

# Worklessness in the South West



Leading learning and skills

September 2008

## Information Service

**Purpose:** This document forms the 'worklessness' section of the South West Strategic Analysis 2008. The Strategic Analysis is the annual 'stock-take' analysis and considers labour market intelligence, performance information and Government policy to develop a full strategic picture of current education and training marketplace. The analysis is supported by national skills research (including Skills in England Report 2007, National Employer Skills Survey and Working Futures). The stock-take provides the intelligence to confirm our strategies and priorities.

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## Key Points

- > There are an estimated 667,000 people classed as workless in the South West, equivalent to 21.8% of the working age population (Dec. 2007). Of these, 101,300 are unemployed (ILO definition) and the remaining 565,700 are classed as economically inactive.
- > Most of the economically inactive are out of the labour market through choice (e.g. early retirement) or circumstance (e.g. disability), but data from the Annual Population Survey suggests that 27% of the inactive would like to work. Taken together with the unemployed this suggests that around 255,300 people in the South West would like jobs (8% of the working age population).
- > The South West has proportionately more people in work and fewer workless people than most other regions and although the employment rate has been falling in recent years, at 78.2% the employment rate is well above the national average rate of 74.4%.
- > A key contributory factor to the high employment rate is the labour market participation of women, who at 74.0% have the highest employment rate in the country. This compares with an England female employment rate of 69.4%.
- > The corollary of the high employment rate is that the workless rate in the South West is one of the lowest in the country and broadly in line with worklessness in the South East. At 21.8% it is considerably less than the national average of 25.6%.
- > Despite falling unemployment the worklessness rate has risen over the past decade. This is as true in the South West as elsewhere.
- > The distribution of worklessness varies by age and is typically higher at both ends of the working age spectrum, largely because young people are classed as economically inactive due to full-time education and older people are more likely to have taken early retirement or be classed as long-term sick.
- > Women are more likely to be classed as workless than men, principally because of their greater likelihood of being out of work through care responsibilities.
- > Worklessness among Non-White ethnic groups is considerably greater (31.8%) than White groups (21.4%). People of Indian ethnic origin in the region have the lowest workless rate (15.3%) and Pakistani/Bangladeshis have the highest at 52.5%.
- > Low skills and qualifications exclude people from the labour market and the workless are almost twice as likely to have low or no skills (41%) as those in work (24%).
- > Intra-regional differences in worklessness are significant; ranging from 26.7% in Bristol and 26.4% in Plymouth to 15.4% in Swindon.
- > Devon, Cornwall and the Isles of Scilly and Bristol have both above average rates of worklessness and significant numbers of people classed as workless. Swindon, North Somerset and South Gloucestershire have below average worklessness rates and low numbers defined as workless.
- > Aspirations to work amongst the inactive vary widely, with the inactive in Gloucestershire and Torbay most likely to want to work. Most inactive do not want to work because of ill health and care responsibilities. The economically

inactive in the region are more likely than the national average to cite ill-health as a reason for inactivity.

- > An alternative definition of worklessness excludes the economically inactive unless they are claiming work-related benefits. In the South West, there are 293,500 people on work-related benefits, equivalent to 1 in 10 (9.6%) of the working age population; a smaller proportion than nationally (11.8%).
- > Two out of three people in this group (194,100) are on Incapacity Benefit.
- > Although the number of working age benefit claimants has fallen since 2001 by 5%, the numbers on Incapacity Benefit have risen significantly over the same period.
- > A comparison of people on job seekers allowance with those on other working age benefits shows that whereas those on JSA are largely transitory (out of work for up to 6 months), most of the remainder have been out of work for more than five years, suggesting that they will need considerable skills development to meet employers current day skills needs.

## Worklessness: the issue

The South West has one of the most buoyant labour markets in the country with demand for labour high and a relatively strong employment rate. At the same time, however, more than 1 in 5 of the working age population in the region can be classed as 'workless', an issue that is associated with poor skills, economic and social disadvantage and child poverty. As a consequence, government policy to increase the potential labour supply and realise the central goal of full employment has broadened its focus beyond the unemployed to include a wider group classed as workless.

The scale of worklessness is evident from headline figures; in the South West for instance, 101,300 people are classed as unemployed (ILO definition December 2007), but five times as many people (565,700) are economically inactive. 'Disguised unemployment' or inactivity has risen over the past decade and the challenge is now to work with this larger group who are considerably more distant from the labour market.

The DWP Green Paper (2007) 'In work, better off'<sup>1</sup> sets out the government's proposals towards achieving its ambition of an 80% employment rate. It identifies the need to:

- Reduce the number of incapacity benefit claimants by 1 million and help 300,000 more lone parents and 1 million more older people into work.
- Halve the number of children living in poverty by 2010 and eliminate child poverty by 2020.

Specific proposals which have implications for skills development include the introduction of mandatory training for those who need more skills to get back to work, encouragement of lone parents to develop work skills and significantly increased support to help severely disabled people back into mainstream employment.

At present 40% of people leaving jobseekers allowance make a new claim within six months and without re-skilling they remain vulnerable to moving in and out of work - the 'low pay no pay cycle'. As the Leitch Review noted, increasing skills both increases the probability of getting work, and also allows people to stay in work and progress into better jobs. Skills improvement is therefore central to the challenge of working with this wider workless group.

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<sup>1</sup> <http://www.dwp.gov.uk/welfarereform/in-work-better-off/>

## What is worklessness?

Worklessness is variously defined, but the term is used here to include the unemployed and economically inactive of working age, rather than just benefit claimants. This includes:

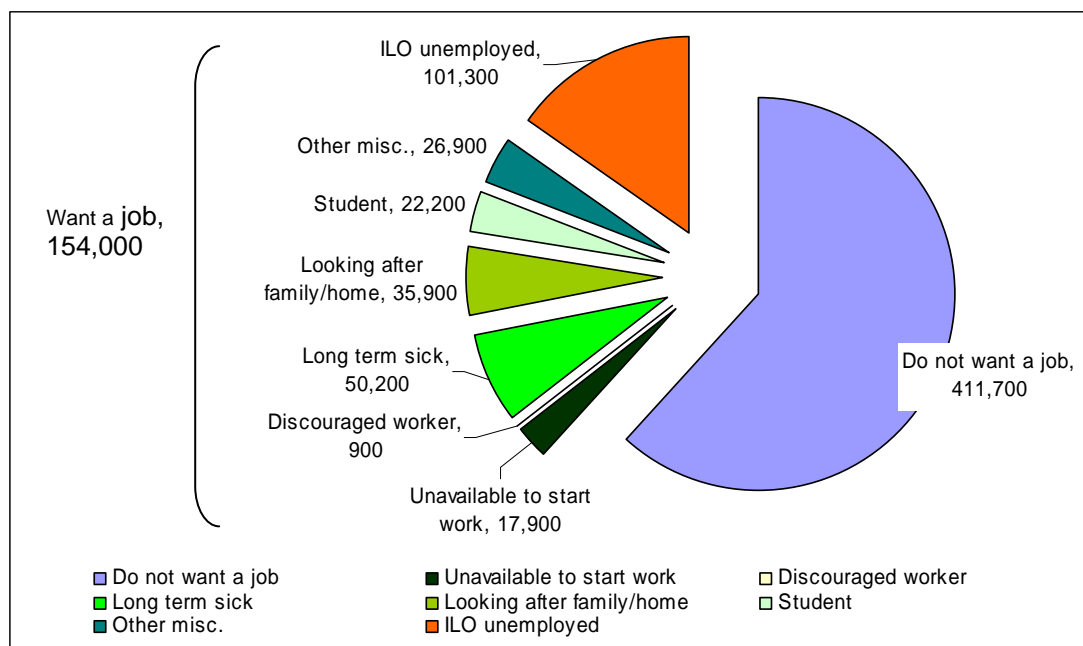
- People who are defined as unemployed using the ILO definition, which includes all those seeking work, whether or not receiving benefits (this figure tends to be higher than the Claimant Count measure).
- People who are economically inactive whether on “inactive” benefits such as Income Support and Incapacity Benefit, or who are not working and not claiming benefits, e.g. students, the early retired and people looking after the home/family.

## Worklessness: key statistics

In the South West an estimated 667,000 people of working age were classed as workless at December 2007, equivalent to 21.8% of the working age population. The total is made up largely of the economically inactive population (565,700 people, Dec 2007) plus the ILO unemployed (101,300 people, Dec 2007).

The economically inactive population can be further classified as to whether they wish to work. Many people are out of the labour market through choice (e.g. early retired) or circumstance (disability) and it is crucial to note that not all the inactive can or want to work. In the South West, people who do not want a job account for the majority of the inactive (411,700 people or 73% of the inactive). The remaining 27% or 154,000 people would like to work but are not actively seeking work because of their particular circumstances, for example, they may be studying (22,200), looking after the home or family (35,900) or be classed as long term sick (50,200):

**Figure 1: Composition of the workless population in the South West**



Source: ONS NOMIS APS Dec 2007

The only data as to whether or not people want a job is from the Annual Population Survey. However, the data is subjective and can only give a very broad-brush estimate of the 'labour reserve'. As an example, research<sup>2</sup> using LFS data showed that around 1 in 3 of those moving into employment from one quarter to the next come from the inactive "not seeking nor wanting a job". With that caveat, APS data suggests that 154,000 people or 27% of the working age inactive in the South West want a job. Coupled with the registered unemployed (who are classed as economically active) this suggests there are around 255,300 people in the region who would like jobs – equivalent to 1 in 12 of the working age population.

