

**EAST LINDSEY'S
INCAPACITY CLAIMANTS**

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Summary

East Lindsey has very large numbers of residents claiming incapacity benefits – 4,730 men and 2,980 women in February 2007, or nearly 10 per cent of all adults of working age. East Lindsey comes within the worst fifth of GB districts in terms of its IB claimant rate and by some margin has the highest rate in Lincolnshire.

This report is intended to identify the characteristics, aspirations and barriers to work of East Lindsey's incapacity claimants, and to help define the interventions most likely to assist them in re-engaging with the labour market. The East Lindsey report is one of a number of local case studies feeding into a wider national study of incapacity claimants.

The core of the report comprises the results of a survey of just over 300 incapacity claimants across the district. The survey was carried out in July and August 2007 and involved face-to-face interviews with a representative sample of claimants, in their own homes, using a highly structured questionnaire. The report also draws on comparisons with other survey areas.

The findings point to a stock of incapacity claimants that is often extremely detached from the labour market, and to many individuals who face formidable obstacles in moving towards employment. Around 40 per cent of all claimants have been out-of-work for more than ten years, and around 60 per cent have no formal qualifications. Ill health is widespread. Only one-in-four say they would like a job, now or in the future, and fewer than one-in-twenty are actively looking for work.

What appears to be happening is that in East Lindsey, and elsewhere, the incapacity claimant figures have become dominated by men and women who find it difficult to maintain a foothold in a competitive labour market – the less skilled, less healthy and (to some extent at least) the less motivated.

Within the stock of claimants, the potential target group for back-to-work initiatives is modest – perhaps 1,700 in total. These are the men and women who say they would like a job, or might like a job in future. They tend to be younger (typically 35-55) and have not had such long spells on benefit, though many still report considerable health problems. Many of this target group have quite specific thoughts on the help they would need to re-enter employment and the types of job they would like.

The report also reviews the 'absorption capability' of the local economy and concludes that with claimant unemployment at historically low levels it should be possible to begin to bring incapacity numbers down, especially if job growth in the local economy can be speeded up. However, the low level of wages at the bottom end of the local labour market – likely to be a disincentive to many on benefit – and competition from migrant workers are important obstacles.

1. CONTEXT

Purpose of the report

Incapacity claimants are the largest single group of non-employed, working age benefit claimants. Across Britain as a whole they outnumber the claimant unemployed by three-to-one and lone parents on Income Support by substantially more than two-to-one.

This report is one of a number of local case studies of incapacity benefit claimants being undertaken by Sheffield Hallam and Dundee Universities. The findings in East Lindsey form a key component of a wider national study of incapacity claimants, the results of which are expected to become available during 2008. The focus of the national study is the rising number of women claiming incapacity benefits, which has hitherto been little understood, but for comparative purposes the national study, and this local case study, also cover men.

The specific aims of the present case study report are to:

- Identify the characteristics, aspirations and barriers to employment of East Lindsey's incapacity benefit claimants
- Help define the interventions most likely to assist them in re-engaging with the labour market

The central component of the research is a survey of just over 300 incapacity claimants in East Lindsey. This is supplemented by a number of additional elements including an assessment of the 'absorption capability' of the East Lindsey economy and a number of in-depth follow-up interviews with claimants and key players.

East Lindsey's incapacity numbers

East Lindsey district in Lincolnshire, which covers the towns of Horncastle, Louth, Mablethorpe and Skegness and a number of smaller settlements, has a particularly high incapacity claimant rate. This is illustrated in Table 1.1, which shows the share of the working age population (16-64 for men, 16-59 for women) claiming incapacity benefits in August 2006. In East Lindsey the claimant rate is 9.8 per cent. In other words, one-in-ten of all adults of working age in the district are out of employment and claiming incapacity benefits.

In fact, as Table 1.1 shows, East Lindsey's incapacity claimant rate is not one of the very highest in the country. In a number of districts in South Wales, Scotland and northern England the claimant rate is several percentage points higher. East Lindsey actually ranks 65th on this indicator, out of just over 400 GB districts, placing it well within the worst 20 per cent. However, East Lindsey's incapacity claimant rate is markedly higher than in any other district in Lincolnshire – double the rate in North and South Kesteven for example. Moreover, the incapacity claimant rate in East Lindsey is far ahead of that recorded in some districts in southern England. Indeed, there are extensive parts of southern England where the incapacity claimant rate rarely exceeds 3-4 per cent. Previous research¹ has noted that the coastal strip within East Lindsey, including Skegness and Mablethorpe, has an especially high incapacity claimant rate.

The headline total of incapacity claimants in East Lindsey (and elsewhere) is made up of three groups:

- *Incapacity Benefit recipients.* These men and women make up around 60 per cent of the national total. Incapacity Benefit (IB) is not means-tested except for a small number of post-2001 claimants with significant pension income.
- *Incapacity claimants who fail to qualify for Incapacity Benefit itself because they have insufficient National Insurance credits.* The government counts these men and women as IB claimants, but most of these 'NI credits only' claimants actually receive means-tested Income Support, usually with a

¹ C Beatty, S Fothergill and R Powell (2006) *Coastal Proofing the Benefits System*, report to Lincolnshire CAZ, CRESR, Sheffield Hallam University.

disability premium. They account for a further 30 per cent of the national total, though a higher proportion of women than men.

- *Severe Disablement Allowance (SDA) recipients.* SDA is paid to pre-2001 claimants with a high level of disability and a poor NI contributions record. They account for the remaining 10 per cent. SDA is closed to new claimants.

These three groups make up the national total of 2.7m adults of working age claiming incapacity benefits, a figure now widely quoted in public debate.

Table 1.1 : Incapacity claimant rate, August 2006

	% of working age
TOP 10 GB DISTRICTS	
Merthyr Tydfil	19.0
Easington	18.9
Blaenau Gwent	17.9
Neath Port Talbot	16.3
Rhondda Cynon Taff	15.8
Caerphilly	15.5
Glasgow	15.2
Knowsley	14.3
Barrow in Furness	13.7
Inverclyde	13.5
LINCOLNSHIRE	
EAST LINDSEY	9.8
Boston	8.1
Lincoln	8.1
West Lindsey	6.5
South Holland	6.1
North Kesteven	4.8
South Kesteven	4.6
BOTTOM 5 GB DISTRICTS	
Elmbridge (Surrey)	2.8
Rutland	2.7
Surrey Heath	2.6
Wokingham (Berks)	2.4
Hart (Hampshire)	2.2

Sources : DWP, ONS

Two further points are worth noting here. First, in addition to the 2.7m working age incapacity claimants, some disability benefits – notably Disability Living Allowance - are also paid to men and women over pension age. The present study in East Lindsey, however, focuses solely on *claimants of working age*.

Second, in addition to the three core incapacity benefits noted above (IB itself, NI credits for incapacity and SDA) other benefits, including top-up disability benefits such as Disability Living Allowance, are often paid to incapacity claimants depending on their personal and household circumstances. A minority of IB claimants get by on Incapacity Benefit alone. The extent to which these additional benefits are claimed in East Lindsey is documented in the report.

