register of interest, or which were particularly relevant to the agenda. Laurie Benson raised that she had joined the Board of Bonhill Group PLC media company, but that there were no conflicts to note. Hilary Newiss raised that she was now Chair of British Science Association, and there were no conflicts.

Performance and Delivery

SB(22)14 Executive Board Report & Corporate Scorecard

7. Tim Moss presented this item and talked the Steering Board members through the key points of the Executive Board Report (EBR) and Corporate Scorecard with support from the Executive Directors.
8. Tim highlighted the IPO's response to the conflict in Ukraine, explaining the measures taken with regards to Russian sanctions. This involves ensuring that applications, amendments and renewals from business and individuals on the sanctions list are not processed. Adam Williams provided additional commentary on key risks and cyber security from his perspective as business continuity lead.
9. Tim said discussions were ongoing on the TRIPS agreements related to IP rights for vaccines. He emphasised the need to ensure decisions were evidence-based rather than politics based.
10. On performance, David Holdsworth highlighted that IP services were back on target across all the key performance indicators with the exception of International Designs which was on 16 days against a target of 10 days due to training of new Designs examiners. He said the patents exam backlog was heading to zero by the end of April. David thanked the IT digital team and operational teams for their collaboration on tools to speed up operational processes. The Chair acknowledged with thanks the increase in productivity that was noted in the report.
11. Adam Williams provided an update on the Trade agenda focusing on the timeline for Free Trade Agreements (FTAs) and progress on the Comprehensive and Progressive Trans-Pacific Partnership (CPTTP). He highlighted the gains from the Australian and New Zealand FTAs with tangible benefits in the copyright space, and no domestic UK changes from either agreement.
12. Chris Mills updated the Board on the IP Counter-infringement Strategy which was published in February. He said we need to help police forces recognise the impact of IP crime. Chris said the priority for the coming year was building our networks with law enforcement agencies and developing our strategic threat and harm assessment.
13. David Holdsworth updated the Board on the DEPS Designs project. He explained the registers were now updated to allow bank holiday filings, the dates on rights affected between 2016 and 2021 were resolved following legal advice, and customers had been informed. David explained there were manual processes in place for providing publication and grant dates upon customer request and the project would work to amend the DEPS system to capture this data automatically. The Board noted this would be discussed in more depth at the May Audit and Risk Committee (ARC).

14. The Board queried the upward trend on Average Working Days Lost; Tim confirmed this was largely respiratory and Covid-19 related and was being monitored further.
15. The Board noted the 99.5% availability target for IT was not reached and queried if the target was appropriate. David said the target was appropriate, but the methodology may need changing and this would be considered for the future.
16. The Chair thanked the Executive Board for the reports.

SB(22)15 ARC Update

17. Andrew Lawrence presented the update from Audit and Risk Committee (ARC) meeting of 10 February. Andrew explained Transformation Programme update focused on top risks and cloud architecture. The Chair asked if ARC were content with the assurance received on Transformation; whether issues were being addressed and if external validation was being sought. Tim explained a lessons learned exercise was completed following the change in architecture, which was the focus of the GIAA report, but other questions raised on using cloud architecture and US suppliers were outstanding.
18. The Board asked if there were plans to address the IPO's surplus. Tim explained the surplus was mainly an in-year issue caused by Brexit changes impacting input volumes, but it would reduce in the next financial year. He said much of the surplus was earmarked for financing the Transformation Programme, and the five-year forecast scenario showed the IPO would reach ideal working capital in the next few years. The Board requested a summary on the surplus, five-year planning scenarios, and big issues to be circulated.

Action: Neil Hartley to circulate a summary on the IPO's surplus figure, five-year planning scenarios, and big issues to Steering Board.

SB(22)16 BEIS Update

19. Felicity Howe presented the update from BEIS, noting the impact of the Ukraine crisis on the department and Ministerial workload. She highlighted the recent live event with the Secretary of State which has a focus on Enterprise, Net Zero, and Innovation (ENZI) priorities to be implemented over the next few years. Felicity said she would circulate an update from the Innovation team.
20. Felicity noted the Public Bodies Review was now led by Jacob Rees-Mogg and the IPO was scheduled towards the end of the review.