## The employment rate

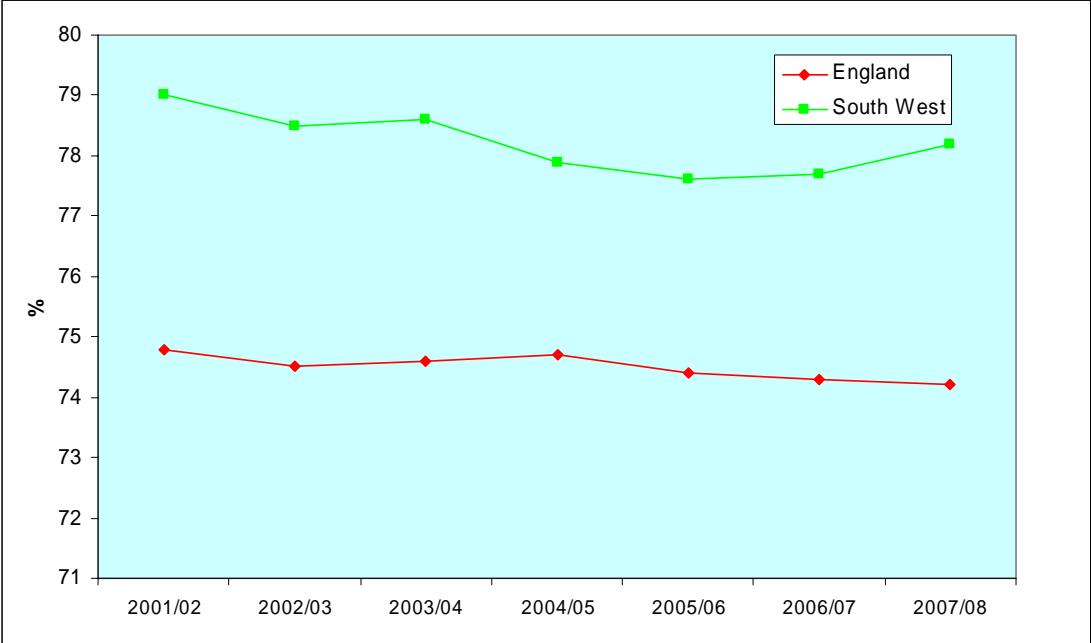
Since part of the rationale for addressing worklessness is to improve the employment rate, a useful starting point for analysis is to examine the other side of the picture - trends in employment and the characteristics of those in work.

Since 2000 employment rates have remained at high levels, rising to their highest level in 2001/02 before falling back a little to 2005/06, since when – at least in the region – they have begun to rise again. During this time, the employment rate in the South West has risen faster and fallen further than the national rate but has remained three to four percentage points higher than the England rate throughout the period. Contrary to national trends the employment rate in the South West rose in 2007 by 0.5%.

<sup>2</sup> Barham C. (2003) 'Life stages of economic inactivity' Labour Market Trends

Currently, **2.4 million** people are in work in the South West region, an employment rate of **78.2%** at December 2007 compared with a national rate of 74.4%.

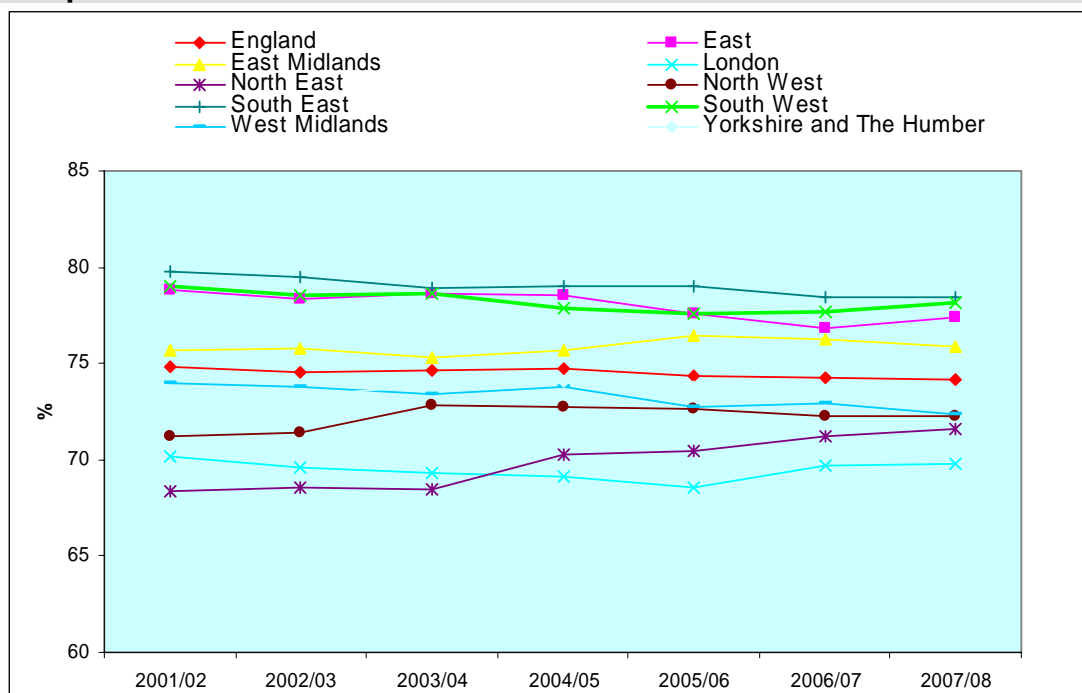
**Figure 2: Trends in the employment rate 2001- 2007: South West and England compared**



Source: ONS LFS/APS 2000 – Dec 2007

Through time, employment rates in the regions have converged considerably. Together with the South East and East of England the South West has consistently been amongst the top three economies in terms of employment and currently has the second highest employment rate in the country, just below the South East’s employment rate of 78.4%.

**Figure 3: Trends in the employment rate 2001 - 2007: South West and regions compared**



Source: ONS LFS/APS 2000 – Dec 2007

One of the factors contributing to the South West's high employment rate is the high employment rate of women in the region, which at 74.0% is 4.6% higher than the national average and the highest female employment rate in England. This is likely to reflect the high rates of part time working in the region in comparison with other parts of the country:

**Figure 4: Male and female employment rates: South West and England compared**

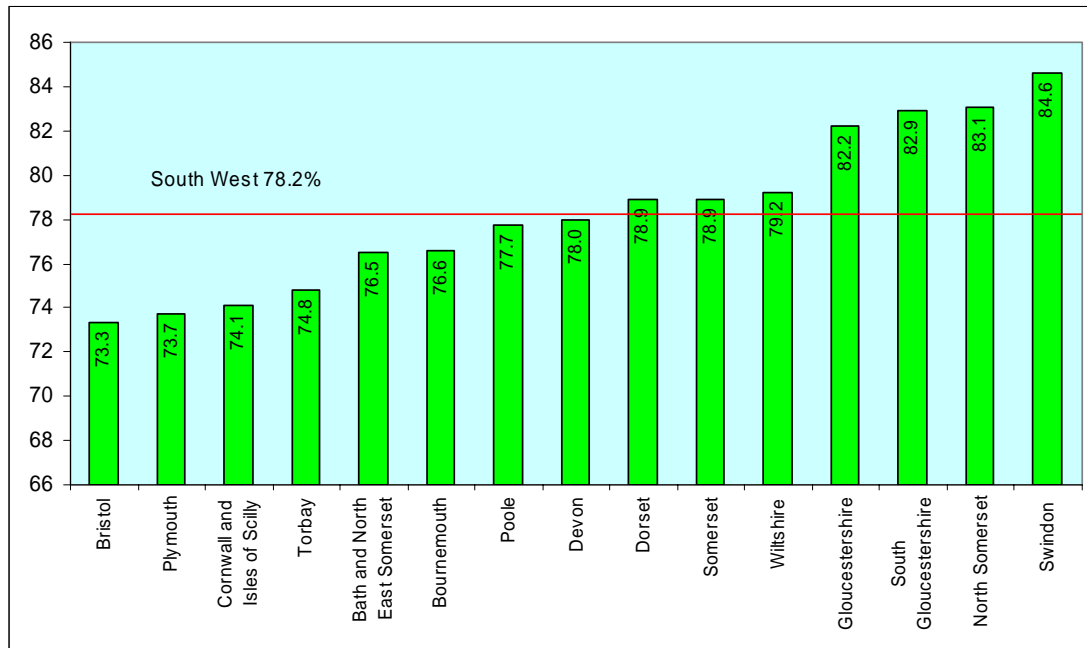
	England	South West	Difference SW/England
<b>Males</b>	78.9	81.1	<b>+2.2</b>
<b>Females</b>	69.4	74.0	<b>+4.6</b>
<b>Difference between male/female rates</b>	9.5	7.1	

Source: ONS APS Dec 2007

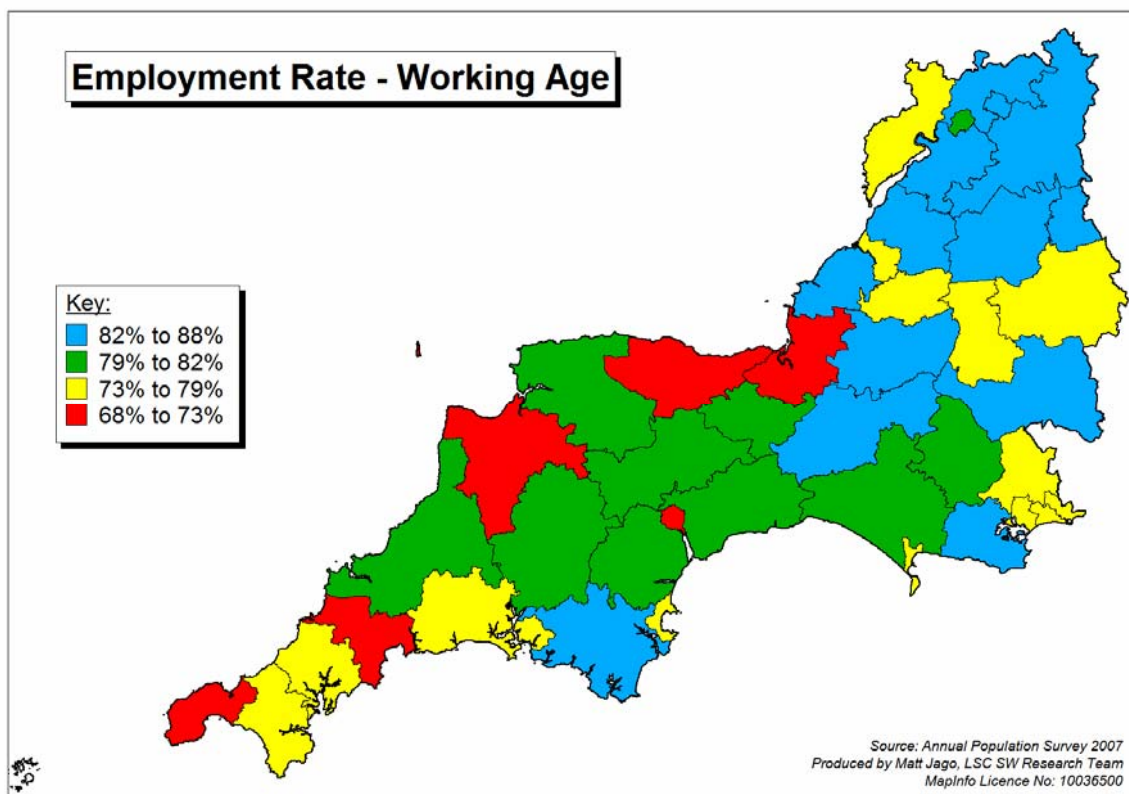
Moreover, while the male rate of employment in the region has fallen by 1.5% in the last three years the female rate has held up and is only 0.3% lower than it was in 2004.

