



The Certification Mark for Onsite
Sustainable Energy Technologies

MCS Management Panel Meeting

Meeting of: MCS Management Panel Meeting
Date: 23rd May 2011
Venue: Gemserv Ltd
London

Attendees:

Alistair Mackinnon (via tel)	Certification Bodies Forum Representative
Brendan McGarry	Gemserv Ltd (MCS Licensee)
Gideon Richards	MCS Steering Group Chair – Meeting Chair
Kunal Sharma	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. Decisions and Actions from the Previous Meeting
3. MCS Finances
4. OFT Schemes
5. Approval of Standards
6. Innovative Standards
7. Establishment of the Standards Management Group
8. MCS Planning Standard Update
9. MCS Event Proposals
10. MCS Management Report
11. AOB and date of next meeting



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Documents:

1. MCS Management Panel Agenda 2011.05.23
2. MCS Management Panel Decisions and Actions 2010.10.21
3. MCS Budget and Finances Paper
4. MCS SMG Paper and Terms of Reference
5. Approval of Standards Paper, MCS 012, and MCS 017
6. MCS Planning Standard Update Paper
7. MCS Management Panel Progress Report May 2010
8. MCS Events Proposals Paper

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 added in items on innovative products joining the Scheme and the OFT schemes. With the above changes made, the Group agreed the agenda and the order as above.

2. Decisions and actions from the previous meeting

Brendan McGarry explained that the actions from the previous meeting had all been completed, with the exception of the action to establish DECC's position in light of MCS becoming a legal entity, which is currently being undertaken.

3. MCS Finances

Brendan McGarry gave a brief update explaining that a budget for the Scheme has been put together for the financial year 2011/12. It was explained that currently the Scheme income



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recouped from Certification Bodies is slightly low, and that the reporting of income currently excludes the money collected by the MCS database because the auditing procedures around reconciliation from the MCS database are not robust enough at present for reconciliation to be completed. This is being looked at by the CFO of Gemserv and April's figures from the database will be included as a separate line in the May financial accounts.

It was highlighted that the amount expected to be returned month on month from the MCS database in conjunction with the fees collected from Certification Bodies, would be enough to complete payment to the MCS Licensee, reduce the debt of the Scheme and to also ensure that any additional expenses, for example a medium sized marketing event, during the period are covered.

It was suggested by the Group that the Scheme debt should be reduced as quickly as possible and a plan should be put in place setting a period of 6 months as the target for clearing the debt. However, it was later noted that the debt needed to be cleared by November 2012 at the very latest giving approximately 18 months to pay the debt off, and that therefore a reserve should be kept if possible.

When analysing the budget, two points were raised, the first around the costs associated with complaints handling, and the second around the costs for marketing. It was agreed that both of these costs needed to be revisited to ensure accuracy and that marketing plan should be put in place. The Group accepted that a monthly fee should be paid to the MCS Licensee, and also to the Interim CEO, with the amounts to be reviewed periodically every two months, setting out a 6 month strategy. It was added that the cost for the Interim CEO needs to be shown to the Management Panel as well as a breakdown of the activities undertaken.

It was also added that the costs to set up MCS as a legal entity are to be included, but separated out from the Scheme budget, as these activities are outside of the current activities

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required for the Scheme to operate. Whilst the costs will be taken on by the Scheme, they should be a separate line on the budget from the accounting perspective.

The Management Panel agreed in principle with the budget, subject to confirmation of the actual amount of money collected from the MCS Installation Database being sufficient to allow the Scheme's budget to be met and the debt to be reduced on a monthly basis.

The Management Panel also agreed to draft a letter to go the Steering Group explaining the decision not to pursue the collection of the per installation fees for the period when the fee was set at £5.

Action MP04-01: Gemserv to draft letter to MCS Steering Group and send to Management Panel for approval before sending to the MCS Steering Group.

