



Steering Board Meeting Note

Date: Monday 30 January 2023

Time: 10.00 - 15.30

Location: Concept House – Innovation Suite 1L02(H)

Attendees:

Chair: Harry Rich

Steering Board Members: Andy Bartlett (Deputy CEO), Laurie Benson, Harriet Kelsall, Andrew Lawrence, Sarah Mackintosh (BEIS), Hilary Newiss (Remote), Kevin Orford, Lopa Patel (Remote), Adam Williams (CEO)

Executive Directors: Sian-Nia Davies, Neil Hartley, Chris Mills, Penny Phillpotts, Sarah Whitehead

Non-members: Maria Ciavatta (CEO Office), Amy Morse (Secretariat), Sophie Reynolds (Secretariat), Guy Robinson (Chief of Staff)

Presenters: Julie Griffiths, Craig Seer, Lorna Dukes, Simon Haikney, Caroline Rich

Apologies: Pippa Hall

1.1 Chair's Introduction

1. The Chair welcomed everybody to the meeting, noting that Sarah Mackintosh, Hilary Newiss and Lopa Patel are joining virtually.
2. The Chair noted it was Adam Williams' first Steering Board meeting since being appointed Chief Executive. The Executive Team is now in place, providing a period of stability in the team to enable both delivery and change.
3. The Chair thanked Mechelle Evans for her help during her time in Secretariat. Maria Ciavatta will be supporting the Secretariat team until the new Head of Secretariat is recruited.
4. The Chair welcomed Claire Mundy who will be temporarily taking over from Maria as support to Adam Williams.

1.2 Apologies

5. The Chair noted apologies from Pippa Hall.

1.3 Approval of Minutes

6. The minutes of the Steering Board meeting held on 02 November 2022 were approved.

1.4 Action log

7. The Board discussed the action log and noted the following:

- In future, acronyms should also be spelled out in full at their first use.
- Neil Hartley confirmed the paper outlining proposals for the fees review would be brought to March's Steering Board meeting – this action can be closed
- Pippa Hall will provide an update on her action on assurance and governance on her return to work – keep action open.
- Action on Business Planning – for Steering Board members to provide Pippa Hall with input into the prioritisation framework - agreed for this to be closed as this will be discussed as part of the Corporate Planning discussion.
- Penny Phillpotts confirmed that her action on workforce plans was ongoing.
- The Chair noted that the meeting would pick up the action on Business Planning later in the meeting – this can be closed.

Action: Secretariat to close action for Neil Hartley to bring fees paper review to March Steering Board as this is in train.

Action: Secretariat to close action for Steering Board members to provide Pippa Hall with input into the prioritisation framework.

1.5 Declarations of Interest

8. None.

2. Performance and Delivery

2.1 SB(23)01 Executive Board Report (EBR)

9. Adam Williams said that he was delighted to take up the role of CEO and welcomed the supportive dialogue between the Executive Board and Steering Board which he intended to maintain. The capability of the IPO Board is strong and there is development work underway to ensure Directors were working the best they could together and be a high-performing unit.

10. Adam noted the following current challenges and priorities faced by the IPO:

- Corporate planning and aligning the organisation to the new priorities
- Transformation remains a top priority and will appear in both the Corporate and Financial discussions today
- In the policy space, Retained EU Law (REUL) is a challenge, but the IPO is well ahead of other policy areas in identifying potential legislative approaches.
- The IPO is currently focusing on maintaining support to SMEs (Small Medium Enterprises) whilst working out the funding challenge over the next few years.
- IP Attorneys and CITMA are increasing lobbying to change rights of representation rules, so this may pose a reputational challenge for IPO.

- Counter infringement and enforcement – the Strategy was set out a year ago, but delivery was delayed due to wider priorities/challenges.
- People Survey – overall score is down around 6% this year, mostly due to external factors, but the IPO Board are responding as much as they are can.
- Accommodation – less staff were attending Concept House so there was some work to undertake on how best to use the space.
- Future Strategy – what does this look like and how this is refreshed.

