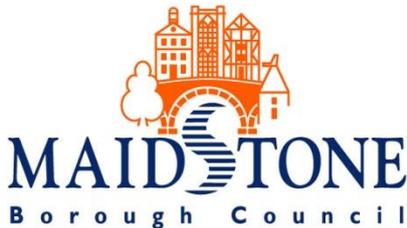


# Kent Channel Migration Project



## Council Tax Behaviour Change





## **Contents**

Summary .....	3
Medway, Canterbury and Sevenoaks Councils .....	4
Context.....	4
Results from changing the wording of council tax bills .....	4
Mid Kent Improvement Partnership: Swale, Maidstone and Tunbridge Wells Councils .....	5
Issues.....	5
Recommendations .....	6
Results.....	6
Swale .....	6
Maidstone .....	7
Tunbridge Wells .....	7

## Summary

Following a successful behaviour change pilot which BDO consultancy conducted with Medway, Sevenoaks and Canterbury Councils, KCMP worked together with the councils in the Mid Kent Partnership to review their Council Tax letters.

The aims of the project were to reduce the amount of reactive contact occasioned by Council Tax correspondence, as well as nudge people towards signing up for Direct Debit as well as paperless billing.

Using MINDSPACE techniques to evaluate the letters which were being sent out at that time, the KCMP team found that they were not successfully transmitting the message which the councils wanted to put across. In particular, the letters were prompting customers to call rather than self-serve online, whilst the ebilling option was not sufficiently in evidence to attract attention or yield desired results, especially as it required the user to expend effort to change the status quo, which was receiving a letter by post.

Redesigning the letters to prompt positive behaviours had significant results in all three Councils, measured over the 2014 and 2015 billing periods (March and April).

- Swale saw online registrations for Direct Debit increase by 133%, going from 269 in 2014 to 627 in 2015.
- Maidstone's contact centre received over 1000 fewer calls relating to Council Tax in 2015 compared to 2014, representing an 18% reduction in contact. Face to face visits also decreased significantly, going down 21%. Notably, there were significantly fewer balance enquiries, suggesting that balance information was easier to understand in the new letters.
- Tunbridge Wells saw a similar decrease in avoidable contact, with Council Tax related calls dropping by 21%. Interestingly, in 2015, only 3% of those calls were from customers wanting their bill explained to them, compared with 6% of calls in 2014, again suggesting the new format was clearer. Further, the conversion rate from non- direct debit to direct debit from 2014 to 2015 was 5%, which is much higher than the 1-2% rate usually achieved by such campaigns.

## **Medway, Canterbury and Sevenoaks Councils**

### **Context**

It is not uncommon that official letters are abundant with complex sentences and heavy terminology. The intentions behind this are normally very good – any professional organisation, public or private, strives to convey professionalism in every possible way.

The flip side of this effort is that such enthusiasm can often be counterproductive and lead to customers becoming confused. Indeed, not everyone is on equal ground with their professional or linguistic background.

This generates an influx of unnecessary contact and time wasted on translating communication into a language understood by everyone – plain English.

A behaviour change pilot conducted by a consultancy team from BDO in three partner councils – Medway, Canterbury and Sevenoaks, has demonstrated that the solution to this problem is very simple. Indeed, by applying MINDSPACE techniques and ensuring that all outgoing communication is written in simple plain English, a lot can be achieved.

### **Results from changing the wording of council tax bills**

Through workshops and meetings, BDO obtained raw data and calculated a figure measuring 'reactive contact' (i.e. the number of bill clarification enquiries) as a percentage of council tax notices posted to residents.

In Canterbury this percentage was measured from September, when the pilot started, through to January, with the new wording introduced in December.

This new council tax notification was simple, snappy and contained no jargon.

The immediate effect (one month after the launch) was a drop from an average 51% reactive contact in September, to an average of 17% in January.

This is a remarkable 67% drop in customer contact, indicating that the new wording promotes channel shift and discourages avoidable contact.

It may also have knock-on effects reaching beyond the immediate reaction. For example, not every customer calls to clarify their bill, unclear information may lead to missed payments or other complications, which may be easily avoided by using the new approach.

Initially, there was resistance among council tax officials, who insisted that the official language was a legal necessity. However, this was overcome and the results are speaking for themselves, showing that behaviour change is required on both sides of the equation.

As much as organisations might believe that customers need detail, this is not always the case and a more flexible approach asking customers and involving them in the process of communication may unlock new efficiencies.

## Mid Kent Improvement Partnership: Swale, Maidstone and Tunbridge Wells Councils

Following the work conducted with Canterbury, Medway and Sevenoaks Councils, the three councils which form the Mid Kent Improvement Partnership (Swale, Maidstone and Tunbridge Wells) also expressed an interest in making similar improvements to their Council Tax Bills.

This new project had three specific aims:

- To reduce avoidable contact by making the letters easier to understand
- To encourage residents to sign up and pay by Direct Debit rather than any other payment method
- To encourage residents to sign-up to paperless/e-billing.

Using MINDSPACE techniques, the team reviewed the different council tax bills sent out by Maidstone, Swale and Tunbridge Wells Councils.

