

## ECB Board Meeting – 6 & 7 July 2022

Room 304, Institute of Directors, 110 Pall Mall, London

**Attending:** Catherine Brown (CB); Alan Cavill (AC); Ged Curran (GC); Althea Efunshile (AE); Marc Etches (ME); Jenny Watson – day 2 (JW).

**Observing:** Charlie Napier & Atlas Partner colleagues (AP).

### Minutes

#### 1. Welcome & introductions

CB welcomed all present and noted JW apologies for Day 1. CB explained that she had shared her thinking for the day with JW in advance of the meeting.

There was a brief discussion of objectives for this first meeting – which were broadly agreed as to make some early decisions but particularly to begin the process of establishing key priorities and expected outcomes, as well as sharing knowledge gathered to date. It was also an important opportunity for the Board to begin to get to know each other and the individual expertise of Board members.

#### 2. Minutes of the previous meeting – 10 June 2022

The minutes were accepted as being an accurate record. In terms of actions arising:

- ME confirmed that letters of appointment had been signed and returned together with forms relating to Director's Information, Declaration of Conflicts, and HMRC Starter Checklists.
- Local government media reported the recent NED appointments, and further work will be undertaken to build the relationships.
- CB is committed to shape an appropriate NED induction programme over the course of the next six months – informed by discussion during the Board meeting.
- Remaining 'actions' to be discussed under Agenda Items 4 and 5.

#### Actions Agreed:

- Appointment of Directors - CB and ME have signed a written resolution to appoint AC, GC, AE, and JW as Directors of the Company. **ME to file with Companies House.**
- Directors' Liability Insurance - The Board agreed to accept the option of a Management Liability Package Insurance from AXA Insurance UK Plc based on a Limit of Indemnity of £5 million for an annual premium of £934.58. **ME will progress.**

### 3. Board Resolution – Change of Company Name

The Board unanimously agreed to change the Company Name to **Enforcement Conduct Board** and in so doing also agreed to change the Articles of Association to reflect this change.

**Action agreed:** All necessary paperwork to be lodged with Companies House. **ME to action.**

### 4. Budget and levy implementation

CB summarised the paper provided to the Board and confirmed that ECB had received a loan payment of £176,000 from CIVEA to cover ongoing establishment costs through to the end of September 2022. The expectation is that ECB will ask the industry to contribute to the full establishment costs (between September 2021 and March 2023) estimated to be circa £630,000. In parallel, the ECB will carry out further work to identify future full-year costs, and to design and implement an industry-wide annual levy to come into force as of 1 April 2023.

Board members reviewed the draft budget as presented, including £104,104 of expenditure up to 13 June 2022 paid out directly by CIVEA, which also needed to be paid back.

The Board emphasised the importance of securing sufficient in-flow of cash in the next six months to ensure a smooth transition to annual levy to be introduced in April 2023. This will mean that the funding required from the industry for the 18-month establishment costs will need to be in the region of £750,000. There was also a brief discussion of the importance of building up a modest but sufficient level of reserves over time to support the ongoing operation and resilience of the organisation.

It was confirmed that the intention is to seek funding from all firms operating in the enforcement sector, as the intention is to provide regulatory oversight for the whole sector. It was noted that CIVEA and HCEOA committees had given verbal commitments to funding on behalf of their members.

#### **Actions agreed:**

- CIVEA Loan Agreement – Board members requested to see the agreement, which was subjected to legal advice by the Company’s legal team. **ME to circulate.**
- Letters to be sent to all CIVEA & HCEOA members by mid-August and to other firms that we are able to identify to set out the funding requirement. **ME to action following consultation with CB.**

### 5. Establishment of ECB – progress report

ME summarised the paper provided to the Board.

**Actions agreed:**

- CEO recruitment – CB proposed delaying the recruitment of a permanent Chief Executive given the ongoing uncertainty regarding funding and suggested a possible secondment. Board members agreed to this approach on the understanding that any secondment would likely be for a minimum of six months up to 12 months. **CB/ME to take forward.**
- Website development – Board members accepted the recommendation by JW and ME of i10 Consulting Ltd to undertake the building of a robust website to be available ahead of an autumn launch. **ME to proceed to contract with i10 Consulting Ltd.**

**6. Strategy session 1 - purpose, mission, and key objectives**

CB delivered a slide-led presentation that sought to convey what had been learned to date informed by a wide range of company visits, meetings with government officials, ministers, leading politicians, and various other stakeholders, including debt advice charities, as well as direct experience of enforcement action or listening to debt advice helplines. The following themes and questions arose from the discussions:

- An oversight body for the enforcement industry – but who else are key stakeholders to ensure ‘full coverage’? what, when and how do we engage with government agencies, local authorities, energy companies, and other significant groups of creditors?
- Code of Practice/Conduct – what are we seeking to achieve and with whom and by when? What sanctions might reasonably be available to the ECB? What might accreditation look like? What is the best approach to consultation? What level of resource might be required to monitor industry behaviour?
- Complaints about enforcement – how can we establish an evidence base – how significant is the problem? what ought to be the role of the ECB and with what scale of resources? How best to explain this to the public?
- What are the benchmarks for scale of resourcing? Three phases? Phase 1: Data and evidence gathering; Phase 2: Policy and standard development; Phase 3: Compliance? Recognition that these will need to overlap.
- Launch event – what, when, where, who ought it to involve, and what ought to be the key messages?

**7. Strategy session 2 - communications strategy & launch event**

AP led a workshop to facilitate a broad discussion about key audiences, key messages and ‘tone of voice’, which will help inform the development of future briefing documents and key messages at launch events in London and Cardiff in the autumn.

## 8. Research

Board members reviewed the paper provided and agreed that further work was needed to identify research that would usefully and credibly evidence the reality for those experiencing enforcement action as well as better understanding the workplace experience of individual enforcement agents. Board members expressed support for the involvement of Professor Collard of the University of Bristol, and wished to encourage the use of well recognised, independent research institutions to command widespread trust in any findings.

### Actions agreed:

- **AE will support ME** in taking this work forward.

## 9. Dates & locations of future Board meetings

Board members agreed dates for future meetings through to July 2023.

### Actions agreed:

- Diary Invitations – will be sent out asap – **ME to action**.
- November Board Meeting – this will be held in Blackpool and **AC and ME** to liaise regarding details including accommodation and meeting location.