

MCS Charitable Foundation

Impact Report

April 2020 – March 2022



Vision

A world where everyone has access to affordable and reliable renewable energy.

Mission

As a Foundation we are working to decarbonise homes, heat and energy and working to increase public confidence, awareness, and access to renewable energy, zero- and low-carbon solutions across the UK. As a Foundation we support education and engagement programmes, fund research and facilitate innovative solutions to drive the transition to zero-carbon homes and buildings. Our Launchpad projects are now looking at the skills needed to drive this transition and support mass scale retrofit at local level. In addition, the Foundation oversees the Microgeneration Certification Scheme (MCS) which defines, maintains and improves quality standards for renewable energy at smaller scale. All the profits from this scheme go to fund the charity and help transform the UK away from fossil fuels to a zero-carbon future.

Message from the Chair



As the world recovers from the global challenges of the pandemic and its human and economic costs, it now must chart a path of recovery that includes planning for a zero-carbon future. As a leading independent charity dedicated to the decarbonization of the built environment, a sector that accounts for nearly 25% of the UK carbon emissions, the MCS Charitable Foundation is working to decarbonise buildings and homes across the UK to make them fit for the future and tackle the climate crisis.

Through a combination of targeted advocacy, funding for innovative organizations, and the promotion of high-quality standards for low-carbon technologies through our subsidiary MCS Services Company, we leverage our intellectual and financial capital, and mobilise a large group of partners and stakeholders to embed standards, build capacity in the sector and drive innovation that enables mass-scale deployment of renewable energy and low-carbon solutions.

This first annual impact report reflects the first two years' activity under our grants programme and external affairs strategy. It has been a period that has seen the MCS Charitable Foundation and MCS Services Company grow and establish themselves as an innovative and trusted partner to the private sector, civil society and government to help advance solutions to our sector.

We invite you to learn more about our work, and look forward to further advancing our aims in the next year with our partners and stakeholders.

Fabio Nehme
Chair, MCS Charitable Foundation

Message from the CEO



The years 2020 and 2021 will be seared into our collective memory as two of the most challenging in modern human history, with the COVID-19 pandemic upending so many aspects of our daily lives. As we start to move forward, focus has now turned to one of the greatest threats in humanity's history: the man-made climate crisis, while the war in Ukraine has added to the urgency of weaning the UK off fossil fuels. With COP26 behind us we have a vital decision to make: either decarbonise rapidly or face the spectre of dangerous climate change which will threaten the entire planet.

At the MCS Charitable Foundation we are facilitating action to decarbonise one of the most important and difficult sectors: homes and buildings. Important, because post pandemic more people are spending more time in their homes, energy bills are rising, and we see an ever growing need to create zero-carbon homes that are resilient to changes in the climate; and difficult because of the age of our housing stock and the scale of the challenge of retrofitting 29 million homes.

During the last two years MCS Charitable Foundation has embarked on major programmes of work to help drive forward action at scale. Firstly, we have launched an open grants programme to fund initiatives that help build capacity in the sector and demonstrate innovative ways of advancing mass-scale approaches to zero-carbon

homes. Arising from this work, we have developed two new MCS 'Launchpad' groups that bring together leading players from across the sector to address key barriers to retrofit at scale: one on the crucial topic of skills and training, and the other a partnership with UK Green Building Council on accelerating mass-scale retrofit at local level.


Alongside our grants and launchpad work, we have built a research and advocacy programme, through which we are collating and advancing evidence on the policy changes that Government needs to take in helping with a fair and effective transition towards green homes. Highlights from our research, advocacy, grants and launchpad work are set out in the report and I hope you find them as informative and motivating as I do.

It has been a very busy two years for the Foundation as we build momentum and move forward with an urgency that is needed to create a zero-carbon future. I would like to thank the staff, Trustees and Directors in MCS Charitable Foundation and our colleagues at MCS Company for making this period so successful and look forward to advancing our next plans with hope and excitement.

Adrian Ramsay
CEO, MCS Charitable Foundation

Contents

Our Successes	7
Research & Consultations	8
Grants	11
External Affairs	16
Advocacy Campaigns	17
Other Political Engagements	20
Future	21
Skills & Capacity	22
Our focus moving forward in 2022	23
MCS Company and Standards	24
The MCS Charitable Foundation Team	25
The MCS Charitable Foundation Trustees	26



**Decarbonising homes,
heat and energy**

Our Successes

The MCS Charitable Foundation works to raise public confidence, awareness, and access to renewable energy and low-carbon solutions, and our success is both tangible and anecdotal.

1.

Our grant-making programme has given £1.5 million to more than 41 projects. We have launched a series of landmark reports to influence the policy environment including Energising Advice, Renewing Britain, The Case for VAT reduction on renewables and energy efficiency measures, and the latest report looking at hydrogen and heat pumps for domestic heating. These reports have or are being considered by the Department for Business, Energy and Industrial Strategy (BEIS), Parliamentary groups and committees as well as Ministers and are providing key policy evidence to support the development of our sector. These reports have also generated significant media coverage.

