

**February 2022**

Department: Benefits and Customer Services

Team or Service Area Leading Assessment: Corporate Delivery Team

Title of Policy/ Service or Function: Financial Inclusion Strategy

Lead Officer: Louise Jones, Head of Revenues, Benefits and Customer Services

**STEP 1 - IDENTIFYING THE PURPOSE OR AIMS**

1. What type of policy, service or function is this?

Changing/ updated ✓

2. What is the aim and purpose of the policy, service or function?

Blackpool Council will develop a five-year Financial Inclusion Strategy for Blackpool.

The current strategy expired in 2015, and the COVID-19 pandemic has highlighted the importance of financial resilience in helping to mitigate against some of its effects.

The Financial Inclusion Strategy describes our priorities and vision for financial inclusion which aims to help residents and businesses deal with both pre-existing and emerging financial pressures and challenges, such as the cost of living.

3. Please outline any proposals being considered.

The Financial Inclusion Strategy will set out a vision for the next five years to assist the residents of Blackpool, and future generations, to maximise the opportunities available to them to become financially resilient and to ensure they can deal with emerging financial pressures and challenges, both now and in the future.

To achieve our vision, there are four key priorities which we will aim to deliver:

1. Access to Financial Support, Products and Services
2. Communication, Collaboration and Coordination
3. Digital Skills and Inclusion
4. Financial Skills and Capabilities

4. What outcomes do we want to achieve?

The primary focus of the Financial Inclusion Strategy is Priority 2 'Resilient Communities', but there is also a contribution to Priority 1 'The Economy'.

The Financial Inclusion Strategy will aim to help build resilient communities by ensuring that individuals and businesses have the financial support they need during times of hardship.

While financial inclusion can help mitigate against the effects of poverty by ensuring people have access to services which reduce the call on their resources, it is not a solution to their issues and will not contribute meaningfully to economic growth.

Overall, the strategy will aim to support the residents and businesses of Blackpool to become financially resilient by ensuring that suitable and affordable financial products and services are accessible so their basic financial needs are met.

5. Who is the policy, service or function intended to help/ benefit?

The strategy is intended to help residents and businesses build financial resilience so that they are able to better withstand financial pressures.

6. Who are the main stakeholders/ customers/ communities of interest?

- The Council
- External partners
- Voluntary community and faith sector
- Residents

7. Does the policy, service or function have any existing aims in relation to Equality/ Diversity or community cohesion?

No

**STEP 2 - CONSIDERING EXISTING INFORMATION AND WHAT THIS TELLS YOU**

8. Please summarise the main data/ research and performance management information in the box below.

**Data/ information**

**General Population Data**  
 Blackpool has a resident population of 138,381, some 37,372 (27%) of which are aged 60 and over. There are 70,522 dwellings in Blackpool. It is a dense urban area with high levels of deprivation, workless households, and poor health in the resident population.

**Deprivation**  
 Blackpool ranks as the most deprived local authority in England in terms of average deprivation scores. 39 (41.5%) of the 94 LSOAs in the local authority rank in the most deprived nationally. 21.2% of the adult population in Blackpool find meeting

monthly bills/commitments a heavy burden or are regularly in arrears with bills. Health deprivation is much higher than average and over half of areas are in the most deprived 10% for health nationally.

### **Race and Ethnicity**

Residents are mostly of White British ethnicity (93.6%), which is significantly higher than across England and Wales (80.5%). Black and minority ethnic groups, including Irish and European residents, are estimated to make up 6.4% of the population (approximately 9,000 people), compared with the estimated population for England and Wales of 19.5%. Black and minority ethnic groups face discrimination in the job market and when accessing financial services and products.

### **Health and Disability**

The health of people in Blackpool is generally worse than the national average. The town records one of the lowest life expectancy rates nationally and there are inequalities by deprivation and gender. The average life expectancy for males is 74.1 years, and for females it is 79.5 years. The average life expectancy across the town is one of the lowest nationally. Health priorities for Blackpool include alcohol and drug misuse, mental health, smoking and obesity.