Within the South West there are significant intra-regional differences and the employment rate varies by as much as 10% across the South West. Lowest rates are recorded in Bristol (73.3%) and Plymouth (73.7%) with Local Authorities in the north and east of the region recording rates well above the regional and national averages. The exceptionally high rate in Swindon (84.6%) is especially marked.

**Figure 5: Employment rates by UA/County**



Source: ONS APS Dec 2007



## Worklessness

The corollary of a high employment rate is that the South West region has one of the lowest numbers and proportions of workless people in the country. Broadly in line with the South East, the worklessness rate of 21.8% is much less than the national average of 25.6% and almost 10% less than the London rate, the region with the highest worklessness rate nationally.

**Figure 6: Workless rates by region (Dec 2007)**

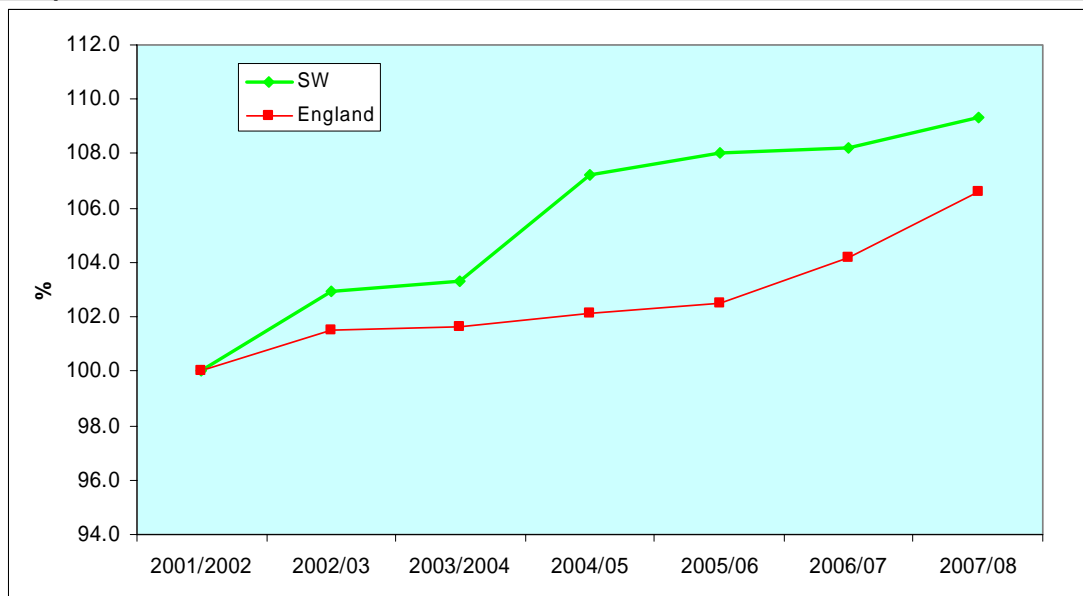
	Total workless	% workless
North East	448,500	28.4
East Midlands	652,500	24.1
<b>South West</b>	<b>667,000</b>	<b>21.8</b>
East	773,800	22.6
Yorkshire and The Humber	856,600	26.8
West Midlands	899,800	27.6
South East	1,085,800	21.6
North West	1,166,900	27.7
London	1,518,800	30.2
<b>England</b>	<b>8,069,600</b>	<b>25.6</b>

Source: ONS APS Dec. 2007

## Changing patterns of worklessness in the past decade

Since 2001, numbers of workless people have risen year on year and the total now stands at 667,000 or 21.8% of the working age population. Although trends have been more volatile than nationally, the overall result is the same – workless numbers are higher than at any time in the past 10 years:

**Figure 7: Worklessness rates; South West and England compared (indexed to 100)**



Source: ONS APS 2001 - Dec. 2007

Note: Data has been indexed to 100

The underlying complexity of the picture is evident from the data which shows that although worklessness has been rising since 2001/02, in the past year so too has the employment rate. The reason for this is that the population has grown and there has been a rise in the number of people who are looking for work which has driven up the unemployment rate. As a result, the workless total has been made up of an increasing proportion of the unemployed and the unemployed now account for the largest share of the worklessness total since 2001.

**Figure 8: Trends in worklessness**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>South West unemp. (000s)</b>	91.0	90.0	84.0	82.5	83.5	92.7	101.3
<b>South West etc. inactive (000s)</b>	519.0	538.0	546.3	571.5	575.5	567.3	565.7
<b>Workless</b>	<b>610.0</b>	<b>628.0</b>	<b>630.3</b>	<b>654.0</b>	<b>659.0</b>	<b>660.0</b>	<b>667.0</b>
<b>SW Unemployed as % of all workless</b>	14.9%	14.3%	13.3%	12.6%	12.7%	14.0%	15.2%

Source: ONS APS Dec 2007

**Figure 9: Change in worklessness 2001/02 to 2007/8**

	South West				England
	2001/02	2007/08	Change (nos.)	Change (%)	Change (%)
<b>South West unemployed</b>	91,000	101,300	+10,300	<b>+11.3</b>	<b>+15.4</b>
<b>South West economically inactive</b>	519,000	565,700	+46,700	<b>+9.0</b>	<b>+5.0</b>
<b>All workless</b>	610,000	667,000	57,000	<b>+9.3</b>	<b>+6.6</b>

Source: ONS APS Dec 2007

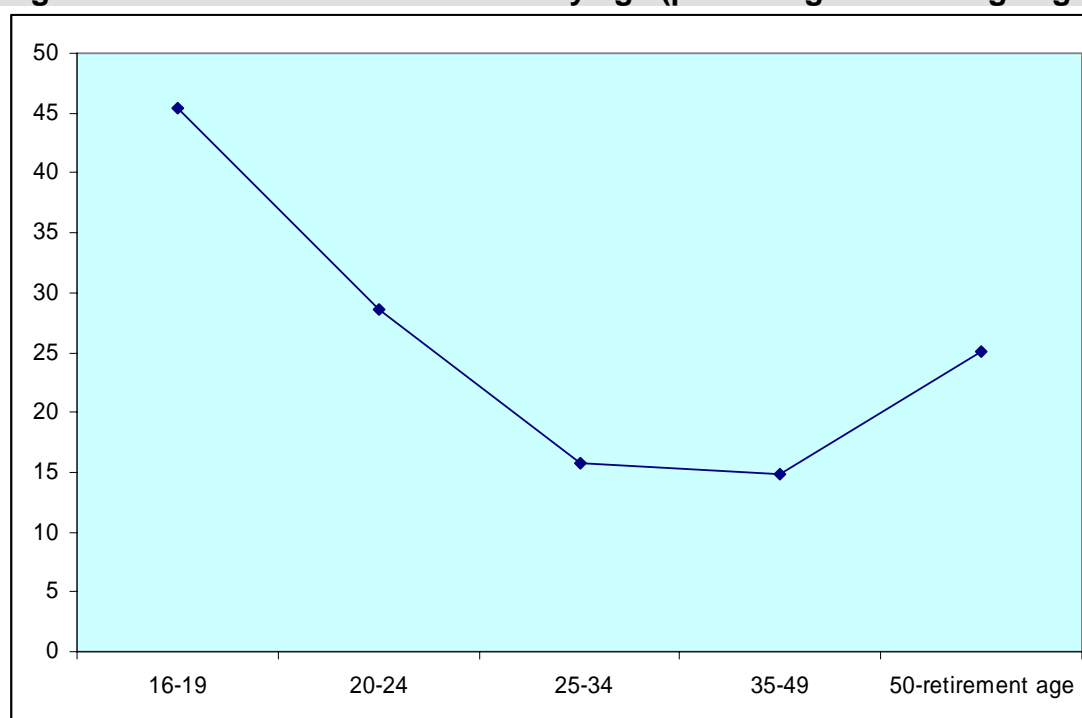
### Characteristics of the workless: age

The distribution of inactivity and unemployment varies by age and typically follows a U-shaped pattern across the different age groups. Amongst younger people, inactivity is overwhelmingly caused by participation in further and higher education, while for older people self-reported long-term sickness is the most likely cause. Thus, amongst 16-19 year olds worklessness is at a high of 45.3% falling to its lowest amongst the 25 to 49 year olds who are of prime working age. Worklessness then rises to 1 in 4 amongst the over 50s – a key target group for intervention to boost labour supply.

**Figure 10: Age of people who are workless**

	Unemployed SW	Inactive SW	Workless	Rate
All working age	101,300	565,700	667,000	21.8
16-19	24,100	95,700	119,800	45.3
20-24	19,500	69,100	88,600	28.6
25-34	18,500	71,000	89,500	15.7
35-49	24,300	137,200	161,500	14.8
50-retirement age	14,900	192,800	207,700	25.1

Source: ONS APS Dec 2007

**Figure 11: Pattern of worklessness by age (percentage in each age –group)**

Source: ONS APS Dec 2007

The ageing of the population is a particular issue in the South West with increasing longevity, declining fertility and inward migration leading to an increase in the number of older people in the workforce. These demographic changes which - when combined with the increase in the state pension age - pose significant challenges to increasing the employment rate of people aged over 50 years. Research<sup>3</sup> has shown that a mix of financial (dis)incentives, employer barriers and socio-economic characteristics influence older people's decisions about whether to remain in work. Older people face many barriers to work which may be age related (for example, outdated skills, poor health, caring responsibilities) and/or independent of age (such as financial barriers, lack of suitable jobs in the area, employer practices). Some older people face multiple disadvantages and there are important overlaps between health conditions (more likely among men), lack of qualifications and caring responsibilities (more prevalent among women).