2.

Our campaign to extend the Green Homes Grant Voucher Scheme for twelve months was successful, though short-lived as the Government then terminated the scheme after it had been extended. The Green Homes Grant scheme was also oversubscribed by consumers, which showed the huge demand from the public for energy efficiency and domestic renewables. MCS as a group has also fed back on the learnings from the way this scheme was administered.

3.

Our VAT campaign was successful with VAT being zero rated for all domestic renewables and energy efficiency measures for five years. A huge thank you to all our partners and for the support across the political spectrum in making this important change happen.

4.

Our partners have also supported our campaigns and we are working with a wide range of organisations who are helping to deliver shared objectives – we are now leading the Climate Coalition’s ‘Green zero-carbon homes’ strand of work. Our research has been vital in our consultation responses, and as part of our coalition lobbying we have seen a progressive Heat in Buildings Strategy delivered for Scotland. In the last 18 months MCS has responded to over 70 UK-wide government consultations and used our expertise, knowledge and research to inform the debate, as well as being called to give evidence in front of Select Committees. Our research underpins all that we do and allows us to be informed and use evidence to back up our policy positions.

5.

A Government decision on hydrogen for domestic heating has been delayed until 2026 and this is in part due to the evidence and research that MCS and others have provided the Government with on the sustainability and price differential of gas-based hydrogen production for consumers. The report we commissioned from Imperial College highlighted the importance of the Government focusing on advancing heat pumps as the option for domestic heat decarbonisation which is ready for deployment now.

Research & Consultations

Research is key to all that we do as a Foundation. It underpins our policy, campaign workstreams and lobbying.

It is used to inform our response to Government consultations and helps position MCS Charitable Foundation to provide evidence, written responses, and policy briefings for politicians, as well as helping to brief senior MCS representatives asked to appear in front of Parliamentary Committees.

Over the last 18 months MCS has responded to over 70 government and Ofgem consultations or calls for evidence. We have been instrumental in providing fact-based responses to help inform Government opinion and have been called to give evidence in front of the Environmental Audit and BEIS Committees.

VAT

The research is clear that a strong economic and social case exists for making Zero Carbon = Zero VAT

Hydrogen

The research finds that hydrogen infrastructure is not going to be viable for domestic heating applications at scale for at least the next 10 years, and therefore the government should focus on deploying solutions which are available now, including energy efficiency, electrification through heat pumps and heat networks as the main focus for its strategy.

As part of our growth, we have recruited a new Research and Campaigns Officer who has proved invaluable in helping manage and provide research to inform positions and to respond to Government Consultations. The MCS group has produced some excellent research to support our core messages and campaigns through:

- 1. Energising Advice Report** – commissioned by the Foundation and launched in Nov 2020 with Shadow Minister asking for the Government to support new information and advice services.

www.mcscharitablefoundation.org/news/2020/12/9/postcode-lottery-in-clean-energy-advice-for-consumers-reveals-charity-report
- 2. Hydrogen and Carbon Capture and Storage** research to help inform our policy and position, as well as prepare external briefings and responses to consultation on carbon and cost implications of blue hydrogen for home heating.
- 3. Renewing Britain Report** – Company Report supported by the Foundation – commissioned and launched to media. This report looked at the deployment of renewables and what types have been installed across the UK, and identified areas with low take-up of renewables.

renewingbritain.com
- 4. National Energy Foundation** – Superhomes research – Foundation Grant. MCS funded a new system to help retrofit homes and identify good practice under the Superhomes grading system.

nef.org.uk/project/superhomes/

5. Heat Pump research – This was an international perspective looking at what other countries had done to successfully increase the installation and adoption of heat pump technology, especially in France, Germany and Italy to demonstrate good practice to the governments of the UK.

6. Solar UK research on homes – Foundation Grant. The aim was to produce an advocacy report to show that installing solar increases the value of your home and to help encourage Government and consumers about the benefits of installing solar.

solarenergyuk.org/wp-content/uploads/2021/10/The-Value-of-Solar-Property-report_SEUK.pdf

7. VAT report – commissioned by the Foundation to build a case to zero rate VAT on energy efficiency measures, domestic renewables and installation costs to help remove up to 20% of the cost of a heat pumps, other renewables and energy efficiency measures.

www.mcscharitablefoundation.org/news/2021/10/26/new-report-reveals-that-the-chancellor-should-zero-rate-vat-on-heat-pumps-and-energy-efficiency-measures

8. Imperial College – research was commissioned to look at the domestic deployment of hydrogen and heat pumps for heating. This impartial research reviewed both technologies and the infrastructure and concluded that the Government should focus on electrification and heat pump deployment for the next ten years. It received massive media pick-up and has been acknowledged by the Minister in Parliament.

