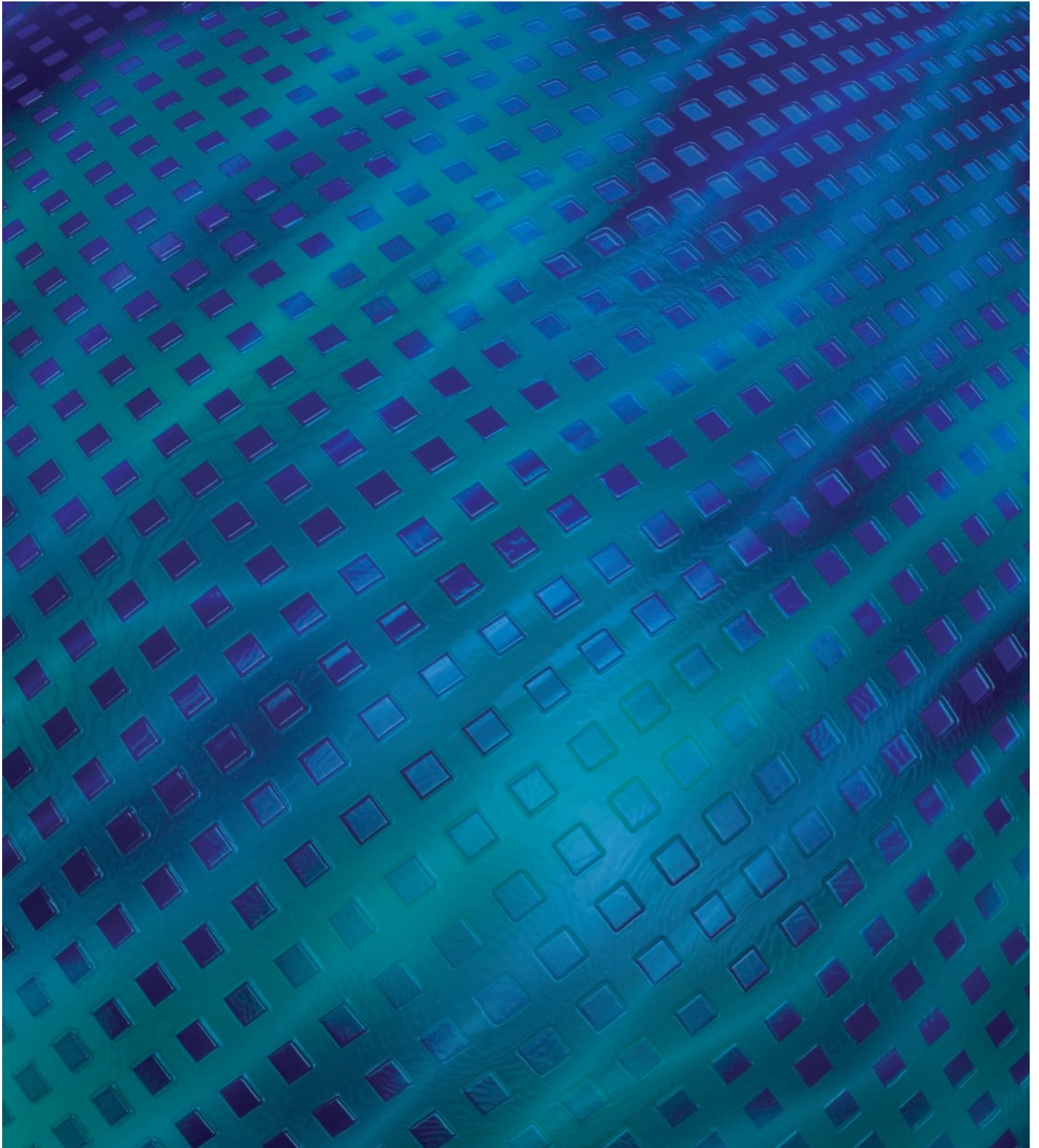




INTELLECTUAL
PROPERTY OFFICE

Framework Document 2008/9



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Ministerial Foreword

Intellectual Property (IP) is an extremely important component of the UK's economy. In a time of such economic uncertainty, the UK Government is committed to ensuring that the system that supports this facet of the economy not only operates in a manner which is relevant to the digital and technological age in which we live, but also that it allows a variety of users to maximise the potential of their creativity.

As the Minister of IP I am committed to ensuring that the IP system in the UK continues to highly value the contributions of all performers, artists, inventors and other right holders. Likewise, the Government recognises the essential value of IP in supporting creativity, investment and jobs.

Today's world is highly technical and fast-moving, and the UK's position in the international scene is ever important. The Intellectual Property Office have my entire support in continuing to explore their international relationships and working with those concerned to provide the highest level and quality of protection for users of the UK IP system. The UK must continue this excellent work to ensure that we are favourably placed to develop policy and provide wider business support. This is a challenge, but one that I am sure can be met, whilst continuing to provide the first class statutory services for which the Intellectual Property Office is globally renowned.

Digital access and maximising technology and research are also increasingly important in today's world, and the Government's commitment to these areas will ensure that businesses can innovate and produce products which can be continually improved, and that public services, processes and organisations can thrive and that the UK will become a desirable place to invest.

To this end, and on behalf of the Department for Innovation, Universities and Skills (DIUS) I endorse this framework document. It will allow the Intellectual Property Office to help form the future national and international IP frameworks and to ensure that the systems in use are fit for purpose in the digital age, as well as supporting the Government's wider policy on business support.