Action: Felicity Howe to circulate update from BEIS Innovation team.

SB(22)17 Customer Strategy

21. The Chair welcomed Simon Haikney (Divisional Director Business Operations) and Sarah Whitehead (Head of Customer Experience) to the meeting. Sarah introduced the item as an opportunity to showcase the work of the Customer Experience Unit (CEU), gather views on pace of delivery of the customer strategy and what more may be needed. She noted the CEU was still relatively new but had achieved a lot and had great opportunities for the future.

22. Sarah outlined the three priorities of the CEU and the opportunity that Transformation provided to ensure systems and processes put customers at the centre. The challenges were the scale of research to be undertaken and the high demand for user research people across the industry. Sarah highlighted the work on 'closing the loop' on customer feedback with stronger governance and ownership in this area. She explained the customer relationship review and the different engagement approach for larger and smaller customers. Outreach and business support would move over to the Customer Experience Unit as part of the Organisational Design work.
23. The Board asked about the extent to which the cultural changes around customer experience had been embedded across the IPO. Sarah said this was key in achieving good customer satisfaction and was part of the cultural matrix work. Questions on customer satisfaction were included in the People Survey for the first time in 2021.
24. The Board asked how customer service was compared with other organisations; Sarah said the IPO used the Institute of Customer Service and compared very highly with other public sector bodies. She explained the difficulty in comparing with other IP offices globally, but anecdotal evidence suggested the IPO performed well.
25. The Board asked how the customer journey was tracked online; Simon explained the information was not available through the current service but would be built into the new services through transformation.
26. The Chair thanked Sarah, Simon and David for the item noting that it powerfully reassured the Board about the IPO's customer focus.

SB(22)18 Organisational Design

27. Tim Moss provided an update on the ongoing Organisational Design (OD) work. He reminded the Board about the target operating model to align the IPO to strategy, policy and services functions and ensure the structure underpins that to meet the challenges going forward. Work had progressed to focus on the next level of detail as the director roles had been established and approved, with recruitment ongoing to fill the four director vacancies. Change management was key to ensure teams understand the changes, particularly the small number of individuals who would have significant changes to their roles.
28. The Chair asked what the key areas of risk and pressure were. Tim explained a key risk was the disruption and time it would take to embed the new structure along with both the formal work changes and informal connections across the organisation.
29. The Board asked how the organisational design would help customers understand the structure and recognise roles within the organisation. Tim explained that bringing all services together and putting all customer support elements in one area would address this. He reminded the Board that a customer model was considered in the early stages of OD work but was decided against for a number of reasons.
30. The Board asked how OD had been received in the organisation. Tim said it was fairly well received but there were some issues with individuals and teams which were being worked

through. He said this was part of the reason that implementation was moved to July rather than by end of the 2021-22 financial year.

31. The Board asked when it would be possible to assess the success of the changes and the impact on the organisation. Tim said the impact would be seen towards the end of 2022-23 and a formal review of the changes and benefits would take place.

SB(22)19 Transformation Update

32. The Chair welcomed Andy Bartlett (Divisional Director of Transformation) to the meeting. Andy presented the update on the Transformation Programme, noting the red overall RAG status was due to the architecture change but it was moving towards green. He said the programme was on track to deliver on time and quality, and highlighted the main concern was on securing people resources in technology and data. There would be cost implications if permanent resource was not in place in a timely manner and the high level of demand for change to existing services was also an added pressure which required prioritisation to ensure resources were released for Transformation.
33. Andy gave a progress report for each of the workstreams within the programme. He updated on the programme finances highlighting the contingency spend was at a higher rate than anticipated.
34. The Board asked how well the vendors were working together and with the IPO. Andy confirmed it was a healthy relationship, and explained there was a formal commercial management framework being put in place. He said knowledge transfer delivery was a dependency in vendor contracts, and that key people were named in contracts to ensure their retention on the programme.
35. The Chair asked what top two issues the programme would face over coming weeks; Andy explained user experience was a big focus and being clear on minimum viable product requirements. The Chair thanked Andy for the update.

