Digital Exclusion

Shropshire Council Information Sheet
2016

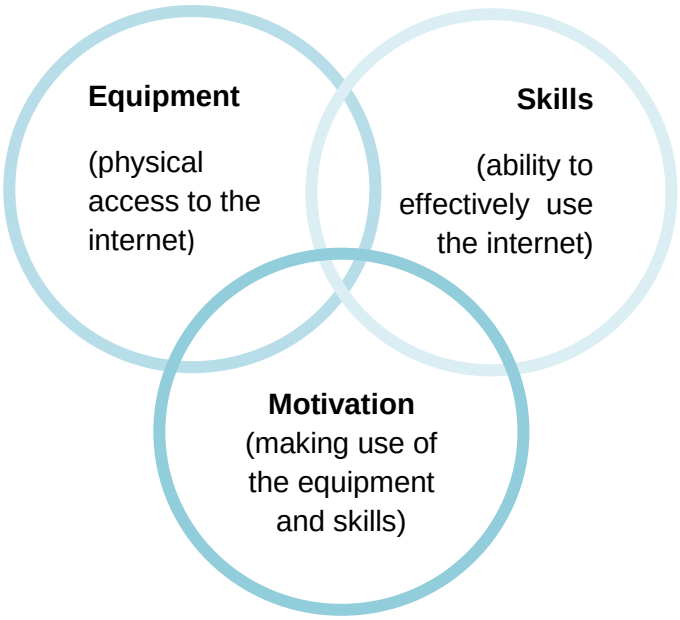
Summary
Digital exclusion is a growing concern as more services are provided on-line and fewer people remain without effective access to the internet. Digital exclusion is more prevalent among rural and older populations and is a particular concern for Shropshire with its aging, rural population. Digital exclusion should be a factor within the commissioning and design of new services, and Shropshire Council encourages all local service providers to understand more about digital exclusion and the impact it can have on individuals and families.

Background
The way we live increasingly relies on access the internet and the computers/tablets, mobile phones and other equipment that allow us access to the internet. We are expected to perform online transactions such as paying bills, booking appointments and applying for jobs. However, those people who have the greatest needs may not be benefitting from the internet. Often they lack the basic digital literacy skills and resources to both get online and then complete online transactions.

Digital Inclusion
Digital inclusion can be defined as having access to information and communication technologies (ICT), and e-services. However, increasingly there is recognition that digital inclusion is not only having physical access to the internet, but also having the necessary skills, confidence and capabilities to use the internet. BT refers to this as 'effective access'.[i]

Effective digital inclusion requires three elements shown in the diagram below: the equipment to get online, the skills to get online and the motivation to use those skills and the equipment. Affordability, knowledge of internet equipment, basic IT skills and a desire to get online are all important factors in effective internet access.

Key elements required for 'digital inclusion'



Digital Exclusion and Access to Services
Digital inclusion is an increasingly important issue. As the population of people who are off-line has decreased, there has been a greater focus on providing online services (often a less expensive

service model). An example of this is the Government's 'Digital by Default' agenda. A decision that public services should be delivered online or by other digital means was taken following a national research report which calculated that shifting 30% of government service delivery contracts to digital channels has the potential to deliver gross annual savings of more than £1.3 billion, rising to £2.2 billion if 50% of contacts shifted to digital.[ii]

Despite the benefits that the Digital by Default agenda may bring for many, there are serious consequences for the minority unable to access the internet. Support organisations have been working hard to consider the impact that online benefits application processes will have on those who are most vulnerable and lack the digital and literacy skills necessary for online application processes. It has been estimated that roughly 89% of UK public services are now run online, yet just 29 per cent of the UK population is using the internet to access them.[iii]

Go ON UK has built a body of evidence to understand the digital skills needed in today's society and in the UK economy. Having Basic Digital Skills allows people to:

- Shop, transact, and find the best deals online.
- Communicate with family and friends.
- Access digital public services.

