

# Nudging residents to increase Council Tax collection

# What we set out to do

- Test how ‘nudges’ could be used to improve council tax collection
- Using a ‘randomised controlled trial’ (RCT)

# Why?

- Improve collection rates
- Reduce costs
- Help residents
- Determine attribution

# How?

Three CT Bill modifications:

1. Simplification
2. Social Norm
3. Combined (1+2)
4. Plus a control group

**Lambeth**

Council Tax  
Bill for 2014/15

Your Account number

██████████

**Simplification**



**Key Information**

- Pay your council tax now or your bill could go up by £127
- Make your first payment before 1<sup>st</sup> April 2014
- Tell us now if we have any of your details wrong

**Lambeth**

Council Tax  
Bill for 2014/15

Your Acc

██████████

**Social Norm**

over 95% of  
Lambeth residents  
pay their council tax

**Combined**

**Lambeth**

Council Tax  
Bill for 2014/15

Your Account number

██████████



**Key Information**

- Pay your council tax now or your bill could go up by £127
- Make your first payment before 1<sup>st</sup> April 2014
- Tell us now if we have any of your details wrong
- Over 95% of Lambeth Residents pay their council tax

# Where?

- 8,000 households in 3 Wards selected
- Ferndale, Thornton & Brixton Hill
- Lower than average collection rates, but not the lowest

# When?

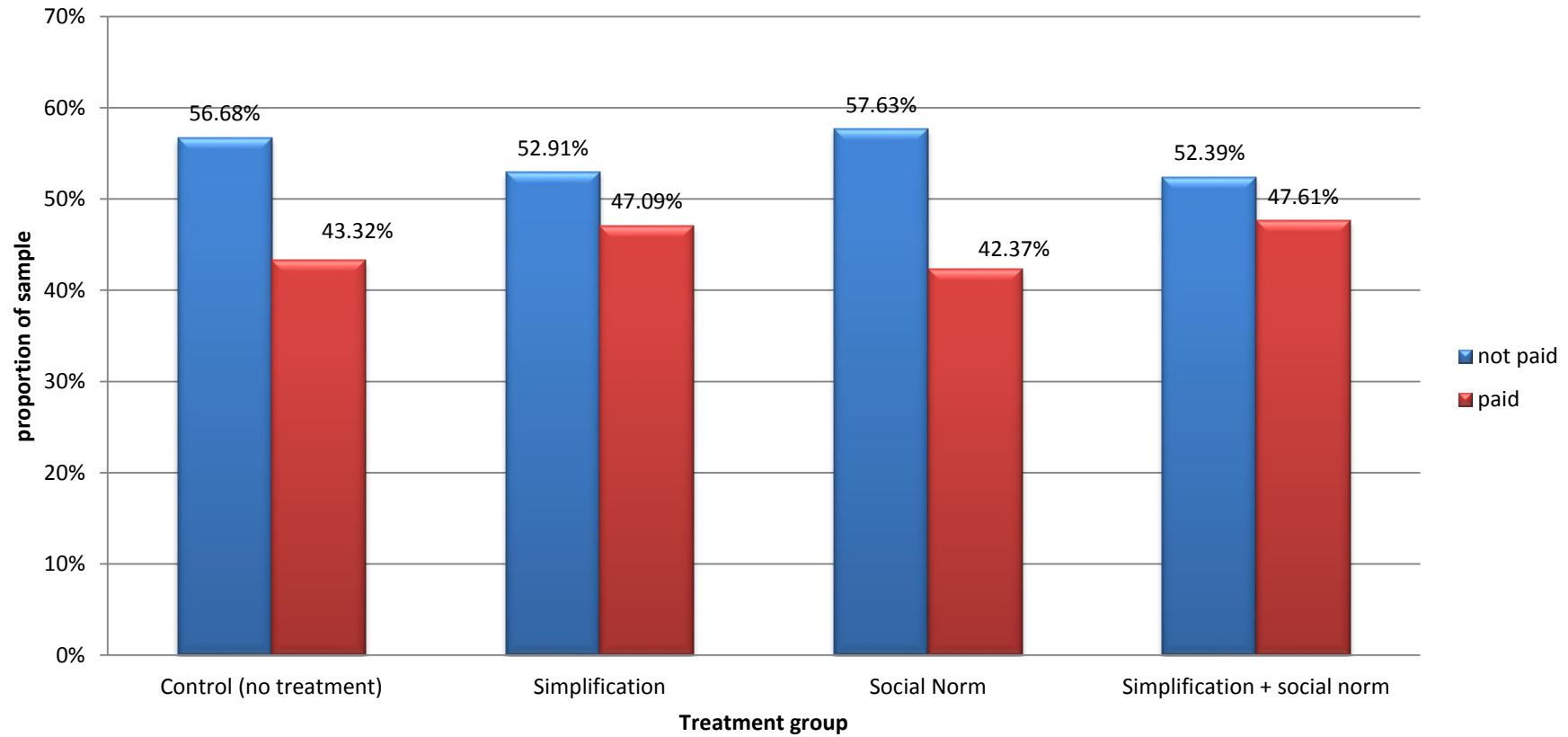
- Bills sent out early March
- Payments due by 1<sup>st</sup> April
- Accounts monitored to assess effect