In February 2007, 4,730 men of working age and 2,980 women of working age – a total of 7,710 people – were incapacity claimants in East Lindsey. This compares to a total working age population in the district of 77,500. The higher numbers of men claiming incapacity benefits partly reflects the fact that they remain eligible for longer: men move across onto state pension at 65, whereas women presently do so at 60. Large numbers of men in their early 60s are incapacity claimants, in East Lindsey and elsewhere. Among the under 60s, the number of women claiming incapacity benefits has gradually been converging with the number of men, and the national ratio is now only 52:48 in favour of men. The old-fashioned view that incapacity is primarily a ‘male’ issue is wide of the mark.

As Table 1.2 shows, the total number of incapacity claimants in East Lindsey climbed during the first half of the present decade, reaching a peak in 2005, since when the headline number has fallen back very slightly. These local trends are broadly in line with the national figures, which for the first time in three decades have fallen back very slightly since 2004.

One of the standard explanations for the high numbers on incapacity benefits in East Lindsey and other areas is that they reflect ‘hidden unemployment’. The argument here is that most jobless men and women are financially better off on Incapacity Benefit than they would be on Jobseeker’s Allowance, the main benefit for the unemployed, which is means-tested for everyone after six months and from day one for many others. Many older unemployed people, in particular, are also able to access incapacity benefits because of illness, injury or disability. The net effect is

Table 1.2 : Number of working age IB and SDA claimants in East Lindsey

	Men	Women	Total
2000	4,500	2,480	6,980
2001	4,690	2,640	7,330
2002	4,720	2,760	7,480
2003	4,780	2,910	7,690
2004	4,850	2,980	7,830
2005	4,840	3,000	7,840
2006	4,720	2,980	7,700
2007	4,730	2,980	7,710

Figures are for February each year

Source : DWP

that in areas where the labour market is difficult, many jobless men and women with health problems claim incapacity benefits rather than unemployment benefits.

The most recent attempt to estimate the scale of this form of hidden unemployment, by the present research team², suggests that in East Lindsey 2,100 men and 1,400 women who claim incapacity benefits might be regarded as 'hidden unemployed' in the sense that they would probably have been in work in a genuinely fully employed economy. This does not imply that their incapacity claims are fraudulent, because all the claims have to be authorised by medical practitioners and in practice an individual does not have to be incapable of all work in all circumstances. Nor do these estimates imply that the hidden unemployed on incapacity benefits are active job seekers. In fact, once on incapacity benefits many people give up looking for work and, as the survey results presented in this report show, the stock of claimants at whom back-to-work initiatives might usefully be targeted is quite a lot smaller than the estimated stock of hidden unemployed.

² C Beatty, S Fothergill, T Gore and R Powell (2007) *The Real Level of Unemployment 2007*, CRESR, Sheffield Hallam University.

The East Lindsey survey

The core of the present report comprises the results of a survey of East Lindsey's working age incapacity claimants.

The survey was carried out in July and August 2007. It was conducted face-to-face, in individuals' own homes, by professional interviewers, using a tightly structured questionnaire covering aspects of work history, skills, health, job aspirations, training needs, benefits and household circumstances. The questionnaire was an evolution of one that had previously been deployed by the research team in a number of localities.

The Department for Work and Pensions (DWP) supplied the names and addresses of the claimants to be interviewed, directly from its benefit records. This arrangement had been negotiated by the research team to facilitate the wider national study of incapacity claimants. The names and addresses were supplied in confidence, and the research team is not able to release them to East Lindsey DC or Lincolnshire CC. However, the research team is able to pass on the names and addresses of interviewees who expressed an interest in returning to work and who consented to their details being made available.

The names and addresses from DWP were for IB claimants (including NI credits only claimants) but excluded Severe Disablement Allowance claimants. This latter group is not self-evidently an appropriate target for back-to-work initiatives, bearing in mind the high level and long duration (often from childhood) of their disabilities.

The survey was structured to deliver 300 interviews in total: 100 with men and 200 with women (reflecting the focus of the ESRC-funded component of the study on women). In East Lindsey, the ratio between men and women claiming IB is actually 60:40 in favour of men, though this largely reflects the later age at which men move across onto state pension. Men and women's labour market experiences differ in important ways, and we present figures separately for them.

The individuals selected for interview were clustered in around 10 local areas on the basis of postcodes, spread randomly across the whole of the borough. The research team are confident that this has generated a geographically representative sample, and in particular has given good coverage of both the coastal strip and the rural

hinterland. The overall survey numbers are not however sufficiently large to allow individual areas to be distinguished in the analyses.

As a condition of the use of DWP information, potential interviewees were sent a letter prior to the start of the relevant phase of the survey giving them two weeks to opt out by contacting Sheffield Hallam University on a free phone line. The opt-out rate was just over 15 per cent. There were up to three call-backs at each targeted address. No contact was made in roughly a third of cases and there was a refusal rate of less than 5 per cent on the doorstep. The rates of opt-out, no contact and refusal are broadly typical of this type of survey research. The extent to which they may introduce bias to survey findings cannot be accurately assessed. However, comparison with DWP administrative data on age and duration on benefits suggests that the survey data is probably broadly representative of East Lindsey's IB claimants.

Checks have been carried out on the quality of the information gathered by the field force. These have included cross-checking with the data provided by DWP on the same individuals. Checks were also made on variability between interviewers, and for a subset of interviewees the survey information was back-checked by phone. There is good reason to be confident therefore in the quality of the survey returns.

In all, 312 useable interviews were completed in East Lindsey – 119 with men and 193 with women. Each interview typically lasted 20-30 minutes.

In addition to the survey, around ten in-depth follow-up interviews with claimants were carried out in East Lindsey by members of the Sheffield and Dundee teams. These were primarily intended to provide material for the wider national study and, with such small numbers in any one locality; it is not possible to carry out any formal analysis of the findings for case study areas. However, pen-portraits of some of the individuals interviewed in East Lindsey are included in the present report for illustrative purposes. In all cases the names have been changed to maintain confidentiality.

Finally, in-depth interviews were also carried out by the Dundee team with a small number of key players in the local labour market and benefits system, such as Jobcentre Plus, GPs and labour market intermediaries. Again, the small numbers

prevent formal analysis for a single area but material from these interviews in East Lindsey is included in the report.

Other survey areas

East Lindsey is one of eight case study areas in the wider national study of incapacity claimants. The others are:

- Barrow in Furness, in Cumbria (incapacity claimant rate = 13.6 per cent)
- Blackpool (13.1 per cent)
- Easington district, in Co Durham (18.8 per cent)
- Great Yarmouth, in Norfolk (9.5 per cent)
- Hull (9.1 per cent)
- Knowsley district, in Merseyside (14.2 per cent)
- Wansbeck district, in Northumberland (11.6 per cent)

In Easington and East Lindsey the sample was 300 (100 men, 200 women). In Blackpool, Great Yarmouth, Hull, Knowsley and Wansbeck the survey sample was 400 (200 men, 200 women). In Barrow the sample was markedly larger – 1000 (500 men, 500 women).

At various points in the present report, comparisons are presented between East Lindsey and these other survey areas.

Joyce, age 56

Joyce lives with her partner - who is in employment - and two grown-up children, one of whom is a nurse and the other on Incapacity Benefit. They live in owner-occupied accommodation with a mortgage.

Joyce was made redundant from her job managing a charity shop when the shop closed down. After being made redundant she worked at a large supermarket but she says arthritis in her knees and feet soon made her job untenable, as it involved being on her feet most of the time. She asked about a transfer to the checkouts but was told there were no vacancies. In the end she voluntarily left this job and claimed Jobseeker's Allowance for two months. At this point Jobcentre Plus recommended that she apply for Incapacity Benefit on the basis of her arthritis. She has been on IB for just under five years.