<sup>3</sup> LSC (May 2007) *Towards Skills for Jobs: 'What Works' in Tackling Worklessness? Rapid Review of Evidence*

## Characteristics of the workless: gender

More women than men are classed as workless largely reflecting their greater likelihood of having care responsibilities and hence greater economic inactivity rather than unemployment.

**Figure 12: Worklessness by gender**

	Unemployed SW (Nos)	% of workless	Inactive SW (Nos)	% of workless	Workless (Nos)
Males	57,900	19.1	244,000	80.9	301,919
Females	43,500	13.5	321,700	86.5	365,635
All	101,300	15.2	565,700	84.8	667,000

Source: ONS APS Dec 2007

Whereas the workless rate for men in the South West (18.8%) is a little lower than the national rate (21.2%), for women the regional rate of 25.1% is considerably below the national rate for women of 30.4%.

## Characteristics of the workless: ethnicity

There are higher rates of worklessness among many black and minority ethnic groups compared with the general population. There are also significant differences between minority ethnic groups, for example, people of Indian ethnic origin have higher rates of employment, economic activity and occupational achievement than Pakistanis and Bangladeshis; and Black Caribbeans are significantly more disadvantaged in many respects, compared with Black Africans. Research evidence suggests that 'supply-side' issues such as education and skills are one of the causes of differential labour market performance, but there are also significant cultural differences between different ethnic groups which affect the propensity to seek work outside the home.

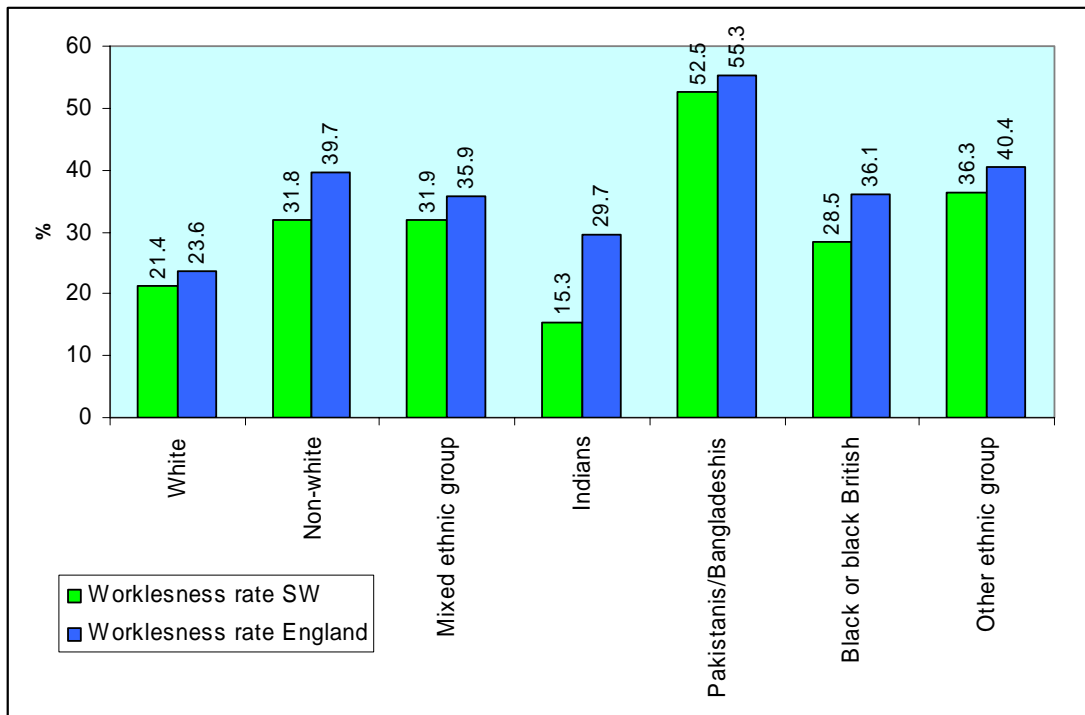
Research into unemployment propensities and occupational attainment has also shown that the 'ethnic penalties' experienced by minority workers cannot be fully explained by differences in 'human capital' and personal characteristics and at least some disadvantage in the British labour market is attributed to discriminatory recruitment practices by employers.<sup>4</sup>

In the South West each of the broad ethnic groups has a worklessness rate below the national average. Even so, worklessness amongst Non-white ethnic groups is considerably greater (31.8%) than White groups (21.4%).

The greatest difference between the region and England is amongst the Indian ethnic group where the workless rate is around half the national average. As elsewhere, the greatest rate of worklessness is to be found in the Pakistani/Bangladeshi population where more than half are out of work.

<sup>4</sup> LSC (May 2007) *Towards Skills for Jobs: 'What Works' in Tackling Worklessness? Rapid Review of Evidence*

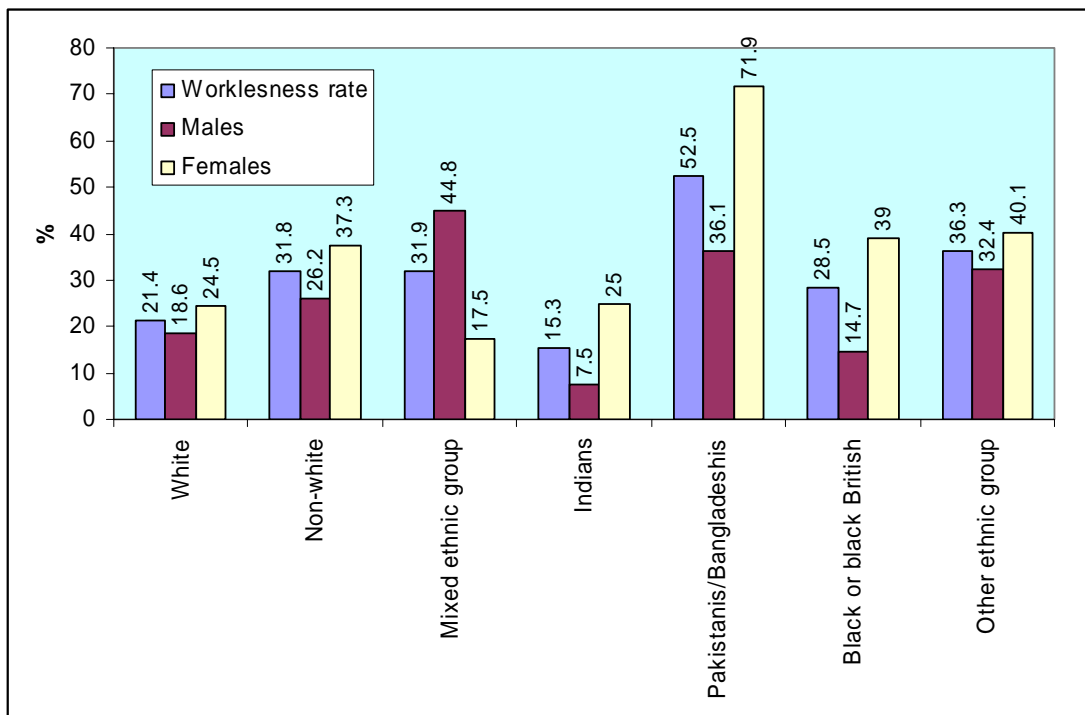
**Figure 13: Worklessness rates by ethnicity: SW and England compared**



Source: ONS APS Dec 2007

By gender, Indian males have the lowest worklessness rate of any ethnic groups (7.5%) and Pakistani/Bangladeshi women the greatest rates (71.9%). Amongst the White population gender differentials are less significant than in any other ethnic group.

**Figure 14: Worklessness rates by ethnicity and gender in the South West**



Source: ONS APS Dec.2007

## Characteristics of the workless: low skills and qualifications

Evidence suggests that the fundamental economic change underlying the growth in inactivity has been the weakening of the demand for unskilled labour across the UK. This has occurred both as a result of a combination of technological development and increased competition from countries with a plentiful supply of unskilled labour. For many years, the trend in occupations has been towards higher skilled and non-manual jobs and those without relevant skills and qualifications are most likely to be affected by these shifts in demand.

Analysis of the qualifications profile of the workless shows them to be almost twice as likely to have no or low skills (41%) as those in work (24%). Low skills are especially prevalent amongst the long term sick and disabled who would like to work (55%) and those looking after home and family (51%).

**Figure 15: Proportions of the working age population with low/no qualifications**

		% in group without Level 2
Active	Employee	24%
	Self-employed	24%
	ILO unemployed	44%
Inactive	Looking after family & home [would like job]	51%
	Looking after family & home [would not like job]	41%
	Long-term sick / disabled [would like job]	55%
	Long-term sick / disabled [would not like job]	59%
	student [would not like job]	6%
	retired [would not like job]	26%
Workless	ILO unemployed and all inactive	41%

Source: Labour Force Survey Q4, 2007 – ONS, Crown Copyright reserved

Clearly, learning and skills development is important in terms of both moving into work and of improving employability. To this end, research by the LSC on the impact of FE learning on employability<sup>5</sup> found that:

- Learners were more likely to move into work after learning and of those who did not move on to work many reported social and personal outcomes that may in the longer term move them closer to the labour market.
- There were also positive effects on progression. 16% of learners in the survey improved their occupational position and this was especially the case among those in plant and machine operative occupations<sup>6</sup> and unskilled work.
- A third moved from benefits into work after the end of their course.

