

**MARKET TRANSFORMATION PROGRAMME
ADVISORY GROUP (MTAG)
2nd MEETING**

**Tuesday 26 November 2002, 14.00 –17.00
Rooms H5-6, Great Minster House, Department for Transport, Horseferry Road,
London.**

AGENDA

- 1. Adoption of the agenda**
- 2. Minutes & actions from MTAG meeting of 19 June 2002**
- 3. MTAG Terms of Reference**
- 4. MTP Highlights Report**
- 5. MTP Budget**
- 6. Future development of MTP scope**
- 7. Date of next meeting**
- 8. Any other business**

Papers:

Agenda
Minutes of 19 June 2002 meeting
Draft Terms of Reference
Revised draft MTAG membership matrix
MTP Programme Report for MTAG (June-October 2002)
Budget Summary and spend to date sheet

Circulation: as below

Attendance:

Chris Baker, Defra/EBC (Chair)	Brenda Boardman ECI
Deborah Brown, Independent	Vic Crisp, CT
Brian Daunter, EST	Samantha Kennedy, EST
Arnold Pindar, BSI	David Payne, DTI
Steve Andrews, DTI	Roger Worth, DfT
Emma Chetwynd, OFGEM	Robin Mynard, Defra/WSR
Iris Rooney, Defra/SEP	Simon Cox, Defra/EBC
Paul White, AEAT	Jeremy Tait, AEAT
Verney Ryan, BRE	Martyn Webb, Defra/EBC
Owen Emery, Defra/EBC	John Lanchbury, RSPB

Apologies:

Teresa Smallbone	Bob Ryder, Defra/EBC
Ted King, ODPM	Bernie Walsh, Defra/EBC
Maggie Gibbons-Loveday, TSI	Charles Cox, Defra/EBC

Proceedings

Chris Baker welcomed the group and new Members to the 2nd MTAG meeting which, re-constituted, continued and expanded on the role of the old Market Transformation Advisory Committee (MTAC).

1. Adoption of the agenda

1.1 Adopted

2. Minutes & actions from MTAG meeting of 19 June 2002

2.1 Adopted

2.2 Action Report:

2.2.1 To revise and place into the public domain the Programme specification and a summarised version of the Programme of Work: Not done – pending response to comments received.

Action (AEAT, EBC) - to complete

2.2.2 To clarify the meaning of the '50%' rule (contract specification para 3.1.9): Done via an exchange of letters between AEAT and Defra – in summary, up to 50% of the budget could be apportioned to AEAT as Lead Contractor while AEAT's preferred sub-contractors, BRE & ITS – the other consortium members - would be subject to the same procurement rules as other contractors except in the case of work which they had already tendered through the Lead Contract bidding process.

2.2.3 To produce MTAG Terms of Reference and a revised Membership Matrix: Done (subject to adoption by MTAG).

2.2.4 Noting that the 'minutes' of the 19 June 2002 meeting comprised only actions which represented the outcomes of the meeting, MTAG requested that, in future, minutes should be issued which summarised the discussion.

Action (EBC) – to issue summary minutes of this and future meetings

3. MTAG Terms of Reference

3.1 Chris Baker presented the draft Terms of Reference together with a revised draft of the membership matrix. Subject to further written comments and review by MTAG, and following MTP principles, the intention would be to make this an open, public domain document and published via www.mtprog.com.

Action (MTAG) – to provide written comments

Action (EBC/AEAT) – to publish on web site

- 3.2 In discussion, Chris Baker emphasised that, whilst all responses and contributions to the policy briefs and action plans were welcome, the main role of MTAG was to take an overview of the management priorities, direction and delivery of the programme with reference to the Programme specification, public domain action plans and the other documents which define it. The reference documents themselves could be amended, if necessary, to reflect clarifications requested by MTAG and any proposed changes to the Programme scope, management arrangements etc.
- 3.3 The main purpose of the membership matrix was to ensure good communication and effective formal consultation with the primary contacts and with the wider interest group. The significance of ‘E’, ‘P’, ‘R’ was that the individuals might be invited to give more detailed consideration and advice to the Group on specific MTP items.
- 3.4 The following amendments to the draft membership matrix were agreed:
- 3.4.1 ‘Organisation’ should be changed to ‘Representation’.
- 3.4.2 In general, the primary representative would be listed as ‘Contact’ with Alternatives, those in the same organisation receiving papers and those likely to attend for only for particular items would be listed in the section beneath the Contact name.
- 3.4.3 An R (Resources) should be added under “Best Practice for SEP (Iris Rooney).
- 3.4.4 The “R” under the “Innovation” for EST should be removed.
- 3.4.5 Roger Worth’s personal interest under “Best Practice” should only relate to transport issues such as freight and trucks, but he would identify other appropriate DfT contacts.