11. The Board questioned if the Trademark Attorneys issue carried a big reputational risk and if in reality the IPO could do something about this. Adam said this needed to go through legal assessment and the Home Office have a strong view too, so it was not a simple decision that lay just with IPO.

12. He explained that the consultation on AI and IP had concluded, and the team were currently in discussions with DCMS to see if there are other measures available to help promote the AI sector without undermining other rights areas. Chris explained that the results of the write-round would be announced in the coming weeks.

13. Adam discussed further highlights from the EBR/emerging issues:

- There is strike action taking place on 1 February which wasn't expected to have a huge effect on productivity and the IPO had prepared for any impact this may have.
- The need to continue to maintain rights granting day to day.
- Trademark filings are down, but other countries were also experiencing this trend. This had fed into budget discussions, and Adam assured the meeting that the Office was alive to this issue.
- Finances – there has been an increase in the forecast financial surplus due to lower spend; and Trademarks income is down £900k.

14. Harriet Kelsall asked whether the IPO was taking the needs of smaller businesses into account in terms of their use of IP and asked for reassurance on this. Sarah Whitehead responded that she recognised there was more that could be done, there was currently research underway in this area. The IP Awareness Survey would help gather evidence before the Office decided on interventions.

15. Kevin requested to have more time in the upcoming Audit and Risk Committee to understand the ministerial targets.

16. Adam updated the Board further on REUL stating that Ministers had been clear that this will be done by the end of 2023. The IPO Board recognised the need to give stability to business on this and ensure that Ministers understand that it was important that any changes did not break the IP system. Chris said that the danger zone is around the legal precedent set by case law and the volume of these decisions that needed to be considered and retained.

17. The Chair asked for an update on the Organisational Design (OD) review. Penny responded that it had taken time to fill roles particularly in Strategy however, the OD review was now underway to ensure that the IPO could see how things were working in the new structure and provide support where areas need it to fulfil the OD plans. Further reviews would take place as necessary to ensure that the benefits of the changes were realised.

18. The Chair summed-up by confirming that the Steering Board remained interested in the OD work and looked forward to further updates as it matures. He also suggested a Deep Dive session

on Tribunal work at a future Steering Board meeting. The Chair noted that Pippa Hall and her team have been looking at the current Board and Committee structure and that it would be good to get a resolution on this.

Action: Secretariat to give more time on the upcoming ARC agenda to Ministerial Targets discussion.

Action: Secretariat to add a session on Tribunal Activity to a future Steering Board agenda.

2.2 SB(23)02 ARC Verbal Update

19. Andrew Lawrence provided an update from the Audit and Risk Committee (ARC) explaining that the timing of the last ARC meeting was unusual as it had taken place a few weeks after the Steering Board meeting. He and Pippa are looking at the sequencing of meetings.

20. Andrew listed some points from the last ARC meeting:

- Q2 financial forecast – the Committee recognised that a larger financial surplus could lead to potential questions regarding the appropriateness of our fee levels in the near future.
- Transformation Programme was shown as red but moving towards green and the Committee were trying to understand the risk. Time lags in reporting and some inconsistencies were being reported on Transformation Programme Board and the risk register as a whole and there was a need to look at how the Organisation-wide risk register is presented. ARC will look at this at the next meeting.
- The main area of focus for ARC is assessing the impact of work such as REUL that prevent us delivering against our agreed IPO Strategy.
- Preparation of IPO accounts – Andrew explained there had been issues in July due to the KMPG's timetable but ultimately, ARC had assurance for end of year accounts.
- Internal Audit update – there were changes in personnel, James Meager has left his role and Steve Collins has been newly appointed as the internal audit advisor.
- It was noted that there were no whistle blowing reports. A briefing on this demonstrated that a vast array of informal mechanisms are working well for staff to channel their feedback.

2.3 SB(23)03 BEIS Update

21. Sarah Mackintosh presented the BEIS update. Sarah discussed an alternative approach to research funding given the impasse in re-joining Horizon Europe. The alternative programme prospectus will be published in February and there has already been a strong and positive reaction from the sector.

