Mr Clive Betts MP
Chair, Levelling Up, Housing and Communities Committee
House of Commons
London
SW1A 0AA

10 October 2022

Dear Clive,

Following my attendance before the Levelling Up, Housing and Communities Committee on 6 June to contribute to its inquiry into Council Tax Collection, I am writing to update you and other members regarding the establishment of the Enforcement Conduct Board.

The purpose of the Enforcement Conduct Board (ECB) is to provide independent oversight of the civil enforcement industry (bailiffs) to ensure that all those who are subject to enforcement action in England and Wales are fairly treated. It has been created with agreement between the civil enforcement industry and leading debt advice charities including Money Advice Trust, Christians Against Poverty and Step Change, which led to the publication by the Centre for Social Justice of the 'Taking Control for Good' report in July 2021.

Until now, there has been no independent regulatory oversight of the enforcement industry and although minimum standards, published by the Ministry of Justice, expect enforcement agents to treat those in debt fairly, these standards are not legally binding, nor is there any way to independently monitor compliance with them. The enforcement industry has committed to funding the ECB to deliver five key functions:

- **Raising standards** - set out new effective standards of behaviour and supervise performance and conduct in the industry.
- **Improving accountability** - hold enforcement firms and agents to account, primarily through supervisory activities such as audits, reviews of firms' policies and procedures, compliance and complaints, independent research, and a firm and fair system of operational and financial sanctions to penalise and strongly disincentivise non-compliance with ECB standards.
- **Complaint handling** - develop and introduce a new standardised complaints process in consultation with various existing points of contact for complaints to ensure public confidence in an accessible and independent complaint-handling system.
- **Protecting the vulnerable and achieving fairness** – develop and introduce new, affordable repayment and vulnerability protocols drawing on best practice from other organisations, businesses, and agencies as appropriate.
- **Authorisation** - work with the Ministry of Justice and wider stakeholders to develop an appropriate and workable authorisation process for enforcement agents and firms, considering the existing court certification process.

In July, we appointed four additional non-executive directors: Alan Cavill; Gerard Curran; Althea Efunshile, CBE; and, Jenny Watson, CBE. However, we have struggled to resolve the need both to fund the establishment costs and to obtain assurance from the industry about ongoing funding.

As agreed with the Civil Enforcement Association (CIVEA), we have written to its membership asking for pro-rata contributions toward the total establishment costs, which we have calculated to be £626,000 for the period ending 31 March 2023. This is in line with the costs anticipated by the Enforcement Oversight Working Group in its work to inform the 'Taking Control for Good' report.

At the time of writing, we have received a total of £413,947, which is 64% of the requested amount.

Once the establishment costs are fully secured, the ECB will begin to develop its operational plans for the next 24 to 36 months including the appointment of a Chief Executive, which will enable us to do that work in consultation with the industry and the debt advice sector and other stakeholders. In turn, this will inform work to define the long-term funding necessary for the ECB to deliver its remit, specifically the scale of an annual levy.

Appointing a Chief Executive and other key staff requires assurance of ongoing funding. Despite our best efforts, no such assurances have been made. Specifically, we have asked the eight largest enforcement businesses to commit to a minimum ongoing annual contribution no less than their individual contributions to the establishment costs. This would amount to £564,556 and would enable us to recruit at least a skeleton staff and start work on developing plans and proposals as to how we could most effectively deliver our remit going forward.

The lack of a firm commitment for what amounts to less than 0.4% of annual turnover for these businesses is concerning, especially when carrying out the agreed functions of the ECB will clearly cost significantly more than that, however cost effective we are at pains to be.

We will formally launch the new organisation in Wales on 16 November and in England on 22 November in the Palace of Westminster and I would be delighted if you and your colleagues were able to attend either event.

In the meantime, thank you for your continued interest in our early evolution. I look forward to keeping you and your colleagues updated further as we establish our role and begin delivering our mandate at a time when the ongoing cost-of-living crisis will inevitably cause more households to fall into debt and experience enforcement action, and the efficacy and fairness of public sector debt enforcement will be increasingly important.

Yours sincerely,

Catherine Brown

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Chair, Enforcement Conduct Board