Action (Roger Worth) – to identify DfT contacts

- 3.4.6 EEP should be listed separately to EST. Representation could be by the same Contact but it would be helpful to clarify the communication and reporting mechanisms to EEP (Steering and Action Groups) and to various parts of the EST organisation with an interest in MTP.

Action (Samantha Kennedy) - to consult with EST and EEP colleagues on how best to establish effective communication and representation routes.

- 3.4.7 We should encourage representation from the Agriculture sector.

Action (EBC) - to identify contacts, copy papers and seek expressions of interest.

- 3.5 Chris Baker invited individual MTAG to check if they were content with the entry for their own organisation and to write to Defra with proposed amendments including, especially, additional names for papers.

Action (All) – to check entries.

4. MTP Highlights Report

- 4.1 Jeremy Tait and Paul White (AEAT) presented their report. The essential points were that the work plan endorsed by MTAG at the last meeting had been put into action and all deliverables were on track. Very good progress had been made in all areas, especially in achieving buy-in to the existing programme elements, integration with other policy development processes and programmes, developing new areas and in responding to policy needs (e.g. providing support to the Digital TV Project). The Action Energy and Envirowise programmes were increasingly being used to disseminate MTP information. And a good level of integration was being achieved with related activities, especially EEP, EST & CT programmes.
- 4.2 However, the Programme was in danger of being a victim of its own success insofar as this was putting considerable pressure on the core programme to support the areas for integration which it had opened up. The 'wish-list' of priority activities identified in the policy brief action plans now far exceeded the £800k planning budget for 2002-03.
- 4.3 Subject to further written comments, the report was accepted.
- 4.4 In discussion, the following clarifications and points were made:-
- 4.4.1 "include" in para 2.1.1 (p8) should be changed to "included" given that the Energy+ project no longer received support from DEFRA or EST.
- 4.4.2 Para 2.5.3 (p11) was clarified to indicate that, following the proposed revision of the EU energy labelling directive for household refrigerators, the next most likely to be reviewed would be the label for wet appliances.
- 4.4.3 The MTP Induction formation Pack referred to in the Marketing & Communications (MARCOMMS) heading (p18) was awaiting clearance by Defra.
- 4.5 Relating specifically to the web site www.mtprog.com:
- 4.5.1 It would be helpful to count website and page "hits", to check, amongst other things, on the user-friendliness of the new design and relative use made of the various components e.g. News and Downloads.

4.5.2 It should be made clear to readers 'What's New' and what had been recently changed on the MTP website as a whole and on each page separately.

4.5.3 It was important that there should be an easy to use and effective search function.

4.5.4 It was agreed that AEAT should give access to the development test site to all MTAG members.

Action (AEAT) – all points under 4.5.

Action (all MTAG) – to view and try out the mock-up of the new website and give feedback (4.5.4)

4.6 Arnold Pindar (BSI) offered to discuss how MTP and BSI could co-operate to develop the proposed initiative on this area, to help drive standards forward on environmental impact issues.

5. MTP Budget

5.1 Chris Baker explained that the current budgetary situation was extremely tight. This was partly because MTP baseline resources for 2002- 03 had not been increased from the historical level of about £500k, partly because the Programme now incorporated the ecolabelling support function and partly because of the transfer of SEP Division to CEER Directorate, taking with it the Energy Efficiency Best Practice budget line (subsequently transferred to CT and EST) on which MTP had depended in previous years to make up its funding to around £800k-£900k.

5.2 MTAG had endorsed a working budget of £800k at its last meeting. AEAT had been asked to plan on the basis that it might be possible to support this via programme underspends in other Defra budget areas or by contributions from other MTAG members, but that we would have to be prepared to retrench if that provision could not be obtained.

5.3 Whilst, as illustrated in AEAT's presentation, some MTAG members (notably DTI, WRD, EST and most recently DfT) had supported MTP via an increasing number of discrete side-projects, contracts and information-sharing agreements which has helped to carry forward certain strategic actions, **EBC remained the sole contributor to MTP core funding via the Lead Contract.**

5.4 Chris Baker, Paul White and Brian Daunter highlighted the extensive co-operation between EST and MTP, with MTP delivering data, Briefing Notes and technical input to various EST groups. Chris Baker pointed out that, under the restricted budget, this level of support would not be sustainable.

