



The Certification Mark for Onsite
Sustainable Energy Technologies

MCS Management Panel Meeting

Meeting of: MCS Management Panel Meeting

Date: 21st October 2010

Venue: Gemserv Ltd
London

Attendees:

Alistair Mackinnon	Certification Bodies Forum Representative
Brendan McGarry	Gemserv Ltd (MCS Licensee)
Gideon Richards	MCS Steering Group Chair – Meeting Chair
Laura Fosh	Gemserv Ltd (MCS Licensee) – Meeting Secretariat
Paul Rochester	DECC
Virginia Graham	REAL Assurance

Agenda:

1. Welcome to the meeting and approval of the agenda
2. Actions and decisions from the previous meeting
3. 'As new' hydro product standard
4. Review of MCS 001
5. Governance and Finance Reform
6. MCS Finances
7. MCS Management Report
8. Dealing with technologies that may require new standards
9. Proposed revisions to Working Group Terms of Reference
10. Transition Update
11. AOB and date of next meeting



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Documents:

1. MCS Management Panel Agenda 2010.10.21
2. MCS Management Panel Decisions and Actions 2010.09.06
3. MCS 001 Meeting and Draft Paper
4. Management Panel report October 2010
5. MCS as a Legal Entity
6. MCS Scheme Finances October 2010
7. Working Group ToR
8. Transition Update 2010.10.18

1. Welcome to the meeting and approval of the agenda

Gideon Richards welcomed the Management Panel to the meeting. The Group agreed to change the order of the agenda items and approved the agenda order as above

2. Decisions and actions from the previous meeting

Brendan McGarry gave an update on the suite of database changes that have been proposed and costed, this has been passed to the DECC FITs Team for approval. Brendan McGarry has informed the Group that the 'New' product requirement text is also with DECC FITs Team for approval.

3. MCS Hydro 'as new' standard

The Panel approved the release of the MCS 'As New' Hydro Product Standard. Laura Fosh provided the panel with an update on the progress made by Working Group 4, in particular the development of the Hydro Product Standard and the test methodology currently being drafted



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by the Working Group. Once this is developed the Working Group will be given two weeks to review the document prior to its approval by the Management Panel.

4. Review of MCS 001

The panel discussed a proposal for how to structure and frame such a review. The various different business models used by the MCS Installation Companies were discussed. The Panel confirmed that the date of the MCS 001 Review Meeting would be the 11th November.

The Group discussed inconsistencies between the accreditation of Certification Bodies and the impacts of bottle necks. The requirements of the Office of Fair Trading were also discussed.

**Paul Rochester to discuss this matter with OFT and UKAS.
Action: Paul Rochester
Gemserv to organise the MCS001 meeting for 11th November**

5. Management Report

The monthly report was discussed by the Panel; the report covered the period of August to October. Gideon Richards highlighted the level of marketing that had been done this time. The limited funding available to Gemserv to carry out a marketing campaign was discussed by the Panel. Alistair Mackinnon informed the Panel of funding for overseas events that maybe available from the UKTI.

Several modifications were suggested to the report, which would enhance its usefulness in future meetings.



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6. Governance and Financial Reform

The Panel discussed the possibility of the MCS Scheme becoming a legal entity. This would help address issues of governance and liability. The Management Panel was united in its support of this idea in principle, although some further research is required before a concrete recommendation can be put to the MCS Steering Group. It was also noted that in some quarters, particularly outside Britain, the perceived link between the MCS Scheme and DECC gives the Scheme increased credibility, and any solution should seek to retain this credibility.

**DECC agreed to consult their legal team on the implications of MCS forming a company.
Action: Paul Rochester**

The Panel discussed the Scheme's financial position. They agreed the amount that had been spent over the first two years of Gemserv's involvement, since November 2008, was an accurate reflection of the significantly expanded volume and scope of work that has occurred in that period. There was particular focus on the current outstanding debt that has resulted, and the impact of continuing the services for the next two years.

Brendan McGarry gave a breakdown of the figures, the reasoning for the changes between the initial budgeted cost and the actual cost for each category. It was reported that meeting secretariat and the helpdesk were the highest cost to the scheme. Other significant contributors were the costs to the Scheme of the 'Transitional Arrangement' and the increase in demand that has been brought about by the Feed-In Tariffs. The predicted costs also accounted for the increased volume of work associated with the RHI. Gemserv explained to the Panel that if they were to continue to hold the contract for the following two years they would require a clear plan of how to service the current debt.



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It was agreed the debt currently outstanding to Gemserv would be serviced on a monthly payment option over the next two year, while still receiving the payment for the two year contract.

The Panel also agreed that the Scheme's income to date be transferred to Gemserv as payment towards the current outstanding debt.

The Management Panel has agreed that the MCS Financial Model is unsustainable in the short to medium term, and hence requires reform.

The Licensee will work with Gideon Richards (on behalf of the Management Panel) to develop a proposed revised model, which can be recommended to first the Management Panel, and from there to the Steering Group. Guiding principles are :

- Whatever model is proposed needs to ensure the Scheme does not accumulate any more debt.
- The concept of the 'per installation' fee should remain, although the amount charged could be re-examined.

Action: Gemserv / Gideon Richards to work together to agree a new proposed financial model as soon as possible

It was agreed that regular management accounts should be produced for the Management Panel. Gideon Richards had developed a templates for these, and will work with Gemserv to implement these.

Action: Gemserv / Gideon Richards



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7. Dealing with technologies that may require new standards

This was not discussed due to a lack of time.

8. Proposed revisions to Working Group Terms of Reference

The Group agreed the changes to the Terms of Reference proposed by Gemserv, subject to some minor amendments.

9. Transition Update

The Panel discussed the paper sent to them detailing the current status of the Transition Products. It was noted in particular that it is not viable for the list to remain open beyond the end of 2010, other than in exceptional circumstances on a case by case basis.

The Panel agreed that Gemserv should develop a model for charging any manufacturer remaining on the list after that date, as an encouragement for them to become certificated as quickly as possible.

Action: Gemserv

10. AOB

The Panel discussed the development of the MCS Standards Management Group and it was agreed the Group should still be established. Work should begin as soon as possible to get this in place.

Action: Gemserv / Gideon Richards