Joyce has been employed in retailing all her working life and would like to return to work in this sector. She regularly applies for jobs doing checkout work in local supermarkets but has never been offered an interview. She is unsure to what extent this is on the basis of her age and to what extent her ill health.

"Occasionally I look in the paper at the jobs and I sometimes look on the computer... I've applied countless times to ... our local supermarket ... when I've seen a job come up but I've never ever even got an interview. There again, whether or not it's your age I don't know".

Joyce does voluntary work in a charity shop for two half days per week because she does not like sitting around the house all day.

David, age 55

David has been claiming IB for just under six months. He lives in a house, rented through the local authority, with his son - who also claims IB for schizophrenia - and his son's girlfriend. She works full-time and both contribute to the household bills.

David worked as a self employed painter/decorator. He has been in this trade since he was 15 years old and had been contracted to the same company for many years. David says he was made redundant two years ago, without redundancy pay due to his self-employed status, and started claiming Jobseeker's Allowance whilst looking for more work. But he found nothing in the area.

Whilst claiming JSA, David noticed he was putting on weight and finding it more difficult to breathe. He went to the doctors and was diagnosed with a blockage on his lung, arthritis, diabetes, high blood pressure, high cholesterol and gout. Unable to find him work, Jobcentre Plus suggested to David that he apply for IB due to his inability to do the jobs available in the local area. He feels highly dissatisfied with Jobcentre Plus and thinks the motivation behind the decision of Jobcentre Plus to move him onto IB was to reduce the number of JSA claimants.

"It looks better for them if they get somebody off Jobseekers."

David wants to "get another job" but doesn't feel hopeful that the jobs in his locality are relevant to his skills, claiming they are mainly in retail and the care sector. In addition he does not own a car and says that public transport in the area is poor, thus limiting his ability to travel to work.

"They gave me two or three jobs to go for but they're out of town.... They just gave me a bus timetable.... That's no good is it, if you have to be at work at 7:30 in Skegness. I'd have to get two buses so I'd have to be up at 5 o'clock."

2. EAST LINDSEY'S STOCK OF INCAPACITY CLAIMANTS

Age and duration on benefits

The age of the incapacity claimants included in the East Lindsey survey is shown in Table 2.1.

Among both men and women, incapacity claimants in East Lindsey are skewed towards the older age groups. This is a well-established national pattern. 57 per cent of the male IB claimants in the East Lindsey survey were between 55 and 64. This group of older men was slightly over-represented in the survey - DWP administrative data that puts the proportion in East Lindsey between 55 and 64 at 51 per cent, compared to 38 per cent nationally. Women claiming IB are a slightly younger group, in part because they move across onto state pension at an earlier age. The small number of women over 60 who are claimants reflects detailed benefit rules that allow women who carry on working beyond 60 to claim IB for short periods.

Table 2.1 : Age of incapacity claimants

	Men (%)	Women (%)
16-24	3	3
25-34	7	13
35-44	16	19
45-54	16	39
55-59	23	24
60-64	34	3
	100	100

Source : Sheffield Hallam survey data

The average duration on incapacity benefits is substantial. Table 2.2 shows that just under a third of all claims by men in the survey had been for 10 years or more and a further third for between 5 and 10 years. Among women the proportion of long-term claimants is very nearly as large. Comparisons with DWP administrative data show that this group of long-term claimants is slightly over-represented in the survey – DWP figures for East Lindsey point to 55 per cent of men and 48 per cent of women as having been IB claimants for five years or more, compared to 52 and 48 per cent nationally. However, the point remains that a high proportion of East Lindsey’s IB claimants have been on this benefit for a very long time. One of the most telling statistics quoted by ministers is that after two years on Incapacity Benefit a person is more likely to retire or die than return to work. The very long duration of incapacity claims in East Lindsey would seem to bear this out.

Table 2.2 : Length of time on incapacity benefits

	Men (%)	Women (%)
Less than 6 months	3	2
6 months–1 year	5	8
1-2 years	10	9
2-5 years	20	27
5-10 years	33	26
10 years or more	29	28
	100	100

Source : Sheffield Hallam survey data

Origin of claimants

Table 2.3 deals with where IB claimants said they were living when their present claim started. This is important in the context of a district such as East Lindsey that includes a substantial coastal strip because there is a widely held view – though one not always based on statistical evidence – that a significant proportion of the benefit

claimants in seaside towns are from 'outside the area', and that this systematically inflates the claimant figures in these towns compared to other areas. The argument is that seaside towns attract claimants from elsewhere, partly because many people find them congenial places to live and partly because the plentiful availability of private rented accommodation (in former boarding houses for example, or sometimes even in caravans that effectively serve as all-year-round residences) that is well suited to the needs of some younger and single benefit claimants in particular.

Table 2.3 : Location when IB claim started

	Men (%)	Women (%)
East Lindsey	76	82
Rest of Lincolnshire*	1	1
Rest of East Midlands	8	4
Yorkshire	6	3
Rest of UK	4	7
Not specified	4	4
	100	100

*including N and NE Lincolnshire

Source : Sheffield Hallam survey data

The figures in Table 2.3 give some support to this idea. 76 per cent of the men surveyed, and 82 per cent of the women, were already living within East Lindsey when their present IB claim began. But that still leaves a significant minority whose claim started elsewhere, and most of these came from well beyond Lincolnshire, in particular from some of the industrial parts of Yorkshire and the East Midlands.

In all areas some re-location of IB claimants can be expected, so 100 per cent of claims are very unlikely to have started in the district where the claimant now lives. However, the comparable figure for two of the other survey areas – Wansbeck district in Northumberland and Easington district in Durham – is that 90 per cent of IB claims were initiated locally. In Great Yarmouth, another seaside town, the proportion was again lower at 83 per cent.

Qualifications

Table 2.4 shows selected qualifications held by East Lindsey's IB claimants. What needs to be kept in mind here is that many people have more than one qualification, and there are many different types of qualification. The striking figure is the share of IB claimants that have no formal qualifications at all – more than half of all men and women. There is clearly a large cohort among the claimants that, for lack of qualifications alone, is likely to be acutely disadvantaged in the labour market.

Table 2.4 : Selected qualifications

	Men (%)	Women (%)
Degree	0	2
'O' level/CSE/GCSE	20	30
NVQ/ONC/OND/HNC/HND	13	12
Craft apprenticeship	6	2
No formal qualifications	61	56

NB Columns do not add to 100 because some respondents have more than one qualification

Source : Sheffield Hallam survey data

The high proportion with no formal qualifications is especially striking because in recent years a group of older men and women with no formal qualifications, who mostly entered the labour market in the 1950s when qualifications were deemed less essential, have finally reached retirement age. As they have done so they have been replaced in the workforce by a younger generation of new workers with more education and training. As a result, across the country as a whole the share of working age adults with no formal qualifications has inexorably been falling.

East Lindsey's IB claimants are not unusual, however, in so often having no formal qualifications. Table 2.5 compares East Lindsey with the other survey areas. For both men and women, East Lindsey is actually in the 'better' half of this league table of IB claimants without formal qualifications.