Digital skills are also increasingly important in economic participation. The UK has more online shoppers than any other major country in the world. 67% of UK adults now go online to research and purchase goods and services, and latest research shows that annual website sales amount to £193 billion.[iv]

It is challenging and isolating living without the benefits of the internet, and this is the reality for one in five UK adults.

Who is digitally excluded?

Go ON UK[v] draws together a huge resource of information on the subject of Digital Inclusion. It brings together research and reports from key digital organisations such as BT and Ofcom and data from key sources such as the Office for National Statistics. Go ON UK concludes that, overall, 20% of the population is considered to be digitally excluded and at risk of social exclusion and 14% of the population does not have access to the internet at all.

The BBC Media Literacy study[vi] breaks down the data in a slightly different way:

- 21% of people can't use the internet.
- Although 14% of people don't have internet access at all, there are an additional 7% who do have internet access but don't use it in ways that benefit them day to day.

The Go ON UK research shows that the off-line population has particular characteristics. Those without access to the internet are disproportionately rural, low income, elderly and illiterate. The research data shows that:

- 64% of the off-line population live in rural areas.
- 50% of off-line individuals have an income below the poverty line.
- 18% are over 55 years.

The UK Government has also considered available research and data sources and reports additional characteristics of the off-line population. The Government data included in the national Digital Inclusion Strategy[vii] highlights that:

- 5% of the adult population does not have basic literacy skills.
- 37% of those who are digitally excluded are social housing tenants . (4.1 million of the 8.7 million adults who have never been online live in social housing)[viii].
- 17% of people earning less than £20,000 never use the internet, as opposed to 2% of people earning more than £40,000. 44% of people without basic digital skills are on lower wages or are unemployed.
- The type of employment people are in has an impact on IT use. 33% of those in semi-routine and routine occupations had never used the internet in 2010[ix].

- 33% of people with registered disabilities have never used the internet. This is 54% of the total number of people who have never used the internet.
- Over 53% of people who lack basic digital skills are aged over 65. 69% are over 55.

Table 1 highlights the greater impact digital exclusion is having upon those who are older and those who have disabilities.

Table 1 Non Internet Users in the UK by Age, Gender and Disability
Persons aged 16 years and over

	% Never used the internet						
	2011 Q1	**2012 Q1**	**2013 Q1**	**2013 Q2**	**2013 Q3**	**2013 Q4**	**2014 Q1**
All adults	**17.5**	**16.1**	**14.0**	**13.9**	**13.8**	**13.1**	**12.6**
Age group (years)							
16-24	0.9	0.9	0.6	0.5	0.5	0.4	0.5
25-34	2.1	1.5	1.0	1.1	1.2	1.2	0.9
35-44	4.3	3.8	2.7	2.6	2.4	2.3	2.1
45-54	10.2	9.1	7.2	6.8	6.4	6.1	5.4
55-64	20.8	18.0	15.0	14.3	13.9	13.3	12.3
65-74	42.6	38.6	33.4	32.5	32.2	30.8	29.3
75+	76.1	72.5	65.5	67.3	67.3	63.3	62.8
Gender							
Male	14.9	13.6	11.6	11.8	11.5	11.1	10.5
Female	19.9	18.5	16.2	16.0	15.9	15.1	14.6
Disability[1]							
DDA disabled[2]	35.8	34.6	31.9	-	-	-	-
Work limiting disability only	11.2	10.3	8.0	-	-	-	-
No disability[3]	11.9	10.6	8.6	-	-	-	-
Equality Act disabled[4]	-	-	-	3.2	2.9	31.1	30.3
Not Equality Act disabled[5]	-	-	-	8.4	8.3	7.9	7.5

Source: ONS, Internet Access Quarterly Update: Q1 2014. Published 14th May 2014.

Table 2, shows the household composition of those with and without internet access. It suggests that 2 person households, where one person is over 65 years old are more likely to not have internet access, along with single person households and one person households aged over 65. It is this last category within which internet access and use is the least likely.

