UNITED KINGDOM ACCREDITATION SERVICE
POLICY ADVISORY COUNCIL
Confirmed minutes of 2nd Meeting
Held on Thursday 24th November 2011 at UKAS

Present

Dr Martin Jones (Chairman)	CBI
Susan Brand	ECCA
Clive Davenport (deputising for Mike Pearson)	FSB
Chris Elliott	MoD
Ron Gainsford	TSI
Dr Jeff Llewellyn	BMTA
Daniel Mansfield	BSI
John Mortimer	BIS
Trevor Nash	ABCB
Prof Ian Sharp	HPA
Paul Stennett	UKAS
Lorraine Turner	UKAS
Malcolm Hynd (Secretary)	UKAS

Apologies

Prof Adrian Newland	AMRC
Mike Pearson (deputy Clive Davenport)	FSB

1- Welcome, Apologies

Dr Jones welcomed members to UKAS for the second meeting of the PAC. He remarked on UKAS' new facilities which meant that meetings such as this could be held at the UKAS office. Dr Jones noted that apologies had been received from Prof Adrian Newland and Mike Pearson. Clive Davenport was deputising for Mr Pearson.

2- Minutes of 1st Meeting of the UKAS Policy Advisory Council   PAC/10/11

Mr Mansfield requested a minor amendment to the record of the discussion on ISO business under Item 9 to make clear that the work on guidance on the drafting of management systems standards was separate from the revision of ISO 14001. With this change, the minutes were agreed.

3- Matters Arising (not covered elsewhere)

3.1 Work to assess the impact of non-accredited certification (Item 4.1)

Mr Nash confirmed that he had written to BIS for clarification on the impact of Regulation 765/2008 on certification bodies claiming non-recognised accreditation and had received a helpful reply. A statement on the subject had also been posted on the BIS website. A working group had been set up to consider the issues and had concluded that raising awareness of accreditation was still the best answer. The working group was considering how they could make better use of the information available.

Secretary's note: The BIS statement can be found at:
http://www.bis.gov.uk/policies/innovation/standardisation/non-accredited-certification

Mr Gainsford said that trading standards departments could not take action based on the general guidance provided by BIS. Legal certainty was required before action could be taken.

Action: Mr Mortimer to discuss further with Mr Gainsford

Mr Davenport agreed that it was important to raise awareness. Many small businesses were not aware of the issues and were more inclined to look for the cheapest solution. They were then caught out when larger procurers refused to accept non-accredited certificates. Ms Brand commented that many local authorities were introducing their own certification systems which, she thought, ought to be accredited.

3.2 Economic Benefits of Accreditation (Item 7.1.1)

Mr Mortimer reported that, following the last PAC meeting, Ray Lambert had received some very useful information on this subject from Dr Jones, Prof Sharp, Mr Nash and UKAS as well as having some helpful discussion with other parties. A draft report had been circulated within BIS and a final report should be ready early in 2012. The report would cover the innovation infrastructure as a whole but there was the possibility of some second stage work specifically on the benefits of accreditation.

3.3 BIS consultation: Transforming Regulatory Enforcement (Item 7.1.2)

Mr Hynd reported that UKAS had used the output from the discussion at the last PAC meeting to provide input to this consultation. The ideas presented, promoting the greater use of accredited conformity assessment to support 'co-regulation' and 'earned recognition', were well received by BIS and were included in a draft White Paper. However, publication had been delayed and it was not entirely clear when it would be released. Latest news was that publication would coincide with an announcement about better regulation in the Autumn Statement on 29 November.

Secretary's note: A Government Response to the Consultation on Transforming Regulatory Enforcement was published on 7 December and is available from the BIS website at: http://www.bis.gov.uk/Consultations/transforming-regulatory-enforcement-discussion?cat=closedwithresponse

3.4 Outcome of Peer Evaluation

Ms Turner confirmed that the peer evaluation report on UKAS was considered at the October meeting of the EA Multilateral Agreement Council and UKAS' membership of the EA Multilateral Agreement was confirmed. The PAC recorded its congratulations to UKAS in this success and noted that the next peer evaluation was due in November 2012.

A number of questions were raised about the peer evaluation process. Ms Turner remarked that EA had in place a programme to improve the process. Mr Elliott was concerned about the lack of transparency in the process. Mr Mortimer also expressed concern at the time the EA process had taken and noted that national authorities were considering ways to become more involved.