Table 2.5 : Survey areas : IB claimants with no formal qualifications

	Men (%)		Women (%)
Knowsley	70	Easington	69
Blackpool	69	Hull	67
Easington	67	Blackpool	64
Hull	65	Knowsley	63
Wansbeck	62	Great Yarmouth	62
EAST LINDSEY	62	Wansbeck	57
Great Yarmouth	56	EAST LINDSEY	56
Barrow in Furness	53	Barrow in Furness	52

Source : Sheffield Hallam surveys

Work experience

Table 2.6 shows the length of time since IB claimants' last regular paid job.

Reflecting the long duration of many incapacity claims, in approaching 40 per cent of all cases it is 10 years or more since the individual was last in regular employment.

In so far as the employability of an individual declines with rising duration out of work (the conventional view among labour market economists) on average East Lindsey's stock of IB claimants faces formidable obstacles to re-employment on this indicator alone.

Table 2.6 : Length of time since last regular paid job

	Men (%)	Women (%)
Less than 6 months	1	1
6 months-1 year	4	7
1-2 years	9	8
2-5 years	16	20
5-10 years	26	25
10 years or more	38	36
Never had one	6	4
	100	100

Source : Sheffield Hallam survey data

Again, however, East Lindsey is not especially unusual in this respect. Table 2.7 shows the share of IB claimants whose last regular paid job was 10 years or more ago in each of the eight survey areas. East Lindsey is towards the lower end of this league table, for both men and women.

Table 2.7 : Survey areas : IB claimants whose last regular paid job was 10 or more years ago

	Men (%)		Women (%)
Easington	55	Easington	49
Knowsley	48	Barrow in Furness	47
Barrow in Furness	46	Wansbeck	44
Wansbeck	45	Knowsley	37
Great Yarmouth	40	EAST LINDSEY	36
Blackpool	38	Great Yarmouth	36
EAST LINDSEY	38	Blackpool	34
Hull	37	Hull	31

Source : Sheffield Hallam surveys

Table 2.8 shows the occupational background of East Lindsey's IB claimants. These statistics are based on what these men and women called their 'usual occupation' and the various jobs have been grouped into four broad categories. Manual workers dominate – they account for 83 per cent of men and 75 per cent of women. The 'other manual' category includes plant and machine operatives, shop work, labouring, and routine personal services. This category alone accounts for half the men and 70 per cent of the women claiming IB. Professionals account for very few IB claimants – in East Lindsey or elsewhere in Britain.

Table 2.8 : Occupational background

	Men (%)	Women (%)
Professional	2	2
Other white-collar	15	23
Skilled manual	32	5
Other manual	51	70
	100	100

Source : Sheffield Hallam survey data

Table 2.9 lists some typical occupations of East Lindsey's IB claimants. There are few surprises here, though there is little overlap between the occupations previously undertaken by men and women. The ten occupations listed in this table for men account for between two fifths and half of all East Lindsey's male IB claimants. In contrast, the ten occupations listed for women account for around three fifths of all East Lindsey's female IB claimants.

Table 2.9 : Some typical occupations

Men	Women
Farm worker	Nurse
Miner	Factory operative
Joiner	Carer/care assistant
Builder	Shop assistant
Security guard	Chef/ Kitchen assistant
Painter and decorator	Barmaid
Factory operative	Cleaner
HGV driver	Café assistant
Arcade worker	Secretary/Admin
Machinist	Accounts

Source : Sheffield Hallam survey data

Table 2.10 shows that men were more likely than women to have been working full-time – no surprise perhaps, given what has always been known about women's working patterns. Only 4 per cent of men and women were self-employed.

Table 2.10 : Status in last job

	Men (%)	Women (%)
Employee – full-time	92	74
Employee – part-time	4	22
Self-employed	4	4
	100	100

Source : Sheffield Hallam survey data

Despite the lengthy periods on incapacity benefits, many IB claimants do have a record of substantial, continuous employment. This is illustrated by Table 2.11, which shows the length of time in claimants' last job. Nearly half of all male IB claimants, and nearly a quarter of the women, spent 20 years or more in their last job.

Table 2.11 : Length of time in last job

	Men (%)	Women (%)
Less than 2 years	13	24
2-5 years	13	17
5-10 years	13	21
10-20 years	16	16
20 years or more	46	22
	100	100

Source : Sheffield Hallam survey data

Reasons for job loss

The reasons why individuals leave a job can be complex. Sometimes there is a single, clear-cut cause. On other occasions job loss is the result of the interaction of a number of factors – for example cuts in a firm's workforce combined with personal ill health, domestic responsibilities and maybe even a bullying or unsympathetic boss. The survey asked men and women to identify the *principal* reason for leaving their last regular paid job. Table 2.12 shows the responses.

A striking feature here is the importance of illness or disability as the trigger of job loss. This was cited by 85 per cent of men and 72 per cent of women. That still leaves a significant proportion of claimants for whom other factors were the primary reason. Compulsory severance, for example, is cited as the primary reason by around one-in-ten. Among women, leaving to have a baby accounts for 9 per cent of job loss and other caring responsibilities for a further 5 per cent.

Table 2.12 : Principal reason for job loss

	Men (%)	Women (%)
Compulsory severance*	11	9
Voluntary – redundancy/retirement	2	1
Voluntary – pregnancy/baby	0	9
Voluntary – to look after children/others	2	5
Voluntary – other reasons	0	2
Illness or injury	85	72
Other	1	2
	100	100

*compulsory redundancy, dismissal, end of contract

Source : Sheffield Hallam survey data

Table 2.13 compares East Lindsey with the other survey areas in terms of the share of men and women for whom ill health, injury or disability were not the primary reason for job loss. East Lindsey is actually at the bottom of both lists, meaning in effect that IB claimants in the district are more likely to cite ill health or injury as the prime cause of job loss than IB claimants elsewhere.

Table 2.13 : Survey areas : IB claimants for whom ill health, injury or disability was not the main reason for job loss

	Men (%)		Women (%)
Easington	48	Knowsley	38
Knowsley	33	Wansbeck	34
Wansbeck	30	Easington	34
Blackpool	26	Hull	29
Great Yarmouth	23	Blackpool	29
Barrow in Furness	23	Great Yarmouth	29
Hull	21	Barrow in Furness	27
EAST LINDSEY	16	EAST LINDSEY	27

Source : Sheffield Hallam surveys

Health issues

Table 2.14 looks at the nature of individuals' health problems. Although this data refers to the men and women who were surveyed, it comes directly from DWP's records. The illnesses and disabilities reported in this table are doctors' official assessment of the nature of claimants' health problems and the medical basis of their incapacity claims.

Table 2.14 : Nature of ill health or disability

	Men (%)	Women (%)
Musculoskeletal	28	31
Mental, behavioural	22	28
Circulation	11	3
Nervous system	9	11
Injury, poisoning	5	3
Respiratory	3	5
All other	22	19
	100	100

Source : DWP

Two categories dominate: musculoskeletal and mental/behavioural problems. They account for half of all men and three-in-five of all women. Both categories are in practice very broad. Musculoskeletal problems can be characterised as 'bad backs' as well as more serious physiological constraints on movement. Mental/behavioural problems can be characterised as including stress and depression as well as more obviously serious psychological conditions, and include drug and alcohol addiction. Women are more likely than men to claim incapacity benefits because of either of these problems. Men are more likely to claim because of circulatory problems – typically heart attacks or heart conditions. What is unusual in the East Lindsey figures is that mental and behavioural problems do not

make up the single largest category, which is the case nationally and in several of the other survey areas.