David Lammy

Introduction

1.1

The UK Intellectual Property Office became an Executive Agency on 1 March 1990 and achieved Trading Fund status on 1 October 1991.

1.2

The Intellectual Property Office (whose current legal title is The Patent Office) was an Executive Agency of the Department of Trade and Industry throughout 2006/07. Following machinery of government changes announced on 28 June 2007 the Office became an Executive Agency of the Department for Innovation, Universities and Skills (DIUS).

1.3

This document sets out the framework of policy, planning, accountability and delegations within which the Intellectual Property Office operates.

1.4

The Intellectual Property Office has offices at:

Concept House (Head Office)

Cardiff Road
Newport
South Wales
NP10 8QQ
Tel: 01633 814000
Fax: 01633 814444
Website: <http://www.ipo.gov.uk>

Harmsworth House

13-15 Bouverie Street,
London
EC4Y 8DP
Tel: 0207 5966512
Fax: 0207 5966527

Nine Mile Point

Units 5 & 6
Nine Mile Point Industrial Estate
Cwmfelinfach
South Wales
NP11 7HZ
Tel: 01495 201600

1.5

The Intellectual Property Office has an annual turnover of circa £50 million and employs circa 1,000 staff.

1. Introduction

Functions

2.1

The Intellectual Property Office is responsible for implementing the national framework governing intellectual property rights (IPR) and for promoting the UK's interests in the development of the international Intellectual Property Rights system. The system is based on community and international law as well as domestic legislation (governed by the Patents Act 1977, the Copyright, Designs and Patents Act 1988, the Trade Marks Act 1994 and associated legislation). The Office has the following specific responsibilities for administration of domestic and international law:

- the grant of patents for inventions;
- the registration of trade marks;
- the registration of designs;
- the maintenance of rights granted or registered, including patents granted by the European Patent Office (EPO) under the European Patent Convention (EPC) and covering the United Kingdom;
- acting as the point of entry for UK companies and individuals to the EPC and the Patent Co-operation Treaty (PCT) where transnational protection is sought;
- acting as a point of entry for UK companies and individuals seeking Community Trade Marks (CTMS) or Designs, or Trade Marks in other jurisdictions under the Madrid Protocol;
- formulating and implementing UK Intellectual Property (IP) policy.
- Increasing awareness of business on the effective use of IP;
- To raise awareness of, and the priority given to, anti-IP crime work and to build networks and capacity in the enforcement area.

2. Functions, Aims and Objectives

Aims

2.2

The primary aim of the Intellectual Property Office is to:

- manage an effective system for the protection of IPR as a foundation of the knowledge economy and a key element in promoting strong and competitive markets;
- stimulate innovation and enhance the international competitiveness of British industry and commerce through the promotion and awareness of these rights and by promoting the UK's interests to harmonise, modernise and simplify international IP laws.

Objectives

2.3

Intellectual Property Office's core objectives are:

- grant patents and register trade marks and designs with a good presumption of validity, based on high standards of service, which are set in consultation with users and combine quality with good value for money;
- promote and support moves to simplify the law on IP and to harmonise international rules and procedures;
- increase awareness, recognition and use of IP as a tool for enhancing innovation amongst British industry and commerce, and small and medium enterprises in particular;
- increase awareness of the potential rewards for the exploitation of research in the academic community.

2.4

The Office's core objectives contribute to the achievement of the DIUS objectives in the following areas:

DSO1: Accelerating the commercial exploitation of creativity and knowledge, through innovation and research, to create wealth, grow the economy, build successful businesses and improve quality of life.

DSO4: Pursue global excellence in research and knowledge, promote the benefits of science and society, and deliver science, technology, engineering and mathematics skills in line with employer demand.

DSO6: Encourage the better use of science in Government, foster public service innovation, and support other Government objectives which depend on DIUS expertise and remit.

Key Target Areas

2.5

The Intellectual Property Office's overall performance is measured against a number of key performance targets which are presented in the form of a balanced scorecard, are reviewed and set annually by the Secretary of State, in the context of agreeing the Corporate Plan, following consultation with the Chief Executive and the Steering Board.

2.6

The key targets of the Intellectual Property Office concentrate on service delivery, contribution to the UK's innovation and productivity agenda, financial efficiency and value for money. These targets contribute to the Department's overall performance against its Public Service Agreement (PSA) targets in the areas of science and research. The Intellectual Property Office has the right to be consulted by DIUS on both its own targets and any relevant PSA targets prior to Ministerial approval.

2.7

Targets are announced by means of a Written Ministerial Statement (WMS). Performance against these targets is reported in The Departmental Report and the Intellectual Property Office's Annual Report and Accounts. Targets and quarterly performance against them can be viewed on the Intellectual Property Office website at www.ipo.gov.uk.

3. Accountability

Secretary of State

3.1

The Secretary of State for DIUS determines the policy framework within which the Intellectual Property Office operates but is not involved in its day-to-day management. He agrees the strategic objectives and sets key financial and performance targets for the Intellectual Property Office and approves the Corporate Plan which is revised annually (see Section 5).

Responsible Minister

3.2

As appropriate, the Secretary of State for DIUS may delegate to the responsible Minister approval of the Corporate Plan and agreement and monitoring of the key financial and performance targets. The Chief Executive and other members of the Senior Management Team (SMT) and the Steering Board shall meet with the responsible Minister at least once a year to set targets and monitor performance, discuss risks and other such issues as might be appropriate at the time. The Chief Executive has the right of direct access to the Minister.

