



Each Home Counts Implementation Board Meeting

5 October 2017

Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR

Board: Howard Porter (HP), Dan Alchin for Audrey Gallacher (DA), Simon Ayres (SA), Richard Bayliss (RB), Kelly Butler (KB), Peter Caplehorn (PC), Claire Curtis-Thomas (CCT), Ben Golding (BG), Rich Hampshire (RH), Susan Jones (SJ), Bob Ledsome (BL), Liz Male, Clare Price (CP), Martyn Reed for Kerry Mashford (MR), Peter Rickaby (PR), Phillip Sellwood (PS).

Officials: Alison Oliver, Christine Schams (CS), James Sharples, Pam Wynne (all BEIS), Micheal Wilson (DCLG)

Apologies: Peter Broad, Alan Cochrane, Audrey Gallacher, Stephen Huller, Bevan Jones, Kerry Mashford, Laura McGadie

1. Government update

BL advised the Board on timescales to provide input into the Grenfell Tower Public Inquiry. The Board will discuss a potential submission during the industry only session at the end of the meeting.

2. Conflicts of Interest

SA is CEO of Trustmark and therefore conflicted in terms of decision. He stated he was present to provide information only.

RH stated he has no conflict in quality mark but might in the data warehouse work.

LM stated she is no longer Chair of Trustmark so is not conflicted. None of her current clients have an interest in the Board's decisions.

CCT acknowledged that BBA are a scheme operator but stated that the organisation has no vested interest or position within Trustmark or MCS.

Kelly Butler is on the MCS Steering Group. This is not a decision-making panel for MCS and therefore he has no conflict of interest.

All other Board members present stated no conflict of interest.

3. Subcommittee and main findings

SJ outlined the subcommittee's process (Paper 1) and thanked the members of the group for their contributions. HP confirmed the Board understood the proposed options and decisions (Paper 2).

LM asked if Gas Safe Register featured in any of the subcommittee meetings. SJ confirmed they were involved in initial discussions about the principles of the quality mark but had not met with the subcommittee.

MM noted that Trustmark has a broad scope but MCS is, in comparison, is niche. what do they add? RHI sector such a small bit. Their status is not reason in itself. LM responded to explain that we are currently in a situation where different Government departments hold quality marks in different areas. This is a chance to provide greater clarity in the market to reduce burden on business and confusion for consumers.

SA shared the outline of initial conversations between Trustmark and MCS noting MCS and Trustmark agree in principle this is a once in a lifetime opportunity to rationalise and bring together marks. Under this proposal, the quality mark will have a board that brings together Trustmark and MCS. Part of this process requires looking at how the organisation is established and both parties brought together. These talks are continuing and include the status of the MCS charity and its ongoing funding. The initial challenge is that the MCS Service Company is seen as an asset for funding. Areas for concern that the Board should be aware of is that conversations are not happening at the required pace. It is clear the entity that is currently Trustmark will change radically. Each Home Counts should have representation on the new quality mark Board. It is worth noting that change to MCS provide an opportunity to gain support in the heating industry.

BL noted that a critical issue is whether MCS are above or below the line. They cannot be both as that is a clear conflict of interest. MCS need to accept that if they go into the top tier, they need to relinquish some of their responsibilities.

SA's outlined his understanding that currently BEIS have relationship with the MCS service company but that post novation it will sit below the line. CCT believed that post novation, the MCS service company will have a similar function to the quality mark. This is an issue that will need to be resolved. Her view was that we need to clarify role of MCS – whether they will be above or below the line. It is imperative to provide a specification of what the quality mark is going to do and what it is not going to do. SA agreed that the MCS model will need to change if MCS is to be part of top level.

PS recognised that MCS have only been able to provide partial input so far. Not all questions have been answered or even identified, however there needs to be a level of confidence for the Board that MCS and Trustmark are addressing these issues in the right spirit.

HP stated that sufficient clarity needs to be in place by January so the proposal has to be ready by the November board.

KB asked who has the mandate to deliver within MCS bearing in mind the structure is divided between current and future MCS. Who will be leading and who is responsible for making decisions?

CS Decisions will be made by trustees. The directors designate are involved in discussions.

KB noted that current MCS steering group has not discussed any of this. CS relied that it is not for the current structure to make decisions on the future structure. This discussion should be continued outside of the Board meeting.

BG recognised that there is a possibility where agreements are drawn up but novation has not occurred. We could still be happy provided agreement is sufficiently advanced.

RH felt it was sensible that Plan B is developed as contingency but wanted a clear understanding of how both options would be progressed over the next month.

CCT noted that we need to be clear what it is that the organisation is going to do before we can decide who will run it. It needs a specification.

HP pointed out the scope of the organisation reverts back to the overall model presented by the Quality Envelope Workstream and approved by the Board, although it is not clear whether the board has agreed the specification. The new quality mark board will need to be clear about what they are expected to deliver, although responsibilities have not yet been specified in such a way to identify risk and liability.

SA reiterated his understanding that the Board has agreed the structure in principle, including its framework operating requirement. The subcommittee had reference to that in their ToR.

SJ added that the detail of what the organisation will do is defined by other workstreams. All areas of discussion need to be feeding in so that we understand what the scope and specification will be. There is a need to take stock of progress on all workstreams

HP agreed that other aspects of the Review have been on the back burner as far as the Board is concerned but these do now need to be taken forward, especially the finance working group.

PR suggested this was an unbalanced negotiation between now and November with Trustmark in a stronger position than MCS. He asked what Trustmark's preferred outcome would be.

SA, speaking as CEO of Trustmark, said he wants a joint approach because that is right for industry, for example cutting down on duplication. The problem we have is time. He is working with MCS to find a route forward which delivers the required benefits.

4. Decisions (referring to Paper 2)

HP recommended a further decision be taken to recognise the need for BEIS to progress MCS novation.

The Board also encourages BEIS to progress with novation of MCS at speed to enable assurance of a timeline for completion to be provided at, or in advance of, the November Board meeting.

CS advised the Board that novation is expected this calendar year but there are still some legal agreements to work through.

1. Approved
2. Approved subject to points detailed below:
 - Recommendation 2 should be split to refer to development of a financial model. BEIS will send out wording of new clauses for confirmation.
 - Plan A and Plan must be run in parallel.
 - The Finance Subcommittee will make funding requirements clear.
 - Trustmark and MCS will present their plan to the Board in November.
 - Workstreams will feed in what needs to be in place for the plan to be finalised by the Board at the November Board meeting.
3. Approved
4. Approved

BEIS will circulate the updated working of the decisions for clarification.

5. Quality Mark Next Steps

HP asked the Finance Subcommittee to immediately start work on the financial models that would enable Plan A to work. He reminded them that the objective is to simplify and reduce cost for installers. The subcommittee will report back at the next board meeting. This should include information from Trustmark and MCS about the elements of a proposed financial model.

A proposal must be put forward at the November Board meeting by Trustmark and MCS. The Board will make the decision to continue with Plan A or to adopt the Plan B contingency.

SJ will join the Finance Subcommittee to provide the connection between the Quality Mark Subcommittee work and finance discussions.

BEIS will circulate a paper detailing the decisions to be made at the next Board meeting. It is clear that Plan A is preferred. The choice will be between Plan A or Plan B. KB noted that if Plan B is taken forward we would need clarity about what will happen to the MCS standards post novation.

6. Wider Communications

The Board agreed a communications plan is necessary. LM outlined a possible structure, including identifying the audience, understanding what mechanisms we have (e.g. website, face to face, pr, industry's own channels), agreeing a timetable and looking at how it will be resourced. She offered to put together a high level plan for BEIS to take forward.