<sup>5</sup> LSC (Jan 2008) *Impact of learning on employability: Key findings*

<sup>6</sup> This classification includes factory machine operators, assembly line workers, drivers, fork lift truck drivers and road repair operatives

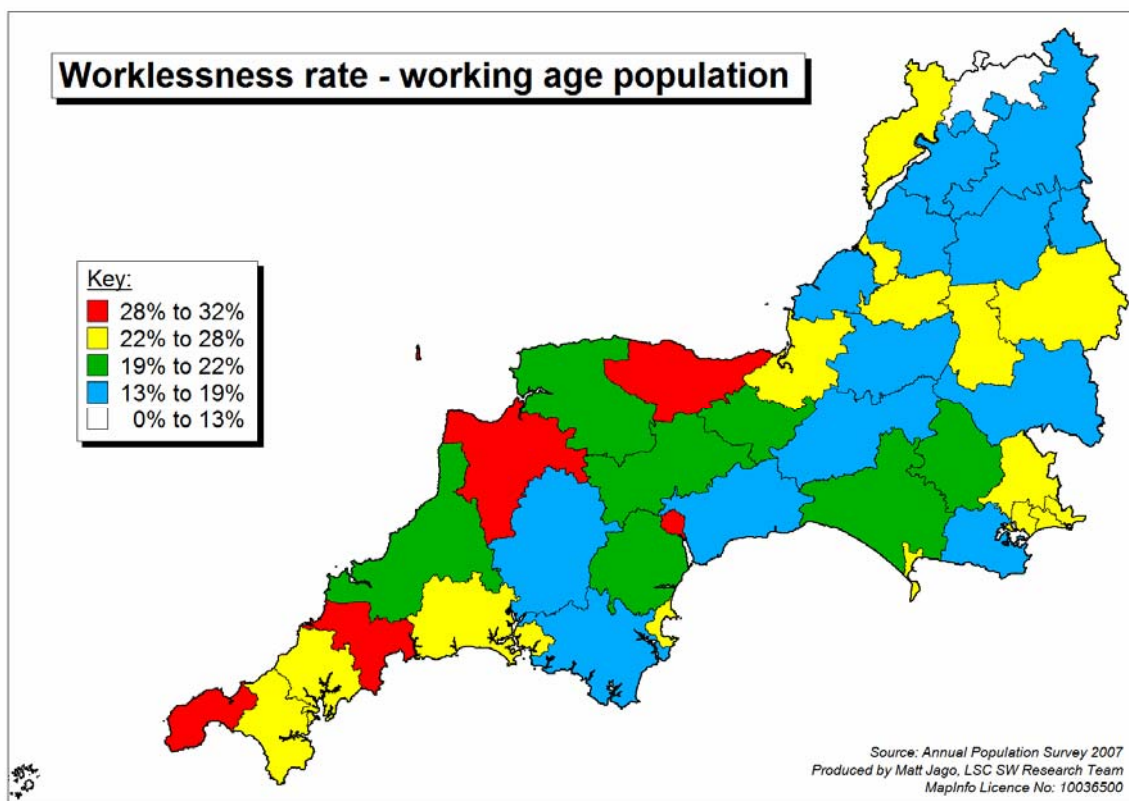
## Characteristics of the workless: geography

Intra-regional differences in worklessness are significant, with more than ten percentage points difference between different UA/County areas. Highest workless rates are to be found in the more rural parts of the region - Cornwall, and parts of Devon and Somerset:

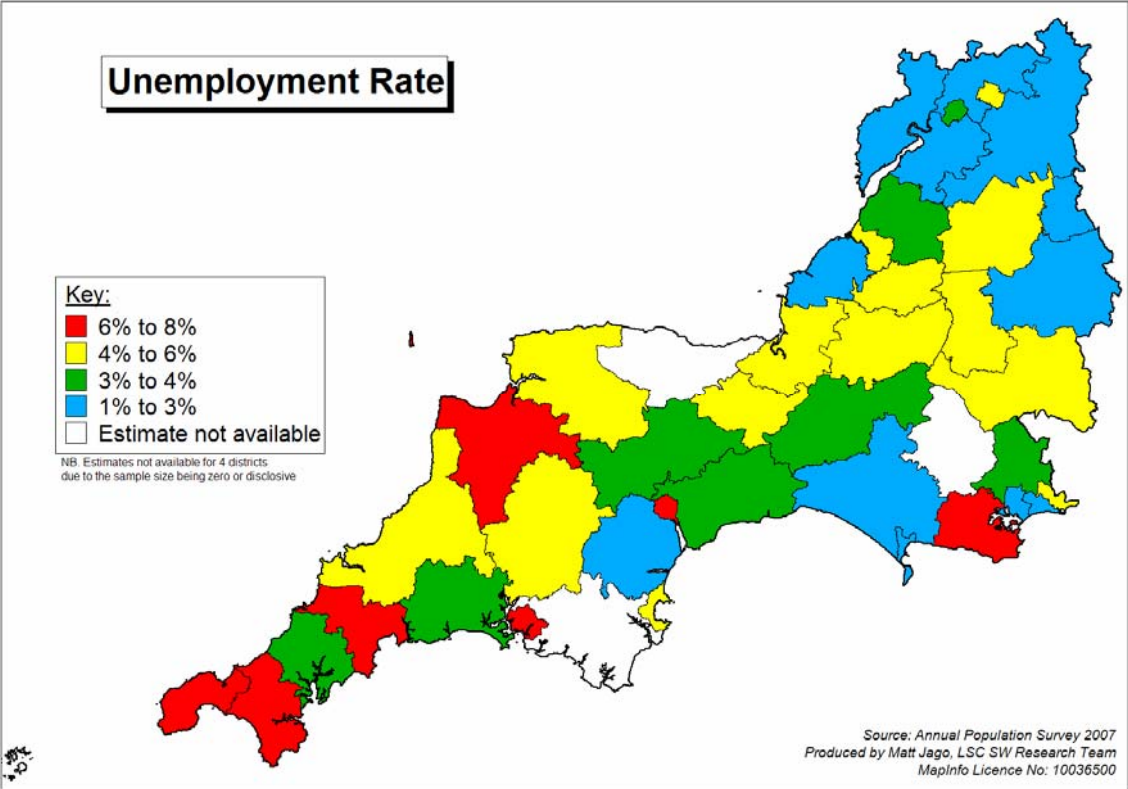
Bristol	26.7
Sedgemoor	27.8
West Somerset	28.6
Exeter	29.2
Penwith	30.2
Restormel	30.3
Torrige	31.3

Lowest rates are in the north of the region and in the commuter belts around Bristol, Bath, Salisbury, Bournemouth and Poole:

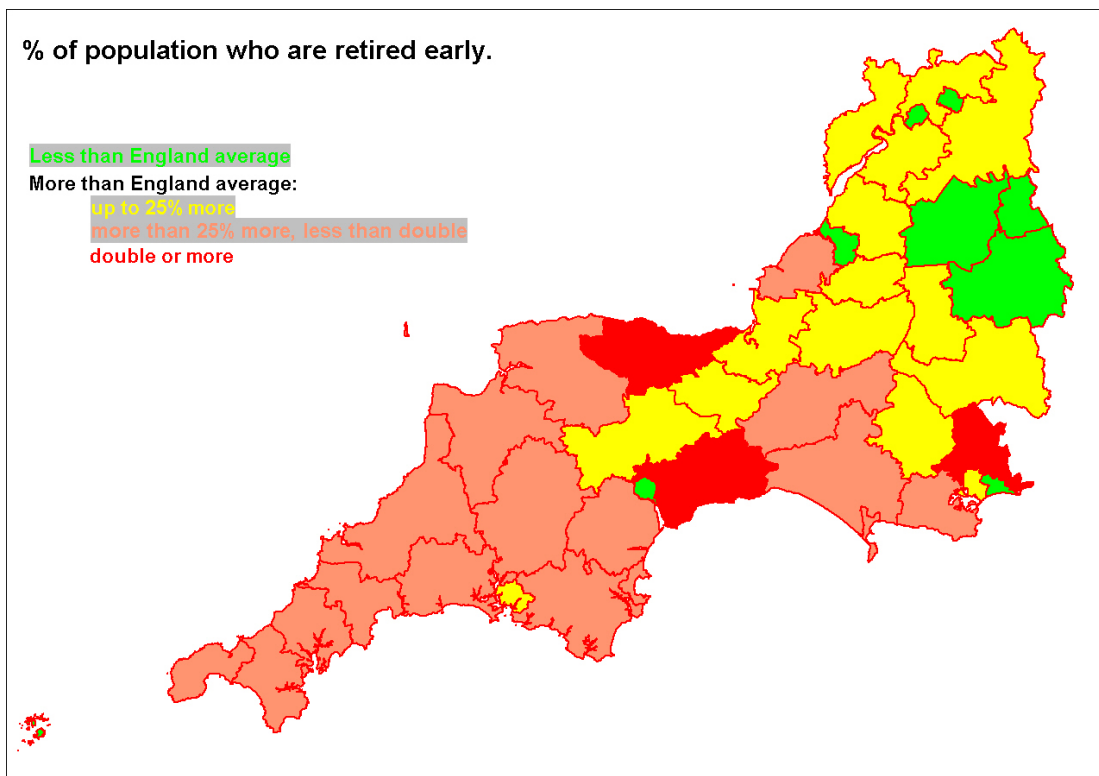
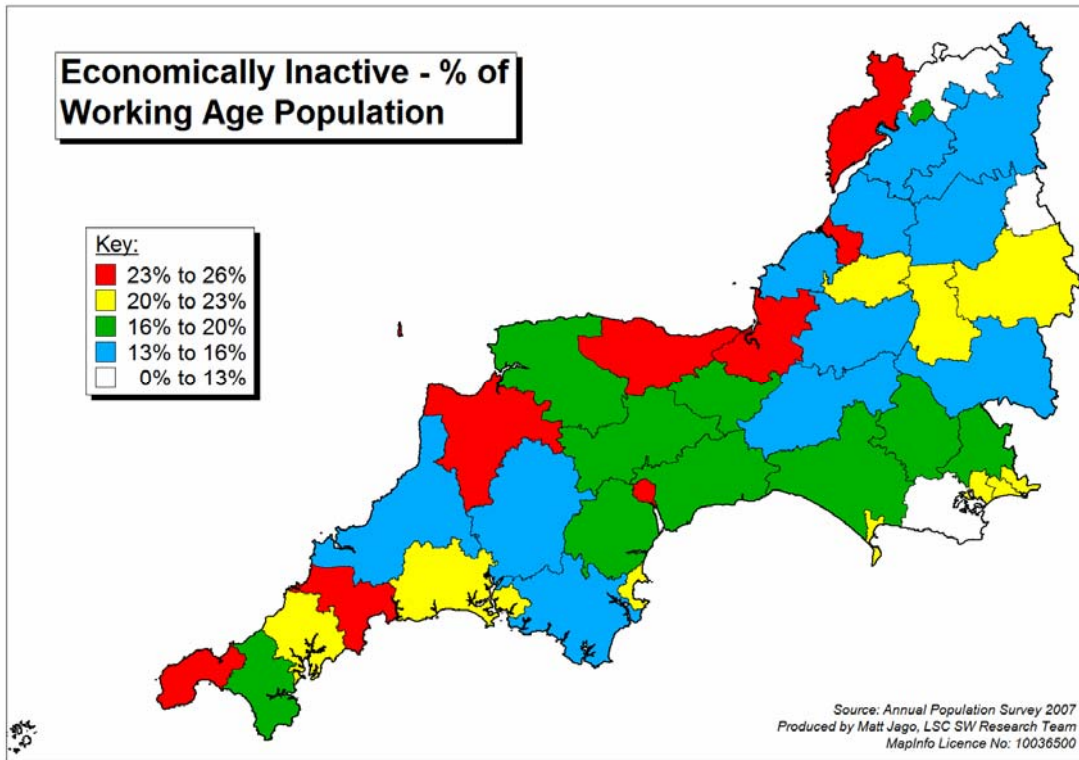
Tewkesbury	12.9
Swindon	15.4
Purbeck	15.5
Stroud	15.9
Cotswold	16.0
North Somerset	16.9



