

ECB Board Meeting – Wednesday 10 January 2024

Venue: Christians Against Poverty, Head Office

Member attendance: Catherine Brown (Chair), Alan Cavill, Gerard Curran, Althea Efunshile, Jenny Watson, Chris Nichols (CEO)

In attendance: David Parkin, Hannah Semple, Alice Kelly, Jen Prior (minutes)

Minutes

Item 1: Welcome, apologies and declarations

1. The Chair welcomed all present.
2. There were no new declarations of interest to report.

Item 2: Minutes of the previous meeting

3. One addition was made to agenda item 6, Quarterly Data Returns:
“The ECB should seek to establish an understanding of the demographic characteristics of those experiencing enforcement so that it was in a position to understand issues of equity and differential experiences of enforcement. It was recognised that this was by its nature challenging, and the executive was asked to consider how data might be collected to help meet this objective over time (**ACTION**).”
4. With this drafting adjustment, the minutes of 4 December 2023 were **agreed** as an accurate record of the meeting.

Item 3: Matters arising

5. The Board **noted** the action tracker.

Item 4: Chief executive’s report

6. The Chief Executive talked to the report and provided updates to the Board on the following:
 - i. All enforcement firms would be asked to provide their turnover figures for 2023. These figures are required to inform the ECB’s budgeting and levy setting process for 2024/25.
 - ii. The Chief Executive would be meeting the CEO of Rooted Finance, a debt charity, with the intention of inviting her to join the ECB’s stakeholder engagement forum.
 - iii. The draft specification for Quarterly Data Returns, a system designed to collect reliable data for the ECB directly from firms, has been updated since the Board

provided input at its last meeting, within the Board's steer. The Director of Creditors and Government is to hold workshops in January with the industry to discuss the detail of the QDR framework, and to determine the best way to engage firms and implement the data collection process. The Director of Creditors and Government would be supported by Gareth Hughes, the former CEO of Marston Group, to assist with facilitation.

- iv. The Yorkshire Purchasing Organisation, an organisation that operates the majority of competitions for local authorities seeking external enforcement services, are to include a mandatory requirement for firms to have ECB accreditation in their renewed Enforcement Agency Services framework, due to be introduced in April 2024. The Crown Commercial Services are considering a similar commitment but are not due to renew their competition framework for enforcement services until the end of 2025.
- v. The case of *Leighton V Bristow & Sutor*, which raised issues around the nature of the authority that enforcement agents needed to show for the enforcement of a council tax debt, was briefly discussed by the Board. The Board agreed that as this was at this stage a matter for Government, the ECB executive should keep a watching brief on the wider outcomes of the judgment for council tax enforcement. **(ACTION)**.
- vi. The Director of Creditors and Government updated the Board on the *Body worn video* research project. There were ongoing issues to work through regarding GDPR, following discussion with enforcement firms at the CIVEA Executive Committee meeting in December. Progress was being made however, with legal advice and feedback from the ICO being sought to help overcome these issues. The Board stated that while it was essential to develop a methodology that is consistent with GDPR, it was also important that the ECB did not compromise the rigour or value of the research proposal.

7. The Board **noted** the Chief Executive's report.

Item 5: Standards Development

8. The Director of Policy and Oversight presented a paper which provided an update on the development of the new ECB standards for the enforcement industry. This paper provided the second opportunity for the Board to provide input into the scope of this work.
9. The Board discussed the project scope of the standards, the project milestone map and the communications engagement plan and raised the following points in discussion:
 - i. Project scope
 - The project scope document would be shared with stakeholders and published on the ECB website as the primary source of information on this topic. The page would also encourage people to engage with the ECB on its standards development work, for example through workshops and webinar forums.
 - The Board noted that the project scope document should be drafted with the needs of different potential audiences in mind. The current drafting assumed a significant level of contextual understanding and knowledge. The executive would consider alternative, complementary methods of making

this information more accessible, for example through a video explainer (**ACTION**).

