



Steering Board Meeting Note

Date: Thursday 2 November 2022

Time: 10.00 - 15.30

Location: Concept House B3

Attendees:

Chair: Harry Rich

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

Executive Directors: Sian-Nia Davies, Pippa Hall, Chris Mills, Penny Phillpotts, Neil Hartley

Non-members: Mechelle Evans (Secretariat), Guy Robinson (interim Chief of Staff), Jan Gower (for item 6 only), Julie Price (Secretariat), Maria Ciavatta (CEO Office)

Presenters: Lorna Dukes, Natasha Chick, Julie Griffiths

Apologies: Laurie Benson, Sarah Whitehead

Chair's Introduction

1. The Chair welcomed everybody to the meeting. He referred to the significant changes that have happened since the last meeting including the death of Queen Elizabeth and a change in Prime Minister. He welcomed Mechelle Evans to her first meeting as Head of Secretariat and Lorna Dukes as substitute for Sarah Whitehead and presenter for item 8.

Apologies

2. The Chair noted apologies from Laurie Benson and Sarah Whitehead.

Approval of Minutes

3. The minutes of the Steering Board meeting held on 8th September 2022 were approved subject to removing Tim Moss from the list of those present.

Action: Secretariat to amend the minutes from 8th September 2022 accordingly.

Action log

4. The Chair confirmed that all actions had been completed and closed.

Declarations of Interest

5. Hillary Newiss declared that her partner chairs a Creative Industries forum.

Performance and Delivery

SB (22)43 Performance Update

6. Adam Williams noted it is not yet confirmed who our Minister will be; there had been effective engagement with Dean Russell and any briefing can be reused with appropriate style changes. There is a Ministerial visit planned for the 10 November; the Prime Minister announced that the government would no longer be targeting workforce cuts to the Civil Service, instead focusing

on departmental value for money and efficiency. IPOB Q2 reforecasting will look at plans for a fees review, the impact of Retained EU Law (REUL) and policy development.

7. Lopa Patel referenced the '[Our Inclusive One IPO Culture](#)' report which shows that ethnic minority recruitment (new starters) at the IPO has risen from 6.4% in 2019 to 15.9% in 2022 (Pages 38-48). This demonstrates the success of targeted initiatives in the D&I area. Penny Phillpotts commented that this progress would be difficult to sustain given a pause on recruitment and the pause on programmes like the 'STEM Returners' scheme which contribute to the employee profile of the IPO over the longer term.
8. Chris Mills described the Retained EU Law work and how the tight deadlines will impact other areas. 33-50% of policy staff will be working on this but will depend on how much change ministers want to make to legislation. Deadlines may well adjust and will know more when the new Prime Minister sets out his intentions. Adam and Chris had met with the All-Party Parliamentary Group on IP in the week prior and there was no real desire for change.
9. The India trade deal, including the IP chapter, is still to be concluded. Political desire to conclude a deal promptly and overall dynamics of the negotiation will determine the outcome here.
10. Sarah Mackintosh queried what the plan for the surplus was. Neil Hartley advised that the current surplus is mostly committed for transformation, although further surpluses are forecast. Fees should equal the cost of services, but it takes a long time to change fees –three years last time. A fees review is in the process of being scoped, even though there are many uncertainties around the economic climate, volumes of applications and renewals, future headcount, and efficiency targets. At last year end NAO recommended that we engage with HMT about our fees as it was not sustainable to keep putting this off due to uncertainties. For the existing surplus, BEIS can take a small amount, but any significant withdrawal would go straight to HMT. A better option would be for IPO to deliver more BEIS IP related activities.
11. The Board found the Executive Board Report valuable but noted some repetition with other papers. They noted that alignment to the three pillars works well, but we may need more of a focus on the wider context and the page count could be reduced. The Board agreed that it is a good context setter for quarterly meetings. The report is produced solely for Steering Board, but IPOB will consider using it for wider comms in the IPO.

ACTIONS:

- **Neil Hartley to bring a paper to March Steering Board outlining proposals for the fees review**
- **Pippa Hall: the ongoing review into governance and assurance products will include a look at the EBR to maximise value for Steering Board and minimise work.**

SB(22)44 ARC Annual Report

12. Andrew Lawrence explained that the ARC Annual Report is for the financial year from April 2021 to March 2022, however, as the Annual Report and Accounts were approved in July 2022 additional work was carried out by ARC up to the time of approval.
13. ARC reviewed specific accounting issues and key judgements during the year and are pleased to confirm that a clean audit opinion was given by the external auditors. ARC have previously advised Steering Board of some difficulties in relation to the timing of the receipt of the Audit Completion Report. ARC reviewed the work of GIAA during the year. Ten internal audits were

carried out of which three gave limited assurance, six gave moderate assurance and one gave substantial assurance.