SB(22)20 Strategy Refresh

36. Tim Moss presented the latest version of the IPO's Strategy along with a draft print copy and asked for comments on the layout, and on how to communicate the strategy. He confirmed that the graphics in the draft copy were placeholders. The primary audience was internal IPO staff, but it would be shared with external stakeholders too.
37. The Board recommended: making the IPO values more prominent within the document; reducing the length of the document if possible whilst keeping the clear structure; informal testing of the design with internal staff, and consideration of a simpler version for external stakeholders. It was suggested that a one-page infographic may be appropriate for some uses.
38. The Chair thanked the Executive for their work on developing the strategy document noting its importance in taking the organisation forward.

SB(20)21 IPO Risk Management

39. Julie Griffiths (Head of Governance and Risk Management) joined the meeting. Tim introduced the item on IPO Risk Management explaining that usually the risk papers were provided for information to Steering Board, but this was an opportunity to have a discussion on the overarching risks, risk exposure map, and risk appetite. He highlighted that this was a different discussion to that which takes place at ARC which has a focus on the individual risks. Transformation risks would be added to the risk exposure map in future.
40. The Chair requested the discussion on risk appetite was deferred to the next Board meeting in order for a fuller framework to be developed and for risk appetite discussions to take place at IPOB and ARC before Steering Board. The Board noted this would facilitate a joint understanding of risk appetite and tolerance.
41. The Board discussed the risk exposure map and queried details on some risks. It considered if the level of risk was acceptable and queried the perceived static nature of some risks. The Board considered if there were any risks that they expected to see but were not present or vice versa and gave the examples of the impacts of the war in Ukraine and other external disruptions.
42. The Board noted with thanks the amount of work carried out by the Risk team on risk assessment. The Chair requested a continued focus on the risk exposure map and key questions on missing or unclear risks at Steering Board, with other data to be provided for information.

Action: Secretariat to schedule risk appetite discussions with IPOB, ARC and the Steering Board June meeting.

Governance

43. The Chair welcomed Neil Hartley, Sian-Nia Davies, and Guy Robinson from the Executive board and Charlotte John from BEIS Partnerships Team who joined the meeting for the afternoon items.

SB(22)22 Steering Board Effectiveness Review

44. The Chair introduced the item on recommendations from the 2021 Steering Board Effectiveness review to set the scene for the wider discussion on governance. He noted the report showed the Board operates well in a well-run organisation. The Board gave feedback on the recommendations:
- Induction: Board agreed it was comprehensive but a regular refresh or update on specific topics would be of value as an ongoing programme.
 - Time in addition to meetings: The Board noted the demand on their time and asked for consideration of the way NED fees are arranged to ensure it was appropriate.
 - Courses for NEDs: all content with the opportunities provided
 - IPO allocating projects for NEDs: The Board commented it would be more beneficial for NEDs to highlight where they could add value and contribute to the corporate priorities

Official

based on their skills and experience. The Board requested a regular update on IPO events and opportunities to join meetings.

- Attendance from BEIS: Board noted this had been resolved, but Jo Shanmugalingam was now looking at Shahid Omer's replacement.
- Role of Steering Board liaising with government: Board members gave examples of instances where they communicate with other government departments. The Chair requested that Board members inform the Executives of this as and when it occurs. The Board noted it would be useful to share information about their experience and said it may be a focus for an away-day.
- Strategic focus of Steering Board: Agreed this was in place.
- Steering Board kept apprised of wider government initiatives: agreed this was in place as far as possible.
- Skills gap and succession planning: The Chair highlighted the later item on skills, and noted the succession planning was underway with the BEIS Sponsor team and Public Appointments team.
- Reappointment: as above.
- Point of contact and appointments: resolved but a question remained about using MAM on personal laptops.
- Performance appraisal: The Chair noted this was underway.
- ARC succession plans: in train.