Departmental Sponsorship

3.3

The main Departmental sponsor for the Intellectual Property Office is the Director General, Science and Research within DIUS. The sponsor is the key link between the Intellectual Property Office and the Department ensuring that both the Department and the Intellectual Property Office have a clear understanding of each other's objectives and methods of working. The role of the sponsor is to:

- advise Ministers on the strategic direction of the in the context of wider Departmental or cross governmental objectives;
- agree a framework for strategic performance management;
- advise Ministers on their response to strategic performance information;
- advise the Chief Executive on steering the Office's activities to ensure that they most effectively support the delivery of Departmental objectives;

- ensure that the Office has the delegations and authorities necessary for effective delivery and continuous improvement;
- assist the Chief Executive to work through the implications of any recommendations emerging from landscape and end-to-end business process reviews that affect the Intellectual Property Office.

3.4

These functions are, in the main, fulfilled through the Departmental sponsor's membership of the Steering Board (see Section 4 and Annex A) on which DIUS is further represented by a senior representative from the Strategy and Communications Directorate which has overall departmental responsibility for strategy, communications and best practice issues.

The Chief Executive

3.5

The Chief Executive and Comptroller General of the is appointed by the Secretary of State for a fixed term, normally through open competition. He is responsible for the day-to-day management of the Office and is directly accountable to the Secretary of State/responsible Minister and the Permanent Secretary as the Principal Accounting Officer, for the efficient running, financial management, overall performance and strategic planning of the organisation. As Comptroller General, he is responsible for the administration of the statutes referred to in paragraph 2.1. He also advises the Secretary of State on all aspects of National Intellectual Property, related community and international legislation and on relevant policy issues.

Accounting Officers

3.6

The Chief Executive is appointed by HM Treasury as Accounting Officer for the Intellectual Property Office and his responsibilities in this respect, including responsibility for the propriety and regularity of the public finances for which he is accountable and for the keeping of proper records, are set out in the "Accounting Officers' Memorandum" issued by HM Treasury and published in Government Accounting, and in the publication "Regularity and Propriety" (HM Treasury, July 1997).

3.7

The Permanent Secretary of DIUS is the Principal Accounting Officer and is responsible for ensuring that there is a high standard of financial management across the whole Department. As such, he retains the right to monitor:

- the Chief Executive's use of the resources allocated to him;
- compliance with legal requirements; and
- conformity with agreed departmental policies.

The Committee for Public Accounts**3.8**

He will not otherwise become involved in the day-to-day management of the Intellectual Property Office.

3.9

The Chief Executive may be summoned to give evidence to the Committee for Public Accounts (PAC) on the discharge of those responsibilities which have been allocated to him. The PAC may decide to take evidence both from the Chief Executive and the Principal Accounting Officer on their respective responsibilities for the Intellectual Property Office.

3.10

At Select Committee hearings Ministers will normally ask the Chief Executive to represent or accompany them if the Committee is concerned with the day-to-day operations of the Intellectual Property Office.

3.11

The Secretary of State is accountable to Parliament on all matters relating to the Intellectual Property Office. Most work arises from its statutory responsibilities for which the Chief Executive, as Comptroller General, is answerable to the Courts as well as to Departmental Ministers and to Parliament.

3.12

Ministers encourage Members of Parliament (including the European Parliament) to write direct to the Chief Executive on those operational matters for which he is responsible, but Members are entitled to raise with Ministers any policy issues or issues arising from replies they may have received from the Chief Executive on operational matters. The Chief

Executive will refer to Ministers without delay any matter on which it is proper for a Minister to provide the initial reply.

3.13

The Chief Executive will provide Ministers with any information needed to answer Parliamentary Questions (PQs) or deal with any other Parliamentary business. Ministers will decide the appropriate way to respond to PQs about the Intellectual Property Office and will normally ask the Chief Executive to write to a Member of Parliament (MP) who asks a question about any matter delegated to the Office. Such letters from the Chief Executive will be published in Hansard.

3.14

The activities of the Intellectual Property Office fall within the jurisdiction of the Parliamentary Commissioner for Administration.

Devolved Administrations**3.15**

The Intellectual Property Office will comply with the requirements of the Memorandum of Understanding and overarching Concordats between the Government and the devolved administrations (as published in Command Paper Cm 4444 and subsequent revisions).

Other Central Government Departments and Initiatives**3.16**

Although not formally "matrix accountable", the Intellectual Property Office will respond constructively to relevant initiatives from elsewhere in central Government.

Relationships with other Bodies**3.17**

The Strategic Advisory Board for Intellectual Property (SABIP) is an advisory non-departmental body, set up to give Ministers strategic advice on IP issues. Its remit is to drive thinking on emerging issues and provide strategic oversight of policy and advice to Ministers. Financial reporting and governance arrangements are conducted through the Intellectual Property Office's existing arrangements and members are appointed through the OCPA code of practice.

3.18

The Copyright Tribunal is an independent tribunal established by the 1988 Copyright Designs and Patents Act. The Tribunal's primary purpose is to resolve disputes between collecting or licensing societies and users on the terms and conditions of licenses or on the refusal by licensing societies to provide licenses. The Tribunal has a wider responsibility to hear cases referred by the Secretary of State. The Ministry of Justice appoints the judicial members of the Tribunal.