Table 2 Internet connection by household composition, 2012 to 2014 (%)

	Have Internet access				**No Internet access**		
	2012	**2013**	**2014**		**2012**	**2013**	**2014**
1 adult aged 16 to 64	76	74	80		24	26	20
1 adult aged 65+	36	40	41		64	59	59
2 adults aged 16 to 64	93	96	96		7	4	4
2 adults, 1 at least 65+	69	74	80		31	26	20
3+ adults all ages	95	97	96		5	3	4
Households with children	95	97	96		5	3	4
All households	**80**	**83**	**84**		**20**	**17**	**16**

Source: ONS, Internet Access - Households and Individuals, 2014

How many people are digitally excluded in Shropshire?
Table 3 highlights that, in 2014, 9.2% of Shropshire's population had never used the internet, and a greater proportion will have used the internet but do not use it effectively. Although he Shropshire proportion is less than the UK and West Midlands, this figure remains a concern in the context of service change and the digital agenda. Table 4 shows that there are approximately 22,000 people living in Shropshire who are non-internet users. The most recent data suggests that 19.8% of adults in Shropshire have never been online[x].

Table 3 Non Internet Users (%)
Persons aged 16 years and over

	Never used the internet (%)				
	2013 Q1	**2013 Q2**	**2013 Q3**	**2013 Q4**	**2014 Q1**
UK	**14.0**	**13.9**	**13.8**	**13.1**	**12.6**
West Midlands	**17.1**	**15.7**	**16.7**	**15.6**	**15.2**
Shropshire	16.2	12.0	17.2	15.2	9.2

Source: ONS, Internet Access Quarterly Update: Q1 2014. Published 14th May 2014.

Table 4 Non Internet Users
Persons aged 16 years and over

	Never used the internet (thousands)				
	2013 Q1	**2013 Q2**	**2013 Q3**	**2013 Q4**	**2014 Q1**
UK	**7,099**	**7,075**	**7,014**	**6,693**	**6,440**
West Midlands	**751**	**690**	**732**	**688**	**669**
Shropshire CC	40	29	42	36	22

Source: ONS, Internet Access Quarterly Update: Q1 2014. Published 14th May 2014.

Why are people without access to the internet?
Motivation, skills and equipment (access) are all essential components of digital inclusion and effective use of the internet. In better understanding those elements it is helpful to use data from the Office for National Statistics highlighting reasons why households do not have internet access.

Table 4 Reasons for households not having Internet access, 2006 to 2014 (%)

	Percentages						
	2006	**2008**	**2010**	**2011**	**2012**	**2013**	**2014**
Don't need Internet (not useful, not interesting etc)	34	33	39	50	54	59	53
Lack of skills	-	14	21	21	22	20	32
Equipment costs too high	21	15	18	19	15	13	12
Access costs too high (telephone, broadband subscription)	16	11	15	13	14	12	11
Have access to the Internet elsewhere	10	9	8	8	8	7	8
Privacy or security concerns	8	3	4	5	4	2	6
Physical or sensorial disability	3	1	2	3	3	2	3
Other reason	13	18	13	18	15	13	12
Broadband not available in our area	-	-	-	-	-	-	1

1 Respondents were asked 'What are the reasons for not having access to the Internet at home?'
Source: Opinions Survey, Office for National Statistics within Social Trends: e-society (ST41)- data tables.

Table 4 shows that a large proportion of people without access to the internet believe they don't need it. A lack of digital skills was the second most popular reason given.