9. YouGov MP survey on decarbonisation – commissioned by the Foundation. This was to gauge MPs' support for electrification, heat pumps, renewables, and reducing VAT to provide a benchmark of support for our issues within Parliament.

www.mcscharitablefoundation.org/news/2021/11/29/yougov-survey-finds-majority-of-mps-dont-believe-government-policy-will-make-our-homes-fit-for-the-future

MCS maintains a strong and credible voice in the sector, due to our independent, scientific research that underpins our positions on key policies on relevant topics such as the VAT, heat pumps, hydrogen, driven by our technology-agnostic approach to decarbonising homes, heat and energy across the UK as part of the transition to net zero.



Grants

Our grant-making programme has given £1.5 million to more than 41 projects to help support research, community and capacity building projects across a wide range of stakeholders.

Our grants support projects aiming to deliver a transformative impact on how renewable energy and zero carbon solutions are deployed. Furthermore, our grant funding is bringing additionality to the sector. Grantees are reporting that our grants have acted as catalysts in attracting further funding from other sources that might not have otherwise supported them, thereby broadening the overall funder base and increasing philanthropic and grant investment into our sector.

► Total Grants awarded by the Foundation since 2019

Grants by theme	Number of grants awarded	Total grants
Research & Consumer Information	13	£325,746
Standards & Safety	5	£378,317
Skills & Training	3	£153,774
Development & Policy	8	£219,698
Community Capacity Building	12	£382,439
Total	41	£1,459,974

Examples of a few of the grants that have been awarded

- ▶ **World Wide Fund for Nature (WWF) Scotland**
Decarbonising heat in Scotland's buildings



The overall objective of the project is to ensure that the Scottish Government has a clear strategy and brings forward new policies to decarbonise gas-heated buildings. Heating buildings accounts for a quarter of Scotland's carbon emissions, and we cannot tackle the climate emergency without rapid action in this area. The majority (80%) of buildings use fossil gas for heating, and finding and deploying renewable solutions for these remains the key challenge in this sector.

WWF and MCS have helped secured ambitious targets for heat decarbonisation from the Scottish Government over the past year; for example, the September 2020 commitment to increase annual low-carbon heating system installations from 2,000 today to 65,000 by 2025. However, significant uncertainties and challenges remain on the road to securing the policies and legislation to deliver these targets in the real world. These challenges include how to support households and particularly the fuel poor with the costs of the transition, a lack of industry consensus (with various lobbies pushing preferred solutions), and concerns regarding the potential for a just transition and impacts on existing jobs (e.g., gas networks and heating engineers).

WWF Scotland has a strong and established track record of working with the Scottish Parliament and Scottish Government to secure better decisions for our environment. WWF and MCS will use the recommendations report to inform our advocacy work with stakeholders, the Scottish Parliament and Scottish Government, to secure the funding, policy and regulation required to drive the moving away from gas boilers that is required in order to meet net zero targets and decarbonise housing in Scotland.

- ▶ **National Energy Foundation (NEF)**
New Superhomes rating scheme.



The aim of the project was to define the criteria and parameters for the SuperHomes 'Comfort standard' and to integrate the SuperHomes standard with 'Whole House Retrofit Plans'.

The National Energy Foundation SuperHomes project recognises the achievements of those housing associations, homeowners and landlords who have gone the extra mile in the eco-refurbishment of their property and achieved high levels of carbon and energy reduction together with increased levels of comfort.

The SuperHomes network builds on the enthusiasm of eco-refurbishment pioneers to provide inspiration to all for a successful sustainable retrofit, improvement in home energy ratings and increased occupant comfort. Behind each retrofit is the passion and commitment to create a positive change for the benefit of our planet as well as personal health and wellbeing.

MCS Charitable Foundation has funded NEF's development of the SuperHomes rating scheme, which offers recognition and acknowledgement of the householders' efforts with different milestones in levels of energy performance recognised. MCS has supported the relaunch of the SuperHomes scheme to help engage a wide range of partners and landlords, and the project aims to achieve one million SuperHomes by 2030.

Examples of a few of the grants that have been awarded

▶ Ashden

Accelerating Local Authority climate response



Ashden's Liveable Cities programme is using funding from MCS Charitable Foundation to identify the most promising actions that local authorities can deliver to help tackle climate change, such as buildings retrofit, sustainable transport and renewable energy.

The project brought together relevant solutions from these authorities' network of organisations and initiatives with local authority early adopters and industry experts, and Ashden is developing these into action, learning and peer support networks. The aim is for these to help authorities implement tried and tested projects that are locally adapted to enable them to respond much more quickly to the climate emergency.