22. Adam noted that a lot of the IPO's outreach programmes could be affected as there is an operational support link with UK research bodies.

2.4 SB(23)04 Transformation Update including Phase 2 Business Case update and the re-plan

23. Andy Bartlett and Craig Seer presented an update on Phase 2 business cases, Comms and progress against the Programme's position for Phase 1.

27. Craig gave an update on Transformation Communications work. The team have started to emphasise the importance of collaborative working and 'drop-in' sessions have been planned to update staff, help them understand progress and the direction of travel. Andy discussed the effect of Transformation on people, adding that the effect very much depended on whether someone was directly affected by the changes. The Board agreed that messaging needs to be kept clear on what's being delivered by September 2023 and that the impact of the messaging needs to be measured by both the Comms and Transformation teams.

27. Lastly, Craig briefed on our Phase 1 delivery and the current position. The Programme status is now amber due to some activity being delayed (predominantly within the 'Manage' workstream). Craig assured the Steering Board that the 2023 date has not been compromised and more resources have been brought in to meet the delivery timeline alongside work to ensure backlog estimates are more robust and issues are escalated effectively.

2.5 SB(23)05 Corporate Planning

28. Adam Williams, accompanied by Guy Robinson, presented the Corporate Planning item with a request to the Steering Board to consider the proposed approach and priorities for 2023/24 and agree if IPO should review Strategy for 2024-2027.

29. Whilst income remains on forecast, there will be an increased call on our surpluses over the next 2 to 3 years. He felt that the current Strategy was starting to come to a natural end in terms of its ability to inform decisions and prioritisation for the next few years. Refreshing/renewing it in 2024 would give the IPO a good framework to deliver in its next phase.

30. The financial position was discussed in more detail highlighting large commitments for Transformation, data and management/business information services. This increase in capital expenditure meant their further capital spend would be limited until reserves were rebuilt; rebuilding would begin post 2025.

31. The Board discussed that in order to operate a balanced budget in 23/24, some of the ambition within directorate plans had to be curtailed for now.

32. A discussion ensued where some board members favoured prioritising more support to small and medium enterprises (SMEs) in the UK market but as there was recognition of the work being done to assess the impacts of our business support schemes, and the large spend on Transformation, it was acknowledged that the Board would support the strategic priorities presented by the CEO and the adoption of a balanced budget for 23/24.

33. The Chair summed-up that although the Board clearly supported the IPO being ambitious in supporting smaller businesses, currently other pressures prevented beginning new programmes. The ambition could therefore be more focused once the strategic direction was finalised. He added that this year the Office should focus on what was achievable. The Chair requested that once IPOB have completed their prioritisation discussions, the outcome should be circulated to the Steering Board for discussion at a short on-line meeting. The Board also supported reviewing the Strategy next year.

Action: Secretariat to organise an online meeting between IPO Board and Non-Executive Directors to discuss the corporate plan in more detail.

2.6 IPO Risk Management

34. Julie Griffiths presented the IPO risk register report and noted that IPOB have agreed that Risk S88 on REUL has now been amended from a risk to a Watch Worry on IPOB and Committee risk registers. Chris Mills will draft a new corporate risk to cover any mitigating activities and impact on REUL from a litigation aspect.

35. The Board discussed the Risk Exposure Map and whether the top risks felt right. Andrew asked about the staff morale risk (red, high) and probed what risk this was to the organisation. Penny stated that this could affect sickness, productivity and the organisation not working at its peak performance. Chris added that external factors and pressures on staff (such as a negative narrative about civil servants and ongoing cost of living pressures, in part driven by less than inflation pay-rises) meant that a good percentage of the organisation are feeling under pressure, hence the risk rating.

36. Sian-Nia highlighted that risk S86 should include information about attracting staff as well as retaining them. The Chair felt this risk was more in relation to existing staff and although it would be useful to be reflected in the risk, he left it for the Executive Board to decide.

3. IPO Customers (Strategy and Impact)

37. Simon Haikney and Caroline Rich presented this item and asked the Board to comment on what was needed in the future and what changes were required for the wide range of customers of the IPO.