3.19

The Intellectual Property Office works closely with other national and international Intellectual Property Offices. A partnership agreement allowing the contracting out of some UK search and examination work to the Danish Patent and Trade Mark Office (DKPTO) came into effect from 1 April 2003. Links are maintained with a range of national and regional agencies covering areas such as enforcement, technology transfer, academia and business in order to help customers gain full value from the IP system.

Customers**3.20**

The Intellectual Property Office has a responsibility to all its customers and will endeavour to provide them with high quality services which represent value for money and are courteously and efficiently delivered. The Intellectual Property Office applies the principles of public service originally set out in the White Paper "The Citizen's Charter", Cm 1599, July 1991 (and developed further under the Service First Initiative) and its own published Charter Standard Statement.

Complaints will be handled in accordance with the Intellectual Property Office's published procedures which are accessible to all users. Both the Intellectual Property Office Charter document and complaint procedures can be viewed on its website at www.ipo.gov.uk and can also be obtained from the Office's Enquiry Unit at:

The Central Enquiry Unit

The Intellectual Property Office
Room 1L02
Concept House
Cardiff Road
Newport
NP10 8QQ

Tel: 08459 500 505 (National callers)

Tel: 08459 222 250 (Minicom number for customers with hearing difficulties)

Fax: 01633 813600

E-mail: enquiries@ipo.gov.uk

3.21

The Intellectual Property Office was previously subject to five-yearly, independent reviews of its status, operations and performance. The last quinquennial review of the Intellectual Property Office took place in 2000/2001. The final report is available on request.

3.22

As recommended in the Agency Policy Review which reported in July 2002, quinquennial reviews of individual organisations have been replaced by end-to-end reviews of the effectiveness of the business processes involved in achieving specific departmental outcomes. Review of the Intellectual Property Office's own high-level objectives, structures and processes will therefore be integrated into these wider ranging departmental reviews.

4. The Steering Board

4.1

Membership of the Intellectual Property Office's Steering Board is made up of:

- five independent members appointed for their relevant experience from industry and commerce and to provide an external perspective and challenge. (An additional member may be appointed to provide necessary specialist skills, if required.) Members are appointed in line with best practice guidance issued by the Office for the Commissioner for Public Appointments (OCPA);
- a senior representative of Strategy and Communications Directorate, DIUS.
- the Director General, or his designated Deputy with responsibility for the Intellectual Property Office within the Science and Research Directorate of the Department and;
- the Chief Executive of the Intellectual Property Office.

4.2

The Board normally meets four times a year.

4.3

The Steering Board has no executive functions. Its role is to advise Ministers, through the responsible Director General, on the strategies to be adopted by the Intellectual Property Office as set out in its Corporate Plan, the targets to be set for quality of service and financial performance (and monitoring and advising on performance against these) and the resources needed to meet those targets. The Board also provides advice and guidance from a commercial standpoint on the Office's performance, operation and development including its management of risk.

4.4

The Terms of Reference for the Steering Board are attached at Annex A.

5. Corporate Planning and Performance Targets

Corporate Plan

5.1

The Chief Executive is required to prepare a Corporate Plan which is reviewed by the Office's Steering Board before being sent for approval by the responsible Minister and the Secretary of State. This sets out the Intellectual Property Office's programme of work and priorities during the succeeding five years, including specific objectives and milestones contributing to the achievement of its core objectives. It provides the focus for the Intellectual Property Office's strategic planning on finance, marketing, risk, business development, personnel, resources, information and management systems. The Department will assist the Intellectual Property Office in its planning process by providing information about likely policy developments or other changes that could impact on the Intellectual Property Office. The annual planning cycle begins with the Steering Board meeting held in Autumn of each year with the Corporate Plan being presented to the Minister in March of the following year.

Reporting

5.2

The Chief Executive is required to produce an Annual Report and Accounts each year. These should be produced as a single document and be prepared in accordance with the Cabinet Office guidance "Next Steps Agencies, Trading Funds and Non-Departmental Public Bodies - Guidance on Annual Reports", and HM Treasury's annual Trading Fund Accounts Guidance.

5.3

The Annual Report and Accounts contains:

- details of performance against targets for the year;
- details of progress towards the Corporate Plan objectives;
- a summary of the Office's activities during the year;
- a forward look for the coming year; and
- financial information.

5.4

Both the Corporate Plan and Annual Report and Accounts can be found on the Intellectual Property Office's website at www.ipso.gov.uk.

5.5

The Chief Executive is responsible for commissioning internal audit services required to ensure proper conduct of the Intellectual Property Office's affairs and to allow him/her to discharge his/her responsibilities as Accounting Officer. Internal audit will be carried out in accordance with the objectives and Standards laid down in the Government Internal Audit Manual.

Internal Control and Risk Management

5.6

The Chief Executive is required to develop and maintain a sound system of internal control that supports the achievement of the Intellectual Property Office's policies, aims and objectives. Included are procedures for identifying and prioritising the principal risks faced by the Office as a whole – these involve the maintenance of risk registers, their monitoring and review.

5.7

The Audit Committee is a sub-committee of the Steering Board established to advise the Accounting Officer on risk management and internal control. Included are procedures for identifying, prioritising and managing the principal risks facing the Intellectual Property Office as a whole, including drawing up and maintaining comprehensive risk registers. This process is reviewed by the Audit Committee with a report to the Steering Board. The Audit Committee is chaired by an independent member of the Steering Board. Its Terms of Reference are at Annex B.

6. Financial Framework

Trading Fund Status

6.1

The Intellectual Property Office operates as a Trading Fund under the powers established in the Government Trading Funds Act 1973, as amended by the Government Trading Act 1990.