▶ Herefordshire Green Network

Zero-Carbon Parish planning



Fownhope Parish Council have been doing pioneering work to set out a plan for what a climate emergency actually means for Fownhope – not only the parish council, but also for local businesses and the community, and individuals and as a whole.

The first stage of the project saw Herefordshire Green Network (HGN) take workshops to locations across Herefordshire, engaging with 155 councillors from 57 different councils representing 41% of the 137 (including Herefordshire Council) councils.

This process highlighted the need for resources to support simple local benchmarking and carbon counting at a parish council level. HGN were also asked to support local councils in developing information and resources that would enable local engagement and offer easy sharing of information from a trusted source.

The Great Collaboration – an MCS-funded project involving the partnership between Caplor Horizons, Herefordshire Association of Local Councils (HALC) and Fownhope Parish Council, supporting Fownhope over the development of a website which can be shared with parish councils across Herefordshire and lead to mass retrofitting across the UK. greatcollaboration.uk/

This project has provided vital online resources to help accelerate local government action on climate change and biodiversity loss.

Credit: 'Climate Emergency Demonstration 10' by Friends of the Earth Scotland. CC BY 2.0

Examples of a few of the grants that have been awarded

▶ **Good Homes Alliance** GHA Vanguard Network



This project demonstrated how zero-carbon in new builds can be achieved. The project was delivered by the Good Homes Alliance working with its Vanguard Network of local authorities, all of whom have declared Climate and Ecological Emergencies.

The Vanguard Network aims are to accelerate the changes necessary on the road to net zero-carbon new homes, in advance of Government targets/timelines for the industry, showing much needed leadership whilst addressing the 'build back better' and 'green recovery' challenges.

The project funded by MCS Charitable Foundation saw the development of net zero resources to support the ever-growing Network, a collective of 16 local authorities (LAs) that are set to build 50,000 new homes on council-owned land over the next 10 years.

MCS Charitable Foundation funding has developed best-practice resources, namely 10+ detailed case studies of net zero housing projects; plus, model policies for Employer's Requirements that set specifications for net zero and health and wellbeing outcomes.

▶ **Solar Energy UK** Value of Solar Property



The purpose of the 'Value of Solar Property' project was to not only promote the installation of rooftop solar photovoltaic (PV) systems in the UK, but also demonstrate that they add value to your home.

The project did this by providing information and guidance for owners and investors on the financial value of 'solar property' – property which includes a rooftop PV system and/or an energy storage system.

The project focused on domestic properties only and looked at the costs and savings generated by solar systems, and also the increased value of domestic solar properties on resale values as an additional benefit, and has achieved good government, media and industry success. The final research highlighted the range of values that installing solar PV added to a range of different types and locations of housing, showing that for the typical UK home, solar PV added £1800 to the value.

Previous Solar Energy UK research identified the lack of robust evidence on the financial benefits of solar. Now, homeowners, valuers, the construction sector, and intermediaries involved in property transactions have a reliable way of assessing or explaining the value of solar property.

Examples of a few of the grants that have been awarded

- ▶ **Power for People**
The Community Energy Revolution

Transforming renewable provision in communities

This grant is supporting Power for People's policy advocacy work in order to help secure the Local Electricity Bill helping to transform renewable provision to communities.

Community-scale renewable energy has huge potential to be part of the drive for net zero. A 2014 government report stated that the community energy sector could deliver 3,000 megawatts of generating capacity by 2020 and that the potential for further growth beyond this was even more substantial. Yet community energy generation is currently less than a tenth of this. The same report predicted that by 2020 there would be 1,700 UK community energy organisations, but currently there are less than half that amount.

This huge potential for community-scale renewable energy generation is being blocked by antiquated regulations. Current energy market and supply licensing rules mean that set-up and running costs are so large that they make it impossible for community energy groups to sell energy directly to local customers. It is a bit like if someone setting up a micro-brewery, planning to deliver their beers to local pubs, off-licences and homes, is told that they have to pay £1 million in road tax for their delivery van.

New Government policy is needed to change the antiquated energy market rules that are causing this problem. If community energy projects faced proportionate costs when selling their energy directly to local customers, this would make new projects viable. We estimate that, if this happens, it could lead to a twenty-fold increase in community energy-generating capacity over the next ten years.

This grant is supporting the policy advocacy work in order to help secure the Local Electricity Bill, which has been widely promoted and supported across Parliament, Westminster and Whitehall. The Bill, if enacted, would create the changes needed to unlock the huge potential for more community-scale renewable generation. At the time of writing over 300 MPs have shown support for the Bill – getting close to the crucial 50% of the House of Commons.

- ▶ **Archbishops' Council**
The Church of England, Net Zero Skills Builder Project



Helping churches to achieve net zero by 2030

This project was to empower staff and volunteers in taking the necessary action to decarbonise the Church's buildings and helping it to achieve net zero by 2030. The Church of England has a very extensive built estate; 16,000 churches, many of which have separate church halls and clergy housing, nearly 5,000 schools, 42 cathedrals, and diocesan offices. Collectively, the 'carbon footprint' is between 600,000 and 1,000,000 tCO₂e.

