

Chief Executive's Report, March 2024

Introduction

1. Since the Board met in January the team has been active across all strands of our work programme, as reflected by the fact that we have items on standards, complaints and statutory underpinning on the agenda for this meeting. There has also been significant progress in relation to research and the quarterly data returns, as detailed below.
2. I am particularly excited that we have now appointed a research provider and that our body worn video (BWV) research will soon be in the field. We set our sights on doing this research soon after I joined the ECB a year ago and it is excellent to have reached this stage. I am grateful for the work of the team, but also for those in industry and the debt advice sector, for their input and support in designing an approach that is consistent with GDPR and will deliver what we need.

Current cash position

3. The cash position at the 26 February was approximately £768k. This includes the £176k loan from CIVEA, which is due to be repaid this month. The latest cash flow analysis predicts that the ECB will bring approximately £381k cash into the next financial year.

Recruitment

4. We have received a good number of applications for our Complaints Manager role. As with previous roles, it appears that our mission, work and overall offer is finding appeal in the employment market. This is very encouraging. The sift will be happening over the next week and we hope to appoint by the end of March for a June start date.

Accreditation and the levy

5. In January we issued turnover requests from all accredited enforcement firms for the full year ending 31 December 2023, to inform our calculations for the levy for 2024. This will be set out and consulted on in our draft business plan, due to be published in the Spring. The Board has a paper on this on the agenda.

Research and evidence

6. Since the last Board meeting, the team has concluded a competitive tender exercise and appointed a research provider to conduct the ECB BWV research. This is a big milestone and it is fantastic to have reached this stage. The team had its initial kick off meeting with the team at MEL Research and the fieldwork is due to start from April.
7. We have also received legal advice on GDPR risks which confirmed that our proposed methodology is consistent with GDPR legislation. We are progressing the additional proposals made in that advice to further mitigate any risks.
8. The Director of Creditors and Government presented to the CIVEA executive on the project and has subsequently written to all accredited firms who are eligible to participate

in the research prior to the field work taking place. We are particularly grateful to CDER Group for their collaboration with us on working through the legal implications for firms and how they can participate safely in the research. CIVEA has also written to firms to encourage active participation in the research, which is very encouraging.

9. We are updating our privacy policy and have added a new webpage to the ECB website to raise the profile of the project.

Quarterly data returns

10. At the end of January, we had a round of constructive workshops with the industry on the ECB's proposals for the 2024-25 Quarterly Data Return system. There was wide acceptance that it was right for the ECB to demand and publish (aggregated) enforcement data from firms, with most of the discussion focusing on reasonable adjustments to the content and working on definitions. This is complex work, so we are aiming for a final round of workshops in early March to nail down the final data return framework for introduction in 2024-25.

11. As the industry is at different stages of readiness for this, we are contemplating making the first return from firms a 'test' run. We are also considering whether there are arguments that the data makes more sense (and is equally valid for monitoring purposes) if presented every 6 rather than every 3 months (so becoming a Bi-annual Data Return). We will keep the Board apprised of progress and are aiming to bring back a final framework for discussion and approval in April.

ECB Standards Development

12. Following Board steers in January we have progressed work on the standards including appointing an external facilitation provider to support us in incorporating the views of individuals with lived experience of enforcement action into our work, and to facilitate workshops with enforcement agents. We have published details of our workshops with enforcement agents on our website and social media to encourage sign ups.

13. The first meeting of the ECB standards working group has been held. This group comprises representatives from the debt advice sector and enforcement industry. This group will meet fortnightly to test policy ideas.

Complaints handling

14. We have made progress this month on the complaints project, including a targeted session of the Board to discuss key decisions for the project scope.
15. Details of the project have been published on our webpage for our stakeholders and will be updated shortly following Board approval of key project decisions.

Business plan

16. We have decided to slightly push back our public consultation on the draft business plan, in order to allow us to consult on a fixed levy amount, rather than a range. The Board has a separate paper on this on the agenda.

