

## **MANAGEMENT BOARD (MB) POLICY MEETING MINUTES – 27.3.14**

**DATE:** Thursday 27<sup>th</sup> March 2014      **TIME:** 10:00 am      **LOCATION:** G18

**ATTENDEES:** Peter Mason, Chief Executive (PEM)  
Richard Sanders, Deputy CE and Director of Regulation (RS)  
Sarah Glasspool, Director, Finance (SMG)  
Robert Gunn, Director, Programmes & Estate (RG)  
Jo Symons, Director, Change & Development (JS)  
Richard Frewin, Director, Enforcement (RF)  
Paul Dixon, Director, Certification Services (PRD)  
Tania Raynor, Executive PA and Secretariat (TR)

Please note actions appear in **BLUE**

1. **Apologies for Absence/Substitutions:** None

2. **Minutes of the last two meetings (26.2.14)**

The Minutes of the last meeting were approved with one amendment to the action regarding RITE tokens:

- **Investigate the costs involved and whether they could be incorporated into Directorate accounts by y/e. Provide an update next month (SMG, March).** This action would be carried forward to April. **Remove the following from the above action “whether they could be incorporated in Directorate accounts by y/e” (TR, March)**

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

All actions were reviewed, some remained outstanding and the following comments emerged:

- PFHS had provided a paper for the February Management Board Policy Meeting on rules to be implemented within NMO and IT solutions for the new classification system. Some generic official training had already been completed, and it had not included the three subheadings agreed by NMO **Issue a further additional email regarding training and the use of the 3 sub categories (PFHS, April)**
- SMG confirmed that the RITE tokens used to access the BIS IT system were compatible with the new laptops. Forms for new BIS FLITE laptops needed to replace RITE tokens needed to be completed and sent to Dan Shipp (DS) to send on to BIS. **Forward required form to NMO Directors then BIS (SMG/DS, April)**
- RF mentioned that the inability for Enforcement staff to use GSI or its replacement was hindering capability and damaging reputation
- The following action was carried forward: **Put the Agency Sustainability Ministerial target % figure into the Corporate Plan (RG/SMG, March)**
- The Board expressed the view that NMO should follow the BIS lead on whether to renew IIP although we would still need to consider our own policy on staff investment/engagement. Guidance had been requested from BIS and was awaited. Thus, the following action was carried forward: **Ask DB to produce a paper on IIP (SMG/DB, April)**
- NRB was exploring ideas regarding atrium staff photos and this action was carried forward: **Explore refresh of Atrium Staff Photos (SMG/Comms, April)**
- **Change date on the action list from March to May for SMG’s action as followings “Include report of Steering Board discussion in the Annual Report and Accounts forward [this would keep NAO formally informed] “ (TR, March)**
- **Set up meeting to present new Corporate Plan to all staff in F12 for end April (TR, March)**
- SMG confirmed that the Staff Focus Group would be considering if there was a better way of communicating the messages that were currently conveyed via a weekly summary email from Corporate Services as many staff didn’t actually get round to reading them

4. **Draft Travel & Medical Insurance Text for Intranet**

The purpose of this document was to agree some very clear guidance for publication on the intranet. BIS guidance had been used as reference and updated and tailored accordingly. The loss of personal belongings was of particular concern to staff and the Agency had taken the view that NMO would consider reimbursement for reasonable claims. The MB endorsed the suggested policy text subject to

one change: To remove the ever evolving list of countries under “European Health Insurance Card” and replace with the FCO live link which was always up to date. *Amend accordingly (SMG, April)*

## 5. **Proposal for NMO to act as Enforcement Authority & Scheme Administrator for Regulating Heat Meters in the UK**

CS joined the meeting to present this report.

This was new work for DECC (the policy lead for the Energy Efficiency Directive coming into force from 5<sup>th</sup> June 2014). DECC had approached NMO to act as UK wide Scheme Administrator and enforcement Authority for the implementation of heat metering regulations.

