



Intellectual
Property
Office

Steering Board Meeting Note

Date: Wednesday 29 March 2023

Time: 10.00 - 15.30

Location: Concept House – B3

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, Adam Williams (CEO)

Executive Directors: Sian-Nia Davies, Pippa Hall, Neil Hartley, Penny Phillpotts, Sarah Whitehead

Non-members: Maria Ciavatta (CEO Office), Amy Morse (Secretariat), Guy Robinson (Strategy Development and Management), Laura Fleck (Deputy Director of Strategy Delivery)

Presenters: Julie Griffiths, Natasha Chick, Liam Hynes

Apologies: Chris Mills

1.1 Chair's Introduction

The Chair welcomed everybody to the meeting, noting that:

1.1.1 Hilary is joining virtually for the first hour of the meeting.

1.1.2 Since the last Steering Board meeting the IPO has a new Minister and new Department (DSIT). Our Director General, Jo Shanmugalingam, will join the meeting to answer any question and how we may respond to any changes.

1.1.3 Sarah Mackintosh has moved so a new permanent DSIT representative will join the Steering Board in due course.

1.2 Apologies

1.2.1 The Chair noted apologies from Chris Mills due to paternity leave and sent the Board's congratulations.

1.3 Approval of Minutes

1.3.1 . The minutes of the Steering Board meeting held on 30 January 2023 were approved subject to the ARC annual update title being amended from a verbal update.

Action: Secretariat to amend the January Steering Board minutes to reflect the ARC Update being an 'ARC Annual Update' from 'ARC Verbal Update'

1.4 Action log

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

- Action 'Chris Mills and Hilary Newiss to have a call to discuss the litigation issue' – confirmed this will take place when Chris returns from paternity leave
- Action 'Performance Update' – Pippa Hall explained this information will go monthly to IPOB and was confident this will capture the Board's needs
- Action 'Workforce Plans' – Penny noted this has been agreed as a Corporate Priority. This is now picked up in the Corporate Plan.

Action: Secretariat to add a paper on June's Steering Board Agenda – 'Update on Workforce Plan Programme – Penny Phillpotts' this action has now been amended to reflect Penny will give a verbal update on this to Steering Board under June's action log discussion.

1.5 Declarations of Interest

1.5.1 . None.

2. Performance and Delivery

2.1 CEO's Introduction

2.1.1 Adam Williams noted that Corporate Planning was almost complete and currently with the Minister to clear. It included four Ministerial Targets and seven Corporate Priorities. Adam assured the Board that IPO are in a good place and are working on the challenges of maintaining customer target standards as we go through transformation.

2.1.2 Adam noted the following current challenges and priorities for the IPO:

- Strikes/unrest – in the past months there have been strikes which affected 30-40% of the workforce. A further strike is planned for 28 April which would have a small impact and outputs and cumulative impacts will be monitored. There is a perception that the Board have flexibility to award pay increases when this is centrally governed, however, the Board are looking at all other possible measures within their control.
- London office – a potential loss of London space is likely to impact our ability to recruit London staff, in particular policy roles
- Strategy – conversations have been ongoing about a Strategy refresh and the key question is: How does the IPO enable the science and technology framework? A Strategy refresh will be an opportunity for the Board to prioritise activities and set up a five-year budgetary cycle. The Chair requested that at the June Steering Board meeting, a large part of the agenda is devoted to think about strategic priorities and ideas.
- The Valance Review – we're currently working on AI and how this interacts with IP rules. The team are working to set up a stakeholder roundtable
- Litigation issue - an update was provided to Steering Board (details redacted)
- Director of Business and International Policy vacancy – the recruitment should be concluded by the next meeting.

Action: Secretariat to ensure there is a longer 'Strategic Priorities' slot on the June Steering Board agenda

2.2 SB(22)10 Corporate Plan

2.2.1 Pippa Hall presented this item explaining she has liaised with DSIT to agree the plan and the main point to note is around the proposed decrease to 80% in the customer satisfaction target to

take account of Transformation challenges however, Jo Shanmugalingam was keen for this figure to remain at 85%.

2.2.2 The Board discussed the following:

- Look into the wording of Ministerial Target 3 as currently it reads as our new ideal culture will be in place by January 2024
- Things we do less of – IP Access is on the list of reduced activity provided for the meeting, conversely, in the Corporate Plan it says IPO will do more on this issue. Pippa explained there will only be a small reduction in Access grants we make – this decision was taken ahead of a strategic piece of work looking into the Office's entire offering on SME support. This review would then allow us to better match resource allocation to impact. We need to ensure our long-term approach is sustainable to supporting SME's, so its right to review before committing more funds.
- The Board continued to support doing 'less, but better' as an overall approach.

