

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

5 April 2023

Dear Clive,

Re. Progress of the Enforcement Conduct Board

Thank you for your letter dated 15 March 2023. I am pleased to provide an update on the progress the Enforcement Conduct Board has made since I wrote to you last October.

In addition to the formal launch of the Enforcement Conduct Board in November 2022, the ECB's priority over recent months has been the development of our [draft Business Plan for 2023/24](#). This includes our priorities for this and next year, as follows:

- Designing and starting to gather an evidence base to support the development of a proportionate oversight framework
- Continuing work commenced last year to ensure full coverage by the ECB, including establishing an accreditation scheme, which we expect to launch this summer
- Carrying out a review of current complaints procedures, with a view to taking on responsibility for second tier complaints handling about enforcement action from next year
- Developing, in consultation with stakeholders, new Standards and a new Code of Practice for enforcement activity, which we plan to be in force in 2024
- Continuing to develop the ECB into a cost-effective, impactful, collaborative and credible oversight body

A three-week consultation on the draft Business Plan was launched on 22 March, and we intend to publish our final Business Plan later this spring.

Our first Chief Executive (and first full-time, permanent member of staff), Chris Nichols, started his role in early March. One of his early priorities is building a team to ensure that the ECB has the capacity required to successfully deliver our work programme. Accordingly, we hope to announce further staff hires over the coming months.

Turning to funding, as you know the intention underpinning the establishment of the ECB was that it would be funded by the enforcement industry on a pro-rata basis.¹

As outlined in the draft Business Plan, in September 2022 the ECB wrote to 31 of CIVEA's corporate members to ask each one to contribute a share of the initial costs of setting up the ECB for the 18-month period ending 31 March 2023, which amounted to £626,000. This represented 0.34% of companies' enforcement related turnover for the previous year. The largest companies made their payments in the autumn of 2022 and the smaller ones were asked to make their contribution early in calendar year 2023, which the large majority of them did.

¹ ['Taking Control for Good'](#), Centre for Social Justice, July 2021

We are now moving into a new business year and one in which we will be building our operational capacity. We are therefore consulting on the next annual levy, which we have determined will need to be 0.4% of relevant turnover. As noted in our draft Business Plan, we recognise that the enforcement industry is a small one and in line with the principle of proportionality we have set this level with a view to minimising the costs of oversight in so far as that is compatible with achieving our critical mission and objectives.

We intend to collect the next levy from the larger businesses who are critical to our financial viability in June. We hope that the industry will accept these costs and agree to pay the levy in the timeframes that we have proposed, to allow us to deliver what we have set out in our draft Business Plan.

We are aware of some statements made by the industry regarding the difficulty in agreeing to the quantum of a levy whilst the Ministry of Justice's fee review has not yet concluded. We will be watching this closely, and will keep the Committee informed of our progress, particularly if we encounter difficulties in collecting the funds that we need to deliver oversight effectively.

I would welcome the opportunity to meet with you again in early summer to provide you with an update on the status of the ECB's funding and the delivery of the work outlined in our Business Plan. I would also be pleased to introduce you to Chris at this meeting.

In the meantime, should you have any further questions at this stage then please let me know.

Yours sincerely,

A handwritten signature in brown ink, reading "Catherine Brown" followed by a horizontal line.

Catherine Brown
Chair, Enforcement Conduct Board