14. Overall, GIAA gave a moderate opinion for the financial period. ARC reviewed IPO's arrangements for managing risk at each meeting and have gained assurance on issues such as the DEPS design system and the Transformation Programme. ARC are of the opinion that IPO has maintained a sound system of governance, risk management and internal control during the financial year.
15. The Chair welcomed the supportive and collaborative approach taken and the Committee's role in addressing and/or avoiding issues.

SB(22)45 BEIS Update

16. Sarah Mackintosh spoke to the Board about the key priorities at BEIS and explained that ministerial portfolios are still being finalised.
17. The Secretary of State is likely to be engaged in all decisions but will seek the view of junior Ministers. His preferences are for short submissions – no more than two pages. He is particularly interested in opportunities for announcements. This can be seen as an opportunity for IPO – but may mean a refined approach to briefing and making them less technical and more accessible.
18. The Chair asked about the approval process for submissions. Adam Williams confirmed director level sign off but will need to check they are pitched correctly in the short term. Pippa Hall confirmed work is in train on a 'core narrative' so this will assist.
19. The Chair reiterated that we have core services to provide, and this needs to be managed whatever is going on in Government.

SB(22)46 Transformation Update

20. Andy Bartlett introduced Natasha Chick as the new SRO for the Programme. Programme Board had also approved a comprehensive release plan for hitting the September 2023 private beta deadline.
21. Natasha Chick gave an overview of the programme and highlighted some of the positive progress that had been made. The Transformation team are working very effectively together and have recently completed a couple of hackathons which have driven work forward and been an enormous success. The Programme has made progress on recruitment in a difficult market and closed some of the gaps that have been outstanding for some time.
22. Andy reported that a comprehensive analysis of the benefits provided by the Programme was underway as part of the Phase 2 business case development work. This includes a review of the benefits expected from phase 1 compared to those included in the Overarching Investment Case to ensure that we are on track. He also reported that Business Change and Organisation Design work was on track to ensure IPO has the appropriate post-Transformation capabilities and skills.
23. Lopa Patel suggested it is not evident we are undergoing a Transformation from a wider IPO perspective and advocated a 'countdown clock' in reception /on social media as a device to help that. Natasha confirmed an internal countdown clock is already being organised.

ACTIONS:

- **Natasha Chick to amend future Transformation reports to include further information on route to green including actions, mitigation, dates and a confidence ranking.**
- **Penny Phillpotts to provide Steering Board with workforce plans Q1 2023-2024**

SB(22)47 IPO Risk Management

24. Julie Griffiths (Head of Governance and Risk Management) presented the top three risks to the organisation.
25. A discussion around S86, a red risk around staff morale due to multiple factors including CS25, hybrid working policy, pay deal and the cost of living, was held to understand the contributing factors and impact on the organisation. Adam confirmed this risk has an impact on culture and wellbeing.
26. Penny Phillpotts added that she has commissioned a piece of work from Internal Audit, due in December 2022 to demonstrate the value to our people and our organisation of regular office attendance in line with our target of 20% of contracted time.
27. Adam Williams confirmed that some policy work has had to be reprioritised to ensure we are correctly resourced for REUL. Pippa Hall explained that some of the proposed growth areas that were identified as part of OD have been affected the most by the pause to recruitment as a result of CS25 and therefore benefits from OD are taking longer to realise.
28. Andrew Lawrence asked how we seek to ensure we do not get deflected by the government changes and Pippa Hall confirmed that as part of corporate planning options will be built in to look at what could be delivered if we increase headcount alongside the option if we continue 'as is'.
29. Kevin Orford raised the staff morale is a red risk and only partly within our control, so we need to accept that it might never get to green.
30. Hillary Newiss asked for more detail on the risk around specialist legal resource. Chris Mills confirmed that IPO relies on the BEIS legal department, who only have limited numbers and vacancies, so it is about managing resources and bottlenecks, which REUL has added to. IPO also has a contract with an external legal company which it uses as much as possible.

ACTION: Julie Griffiths to add in dates for when the closed risks were closed.