2.3 SB(23)11 Executive Board Report (EBR)

2.3.1 The Board thanked Adam for a helpful report and noted the useful information paper from Neil Hartley on income forecasting. The Board discussed:

- Sickness absence – the Board questioned if there is a 'new normal' and whether 6.5 days was no longer achievable post-pandemic? Penny confirmed that IPO are doing everything to provide high levels of support to those on sickness leave.
- A reduction in productivity in Patents was noted – the productivity figures were being monitored and action will be taken to investigate if trend continues.
- Green Tech – The Board discussed that this is currently on pause as resource has been moved to support Retained EU Law (REUL)
- STEM programme – The Board were pleased to see the return of the STEM programme.

2.4 SB(23)13 DSIT Update

2.4.1 Jo Shanmugalingam, DG DSIT, joined the Board to explain current Government changes and give her view of the landscape. On the machinery of Government changes, she explained that BEIS has been split into three parts so that energy and net zero will benefit from sole focus and the work of science, innovation and technology will now have a dedicated department for driving ambitious outcomes for the UK.

2.4.2 The Board discussed the following:

- There were concerns about issues falling through the cracks now there are three separate departments and how the IPO's framework and stakeholders will be supported
- Concerns that trade is now in a separate department, and it was important to ensure the voice of IP is heard in a different fora
- The importance of the role of the IPO Board in overseeing organisational challenges that fall out of these changes
- The Chair stated he hoped to involve Jo Shanmugalingam, or one of her colleagues, in the strategy discussions at the next Steering Board meeting to give a departmental innovation perspective.

Action: Maria Ciavatta to send around the Machinery of Changes to Government document to Steering Board members

2.5 SB(23)14 Fees Review

2.5.1 Neil provided an update on IPO's review of fees, specifically noting that last year, IPO made a significant surplus. An audit review had identified that a cross subsidy issue between Patents

and Trade Marks had been identified and therefore we had agreed to review our fees in case a reduction of fees was now required.

2.5.2 The review concluded that more recently income forecast has decreased, and costs have risen, forecasts now suggest a more balanced budget with little surplus over the next two to three years. Consequently, there is no longer an argument to change fees.

2.5.3 The Board discussed the following:

- If fees were to increase, this could potentially impact small businesses
- The Board questioned if a new methodology needs to be considered to model fees
- In the context of fees - the Board recommended a discussion on what the organisation wants to continue to do and explore what stops us doing it – this will be done as part of strategy development.
- The Board asked about the IPO's level of confidence in forecasting over the next five-year period. Neil explained there was less confidence than in past years as there are more uncertainties.
- Andy specifically noted Patents demand does not tend to change hugely but Trade Marks is more sensitive to the economic climate. Both are currently at the level forecasted

2.6 SB(23)15 IPO Risk Management

2.6.1 Julie Griffiths presented the Board with the following risk updates:

- S56 Transfer of Concept House to GPA – closed as this is not going ahead
- S85 Government Efficiencies – moved to Watch/Worries list until further information is known
- S85 Cyber Attack – this will always be a risk but it is being managed effectively by the organisation. Agreed to move to IP Services Committee to manage any ongoing activities and mitigating actions are in place which aren't likely to change
- S87 Hybrid Working – this has been closed as a similar risk is being managed at Brilliant Place to Work committee
- S91 Corporate Services – moved to Watch/Worries list as until further information is known
- S92 Legal – moved to World Leading Environment committee to manage

2.6.2 The Board had the following queries on risk:

- The Board questioned the lack of a red rated risk on staff morale. Andy confirmed this is a Transformation Programme Board owned risk and is being monitored but agreed to take an action to check if this should be represented at Executive Board level
- The Board discussed WLE08 Legal and were surprised this risk is rated as likely. Adam explained that the BEIS legal team have recruited two additional IP legal associates adding that all IP policy changes have cross-cutting legal effects that need consideration.

2.6.3 Julie reminded the Board that she will be running a blank page risk workshop with IPOB and will do a quarterly deep dive during the next IPOB quarterly reforecasting period.