Within the overall workless total the pattern of ILO unemployment is a little different. In Gloucestershire with its low worklessness rate, there are hotspots of unemployment in Gloucester and Cheltenham, but again the pattern is dominated by Cornwall, Devon and Somerset.

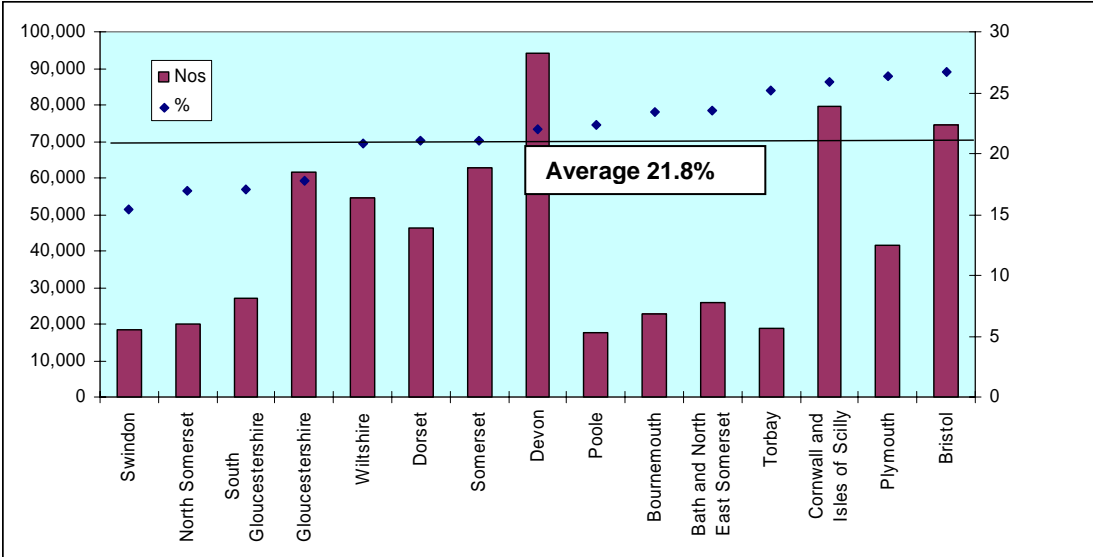


The inactive population tends to be clustered around the coastal resorts and appears to reflect the high proportions of people who have taken early retirement. This is a feature of the whole of Cornwall, most of Devon and Somerset where early retirement as a proportion of the working age population is more than twice the national average and a distinct east/west split within the region is evident.



Another perspective is given by comparing numbers and rates of worklessness. As shown below, Cornwall and the Isles of Scilly, Plymouth and Bristol have the highest rates of worklessness, but a comparison with the actual numbers of workless show that although Plymouth has a high rate, the numbers classed as workless are relatively low.

**Figure 16: Proportions and numbers of the working age population classed as workless by UA/county**



Source: ONS APS Dec 2007

Essentially, Counties and Unitary Authorities can be classified as follows:

Above average workless rate and high numbers of workless	Above average workless rate but relatively low numbers of workless (<50,000)	Average workless rate and more than 50,000 classed as workless	Below average workless rate and low numbers of workless (<50,000)
Devon	Plymouth	Wiltshire	Swindon
Cornwall and the Isles of Scilly	Poole	Somerset	North Somerset
Bristol	Bournemouth		S. Gloucestershire
	Bath and North East Somerset		Dorset
	Torbay		

## Worklessness and deprivation

Of course, there are multiple factors associated with worklessness including multiple disadvantage, low aspirations for work and high proportions of workless households. As may be expected therefore, there are some associations with areas of high worklessness and other measures of deprivation.

The Index of Multiple Deprivation 2007 gives an overall indication of the scale of deprivation within each Lower Super Output Area (LSOA) and a useful measure of the impact of deprivation is the proportion of the population affected.

Bristol has, by some distance, the highest proportion of its population (16%) living in areas among the most deprived 10% in England. Torbay is the only other South West county or unitary authority with more than a tenth of its population (almost 12%) in such areas. Both these unitary authority areas together with Plymouth and Cornwall and the Isles of Scilly have high levels of worklessness.

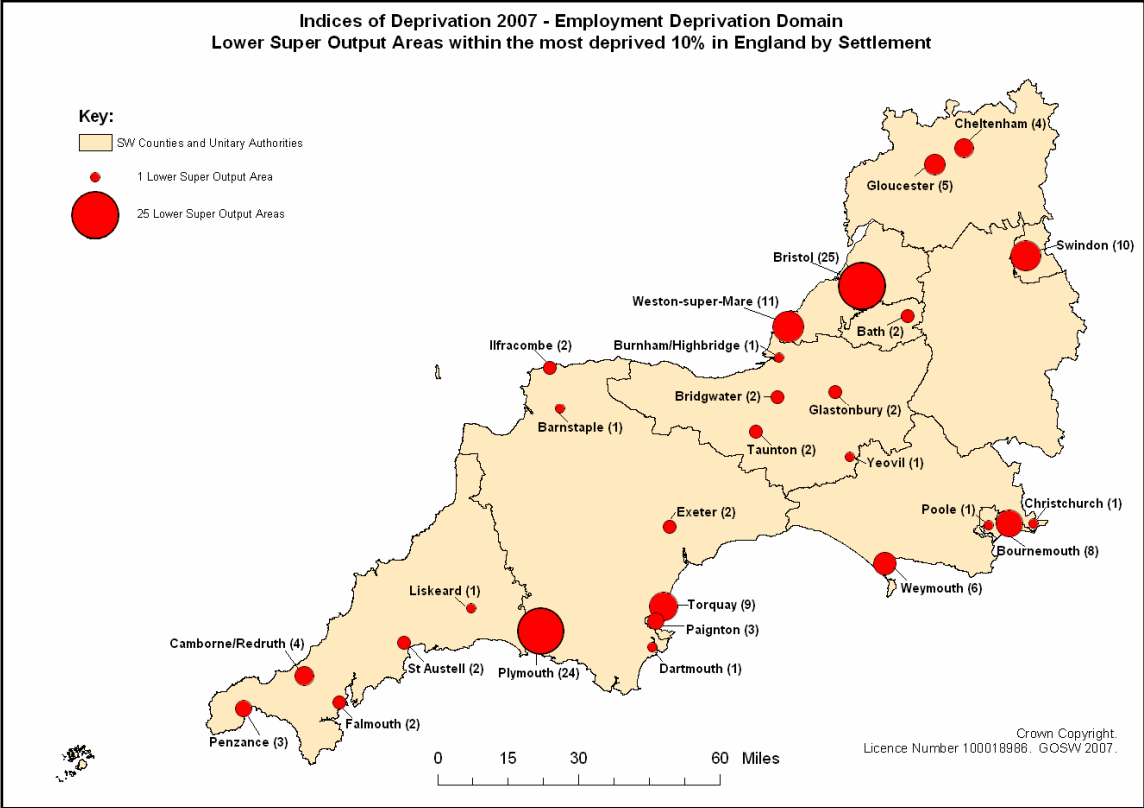
**Figure 17: Number of areas within most deprived 10% in the country (Index of Multiple Deprivation 2007)**

County or Unitary Authority	Number of LSOAs		Population	
	Total	Within Most Deprived 10% of IMD	Within Most Deprived 10% of IMD	%
Bristol	252	39	65,100	16.0
Plymouth	160	16	24,300	9.9
Torbay	89	10	15,500	11.6
Bournemouth	107	9	13,200	8.2
Cornwall & IoS	328	8	12,700	2.4
Swindon	119	8	11,800	6.4
Gloucestershire	367	7	10,800	1.9
North Somerset	124	7	10,700	5.4
Devon	457	5	8,000	1.1
Somerset	327	2	3,300	0.6
Dorset	247	2	3,500	0.9
Poole	91			
Bath & NE Somerset	115			
Wiltshire	281			
South Glos	162			
<b>Total</b>	<b>3226</b>	<b>113</b>		

Source: Adapted from GOSW Regional Intelligence Team (Jan 2008) *Indices of Deprivation (ID) 2007 – Deprivation in the South West*<sup>7</sup>

<sup>7</sup> <http://www.gos.gov.uk/497666/docs/220636/353605/636838/rigjan08id07swsummary>

Focusing more specifically on the 'employment domain' which measures involuntary exclusion of the working age population from the world of work, the incidence of employment deprivation across the South West can be seen. It is interesting to note that Gloucestershire and Swindon with their high employment rates and low levels of worklessness nevertheless have pockets of deprivation co-existing with buoyant labour markets.