6.2

The Intellectual Property Office has a statutory duty to break even taking one year with another. In addition, the Departmental Secretary of State, with HM Treasury concurrence, sets a financial objective in terms of a return on capital employed (6% until 31st March 2004 and a 4% average return over the five year period 2004/05 to 2008/09).

6.3

As a Trading Fund, the Intellectual Property Office is off-vote. Its transactions with the Department are largely restricted to the payment of an annual dividend (the level of which is agreed each year with the Department) taking account of the financial objective and repayment of principal and interest on loans as set down in pre-agreed schedules.

6.4

The Intellectual Property Office shall provide such information on its financial position as necessary and agreed with the Department.

6.5

The Intellectual Property Office reports its financial performance against any voted provisions to the Department's Finance Directorate as required.

Commercial Policy

6.6

The Intellectual Property Office obtains income almost entirely from activities where a fee is payable in accordance with statute. As required by HM Treasury, the overall level of income received from fees and charges is intended to cover the full costs of the services being provided. These costs are specified by applicable Orders under section 102 of the Finance (No 2) Act 1987. Fees and charges are calculated in accordance with the Treasury Fees and Charges Guide. The Intellectual Property Office seeks approval by HM Treasury and Parliament as necessary for changes to fees and charges.

6.7

The Intellectual Property Office currently provides commercial services through its Search and Advisory Service and has the ability to develop commercial services in accordance with HM Treasury guidance on selling services to the wider market.

7. Accounts and Audit

Accounts

7.1

The Chief Executive, as the Accounting Officer, shall produce and sign audited annual accounts (also see paragraphs 5.2 – 5.4). As a Trading Fund the Intellectual Property Office prepares accounts in accordance with HM Treasury's Accounts Direction to Trading Funds, which is issued annually. It requires the Intellectual Property Office to prepare accounts in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual issued by HM Treasury ("the FReM").

7.2

The annual accounts are subject to external audit by the Comptroller and Auditor General who is required to give an audit opinion as part of his/her Certificate and Report to the Houses of Parliament on the Intellectual Property Office.

Audit

7.3

The audited Annual Report and Accounts shall be laid before both Houses of Parliament, by the Comptroller and Auditor General, before the start of the Summer Recess after the financial year end.

7.4

The Department's Internal Audit Service has a right of access to the Intellectual Property Office, after consultation with the Chief Executive and the Chair of the Audit Committee, to perform any work necessary to provide independent assurance to the Principal Accounting Officer as to the quality and integrity of the Intellectual Property Office's internal audit processes. The cost of such examinations is borne by the Department.

8. Management of Resources

Staff – Conditions of Service

8.1

Intellectual Property Office staff are civil servants within DIUS and are employed subject to the Civil Service Management Code and in accordance with rules and guidance issued by the Cabinet Office, the Office of the Civil Service Commissioners and HM Treasury covering the Civil Service as a whole. The Intellectual Property Office complies with relevant national or departmental agreements affecting the terms and conditions on which staff are employed, except where local arrangements apply. For example, the Intellectual Property Office and the Intellectual Property Office Trade Union Side may seek to modify departmental agreements to reflect Agency needs and conditions.

Personnel Policies and Procedures

8.2

The Chief Executive determines the management structure and organisation of the Intellectual Property Office including staffing levels. He has responsibility for all aspects of human resource management of staff (excluding members of the Senior Civil Service) subject to HM Treasury and Cabinet Office rules. Personnel functions delegated to the Chief Executive are set out in Annex C.

8.3

Intellectual Property Office staff are eligible to apply for advertised posts elsewhere in the Department, other Agencies and Civil Service, and similarly certain advertised posts occurring within the Intellectual Property Office are open to application from suitably qualified staff from other parts of the Department, Agencies and Civil Service.

8.4

The Chief Executive is responsible for establishing a training and development strategy to ensure that staff acquire and maintain the skills and competencies needed to realise their potential, to carry out operations efficiently and to achieve published standards of service.

8.5

The Intellectual Property Office is an equal opportunities employer and is committed to policies on valuing diversity, health and safety and staff welfare consistent with those of the Department.

8.6

Good staff relations are essential to the success of the Intellectual Property Office and the Chief Executive is responsible for ensuring that staff and their trade union representatives are kept informed about matters which affect their terms and conditions of employment.

Senior Civil Service

8.7

Members of the Senior Civil Service within the Intellectual Property Office will have the status, pay and other conditions of service which are common to the Senior Civil Service. Issues affecting posts within the Senior Civil Service must be approved by the Permanent Secretary. The specialist staff, for whom the Intellectual Property Office assumed responsibility from 1 April 1996, include grades equivalent to those which fall within the Senior Civil Service. Staff in these grades are not members of the Senior Civil Service but form a separate but analogous professional group whose pay and conditions are established on the same terms as those for members of the Senior Civil Service.