The economic impact of digital exclusion
There are a number of other cost calculations produced by Price Waterhouse Cooper that can be helpful in understanding social value and social return on investment: [xi]

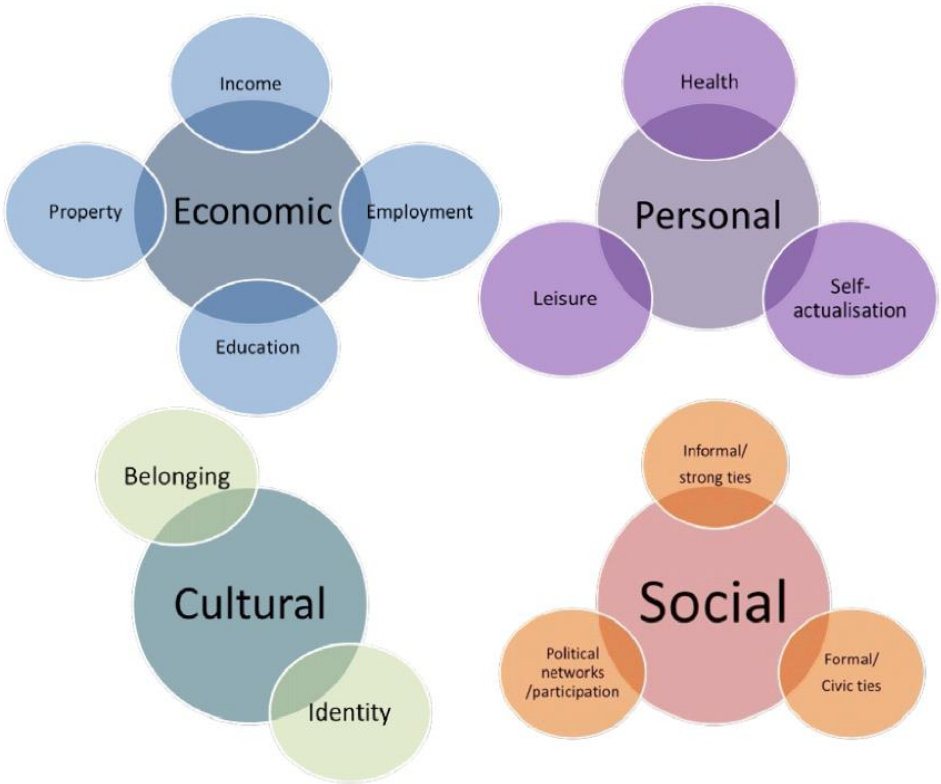
- Economic savings generated by a calculation of average saving from using online shops and services have been calculated at £560 each year.
- On-line transactions rather than face to face, telephone or post transactions have been calculated to save an average of £51.56. Known as the 'savings from digitisation'.
- Unemployed people who get online could increase their chances of getting employment with an estimated lifetime benefit of over £12,000 for every person moved into employment. If 3½% of the digitally excluded found a job by getting online it would deliver a net economic benefit of £560 million.
- People with good ICT skills earn between 3% and 10% more than people without such skills.
- If the currently digitally excluded employed people got online, each of them would increase their earnings by an average of over £8,300 in their lifetime and deliver between £560 million and £1,680 million of overall economic benefit.
- Each contact and transaction with government switched online could generate savings of between £3.30 and £12.00.
- The total potential economic benefit from getting everyone in the UK online is in excess of £22 billion.

This data highlights that the issue of digital exclusion is greater than having limited access to services and social networks, it also results in an economic disadvantage.

The Impact of Digital Exclusion

A recent study published in 2015 named 'Tangible Outcomes of Internet Use'[xii] has developed the digital outcomes model (see following diagram). This helps to highlight the range of outcomes that can be achieved by internet use and conversely the disadvantages of remaining off line. Digital access can support the formation of social networks, save money, provide access to health and leisure services and information, and provide a sense of belonging to a wider community.

Diagram 1 'Tangible Outcomes of Internet Use' Helsper et al.



Digital Exclusion and Service Design
The Government believes that there are some people who will never go online and benefit from use of the internet. The Government believes that between 3.5 and 4 million people (6.8% to 7.9% of the adult population) may never have basic digital capabilities[xiii]. This is an important consideration in the design and commissioning of local services and support. Cost savings may be generated through the use of digital services but we must also work to ensure that those without access to the internet can access the services and support they need through more traditional methods. We need to ensure that those who are digitally excluded do not become more socially excluded as a result.