There were currently about 3000 non regulated heat networks in the UK and this figure was likely to rise. DECC had, after a recent public consultation, presented NMO as a one-stop-shop providing support and advice and technical enforcement expertise, engaging with heat networks on a rolling cycle.

NMO were not required to promote any type of heat metering, but just to ensure that Heat Networks installed equipment that was fit for purpose. At the moment there was no requirement to use a particular type of heater in heat networks. However, in the future DECC may decide to require MID approved meters. This would then involve a type approval process and NMO Certification Services were already a Notified Body for heat meters. In the first instance, this work was an engagement exercise either with network operators, equipment suppliers or builders/technical installers. Work would consist of roughly 70% scheme administration (assessing/advising new builds and some market surveillance) and 30% a light touch enforcement approach with inspections and sanctions. DECC were also considering a statutory database of heat networks, which NMO would maintain and run should this database be established.

Whilst the ultimate responsibility for this project rested with DECC, consideration had been given to reputational risk and the risks associated with capability to deliver. NMO would need to ensure strong market awareness and all NMO MoUs would have a clause to limit risk and be signed by PEM as an added protection mechanism. SMG said that she would like to be involved with the construction of the MoUs and the project planning process. RF explained that the MoUs were mainly driven by the client and confirmed that there were termination clauses on both sides. The Enforcement team would welcome SMG’s support. The MB considered it too early to refer to this project in the Corporate Plan

JS suggested that James Clark may be of assistance with project management. RS suggested an integrated approach utilising the expertise/staff in Utilities Team and Certification Services particularly during the start-up phase which would require rapid delivery of the service. Timescales were short with the basics to be in place by June and all set up by December. *Explore use of Utilities expertise on heat metering and PRD’s team of auditors and testers and take advantage of all offers of assistance (RF/CS, April/May).*

RF explained that the contract was still under negotiation – the DECC impact assessment was for 17 years but actually it was likely to be a much longer piece of work.

Previously recruitment had been slow, and the team were already pushed. However DECC had been made aware of the required learning curve and recruitment requirements. The project plan would clearly define how and when NMO would be starting different aspects of the contract. The expectation on the policy side would be well managed, and DECC would be kept well informed about the Agency’s financial models

PEM observed that this work would require a new set of skills with more technical and premises-based investigation work. PEM emphasised the need to consider from the outset the recruitment strategy accordingly, and asked that David Barrett (Head of HR) was involved. The use of contractors and how NMO went about recruiting specialist assistance should be explored.

RF said that roughly 7 posts would be needed, some of which may be employed directly and or some contracted. It may be possible to learn from the Utilities team experience with meter examiners. It was recognised that NMO would be involved with another set of Stakeholders – the construction/installation

sector. RF confirmed that consideration would also be given to redundancy costs, redeployment and diversification.

This was considered an exciting opportunity and was approved by the Board. It was recognised that timescales and the Agency's ability to be responsive were critical. Detailed focus would be given to recruitment and procurement procedures, possibly delivering via contractors

## 6. Upgrade of 'Trakker' the Enforcement Enquiry Handling System

Huw Jones (HJ) joined the meeting to present this item.

HJ explained that Trakker was a bespoke online system that allocated enquiries and tracked responses. It was designed in 2006 and had been running successfully since then – a fantastic return on the investment. However, since then technology had moved on and to tie in with the Agency's growth capacity capability Trakker was no longer fit for purpose, and there was a danger that the system could fall over. Currently, the system was inadequate in terms of capacity and user defined capability, and had limited additional functionality. It was also not particularly compatible with the new technology being introduced in-house. The pros and cons of the the following three options were explored:

1. A quick, cheap repair to paper over the cracks – which may not be a long term solution
2. Ditch Trakker (keeping it as an archive) and replace it with something off the shelf. There were lots of off the shelf solutions (for a similar price to option 3 below), but this would require a whole new learning process and a huge data migration exercise. The two systems would need to overlap until all users were completely confident in the new system and any hidden costs and all associated risks had been considered
3. Overhaul Trakker at a cost of approximately £15 k-£16 k, with delegated responsibility falling to RF for this IT project. This was the preferred option.