4. OFT Schemes

Virginia Graham gave a brief overview of the review of the consumer landscape and OFT. It was added that there is an issue around codes becoming approved by the OFT, as the OFT have now begun to contact companies who have recently submitted codes to be approved to inform them that they will be unable to approve any codes by 1st April 2013, when the OFT duties are to be reallocated, and so have rejected the codes outright. The Group has had a letter sent through around this particular issue and agreed to formulate a holding response stating that, without more information on where the OFT duties will be reallocated, it is difficult for the Scheme to take a decision. In addition, the Scheme is mindful of keeping OFT approved codes as a minimum for the Scheme, and will look to engage with REAL Assurance, and other bodies who have submitted codes to the OFT in order to assist where possible. The consultation on the future consumer landscape and the OFT is expected to be published by the Department of Business, Innovation and Skills by the end of June.



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Action MP04-02: Paul Rochester to draft letter of response for bodies developing consumer codes which are unable to proceed with the OFT approval process owing to changes to the OFT scheduled for March 31st 2013.

5. Approval of Standards

Kunal Sharma presented two new MCS Certification Scheme Documents that have been completed, MCS 017 – Bespoke Building Integrated Photovoltaic and MCS 012 – Pitched Roof Installation Kits. The Panel accepted MCS 017 and ratified the scheme document, additionally agreeing to the 12 month transition period for manufacturers from the date of publication. With regards to MCS 012, the Panel were concerned with the larger impact of this scheme document on the current market place and requested information from the Working Group to show that the impact had been assessed before the Panel would be able to ratify MCS 012. The Panel in principle accepted the document and the sunset period of 18 months before installers are to be installing pitched roof kits that have been MCS approved, however this acceptance was subject to the Working Group exploring and wider impact of the document on the current market, not only in the UK, but also mainland Europe, to be satisfied that there are enough facilities for testing as well as time for certification to be completed to the new document.

Action MP04-03: Gemserv to request impact assessment from MCS Roofing Issues Working Group for impact of MCS 012 on the European marketplace.

6. Innovative Standards

Gideon Richards discussed the development of innovative standards within the Scheme. It was explained that the process would act like a pilot. Products would be tested during the pilot to assist with the development of the new scheme document for that technology. This testing would then be accepted as evidence for certification once the new scheme document had been ratified and published. The Group had some concerns with testing and certification, as often when testing a product, the one that is eventually certificated may not be the original product

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that began testing. Additionally, there were some questions around the main costs for testing would and where these would lie. It was added that the manufacturers assisting with the pilot would have to bear much of the cost in the development of the new scheme document and that some responsibility would lie with the Certification Body during the pilot period to ensure the quality of the product. Further, the Group had some concerns around the position of consumers who purchased or installed innovative products during the innovative standards process which is not at all clear. The Panel requested the principles of this process to be developed further to take into account the responsibilities, costs involved and also to ensure that the rest of the technologies within the scheme are not undermined, i.e. that the basis of the new scheme documents are to establish the quality and a minimum performance level of the products.

Action MP04-04: Gideon Richards to develop innovative standards process further.

7. Establishments of the Standards Management Group

The Panel accepted the changes to the Standards Management Group Terms of Reference and requested the first meeting of the SMG to be set up as soon as possible.

Action MP04-05: Gemserv to arrange Standards Management Group meeting.

8. MCS Planning Standard Update

Kunal Sharma gave a brief update of the development of the MCS Planning Standard which will allow for installers to follow a set methodology when installing or planning to install air source heat pumps or wind turbines to enable them to apply for permitted development orders following the Statutory Instrument being published which directly links to the MIS documents as well as the new MCS Planning Standard. It was added that this work is due to be completed in the next few months.



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9. MCS Event Proposals

Kunal Sharma explained that there a number of events coming up in the Autumn period where MCS could potentially be involved. It was agreed that MCS should be involved in the Microgen 2011 event taking place in Coventry in October. It was added that events with consumers should be targeted going forward.

10. MCS Management Report

This was not discussed at the meeting.

11. AOB

It was suggested that the Steering Group Meeting due to be held in June is postponed until September as the main actions from the last meeting around the establishment of a company have not progressed as required due to the uncertainty around DECC's role within the Scheme. The Group agreed that the meeting should be postponed until September, as this will also allow for updates to be provided on the progress of the Standards Management Group and also further work to be undertaken by the Management Panel where appropriate prior to the meeting in September, e.g. the agreement of the Scheme budget.