

PROTECT

NMO STEERING BOARD MEETING

DATE : Wednesday 11th January 2012 **TIME** : 1300

PRESENT : Noel Hunter (NH), Chair **LOCATION** : F12
Alan Proctor (AP), Non Executive Director (NED)
Peter Cowley (PC), Non Executive Director (NED)
John Dodds (JD), Director of Innovation, BIS
Peter Mason (PEM), Chief Executive, Chair, NMO
Sarah Glasspool (SMG), Director, Finance & Corporate Services, NMO
Robert Gunn (RG), Director, Programmes & Estate, NMO
Jo Symons (JS), Director, Change & Development, NMO
Richard Frewin (RF), Director, Enforcement, NMO
Paul Dixon (PRD), Director, Certification Services, NMO
Zélie Armstrong (ZA), HR Partner, NMO (**on call**)
Alastair Hooley (AH), Procurement Manager, Secretariat, NMO

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

1. **Apologies for Absence/Substitutions**

None

2. **Minutes of Previous Meeting of 20.09.11**

The minutes of the last SB were approved with no amendments.

3. **Matters/Actions Arising from Minutes of Last Meeting**

PEM reported that he had attended a meeting of Chief Executives in early December from which a note was now circulating about harnessing the power of non-executives who sat on certain governance boards. The idea was to use their resource more widely.

There was an action on **RG** to liaise with TSB and EPSRC in relation to the launch of the NMS Strategy. **RG** had met with both organisations and they had said they would participate in a forum looking at NPL's strategic capability.

All other actions had been discharged.

4. **BIS Update and CE Report**

JD reported on the current issues in BIS. The major issue focusing Ministers' attention was the economy and also the Eurozone's impact on the economy. Some forecasters were predicting another dip into recession although some recent data was suggesting something more encouraging. Government was focusing its effort in getting growth going. In terms of how this related to NMO, Ministers would be asking "What are you doing to contribute to growth?". Treasury recently opened their purse strings and allowed some additional capital funds which might be relevant to some of the NMS priorities. No surprises were expected in the budget allocations for next year.

JD also reported that the main development in his part of BIS was the recent launch of the Innovation and Research Strategy. The next stage was to flesh out what the implications were. There was a key emerging theme of "connectivity" – the complex network of stakeholders within which NMO operates and how they interacted. This was seen as a broad grouping, covering the Research Councils in addition to the other parts of the BIS family, and the need to widen the NI6 group. There was a workshop being held on Friday 13 January at the Medical Research Council looking at ideas at a bilateral level from organisations in the 'innovation system'. **PEM** added that there was emerging recognition of the way measurement, standards, accreditation and conformity assessment contributed to innovation by providing levels of assurance.

PEM reported on NMO progress since the last meeting. International matters had loomed large, particularly with the OIML meeting (of which **PEM** now held the Presidency) and the (normally) 4-yearly General Conference on Weights and Measures. At the latter meeting, there had been agreement that the next one would be in 3 years' time.

The key outputs from OIML/BIPM meetings was getting value for money from collaboration and defining a new set of understandings as to how decisions were made. There was a concern about the balance of science and

PROTECT

co-ordination work that was being done at BIPM as the former could be put forward for collaboration with the other partners.

PEM's recent trip to China had been successful – a stronger relationship with ACSIQ, some new business opportunities and some co-operation opportunities for NPL/LGC identified. **AP** raised a concern that China had a habit of 'sucking in' knowledge from their overseas counterparts and then using it solely for themselves. **PEM** said that he did not feel this was an issue within the measurement field. To support this, he outlined the structure of the Chinese measurement system. The Chinese structure was a lot more complicated than the UK system in that it was operated at regional, provincial, and municipal levels and so the opportunities for 'selfishness' were fewer. **PEM** also mentioned that the NMO brand was an asset in China – NMO sold product certification to China when they could easily go elsewhere.

PEM reported that for Corporate Services the big issues were corporate planning and the end year accounts for this year. Other major issues were:

- leap seconds: the issue was that time wasn't simply a technical issue but affected everyone and so Ministers had taken the view that likely public reaction to moving from solar to atomic time had to be taken into account;
- future of the NPL contract: There had been much discussion with stakeholders over the last few months;
- Better regulation: the work on the Red Tape Challenge had mostly come to an end but it was now necessary to follow up on what had been agreed;
- Enforcement: **RF** had been on a successful visit to Australia where he had entered into a co-operation agreement for Ecodesign and Energy Labelling. NMO had won the EU Ecopliant contract, subject to negotiation, which represented about £300k per year income. NMO were to be appointed, subject to ministerial approval, as the enforcement authority for logging.