SMG was concerned with the dangers of bespoke systems which were vulnerable in terms of the provision of long term support and wondered if it was better to purchase something from a larger company. It was noted that whilst all IT controls would be adhered to, there would be no need to obtain three quotes due to the commercial element of the procurement. HJ confirmed that future proofing had been considered taking further expansion in future years into account. ACTIV IS had been consulted and would continue to develop the enhanced system. SMG commented that Management Board approval was required for any purchase over £15 k

HJ was tasked with progressing the project and keeping the Board informed.

## 7. Possible change of use for F27

The Enforcement Team were full and RF requested that the least used meeting room F27 was converted into a FLEGT quiet room with a bank of docking stations for data inputting. The Board were aware of the Agency shortage of meeting rooms, but approved this temporary change of use. RF confirmed that he would be happy to consider a more condensed office approach.

## 8. AOB

- The potential expansion to some VCA work was discussed by RF. After much discussion with Mark Holmes (MH), and sight of MoUs provided by DEFRA, John Dodds was now more comfortable with the strategic fit. MH would continue to liaise with all parties
- After collective reflection, Martin Donnelly's visit to NMO was considered to have been successful. It was a well-structured event with presentations from directors, excellent laboratory tours, and kept to the tight timescale. Thanks should be passed to all involved. RS said it was important that NMO had an organised approach towards the moderation exercise of PDRs due to be carried out by the MB. *Calendarise soonest for end May (SMG/DB, April)*
- PRD mentioned that as part of an exercise driven by BIS, Stuart Brown would be visiting to discuss the Agency's approach to Business Continuity with him.

## 9. Date of Next meeting : **Thursday 24<sup>th</sup> April**

## Action List

Date of Meeting	Action	Action Officer	Date	Progress	Status
27.3.14	Issue a further additional email to all staff regarding training and the use of the 3 sub categories	SMG/PFHS	April	Ongoing	Open
8.11.13 26.2.14 27.3.14	Investigate costs involved with obtaining the necessary laptops/encryption package to access the BIS intranet and provide an update next month	SMG	April	Ongoing	Open
27.3.14	Forward FLITE laptop purchase form to Directorates	SMG/DS	April	Ongoing	Open
27.3.14	Forward completed FLITE laptop forms to BIS	SMG/DS	April	Ongoing	Open
30.1.14 26.2.14 27.3.14	Put the Agency Sustainability Ministerial target % figure into the Corporate Plan	SMG	April	Carried forward	Open
30.1.14 26.2.14	SDAP - Update the purchasing/procurement from UKSBS	RG (action officer amended from SMG)	March	Ongoing	Open
30.1.14 27.3.14	Ask DB to produce a paper on IIP	SMG	April	Carried forward to April	Open
30.1.14 27.3.14	Discuss spacing of Enforcement Staff photos with JG/NRB	SMG/Comms	Feb	Ongoing NRB exploring options	Open
26.2.14 27.3.14	Include report of Steering Board discussion in the Annual Report and Accounts forward [this would keep NAO formally informed]	SMG	May	The Board had asked TR to change the due date of this action from March to May - Carried forward	Open
26.2.14 27.3.14	Set up all staff meeting on new Corporate Plan for end April	TR	March	To be completed by 28.3.14	Open
27.3.14	<b><u>Draft Travel &amp; Medical Insurance Text for Intranet:</u></b> Remove the ever evolving list of countries under "European Health Insurance Card" & replace with the FCO live link which is always up to day	SMG	April	Ongoing	Open
27.3.14	<b><u>Proposal for NMO to act as Enforcement Authority &amp; Scheme Administrator for Regulating Heat Meters in the UK:</u></b> Explore use utilisation of Utilities expertise on heat metering and PRD's team of auditors and testers and take advantage of all offers of assistance	RF/CS	April/May	Ongoing	Open
27.3.14	Calendarise Board's moderation exercise of PDRs soonest (for end May)	SMG/DB	April	Ongoing	Open