Actions:

- **Secretariat and BEIS Sponsor team to discuss NED fee arrangements**
- **Secretariat/CEO Office to provide a regular update on IPO events and opportunities for NEDs**
- **Secretariat to liaise with IPO Secure about using MAM on personal laptops**

SB(22)23 Governance in Executive Agencies

45. Charlotte John gave a presentation on Corporate Governance in Executive Agencies. The Chair thanked Charlotte for the presentation and asked the Board for any questions or clarifications.
46. The Board queried if it was possible to get delegated authority for specific policy areas. Charlotte explained that delegations were routinely set at particular levels, but a Minister could choose to delegate powers to Board if deemed appropriate; she said this was usually through an organisation's policy sponsor, but Tim confirmed the IPO does not have a policy sponsor at BEIS. The Board queried how BEIS would manage governance failures in an organisation; Charlotte said agencies report on risk quarterly to BEIS and have a clear escalation process.
47. The Board noted that whilst there were a number of potential governance models that could be applied, the key was the relationship between the CEO/Executives and the Steering Board which must be honest and with constructive challenge.

SB(22)24 IPO Governance Needs and Options

48. The Chair introduced the item and asked the Board to consider how to apply the information in the governance presentation and the framework document to how the Steering Board operates and fulfils its responsibilities. The Board noted guidance from BEIS that there was an expectation in the framework document that the CEO would take advice from the Board.
49. The Board queried whether the IPO Framework document could be amended to better reflect the way the Steering Board worked; Charlotte explained that framework documents were expected to follow a specific template and any deviation would need a clear explanation before a change could be agreed with BEIS. The Chair commented that the Board would need to work out how to operate within the document as written in line with the template. Tim highlighted the need for collective understanding of the statute the IPO operates within and how it functions in law, particularly as a trading fund and the restrictions this puts on commercial activities.
50. Tim asked the Board to consider if the transparency of reporting felt appropriate, and particularly the balance of reporting to Steering Board and ARC. The Board agreed that the reporting to Steering Board and ARC needed continual attention to ensure proper oversight without too much overlap, but overall noted the information received was clear and transparent.
51. The Board said previously individuals gained additional assurance from informal interactions when visiting the IPO offices in person. It was noted that more touchpoints with the wider organisation would be beneficial.
52. The Chair said he and Tim would discuss the touchpoints for NEDs and induction or refresher days. He requested a note on how whistleblowing was reported to provide clarity for the Steering Board. The Chair noted the framework document should be reviewed when appropriate once the new templates from BEIS and the code of good governance from Cabinet Office was available, and when any learning from the Met Office review was available.
53. The Chair reminded Board members that they were invited to raise any areas of concern with him with an aim to find pragmatic solutions. He noted it was positive that no major issues had been flagged as a concern but equally that the points raised would need to be addressed.

Actions:

- **Harry Rich and Tim Moss to discuss NED touchpoints with IPO, induction and refresher days, increasing Steering Board visibility.**
- **Karen Powell to circulate a note on whistleblowing reporting to Steering Board.**

SB(22)25 Steering Board Skills and Experience

54. The Chair introduced the item and thanked Maria Ciavatta for her assistance. The supporting paper summarised the skills and experience of the Steering Board along with his views on the level of representation of each skill. He asked if there were any other areas which members felt would need strengthening in future recruitments.

55. The Board discussed whether more commercial and customer experience expertise would be beneficial. Tim highlighted that the IPO's ability to manage commercial partnerships had been greatly strengthened and the commercial mindset could be further supported, but stressed that the IPO could not be a commercial entity, as per the laws and remit of the organisation.
56. The Board discussed the potential for members to challenge the IPO on how it further supports small and medium-sized enterprises (SMEs) to make a difference to the UK economy. Other areas highlighted were financial skills, transformation skills, and an external focus considering future disruptors.

Reflections of the meeting and close

57. The Chair thanked everyone for their contributions and asked the Board to reflect on positives about the meeting and things that may be done differently. The Board agreed the governance discussion and customer journey item were particularly useful. Suggestions for changes focused on the experience for those attending remotely, the pace of the meeting, and on the need for more time for discussion of the performance updates.

Date of Next Meeting: Thursday 9 June 2022