25.6% of people in Blackpool reported a long-term health problem or disability at the last Census, which is eight percentage points higher than the national average. People with long-term health conditions or disabilities are more likely to be economically insecure because they can face significant barriers to getting and keeping jobs, and also face a higher likelihood of being employed on a zero-hours contract.

People with mental health conditions also often face specific difficulties in managing their money and barriers to accessing financial services and products.

As of February 2021, 7,393 (8.8%) of working age residents claim employment support allowance and a further 1,155 of working age residents claim disability living allowance (1.4%). The ESA proportion is over double that for England as a whole.

### **Gender and Transgender**

The population of Blackpool is approximately 138,381, 50.3% of the population are estimated to be female and 49.7% are male.

Women are at a higher risk of financial exclusion because working women on average earn less than working men, and the responsibility for childcare disproportionately falls on women.

Transgender people are at risk of financial exclusion because they experience higher levels of disadvantage and social/financial exclusion due to discrimination.

### **Age**

A larger proportion of residents are aged 65+ (20.5%) compared to the national age structure (18.5%). The working age population (16-64) in Blackpool is smaller than the national figure, additionally the 0-15 population in Blackpool is also slightly

smaller than the national age structure.

Older people are at risk of financial exclusion as they are more likely to be left behind due to the digital shift to online financial products and services, such as, the shift to online banking.

### **Sexual Orientation**

ONS estimates from Annual Population survey data that amongst adults in Blackpool, around 107,100 (94.9%) adults identify as heterosexual, 3,700 (3.2%) people identify as gay or lesbian, around 600 (0.6%) people identify as bisexual and 500 (0.4%) adults whose sexual orientation is classified as 'other'.

For around 1,000 adults in Blackpool sexual orientation is unknown due to answering 'don't know' or declining to answer the survey question. Other estimates have put Blackpool's LGBTQ+ population as higher than the combined estimates from the data above.

Although there is a lack of data on financial exclusion levels in LGBTQ+ communities, research that exists suggests that groups within LGBTQ+ communities are more likely experience financial exclusion because they often experience extreme social exclusion as a result of discrimination.

### **Housing**

There is a high percentage of private rented dwellings in Blackpool and a slightly lower owner-occupier rate than seen nationally:

- 63.8% - owner occupied (England: 65.7%)
- 25.9% - privately rented (England: 17.9%)
- 10.3% - social rented (England: 16.4%)

Due to the rising cost of private renting, many low-income private renting households are likely to be financially excluded.

### **Household Composition**

The households in Blackpool have a slightly higher proportion of lone parent families and lone adults (both over 65 and under 65) than England.

Lone parents are more at risk of financial exclusion because they are at greatest risk of unemployment due to the demands of balancing working and home life, especially with younger children.

### **Household types**

- 15% - lone adults over 65 years (England: 13.9%)
- 23% - lone adults under 65 years (England: 14.4%)
- 13% - lone parent families (England: 9.8%)
- 8% - single families with all adults over 65 (England: 8%)
- 35% - single families cohabiting/married with all adults under 65 (England: 43%)

### **Universal Credit**

As of August 2021, 21,917 (26.1%) of working age residents are on universal credit. With 13,186 not in employment (60.2% of the total number of people on universal credit) and 8,731 in employment (39.8% of the total number of people on universal credit). The number of people on universal credit is over 10 percentage points higher than England as a whole.

### **Child Poverty**

24.9% of all children aged under 16 in Blackpool live in relative low income families, around 6,522 children in total. 19.8% of all children aged under 16 in Blackpool live in absolute low income families, around 5,205 children in total.

Overall, 8,935 (34.1%) of children aged under 16 in Blackpool are living in households below 60% median income after housing costs.

### **Pension Credit**

Blackpool has 2,864 claimants in receipt of Pension Credit Guarantee Credit only, and 1,976 claimants in receipt of both Guarantee Credit and Savings Credit, equivalent to 84.7% of claimants (in line with the national rate).