Mr Nash considered that there were also issues of transparency relating to BIS monitoring of UKAS. Dr Llewellyn agreed and suggested that some information was needed from BIS, even if only to say what had been done and the outcome. Mr Mortimer considered that Appendix 3 of the MoU clearly set out what monitoring was carried out clear and that the results of the monitoring were confidential. He did, however, agree to consider what information could be provided on the BIS website to confirm that monitoring had been carried out.

Action: Mr Mortimer

4- Reports

4.1 UKAS Board Report

Mr Stennett reported that the last Board meeting was held in October at the Royal College of Pathologists to coincide with the appointment of the new President and to cement relations with the College. Main issues discussed were:

Pension scheme – changes to respond to changes in the law;

Peer evaluation – reporting of outcome;

Bribery Act – the development of a bribery policy (to be circulated with the minutes);

White Paper on Regulatory Enforcement – update on progress;

Lord Young – discussions revived on using accreditation to support regulation;

Darwin (new IT system) – Dr Jones recorded his congratulations for implementing on time;

Accreditation landscape – discussion of the scope of accreditation in the light of Regulation 765/2008 and the EA/IAF/ILAC cross border policies etc;

Awareness campaign funding – Mr Stennett recorded thanks to Mr Mortimer for continuing to seek BIS funding but noted that the budget had not yet been agreed and was likely to be significantly reduced;

AGM – review of the strategy discussion and the appointment of the Department of Health as a Member of UKAS;

Health and safety report;

Rate of growth of UKAS – the need to avoid overstretch with a large number of development projects now coming through eg Green Deal, competent persons, physiological measurements etc.

Secretary's note: BIS funding for the Accreditation Awareness Campaign has since been confirmed as £52,500 for the year to 31 March 2012, based on 25% of eligible UKAS spend.

4.2 BIS International contract activity reports   PAC/14/11
PAC/16/11

Mr Mortimer welcomed progress in the EA HHC towards agreement on the '1+' system for the accreditation of notified bodies.

4.3 UKAS Accreditation Report   PAC/15/11

Mr Nash asked about the Which report on the Microgeneration Certification Scheme (MCS) reflecting badly on UKAS. Mr Hynd reported that meetings had taken place with Which and the scheme owner to identify the problem and recommend solutions to the scheme owner. Mr Gainsford agreed that the Which report had raised questions about UKAS' role. Mr Hynd recognised the reputational risk to UKAS from complex and high profile programmes such as the MCS and the Green Deal.

Mr Mortimer noted the implementation of UKAS' new ERP system and asked when UKAS would be extending the system to allow greater customer access. Mr Stennett expected this would be another 10-15 months. Prof Sharp asked about the UKAS presentation to BMTA on this subject. Dr Llewellyn said it had been very well received and was available from the BMTA website.

Secretary's note: It has since been confirmed that this presentation is only available from the BMTA website to members but a copy has been provided for circulation with these minutes.

5- PAC Members' Issues

None raised.

6- UKAS Issues

6.1 Agreement with the Joint TickIT Industry Steering Committee   PAC/13/11
(TickIT Plus Certification Scheme)   PAC/13A/11

Mr Hynd presented the paper which covered a proposed MoU to be signed by UKAS and JTISC, the steering committee for TickIT, the ISO 9001 sector scheme for the software industry. He noted that

ISO/IEC 17011 required accreditation bodies to consult stakeholders on matters relating to the safeguarding of impartiality and asked members if they had any concerns about the MoU in this respect.

It was noted that the MoU should refer to the British Standards Institution, not Institute. Mr Davenport asked if the agreement had been subject to legal review. It was considered that this was not necessary for an MoU. Mr Elliott provided some minor drafting suggestions. There were no questions raised relating to impartiality.

Ms Turner advised that discussions with UK NEQAS may result in the need for a formal agreement. If so, this would be circulated to PAC for written comment.

6.2 Developing the next UKAS 3 year strategy 2013-2016 (PEST/SWOT analysis)

Mr Stennett explained that UKAS was at the very start of the process of developing the next three year strategy and that stakeholder input was a valued part of the process. This was therefore an opportunity for PAC to make an early contribution to the process.

In order to assist UKAS develop further the balanced scorecard approach, Mr Stennett invited PAC to contribute towards a PESTTEL analysis of the business climate in 2016-2020, followed by a SWOT analysis to determine how these factors might impact on UKAS over the same timescale. He noted that a review of the output from a similar exercise carried out by PAC in 2006 showed some very perceptive results.

