

# **Report to the Cabinet**



**Epping Forest  
District Council**

**Report Reference:** C-038-2017/18

**Date of meeting:** 7 Dec 2017

**Portfolio:** Leader of Council

**Subject:** Behavioural Insights Project

**Responsible Officer:** Robin Ray (01992 564146)

**Democratic Services:** Gary Woodhall (01992 564470)

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## **Recommendations:**

(1) That Cabinet agree to match fund the sum of £25,000 from the Invest to Save fund to support a bid to the Local Government Association for a behavioural insights programme; and

(2) That, in the event that the LGA bid is unsuccessful, the full sum (£50,000) be funded from the Invest to Save fund.

## **Executive Summary:**

The traditional thinking is that people make logical decisions based on the information available to them at the time. In reality decision making is in part influenced by the unconscious, meaning they do not always make rational choices. Behavioural science can help to predict and influence this behaviour.

Each year the Council sends thousands of letters, bills, reminders and legal notices to its residents and businesses. A great deal of this correspondence has no impact on the recipient despite the fact that it is in their own interests to respond to or act upon its content.

By making seemingly small changes to the way choices and information is presented we are able to make a significant impact on the response and can create better outcomes for the Council, its residents and businesses.

## **Reasons for Proposed Decision:**

Behavioural insights are already employed in the Council to a limited degree, including with debt collection, this project is to build upon this work introduce them more broadly across all council functions. The resources and specialist knowledge required to do this do not currently exist within the Council (along with the funding from the LGA) this bid will allow for this work to take place with the overarching aim is to manage service demand and achieve efficiencies.

## **Other Options for Action:**

The main alternative options are not to proceed with the project or if the LGA bid is not

approved or the conditions of the grant not be acceptable consideration should be given to fully funding the project.

## **Report**

1. The principle behind behavioural insights is that when based upon behavioural science low cost interventions can be used to encourage people to make better choices for themselves and society. They have been used across public services to generate low cost interventions to improve service outcomes.

2. Councils and other public bodies have used these techniques to improve the way in which we communicate with their service user. Although the intention is to introduce those principles across all Directorates, initially the project will have the aim to increase the take up for Direct Debit (generally considered to be the most effective and efficient method of collecting Council Tax).

3. In Epping currently 70% of Council Tax account pay by direct debit (across the country this figure varies from 40-80%), if we could encourage a further 10% of council tax accounts to switch it would save a projected £17,000 per annum<sup>1</sup>. The lessons learnt from this will be transferred to other debt streams including Business Rates, Housing Rents and Sundry Debts to improve Direct Debit penetration in those areas. Payback is anticipated to be achieved over 18 months.

4. One of the key strands of the Council's Transformation Programme is the encouragement of users to self-serve using solutions being delivered through our website and applications. The use of nudge theory can be used to encourage take-up and help reduce costs and allow citizens to access our services at a time that suits them.

5. In relation to enforcement when designing and reviewing policies, operational procedures and practices, regulators should consider how they can best:

- understand and minimise negative economic impacts of their regulatory activities
- minimise the costs of compliance for those they regulate
- improve confidence in compliance for those they regulate and
- provide greater certainty and encourage and promote compliance.

6. It is intended to also introduce behavioural insights into our regulatory activity (initially into the private rented sector enforcement team). The reason for doing so is that formal enforcement measures are not only more time consuming but it also establishes an adversarial relationship between the local authority and business/individual.

7. By introducing behavioural insight techniques we are also seeking to influence the time required to resolve each case which would improve the tenants living conditions resulting in downstream savings through improved health outcomes. By also establishing non adversarial stance with the compliant landlords we also hope to improve the working relationship with them.

8. It is anticipated that the amount of officer time required to resolve cases through informal measures will reduce and this will free up resources allowing the service to dedicate this time towards the small minority of landlords who are non-compliant.

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9. With regard to the use the funding, the intention is to employ Behavioural Insights Team (BIT) to undertake a review of how we communicate with our customers/service user and introduce the behaviour change to 'nudge' them into new ways of acting/responding to achieve increased levels of debt recovery and compliance with our regulatory activity.

10. BIT began within the Cabinet Office as a government institution dedicated to the application of behavioural sciences. Their objectives were and remain making public services more cost-effective and easier to use, improving outcomes by introducing a more realistic model of human behaviour to policy and enabling people to make 'better choices for themselves'.