- 5.5 Iris Rooney emphasised how MTP could usefully act as a driver for EST and Carbon Trust initiative planning, and that there should be a good level of co-operation between them. She also pointed out that both EST and MTP received funding from the same source, and that external funding sources would need to be found to remedy the situation.
- 5.6 To date EBC had been able to obtain firm resources from its own budget of only £700k. Acting as Programme Managers, and in the absence of supplementary funding from MTAG members for the core programme, EBC had been forced to ask AEAT to prepare a proposal to work within this more restrictive budget.
- 5.7 Jeremy Tait presented AEAT's proposal to amend the 2002-03 Work Plan to meet a £700k budget. In their presentation, AEAT demonstrated the good level of support from some MTAG Members for separately resourced discrete projects and activities which are identified in MTP Action Plans (DTI - standards, CT, Enhanced Capital Allowances; DfT - refrigerated transport; WRD - water etc.). But the essential proposal now was to cut all non-EBC priority areas, deferring activities wherever possible whilst seeking to maintain the credibility of the programme and to continue to provide limited support to MTAG Members, so far as possible, under EBC's broader policy integration brief.
- 5.8 In response, it was agreed:
- 5.8.1 Putting into practice the management and support structures envisaged in the Programme Specification and in the absence of substantial contributions by other MTAG members to support core MTP activities, **the Programme should reflect EBC priorities**. Whilst these included a remit to support the broader aspects of integrated product policy, the first call on MTP would have to be to support such things as reliable environmental information, EU regulations, directives, industry agreements, and procurement.
- 5.8.2 If possible, outreach activity should be maintained at the expense of non-essential data-acquisition which could be put on hold.
- 5.8.3 If high-profile Marketing and Communications activity such as the annual 'Showcase' event (item 7, p7 of Programme Report) had to be cut, less costly outreach options should be explored, for example, by fostering links with the trade press.
- 5.8.4 In general, it would be helpful if the effects of any budget cuts could be quantified and the implications for policy delivery spelled out. However, it was appreciated that because the bulk of MTP activity was strategic and long-term in nature (fire prevention, not fire-fighting), the impacts of cuts, whilst real, might not be immediately apparent.
- 5.8.5 Summing up, Chris Baker said that the essential story was of rising pressure on the MTP core budget, due largely to success in delivering MTP's basic objectives. Because of the MTP's success in promoting and obtaining buy-in to the public domain, commonly-owned policy briefs and

action planning processes, as encouraged by MTAG (and previously MTAC), there were now substantially rising demands on MTP to support such things as DTI/DCMS DTV project; EEP activities, Energy Efficiency Recommended, Enhanced Capital Allowances, and to input to wider energy and environmental policy briefing, modelling, development and planning processes.

- 5.8.6 But at the same time EBC was under pressure to use its own budgets to support EBC policy development and delivery areas (IPP, EU regulations, Procurement, ACCPE etc) and had no provision to meet the rising demand for MTP support via the Lead Contract, which was implicit in many existing programmes and Government policy processes.
- 5.8.7 EBC had already taken management decisions to defer important activities on which we had a policy commitment such as energy labelling spot-checks/compliance to ensure that MTP could continue to develop. But, with increasing integration, even these decisions were not without consequences and knock-on effects, for example, for EST programmes and for other strategic policy support work.
- 5.8.8 The management arrangements set out in the Programme specification and contractual arrangements established in the Lead Contract allowed for a variety of routes to ensure delivery of MTP Action Plans – either via the core programme, managed contracts or discrete projects funded under separate contracts. MTAG were asked to consider the best practical way to implement this.

Action (MTAG – all Members with policy and programme activities) - to consider how they would prefer to resource deliver MTP Action Plans and programme development activities.

- 5.8.9 More immediately, there were some tough management decisions to be taken with regard to the work programme for the remainder of 2002-03. In the absence of any financial contributions by MTAG to MTP's core programme, the priority for available MTP resources must be to support EBC's policy aims.

Action (MTAG Members, especially budget holders) - to consider if they could make any funds available via the MTP Lead Contract to deliver actions which were identified in MTP Action Plans but for which EBC had no 2002-03 budget provision.

Action (EBC) - to continue to seek supplementary resources via EQW Directorate and explore longer term arrangements for funding common Actions e.g. via EPG Science Budgets, joint funding with DTI etc.

6. Future development of MTP scope

- 6.1 This item was largely dealt with in the context of the discussion of the Report and Budget.
- 6.2 It was generally accepted that whilst there remained substantial scope for the deepening and broadening of the Programme, as per the current Work Plan, and it should continue to respond to issues (e.g. to develop a Food Sector study) and to explore the scope for policy integration, efficiency savings and programme development, **in the absence of supplementary core funding, pro-active programme development would have to be scaled down.**
- 6.3 MTAG raised no further specific issues regarding the current direction and scope.

7. Date of next meeting

- 7.1 Chris Baker proposed to set dates 4 meetings ahead (subject to confirmation); supported by MTAG.

Action (EBC) – to set date for next 4 meetings

8. Any other business

- 8.1 Brenda Boardman suggested a hierarchy of types of initiative which might be useful in future MTP planning:
 - 8.1.1 Upstream actions to head-off future problems (e.g. silicon developments, digital TV, broadband, etc)
 - 8.1.2 Important things which no-one else would do.
 - 8.1.3 Outreach activities for MTP.
 - 8.1.4 Lower priority items such as data gathering.
- 8.2 Chris Baker gave a brief update on various EU-related issues including the proposed Eco-Design Directive.