SB(22)48 Overview of the IPO's business support and SME outreach programme

31. Lorna Dukes confirmed that her team seeks to work with a multiplier effect by integrating IP into business support across the UK, reaching a wide range of businesses as part of wrap around business support. They foster effective government relationships and hold 'teach ins' for civil service colleagues alongside upskilling the current and future workforce via schools, colleges and universities and through supporting ongoing professional development.
32. Partnerships are in place with UKRI, Innovate UK, development agencies and British Library Business and IP Centre network. Grant schemes are being delivered via those and other agencies. Last year we delivered our biggest grant programme – we aim to target innovative high growth to target IP registration but also more strategic use of IP rights.

33. The Chair queried the impact of what has been done and if the intended outcomes have been achieved. Lorna Dukes confirmed that we benchmark on an international level and carry out annual evaluations as well as looking at the evidence base across government. This work is discussed and shared with IPOB and the relevant committees.
34. Harriet Kelsall wondered about how we reach future businesses created by Generation Z. Lopa Patel welcomed the holistic approach but queried how we work out return on investment and measure the impact. Lorna Dukes assured the meeting that Business and IP Centres are visited and now placed in 'tiers' so that established centres can share good practice. The team is looking at the stats available and working out relevant metrics, e.g. to capture what the grants are spent on. Andy Bartlett suggested that a metric could be number of businesses founded and/or grown with case studies to describe the true impact of the grant. Harriet Kelsall asked about the strategic decision making around this and suggested that all content could go online.
35. Lopa Patel asked what the ambition to scale up activity was, given that we currently reach 70k businesses but there are 700k new start-ups each year? Lorna and Pippa confirmed this was something that would need to be discussed in the corporate planning activities where IPOB will need to make decisions on priorities.
36. Hillary Newiss was pleased to see the developmental journey of this work and pointed out the potential for conflicts of interest. The IPO needs to be a neutral provider of neutral facts. There are other professional services out there to give advice.

ACTION: Lorna Dukes to share details of future out-reach activity for the coming year, to Steering Board.

SB(22)49 Business planning

37. Pippa Hall presented the new approach to Corporate planning, explaining that this will be capturing all activity within the organisation including business as usual (BAU) and ensuring that the plan is clearly aligned with the Strategy ambition. Some of the outcomes in the strategy may need clarifying further as we go through the process. Once all activity is captured there will then be a prioritisation process undertaken to ensure we have the right resource and capacity to be able to deliver the plan. This may involve taking decisions to stop particular bits of activity, if necessary. Pippa asked for assurance that the Steering Board were supportive of the new approach and the Q2 reforecasting that was taking place at IPOB.
38. Andrew Lawrence mentioned the significant savings caused by the CS25 pause and asked whether these can now be used for accelerating some of the items we have paused. Pippa confirmed that the quarterly reforecasting gives that flexibility.
39. Pippa Hall confirmed that an update on the draft corporate plan will be presented to next Steering Board.
40. The Chair welcomed the approach as refreshing and giving staff confidence that we can and will stop areas of work if we want and need to.
41. Kevin Orford raised the point that he felt there was not a distinct thread around transformation in the corporate planning process. Pippa replied that she saw Transformation as the "how" we deliver the IPO outcomes included in the strategy and the plan rather than its own outcome. Transformation will be key for the delivery of the outcomes under Excellent IP Services. It was accepted there is more work to do to engage and involve those in the organisation who are still

sceptical and ensure everyone is fully bought into delivery of the Transformation Programme being crucial to delivering our Strategy.

42. Kevin Orford highlighted the point about how we show we are fulfilling the Government's agenda, including levelling up. It was confirmed that WLE covers this, but we need to take a view on what is going to stick in very volatile political environment.
43. The Chair looked forward to seeing the plan but cautioned that detailed prioritisation is not for Steering Board.

ACTIONS:

- **Draft Business Plan to be presented to next Steering Board (and any surprises to be flagged) Pippa Hall. Secretariat to add to the Work Programme and January's agenda.**
- **Steering Board members to provide Pippa Hall with any input of other factors that should be included in the prioritisation framework provided and with any steers on key priorities for next year based on their involvement in the IP ecosystem.**

Reflections on meeting and close:

Deep Dives for Future Meetings:

- Harriet Kelsall: Next generation customers/employers
- Andrew Lawrence: Medium to long term financials having regard to ongoing surpluses
- Lopa Patel: Encouraging UK companies to set up abroad & taking the temperature of the business community by talking to them
- Hilary Newiss: Can we help businesses further by widening the scope of grant funding to early development grants and subsidising fees?
- Penny Phillpotts: May need a 'people' deep dive in due course
- Chair: Policy development – Chris Mills could give context and case studies

Date of next meeting: 30th January 2023