8.8

Full details of the Intellectual Property Office's policies and procedures developed in accordance with these delegations can be obtained from:

HR & Corporate Services

The Intellectual Property Office
Room 3Y16
Concept House
Cardiff Road
Newport
South Wales
NP10 8QQ

Tel: 01633 813685

Fax: 01633 814791

9. Other Delegated Responsibilities of the Chief Executive

9.1

The Intellectual Property Office acquires all necessary support services on the basis of best value for money, including considerations of quality, timeliness and risk, as well as cost. The Intellectual Property Office will keep the value for money achieved from its support services under review. In particular, it will decide on new, or renewed, services or contracts after consulting with appropriate DIUS central services providers and considering how common DIUS services may meet Intellectual Property Office business needs and deliver value for money. The Chief Executive has delegated authority for:

- the development, operation and procurement of information technology systems. As part of this the Intellectual Property Office will abide by the agreement with the Department on information sharing on e-services development;
- compliance with the provisions of the Data Protection Act 1998 and the Freedom of Information Act 2000 in respect of all the relevant data held by the Intellectual Property Office;
- consultation with staff and Trade Unions as part of ensuring good staff relations. The Intellectual Property Office will continue to operate in accordance with the Whitley arrangements, and the Chief Executive will chair an Agency Whitley Committee. Issues not resolved may be pursued within the usual procedure through the Departmental Whitley Council;
- compliance with the requirements of the Public Records Acts 1958 and 1967 in respect of records management by the Intellectual Property Office;
- management of Intellectual Property Office occupied buildings; health, safety, security, fire, welfare, environment and first aid matters including the discharge of duties under the Health and Safety at Work Act 1974, all fire associated regulations and any Notices issued by the Health and Safety Executive;
- procurement issues for the Intellectual Property Office relating to both goods and services on the basis of obtaining the best overall value for money. Except as otherwise agreed, individual services may be provided in-house, commissioned from the Department or another Agency on a repayment basis, or contracted out;
- establishment of a comprehensive risk management plan.

10. Review and Amendment of Framework Document

Review

10.1

This Framework Document is effective from January 2009. It will be informally reviewed on an annual basis and fully reviewed by the Department and the Intellectual Property Office, in consultation with HM Treasury and Cabinet Office, no sooner than January 2012.

Amendments

10.2

The Secretary of State and the Chief Executive may agree at any time to amend the Framework Document, following consultation with the Departmental Trade Union Side and with the agreement of HM Treasury and the Cabinet Office as necessary. Minor updates that do not require such formal approval will, however, be made by the Intellectual Property Office as the need arises.

Publications

10.3

Copies of the Framework Document and of any subsequent revisions will be placed in the libraries of both Houses of Parliament.

10.4

Additional copies of this Framework Document can be obtained from the Intellectual Property Office as follows:-

Intellectual Property Office

Room 3R32
Concept House
Cardiff Road
Newport
South Wales
NP10 8QQ SW1H 0ET

Tel: 01633 813508
Fax: 01633 814509

10.5

An electronic version is available from the Intellectual Property Office website www.ipo.gov.uk

UK Intellectual Property office Steering Board

Annex A

Terms of Reference

The Steering Board has no executive functions. Its role is to advise Ministers, through the responsible Director General, on the strategies to be adopted by the Intellectual Property Office as set out in its Corporate Plan, the targets to be set for quality of service and financial performance (and monitoring and advising on performance against these) and the resources needed to meet those targets.

The Board also provides advice and guidance from a commercial standpoint on the Office's performance, operation and development including its management of risk.

Membership

The Steering Board will comprise the Chairman, currently an Independent Board member, senior representatives of DIUS, the Chief Executive and four additional Independent Board Members.

Meetings and Quorum

Details of all members and attendees are shown in Appendix A. Details of all administrative matters relating to Steering Board membership are shown in Appendix B.

- The Steering Board is quorate when at least half the total number of members are present, three of which must be Independent Board Members. At current levels, quorum is four members.
- If the Chief Executive or DIUS representative is unavailable then attempts will be made to reschedule the meeting. If this is not possible, then an appropriate deputy will be designated for that meeting.
- The Steering Board may occasionally and with prior notice ask any or all of those who normally attend, but who are not members, to withdraw to facilitate discussion of particular matters.
- Intellectual Property Office Directors will normally attend all Steering Board meetings.

- Other senior staff attend meetings by invitation.

Sub Committees

- The Audit Committee is a sub-committee of the Steering Board and is chaired by an Independent Board Member. All meetings are minuted and minutes are circulated to members of the Steering Board.
- If it is deemed necessary to organise other sub-committees then these will also be chaired by an Independent Board Member and all minutes of these meetings will be circulated to Steering Board members.

Frequency of Attendance and Location of Meetings

- The Steering Board meets four times a year and these meetings will usually take place in Newport. An awayday will also be held once a year.
- Independent Board Members may also be asked to participate in occasional senior inter view boards and seminars.
- If the extra responsibility of membership of the Audit Committee is taken on, this will involve attending additional meetings. At present the Audit Committee meets at least four times a year but the Chair of the Audit Committee may also convene additional meetings, as he deems necessary.

Independent Members Term of Office

- 3 years initially, which can be extended, subject to a satisfactory assessment of performance to a maximum of ten years.

Access

- All Independent Board Members will have access to the Chief Executive and members of the Intellectual Property Office Board as necessary.
- In certain circumstances, it may be necessary for the Steering Board to seek external advice. For this and other reasons, the Steering Board, through the Chair, should have access to the relevant Minister via the Director General.

Recruitment

- Recruitment of additional or replacement Independent Board Members will be discussed by the Steering Board as necessary. Details of the recruitment process is shown in Appendix C.

Review Process

- All Independent Board Members will have individual annual performance appraisal reviews with the Chief Executive.