With a commitment to radically reducing this, the General Synod has passed a landmark motion, calling on all parts of the Church to plan for net zero by 2030. To support this, the Church sought to increase the skills of its staff and volunteers in taking the necessary action. This is a very specific project, with the majority of the buildings having some form of listed status and with fragile heritage interiors. The objective of this project was to increase the skills and knowledge of Church of England staff and volunteers around the country, giving them the practical skills they need to achieve net zero carbon, and an increased confidence in making changes.

MCS funding has helped deliver:

- 16 webinars on topics of heat pumps, draught-proofing and community solar, and these were publicised and shared with all churches, staff and volunteers;
- Each session was recorded, to create a lasting legacy from the project, and is available online.

The webinars are now also available to other heritage and religious organisations who have similar issues and are sharing this resource.

Photo credit: St Mary's Church, Hartley Wintney by David Cowdrey, MCS

External Affairs

Advocacy

MCS Charitable Foundation is helping to change the policy landscape and accelerate the decarbonisation of our homes, heat and energy, through our research and political engagement. We commission reports, conduct literature reviews and use the independent science to inform our position, which is then used to help inform policy creation within Government.

As part of our advocacy work, we have had positive engagement on most of our key campaigns with good degrees of success and support across the political spectrum.



- ▶ Prime Minister Boris Johnson visiting the charity stand at the 2021 Conservative Party Conference.
Daniel White, MCS Company

Advocacy Campaigns

▶ VAT Campaign – Zero Carbon = Zero VAT



MCS Charitable Foundation has highlighted that the high rates of VAT on domestic renewables and energy efficiency measures are acting as a barrier to their adoption, and we were asking the Government to review the current rates, especially as fuel bills rapidly increase with the volatile gas markets. As part of our campaign, we asked for a zero rating of VAT for all domestic renewables and energy efficiency measures, to help reduce the costs of renewables and their installation. Previously the cost of installing and retrofitting your home were subject to variable rates of VAT which could leave installers liable for any discrepancies.

The MCS Campaign was supported by many of our partners, including The ADE, The Climate Coalition of 70 plus organisations, Federation of Master Builders, Electrifying Heat Group, Energy Efficiency Infrastructure Group, as well as full support from the installer community etc. It also gained full cross-party support and on 23 March 2022 the Chancellor announced a zero rating for all energy efficiency measures and domestic renewables for a period of five years. This successful campaign was achieved in partnership and with cross-party support from all parties within Parliament over nearly two years, and was further helped by the detailed research and reports which made a strong case to the Treasury for the proposed tax cut. It has simplified the VAT rules and reduced the cost of installing an air source heat pump by up to 17%. A huge thank you to everyone who supported this campaign and to the excellent team at HM Treasury.

▶ Building Regulations



Changing the building regulations is a major priority for MCS as it will decide how the new homes of the future are built, the energy efficiency of those homes and how they are heated and if renewables will be incorporated into all new buildings. Currently there are no requirements under the Building Regulations to install microgeneration or low carbon heating systems, and if they are installed, they are not required to do so under any standard scheme. It is vital that consumers are protected, and any domestic renewables installed in new homes should conform to and be installed to MCS standards or higher. There is considerable promotion from some fossil fuel and boiler manufacturing companies to use other low-carbon technologies such as hydrogen-ready boilers, or to install some renewables only, but not to MCS standards. MCS Charitable Foundation and MCS Company are working together as a group to highlight how vital Building Regulations are and that standards have to be built into new homes. This campaign aims to introduce MCS standards for the equipment and to certify the installers to provide that protection as a requirement. This campaign has the potential to install zero-carbon heating and power options into all new domestic properties, but also to set the standards for retrofit.

There has been some excellent progress with the Heat and Buildings Strategy in England and the Heat in Buildings Strategy in Scotland, with the ambition to phase out gas boilers by 2035 and that no new homes will be built from 2025 with a gas boiler or be connected to the gas mains. We have also lobbied BEIS and the Department for Levelling Up, Housing and Communities (DLUHC) on the interim standards, which are due to come into effect in 2022 that will run until 2025.

Advocacy Campaigns

► Electricity costs act as a barrier to electrification



The electrification of heat is vital for the decarbonisation of heat in our homes. MCS is campaigning for the tariffs and taxes placed on electricity, such as the environmental and social levies, to be moved away from clean electricity to general taxation, and then on to more carbon-intensive fuels, in a fair and reasonable transition so as to protect those in fuel poverty. The Government has artificially made electricity more expensive than gas, which has led to the UK having one of the highest electricity prices in Europe. Conversely, the UK has tax subsidies that mean we have one of the lowest gas prices in Europe, so there needs to be an adjustment if we are to get to net zero across our taxation system.