5. Audit Committee Report

AP gave an overview of the mornings' Audit Committee Meeting. NMO's whistleblowing and fraud policies had been discussed and the view was the fraud document needed updating. The security policy was also discussed and the Committee suggested an executive summary be added highlighting the key security risks.

Management consideration of staff morale when presenting issues such as the potential transfer of the Calibration Team was considered to be handled well.

There had been a discussion on the Estates team amber/green status on the Internal Audit report. The Committee wanted to see timescales for remedying problems.

There was a discussion on the sign-off of this years' Accounts and the need to focus resource appropriately.

6. Financial Report to End December

SMG presented the report. **JD** observed that there was still a large amount of capital to be spent this year. **RG** said the recently awarded contract for the new IT network at NPL had come in considerably under budget and so the chiller installation work had been brought forward in order to spend the money thus saved. Overall, NMO were expecting to report a small underspend.

AP asked if spend trends were monitored across years. **PEM** said that monitoring was done on a monthly basis via the Business Team Meetings. **SMG** confirmed that forecasts were updated at monthly meetings with the finance team and more often if required.

7. Performance Monitoring

SMG presented the new scorecard. It was currently being trialled and would be used in earnest from April. The only area of concern was staff resources due to vacancies across the Agency.

8. Corporate Plan

SMG said the description of the work programme and the risk register had been updated in the draft Corporate Plan. **NH** felt that the prose at the front of the Plan was better than last year. It said more about the organisation and NMO's position regarding change.

PROTECT

NH said that the Ministerial targets identified on page 18 were not very exciting. He suggested having targets linked to NPL work and the NMS Strategy.

AP said the objective given on page 9 was good, which mentioned increasing economic growth. He said the Ministerial targets should also mention growth. **PEM** said NMO would revisit the Ministerial statements and revise accordingly.

NH suggested 3 key areas of strategy which should be considered covering: supporting business, the reach and effect of NPL, more efficient regulation, together with 3 areas of operational measures of reducing costs, customer satisfaction and reducing regulation. It was agreed that NMO would seek to align them with its workplan and objectives.

NH felt the Ministerial targets shouldn't be on page 17, but rather nearer the front of the document. **JD**, however, said it would be worth checking with BIS on the current practice with regard to where the targets should be shown in the document, and if we can make them more meaningful to bring them forward, but if that is not possible then keep them further back.

JD said he liked the draft Plan but that what was missing was some detail on the impact of all the work described including case studies.

ACTION: PEM agreed to circulate a revised Plan in due course in light of the comments above.

9. Report From the People Survey

ZA presented the NMO results of the recent Annual People Survey. NMO's overall score was better than that of the Civil Service as a whole. There had been 100% response rate by staff, suggesting staff cared about NMO. **NH** said that this level of staff engagement was commendable. It was observed that 40% of staff had indicated that they wanted to stay working at NMO for at least the next three years, a reduction on previous years. **PEM** interpreted this as indicating that newly recruited staff were keen to develop their careers and move on together with some looming retirements.

AP said that leadership and managing change would be the most challenging area. He suggested NMO should get change management expertise. **ACTION: PEM** to consider bringing in change management expertise.

JD was pleased with the results and observed the dip in the number of staff indicating there were sufficient opportunities for them to develop their career. **PEM** said that NMO were looking at peoples' current job and skills. There were some jobs for which staff skills weren't appropriate and those staff were thinking that they were being left behind.

10. Agency Performance Related Award Scheme

This was a closed session for Steering Board members only and was held at the end of the meeting.

11. Corporate Services Central Initiatives Progress

SMG presented a paper on progress. **NH** asked if there was any significance in the last sentence on page 1 regarding the rationalisation of the BIS office estate "...no consideration was given to the relocation of other parts of the BIS family to Teddington". **PEM** indicated that the document had been written from a neutral perspective although there were currently no plans for any office moves to or from Teddington.

12. Corporate Governance Code

PEM raised the question of the new Corporate Governance Code for Government Departments which had recently been published and which would apply to the Steering Board. The question was how NMO should react. **PEM** suggested NMO incorporate a structured self-assessment process on the performance of the Board and its membership. **NH** added that it was probably time to think about the composition of the Board considering how much NMO had changed over the last few years. It was agreed to adopt an Audit Committee-type approach. **AP** said he would share the processes with **PEM**. **ACTION: AP** to share with **NH** how the Audit Committee governance processes worked.

13. AOB

None.

14. Date of Next Steering Board Meeting

Monday 23rd April 2012 at 1400.