

NMO STEERING BOARD MEETING

DATE : Tuesday 29 January 2013 **TIME** : 10.00am

ATTENDEES : Isobel Pollock, Chair (IP) **ROOM** : F12
Alan Proctor, Non Executive Director (AP)
Peter Cowley, Non Executive Director (PC)
Mark Holmes, Deputy Director, Innovation Infrastructure & Impact, BIS (MH)
Peter Mason, Chief Executive (CE), NMO (PEM)
Sarah Glasspool, Director of Finance, NMO (SMG)
Robert Gunn, Director of Programmes & Estate, NMO (RG)
Jo Symons, Director, Change and Development, NMO (JS)
Richard Frewin, Director, Enforcement, NMO (RF)
Paul Dixon, Director, Certification Services, NMO (PRD)
David Barrett, Head of Human Resources, NMO (DB)
Veronica Truscott, Secretariat, NMO (VT)

Please note actions appear in **BLUE/YELLOW**

1. Apologies for Absence/Substitutions

John Dodds (business) – Mark Holmes to deputise, Richard Sanders (business). MH was welcomed. Thanks were given to Noel Hunter as the outgoing Chair of NMO Steering Board meetings.

2. Minutes of Previous Meeting of 26.10.12

The minutes of the last Steering Board (SB) meeting were approved as amended.

3. Matters/actions arising from Minutes of last meeting

There were no matters/actions arising from the Minutes of the last meeting.

4. BIS Update

MH presented the BIS update and the following matters were noted:

- Professor John O'Reilly (JoR) was the new Director General of Knowledge and Innovation. John Alty would be providing a handover for two weeks and then reverting to his post of Chief Executive of the Intellectual Property Office. Keith Hodgkinson was the new Deputy Director of Knowledge and Innovation in Innovation Directorate as of 28 January 2013 (replacing Fergus Harradence).
- The BIS Secretary of State and the BIS Permanent Secretary would be focussing on Industrial Strategy for the 2013 Budget.
- There would be announcements of capital for projects before the end of this Spending Review period. The next Spending Review period would probably start at the time of the Budget in March 2015 and finish in May/June 2016. NMO's input to the Spending Round for 2015-16 would be connected with the Corporate Plan.
- The Heseltine Review (about increasing UK growth), which linked to the 2015/16 funding implications for BIS, would report in the spring of 2013. The Prime Minister had pressed BIS to plan for an Innovation conference as part of the G8 presidency in June 2013 (to be run by UK Trade and Investment and shaped by MH's Team).
- The Research Council's documents on impact, including the impact of the Eight Great Technologies which David Willetts (DW, Minister for Universities and Science) spoke about on 24/1/13, had been published, and matters such as technology and skills would be BIS's main focus over the next few months. Funding for the AML (Advanced Metrology Laboratory) had been announced, also on 24/1/13. The delay to the AML announcement had not helped financially.
- A new project was planned for NMO to develop, with an interested manufacturer, the first proton therapy machine for training and development.
- The next stage of the NPL Project would be expansion of occupancy to be run with NMO's new partners.
- A set of principles about the future of PSREs (Public Sector Research Establishments) including NPL in which DW and Francis Maude (FM, [Minister for the Cabinet Office](#) and [Paymaster General](#)) were interested would be defined under the new types of business models.

5. CE Report

PEM reported on NMO progress since the last SB meeting (in addition to the monthly CE Reports provided to the SB) in discussion with the SB and the following matters were noted:

- [NPL Project](#) - NMO's contract with Serco Group plc (Serco) would not be renewed. A strategic partnership to run NPL in the future was being sought; there had been a meeting of stakeholders on 18/12/2012 and

meetings would be held with NPL staff when plans had been given more form. An information document was being drafted as a basis for the next round of discussions.

- AML Project – Optical clocks and graphene work would be part of the AML and discussions were taking place with NPL scientists about their priorities for other work. The Secretary of State had visited NPL the previous week in his capacity as the local MP and had his photograph taken with **RG**. Resources were not currently regarded as a problem, and it was expected that project management would be bought in.
- NMO corporate identity – This was new and reflected NMO's commitment to retaining close links with its parent Department.
- Estates – The remedial work on the recovery and management of some design faults identified in the NPL building by a small explosion caused by a minor electrical fault was progressing well; an associated claim for negligence was still being investigated.
- Regulation – The Hallmarking LRO (Legislative Reform Order) might be laid by the end of January 2013. It would be desirable to document that this project had not been delayed by NMO.
- Enforcement – **RF** was congratulated on securing the Tyres contract from DfT and sufficient resources to do a reasonable job. The Timber Team was being developed and funding was being negotiated with Defra; the enquiry line had been opened proactively before the legislation came into force in March 2013.
- Certification Services – The income in certain parts of the team was lower than forecast and there were also some increased costs for the ACB, and a plan was in place to deal with this. Training activities had grown significantly during the current financial year following the appointment of Anne Kearney in April 2012 and further contracts were being considered.

6. 2012 Civil Service People Survey

DB gave a PowerPoint presentation of the NMO results of the 2012 Civil Service People Survey, which were discussed with the following points noted regarding employee engagement and an NMO overview:

- NMO was clearly a great place to work with a result above the benchmark private/public sector benchmark of 58%.
- 92% of staff were interested in working for NMO which was a great result.
- The poor performance management result was low, so management capability would be reviewed.
- The reason why some staff used neutral box ticks rather than expressing an opinion would be reviewed.
- Increasingly research showed line managers' performance was pivotal.
- Staff could remove their discretion to go the extra mile and they would still be doing their job.
- Ability alone would not deliver performance (motivation and opportunity were also required under the AMO model).
- It was also noted that pay and conditions (though not a driver for engagement which comprised the other reasons for coming to work) were indicated as red.
- The MB (Management Board) would be discussing this presentation and an actions programme would be co-ordinated.