The Social & Environmental levies have to be changed to encourage electrification and should act as a market driver for consumers. Lower fuel costs is a priority for Governments, and they need to take immediate action to reduce costs. Electricity has a tax 23% levy and by comparison there is only a 1.8% levy on gas. MCS is lobbying the Treasury and BEIS over a fair transition that will protect fuel-poor households and help support the decarbonisation agenda in a similar way that tax incentives reduced the cost of diesel in cars and saw the mass adoption of diesel engines.

MCS is working with partners such as the Climate Coalition, Energy Efficiency Infrastructure Group (EEIG), and the Electrifying Heat Group, and lobbying politicians on all sides of the house and across devolved nations to reduce electricity costs and start placing additional costs on carbon-based fuels. We are also working with partners to lobby for the Government to pick up 100% of costs for any energy efficiency measures and boiler upgrades for those in fuel poverty as part of a levelling-up agenda.

► Hydrogen



Hydrogen has been discussed as the silver bullet to decarbonising our economy and domestic heating. While MCS agrees that in some hard-to-decarbonise sectors, green hydrogen will be vital in reducing emissions (shipping, transport, heavy industry, aviation etc) as these sectors are difficult to decarbonise through electrification, we have research to suggest that it will play no significant role in domestic heating for the next 10 years and will act as a distraction or disincentive to decarbonise homes in the short term.

Blue hydrogen poses a significant threat to the net zero agenda and relies on natural gas and yet-to-be-deployed carbon capture and storage facilities. The Government are looking at blending up to 20% hydrogen in the gas main, but this will not help to reduce emissions and will continue our dependence on natural gas for the next 30 years. Due to the energy and needed and cost to produce hydrogen, which is 500 to 600% more energy intensive than running equivalent electric heat pumps¹, it makes it a very expensive fuel, with poor environmental outcomes, and because of this there is no evidence to support hydrogen for domestic heating.

The other major threat is that waiting for hydrogen to decarbonise heating could derail the investment in and deployment of off-the-shelf technologies such as heat pumps and the electrification of heat in the next 10 years, and could create consumer apathy, further delaying progress towards meeting our net zero targets.

¹ Hydrogen is not a viable option when it comes to heating buildings www.iee.fraunhofer.de/en/presse-infothek/press-media/overview/2020/Hydrogen-and-Heat-in-Buildings

Advocacy Campaigns

- ▶ **Green Finance** - (PACE loans, Green Mortgages, NIB, meetings with Banks etc)



MCS is meeting and working with many partner organisations, including Green Finance Institute (GFI), High Street lenders, The Climate Coalition, Energy Efficiency Infrastructure Group, and Green Homes Groups to look at how green finance can help deliver net zero.

We are supporting:

- Green Mortgages – reduced rates on buildings which have green measures;
- Green Stamp Duty – reduced rates for homes;
- Property Assessed Clean Energy (PACE) Loans at 0% interest rates administered through high street lenders and underwritten by the UK Infrastructure Bank;
- United Kingdom Infrastructure Bank (UKIB) to underwrite retrofitting loans through high street lenders and to fund and support mass-scale retrofitting with local authorities.

As part of this work, we are liaising with HM Treasury to help decarbonise homes, heat and energy, and to meet net zero targets, while helping to fund research and find case studies to support these new measures. It is vital that we unlock finance mechanisms for the majority of homeowners to support low carbon retrofit as well as the mass retrofit needed to decarbonise cities and towns. MCS is working hard to encourage the Government to introduce a range of long-term financial products to help retrofit our homes with energy efficiency measures and domestic renewables.

- ▶ **Renewable Standards**



Standards underpin all of our campaigns. In all of our work, and in our Government responses, we highlight the importance of maintaining high standards for the installation of renewable technology and the products being used.

Our aim is to make sure that MCS is seen as the standard to be maintained for the domestic renewables sector, to maintain consumer confidence, provide assurances for any work carried out, and prevent any confusion regarding new and competing schemes or standards.

Other Political Engagements

The last eighteen months has been a busy period of building relationships with MPs and Lords to make them aware of our campaigns. As part of our political strategy, we have attended the Labour and Liberal Democrat Party Conferences, had an eye-catching stand showcasing our key campaigns at the Conservative Party conference that attracted visits from most of our key ministers, including a visit from the Prime Minister, who is supportive of our work in driving the net zero agenda.

As part of our advocacy engagement work, we have written to MPs, briefed them, sent copies of our research, responded to over seventy consultations, held personal meetings, supported and developed Early Day Motions and taken part in events to highlight issues with our partners.