It is important to note here that many of these reported conditions would not necessarily mean that an individual was incapable of all work in all circumstances: this depends on the precise nature of the condition and its severity. The Personal Capability Assessment, which most claimants have to go through after 6-9 months to maintain an incapacity claim, assesses the ability to undertake a number of basic tasks, not whether it is impossible to do any work at all. If the individual scores sufficiently highly (ie if they have a reasonably high level of physical or mental impairment) the incapacity claim is allowed. National data from the Labour Force Survey shows that between 6 and 7 million adults of working age report a 'long-term work-limiting illness or disability'. Of these, around half are in employment.

Table 2.15 shows claimants' own assessment of the influence of health on their ability to work. A degree of self-reported health limitation is nearly universal – less than one per cent of all claimants say there is no limitation on the work they can do. Also, relatively few report only modest limitations. On the other hand only one-in-eight say they 'can't do any work'. These proportions are not unusual.

Table 2.15 : Self-assessment of influence of health on ability to work

	Men (%)	Women (%)
'Can't do any work'	12	12
'A lot' of limitation	77	73
Some limitation	11	14
No limitation	0	1
Don't know	0	1
	100	100

Source : Sheffield Hallam survey data

Table 2.16 presents claimant's own expectations about their health or disabilities. Optimism is not the norm: between half and two thirds of all men and of all women expect their problems to worsen. Few expect them to ease.

Table 2.16 : Expectations about current health problems/disabilities

	Men (%)	Women (%)
Get better	8	4
Stay much the same	17	12
Fluctuate	13	14
Get worse	56	63
Don't know	6	7
	100	100

Source : Sheffield Hallam survey data

In East Lindsey, only 15 per cent of men claiming IB and 16 per cent of women say they have taken part in any rehabilitation programmes. For those who have taken part in such programmes, Table 2.17 presents their assessment of the impact. This provides mixed reading: half of the men (9 out of 18 in the survey who had been on rehabilitation programmes) and nearly a third of the women (9 out of 31) reported that the programme 'helped a lot' or 'helped a little'. On the other hand, half the men and women felt that the programmes had not helped at all or made things worse.

Table 2.17 : Impact of rehabilitation programmes

	Men (%)	Women (%)
Helped a lot	0	3
Helped a little	50	26
Too early to tell	0	10
Not sure	0	6
Not at all	33	48
Made things worse	17	6
	100	100

Source : Sheffield Hallam survey data

Job aspirations

Table 2.18 is particularly significant. It combines the results of several survey questions.

The first line presents the responses to the question ‘would you like a job?’ The important finding here is that the proportion of East Lindsey’s IB claimants saying they would like a job is low – just under one-in-four men and one-in-five women. East Lindsey’s IB claimants are, it would appear, a largely de-motivated group with few aspirations to work.

Table 2.18 : Job aspirations

	Men (%)	Women (%)
Would like a job	24	19
Might like a job further into future	1	9
Looked after last job ended	19	10
Looking now	5	1
Thinks there’s a realistic chance of ever getting one	2	1

Source : Sheffield Hallam survey data

On a more positive note, the second line of Table 2.18 shows the additional claimants who said that they might like a job further into the future. Combined with those saying ‘would like a job’ in the first line of the table, this brings the pool of potential jobseekers up to 25 per cent of male IB claimants and 28 per cent of female IB claimants.

The third line in the table shows the proportion that looked for work after their last job ended. Among both men and women this was not large, though about a fifth of men and one-in-ten women fall into this group. These individuals were clearly not resigned, at least at the outset, to a life on incapacity benefits.

The fourth line shows the proportion who say they are presently looking for work. This is almost negligible for both men and women. It should be noted here that unlike Jobseeker's Allowance for the unemployed, Incapacity Benefit does not require the claimant to look for work, and most do not do so. Indeed, there are often fears among IB claimants that to be seen to look for work would bring their status as an IB claimant into question. Employment and Support Allowance, which will replace Incapacity Benefit for new claimants from October 2008, will for the first time introduce an element of conditionality, but this will be to undertake activities to 'prepare for work', which may be rehabilitation, re-training or voluntary work as well as job search.

The fifth and final line of the table refers to those who are presently looking for work and think there's a realistic chance of getting a job. The figures show that pessimism is widespread.

East Lindsey's IB claimants come across in these figures as a group largely some distance from the labour market. A comparison with other survey areas, in Table 2.19, indicates that East Lindsey's claimants are not unusual in this respect. The figures in this table show the share of claimants who say they would like a job or might like a job further into the future. East Lindsey sits near the middle of this list, for both men and women.

Table 2.19 : Survey areas : IB claimants who would like a job now or in the future

	Men (%)		Women (%)
Easington	40	Easington	34
Great Yarmouth	27	Barrow in Furness	32
Barrow in Furness	27	EAST LINDSEY	28
EAST LINDSEY	25	Great Yarmouth	28
Hull	23	Knowsley	27
Knowsley	20	Blackpool	27
Blackpool	19	Hull	25
Wansbeck	17	Wansbeck	24

Source : Sheffield Hallam surveys

Table 2.20 shows the main reasons East Lindsey’s IB claimants give for not wanting a job. Poor health dominates the responses. This is not unusual – surveys in other localities also highlight the overwhelming importance of ill health or disability in the way that claimants define their detachment from the labour market.

Table 2.20 : Main reasons for not wanting a job

	Men (%)	Women (%)
Health not good enough	77	82
Too much uncertainty	11	8
Decided to retire permanently	9	5
No suitable jobs	4	3
Family responsibilities (ex childcare)	1	3
Would be no better off	1	1
Don't need money	1	0
Children to look after	0	3

NB columns do not add to 100 because some people give more than one reason

Source : Sheffield Hallam survey data

Government initiatives

The government’s flagship initiative to assist IB claimants, Pathways to Work, has only just been introduced to East Lindsey at the end of 2007, though some of the men and women whose claim began elsewhere in the country may already have had contact with the programme. All new IB claimants (with some specified exceptions) will have to pass through Pathways during their first 6-9 months. This involves work-focussed interviews and claimants may be routed on to training or rehabilitation schemes. Existing claimants can volunteer for Pathways.

New Deal for Disabled People (NDDP) has been around longer, since the beginning of the decade, but engagement is entirely voluntary. NDDP also provides access to training and rehabilitation.

Table 2.21 : Contact with Pathways to Work or New Deal for Disabled People

	Men (%)	Women (%)
Yes – compulsory	8	6
Yes – volunteered	2	2
Yes – don't know	1	0
No	87	91
Don't know/not sure	3	2
	100	100

Source : Sheffield Hallam survey data

In view of the late introduction of the Pathways programme to East Lindsey, Table 2.21 shows unsurprisingly that only a small minority of the area's IB claimants have had contact with either of these government initiatives, and mostly this is likely to have been with New Deal for Disabled People, which makes the proportion who describe this contact as 'compulsory' a little surprising. Table 2.22 compares East Lindsey with the other survey areas in terms of contact with Pathways to Work or NDDP. Bearing in mind the late introduction of Pathways, the district comes some way behind places such as Barrow and Blackpool where Pathways has been operating for 2-3 years.