During the course of discussion, PAC members contributed a great deal of useful insight under the PESTTEL and SWOT as recorded at Annexes A and B respectively.

Mr Stennett thanked members for their input to this exercise and assured them that the material provided would be taken forward for consideration by the Board as the next stage of the strategy development process.

7- Any Other Business

7.1 European Accreditation Advisory Board (EAAB)

Mr Hynd explained that this item had been included at the request of Anne Humberstone of BEAMA who thought that PAC members should be reminded of the possibility of closer links with EAAB, as the mirror organisation to PAC at the European level. It had been decied some time ago that it would not be appropriate for PAC to have formal links with EAAB but it was possible for members to contribute to EAAB through the individual colleges, particularly industry. Mr Hynd agreed to provide contacts and to consider the possibility of a more detailed discussion at the next meeting. It was suggested that the subject should be broadened to cover UKAS' international role more generally. Mr Mansfield suggested that the BIS Market Access people should also be involved as questions relating to standards and market access were often traced to barriers relating to testing or certification requirements.

Secretary's note: A list of EAAB members, with contact details, is available on the EA website at: http://www.european-accreditation.org/content/ea/docs/list-eaab-rev10_December2010.pdf

7.2 Harmonised standards in support of Regulation 765/2008

Mr Mortimer informed PAC that an updated list of harmonised standards in support of Regulation 765/2008 had been published. This had led to changes in the Appendices to the BIS/UKAS MoU and the revised versions were available from the BIS and UKAS websites

7.3 E-learning package on standards and accreditation

Mr Mortimer informed PAC that BIS was preparing an e-learning package as an introduction for Government on standards and accreditation. Mr Mortimer suggested that the draft package could be circulated with the minutes.

Secretary's note: Following further consideration, BIS has advised that, as the e-learning package is still being developed, it would not be appropriate for it to be circulated outside Government.

Further consideration will be given to wider circulation once it is completed.

7.4 PAF agenda

Mr Mortimer requested that the agenda for the forthcoming PAF meeting should be published as soon as possible. He suggested that it needed to have subjects of broad interest for all members.

8- Next Meetings

The following dates and venues for future meetings were confirmed:

Tuesday 6 March 2012 – PAF at the BIS Conference Centre;

Thursday 5 July 2012 – PAC at the Lansdowne Club;

Thursday 8 November – PAC at UKAS, Feltham.

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PESTTEL ANALYSIS

POLITICAL

- Drive for better/reduced regulation → need for accreditation
- Impact of devolution/Scottish independence
- Political instability/affecting business
- Government will continue to buy large projects. This could require a different type of accreditation/assurance process for these large schemes.
  - ⇨ Benefits could be paid for if there can be legal assurance that project will work
  - ⇨ What is the role of accreditation in large projects? e.g. Olympics, T5, etc. (vs NHS IT system)
- Realism about impact of accreditation
- Fragmented procurement
- Reconfiguration of the health service

ECONOMIC

- Prolonged low-growth economy for the next decade but much uncertainty about the future: "hot spots" or rapid growth??
- Are we still in Europe??
  - ⇨ Shape of Europe in 5 years' time?
  - ⇨ Two-tier Europe could affect our business model
- Non-compliance costs 3x as much as compliance (good argument to maintain quality systems)
- Can small businesses afford accredited certification in the current climate?
- Climatic migration as well as economic migration
- Rising energy costs will drive business economics
- Focus on what we <u>can</u> control as opposed to that which we can't
- PQQ's: good or bad? A barrier to trade
- Proliferation of standards bodies
- Continued rise of BRIC economies
  - ⇨ Should we focus more on these than EA?

SOCIAL

- Increase in home working
- Changing national demographics:
    - ⇨ Ethnicity
    - ⇨ Age profile: increase in generation Y plus more oldies
    - ⇨ Growing diversity

    drives behavioural change eg how rules and regulations are viewed
- What are the social values/ethics?
    - ⇨ Increase in blame culture
    - ⇨ Risk aversion
    - ⇨ Decline of respect especially for "authorities"
- Driven by public: looking for internet validation
- Public online feedback is increasingly used as a validation
- Identifying expertise
    - ⇨ Can we trust the internet?
    - ⇨ Needs validation/authentication
- We need to be more fleet of foot and have better horizon gazing?
- Ethics: becomes more important (more online judgements)