11. The remaining resources will be used to gather the initial performance data in these areas, on monitoring the effect of any changes made, for any promotional activity recommended by the consultants and in training officers in the techniques.

12. The project is dependent on the bid to the LGA being successful and in order to receive the funding from the LGA a number of condition apply, of relevance these are:

- The council or collective partnership agrees to match fund the LGA grant funding of £25,000
- The council or collective partnership agrees to provide sufficient personnel resource to manage the project internally and work alongside the provider.
- Participants are open to the prospect of external challenge and input from the LGA.
- Participants are open and willing to share learning with others, including attending up to two project learning groups during or after completion of the project.
- Participants recognise that in order to carry out their research and evaluation, the provider may require access to confidential data and that participants are willing to take reasonable steps to ensure the provider can have access to this data.

13. In the event that the LGA bid is unsuccessful or that Cabinet determine that the LGA conditions are not acceptable I would ask that consideration to given to fully fund the project from the invest to save fund.

14. A briefing for councillors and officers explaining behavioural change interventions (nudge theory) is attached as Appendix A.

#### **Resource Implications:**

In Epping currently 70% of Council Tax account pay by direct debit (across the country this figure varies from 40-80%), if we could encourage a further 10% of council tax accounts to switch it would save a projected £17,000 per annum. The lessons learnt will be transferred to other debt streams including Business Rates, Housing Rents and Sundry Debts to improve Direct Debit penetration in those areas. Payback is anticipated to be achieved over 18 months.

If the project were fully funded from the invest to save fund (£50,000) the anticipated payback period would be extended to 36 months.

#### **Legal and Governance Implications:**

None.

#### **Safer, Cleaner and Greener Implications:**

None.

**Consultation Undertaken:**

None

**Background Papers:**

None.

**Risk Management:**

None identified.

**Equality Analysis:**

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix B to the report.



# Changing behaviours in public health

To nudge or to shove?



# Introduction

This briefing for councillors and officers explains how behavioural change interventions – or nudge theory as it is dubbed – can help local authorities fulfil their public health responsibilities.

Prevention, it is often said, is better than cure. If people didn't smoke, drank less, had better diets and exercised more, the burden of disease would be reduced. But what is the role of the state in persuading people to alter their lifestyles?

The traditional approach dictates that in cases where something causes serious harm, such as drug use, restricting choice or even an outright ban is appropriate. However, where it is less clear cut, the argument goes, the state should leave it to individual choice.

But this ignores the fact that there is a variety of ways in between that behaviour can be influenced from encouraging and incentivising people through to subtly guiding choice in a certain direction.

This can include enticing people to take up activities or using subliminal marketing. For example, stressing social norms can encourage people to change behaviour because they want to be alike. Alternatively it can involve making an environment less conducive to someone making an unhealthy choice. An example of this would be making salad a default option as a side instead of chips or placing clear signs to steps rather than escalators.

This is known as behavioural change and there has been growing interest in the issue among policy-makers across the world - and not just solely in terms of health. The choices

people make can have a profound impact in a host of other areas from education to crime as well.

Much of the debate stems from the 2008 book 'Nudge: Improving Decision about Health, Wealth and Happiness,' which was written by US academics Richard Thaler and Cass Sunstein.

Their theory is that libertarianism and paternalism do not have to conflict and that the state can – and should – act as a guiding hand, "nudging" citizens in the right direction.