Table 2.22 : Survey areas : contact with Pathways to Work or New Deal for Disabled People

	Men (%)		Women (%)
Barrow in Furness	15	Easington	14
Blackpool	13	Barrow in Furness	14
EAST LINDSEY	11	Blackpool	13
Hull	10	Knowsley	12
Easington	9	Hull	9
Great Yarmouth	7	EAST LINDSEY	7
Knowsley	7	Wansbeck	7
Wansbeck	6	Great Yarmouth	4

Source : Sheffield Hallam surveys

Sources of income

Incapacity Benefit is not generous. The standard, long-term rate, which will apply to the majority of claimants in East Lindsey, is just over £80 a week. However, many IB claimants receive further top-up benefits, and IB is rarely the sole source of household income.

Table 2.23 shows the benefits currently being received by East Lindsey's IB claimants. Incapacity Benefit itself is not received by everyone: the IB claimants who have insufficient NI credits will usually receive Income Support. In addition, some IB recipients also receive Income Support as a top-up, depending on household circumstances. Disability Living Allowance, which is paid at a number of rates according to the extent of disability and is in theory meant to offset additional costs, is also claimed by more than half of all IB claimants. Council Tax Benefit and Housing Benefit (both paid on the basis of household circumstances) are widely claimed as well.

Table 2.23 : Benefits currently received

	Men (%)	Women (%)
Incapacity Benefit	85	73
Council Tax Benefit	57	50
Disability Living Allowance	51	65
Housing Benefit	40	40
Income Support	26	38
Disablement/Industrial Injuries	4	5
Other benefits (ex Child Benefit)	8	6

Source : Sheffield Hallam survey data

Table 2.24 looks at other sources of financial support. Again, these are varied. Only a very small proportion of IB claimants say they undertake any temporary or casual paid work. The responses to this question are probably honest, given the openness of interviewees about so many other aspects of their financial affairs. Just over a

quarter of male IB claimants have income from a pension, though far fewer women do so. For both men and women, this income will be from personal and company pensions, not state pension. A partner's income can also be an important source of financial support, and this may be income from employment, benefits or a pension. Women are slightly more likely to have a partner in work; men are more likely to have a partner claiming benefit.

Table 2.24 : Other sources of financial support

	Men (%)	Women (%)
Temp/casual paid work	1	1
Pension income	27	9
Partner in work	18	21
Partner claiming benefit	31	18
Partner with pension income	12	9
Other personal income	1	1

NB an individual may have several sources of income

Source : Sheffield Hallam survey data

Household circumstances

The final two tables in this part of the report deal with the wider household circumstances of East Lindsey's IB claimants.

Table 2.25 shows that about 70 per cent of the men and 50 per cent of the women who claim IB are living with a partner (as a married or unmarried couple), though only a minority of these couples have dependent children (under-16s). The preponderance of couples without dependent children is no doubt a reflection of the age of many IB claimants. Among women, lone parents with under-16s account for 8 per cent of the total. A sizeable minority of both men and women on IB live alone.

The stock of IB claimants: an assessment

Taken as a whole, the survey data paints a picture of East Lindsey's IB claimants that is inauspicious for back-to-work initiatives. The obstacles in the way of moving claimants into employment are formidable. The key points in this respect are:

- The very long duration of many incapacity claims
- The high proportion of claimants who have no formal qualifications
- The predominantly low-skill manual experience of so many claimants
- The prominence of ill health, as a cause of job loss and as a reason for not wanting a job, and the pessimism of so many claimants about their health prospects
- The low proportion who say they would like a job
- The even lower proportion who are presently looking for work

There is no comparable data for East Lindsey's IB claimants at earlier points in time. However, comparisons between the new figures for East Lindsey and the results of broadly comparable surveys carried out in other localities in the late 1990s³ suggest that through time the male IB claimant group, in particular, may have actually become substantially more disengaged from the labour market and will now be far harder to move back towards employment.

Knitting these observations together into a coherent narrative to explain what has happened is inevitably somewhat subjective. The starting point is probably the underlying weakness of the local economy over at least the last thirty years.

In East Lindsey's case this weakness has multiple causes. One is the pattern of change in the UK holiday trade, which has disadvantaged a number of seaside resorts, including Skegness. A second factor is the long decline in agricultural

³ See P Alcock, C Beatty, S Fothergill, R Macmillan and S Yeandle (2003) *Work to Welfare: how men become detached from the labour market*, CUP, Cambridge.

employment. A third is the remoteness of the district from the motorway network, which makes it difficult to attract mobile investment projects. A fourth is the absence of big public sector employers such as universities and teaching hospitals that in recent years have underpinned job growth in the cities. Finally, without a major retail centre the district has missed out on some of the growth generated by consumer spending. East Lindsey's local economy is far from moribund, and the local seaside tourist trade has displayed surprising resilience, but its overall prosperity falls well short of the level that is normal in much of southern England or indeed some other parts of Lincolnshire.

In these circumstances there have never been quite enough jobs – especially reasonably well-paid jobs – to go around. With a continuing imbalance in the East Lindsey labour market, with the local demand for labour still running behind the potential local labour supply, it is therefore inevitable that some individuals are squeezed out. In a competitive labour market it is those who are least able, or least willing, to keep a foothold in the local labour market that will nearly always be marginalized. These are typically the poorly-qualified, low-skill manual worker in poor health, whose alternative would at best be unrewarding work at or close to the national minimum wage. Indeed, for some of these disadvantaged individuals ill health or disability may provide an exit strategy from a difficult labour market predicament.

For the men and women excluded from employment in this way, Incapacity Benefit offers a more satisfactory way forward than Jobseeker's Allowance. In most circumstances Incapacity Benefit is more generous, and there is no requirement to look for work – work that anyway may be unattractive, low-paid and (bearing in mind issues of age, health and poor qualifications) difficult to obtain. Those who are excluded from employment and have health problems or disabilities will almost always therefore claim IB in preference to JSA.

Added to this there is the impact of the in-migration of men and women who are already claiming Incapacity Benefit. At least some claimants see seaside towns like Skegness as better places to live than the cities, industrial towns or rural areas where their benefit claims began. Their numbers are not huge, but they push East Lindsey's IB claimant rate still higher. On the basis of the survey evidence, this factor alone is probably worth a full percentage point on the district's incapacity claimant rate.

Finally, the effect of lengthening durations on incapacity benefits is by itself likely to have sapped the enthusiasm of many to re-engage with the labour market. Long-term IB claimants will in many cases have adjusted their lifestyle and aspirations to fit with the diminished job opportunities they perceive as available to them, lowering their standards of consumption to fit with on-going benefit dependency. Their 'fitness to work' may also decline as dependency sets in and disabilities worsen with age. An initial willingness to consider new employment is thus gradually replaced by a complete detachment from the world of work, rationalised in terms of largely insurmountable health obstacles.

This is of course a caricature of what seems to have happened in East Lindsey. However it would explain several of the key observations from the survey, in particular the very high concentration of disadvantaged workers on IB, the very low share who would like to work, and the prominence of ill health in the way that many men and women now define their relationship to the labour market.

Alice, age 49

Alice has been on Incapacity Benefit for over five years. Prior to claiming IB, she worked as a senior manager in a residential care home. She says she had to leave her job because of a bad back, which has gradually got worse with age as the result of a childhood injury. She now lives with chronic pain, which gets worse with walking too far or sitting still for long.

Alice lives with her husband - who is currently unemployed - and one of their five children. They rent their home from a housing association. Her husband was a gardener and claimed Incapacity Benefit for a period before being declared fit again for work. As a couple they also receive Income Support.

For financial reasons, Alice would like to work but is unsure what she would be able to do given her back pain. She enrolled on a Learn Direct course in IT but abandoned this because she could not sit at a computer for any length of time.

