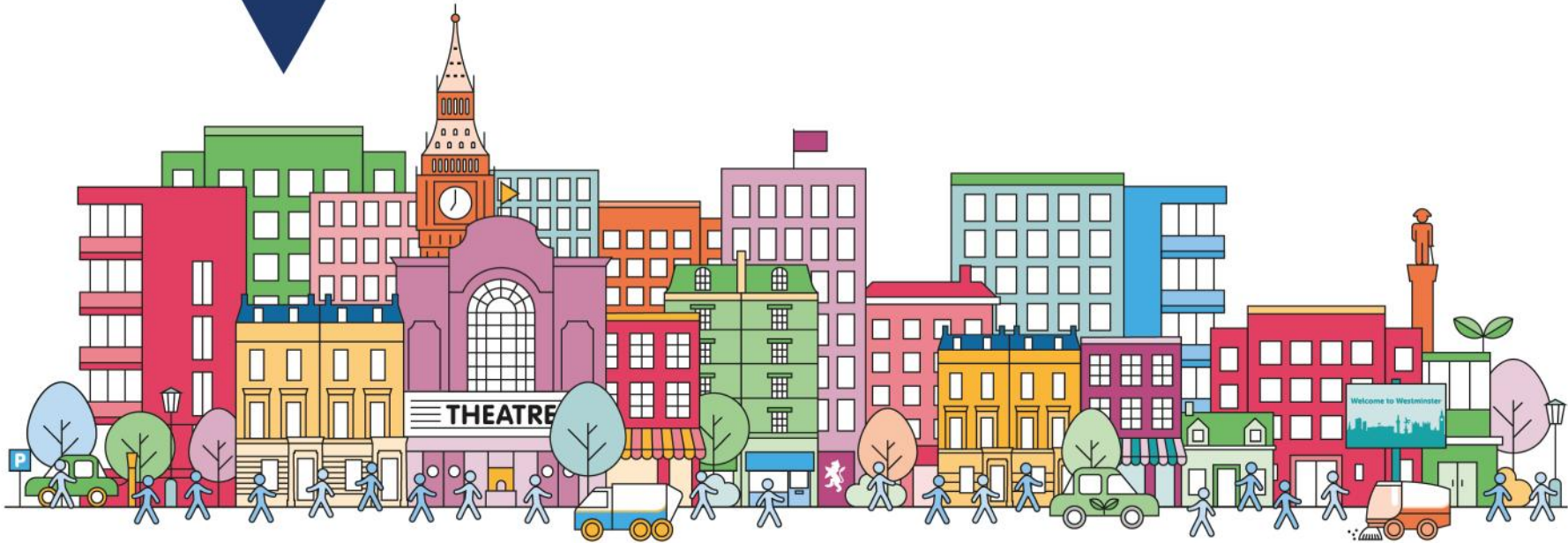




Westminster Community Contribution

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In March 2018, Westminster City Council launched its voluntary Community Contribution scheme – a way for residents in higher value properties who choose to, make a payment in addition to their Council Tax payments to support local projects.

*“This scheme had it cynics, but the number of contributions we have had are proof that **an innovative** idea like this one can make a difference” (Leader of the City Council / The Guardian - May 2018)*

“I congratulate Westminster Council for inviting wealthier tax payers to top up a voluntary community contribution for local services. I fully endorse their imaginative initiative. May all of us who are willing to do this be given the facility to do so. Thank you, Thank you! – You are fantabulous!” The Archbishop of York, Dr John Sentamu.



The scheme has delivered:

- the first significant proposal that has been put in to practice to address the inadequacies and unfairness of the current national Council Tax Banding system.
- a clear statement to our residents that we understand the inequalities of the current scheme and are doing something about it.
- significant funding to provide additional services to help our most vulnerable residents
- evidence that can be used to inform and influence future government policy direction
- demonstrated to local government what can be achieved and is now being followed by other local authorities
- insight into the priorities and behaviours of different segments of resident groups



In order to deliver the scheme, the Council has had to show:

- Innovation
- Political courage / risk taking
- Delivery of complex cross-cutting work over a very short implementation period
- Tenacity in delivering a high profile political agenda through collaboration and innovative solutions



Westminster Context

The City of Westminster includes a wide diversity of domestic property, including some of the most expensive real estate in the world. At the same time Westminster is also home to some of the most deprived and diverse communities in the country.

Whilst Westminster is proud to have the lowest Council Tax in the country, the current national banding scheme means that residents in multi-million properties only pay twice the current Band D Council Tax (which is lower than Band D charges in a number of other boroughs). This is considered unfair for many of our residents, and the Council therefore sought to identify a financial solution that would enable us to deliver additional services to the most vulnerable members of our community without exerting an extra financial burden on the majority of residents.



Initial Lobbying

The City Council initially sought the traditional method of delivering change through lobbying central government. The Council produced its own proposal that in outline proposed the revaluation of all Band H properties by the Valuation Office into:

- Band H
- Band I (Prime properties - for example those value at £5M+)
- Band J (Super Prime properties- for example those value at £10M+)

The proposal would have allowed local authorities to set the relevant ratios for Band I & J properties (Band H to remain at the existing double Band D ratio). The proposal was reviewed and considered workable by DCLG officials, but unfortunately did not receive the political support necessary for a change to the relevant primary legislation



Not to be deterred!