ii. Milestones

- The Board expressed concern that the timetable set out for launching the new standards (September 2024) did not allow for much flexibility should unexpected issues arise such as from changes in Government, or if the changes were considered particularly contentious by key stakeholders.
- The executive team reaffirmed their confidence in delivering the project to the presented schedule but acknowledged that events beyond their control could result in a delay to the timeline. The Board then requested the executive develop a contingency plan for if the project faces delays (**ACTION**).
- The withdrawal of the existing National Standards is the responsibility of the Ministry of Justice who will be working to their own timetable and may be dealing with other priorities such as the election or be restricted during the re-election period. The Board agreed that the two sets of standards may co-exist for a time if necessary. While the move to the ECB's standards should happen as soon as practicable, as when accreditation renews in Autumn it will be a condition to comply with the ECB standards, the launch of our standards should not be contingent on the withdrawal of the National Standards by the Ministry of Justice.
- It will be important to keep the Ministry of Justice apprised of progress on this project and to discuss in advance their communications on the standard development/National Standards withdrawal.
- It is possible that the Ministry of Justice may have to consult on withdrawing the National Standards. However, it may be that the ECB's consultation on its own standards will suffice. The executive should engage with the Ministry of Justice to understand if there are steps that could be taken as part of our consultation process to reduce the likelihood of the MoJ also needing to consult on withdrawing the National Standards (**ACTION**).

iii. Engagement plan

- *Creditors*: The Board raised that it would be important to have a pre-agreed communications plan in place for if the executive team face challenge regarding why the proposed new ECB standards will not add new requirements for creditors at this stage.
- *Enforcement firms*: the team are looking to seek input throughout the policy development process from industry and debt advice experts, in order to test ideas.
- *Individuals with lived experience*: it would be critically important to identify intermediaries who can facilitate contact with people with lived experience of enforcement. The team are considering a variety of ways to engage those with lived experience, and current conversations with facilitators have indicated that one to one interviews and written testimonies would be more suitable here than larger workshop style sessions.

10. The Board **approved** the Standards development work subject to the amendments described above.

Item 6: Strategy and Business Plan

11. The Chief Executive presented the draft Strategy and Business Plan. The paper provided an opportunity for the Board to discuss development of the ECB's first multi-year corporate strategy alongside the Business Plan for 2024/25.
12. The Board discussed the draft Strategy and Business Plan and raised the following points in discussion:
 - i. Uncoupling the Business Plan from the Strategy
 - The Board noted the tension between the practicality and accessibility required of the Business Plan and the more abstract, discursive nature of the Strategy.
 - The Board agreed that it would be beneficial to uncouple the Business Plan and Strategy. The ECB can publish a Business Plan on the pre-agreed timetable that meets the expectations of users and supports the levy request. The Strategy, which requires more consideration, and would be impacted by upcoming events such as the general election, could be developed to a longer time frame
 - ii. The Strategy
 - *Operating context*: This section should include a strategic level view on the landscape that the ECB operates in, including adjacent concerns, and its role therein. It would also state what the ECB's role should be by the end of the Strategy period, e.g. a trusted and respected voice and an authoritative source of comment.
 - *What needs to change*: It should be made clear that it is not process, but behaviour on the doorstep that is important. It is improvements in behaviour that will demonstrate the ECB's impact, not the introduction of more process.
 - *Strategic priorities*
 - The Board discussed the ECB's role in bringing greater transparency to the industry.
 - It was noted that all proposed activity in the Strategy and Business Plan were within the existing process of enforcement and the possibility of exploring alternative approaches was discussed. Further to this, the possibility of reducing unfair treatment on the doorstep by reducing enforcement on the doorstep generally was also identified as an issue for further consideration with stakeholders in the context of the strategy.
 - On vulnerability, understanding its relationship with affordability and determining at which point in the process it should be identified (tax system, creditors or enforcement firms) were agreed as important issues for further consideration.
 - iii. Defining fairness
 - It should be clearly articulated that improving fairness is the ECB's aim, not what needs to change. The ECB does not yet have the data on what the major obstacles to this aim are. It is not yet clear what change needs to happen to improve fairness. Therefore, an evidence-based tracker system, with a clear articulation of what fair treatment looks like, is vital to the ECB's work.
 - Being fairly treated in terms of process and in terms of enforcement action are within the remit of the ECB. Being treated fairly under the local taxation system, while important, is beyond the remit of the ECB.

- The ECB's work on vulnerability will be furthered by the work on defining fair treatment. The issue of creditors involvement in the treatment of vulnerable individuals would also have to be addressed.
- iv. Agreed next steps
- The Business Plan would be circulated again to the Board and was being presented to the Engagement Forum on 26 January (**ACTION**).
 - The Strategy would be reworked and a paper on the strategic questions and themes that the ECB should be exploring will be scheduled for one of the next two meetings of the Board (**ACTION**).
- v. Other points raised
- The final document would require both a Chair's foreword and an Executive summary.
13. The Board **agreed** to consult on the Business Plan February-March and have further discussions on the development of the Strategy at its March and/or July meetings.