Means-tested claimants in receipt of Pension Credit 'Savings Credit' Only is much lower at 876 claimants compared, equivalent to 15.3% of claimants (again in line with the national rate).

As a proportion of the population, 20.1% of the 65+ age group claim pension credit, much higher than England at 11.7%.

### **Blackpool Child Poverty Needs Assessment**

The child poverty framework set out a series of potential indicators on poverty and surrounding issues. Information below presents a summary of all available indicators and some additional context.

The local area child poverty measure is the Children in Low-Income Families Local Measure produced by HMRC and is "children living in families in receipt of out-of-work benefits or in receipt of tax credits with a reported income which is less than 60% national median income."

### ***Research or comparative information***

#### **Universal Credit**

The number of people on UC has tripled since March 2019, to almost 6 million in July 2021.

#### **Race and Ethnicity**

Black, Asian and minority ethnic communities have significantly lower levels of savings than White British communities. For example, for every £1 of White British wealth, Pakistani households have around 50p, Black Caribbean around 20p, and Black African and Bangladeshi around 10p. This is because ethnic minority groups experience discrimination when accessing financial services and products, and on average have lower education and employment levels.

**Health and Disability**

33% of people with multiple long-term conditions are economically insecure because they face significant barriers to getting and keeping jobs, and also face a higher likelihood of being employed on a zero-hours contract. 62% of people with multiple long term conditions are unable to save regularly compared to 52% percent of the population

**Age**

47% of young people (aged 18-30) have low financial resilience because they, on average, are spending approximately £1,300 more on basic essentials such as rent and bills, and only 43% are putting their savings into a savings account, compared to 68% of savers aged 51+ .

Older people are at risk of financial exclusion as they are more likely to be left behind due to the digital shift to online financial products and services. For example, only 54% of adults aged 75+ are recent internet users.

**Gender**

Over the last decade the gender pay gap in the UK has fallen by approximately a quarter among full-time employees and by just over one-fifth among all employees. However, a lack of flexible and accessible job opportunities is still preventing many young women from entering the workforce.

46% of mothers across the UK struggle to find suitable childcare, resulting in a large percentage of women being prevented from taking on more hours at work, potential jobs and in some cases having to quit their jobs.

**Sexual Orientation**

Although there is a lack of data on financial exclusion levels in LGBTQ+ communities, research that exists suggests that groups within LGBTQ+ communities are more likely experience financial exclusion because they often experience extreme social exclusion as a result of discrimination. For example, in 2018, approximately 1 in 5 LGBTQ+ people were discriminated against because of their sexual orientation and/or gender identity while trying to get a job.

**Housing**

More than six in ten private renting households have no savings, and with the rising cost of private renting, many low-income private renting households on average only having £259 left after housing costs each week, resulting in trade-offs between heating and eating.

***Key findings of consultation and feedback*****Stakeholder Workshop Feedback**

- People with learning disabilities, special needs and individuals on the autistic spectrum often go under the radar, as they aren't connected to any support networks and are very vulnerable. This has a negative impact on their lives as they do not know where to ask for help and don't know to ask for help.
- The vast majority of individuals who are homeless, or threatened with homelessness, are either single people or childless couples. These individuals

experience barriers in accessing Bank Accounts and have multiple complex issues e.g. mental health, criminality, drug and alcohol issues which means they are more likely to borrow and spend irresponsibly.

- Ethnic Minority communities concentrated in inner ward areas are extremely socially excluded as they often face discrimination and language barriers.
- Women and single parents disproportionately suffer the burden of child caring responsibilities which can leave them financially excluded.
- Many individuals, as soon as they turn 18 make their claim to benefits. However, there is a lack of financial education for young people on how to manage their money and the dangers of online scams.