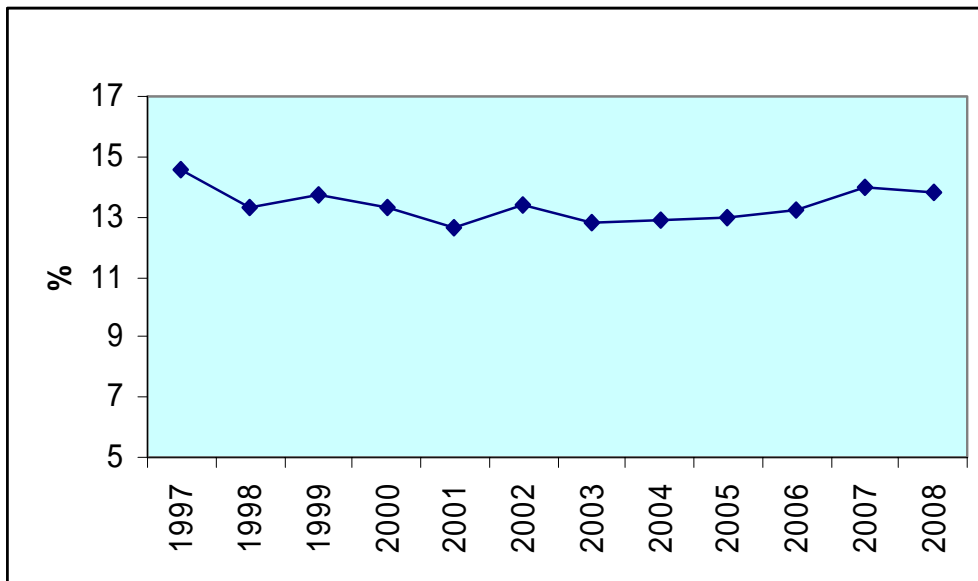
Source: GOSW Regional Intelligence Team (Jan 2008) Indices of Deprivation (ID) 2007 – Deprivation in the South West<sup>8</sup>

### Workless households

The rate of workless households is defined as households where no-one of working age is in employment. The South West has fewer workless households (13.8%) than nationally (15.8%) but the proportion of households classed as worklessness has been on a slowly rising trend in recent years.

<sup>8</sup> [www.gos.gov.uk/497666/docs/220636/353605/636838/rijjan08id07swsummary](http://www.gos.gov.uk/497666/docs/220636/353605/636838/rijjan08id07swsummary)

**Figure 18: Trends in the proportion of workless households in the South West 1997- 2007**



Source: ONS Labour Market Statistics First Release July 08

### Aspirations for work

The Annual Population Survey provides data on whether the economically inactive would like to work. In the South West, as elsewhere, the majority are not looking for work but 27.2% (154,000 people) would like to work: a proportion somewhat greater than the national average of 24.8%. There are widespread differences in preference for work by location and gender and key points to note are:

- Aspirations for work are highest in Gloucestershire and Torbay where more than 4 out of 10 men classed as economically inactive would like to work.
- People in Bournemouth are least likely to want to work. Bournemouth is the only place in the South West where fewer than 20% are looking for work, a finding which is likely to reflect the demographic profile rather than the type of work on offer.
- Men are more likely to want to work than women.
- Men are least likely to want to work in Bournemouth and Cornwall and the Isles of Scilly.
- Women in Plymouth are most likely to be seeking work.

**Figure 19: Aspirations for work amongst the inactive**

	Numbers	Percent of economically inactive (all) who would like a job	% of economically inactive males who would like a job	% of economically inactive females who would like a job
Bath and North East Somerset	6,000	27.3	27.6	26.9
Bournemouth	3,800	18.3	17.2	19.2
Bristol	18,700	28.7	30.1	27.7
Cornwall and Isles of Scilly	16,000	23.9	21.5	26.1
Devon	21,700	27.0	28.3	26.0
Dorset	10,900	27.6	27.9	27.3
Gloucestershire	18,900	35.5	47.1	26.4
North Somerset	4,100	22.8	24.7	21.6
Plymouth	9,500	29.5	29.4	29.6
Poole	3,200	20.4	24.3	18.4
Somerset	10,900	20.9	22.2	20.1
South Gloucestershire	6,800	30.0	34.1	26.8
Swindon	4,400	28.3	31.6	26.4
Torbay	5,600	34.8	40.9	29.1
Wiltshire	13,700	29.7	32.5	28.0
<b>South West</b>	<b>154,000</b>	<b>27.2</b>	<b>29.3</b>	<b>25.6</b>
<b>England</b>	<b>1,672,400</b>	<b>24.8</b>	<b>26.0</b>	<b>24.1</b>

Source: ONS APS Dec 2007

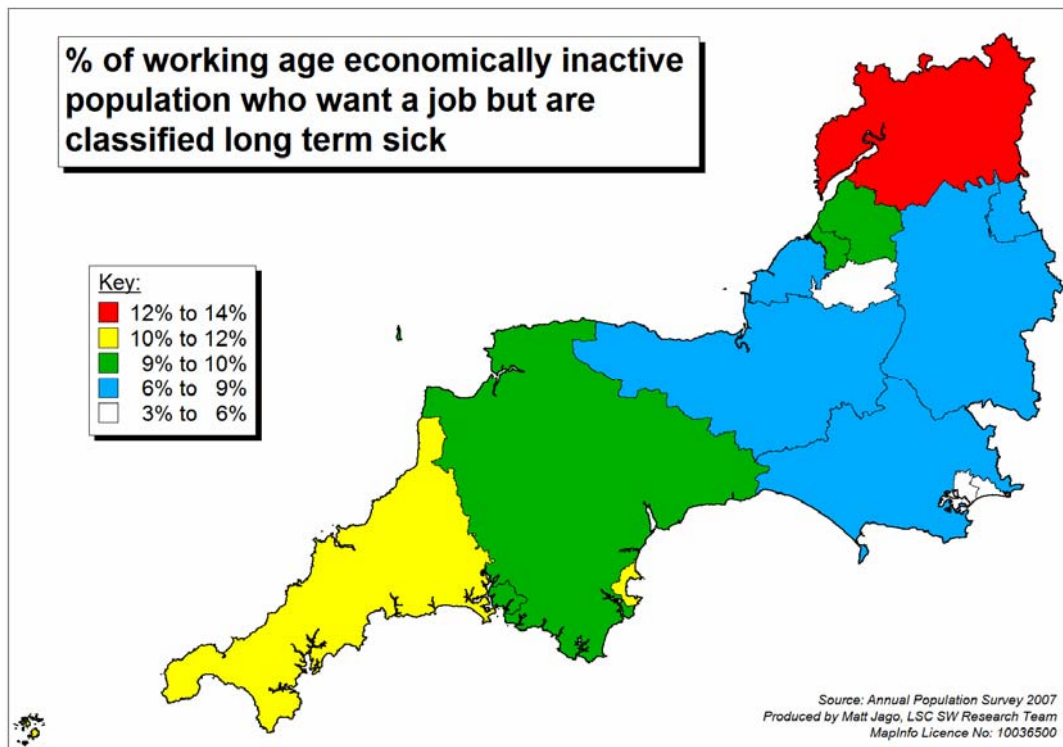
Reasons given by those who would like a job but are not currently looking show responses to be dominated by ill-health, a reason which is more prevalent in the South West than in England. People in Gloucestershire, Torbay and Cornwall & the Isles of Scilly are most likely to be classed as long-term sick:

**Figure 20: Reasons for not looking for work given by the inactive who would like to work**

Reason for not looking for work	South West		England
	Number	% of all inactive	%
Unavailable to start	17,900	3.2	3.2
Discouraged*	900	0.2	0.3
Long-term sick	50,200	8.9	6.8
Looking after family/home	35,900	6.3	6.3
Student	22,200	3.9	3.7
Other misc.	26,900	4.8	4.5

Source: ONS APS Dec 2007

\* 'Discouraged' is a term used to describe people who are no longer looking for work because they perceive there are no suitable jobs



### Benefit claimants: an alternative measure of worklessness

There are a number of definitions of worklessness and the above analysis uses the term in its broadest sense. However, PSA targets are framed more tightly in terms of reducing the number of 'working age people on out of work benefits' and the latest Green Paper<sup>9</sup> contains specific targets to reduce the numbers of incapacity benefit claimants and lone parents claiming benefit. This short section sets out key data on those groups.

Working age benefits include the main out-of-work client group categories of:

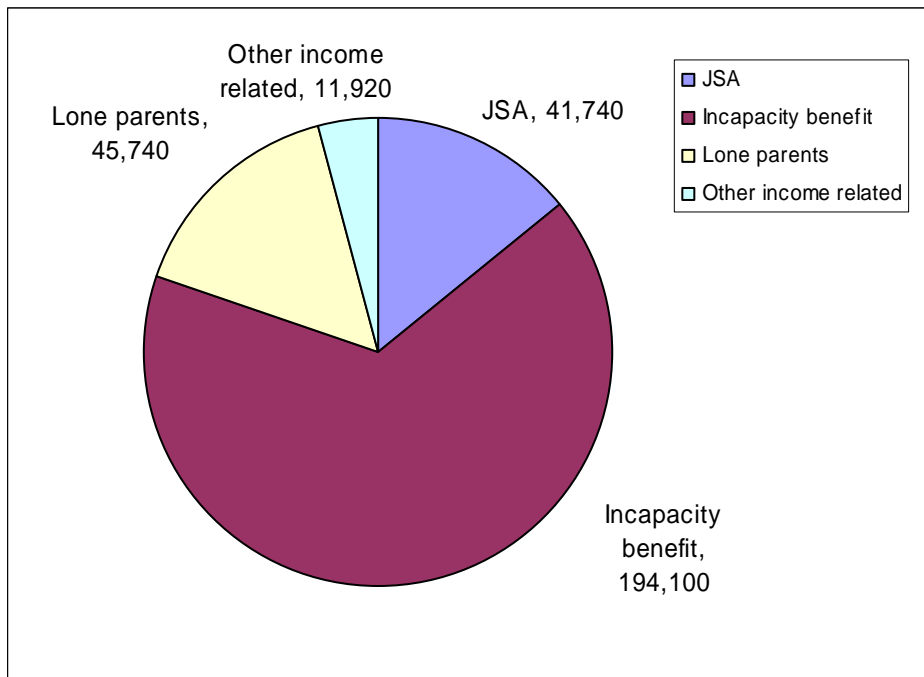
- unemployed people on Job Seekers Allowance (JSA)
- lone parents on income support
- Incapacity Benefit claimants
- others on income-related benefits

The category excludes the care, disabled and bereaved client groups who are not subject to activation policies in the same way as other groups.