The Council was determined to persevere and developed the concept of a voluntary contribution from residents predominantly living in Band H properties. The scheme was subsequently named the **Westminster Community Contribution**.

In order to assess the feasibility of the scheme, a consultation exercise was undertaken over a four week period (November to December 2017), with the borough's 15,600 Council Tax Band H residents. The consultation asked about support for the scheme, as well as for preferences as to where any money raised should be spent.



Consultation Outcome

- The consultation, (in the form of a post out), produced a very high response rate for a local government consultation exercise, with around 1,000 residents responding. The consultation responses were approximately split 50:50 for and against the scheme, but there was a net positive favourable response from people with properties self-valued at over £5m, which increased to over 55% with people in properties worth over £10m
- Main negative feedback was that overburden of tax on wealthy, fear that the scheme would compete with charities and that people would not take part if it were voluntary
- Residents were asked what they would spend the money on - there are were two groups
- the larger group wanted spend on the most vulnerable in the community (older people, youth and rough sleepers were all namechecked)
- a sizeable minority were interested in money being returned to the areas that donated in the form of cleaner streets, more security, more local services
 - The money to be spent in a transparent and project based way so that impacts of the scheme would be tangible
 - The scheme to allow for Gift-Aid



Gift Aid

As a direct result of the resident feedback, it was identified that the additional income from the proposed scheme could be enhanced through incorporating the option for donations to be subject to Gift Aid (25p is added to every £1 donated).

Therefore, the Council decided to utilise an existing charitable organisation, the City of Westminster Charitable Trust. The Trustees, in line with resident views gained from the consultation, determined that any Community Contributions received would be used for the following three additional services for the borough's vulnerable residents:

- Helping young people – investing in youth clubs
- Extra support for people who find themselves sleeping on Westminster's streets
- Helping to tackle isolation and loneliness –not just amongst the elderly but across all age groups, including young people



Implementation

The consultation response analysis concluded formally on 15th December. After the analysis of the results was completed and reviewed, there were only 8 weeks until the Council Tax mailing in March when the requests for contributions would be made.

A small project team was formed, including officers from Revenue Services, Policy and Communications and IT, supported by our Revenue Services and external printing & mailing contractors. Resourcing for the project was found within the council budget.



The project

The project team met daily to review progress as the project evolved. The table below illustrates the timelines and high level milestones for the project:

High Level Milestones	Key Dates
Consultation	08/11/2017– 15/12/2017
Communications (press release, media statements) on Consultation results	07/02/2018 - onwards
Development of website/payment portal/reporting database	15/02/2018 – 15/03/2018
Consultation Outcome letters sent to Band H residents	12/02/2018
Band H 'Ask' Letters sent along with Council Tax letter	16/03/2018
System 'Go live'	16/03/2018
Payment Reporting	16/03/2018 - ongoing
Despatch of 1 st Phase of Thank You letters	16/04/2018 – on going
Despatch of second round of requests for people who had not contributed	21/11/2018
Despatch of letters for the second year of Community Contribution letters	17/03/2019



The following is a list of the key issues/actions that had to be addressed:

- A formal Council decision via Cabinet Member report to enable the scheme to proceed
- Research and implementation of the rules and regulations regarding Gift Aid
- Re-establishing the City of Westminster Charitable Trust, which was in the process of being wound down
- Setting up a new Trust bank account, with an online banking function
- Producing a consultation response letter to all Band H residents (different formats of the letter were sent depending on whether the resident had indicated their support for the scheme, were not in favour of the scheme or had not replied to the consultation)
- Developing a database to record consultation responses, contact, payments and Gift Aid
- Updating the Council and Trust's websites
- Forging relationships with academia to help create robust nudge RCTs



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- Developing and implementing payment methods for the Community Contribution, including:
 - BACS payments
 - Standing order
 - Cheque payments
 - On-line payment facility
 - MOTO payments (Over the phone)
 - Charitable vouchers
 - Drafting and designing letters requesting a Community Contribution to accompany the Council Tax bills for Band H residents. A separate letter was sent to Band A to G properties advising about the Council's Community Contribution scheme. The personalised letters required a significant change to our annual billing print sets, which in turn required considerable effort and assistance from our external printers and additional testing
 - Handling a consistent stream of national press enquires
 - Reconciliation of payments
 - Production of thank you letters and following up with contributors



Second Wave of letters / Behavioural Insights

On 22nd November a second wave of letters were despatched to households who had not yet contributed

These letters were designed with help from Kings College in the form of 6 different variants which were designed to appeal to different aspects of people's willingness to contribute – e.g. making it appear that peers were commonly contributing, neighbourhood pride and risks of not being able to raise more money