38. Simon highlighted some successes: the production of the customer strategy, the expansion of the Customer Experience Unit, reaction to customer needs and the excellent customer feedback IPO have received. He added that customer satisfaction scores are at the highest they had ever been. Despite these successes, the team were mindful not to be complacent.

39. Caroline added it was good practise to review the strategy cycle every 3 years, stressing that the customer is at the heart of the IPO. IPO customer satisfaction is ahead of other government departments but added that she was mindful that the IP landscape has changed over the past three years. The aim is to develop a greater understanding of different types of customers and to improve their experience when interacting with the IPO. Caroline discussed the Customer Experience Unit (CEU) and explained that as customer behaviour will continue to change, there is a need to do a horizon scanning exercise to ensure people are supported in the workplace to manage any changes and in turn can support customers.

40. The Chair asked the Board for their thoughts on the process and proposed strategy. The Board was encouraged that the team's focus is on customer insight. Harriet stated the important of understanding customers not currently using the IPO, such as future generations, and their differing views on IP and how they operate as businesses. She felt that perhaps more work was needed to ensure these potential future customers are reached. Adam agreed that IPO needs to be clearer on its outreach and education on IP as there is a strong link between the two.

41. Sarah Mackintosh showed support for the Strategy but noted it was quite generalist and queried if there was consideration for differing types of customers. The Board agreed that there is a need to target interventions more clearly and the Strategy should set this out.

42. The Chair summed-up that it felt the customer first approach is embedded clearly across the organisation. The strategy review is a good opportunity to engage with the Office and determine what we need to deliver.

4. Update on the ISO 27001 accreditation

43. Sian-Nia Davies presented this item and explained the risk-based approach being taken of putting the right control in place to build resilience against cyber-attacks. The accreditation had been maintained for three years. Sian-Nia added that the Security team audit went well, and the team have already resolved the one identified minor non-conformity. She assured the Board that the Office is keeping up with technical trends to militate against threats.

44. The Board congratulated Sian-Nia and her team on the ISO 27001 accreditation, adding it was good news for the IPO from a security perspective.

5. IP Access Funding Scheme Evaluation

45. Lorna Dukes presented this item which provided assurance on the evaluation of the IPO's IP Access Grant Scheme. Lorna asked the Board to provide comments to inform the next steps and development of the evaluation framework.

46. The Scheme was introduced in August 2021 in response to Covid and to support SMEs at a challenging time. The results of a survey of last year's cohort have indicated that it's been helpful to 99% of those businesses that responded to the survey.

47. An evaluation framework has been set up to look at the impact of the grant schemes and the team will aim to look at how the Scheme can be re-evaluated. The Office will continue to embed the evaluation framework, and this will support decision-making on the future of grant schemes.

48. The Board discussed the grant scheme and had some concern around any plans to stop this work considering its success: It is a great example of how the IPO supports UK businesses and the economy.

49. The Board asked to be clear if the Office is using too short a measure on ROI (return on investment).

50. The Board agreed there is lots more potential to build on this Scheme and looked forward to hearing more. They were also impressed that the IPO are leveraging funding from outside which is a demonstration of the Scheme's success.

6. Reflections of Meeting & Close

51. The Chair asked the Steering Board for their reflections of the meeting. The Board agreed that another room should be used for the next meeting due to the sound quality and technical equipment. The Chair commented on the challenges of hybrid meetings.

52. The Board agreed:

- I. that there was a good amount of time for each discussion and the presenters were well-equipped to inform the Board on their respective items and provided good quality papers.
- II. the reworking of the Strategy will be important and it's positive to see the enthusiasm for this.
- III. that the sequencing of other governance meetings (such as IPOB and ARC) needs to be addressed so that there is a natural flow of meetings that will allow each one to be

informed by the preceding meeting e.g. ARC meeting before Steering Board to inform and provide assurance to Steering Board.

Action: Secretariat to look into the sequencing of meetings for future.

Date of next meeting: 29 March 2023