17. We now plan to launch a three to four week consultation from week commencing 11th March and will present a consultation report and final business plan (for approval) to the Board when it meets in April.

Strategy and risk management

18. In January, the Board agreed to decouple our business plan for 2024/25 from development of a wider corporate strategy document. This was to recognise the fact that there was an operational imperative to deliver a business plan but our focus on developing and delivering this has meant that we are not yet in a position to develop a corporate strategy. However, the Board emphasised the importance of developing our longer-range strategic thinking over the coming months and asked the Executive to consider how we might create space to do this.

19. To this end, it is proposed that, alongside other Board business, we use the next two in person Board meetings as follows:

- April – workshop and discussion on environmental and strategic drivers impacting on the ECB and our mission
- July – building on the session in April, workshop on strategic risks and opportunities.

20. This should provide a good platform to progress our strategic thinking. I would be interested in Board members' reflections on this high level approach.

Creditor engagement

21. While work on other priorities such as the BWV Research and QDR has taken up significant time since the last Board, we have still made good progress on engaging creditors. Highlights have included:

- The Director of Creditors and Government (DCG), along with LB Southwark, hosted a successful second regional seminar on the future accreditation of local authority in-house enforcement services. The seminar featured the 10 or so councils in London and the South East with exclusively or predominantly council-based enforcement teams. Further seminars are hoped for in the Spring, focusing on the South-West, East Anglia and Wales.
- The DCG met Jack Sargeant MS's adviser on Mr Sargeant's plans for legislation in Wales on debt enforcement (following a motion debated in the Senedd in December). The DCG understood that future legislation around debt enforcement by local authorities is being considered, which may help to strengthen the oversight role of the ECB in Wales, following the Welsh LGA commitment that Welsh councils should use only ECB-accredited agents when contracting externally"
- The CEO and DCG met Ofgem to discuss the current position of Pre-Payment Meter regulation. 3 energy companies are tentatively planning a return to PPM fitting with the approval of Ofgem, while the regulator still has

several ongoing investigations stemming from the 2023 'crisis', which also cover the behaviour PPM agents. At the moment, the role for the ECB in relation to energy companies appears to be in oversight of their use of 'traditional' enforcement under TCOG and we have secured public support of Ofgem for this. We have also met again with British Gas, who are keen to develop their relationship with the ECB for the future.

Communications and engagement

22. The Chair and I met with Jane Hutt MS (Minister for Social Justice). We were able to thank her for her role in securing the commitment from the Welsh LGA to only work with ECB accredited providers and discussed opportunities for ongoing collaboration, including in relation to water and energy companies.
23. Our proactive communications activity this month has focussed on promoting the ECB's upcoming 2024 priorities, via three separate articles: Enforcement News; an article in the Institute of Revenues and Rating (IRRV) magazine and the Quarterly Account magazine, which is aimed at the debt advice sector. The articles will all be published in the forthcoming weeks.
24. I also appeared on Rippon Ray's 'Debt Talk' podcast, in an episode focused on council finance, tax and debt recovery.

Upcoming engagement

25. Over the coming month, we will be doing further observations of in person debt advice case work and also shadowing of Enforcement Agents and visits to enforcement firms in Wales.
26. We have been scheduling a new round of shadowing for Board members with Enforcement Agents, with the intention of covering different types of work to what Board members have seen through previous shadowing. This includes high court enforcement, shadowing arrest officers and shadowing agents working for smaller firms.

April Board meeting

27. The next Board meeting, scheduled for 24 April, will be held in-person in Central London. We have a full agenda planned and, for our stakeholder session, hope to hear from Thinks Insights, the organisation providing assistance with the external engagement for the standards and complaints work.
28. In addition, there are a number of items that were pencilled in for discussion at the March meeting that we now propose to return to in April, given that the March agenda is already quite busy. These are all issues that can wait until April when we are in person and will have more time. They are:
 - Review of how the Board leads system is working
 - Review of decision on whether to publish Board papers
 - Discussion on whether and when to engage internal auditors.