### Issues

Several issues were highlighted:

- Whilst some effort had been employed to tailor letters according to whether the recipient had already set up Direct Debit, irrelevant information still appeared on some of the letters. For instance, Tunbridge Well's letter to people already signed up for Direct Debit started with *"Please turn the page for details of how to pay your bill of contact us."* As the recipient had already set up direct debit, they did not need payment details. Suggesting the recipient contact the council first off is also not conducive to reducing calls and emails.
- It was also noted that the order in which the information was provided in the letters could be improved. Maidstone's Council Tax Bills showed first of all the proportion of the council tax going to each authority in Kent (e.g. Kent County Council, Kent Fire and Rescue Service). This information does not change from one bill to the next, meaning the recipient is likely to have already read it previously. It therefore becomes an unnecessary obstacle for them to skim over to get to the information they really need. Further, whilst the annual charge for the property was indicated in bold in this first part of the letter, this did not take into account the recipient's 25% single occupancy discount. To find the actual amount due, the recipient would need to read further down the letter and discard the information provided first of all.
- It was found that Direct Debit was not sufficiently pushed in letters to those residents who were paying by other methods. Tunbridge Well's letters did not mention Direct Debit, though they did offer for the recipient to pay in 12 rather than 6 instalments. However, to action this option, the recipient was asked to contact the

council, occasioning more calls/emails, rather than given an option to do it themselves online.

- Paperless/e-billing was not sufficiently encouraged. Maidstone’s letters did include the following question: “*would you like to have your bill sent to you electronically by email? If so, telephone us or register now at Maidstone.gov.uk*”. Applying MINDSPACE principles, the team highlighted that the question is too complex. There is no need to include the word “electronically”. Further, the question was not highlighted and had no other specific features to attract the reader. Further, choosing this option required work for the recipient, who was required to call or go online to make the change. Finally, it is not necessary to give a phone number here; removing that option would encourage readers to go onto the website.

## Recommendations

Based on their analysis, the team designed new, much simplified and more purposeful Council Tax letters for each category of respondent: those who had Direct Debit set up (DD) and those who did not yet have Direct Debit set up (non DD).

In the new letters, information regarding “*where your money goes*” has been moved down the page, allowing the actual amount of council tax the recipient is due to pay, which is the crucial part of the letter, to move right to the top of the page, meaning it becomes the first thing that the reader sees.

The non DD letter included the following paragraph, placed right after the Council Tax amount:

### How to Pay

If you prefer never having to worry about making or missing payments, or you'd rather spread your payments over 10 or 12 months, you can join [x thousand] others and pay automatically by Direct Debit.

Just visit [enter web url] with this bill and your bank card to hand or fill in the form overleaf and send it back us at the address above.

Several MINDSPACE techniques are used: the benefit to the reader is highlighted, social norms are used to encourage take-up and the process is made as easy as possible. Further, readers are only given two options to sign up for DD: through the website (which is the preferred option for the council and therefore placed first) or by filling in a form. No phone contact number is offered.

## Results

### Swale

Following the introduction of the new letter on for the 2015 annual billing period, Swale saw a significant increase in both online registrations and online council tax payments.

	16 March – 16 June 2014	16 March – 16 June 2015
Online registrations	269	627
Online council tax payments	7,758	8,995

On the other hand, Direct Debit take-up decreased in 2015.

<b>Direct Debit Take Up</b>	<b>March 2014</b>	<b>March 2015</b>
<b>Paper</b>	518	62
<b>Paperless</b>	511	444
<b>Online</b>	N/A	280
<b>Total</b>	1,029	786

This may be due to the increasing proportion of customers already paying by DD, meaning there are fewer customers paying by other methods left to convert.

### **Maidstone**

In Maidstone, the volume of calls to the contact centre was recorded for both March 2014 and March 2015, with the redesigned letter being introduced for the 2015 annual billing, which takes place during this period.

	<b>Week 10</b>	<b>Week 11</b>	<b>Week 12</b>	<b>Week 13</b>	<b>Week 14</b>	<b>Total</b>
<b>2014</b>	851	747	1805	1991	1072	<b>6466</b>
<b>2015</b>	840	849	1368	1323	950	<b>5330</b>
<b>Difference</b>	-11	+102	-437	-668	-122	<b>-1136</b>
<b>% change</b>	-1%	+12%	-32%	-50%	-13%	<b>-18%</b>

Face to face visits were also recorded from 1<sup>st</sup> March 2014 to 10<sup>th</sup> April 2014 and again over the same period in 2015.

The total volume of visits went from **623** in 2014 to **495** in 2015, representing a **21%** decrease. In particular, balance enquiries decreased from 208 to 152, indicating that the new letter may be providing this information in a clearer format, prompting fewer people to ask follow-up questions.

### **Tunbridge Wells**

Data was collected over the period from 1<sup>st</sup> March to 10<sup>th</sup> April for both 2014 and 2015.

In 2015, Tunbridge Wells saw an increase both in online payments (through the TWBC website) and Direct Debit transactions.

	<b>2014</b>	<b>2015</b>
<b>Online payments</b>	1,083	1,257
<b>Direct Debit transaction</b>	27,794	25,849

At the start of 2015, 9400 customers in Tunbridge Wells were not yet signed-up to Direct Debit. Of these, 469 signed-up online during the timeframe under consideration. This represents a conversion rate of 5%, which is higher than a typical response for a direct marketing campaign, which is around 1-2%. However, for the same period in 2014, the number of online DD sign ups was 671. As in the case of Swale, the overall decrease is likely due to the reduced number of customers still left to convert.



Call centre changes were also recorded, with telephony data showing a 21% drop in Council Tax calls answered (from 4779 to 3771). Further, the data also reveals that in 2015, only 3% of calls were from customers wanting their council bill explained to them, compared with 6% in 2014. To be noted: these calculations are based on “wrap-up reasons” for calls as recorded by call centre staff, with the different categories of reasons being streamlined between 2014 and 2015. This means that there is no exact match between the category measured in the two periods (“query letter” in 2014 and “Ctax bill explain” in 2015). Continuous monitoring of calls should provide more robust data in future.