► MCS attended the event to mark 100 days prior to COP with 100 other organisations



As part of our political engagement, MCS attended COP26 in Glasgow to lobby on domestic issues and help secure actions within Nationally Determined Contributions (NDCs) submitted by countries under the Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC).

MCS engaged with and met most key Government Ministers and numerous financial experts to help forward our positions and gain further support.

► MCS attended the event to mark 100 days prior to COP with 100 other organisations

Future

Launch Pad

Advancing our mission to decarbonise homes, heat and energy, the MCS Charitable Foundation Launch Pad strategy is focused on convening the sector which addresses the barriers to delivering retrofit at scale through the delivery of strategic initiatives.

The Green Jobs Action Group is the first of two initiatives with the aim of increasing the number of people employed across the domestic renewables sector.

The second initiative is our partnership with the UK Green Building Council (UKGBC) which is supporting the Accelerator Cities project through the co-creation of mobilisation plans with leading combined and local authorities to help them faster implement their retrofit strategies.

MCS Charitable Foundation plans to increase its partnerships with other environmental funders to accelerate the much-needed investment into scaling up the decarbonising of homes and buildings at an area-by-area level. Through this work we hope to grow our fund to support local capacity building and to surge-fund a mass-scale retrofit demonstration project. This will be a key priority for the Foundation this and in future years.

Accelerator Cities

Reducing carbon emissions from our existing housing stock represents one of the biggest challenges facing the UK in the transition to net zero.

A policy gap at national level in England over much of the last decade has led to inaction on home retrofit (with, for example, roof, wall and cavity insulations falling by 95% in England since 2012), even in the face of the UK's ambitious carbon reduction targets.

Following research in 2019, UKGBC began coordinating a programme of work in 2020 designed to support local government catalyse a step-change in home retrofit. The programme 'Accelerator Cities' has a single core objective – to help local and combined authorities to develop home retrofit policy and programmes. It does this primarily through co-ordinating the sharing of replicable best practice, lessons learned, evidence, case studies and resources between local authorities on a range of key issues – including finance, consumer engagement and skills.

Accelerator Cities is a multi-year programme, which MCS Charitable Foundation is supporting through to 2022 to help scale up impact and deliver a number of specific well-defined outputs. MCS support will enable local authorities to catalyse mass change through the design and delivery of locally led home retrofit programmes and, crucially, broaden the reach of the programme beyond England to the devolved nations.

Skills & Capacity



▶ Green Jobs Action Group (GJAG)

The aim of the GJAG is to advise, support, and promote investment in education and skills at all levels across the domestic renewables and low carbon energy sector.

The group is partnership led and will operate as a sector-wide skills and jobs advisory group. It will inform both the content and delivery of training and skills initiatives, with a three-fold aim: to increase the number of people employed across the domestic renewables sector; to support the government's ambition for the installation of 600,000 heat pumps a year by 2028; and ensure that training programmes and skills have been upgraded to help facilitate the green industrial revolution. The group comprises Government departments, the educational sector, industry representatives and local authorities, as well as representatives from trade associations and the installer community.

▶ Apprenticeship scheme

The MCS Company has been supporting the development of a renewables' apprenticeship scheme with our partners. The launch of the new scheme will lead the way in training the next generation of renewable installers, to help meet the ambitious carbon reduction and climate change targets set by the Government. With a predicted 44,000 heat pump Installers needed by 2035 to achieve widescale deployment, MCS are aware that the skills gap currently associated with low-carbon heat technologies must be addressed.

MCS is working to make sure the right training and skills are provided for the Green Industrial Revolution. As such, it is keen to help scale up the supply chain and encourage the growth of low-carbon heating by facilitating the development of an installer-led, low-carbon heating apprenticeship scheme that will help fill the skills gap and deliver our net zero future. Apprenticeships offer young people a prestigious path to successful careers and equip them with the necessary skills and opportunities they need to succeed. The launch of the new apprenticeship scheme, supported by MCS, aims to create a new wave of highly skilled Renewables Technicians, ready to help deliver a net zero future.

Our focus moving forward in 2022

The MCS Charitable Foundation is working to decarbonise homes, heat and energy and address the barriers to mass-scale retrofitting through our advocacy, sector convening and grant-giving work. It is vital in the short term that we encourage the deployment of heat pumps into new builds and the retrofitting of our homes in the next 10 years to limit the impacts of climate change.

The current fuel crisis has driven up energy costs for consumers for domestic heating and is now pushing more people into fuel poverty. It is vital that the Government looks at renewable technology and helps reduce electricity costs. MCS is advocating that the environmental tariffs are moved away from electricity bills into general taxation to help consumers and lower the cost of future electrification of heat.

MCS is also looking at how the building regulations can be changed, so homes are fit for the future and don't need retrofitting. It is clear that all new homes need to have solar PV and heat pumps installed. We need to make sure regulations are robust, have agreed standards for the installation of renewables, and approved renewable technology to ensure homes are comfortable and cheap to run. This not only reduces energy consumption but also carbon emissions.