Alice retains a strong work ethic and is consequently frustrated by her incapacity.

"I mean, we'd worked since we were teenagers the two of us, so we didn't know anything about benefits."

Though Alice has not looked for work since moving onto Incapacity Benefit, she and her husband have looked into starting their own business with the support of their grown-up sons but have been unable to raise finance to get it off the ground due to a combination of their poor health and lack of savings.

"There's no way either of the two of us could actually go back to work for employers, you know. It would have to be something that we could actually run ourselves, which the lads could come in and take over if any of the two of us are ill."

Chris, age 31

Chris has never had paid employment.

He lives in a house with his parents and sister. His parents have a mortgage and he contributes rent, but not to the bills. He has been claiming Incapacity Benefit for three or four years since he was diagnosed with diabetic neuropathy. His sister and his mother suffer from diabetes as well; his mother also claims IB because of the condition. His sister and father both work full time.

Chris left school with qualifications and says he wanted to work as a computer technician. However, he found no employment in his local area so began claiming Jobseeker's Allowance. He initially hoped to find work in the technical hardware side of computing but feels in hindsight that a more office based, software/programming role may have been more appropriate.

Whilst claiming JSA, Chris says he noticed a deterioration in health so he went to the doctors who suggested he looked into his benefit entitlements following his diagnosis. He has since looked for jobs but found nothing appropriate. Chris has completed level one City and Guilds IT course and is hoping to enrol on Level 2 later this year. He says that he lacks confidence in his abilities and feels that this training will help him to make the first step back into work.

Chris hasn't visited the Jobcentre for a long time and has had infrequent correspondence from Jobcentre Plus. He has noticed a marked difference in the level of correspondence he received whilst on JSA and the level he now receives claiming IB.

Chris thinks it is "surprisingly easy to get on Incapacity Benefit". He is surprised at the infrequency of medical checks and he feels there is little rigour in the process.

3. THE TARGET GROUP FOR BACK-TO-WORK INITIATIVES

Size of the group

There is little point in targeting back-to-work initiatives at incapacity claimants who do not want to work and, as the survey data shows, a very substantial proportion of East Lindsey's claimants say they have no interest in returning to work. In the absence of compulsion, which is neither available now nor planned by the government, at least for existing IB claimants, these particular claimants will only pass out of the incapacity figures when they retire or die.

The target group that is potentially of interest to back-to-work initiatives is made up of:

- Those who say they would like a job
- Those who say they might like a job further into the future

The present analysis explores characteristic of this 'target group'. The figures in this section do however need to be treated with caution because they are based on a relatively small sub-set of the survey respondents – in most tables on just 30 men and 54 women. They do however give important indications of magnitude and overall trends.

Table 3.1 shows the estimated size of the target group for back-to-work initiatives in East Lindsey, based on the survey findings. Overall, the group is estimated to comprise 1,040 men and 720 women – or rather more than 1,700 individuals in total. This represents just over a quarter of the stock of incapacity claimants in the district. These figures are however a snapshot at one point in time: there is continuous if slow turnover in the stock of IB claimants. Over a two year period, say, the through-put of

Table 3.1 : Estimated size of target group for back-to-work initiatives in East Lindsey

	Men	Women	Total
IB claimants, February 2007*	4,130	2,560	6,690
Would like a job now or might like one in the future	25%	28%	27%
Target group	1,040	720	1,760

*excludes SDA claimants

Source : DWP and authors' estimates based on Sheffield Hallam survey data

IB claimants who might be expected to return to work, and thereby offer a potential target for back-to-work initiatives, may be nearer 2,500.

Table 3.2 shows the age breakdown of this target group, again based on the survey findings. Whereas over half the men on IB and a quarter of the women are over 55 (see Table 2.1 earlier) the target group is somewhat younger: around half are in the 35-54 age brackets. These are men and women who are still a long way off state pension age and have clearly not yet given up hope of working.

Table 3.2 : Age of target group

	Men estimated no.	Women estimated no.
16-24	70	50
25-34	210	170
35-44	280	120
45-54	240	250
55-59	140	110
60-64	100	10
	1,040	720

Sources : Sheffield Hallam survey data and authors' estimates

Personal characteristics of the target group

Table 3.3 looks at the duration of incapacity claims and expresses the target group as a share of all IB claimants in each category. This reveals a strong but unsurprising pattern: the men and women who have the shortest claims are the most likely to express interest in returning to work. Half of those with claims of less than two years are potential jobseekers. The likelihood of wanting to work declines steadily thereafter but never entirely disappears: even a modest proportion of the 10 years-plus claimants do still express an interest in working.

Table 3.3 : Target group by duration on incapacity benefits

	% who would/might like a job	
	Men	Women
Up to 2 years	52	50
2-5 years	25	35
5-10 years	21	16
10 years or more	14	18

Source : Sheffield Hallam survey data

Table 3.4, which deals with the length of time since the claimant's last regular job, shows a somewhat similar pattern though here the figures are expressed as a percentage of the overall target group. A third of the target group among men, for example, have been out of work for less than two years. However, the table also shows that quite a number of men and women expressing an interest in working have been out of work for a very long time.

Table 3.4 : Target group – length of time since last regular paid job

	Men (%)	Women (%)
Less than 2 years	33	26
2-5 years	17	37
5-10 years	17	15
10 years or more	27	19
Never had one	7	4
	100	100

Source : Sheffield Hallam survey data

Table 3.5 presents figures on selected qualifications. Overall, the men and women who express interest in working are slightly better qualified than the incapacity claimant group as a whole (see Table 2.4 earlier) but two-fifths still have no formal qualifications.

Table 3.5 : Target group – selected qualifications

	Men (%)	Women (%)
Degree	0	0
'O' level/CSE/GCSE	27	33
NVQ/ONC/OND/HNC/HND	27	20
Craft apprenticeship	3	0
No formal qualifications	40	43

NB Columns do not add to 100 because respondent may have more than one qualification

Source : Sheffield Hallam survey data

In terms of health, shown in Table 3.6, mental/behavioural problems are more typical of the target group than of East Lindsey's IB claimants as a whole. The likelihood here is that many of the individuals in this category are affected by stress and/or depression. At one level this should offer encouragement to back-to-work initiatives since these difficulties need not always be an insurmountable obstacle to employment. At another level, the prominence of mental/behavioural problems is a signal to tread carefully and sensitively.

Table 3.6 : Target group – nature of ill health or disability

	Men (%)	Women (%)
Mental, behavioural	37	28
Musculoskeletal	13	35
Nervous system	13	13
Injury, poisoning	10	4
All other	27	20
	100	100

Source : DWP and Sheffield Hallam survey data

Job aspirations

Table 3.7 presents a range of information regarding the job aspirations of those who say they would like a job.

The first part of the table concerns full and part-time working. It comes as no surprise that more than half of the women are only interested in part-time working, given the domestic responsibilities that so many women carry. That two-fifths of the men would consider part-time work is a more novel observation. The preference for (or willingness to accept) part-time working may partly reflect the interplay of poor health and long periods out of the labour market. Many men and women on incapacity benefits are genuinely uncertain about their ability to hold down a full-time job. They fear for the robustness of their own physical or mental health. They are also wary of taking on full-time work commitments knowing that their on-going health problems may require them to take time off, especially to cope with conditions that they know tend to fluctuate.