Responsibility

The Steering Board will provide the Chief Executive with:

- Advice on the strategic direction and context for overall targets within the framework of the DIUS overall objectives, wider Government objectives and service to business.
- Strategic challenge on the Corporate Plan.
- Advice on and monitoring of performance including the drafting of Ministerial targets, particularly in ensuring fit with departmental and wider government aims and performance against them, as well as providing an independent assessment of the targets and processes.
- Comments on the extent to which the Office carries out its functions efficiently and effectively in accordance with the Framework Document, the Corporate Plan and the targets set for it.
- Comments on the performance of the Agency as a whole and of key staff.
- Comments on any other matters relating to the Office which the Chair may wish to provide, including finance and resources, any investment and development proposals and the relationship with the European Patent Organisation.

The Steering Board will also:

- Conduct an annual review of its own effectiveness.
- Review its Terms of Reference annually.

Independent Board Members and Attendees

Appendix A

Chair

David Richards Independent Board Member
Appointed 6 Feb 2001
Re-appointed 6 Feb 2004
End of Term 5 Feb 2010

Other Members

Director General of Science and Research,
Department for Universities Innovation and Skills or
the designated deputy.

A Senior representative of DIUS

David Roberts Independent Board Member
Appointed 16 Apr 2007
End of Term 16 Apr 2010

Kathryn Bishop Independent Board Member
Appointed 15 Jul 2000
Re-appointed 15 Jul 2003
End of Term 14 Jul 2009

Mary Champion Independent Board Member
Appointed 1 Sept 2004
Re-appointed 31 Aug 2007
End of Term 31 Aug 2010

Geoffrey Drage Independent Board Member
Appointed 15 Jul 2000
Re-appointed 15 Jul 2003
End of Term 14 Jul 2008

Ian Fletcher Chief Executive

Other Attendees

Sean Dennehey Director, Patents
Liz Coleman Director, Intellectual Property
& Innovation

Robin Webb Director, Innovation
Edmund Quilty Director, Copyright and IP
Enforcement

Andrew Layton Director, Trade Marks and
Designs

Kevin Woodrow Director, Finance
Louise Smyth Director, Human Resources
& Corporate Services

Mark Pacey Director, Information Systems

Secretary CEO's Office,

Administrative Details

Appendix B

Remuneration

- Remuneration for Independent Board Members is £6,000 per annum. The post is classed as an "Office Holder" for tax and National Insurance purposes and as such, under Section 19(1) Income and Corporation Taxes Act 1988, the fee is liable to tax under Schedule E and attracts Class 1 National Insurance liability. The Intellectual Property Office will also meet reasonable travel costs on production of receipts.

Recruitment and Induction

- Members joining the Steering Board are invited to spend an induction day in Newport.
- Once appointed, Independent Board Members will be offered a familiarisation and induction visit and any training deemed necessary.
- Details of the recruitment process for Independent Board Members is given in Appendix C.

Administrative Support and Reporting

- The Steering Board will be provided with administrative support by the Intellectual Property Office Secretariat.
- Each Steering Board meeting will be minuted. The Intellectual Property Office Secretariat will produce minutes and circulate them to Steering Board Members for comment within ten working days of each meeting.

Information Requirements

The Agenda and any supporting papers will be produced and circulated to Steering Board members and attendees at least seven working days before each meeting.

The Steering Board will be provided with papers, including but not restricted to:

For each meeting:

- Executive Board Report including a Policy Report

- Financial Report
- Information Systems Update
- Rolling Programme
- Progress against current Corporate Plan, agency targets and customer service standards

Appendix C

Recruitment Process for Independent Board Members

- The particular skills and competencies required will be discussed by the Steering Board. All applications will be made through open competition.
- Independent Board Members will be asked to supply names of potential candidates to be considered.
- All vacancies will be advertised for a minimum of one month on the Public Appointments Unit web and by any other methods deemed necessary.
- Initial consideration of all applications will be undertaken by the Chair (if appropriate), the Chief Executive and the Director of Human Resources and Corporate Services.
- If the Chair's position is being advertised then the Director General will be asked to participate on the panel.
- Applicants who meet the requirements will be invited to interview.
- Interviews will be conducted by the Chair (or Deputy Director General) and Chief Executive.
- Once a decision on appointment has been made then the Chief Executive will write to the Director General formally proposing appointment of the successful candidate.
- The Director General will endorse the candidate chosen and a letter offering appointment will be made.
- Cabinet Office to be informed once an Independent Board Member is appointed.

Annex B

Intellectual Property Office Audit Committee Terms of Reference

1. The Intellectual Property Office Steering Board has established an Audit Committee to assist and advise it, and the Accounting Officer, on risk, control, governance and associated issues. The Committee acts in a non-executive capacity.

Membership

2. The Committee will comprise a Chairman and not less than two other members, all of whom are independent members of the Steering Board.
3. The Audit Committee will be provided with a secretarial function by the Audit Committee Secretariat.
4. Details of all members and attendees are shown in Appendix A.

Meetings and Quorum

5. The Audit Committee will meet at least four times a year. The Chair of the Audit Committee may convene additional meetings, as he deems necessary.
6. A minimum of 2 members of the Audit Committee will be present for the meeting to be deemed quorate.
7. Audit Committee meetings will normally be attended by the Accounting Officer, the Finance Director, and representatives from NAO, Internal Audit, and External Audit.
8. The Audit Committee may ask any other officials of the Intellectual Property Office or Government Departments to attend to assist it with its discussions on any particular matter.
9. The Audit Committee may occasionally and with prior notice ask any or all of those who normally attend but who are not members to withdraw to facilitate discussion of particular matters or for the committee to assemble its advice to the Steering Board
10. The Accounting Officer may ask the Audit Committee's advice on particular issues either by correspondence or by convening further meetings.