ACTION: DB to let the SB have sight of the MB Action Plan.

7. Audit Committee Report

AP advised the SB that the Audit Committee (AC) Report would be brief (as most of the SB members had attended the AC meeting that morning), and reported that:

- The NPL Project was very important for the key risks update and from an assurance perspective - it was the first time it had figured substantially on the AC Agenda.
- The AC Committee had reviewed and reiterated the need for staff to be ever mindful of the Anti-Fraud and Whistle Blowing policies.
- Accounting issues had been reviewed, and the meeting had been very well organised and run.
- There had been an update on the NAO progress report.
- Security policies had also been reviewed and some associated documentation would need to be rewritten by April 2013.

8. Financial Report to the end of December

The financial report for the nine months to the end of December 2012 was presented and discussed, and it was reported that a case was being prepared for the possible use of any unusable underspend across BIS.

9. Performance Monitoring

It was reported that the new-style Agency scorecard, which was collated from all business teams' scorecards as at 17/1/13, was being presented to the SB for the first time. It represented the monthly Agency view of the business team scorecards, and was not an action plan under each area, though an A/G RAG status signified the intention to return the issue to green (i.e. on target). In addition, the following points were noted:

- The amber/green (A/G) RAG status of corporate resources support reflected the impact of the requirements of BIS rather than of NMO Corporate Services.

- It would be useful to have more information about how the Regulation Directorate's lack of legal resources was being addressed on the NMO Business Plan because the NPL Project also needed such resources.

10. Ministerial Targets

NMO Ministerial targets for 2012/13 were discussed. It was reported that demanding targets had been set for the Corporate Plan last year against a background of factors such as a reduced Administration budget which had resulted in a number of ministerial targets looking vulnerable at present (although the majority could be green by the end of the financial year).

11. Corporate Plan

The Corporate Plan for 2013-16 was presented, discussed and the following points were noted:

- Objective 2 had been amended to include 'both in UK and at global level', and the (unnumbered) internal objective had been revised to reflect the activities undertaken in the Corporate Services Directorate; the wording of Objective 2 on pages 5 and 17 needed to be made consistent. **ACTION: SMG to revise the two versions of Objective 2 for consistency.**
- The 'Strategic Overview to March 2016' included NMS-related text which would be associated with the next Spending Review submission.
- The 'NMO contribution to BIS Objectives' had been brought forward so it was easier for BIS and NMO to find the links.
- The BIS objectives to which NMO did not contribute (e.g. the Post Office) had not been listed.
- There was an Enterprise objective missing which should go with Skills.
- The colour could be made more legible. **ACTION: SMG to arrange for the colour to be made more legible.**
- The 'Work Programme for 12 months to 31/3/14' was the business part of the Corporate Plan with most entries feeding into staff IDPs and used as quarry for some BT performance scorecard assessments.
- The 'NMO Work Partnerships' label could be changed if preferred.
- Ministerial Target 8 was new because useful work was taking place and a significant amount of money was involved; an amendment to give a baseline to 1% would be desirable.
- The Financial Commentary had implications for NMO's stance for the Spending Review i.e. NMO would wish to argue for rolling over of flat cash.
- One of a few new areas added to the Corporate Plan was 'Improving Efficiency and Effectiveness', about which PEM intended to write to MH with the NPL Project as a reform story. **ACTION: PEM to write to MH (copied to Maria Cody) with the NPL Project as a reform story.**
- The version of the 33-page document for submission to Ministers could be condensed in sections such as 'How NMO contributes to BIS objectives and outcomes'. **ACTION: SMG to consider condensing the draft Corporate Plan for submission to Ministers.**
- The next steps were to finalise the numbers with BIS, gain approval from the MB, SB and BIS, and then submit it to the Minister.
- Although DW was interested in NMO's activities as set out in the Corporate Plan, he might prefer a meeting about strategy and/or NPL or the AML, for example. An induction pack had been prepared for JoR covering such matters.

12. NPL Future Development Project (this item was taken last – see below)

13. AOB

It was reported that members of the Steering Board would be welcome to attend the annual metrology seminar in Birmingham on 19/3/13 if they wished.

14. Date of next Steering Board Meeting

It was suggested that the next Steering Board meeting should be held in the second half of June 2013. **ACTION: VT to finalise.**

12. NPL Future Development Project (this item was taken last)

JS presented a paper on the NPL Future Development Project which was discussed with the following points noted:

- Feedback from the NPL Project Steering Group meeting on 18/12/12 was that preparations should be made for NPL to return to BIS ownership and then to Partnership.
- There had been a delay in the consultants starting work and it would not be possible to spend the allotted budget as early as wished.
- An Information Booklet was being drafted to send to potential partners, with whom a meeting would be held, followed by the launch and further meetings.
- The project was currently being divided into workstreams including International led by RG who had engaged with the Science and Innovation network to compile a list of potential partners who could be proactively

encouraged to respond, and with UKTI (BIS UK Trade and investment) who might act as NMO's agents and advisers.

- The transition workstream would continue for a couple of years.
- There should not be any TUPE implications from NPL moving in and out of BIS ownership because NPL Management Ltd would remain the corporate vehicle.
- If the organisation were classified as being in the public sector it was preferable that it should be a Public Corporation, not an NDPB.

IP invited **JS** to contact the SB if necessary before the next SB meeting in June 2013, and declared the meeting closed.