Item 7: Draft Reserves Policy

14. The Chief Executive presented the draft Reserves and Contingency Policy. The paper set out proposals on the categories of reserves that the ECB should cater for, the target levels of reserves and the timeframe for building these up.
15. The Board discussed the draft policy, and the following amendments were made:
- Legal defence fund: the executive team are in the process of contracting a legal firm. Once one has been appointed, they will be tasked with providing advice on hypothetical legal challenges brought against the ECB (what this may look like, how much it would cost, the optimal way to protect itself etc.) It was also noted that the ECB would only require enough funds to pay for legal fees until the next levy collection, when the levy would be raised to cover ongoing legal costs.
 - The Board felt that due to the small size of the ECB, and the volatility inherent in its financial model, it would be sensible to increase the strategic reserves to six months of full operating costs to be built up over three years.
 - The reserves policy would be communicated to stakeholders as part of the 2024/25 budget section of the Business Plan.
16. The Board **agreed** the reserves policy, subject to the amendments described.

Item 8: Draft Budget

17. The Chief Executive presented the draft budget that would be required to allow the ECB to deliver the Business Plan for 2024/25. The paper was designed to assist the Board in understanding the financial resource that may be available to them and to explore options to meet the ECB's needs. The paper also recommended a level at which the levy could be set in order to receive the income necessary for this budget.
18. It was noted that the budget was determined through a 'bottom up' approach and that the figures used in this budget were estimates and, in some cases,

'placeholders'. All lines of the budget would be reviewed and checked closer to the time of publication.

19. The Board discussed the draft budget, and the following amendments were made:
- i. New staff
 - The Chief Executive explained the function of each of the suggested new roles. The Board agreed the number of new staff but recommended keeping specific responsibilities less prescribed at this stage and to differentiate between operational and management roles.
 - The Board recommended that further budget be assigned to external affairs.
 - The Board discussed the extension of the Director of Creditors and Government secondment and the eventual handover of responsibilities to new staff members.
 - Extra budget should be assigned to financial support due to the increase in organisational size and complexity of operations.
 - ii. Levy amount
 - It was agreed that as the ECB moved from its initiation phase into a more operational phase, calls on its resources would be difficult to accurately predict until business as usual was more established. Predicting certain expenses and costs, therefore, could potentially be difficult.
 - The levy amount consulted on during the Business Plan consultation would necessarily have to be a range as all estimates are based on the 2022 turnover figures.
 - It was important to acknowledge the volatility of the ECB's financial model and the need to ensure that it would have enough financial resource to meet its obligations and achieve its objectives.
 - If the ECB finished the year with an operating surplus, it could potentially be added to the ECB reserves and as a result, meet its reserves target earlier.
 - Alternatively operating surplus could be allocated to projects that would help the ECB achieve its objectives sooner, for example bringing forward research planned for future years.
 - The executive would ensure that the budget narrative included in the Business Plan Consultation made clear these points.
 - iii. Finalising the budget
 - The budget could not be finalised until the industry turnover figures were received at the end of January.
 - A version of the budget will be included in the Business Consultation, due to run from mid-February to mid-March.
 - The Board agreed to consult on a levy range of 0.42% - 0.45%.

20. The Board **approved** the draft budget subject to the amendments described above and agreed to consult on a levy range of 0.42% - 0.45% for 2024/25.

Item 9: Any Other Business

21. A number of Board engagement activities were discussed including:
- i. Shadowing enforcements agents: the Board found these very helpful and requested a second round of shadowing with different types of enforcement to their previous experience (e.g. High Court enforcement, civil enforcement etc.) Board members would confirm their preferred location and then the executive

would provide them the contact details of a suitable enforcement agency. Board members would then arrange a shadowing session directly with the enforcement agencies (**ACTION**).

- ii. The executive would circulate a calendar of events that may be useful, but not essential, to have a Board member attend (**ACTION**). The executive would provide a written briefing for any event attended.
- iii. The executive would investigate the possibility of arranging relevant Board to Board meetings with key stakeholder organisations (**ACTION**).
- iv. Articles in Board members' names were agreed as an effective means of communication and engagement. The executive would supply ideas and themes for articles as they arose. Articles based on events attended by Board members would also be useful.
- v. The executive expressed an appetite in the team for 'lunch and learn' sessions with Board members sharing their experience.

22. Quarterly financial report: Due to the rearranging of Board meetings the Board agreed that the Quarterly Financial Report should be sent out of cycle, in February, rather than wait until the next meeting in March (**ACTION**).

Item 10: Reflection section

23. The Board reflected on the meeting and discussed thoughts and ideas that arose but were unconnected to the immediate agenda.

Item 11: Board Private Session

24. The Board met for a private session where amongst other matters it discussed a pay policy for the ECB executive.