



Steering Board Meeting Note

Date: Thursday 9 November 2023

Time: 10:00-15:25

Location: B3 Concept House, Newport

Attendees:

Chair: Harry Rich

Steering Board Members: Andy Bartlett (Deputy CEO), Laurie Benson, Harriet Kelsall, Andrew Lawrence, Hilary Newiss, Kevin Orford, Lopa Patel, Adam Williams (CEO), Lindsay Jamieson (DSIT)

Executive Directors: Sian-Nia Davies, Chris Mills, Neil Hartley, Ben Llewellyn-Jones, Penny Phillpotts

Non-members: CEO Office, Secretariat,

Apologies:, Pippa Hall, Laura Fleck

Presenters: Natasha Chick, Julie Griffiths, Guy Robinson, Nathan Price, Sam Brand, Peter Evans and Andrew Stephens

Also: Jan Gower for item 2.4

1.1 Chair's Introduction

The Chair welcomed everybody to the meeting and noted that this would be Kevin Orford's final meeting. Kevin was thanked for his contribution to the IPO particularly as a member of Steering Board, Audit and Risk Committee and for his role as interim Chair.

1.2 Apologies

The Chair noted apologies from Pippa Hall and Laura Fleck

1.3 Declaration of Interests

There were no new declarations of interest.

1.4 Approval of Minutes – 14 September 2023

AGREED: that the minutes of the Steering Board meeting held on 14 September 2023 be approved as a correct record

1.5 Action log

It was noted that all actions were closed.

2. Performance and Delivery

2.1 CEO's Introduction

The CEO reported that focus remained on the Transformation programme which was in a challenging period as expected, with the impact of changes to the programme timings a priority for the Transformation team. Further updates were scheduled for later in the meeting.

Work was underway to review the Target Operating Model – Change which would improve reporting on change processes and aid future planning.

Q2 reforecasting process was due to take place on 10 November, with a broadly positive financial position.

Treasury approval of the pay award was still awaited. Given that the pay award was due in August, Directors were aware of the impact the delay may be having on morale. Regular updates were being provided to staff and if approved, the pay award would be backdated to August.

The Minister for AI and Intellectual Property, Viscount Camrose was due to visit the IPO on 29 November.

Engagement with China was improving although there may be some future challenges on data.

Challenges remained on the links between AI and IP and there would be a need for some political input and direction.

The Board were briefed on a recent security incident and it was noted that the IPO security systems had responded to the incident well.

2.2 SB(23)31 Executive Board Report and Corporate Priority Delivery Report

The Board received the Executive Board Report which covered the period for August and September 2023 and provided the Steering Board with an overview of the performance of the IPO. It also included information on the month 6 performance against the IPO Corporate Priorities.

The Board queried the impact of the civil service wide industrial action and were advised that it had impacted on overtime which was used to meet patent targets.

The Board were advised that there had been no change in the litigation case as information was awaited from third parties.

The work on long-term policy recommendations for SME financial support was queried and it was suggested that an item on this be brought to a future Steering Board meeting. It was also suggested that Harriet Kelsall act as Board sponsor for the SME work.

The Board welcomed the completion of the culture audit and noted that the Strategy and Culture work would need to fit together. An update on the Culture audit was planned for the next Steering Board meeting.

The Board noted the legal powers project under which the IPO was seeking to acquire legal powers under the Investigatory Powers Act (IPA) 2016. The Board commented that it would be useful to have an update on the IPO's enforcement Strategy.

Overall the Board considered that the EBR and accompanying documents provided a useful update and welcomed the improvements. The Board also noted that the IPOB engagement through the 'Director Calling' series was an informative tool.

**ACTION: Item on SME financial support to be brought to a future meeting
Item on IPO's enforcement strategy to be brought to a future meeting.**

2.3 SB(23)32 IPO Risk Management

The Steering Board received an update on the IPO's Risk Management. This included the risk exposure maps which showed risks being managed at IPO Board, the Committees and the Transformation Programme Board. In relation to the Strategic Risks, it was reported that risk S94 had decreased whilst S95 had increased. The Board noted the focus that the IPO Board placed on risk management.

The Steering Board discussed whether there was a need for a risk relating to cyber security and it was confirmed that a risk relating to this would need to be captured.

The Steering Board queried whether a risk relating to reputation in relation to cyber security should also be captured however it was noted that reputation was considered as part of each risk.

Further detail relating to S95 was included in the Transformation update.

The Steering Board noted the usefulness of the 12 month rolling RAG list.

ACTION: Risk relating to cyber security to be developed.

2.4 SB(23)33 Transformation Update

The Steering Board welcomed Jan Gower, Independent Advisor to the Transformation Programme Board to the meeting.

The Board were advised that whilst significant progress had been made, Release One was subject to a delay of approximately six weeks. Replanning work was ongoing which would allow any cost impact to be understood, however this would be within the contingency fund. A lessons learned exercise was also being planned with the Strategic Delivery Partner (SDP) and this would include a review of the ways of working. It was reported that a number of customers had expressed an interest in taking part in the pilot and engagement work was ongoing.

Jan Gower advised the Steering Board that delays on projects of this size were common and that it was important that Transformation delivered a high quality product for customers. The partnership was working effectively, and the team were responding to challenges positively.

The Steering Board noted the importance of getting transformation right and acknowledged the significant work the Transformation team had undertaken.

2.5 SB(23)34 Audit and Risk Committee Annual Update

The Steering Board received the Annual Update from the Audit and Risk Committee (ARC), which set out the activity of the Committee relating to the 2022-23 Financial year. The Committee had met five times during the period and the attendance records and minutes from each meeting were contained within the papers. During the year the Committee had focused on the Annual Report and Accounts, the Audit Completion letter, Counter Fraud and Error reports, Security and Data breaches and Whistleblowing and Informal Feedback mechanisms.