Key Findings
Digital exclusion is becoming an increasingly important consideration in service design and commissioning as the proportion of the population without access to the internet shrinks. As the digitally excluded population becomes smaller, those people without internet access can become at even greater risk of exclusion. Key points include:

- People without internet access will usually lack the equipment, skills or motivation to get online.
- Older people living in rural areas are at greatest risk of being digitally excluded.
- On average, national figures suggest that although 14% of people don't have internet access at all, there are an additional 7% who do have internet access but don't use it in ways that benefit them day to day.
- There are approximately 22,000 people living in Shropshire who are non-internet users.
- The most recent data suggests that 19.8% of adults in Shropshire have never been online[xiv]
- Digital access can support the formation of social networks, save money, provide access to health and leisure services and information, and provide a sense of belonging to a wider community.
- As public funding decreases there is a drive to save money by delivering services on-line. It will be important to ensure that the vulnerable to not become more excluded as a result of the introduction of online services.

Find out more
To find out more about digital exclusion visit:

Go On UK and Doteveryone:
💻 **Website:** https://doteveryone.org.uk/resources/heatmap/?area=Shropshire&metric=total
Government Digital Inclusion Strategy
💻 **Website:** https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy
Shropshire Rural Communities Charity – Get Shropshire Online
💻 **Website:** http://www.shropshire-rcc.org.uk/services/individuals/get-shropshire-online/

Contact Us
For more information please contact Shropshire Council's Commissioning Support Unit.
💻 **Website:** http://www.shropshire.gov.uk
🖱 **Email:** commissioning.support@shropshire.gov.uk ☎ **Telephone:** 01743 258524

[i] Digital Inclusion, by Just Economics for BT, June 2014 http://www.btplc.com/Betterfuture/ConnectedSociety/Creatingpossibilities/Valueofdigitalinclusion/Digital-Inclusion-SROI.pdf
[ii] https://www.gov.uk/government/news/digital-by-default-proposed-for-government-services
[iii] UK Online Centres (2008) 'Economic Benefits of Digital Inclusion: Building the Evidence' UK Online Centres.
[iv] Go ON UK http://www.go-on.co.uk/basic-digital-skills/

[v] Go ON UK Ltd is a Digital Skills Charity established in 2012 by Baroness Lane-Fox. It is a partnership body comprising: Age UK, Argos, BBC, Big Lottery Fund, E.ON, EE, Lloyds Banking Group, Post Office, and TalkTalk See: http://www.go-on.co.uk/

[vi] BBC Media Literacy: Understanding Digital Capabilities, September 2013, Ipsos MediaCT.

[vii] Government Digital Inclusion Strategy: https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy#those-who-may-never-go-online

[viii] http://www.housing.org.uk/policy/investing-in-communities/federation-support-for-community-investment/digital-inclusion/

[ix] Nominet Trust (May 2012) *Employment and the Internet*, A state of the Art Review written for Nominet Trust by Anne Green, Maria de Hoyos and Yuxin Li. See: www.nominettrust.org.uk

[x] Go ON UK and Doteveryone Digital heatmap. See: https://doteveryone.org.uk/resources/heatmap/?area=Shropshire&metric=total#sthash.BKgJDjbA.dpuf

[xi] Price Waterhouse Coopers LLP (2009) 'Champion for Digital Inclusion. The Economic Case for Digital Inclusion' Race Online 2012. Price Waterhouse Coopers LLP.

[xii] Helsper, E.J., van Deursen, A.J.A.M. & Eynon, R. (2015). *Measuring Digital Skills, Tangible Outcomes of Internet Use.* From Digital Skills to Tangible Outcomes project report. Available at: www.oii.ox.ac.uk/research/projects/?id=112

[xiii] Government Digital Inclusion Strategy: https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy#those-who-may-never-go-online

[xiv] Go ON UK and Doteveryone Digital heatmap. See: https://doteveryone.org.uk/resources/heatmap/?area=Shropshire&metric=total#sthash.BKgJDjbA.dpuf