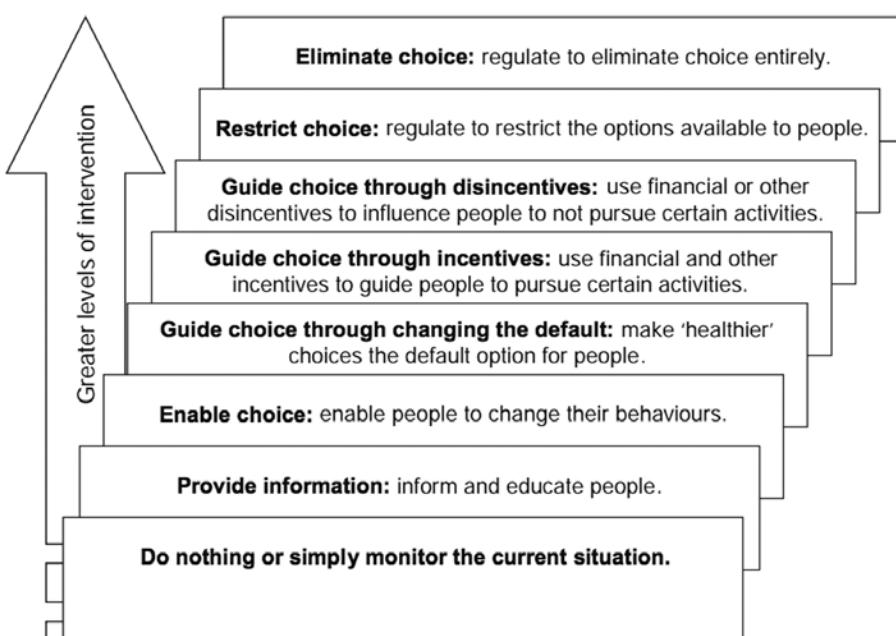
But the term nudge probably does not do justice to the full range of interventions that can influence behaviour.

The spectrum has been set by the Nuffield Council on Bioethics in its "ladder of intervention". [See page 3](#)

The fact there is such a wide range of approaches is reflected by the other terms that have started being used to describe interventions other than nudges.

Techniques like direct incentives, such as vouchers in return for healthy behaviour, are being labelled hugs, while the tougher measures that restrict choice, like restricting takeaways from schools, are shoves. Bans, such as the restriction on smoking in public places, are simply known as smacks.

## Nuffield Council on Bioethics ladder of intervention



## Examples of intervention techniques

### Smacks

Eliminating choice – Banning goods or services such as the restriction on smoking in public places

### Shoves

Financial disincentives – Taxation on cigarettes

Restricting choice – Banning takeaways setting up close to schools

### Nudges

Provision of information – Calorie counts on menus

Changes to environment – Designing buildings with fewer lifts

Changes to default – Making salad the default side option instead of chips

Use of norms – Providing information about what others are doing

Financial incentives – Vouchers in exchange for healthy behaviour

# Local government and public health

Responsibility for public health transferred from the NHS to local authorities in April 2013 under the wider shake-up of the health service.

It means upper tier and unitary authorities have become responsible for improving the health of their population.

This is backed by a ring-fenced public health grant and a specialist public health team, led by the director of public health.

Each top tier and unitary authority has a health and wellbeing board (HWB) which has strategic influence over commissioning decisions across health, social care and public health.

Statutory board members include a locally elected councillor, a Healthwatch representative, a representative of a clinical commissioning group, a director of adult social care, a director of children's services and a director of public health.

HWB members from across local government and the health and care system work together to identify local needs, improve the health and wellbeing of their local population and reduce health inequalities.

The HWB is a key forum for encouraging commissioners from the NHS, councils and wider partners to work in a more joined up way. Central to achieving this is the HWB's responsibility for producing a Joint Strategic

Needs Assessment (JSNA) and a Joint Health and Wellbeing Strategy (JHWS).

Local authorities will also have a statutory function to provide public health advice to clinical commissioning groups, while HWBs will have to monitor performance.

In terms of behavioural change, it could be said local authorities have two roles: taking a strategic lead for their area, such as setting policy and evaluating schemes, as well as playing a part in organising the interventions along with other partners from the private, public and voluntary sectors.

To help support them and other organisation interested in behavioural change, Public Health England has a behavioural insights team, which can lend advice and expertise.

Other organisations can offer help too, such as Sustrans which has a strong track record in using behavioural change to get people walking and cycling.

# Policy context

The current government has made exploring the potential of behavioural change a priority. In fact, the coalition agreement itself made direct reference to the issue, stating that the government would be “harnessing the insights from behavioural economics and social psychology”.

In July 2010 a Behavioural Insights Team – or “nudge unit” as it has become known – was set up within the Cabinet Office.

It was initially funded for two years, but the government was so impressed with the results it has since been given funding for another two years and its work has been exported to Australia. And now, to secure its future, it is in the process of becoming a mutual.