Access

11. NAO, Internal Audit and External Audit will have free and confidential access to the Chair of the Audit Committee.
12. The Chair of the Audit Committee will hold annual bilateral meetings with the Accounting Officer, Director of Finance and representatives from Internal and External Audit.

Reporting

13. Each Audit Committee meeting will be minuted. The Audit Committee Secretariat will produce minutes and circulate them for comment within 10 working days of each meeting. Agreed minutes will then be circulated to the Steering Board.

Responsibilities

14. The Audit Committee will advise the Accounting Officer on:
 - the strategic processes for risk, control and governance and the Statement on Internal Control
 - the accounting policies, the accounts, and the annual report of the Intellectual Property Office, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors
 - the planned activity and results of both internal and external audit
 - adequacy of management response to issues identified by audit activity, including external audit's management letter
 - assurances relating to the corporate governance requirements for the organisation
 - proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services (where appropriate)

15. The Audit Committee will also:
 - conduct an annual review of its own effectiveness
 - conduct an annual review of the Terms of Reference and circulate any revised terms to the Steering Board for approval

16. Authority

The Accounting Officer authorises the Committee or Internal Audit to investigate any activity within its Terms of Reference and, subject to his agreement, to access records, staff and physical properties necessary, to assist the Committee in meeting its objectives.

The Committee can decide to obtain, in agreement with the Accounting Officer, external professional advice on any particular issue.

The Chair of the Committee will have free and confidential access to the Accounting Officer, Finance Director, Head of Internal Audit and to the National Audit Office, but will keep the Accounting Officer informed of his discussions as appropriate.

17. Information Requirements

The Agenda and any supporting papers will be produced and circulated to Audit Committee members and attendees at least 7 working days before each meeting.

18. The Audit Committee will be provided with:

For Each Meeting

- A report summarising any changes to the Intellectual Property Office's Strategic Risk Register
- An update on key or strategic risks and contingent liabilities
- A report on high profile events, with associated risks, occurring since the previous Audit Committee meeting and how they have been handled
- A progress report from Internal Audit summarising:
 - work performed (and a comparison with work planned)
 - key issues emerging from Internal Audit work
 - management response to audit recommendations

changes to the Internal Audit Plan

any resourcing issues affecting the delivery of Internal Audit objectives

- A progress report from External Audit summarising work done and emerging findings.

19. As Appropriate

- Proposals for the Terms of Reference of Internal Audit
- Internal Audit Strategy and annual budget
- Head of Internal Audit's Annual Opinion and Report
- Copies of all Internal Audit Reports and Management Letters issued
- Quality Assurance reports on the internal audit function
- Draft accounts of the Intellectual Property Office
- Draft Statement on Internal Control
- Report on any changes to accounting policies
- External Audit's management letter
- Report on any proposals to tender for audit functions
- Report on co-operation between Internal and External Audit
- Copies of all Internal Audit reports

Chair

Geoffrey Drage Independent Board Member
 Appointed 15 Jul 2000
 Re-appointed 15 Jul 2003
 Re-appointed 15 Jul 2008
 End of Contract 14 Jul 2009

David Roberts Independent Board Member
 Appointed 16 Apr 2007
 End of Term 16 Apr 2010

Mary Champion Independent Board Member
 Appointed 1 Sept 2004
 Re-appointed 31 Aug 2007
 End of Term 31 Aug 2010

Obligatory Attendees

Ian Fletcher Chief Executive; Accounting Officer

Gillian Pratt Director of Finance

By Invitation

Sean Dennehey Intellectual Property Office
Louise Smyth Intellectual Property Office
Liz Coleman Intellectual Property Office
Robin Webb Intellectual Property Office
Mark Pacey Intellectual Property Office
Edmund Quilty Intellectual Property Office
Andrew Layton Intellectual Property Office
Peter Holland Intellectual Property Office
Jon Whitfield Internal Audit, BERR
David Bennett Internal Audit, BERR
Keith Lloyd National Audit Office
Jac Berry External Audit, Mazars

The Intellectual Property Office Personnel Delegations

Annex C

- Personnel management of Intellectual Property Office staff up to and including Span D1 and Intellectual Property Office Senior Civil Service analogue grades;
- Recruitment and starting pay;
- Limited period and casual appointments;
- Promotion arrangements;
- Pay;
- Grading;
- Staff appraisal procedures;
- Conduct;
- Discipline;
- Unsatisfactory performance and attendance;
- Dismissal;
- Appeals;
- Re-deployment of staff within and between departments;
- Holidays, hours of work and attendance;
- Creation of posts at grades up to and including Span D1 and Intellectual Property Office Senior Service analogue grades in accordance with the Office's guidance on its approved grading structure;
- Equal opportunities;
- Training and development;
- Travel and Subsistence expenses;
- Third party claims.

Glossary

DIUS	Department for Universities, Innovation and Skills
EPC	European Patent Convention
EPO	European Patent Office
FRM	Finance and Resource Management
HM	Treasury Her Majesty's Treasury
IG	Innovation Group
IP	Intellectual Property
MP	Member of Parliament
NAO	National Audit Office
PAC	Public Accounts Committee
PCT	Patent Co-operation Treaty
PQ	Parliamentary Question
SMT	Senior Management Team
WMS	Written Ministerial Statement
PSA	Public Service Agreement
DKPTO	Danish Patent and Trademark Office
CTM	Community Trade Mark
IPR	Intellectual Property Rights

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