**Feedback from individuals with lived experiences of poverty and financial exclusion:**

- Individuals with a lack of skills, capacity and/or resources struggle to act on the financial advice that they receive from services, and need more support to carry out said financial advice.
- While prepayment meters can help individuals manage their energy bills and prevent any unexpected bills leading to debt, they are usually more expensive and not accessible to everyone. For example, there has been an instance whereby an individual could not reach their prepayment meter and see its display clearly as a result of a disability.

9. What are the impacts or effects for Key Protected Characteristics?

<b>Age</b>
No overall negative impacts of the Financial Inclusion Strategy have been identified associated with age. The strategy does have the potential to have a positive impact on young people by ensuring that financial skills training is available, so that young people are taught good money management skills from an early age. It is recognised that older people may experience issues accessing online financial information, products and services.
<b>Disability</b>
No overall negative impacts of the Financial Inclusion Strategy have been identified on the grounds of disability.  The definition of disability used is based on entitlement to certain state benefits or to entitlement to a Council Tax disabled band reduction. This can reflect the circumstances of any member of the claimant’s household. The relevant benefits/additions to benefit include:
<ul style="list-style-type: none"> <li>▪ Disability Living Allowance</li> <li>▪ Employment Support Allowance</li> <li>▪ Personal Independence Payments</li> <li>▪ Universal Credit</li> <li>▪ Disability Premium</li> <li>▪ Severe Disability Premium</li> <li>▪ Enhanced Disability Premium</li> <li>▪ Disabled Child Premium</li> </ul>

- Disabled Earnings Disregard
- Carers Allowance
- War Disablement Pension
- War Widows Pension
- Council Tax Disability Reduction

It is possible that some people in this group will be negatively impacted because of the greater difficulties they may face in coping with the changes, for example by finding paid employment. This may result from their reduced capacity to work due to the nature of their disability and/or discrimination based on the perceptions of employers or the fact that the place of work has not been adapted to meet the needs of disabled people.

Other welfare reforms may further impact on some members of this group and also some of the services that members of this group receive, which are being reduced under austerity measures. It should also be noted that in some cases (depending on the nature of the disability) there may be potential communication issues where information available in standard formats is not the best method of communicating with benefit recipients. This may cause greater difficulty in their understanding of how to improve financial inclusion. This may lead some to fall into arrears more easily with all the associated problems this can cause.

It is recognised that the level of a customer's disability could mean they are more disadvantaged over another disabled customer in achieving financial inclusion. There may be the opportunity for a less disabled person to increase their income whereas this may not be an option for a more severely disabled person.

***Gender Reassignment***

No overall negative impact of the Financial Inclusion Strategy have been identified associated with gender reassignment. However, it is acknowledged that transgender people experience higher levels of disadvantage and social/financial exclusion and therefore may face greater difficulties accessing basic financial products and services, and responding to the changes to improve financial inclusion, for example by finding work.

It is not thought that the proposed changes will have a negative impact on working age single people and couples regardless of their gender identity.

***Marriage and Civil partnership***

No overall negative impacts of the Financial Inclusion Strategy have been identified associated with marriage and civil partnership. Married couple and civil partnerships are recognised equally as are people living together as if they are in such legal partnerships.

***Pregnancy and Maternity***

No overall negative impact of the Financial Inclusion Strategy have been identified associated with Pregnancy and Maternity. It must be acknowledged that in households where a member is pregnant or has recently given birth may face greater difficulties in accumulating savings and responding to the changes which will assist with financial inclusion, for example by finding work.