The unit has overseen a number of dedicated projects across the public sector. These have included a trial with HMRC which encourages people to pay tax by telling late payers most people in their town have already paid up. Another has involved getting the DVLA to ask people whether they wanted to be an organ donor when they apply for a new or replacement licence.

But the influence of the team stretches further than that – as there are signs it has seeped into individual departmental thinking. The Department of Health’s public health white paper, *Healthy Lives, Healthy People*, published in November 2010, made it clear there needed to be a new approach that

differentiated between the two extremes of “intrusive intervention” and being “completely hands-off”. It then went on to highlight the Nuffield ladder of intervention.

But it is also clear that the government is not afraid to consider more draconian approaches as shown by the fact that consultations were carried out on plain packaging for cigarettes (a shove) and minimum pricing for alcohol (a smack).

However, neither policy has subsequently been introduced.



# Does it work?

It is clear nudging works. After all, visual prompts are regularly used by supermarkets and the food industry to encourage shoppers to buy their products.

But the question of how effective it can be in encouraging good behaviour is still emerging. The Institute of Government's 2010 report, *Minspace*, which was commissioned by the government, said it could be a "powerful tool". However, it is fair to say research into the effectiveness of behavioural change in terms of public policy is still in its early days.

An internal review by the Behavioural Insights Team concluded it had identified specific interventions which would save at least £300m over the next five years. This included the pilot targeting late tax payers which increased payment rates by 15 per cent as well as a trial with the courts services which showed personalised text messages were six times more effective than final warning letters at prompting the payment of fines.

Success has been seen elsewhere in the world too. For example, donor registration jumped from 38 per cent to 60 per cent in the US state of Illinois when drivers applying for new or replacement licences were asked if they wanted to go on the register.

Meanwhile, in Denmark policy makers have been so impressed with the results of schemes they have tried that a dedicated

Nudging Network to coordinate efforts to influence behavioural change has been set up.

But with much of the evidence base compiled from small scale studies, some experts have questioned whether nudge can be used on a larger scale and if the improvements are sustained in the long-term.

Others have even suggested the approach could be ethically wrong as it could be argued behavioural change is a form of covert coercion.

Evidence presented to the House of Lords Science and Technology Committee also raised this issue. But its final report, published in 2011 after a year-long inquiry, concluded behavioural change techniques had a role to play. In particular, of local authorities, it said they were the "most qualified to assess the need for and implement interventions". It was also suggested that councils could play a key role in developing an evidence base for behavioural change by evaluating their local schemes. However, the committee also had a warning. It said nudging was only part of the solution as on its own it was "unlikely" to be successful. The solution, according to MPs, lay in combining it with other measures, some of them regulatory.

# How can councils make use of nudging and shoving?

- ✓ Ensure the strategy and interventions meet local needs, identified through the JSNAs and other local data.
- ✓ Consider naming a strategic local authority lead – member or officer to address behavioural change.
- ✓ Ensure the content, scale and intensity of each intervention is proportionate.
- ✓ Ensure behaviour-change interventions aim to both initiate and maintain any change. They should also include strategies to address relapse and recognise that this is common.
- ✓ Base interventions on a proper assessment of the target group, where they are located and the behaviour which is to be changed.
- ✓ Ensure time and funds are allocated for independent evaluation of the short-, medium- and long-term outcomes of any behaviour-change service.
- ✓ Take account of – and resolve – problems that prevent people from changing their behaviour. For example, the costs involved in taking part in exercise programmes.
- ✓ Train staff to help people change their behaviour.
- ✓ Consider how interventions should be complemented by other measures, including regulation.
- ✓ Harness the power of the community - some areas have appointed champions among their local population.

# Case studies

## Reducing salt intake (Gateshead)

Fish and chips is one of the nation's favourite dishes. But thanks to work by Gateshead Council take-away shops across the country have started helping people reduce their salt intake.

Research carried out by the council in 2005 discovered customers often ate huge quantities of salt with their fish and chips. In fact, up to half the recommended daily allowance was being consumed in a single serving on some occasions.

Work by trading standards found many takeaways were using flour shakers instead of salt cellars. Some had as many as 17 holes.

So they asked a manufacturer to produce a salt shaker with five holes, which was distributed free of charge to takeaways across the area. The idea has subsequently been adopted by many other councils across the country demonstrating how a low-cost nudge can have a big impact.

