



Consultation on draft 2024/25 Business Plan

1. This consultation paper introduces the Enforcement Conduct Board's (ECB) draft business plan for 2024/25.
2. The ECB is the independent oversight body for debt enforcement work.
3. We were set up with agreement between the enforcement industry and leading debt advice charities including Money Advice Trust, Christians Against Poverty and Step Change.
4. Our mission is to ensure that everyone who experiences enforcement action is treated fairly.
5. Since we were formally launched in November 2022, we have developed and launched our accreditation scheme, which is the framework through which we will hold the enforcement industry to account. We were pleased to achieve coverage of over 95% of the market.
6. We are currently focused on delivering what is set out in our business plan for 2023/24, including developing our own new standards for enforcement work and building our operational oversight model.

2024/25 Business Plan

7. Our 2024/25 business plan is the second of our full business plans. A draft is presented in Annex A to this consultation. It sets out our key strategic priorities and planned deliverables for the year ahead.
8. Prior to this formal consultation, an earlier draft was shared with our Stakeholder Engagement Forum which includes representatives from the enforcement industry and the debt advice sector. We have taken account of their feedback in the draft business plan.
9. Our business plan should operate as a standalone document, which itself explains the context and the rationale for our proposed activity and work.
10. However, to assist those responding to this consultation, below are some of the key points to note:

- The draft business plan sets out four key priorities for 2024/25, alongside an ongoing focus on evidence and evaluation, and communications and engagement.
- The main activities are continuations of work set out in our existing 2023/24 business plan, and which are focussed on developing and launching our new standards and starting operational oversight and complaints handling.
- We are also introducing a new priority around engaging and influencing creditors. It is creditors - who can include local authorities, large public bodies, utility companies and energy companies - for whom enforcement firms and enforcement agents undertake their work. Working with creditors has already been an important point of focus for us during 2023/24 and our work so far has identified the crucial role that creditors can play in driving fair enforcement. We are therefore proposing to continue and expand our focus on this area throughout the coming year.

Budget and levy

11. The draft business plan also sets out the proposed budget and levy for 2024/25.
12. In calling for the establishment of the ECB, the enforcement industry agreed to fund the independent oversight body through a levy. It is a condition of ECB accreditation for firms to pay the annual levy required to fund our operations.
13. We collected the levy for 2023/24 from ECB accredited firms, which has enabled us to undertake activities set out in our 2023/24 business plan. The levy for 2023/24 was set at 0.4% of turnover (for fees collected from work under the TCOG Regulations), which led us to collect just under £1m.
14. In our business plan for 2023/24, we stated the following:

“the budget for 2024-25 will need to increase, to reflect full year salary costs and costs associated with new functions. Therefore, for future planning purposes, all other things being equal, it is likely that the levy will need to increase above the 0.4% set for 2023-24.”
15. We have now developed a budget to deliver this draft business plan. The overall budget we have set is approximately £1,188,000. The headline cost lines in the budget include:

Category	Budget assigned (rounded up)
Staff (including Board) and related employment costs	£797k
Legal fees (drafting new standards and complaints process)	£80k
Travel, accommodation and expenses	£68k
IT and systems	£53k
PR and comms	£58k
Workshop facilitation (standards work stream)	£40k

16. Our budget has been developed to provide the ECB with the resources it needs to deliver its business plan and care has been given to ensuring that the budget remains proportionate.
17. The budget is based on the ECB staff team growing from approximately 5 full time equivalent members of staff to approximately 9 full time equivalent members of staff and reflects the creation of new operational oversight roles including complaints handling and supervision and audits.
18. The ECB plans to remain a remote working organisation, meaning that we will not incur significant accommodation costs.
19. In order to meet its budget, the ECB intends to set the levy for 2024/25 at between **0.44% and 0.45%** of turnover (based on accredited firms' turnover for enforcement work during 2023). We will determine the exact level following consultation, taking account of the feedback that we receive.

Reserves

20. The ECB has agreed that it should seek to build its reserves to a level that provides the organisation with a level of financial resilience commensurate to the volatility inherent in our model and consistent with an organisation of our size. We are therefore aiming to build reserves equivalent to six months operating costs. We plan to build to this level over a three year period.
21. The ECB expects to carry a significant cash surplus into 2024/25 and will use this surplus to make a significant start on building its reserves towards their target level. This surplus should equate to reserves equivalent to around 3.5 months of operating expenditure. This does not rely on any levy income for 2024/25. A levy at 0.44% for 2024/25 would enable the ECB to meet the budget of £1,188,000 but not contribute to building our reserves any further.
22. We are considering whether to set the levy at 0.45% this year in order to provide an additional £27k contribution to our reserves. This would allow us to start the year with closer to 4 months of operating expenditure in reserves, meaning we would have less to build in future years, which in turn might help to smooth any potential future increases in the levy.

Levy payment

23. Payment of the levy will be sought at the following times:
 - The largest 8 firms in June 2024
 - All remaining firms in September 2024
24. For 2025/26, we plan to move payment of the levy forward by one month, in order to better line up the levy collection with the start of the financial year.

Questions

25. It is vital that our work is informed by the evidence, and the views and feedback, from those who have experience of enforcement action from all perspectives. We are

committed to engaging widely to ensure that we receive this into the organisation and into our policy development. The draft business plan for 2024/25 has already been informed by significant engagement across the course of the last year and this current consultation is another opportunity for people to help inform our work.

26. We are seeking feedback from industry, consumer groups, the debt advice sector and any others with an interest in effective oversight of the enforcement industry. We are particularly interested in responses to the following questions:

Q1 – Do you have any comments on the proposed priorities for 2024-25?

Q2 – Are there any activities that you believe the ECB should be prioritising that are not contained in this plan?

Q3 – Do you have any comments on the draft budget and levy?

Q4 – Are there any other comments or observations that you would like to make?

27. The consultation will close on **4th April 2024 at 5pm**. Please send your response to contact@enforcementconductboard.org.
28. Please indicate if you would like your response to remain confidential and/or unattributable. Otherwise, we will assume that you are content for your response to be published.
29. We would also be happy to schedule time to meet with people, during or after the consultation period, to discuss your views on our work. Please contact us via contact@enforcementconductboard.org if you would like to do so.
30. We look forward to receiving your responses. We will publish a report on the consultation paper, alongside a final business plan which takes account of the received responses, in April 2024.