



The Certification Mark for Onsite  
Sustainable Energy Technologies

## **MCS Steering Group Meeting**

**Meeting of:** MCS Steering Group Meeting

**Date:** 10th March 2011

**Venue:** Gemserv Ltd  
10 Fenchurch Street  
London  
EC3M 3BE

### **Attendees**

Gideon Richards	MCS Steering Group Chair
Brendan McGarry	Gemserv Ltd (MCS Licensee)
Kunal Sharma	Gemserv Ltd (MCS Licensee) – Meeting Secretariat
Aartee Hardas	Gemserv Ltd (MCS Licensee) – Meeting Secretariat
Adrian Abbott	BHA
Bruce Allen	HETAS
Ian Manders	CHPA
Chris Yates	HHIC
Dave Sowden	Micro Power Council
Paul Rochester	DECC
Indre Vaizgelaite	RenewableUK
Neil Smith	NHBC
Nigel Hollett	SummitSkills
Tony Bowden	HPA
Virginia Graham	REA
Jonathan Astwood	Scottish Gov't
Ray Noble	REA

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Alan Wilson	SNIPEF
Leonard Magrill	RenewableUK
David Cowburn	Certification Body Forum
Alison Bailey	DECC
Alistair MacKinnon	NEL (Management Panel Rep)

#### Apologies:

Chris Laughton	IDHEE
David Matthews	STA/GSHPA
Ian Ronksley	UKAS
Jacqueline Crawford	OFTEC
Kelly Butler	BEAMA
Richard Philips	BRE (MCS Chair of Roofing Issues WG)
Terry Seward	HPA/FETA
Chris Roberts	The Mark Group (MCS Chair of Solar PV & Solar Thermal WG)
David McKenzie	Scottish Installers/Manufacturers

#### Agenda:

Item No	Item
1	Welcome to the Meeting
2	Approval of the agenda
3	Actions Log from the last meeting
4	MCS Company Formation <b>FOR DECISION</b>
5	MCS Financial Statement

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Item No	Item
	<b>FOR INFORMATION</b>
6	MCS Licensee Budget 2011/12 <b>FOR INFORMATION</b>
7	Standards Management Group Terms of Reference <b>FOR DECISION</b>
8	Update on review of MCS 001
9	Progress Report <b>FOR INFORMATION</b>
10	AOB
11	Proposed dates for future SG meetings

### Documents:

Item No	Document / Paper Reference
3	MCS SG Decisions and Actions 2010.11.30 v2.0
4	MCS SG 22.04
5	MCS SG 22.05
6	MCS SG 22 06
7	MCS SG 22 07
9	MCS SG 22 09

### 1. Welcome to the meeting

Gideon Richards welcomed the attendees to the meeting and requested introductions. The Group briefly discussed the announcement on RHI, noting that it has included MCS as eligibility criteria for heat installations below 45kW.

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### **2. Approval of the agenda**

The Group approved the agenda for the meeting.

### **3. Actions log from the last meeting**

The Group went through the decisions and actions from the last meeting and noted that the actions on the Standards Management Group (SMG) had not been completed as yet as the SMG had not formally been established. This was due to the pressing issues around the finances of the Scheme as well as the forming of a legal entity. All other actions were completed with the exception of developing a clear process for ratification of standards, as this task will sit with the SMG.

### **4. MCS Company Formation**

The Group discussed the paper submitted on company formation. It was explained that the Sub Group set up to look into the company formation comprised of, Leonard Magrill, Dave Sowden, Gideon Richards, Brendan McGarry and Paul Rochester. The Sub Group explained that the structure and governance of the new company needed to be clear. It was added that DECC have had internal discussions and will need to have some involvement in the company and Scheme going forward to satisfy the EU Commission. It was explained that the membership of the company would be made up of Installers and Manufacturers, but that members could opt out if they wished to. The Board of directors would include an independent Chairman. With regards to some of the governance of different groups, it was agreed that the SMG would resolve any technical issues with the MCS Scheme Documents and Standards, but that the Board would take responsibility for the relevant procedures to be followed by the SMG.

The Group discussed developing a Trade Association Forum and allowing a Trade Association Representative to be nominated to sit on the Board. Scottish Government added that the structure of CORGI should be considered and Gemserv took an action to research the structure

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of CORGI and its membership.

**Action: SG 22 – 01: Gemserv to research the CORGI structure as a possible structure for MCS.**

Remuneration was also briefly discussed. It was noted that the some remuneration should be provided for in the budget for the company's Chief Executive and its Chair, on a part-time basis. The Group also raised the possibility of establishing a council for members to have a direct input into the Scheme and its governance. It was highlighted that DECC must ensure the Scheme is not a barrier to trade and also ensure that the Scheme aides the government with its Renewable Energy Strategy.

Following the above discussions, the Group took a vote as to whether an interim legal entity should be established until work is fully completed on the membership and Articles of Association. 17 members voted for establishing an interim legal entity and 0 members voted against. 2 members abstained from voting. The company will therefore be founded by Gemserv – and the associated costs borne by the Scheme – as the vehicle to establishing a more formal MCS organisation with a full board and membership.

Gideon Richards was elected as the interim CEO of the legal entity.

**Action: SG 22 – 02: Gemserv to set up the company.**

The Group further discussed and agreed for the Sub Group to continue to work on developing the Articles of Association and membership of the full company.