In addition, women on maternity leave may find that they have increased



<p>expenditure whilst in receipt of a reduced income with little prospect of increasing their income and savings in the short term.</p>
<p><b>Race</b></p> <p>No overall negative impacts of the Financial Inclusion Strategy have been identified associated with race. It is recognised that people from ethnic minority backgrounds face direct and indirect discrimination in the job market and when accessing financial products and services.</p> <p>People from ethnic minority backgrounds are more likely to be on low incomes, and have lower levels of education and employment which means they are less likely to be able to accumulate savings and more likely to be denied a loan.</p> <p>There may also be potential communication issues where English is not the residents first language and where documents printed in Standard English is not the optimum method of communicating. Residents whose first language is not English may have greater difficulty in understanding their financial responsibilities and accessing basic financial products, services and information which may lead to some to fall into arrears more easily, leading to the associated problems this can cause.</p>
<p><b>Religion and Belief</b></p> <p>No overall negative impact of the Financial Inclusion Strategy have been identified associated with religion or belief.</p>
<p><b>Sex</b></p> <p>No overall negative impact of the Financial Inclusion Strategy have been identified associated with sex. It is recognised that the burden of child caring responsibilities disproportionately falls on women. The majority of female claimants will be lone parents and may be treated less favourably indirectly because lone parents are at risk of debt and unemployment due to the demands of balancing working and home life, especially with younger children.</p>
<p><b>Sexual Orientation</b></p> <p>No overall negative impacts of the Financial Inclusion Strategy have been identified associated with sexual orientation. It is recognised that LGBTQ+ people experience higher levels of disadvantage and social/financial exclusion than other groups and therefore may face greater difficulties in responding to the changes, for example by finding work.</p>

10. What do you know about how the proposals could affect community cohesion?

It is anticipated that the Financial Inclusion Strategy will strengthen community cohesion, leading to more financial resilience.

11. What do you know about how the proposals could impact on levels of socio –economic inequality, in particular Poverty?

The Financial Inclusion Strategy aims to improve the information and resources available to residents to ensure they have maximised their income and are aware of what assistance is available in Blackpool to become financially resilient in order to deal with the current challenges around increased living costs. It also aims to promote financial resilience amongst young people so that they are prepared for the future and know how to manage their money therefore the proposals should have a positive impact on socio-economic inequality not just in the short term but also over time.

### STEP 3 - ANALYSING THE IMPACT

12. Is there any evidence of higher or lower take-up by any group or community, and if so, how is this explained?

- Digitally excluded residents will find it harder to take advantage of better deals available online, leading to increased costs for day to day services which others take for granted.
- There has traditionally been a lower take up of benefits amongst pensioners and some community groups where they choose not to claim benefits or additional support.
- To mitigate both these issues, there will be continued marketing and communication, which will include liaison to target hard to reach groups.

13. Do any rules or requirements prevent any groups or communities from using or accessing the service?

No

14. Does the way a service is delivered/ or the policy create any additional barriers for any groups of disabled people?

No

15. Are any of these limitations or differences “substantial” and likely to amount to unlawful discrimination?

N/A

### STEP 4 - DEALING WITH ADVERSE OR UNLAWFUL IMPACT

16. What can be done to improve the policy, service, function or any proposals in order to reduce or remove any adverse impact or effects identified?

No adverse impact has been identified for the proposed strategy. However, in order to deliver the aims of the strategy there will need to be assistance from

stakeholders and potentially funding bids for associated activities.

17. What would be needed to be able to do this? Are the resources likely to be available?

Unknown at the current time what additional resources requirements may be needed.

18. What other support or changes would be necessary to carry out these actions?

Not applicable

**STEP 5 - CONSULTING THOSE AFFECTED FOR THEIR VIEWS**

19. What feedback or responses have you received to the findings and possible courses of action?  
Please give details below.

Not applicable

20. If you have not been able to carry out any consultation, please indicate below how you intend to test out your findings and recommended actions.

Not applicable

## **STEP 6- ACTION PLANNING**

As the strategy relies on the customer service arrangements of individual partners and services, no additional actions have been identified on top of existing approaches to address equalities issues.

## **STEP 7 - ARRANGEMENTS FOR MONITORING AND REVIEW**

To be reviewed in line with the governance arrangements detailed in the strategy action plan

Date completed: 31<sup>st</sup> March 2022

Signed: Scott Butterfield

Name: Scott Butterfield

Position: Strategy, Policy and Research Manager