



## BEIS Response on joint MCS/TrustMark approach for Each Home Counts quality mark

### 1. Aim of the Paper

This paper will set out the BEIS response to the Each Home Counts Implementation Board request to continue work to fully understand the potential viability, practicalities, funding and detailed implementation timetable for a joint MCS/TrustMark approach to delivering the quality mark.

### 2. Introduction

At the Each Home Counts (EHC) Implementation Board meeting on 2 November 2017 the board agreed that a joint MCS/TrustMark approach was the preferred option for the EHC quality mark. The board subsequently issued the following statement via the EHC website:

*The Each Home Counts Implementation Board's view is that Government endorsed schemes (in particular, MCS and Trustmark) – working together – should deliver Quality Mark, governed by a Master Licence Agreement or equivalent. The scope of the work is to be informed by principles ( the fundamental norms, rules and values that the new organisation would be expected to adopt) and minimum requirements (necessary to support the recommendations of the Each Home Counts review) specified by the Each Home Counts Implementation Board.*

*Timelines:*

*The scope of work and outline minimum specification to be completed by the EHC Implementation Board by end 2017, framework developed by the Government endorsed schemes by April 2018, ready to deliver from June 2018 and fully operational by 1 October 2018.*

Recognising that TrustMark and MCS are both schemes linked to Government, the Board asked BEIS to further explore the details and feasibility of a joint approach and provide further information for the next board meeting on 7 December 2017.

### **3. Approach taken**

Discussions have continued at official level between MCS and TrustMark teams at BEIS to understand any potential issues with a joint MCS/TrustMark approach, to find appropriate solutions and outline next steps. Legal advice has been sought where required. Options are being presented to Ministers for consideration.

### **4. Way forward**

TrustMark was established by industry and Government to cover the Repair, Maintenance and Improvement (RMI) sector and is currently licensed by BEIS via a Master Licence Agreement. MCS certifies small scale renewable electricity and heat products and installers to provide assurance to consumers about the quality and standard of their installation. MCS is in the process of being novated to the MCS Charitable Foundation with the aim that it will become an industry led scheme.

In principle, it appears feasible that TrustMark and MCS can join to form the governance for the EHC quality mark. In order to meet the timetable proposed by the EHC board, our assessment is that the quality mark should be established initially using the existing TrustMark structure, with MCS joining once it is in a position to do so to deliver a single approach. Novation will continue as planned with the aim that arrangements be made for MCS to join administration of the quality mark immediately upon novation (subject to resolution of any arising issues). This approach would enable the quality mark to be established quickly and in line with the planned ECO timelines. BEIS also recognise that the MCS Charity is currently keen to find a way to make the joint solution work and will encourage the continuation of joint MCS/TrustMark industry discussions.

It is recognised that there are still details and practicalities that need to be considered, with any arising issues resolved. In accordance with scheme principles, current TrustMark licence agreement and novation terms, agreement would have to be reached on details of the EHC quality mark model and the transition of MCS and TrustMark to this structure. This will include the use of MCS standards by EHC following novation and how commercial elements of TrustMark and MCS (Scheme Operators/Certification Bodies), free to operate in the market, will work alongside the non for profit independent administration.

### **5. Funding**

While the proposed quality mark delivery model is expected to be self-funding once set up, it will require a level of pump priming funding to become established. We are working with TrustMark and MCS to understand the expected timescales for the model to be self-financing, and the funding requirements in the meantime. We will

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continue to explore options internally on how these start-up costs can be funded and encourage the Board to also explore possible industry funding options.

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