**Action: SG 22 – 03: Company development Sub Group to continue work on Articles of Association for full company.**

The Group added that a Memorandum of Understanding may need to be developed with DECC, and that any remuneration for the interim CEO is to be discussed by the Management Panel

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(discussions on remuneration are to exclude Gideon Richards) at the next meeting. It was also accepted that a new CEO is to be elected or appointed following the interim period.

### **5. MCS Financial Statement**

Brendan McGarry went through the balance statements noting some of the key expenditures of the Scheme. A query was raised on the cost associated with complaints as it was widely believed that these are predominantly dealt with by REAL Assurance and Certification Bodies, however, it was added that Gemserv also spends time dealing with complaints as necessary or resolving general disputes between customers and installation companies. The helpdesk and marketing were two key areas on the balance statement, and it was noted that the marketing costs had been high because of Ecobuild in February.

### **6. MCS Licensee Budget**

Brendan McGarry then went on to display the budget with the projected estimates for the next two years. Key items included in the budget were money for legal cases, more expected costs for the helpdesk, and for marketing of the Scheme, including website development. It was noted to the Group that DECC were in discussion with Gemserv about the current funding arrangements for the MCS Database, and it was explained that the current funding may be reduced over the financial year of 2011/2012, and that after this date, it is expected that MCS should fund the costs of the database, including its helpdesk. The discussions with DECC are still ongoing, but the Group did not object to MCS bringing the database under its governance in the future, as it is a vital source of revenue for the Scheme. It was also added that a reserve should be kept throughout the period of debt recovery for the Scheme and also higher costs should be associated with the CEO and Chair of the Board. A key point discussed was that if the Scheme is generating more money than required, options would include increased spend on marketing activities for the benefit of certificated companies; reduction of fees for installation companies and manufacturers; and/or a charitable trust could be set up to hold the surplus and

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give back to the industry through apprenticeships, training, hardship funds etc.

The Group agreed that the budget should be developed further and agreed by the Management Panel.

**Action: SG 22 – 04: Management Panel to develop and agree budget for the Scheme.**

### **7. Standards Management Group Terms of Reference**

The Group discussed the SMG Terms of Reference and suggested having an independent chair for the Group. Gideon explained that he would be attending a meeting with the Climate Change Committee and had suggested a member of the committee could act as an independent Chair for the SMG. It was noted that the Chair of the SMG would need to have an engineering acumen / background and should be able to bridge the different technologies in the Scheme. The Group further discussed the development of a process for innovative products or technologies to join the Scheme and agreed that this would be something that would need to be developed by the SMG. It was also indicated that the role of the SMG should be added to the Terms of Reference.

**Action: SG 22 – 05: Gemserv to add role of SMG into SMG Terms of Reference.**

Until the Chair is established, it was agreed that the SMG should be chaired by the Steering Group Chairman. The Steering Group members agreed the Terms of Reference upon the understanding that the role of the SMG is added. It was added that the elected members of each Working Group should be chosen at up and coming Working Group meetings or electronically.

**Action: SG 22 – 06: Gemserv to notify Working Groups to elect a member to sit on the SMG.**

### **8. Update on Review of MCS 001**



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Chris Yates gave a brief summary of the progress of the review and noted that he had been elected the Chair of the Group reviewing MCS 001. It was explained that there is still much work to be undertaken, and that the different practices of companies and how they engage with MCS is being looked into. A further review meeting is due to proceed in a couple of weeks time, but once the review has been completed, it is expected that a pilot will be run to test the new MCS 001 document. Following the pilot, changes will be made accordingly if required and then the document will be published in line with any further announcement or launching of RHI in June/July.

David Cowburn explained that the Certification Bodies Forum had been undertaking work to keep the Standard at the same level, but to simplify the language used to make it easier for companies to understand. A draft standard is being used and amended frequently where required to ensure the overall Standard and objectives of the Scheme remain true. It was added that wider views from companies would be required and a public consultation would enhance the review of MCS 001.

Virginia Graham explained that the work on the complaints side has been completed, with a procedure that is much more coherent. It was added that as the Scheme grows, naturally the number of complaints will also, therefore complaints procedures need to be robust. The rules for the Scheme need to also be robust, whilst at the same time being adaptable for different business types.

The Group noted that a big concern raised by installation companies within the Scheme is when systems are sold to customers from unapproved companies, who then subcontract to an MCS installer. There is no contractual protection for the consumer from the Scheme as their contract is with the unapproved company. The Group accepted that this had to be managed properly, and that consumer's protection is paramount.



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It was noted that in Scotland there is a two part sign off, one from the installation company and the other from the body and that in order to ensure the validity of the installation, the customer requires both.

Chris Yates added that for the public consultation, a number of workshops will be held to get as many individuals involved as possible. It is expected that this would take place at the end of May or the beginning of June.

### **9. Progress Report**

Kunal Sharma discussed the progress report and explained that Ecobuild had been a huge success for the Scheme, also indicating that the MCS team at Gemserv completed two presentations at Ecobuild promoting the Scheme.

### **10. AOB**

No items were raised under AOB.

### **11. Proposed dates for future Steering Group Meetings**

The Group agreed that the date for the next Steering Group meeting as Thursday 16<sup>th</sup> June 2011.