TECHNOLOGICAL

- Looking for validation of purchases by internet reviews eg "Trip Advisor"
    - ⇨ Lack of accountability
    - ⇨ Need for "Trust Marking"
- Web encourages growth of small businesses
- Facebook / Twitter/ Wikipedia increasingly used as a source of validation
- How UKAS is seen in an increasingly varied world and how we will be seen using modern media
- How to monitor claims made by small internet based businesses. "Trust Marks" need to be accredited.
- Increasing shift from "real" to "virtual" business: no longevity of the business
- Rapid change: unpredictability
- Online assessments/SKYPE meetings

TRADE

- Internet trading – need validation
- Growth of small businesses/sole traders
- Individualisation – business & customers
- Reputational – LinkedIn
- Lack of respect for standards
- Lack of trust for markings/ logo overload
    ⇨ Need for accreditation
    ⇨ Importance of customer feedback
- Identifying expertise – need assurance
- Transient companies
- Reduction of paperwork
- Supply chains getting longer and becoming more international
- Transformation of service industries
- Decommoditisation
- Proliferation of counterfeit goods

ENVIRONMENTAL

- Increase in extreme weather
- Drive for CO_2 reduction
    ⇨ Need for accurate measurement
    ⇨ Less important in economic climate
- Electronic assessment
- Broadening into "ethical" issues
- Energy costs
- Move to nuclear

LEGAL

- Risk aversion
- Liabilities in quickly changing markets
- Visibility/transparency
- Need for evidence – use accreditation

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SWOT ANALYSIS

Strengths

Basic concept of accreditation

Reputation for quality/standing in the laboratory community

International standing/International connections eg EA Chair

Working global accreditation structure

Experience of senior management/Chairman

UKAS brand/recognised symbol/established name

Strong process/organisational structure

Regulation 765/NAB status/Govt recognition (Scotland/Wales/NI?)

Sole recognition/No competition

Engagement of PAF/PAC

Expertise/experience of staff

Financial stability

Stable customer base

UK institution/trustworthy, ethical etc

Weaknesses

Suppliers don't know about UKAS or accreditation

~~ISAS isn't working~~ Slow take up of new schemes eg diagnostic imaging accreditation

Perceived ~~i~~nconsistency of assessors

Perceptions of price, speed, benefits

Need to respond to change/new opportunities faster

Lack of adaptability/flexibility

Lack of contract with BIS

Regulation 765/NAB status/multilateral agreements constrains commercial activity

Competition from sector schemes

Perceived high costs

Constraints on ability to borrow/invest/ Inability to pump prime new projects

Cash flow/cash reserves/cost basis

Senior management/Chair nearing retirement/succession planning

Governance needs to adapt

Customer service (certification)

Reliance on standards being available

Opportunities

Deregulation/Govt desire for alternatives

Nuclear expansion

Carbon trading

Growing pool of graduates seeking jobs

Economic uncertainty drives need for accreditation

Growth of online trading/reaching new customers

Need for confidence in mining Shale gas/fracking

Health and Social Care Act

Public confidence in health/NHS/social/residential/domiciliary care

Need for assurance re interoperability/compatibility

New standards in new markets/growing economies/new products

Growth of blame/entitlement culture drives need for accredited systems

International influence

Increased use of technology/cost reduction

Influencing development of regulation

Threats

Consistency of accreditation across Europe – UK companies not at disadvantage

Succession planning

Economic uncertainty/declining economy

New, less diligent competitors

Cultural divide between health and engineering sectors

Increased expectation without increased resource/Overstretch

Moving into unknown sectors/rapid expansion into new areas

Lack of understanding by consumers/end users

Carrying assessors/remote workers with you

Maturity of management systems certification

Diligence and consistency v speed demanded by market

IVDD requiring transfer to ISO 15189 sooner than planned

Some CBs have higher profile than UKAS

Creation of new standards is slow

US standards being pushed at expense of ISO/IEC

Inability to recruit/retain staff with required knowledge/skills

Failure to maintain level of service to existing customers

Internet market

Lack of understanding of political influences in the Health and Social Care sectors

Reduced Govt support

Increased influence from EA/IAF

Cyber terrorism restricts online market

Reconfiguration of path labs/loss of customers

Challenge to monopoly position/alternative accreditation bodies

Increased influence from EA/IAF

Cyber terrorism restricts online market