Mass-scale retrofitting is the only way we can reduce the 23% of CO₂ generated by existing homes in the UK. It is a huge task that will involve local and national governments, and huge investment and support from banks and high street lenders to release the capital to transform our homes. Local authorities can also play a vital role in the coordination and delivery of works and resources to make this a reality.

Mass-scale retrofitting is the only way we can reduce the 23% of CO₂ generated by existing homes in the UK.



MCS Company and Standards

The MCS company is a wholly owned subsidiary of the MCS Charitable Foundation, and all the profits from the company go to support the wider environmental work the Foundation undertakes in helping to decarbonise homes, heat and energy.

The MCS Company is responsible for defining, maintaining and improving quality standards, and certifying products and installers for the renewable sector, so people can have confidence in the low-carbon technology they invest in.

The Company is now working on developing skills, and with certifying bodies and educational providers is looking to launch a new apprenticeship scheme. It is part of the new Green Jobs Action Group, which is supporting and building capacity, as well as helping to create new green jobs.

The Company has also developed standards for new build properties in helping to deliver the Net Zero agenda and is the benchmark for domestic renewable standards in the UK. It is vital that these standards are reflected as a requirement in all new building regulations and grant schemes to provide consumer confidence.



Giving you confidence
in home-grown energy

The MCS Charitable Foundation Team



Adrian Ramsay, Chief Executive

Adrian was appointed as CEO in July 2019 to lead the establishment of the Foundation's grant-giving and advocacy work and build its sector leadership role. Working with the Trustee Board, Adrian provides operational and strategic leadership for the organisation to ensure that the Foundation advances its mission through effective grant-giving programmes, partnership working and advocacy. He was previously Chief Executive of the Centre for Alternative Technology, where he led the growth and development of the charity's work in promoting skills and knowledge around green technologies and sustainable living. Adrian is also a Director of MCS Company.



David Cowdrey, FRGS, Director of External Affairs

David was appointed the Director of External Affairs at MCS in July 2020. He has a track record working for environmental and conservation organisations over the last 25 years, lobbying for political change within the UK. David's experience ranges from the Environment Agency, WWF, RSPCA and IFAW, and he was recently responsible for helping to introduce one of the toughest ivory bans in the world through his advocacy campaigns. David has a passion for political advocacy campaigning to create real substantive change and works extensively across the UK political environment.



Sarah Jarman, Director of Grants and Development

Sarah was appointed Director of Grants and Development in June 2021 to lead and develop the foundation's grant-making programme. She is a professional principal gift fundraiser who has a significant track record of raising transformational philanthropy for health and environmentally related projects and research in universities and the third sector. Sarah is passionate about mitigating the impact of people on our planet, and reaching net zero sooner than 2050 by conserving energy and accelerating the widespread adoption of renewable energy and zero-carbon technologies.



Dr Richard Hauxwell-Baldwin, Research and Campaigns Manager

Richard joined the MCS Charitable Foundation in 2021 and is a sustainability research, consulting and project management professional with over fifteen years' experience across the private, public and third sectors. He holds degrees in both Natural and Social Sciences, including a doctorate from the University of East Anglia focusing on the contested role of community in tackling climate change. Following his doctorate, he conducted ethnographic research into the role smart technologies can play in managing domestic energy demand, in one of the first studies of its kind. In his current role, his focus is on delivering strong, research-based evidence to support the charity's goal of a world where everyone has access to affordable and reliable renewable energy and low-carbon technologies.



Lisa Overett, Executive Assistant

Lisa was appointed as the Foundation's Executive Assistant to assist Adrian and provide administrative support across the Foundation. Lisa is an experienced Executive Assistant and all her career roles have been across multiple business sectors including the charity, private and public domains. Previously she was Senior EA at Suffolk Mind, the mental health charity and Personal Assistant to the Chief Officers at Suffolk Constabulary.

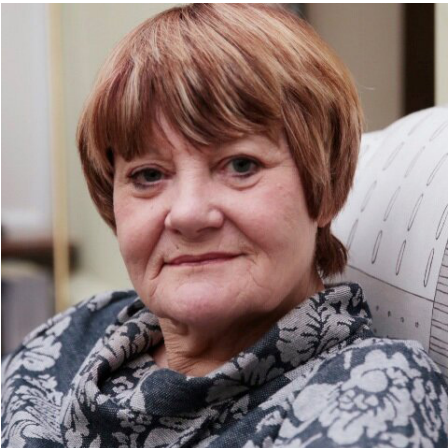
The MCS Charitable Foundation Trustees



Fabio Nehme
Chair



Gareth Williams
Vice-Chair



Sandra Walmsley



Charlotte Powell



Dr. Magdalena Zarowiecki



Karen Shearer

