

Case study: Coventry City Council

Increasing direct debit take-up
and re-distributing revenue to
those most in need



Client

Coventry is the UK's 12th largest city with a population of over 300,000. There are over 130,000 domestic properties within the local authority. Coventry is a diverse, multiethnic and multicultural city incorporating both areas of affluence and significant deprivation. For 2007/08, Coventry City Council targeted a Comprehensive Performance Assessment (CPA) rating level of 'three stars and improving strongly' and was focussed on becoming more socially responsible at the same time as making cost efficiency savings.



Requirement

Coventry City Council sought Experian's assistance to help achieve a better understanding of their citizens to enable them to benchmark their current take-up of direct debit and benefits. As a result, a number of areas were identified where efficiencies could be made, both immediately and in the short to medium term.

In common with other local authorities improving revenue collection is a key objective of Coventry City Council. Following criticism of their previous collection performance, recovery procedures were tightened however, despite improvements in collection rates, this led to increased demand on customer services and more complaints.

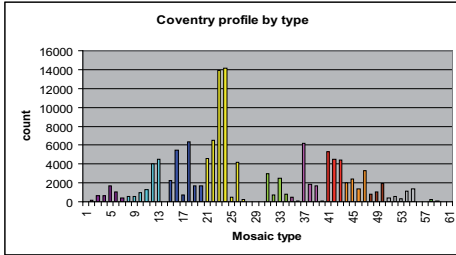
Coventry City Council recognised that ensuring citizens are paying council tax by the most appropriate payment method is key to ensuring monies are collected in a timely and cost effective way. Direct debit take up in Coventry, as at 30th June 2006, was 53%. In some lower income areas the figure was as low as 12%. They therefore sought to increase the number of households paying by direct debit to help those in arrears and to increase revenues.

Coventry City Council felt that its previous blanket approach to direct debit targeting did not achieve the required results and was an inefficient use of both costs and resources. Adopting an intelligence led approach would enable them to tailor strategies appropriate to the target audience.

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Solution

The Council used Experian's consumer classification solution, Mosaic Public Sector, which segments all UK citizens into 61 distinct 'lifestyle types', to understand the socio-demographic composition and key characteristics of each and every household in their district. This allowed them to communicate the benefits of using direct debit to those currently in arrears by the most effective medium.

Mosaic Public Sector provided an understanding of those citizens most likely to convert to direct debit payment and their receptive communication methods. Mosaic groups and types were ranked by likelihood of paying by direct debit as well as by income which helped select the correct audiences for each message.

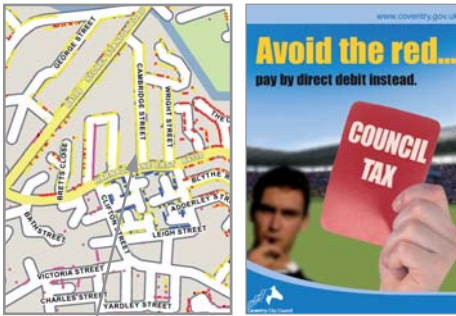
As the campaign coincided with the football world cup, the Council built messaging around this theme. They were able to target specific households with relevant communication and messages in order to maximise take up.

Outcome

The campaign was deemed a great success. Not only did it result in increased take-up - by 30% in some deprived wards - but it served to increase customer satisfaction by contacting the correct citizens with the right message through the appropriate medium.

As a result of the cost efficiencies and savings made through direct debits, additional monies have become available to divert to those within Coventry who are most in need.

By using Mosaic Public Sector, the council is now able to identify which groups and types are most in need of benefits. Linking this with their own data allows them to understand which households are most likely to be eligible for benefits but are not currently claiming them. By only targeting those households that are likely to be eligible for benefits Coventry City Council is now able to ensure that communications are well received and relevant. This enables the council to minimise costs whilst maximising response rates.



Group D
Close-knit, inner city and manufacturing town communities

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