# What we found

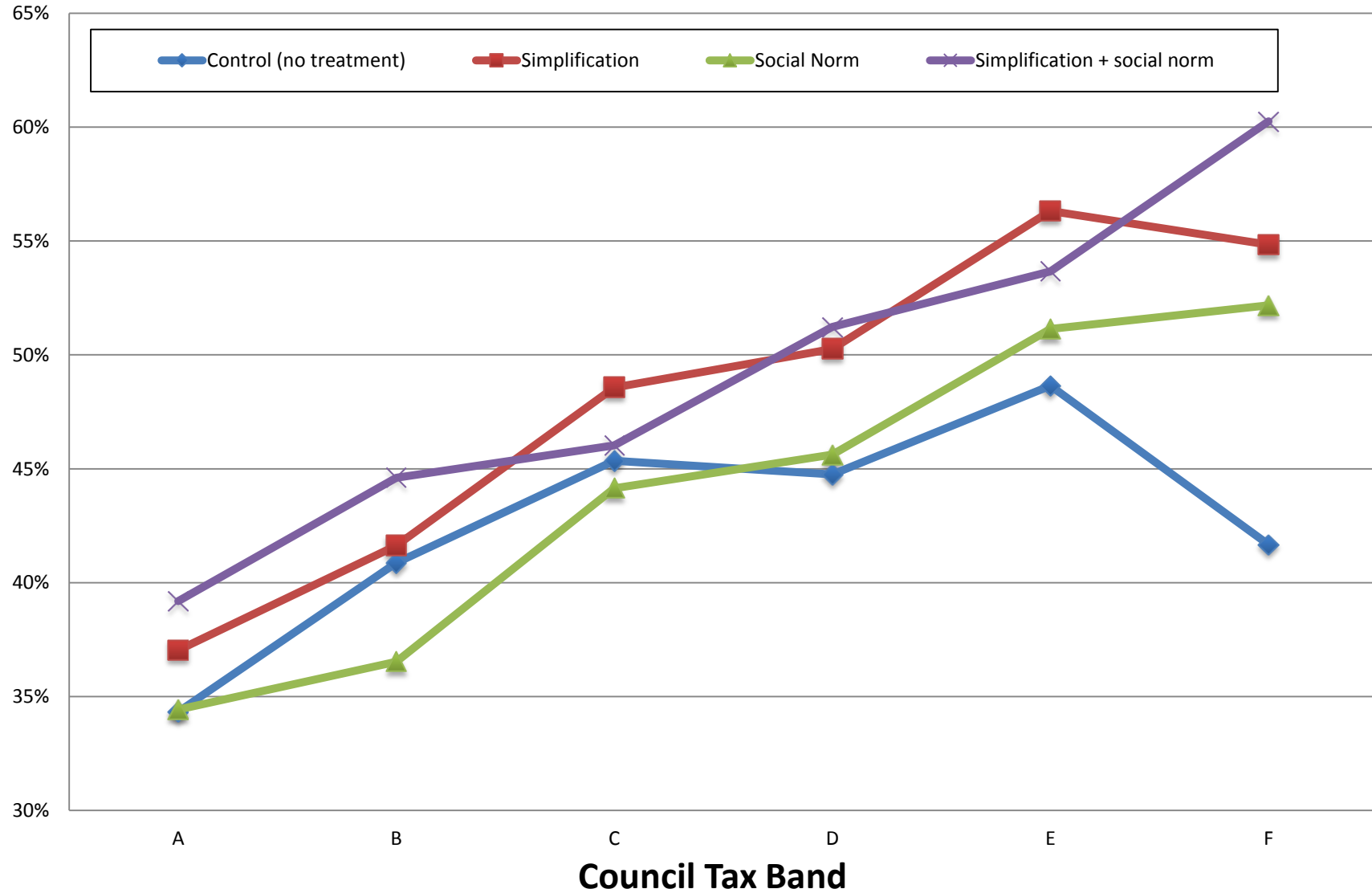


- Simplification increased numbers paying by 8 per cent
- Treatment increased revenue collection by one percentage point
- Consistent effect across ward, past payment record and deprivation
- Social norm more effective among higher CT bands

## Council Tax collection RCT treatment effect on payer rates



# Treatment effect by Council Tax band (% paid accounts)



# Where next?

- Testing and refining CT billing
- Text message reminders
- Single Person Discount
- Internal comms
- Waste minimisation