Further information:  
[www.gateshead.gov.uk/Home.aspx](http://www.gateshead.gov.uk/Home.aspx)



## Reducing teenage pregnancy (Nationwide)

Teens and Toddlers is a UK charity which tackles teenage pregnancy in an unusual way – they get teenagers to mentor young children.

Young people taking part in the 20-week programme spend time supervising and playing with a toddler at nursery so they can see exactly what parenthood involves. Teenagers are also provided with a forum to discuss their experiences with each other.

The charity has worked with nearly 30 local authorities helping thousands of teenagers. Evaluation of its work in recent years shows that the pregnancy rate of those who participated in the programme was 2.7 per cent compared to a national average of close to 4 per cent. This is despite the fact that it works with higher-risk teenagers.

Further information:  
[www.teensandtoddlers.org/](http://www.teensandtoddlers.org/)

## Organ donation (DVLA)

Less than a third of people are signed up to be organ donors - despite research suggesting that nine in 10 would be happy to be one.

Some countries have adopted presumed consent, whereby people are automatically enrolled on the register unless they opt out.

But this is controversial. So with the help of the DVLA the NHS has been boosting numbers by making it compulsory for people to answer whether they want to be an organ donor when they renew or apply for new licences online.

By doing this it forces people to address the issue when too often they just put off making the decision even though many would choose to go on the register. Over half of those now agreeing to go on the donor register opt in via the DVLA process.

Further information:  
<http://tinyurl.com/q7dwpzv>



## Training staff (London)

The Triborough Public Health team, which covers the London boroughs of Westminster, Hammersmith and Fulham and Kensington and Chelsea, is so convinced of the power of nudge that it has set up training workshops for officers, NHS professionals and CVS staff explaining how they can use it in their working lives.

Over the last three years, more than 200 people have taken part.

More recently, a session has been developed specifically for council officers, taking account of the new public health duties councils have responsibility for.

But the sessions – called Capturing Your Public Health Moments – One Step at a Time – have also made behavioural change a key element too.

Participants are taught about the Nuffield intervention ladder and nudge theory and are given a series of real-life and hypothetical challenges to solve.

Further information:  
Steve Shaffelburg, Strategic Public Health Adviser, Westminster Council

email: [sshaffelburg@westminster.gov.uk](mailto:sshaffelburg@westminster.gov.uk)

## Getting people walking (Reading)

Reading Borough Council wanted to get local residents active – so it set the people of Caversham the challenge of walking round the world twice. That's 50,000 miles in total.

They did it – in just three months during the summer of 2013 – winning £6,000 worth of books for local libraries and schools in the process.

The scheme, called Beat the Street, was run in partnership with Intelligent Health.

A network of walking sensors was placed around the town and residents were given fobs to clock the miles they were doing.

They were able to monitor how the town was doing via a dedicated website. Over 4,000 people took part – including 60per cent of the town's school children.

Further information:  
<http://caversham.beatthestreet.me>



# Want to know more?

Healthy Lives, Healthy People (Public health white paper November 2010)

<http://tinyurl.com/nh5tcmc>

Behaviour Change (House of Lords Science and Technology Committee report July 2011)

<http://tinyurl.com/3r2ea7q>

Minspace: Influencing behaviour through public policy (Institute of Government report March 2010)

<http://tinyurl.com/buug8kc>

Applying Behavioural Insight to Health (Behavioural Insights Team report December 2010)

<http://tinyurl.com/os3rvy6>

Are Nudging and Shoving Good for Public Health? (Democracy Institute report published in September 2010)

<http://tinyurl.com/pjj3k6s>

When the public want change and politicians don't know it (Faculty of Public Health paper 2010)

<http://tinyurl.com/367lkzb>

Beyond Nudge (Birmingham University report)

<http://tinyurl.com/qezsgpp>

NICE guidance on behaviour change (2007 and 2013 draft update)

[www.nice.org.uk/PH6](http://www.nice.org.uk/PH6)

<http://tinyurl.com/p28n76h>

LGA public health resources including tackling drugs and alcohol, teenage pregnancy, and obesity: <http://tinyurl.com/nappyup6>

[www.local.gov.uk/health](http://www.local.gov.uk/health)



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