Letter gave only limited information on plans for money thus far

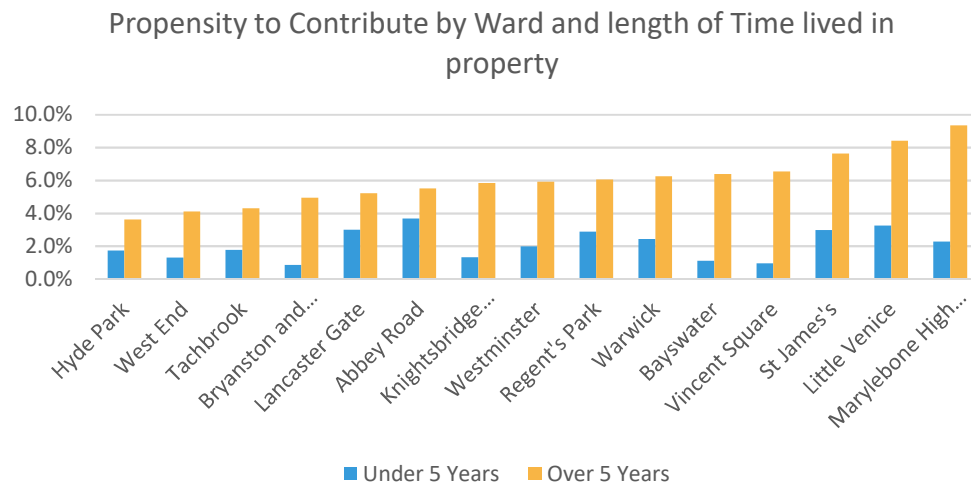
The results of donations and the impacts of different nudge approaches have been analysed



The value of analysis and insight

Analysis of donor profiles has been invaluable in understanding not only messaging to residents for Community Contributions but also for more general communication activities. We have learnt that –

- The process of engagement drives up contributions even for people against the scheme.
- Long term residents understand the issues that the Council face, but we have much more work to do to win over more recent arrivals
- Households in properties that are company owned have barely engaged at all



Response in Consultation	% of total in consultation	Made a contribution
For	3.1%	36.55%
Conditional	0.1%	28.57%
Against	3.8%	5.35%
No Response	91.9%	3.06%

- There was surprisingly little relationship between the areas where the visible issues that the Council are seeking to address are most prominent and donors
- Single person households were actually more responsive to consultation and generous in donating
- Using a commercial segmentation tool (ACORN) and the rate of donation, we were able to test payment preference assumptions and feed into customer experience workstreams



Behavioural Insights

The letter treatments are based around three concepts that donations

- Helps an area to “gain” or stops an area from “losing” and
- Are more likely to be made if people feel their peers are donating
- Are more likely to be made if it an element of competition – “be the best is introduced”

The response rates are shown below in brackets

		Competition	Norms
Gain	Letter 1 (1.13)	Letter 3 (1.16)	Letter 5 (0.78)
Loss	Letter 2 (1.19)	Letter 4 (1.19)	Letter 6 (1.02)

King’s College colleagues noted that ‘loss’ treatment does better than its equivalent ‘gain’ treatment (as expected)

The Competition treatment does better than the others (which is interesting) and Norms is worse than others. In fact the only thing that we can reject at 95 % confidence level is that Norms contributed anything above what gain and loss letter delivered.

The outcomes from this research gives us valuable insights in how to approach residents around donation in the future



Financial Outcome

As at 9th August 2019 Community Contribution payments have been made from around **800 individuals** amounting to (including the Gift Aid element) **£890k** to spend on additional services for our most vulnerable residents. The deployment of Gift Aid has enhanced the amount raised by £90k and has been taken up by around half of all of residents thus far.

In Year 1 Around £400k was raised from the first wave and just over £200k from the letters sent in November. In Year 2 a further £280k has been raised, with a significant boost expected in the Autumn as more details on expenditure is revealed to residents.

Majority of payments have been made by cheque despite more instant payment options available via the on-line portal



Other Conclusions

- Westminster's Band H households profile probably quite unique, but some interim findings re contributors
- People who pay by company accounts or have exemptions are not contributing
- People who pay a single person discount are more likely to contribute
- People who engaged with the consultation, even if they were against the scheme are more likely to contribute
- ACORN (customer segmentation) tools suggest that contributors are split between households who are not digitally engaged – they pay by cheque, like letters etc and those who are very digitally savvy
- We've not been fully able to understand yet but suspect that non-full time occupation, use of property as short-term lets, and being a "new" resident all reduce propensity to pay.



The Future

- A decision will be undertaken later in the financial year in relation to plans for 2019/20
- Lack of Direct Debits mean that we are again needing to ask people to opt-in to payments
- Media around scheme has been largely positive, and awareness should help alleviate uncertainties in 2018
- Potential to expand requests to other Bands – could raise more money but breaks the purity of original concept



Conclusion

A scheme which is delivering significant outcomes:

- a clear statement to our residents that we understand the inequalities of the current scheme and are doing something about it, delivering on the Council's commitment within its City for All agenda
- significant funding to provide additional services to help our most vulnerable residents
- evidence that can be used to inform and influence future government policy direction