In total there are **293,500** people on work-related benefits in the South West, equivalent to **1 in 10** (9.6%) of the working age population; a smaller proportion than nationally (11.8%). The majority of people in this group are on Incapacity Benefit:

<sup>9</sup> <http://www.dwp.gov.uk/welfarereform/in-work-better-off/>

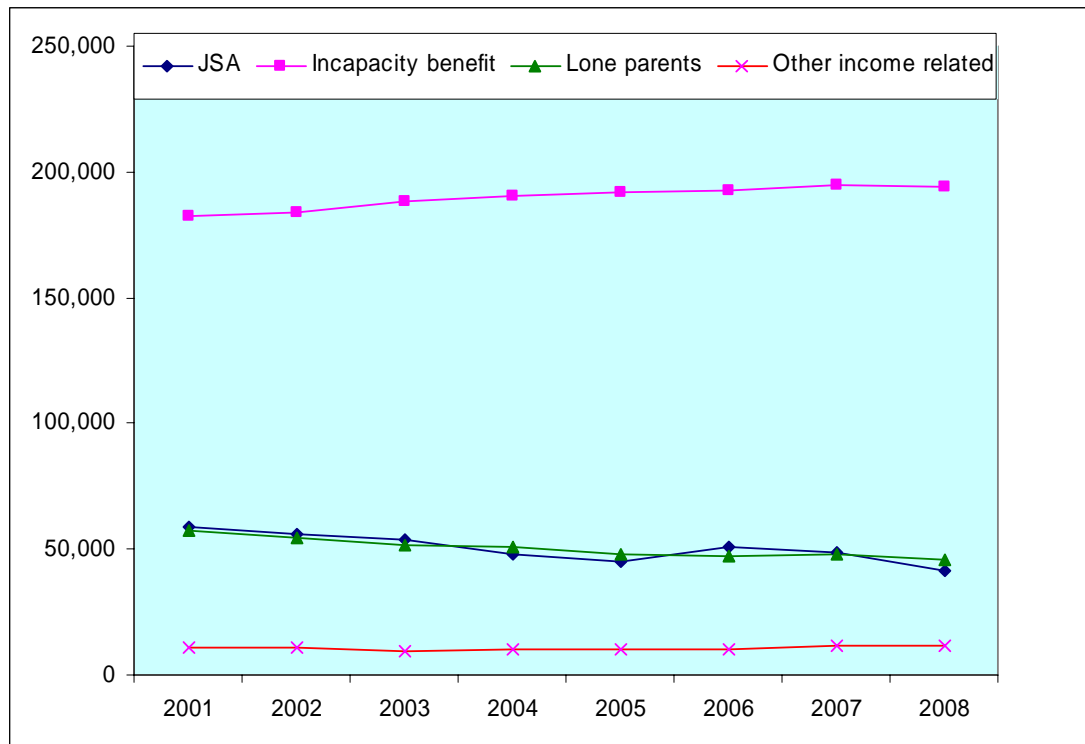
**Figure 21: Distribution of those on work-related benefits in the South West**



Source: ONS WACG Feb 2008

Through time, the trends in benefit claimants have been complex. Overall, the number of benefit claimants has fallen by 15,440 or 5% since 2001, but this has largely been driven by significant falls in Job Seekers Allowance claimants and people on lone parent income support. The numbers on Incapacity Benefit have continued to rise year on year:

**Figure 22: Trends in numbers on work-related benefits in the South West 2001-2008**



Source: ONS WACG Feb 2008

In particular, although the number of JSA claimants has fallen faster than average, the number of Incapacity Benefit claimants has risen at a higher rate than in the country as a whole:

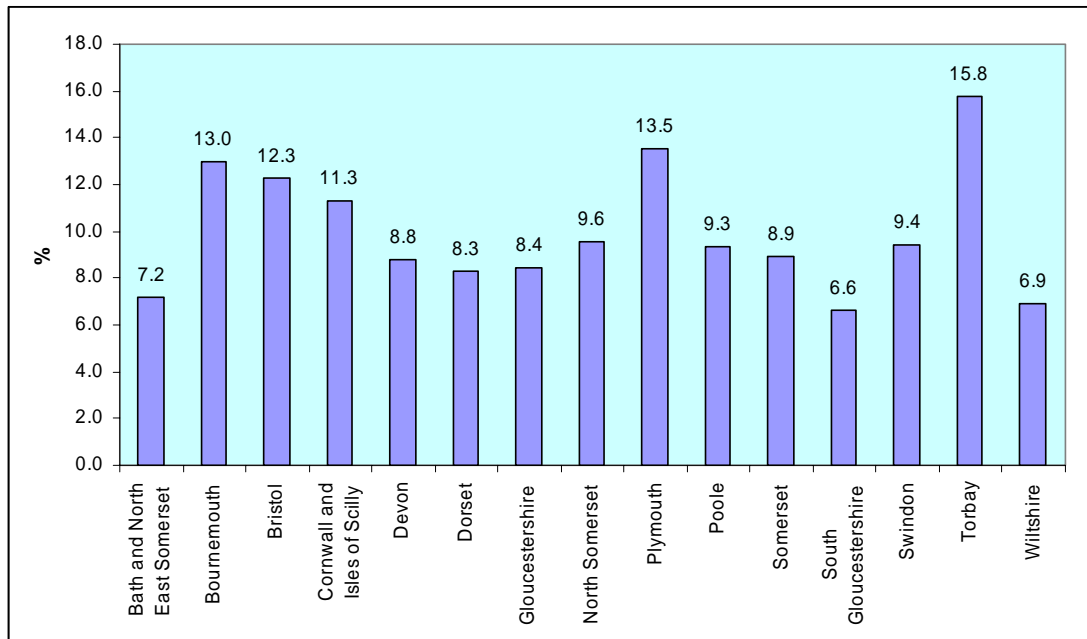
**Figure 23: Difference in numbers on work-related benefits in the South West 2001-2008**

	February 2001	February 2008	Difference 01- 08	SW % change 01-08	England change 01-08
JSA	58,730	41,740	-16990	<b>-28.9</b>	-19.4
Incapacity benefit	182,310	194,100	11790	<b>6.5</b>	1.4
Lone parents	57,060	45,740	-11320	<b>-19.8</b>	-15.3
Other income related	10,840	11,920	1080	<b>10.0</b>	-26.5
<b>Total</b>	<b>308,940</b>	<b>293,500</b>	<b>-15440</b>	<b>-5.0</b>	<b>-8.1</b>

Source: ONS WACG Feb 2008

Within the South West, Torbay and Plymouth have the highest proportions of working age benefit claimants, while South Gloucestershire, Wiltshire and Bath and North East Somerset have the least:

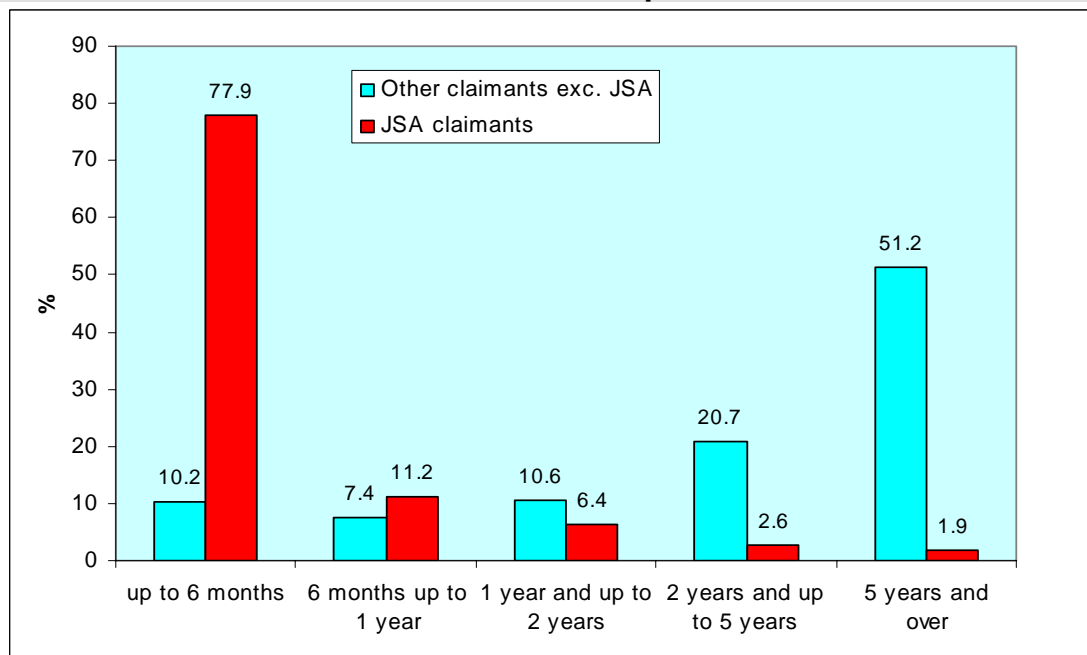
**Figure 24: Proportion of those on work-related benefits in the South West by UA/County (Feb 08)**



Source: ONS WACG Feb 2008

One of the critical differences between people Job-Seekers Allowance compared with those claiming other work-related benefits is the distance the two groups are from the labour market. More than half of benefit claimants (other than those claiming JSA) have been out of the labour market for more than five years. This suggests that many of these individuals will be poorly equipped for work and are likely to lack the up-to-date skills employers need. As the economy slows down and the labour market tightens, these people will find it even more difficult to find work.

**Figure 25: Duration of those on work-related benefits in the South West – JSA and other work-related benefit claimants compared**



Source: ONS WACG Feb 2008

## Implications

See *LSC (May 2007) Towards Skills for Jobs: 'What Works' in Tackling Worklessness? Rapid Review of Evidence*

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