The ARC Chair also provided a verbal update on the ARC meeting held on 30 October. ARC had received an update on Transformation, Security and Data breaches, Concept House Valuation and the Voluntary Redundancy Scheme. An early view of the Q2 financial forecast had also been given.

The Steering Board noted the valuable work of the ARC.

2.6 Steering Board Effectiveness Review

The Steering Board were advised that an external Effectiveness Review should be undertaken every three years, with annual reviews conducted in the interim. An external effectiveness review was undertaken by a Non-Executive Director from Companies House in 2021. Since then, the Chair has conducted regular appraisals of Steering Board members, including review of the Steering Board's operation, and at the end of each Steering Board meeting, Members and the Executive reflect on the meeting and its effectiveness. The next External Effectiveness review was due to take place in 2024 and it was suggested that this would be likely to report in late 2024 and further annual reviews would then be scheduled.

Agreed: that the approach to the Effectiveness review be noted

Action: Secretariat to commission an external Effectiveness Review for 2024, with a target reporting date of November 2024.

2.7 Department of Science, Innovation and Technology (DSIT) Verbal Update

The Steering Board received an update on from Lindsay Jamieson, Deputy Director of Science and Innovation Sponsorship at DSIT. It was reported that DSIT were creating a core team around Sponsorship and this should further develop the working relationship between DSIT and the IPO.

The Steering Board were informed that a National Technology Advisor had been appointed (David Smith) and this role would be looking at the Science and Technology Framework. A successful AI Summit had been held recently with the Bletchley Agreement being signed and an AI Safety strategy launched. A Global Investment Summit was due to be held on 27 November and the Minister for AI and IP, Viscount Camrose was due to visit the IPO on 29 November. The King's Speech was likely to contain plans for two Parliamentary Bills from DSIT – the Digital Market & Consumer Bill and the Digital Information Bill.

Members of the Steering Board noted the need to ensure that the Creative Industries, who were traditionally represented by the Department for Culture, Media and Sport continued to be integrated.

3.0 SB(23)36 Customer Update

The Steering Board received an update on the Customer Strategy. It was noted that the overall customer satisfaction rate of 87% from last year was being maintained and therefore the IPO was on track to exceed the ministerial target of 85% for the year. Customer complaints had reduced by 25% and escalated complaints had reduced by two-thirds. User Research participant targets for each of the Transformation workstreams had also been exceeded.

Work had also been done through the 'Close the Loop' initiative which helped to improve customer experience. The challenges were also recognised and included responding to increased customer expectations, the unknown customer reaction to transformation and the transition to new ways of working for IPO teams. Work was therefore ongoing to review the Customer strategy, support transformation with updated guidance, building capacity within the customer care manager network and support interaction with vulnerable customers.

The Steering Board welcomed the work being undertaken and were pleased with the significant reduction in customer complaints. They reflected that speaking customers language was key and was important to reflect the customer experience back to the staff. It was reported that customer satisfaction information was shared regularly, with show and tells also taking place. However work in this area was ongoing. Work to understand the needs of future customers was also key. The Steering Board thanked the Customer team for their work.

4.0 SB(23)37 Strategy Update

The Board received a brief update on progress with the refreshed strategy and noted the presentation which had been given to Steering Board members on 23 October. Work was ongoing with DSIT and Ministers to ensure that priorities were linked.

5.0 SB(23)38 Corporate Planning Update

A paper providing an update on the corporate planning cycle and the approach to corporate planning for 2024/25 was received by the Steering Board. The Steering Board were advised that the new Strategy Enablement team were now responsible for coordinating the IPO's approach to corporate planning and to ensure that the corporate plan enabled the delivery of the Strategy. The long-term corporate planning framework would be enhanced incrementally each cycle so that a more efficient and integrated approach would be taken.

Work across IPO had already commenced to identify and understand the full set of activities and key commitments anticipate for 2024/25. IPOB had set out it's steer and direction on the organisational priorities and expectations for next year as a basis for the organisation to plan from, with the planning implicitly linked to the budget setting.

The Steering Board noted the planned timeline.

6.0 SB(23)39 Voluntary Redundancy Scheme

The Steering Board received a paper containing a summary of the latest position on Voluntary Exits and the associated resource implications. It was reported that there was unlikely to be any compulsory redundancy.

The Steering Board welcomed the planned approach.

7.0 SB(23)40 Forecasting at the IPO

A presentation and demonstration of Forecasting work at the IPO was received. The Steering Board were advised that Forecasting was valuable to the IPO as it helped to plan resources and estimate the finances available. It included forecasting applications/input received, income generated through those applications, additional fees associated with the rights granting process and renewal income from granted rights and was carried out by the Management Information/Business Intelligence (MIBI) Team within the Strategy Directorate and the PDTMDs Finance Business Partner. It was also reported that a number of challenges impacted on forecasting including world events, applicants and agents and the drivers of IP input.

The Steering Board also viewed the various models used by MIBI and a demonstration of the forecasting tools.

7.1 Q2 Reforecasting

The Steering Board received an update on the Q2 reforecasting position. It was reported that a surplus was currently forecast, partly due to higher interest received which was offsetting the lower patent income. The Steering Board were advised that future budgets needed to take account of changes to the way pensions were funded, wage bill increases, accommodation charges, litigation impacts and changes to income. A revised 5 year forecast would be completed using information from the Q2 position.

8.0 A.O.B

The Chair advised the Steering Board that recruitment for two Non Executive Directors would commence in the coming months to replace Kevin Orford (term ending 30.11.2023) and Lopa Patel (term ending 31.07.2024). The recruitment was being conducted by DSIT, with involvement from the Chair.