



EHC Quality Mark Sub-Committee November 2017

1. Progress since last board meeting

At the October board meeting, it was agreed that work should continue to pursue a quality mark jointly managed by TrustMark and MCS (Termed Plan A). The board also agreed that significant progress needed to be made by the 2 November board meeting with specific proposals on:

- (i) timelines and delivery model for Plan A
- (ii) financing model for Plan A – remit of the finance sub-committee

In recognising the challenges of Plan A, it was also agreed that work would progress to Plan B, a quality mark solely managed by TrustMark.

The quality mark sub-committee has not met since the last board meeting but have been informed of progress. There is cross over in representation from the quality mark and finance sub-groups. The finance sub-group has met and produced a parallel paper for the board.

a. Discussions between MCS and TrustMark

Several detailed meetings have been held between representatives of MCS and TrustMark over the past month. The following was agreed at a meeting on 19 October.

“TrustMark and MCS both support the joint approach between the 2 organisations to deliver the agreed quality mark. Both organisations are committed to deliver an agreement that meets the EHC board timescales.”

A further meeting was held on 26 October and representatives from MCS and TrustMark will present the outcome of this meeting to the board on 2 November.

b. Discussions with the gas industry

A meeting was held on 24 October with a sub group of the EHC board and several senior gas industry members, including boiler manufacturers, HHIC and EUA. Benchmark was presented as a scheme designed to operate in a similar way to quality mark but for the gas industry. Following this initial meeting there is a desire for further discussions between the gas industry, BEIS and the EHC board to understand how Benchmark could operate with the quality mark. Like TrustMark and elements of MCS, Benchmark operates ‘above the line’ as a not for profit initiative that works with certification bodies.

2. Government principles and policy limitations

The following context has been provided by government on their requirements and limitations.

- TrustMark is operated by TrustMark (2005) Ltd (TML), a special purpose vehicle established by industry to exclusively administer the TrustMark scheme. TML are a not for profit, Social Enterprise Company. The relationship between Government (BEIS) and TML is through a Master Licence Agreement which protects the words ‘Government Endorsed Standards’ and agrees the operating system. The system includes principles, systems (e.g. complaint handling) and technical standards of the scheme and collectively they are ‘The Standards’. This licence is drafted to allow for modification and can therefore be changed to incorporate the new Each Home Counts quality mark.

- Changes can be made by agreement with the TrustMark board and the BEIS Secretary of State. This includes changes to the TrustMark operating system and its branding. The SoS has no control over the board of the company other than requiring that the board adequately represents consumer and industry interests.
- As TrustMark is an operational scheme, its methods and technical standards will initially have to remain in place. Any changes would be by negotiation and driven by the needs of the quality mark scheme. The scheme itself (i.e. the operating system) must remain not for profit and outside of the influence of any commercial operation.
- It would be preferable to change the licence in steps rather than a 'big bang' where everything changes at once risks which risks destabilising the existing scheme. Modification over time allows changes which are not disruptive to the industry to take place quickly and in the background (e.g. composition of the TrustMark board to reflect new stakeholders) whereas industry facing activity will require a period of transition and will require time to plan the 'change' involving consultation on how best to proceed.
- The TrustMark branding and logo can change by agreement although it is suggested that this would be at a later date. This change would need reasonable justification accounting for the cost of existing brand recognition.
- It is, in theory, possible to establish a completely new organisation to deliver the quality mark but for it to use 'Government Endorsed Standards' would require the Secretary of State to issue a new licence. The Secretary of State would have to consider the effect on the existing TrustMark scheme as part of the process including duplication of schemes, confusion to the public, divergence of standards and financial instability to both schemes.

Red lines for government:

- The quality mark must be not for profit and must remain non-commercial.
- Liability and operational control has to sit with quality mark, not government. Government's role is to agree the 'standards' with the Board which it remains confident in endorsing.
- Cannot risk the ongoing operation of the existing TrustMark scheme without certainty of a new scheme being in place.
- Government will not licence the use of Government Endorsed Standards to compete with the existing TrustMark scheme.

3. Recommendations and timings

There is a strong willingness from both MCS and TrustMark to find a way to work together, and good progress is being made. Plan A+ would allow TrustMark to evolve to take on the new requirements of quality mark and to meet the timings for ECO. MCS would continue with novation and be incorporated into the new governance and delivery structure at an appropriate time.

It is also important to fully consider the approach from the gas industry and whether involving Benchmark in the governance and delivery of quality mark has the capability of furthering standards and consumer protection.

It is therefore proposed that plan A+ is allowed to proceed but on the basis of it being able to accommodate involvement from Benchmark if appropriate.

The following timescales are proposed:

| | |
|-------------------|---|
| 2 November 2017 | TrustMark and MCS to present plan A+ to the EHC board. Board agreement on way forward. |
| 7 December 2017 | TrustMark, MCS and Benchmark (if appropriate) to progress discussions and present findings to EHC board with clear road map |
| January 2018 | Quality mark written into ECO consultation based upon single delivery by TrustMark with intent to include MCS/Benchmark |
| End February 2018 | Governance established for quality mark with or without MCS and Benchmark |
| April 2018 | Scheme operators and installers sign up to quality mark |
| TBC | MCS and possibly Benchmark transition into the quality mark. |

Susan Jones, Each Home Counts Associate

31 October 2017