Action: Andy Bartlett to check if the Transformation Programme Board risk 'Staff Morale' should also be represented at Executive Board level, not just programme level

2.7 SB(23)16 Whistleblowing

2.7.1 The Board discussed the following:

- Formal whistleblowing is one of various routes staff can access - the organisation has many different avenues to raise issues..

- In order to increase visibility of these routes there has been recent comms activity on the intranet about whistleblowing. Perhaps as a result of this activity, a whistleblowing issue had recently been raised. This will be investigated independently and outcomes reported in due course.
- On the topic of recording whistleblowing, Adam stressed that there is a need to be clear who and how these should be audited. The Board agreed this should sit with ARC to oversee on an annual basis.

2.8 SB(23)16a ARC Update

2.8.1 Andrew Lawrence updated the Board on the main outcomes of the Audit and Risk Committee meeting on March 2, 2023 and noted the following:

- At Q3 reforecast, ARC noted the operating surplus of £14.5m. Notwithstanding this, the forecast for 23/24 shows income and expenditure to be at a similar level to each other, so that from a cash flow perspective we were in a less permissive environment than previously.
- Internal audit reports – both were advisory in nature, and whilst interesting, the value for money of advisory reports was questioned. A review of how Executive Directors commissioned these reports would be undertaken.
- ARC approved the internal audit plan for 2023/24
- ARC discussed the preparation work needed for the annual accounts
- ARC discussed the litigation issue and agreed it remains a red risk.

2.8.2 The Board thanked Andrew for this update and agreed there was a need to be assured on the rationale and expected outcomes from audits before commissioning. The Board agreed that any feedback on auditors should be sent to Andrew Lawrence

3. SB(23)17 Appointment to ARC

3.1 The Chair proposed that Harriet Kelsall join Audit and Risk Committee from 1 April. The Board formally noted they were happy to agree this and stated it is important to have a mixture of experience on the Committee and plans were in place to retain Chris Pleass as an independent member for another year.

4. SB(23)18 Transformation Update

4.1 Natasha Chick presented the Transformation update to the Board noting the following main issues:

- Transfer of owner is the biggest piece of work under 'Manage IP'. Development of this has now finished and is now in the test phase
- Team impacts in admin areas – over the past months staff whose administrative roles will no longer be required in a transformed organisation have been informed of this and supported with information as to how IPO plans to manage this transition and possible job losses. This will be carefully managed and mitigated through managed personnel moves where possible. It is an absolute priority to give staff support during this period
- Phase 2 update – An Invitation to Tender went live on 14 February. 17 March was the deadline for stage 1 responses. The team are currently assessing bids and a new contract won't be awarded until May.

5. SB(23)19 The Scope of IPO International Activities

5.1 Sarah Whitehead introduced this item and reflected that after the earlier conversation with Jo Shanmugalingam, there is potential for greater interest in the role IPO plays in the innovation environment and the UK's international ambitions.

5.2 Liam presented the scope of the IPO's international activities noting that our international engagement hits every aspect of our strategy. IPO is well-placed to deliver the government's wider ambitions from an IP perspective and the recent Government Integrated Review sets out the ambition to have a strategic advantage in science and technology.

5.3 Over the past 12-18 months, there has been a step change in the ability to protect valuable UK technology and science (e.g. critical national technology and capability) giving a more protectionist approach to IP protection from Government.

5.4 The Board noted the presentation and recognised the importance of the international IP activity to IPO's credibility across Whitehall, the ability for UK companies to operate overseas and the value IPO's international support programme provides to UK business.

6. Reflections of Meeting & Close

6.1 The Chair asked the Steering Board for reflections on the meeting which included:

- The following themes were identified as potential topics for the June Steering Board strategy discussion: business support, AI/machine learning, priority for green tech, emerging technology and platforms, generation Z as customers and colleagues. NEDs were asked to think about any other topics they would like included
- Secretariat to look at the possibility of an evening meal the night before the next Steering Board meeting (7 June 2023)
- For future meetings, it would be beneficial to have deep dives
- Enthusiasm on the strategy is apparent and a reminder to draw on NEDs knowledge where necessary
- The discussion on understanding internal audits and providing feedback to ARC was useful
- It was insightful for our DG to join the meeting and have the opportunity to ask questions
- Consider working with other organisation such as UKRI on e.g. Diversity and Inclusion.

Action: Secretariat to arrange a Steering Board meal for the evening of 7 June 2023 prior to the next meeting on 8 June

Date of next meeting: 07/08 June 2023