Table 3.7 : Aspirations of those who would like a job*

	Men (%)	Women (%)
Would like - full-time job only	59	31
- part-time job only	38	58
- full or part-time job	3	11
To start - now/fairly soon	17	14
- sometime over next year	3	6
- further into future	3	14
- not sure	76	67
Type of work - usual/previous occupation	28	36
- other occupation	31	33
- anything	7	8
- don't know	34	22
Where – only in this town/local area	69	89
- here or elsewhere in East Lindsey	3	0
- here/East Lindsey/neighbouring areas	3	0
- anywhere	24	11

*excludes those saying only 'might like job further into future'

Source : Sheffield Hallam survey data

The second part of the table deals with when they might like to start work. The significant point here is that only a small minority are keen to start fairly soon. Many are uncertain about when they would be willing or able to start work.

The third part of the table concerns the type of work they would like. The important observation is that only around one in three would like to return to their old occupation. A third have an alternative occupation in mind. What is also notable is that a sizeable minority are either completely open-minded about what they might do or don't know at all.

The final part of the table deals with where these men and women are willing to work. There is an important difference here between men and women, with men showing greater willingness to look further afield. However, given the very large area covered by East Lindsey district it perhaps comes as no surprise that a clear majority of both men and women would only be interested in a job in their home town or in the immediate local area. Skegness residents would only be interested in jobs in and

around Skegness; Horncastle residents in jobs in and around Horncastle. This may appear parochial, but given the large distances involved (Skegness to Lincoln for example, the nearest major employment centre, takes an hour by car) and the limited public transport across parts of the district, a focus on local jobs is often entirely rational.

The survey asked IB claimants whether they had access to a car. 53 per cent of the men who expressed interest in working, and 59 per cent of the women, had a car or van available to the household but only 47 per cent of the men and 46 per cent of the women said that a vehicle would be available for them to travel to work.

Table 3.8 lists the alternative occupations mentioned by those who said they would like a job. The occupations are presented in no particular order here, and several were cited by more than one person. Some men and women also mentioned up to two alternatives for themselves. The diversity of the list is striking. So too is the highly specific aspirations of at least some individuals.

Table 3.8 : Alternative occupations cited by those who would like a job

Men	Women
Farm work	Shop work
Security guard	Social work
Gardener	Childcare
Motor trade	Carer
Driver	Office/Admin work
Office/Admin work	Hairdresser
Dietitian	Cleaner
Computer software	Card making

Source : Sheffield Hallam survey data

Table 3.9 presents the responses to the question ‘Roughly how much do you think you would need to earn, after tax, to make it worthwhile coming off benefit?’ This was asked only of those who said they would definitely like a job. There are two significant observations here. The first is that quite a number of men and women simply don’t know. This is not entirely surprising, given the complexity of the tax credit system and the various in-work benefits that are available as well as the

Table 3.9 : After-tax earnings needed to come off benefit

	Men (%)	Women (%)
Less than £200 pw	17	17
£200-249 pw	7	14
£250-299 pw	17	8
£300 pw or more	41	29
Don't know	17	34
	100	100

Source : Sheffield Hallam survey data

equally complex issue of potential reductions in subsidiary benefits, from Housing benefit to free school meals. The 'don't knows' may also reflect a lack of thought on this issue by some men and women for whom a job still seems a remote prospect.

The other significant observation is that the required wage level is often quite high. This does not apply to everyone - there are some who would happily settle for less than £200 per week – but there are far more who say they would need at least £300 a week, and this figure is after tax. To put these numbers into context, a full-time job at the national minimum wage might typically result in a post-tax income of £170-180 a week. To earn £300 a week after tax might typically require an annual pre-tax income of approaching £20,000 a year. On the other hand, a high proportion of IB claimants, including those who say they would like a job, have no formal qualifications. There must be a serious question about whether, in a difficult labour market such as East Lindsey, these wage aspirations can be met.

Obstacles to employment

Table 3.10 lists the obstacles to finding work cited by those who say they would like a job or might like a job in future. Ill health, injury or disability dominates this list, a long way ahead of a shortage of suitable jobs.

Table 3.10 : Obstacles to finding work

	Men (%)	Women (%)
Ill health, injury, disability	96	98
Not enough suitable jobs	15	11
Age	11	11
Difficult to get to work	11	2
Lack of confidence	4	6
Qualifications, skills, experience	4	4
Caring responsibilities (ex childcare)	4	4
Childcare arrangements	4	2
Lack of advice on benefits/options	4	2
Other various obstacles	11	2
None	0	2

NB individuals could cite more than one obstacle so columns do not add to 100

Source : Sheffield Hallam survey data

Across East Lindsey's IB claimants as a whole, including those with no interest in returning to work, the level of awareness of local training and employment support services to help people like themselves is poor – only 15 per cent are aware of any. Among the smaller sub-set who expressed interest in working now or in the future it is little better – just a quarter were aware of relevant services. By far and away the most frequently mentioned provider was Jobcentre Plus.

Table 3.11 presents the responses to the question 'What do you think potential employers would think about you?' Only a small proportion are confident that an employer would think them a pretty good bet or worth a try. Far more think they would be viewed as too ill or disabled, or that they would be 'too big a risk'. Quite a number of men, in particular, think that they would be seen as 'too old'. There is also a sizeable group who say they don't know how employers might view them.

Table 3.11 : What do you think potential employers would think about you?

	Men (%)	Women (%)
A pretty good bet/worth a try	5	4
Too ill or disabled	52	51
Too old	19	9
Too little experience	5	4
Too poorly qualified	0	9
Too highly qualified/skilled/experienced	5	0
Too big a risk	33	31
Other	0	2
Don't know	38	27

NB. Columns do not add to 100 because people could give more than one answer

Source : Sheffield Hallam survey data

The skills and attributes that the IB claimants who would consider working felt they could offer an employer are listed in Table 3.12. This is a diverse list, covering personal characteristics (eg 'reliable', 'punctual') as well as specific skills. The point is that, as might be expected with any group of mature and experienced men and women, back-to-work initiatives for IB claimants in East Lindsey do not start with a 'blank sheet of paper'. Many individuals not only have a fairly clear idea of what they might like to do in future but also have a good idea of their principal selling points to an employer.

On the other hand, many claimants also take a pessimistic view of the opportunities for them. When asked 'Do you think there are appropriate job opportunities for you here in the local labour market?', three-quarters of the men who expressed an interest in returning to work and two-thirds of the women said 'no'.

On a more positive note a quarter of the men, though far fewer of the women, who express interest in working say they have thought of becoming self-employed. The comparable figure for all East Lindsey's IB claimants is just 7 per cent. Asked what help they would require to start working for themselves, the varied responses come down to in essence to just two: financial help and advice. A quarter of those who had considered self-employment were aware of services to help local people start a business.

Table 3.12 : Skills or attributes to offer an employer

Men	Women
Painting and decorating	People skills
Labouring skills	Sales
Reliable	Communication skills
IT	Loyal
People skills	Reliable
Punctual	Trustworthy
Experience	Cleaning skills
Honest	Customer services
Outgoing	Willing to learn
Photographer	Time keeping
Security guard training	Experience
	IT
	Confident
	Catering
	Chef
	Qualified hairdresser
	Management skills
	Organisation skills
	Reception skills
	Cashier
	Carer
	Florist

Source : Sheffield Hallam survey data

Building on temporary or casual work

7 per cent of East Lindsey's IB claimants say they do some temporary or casual work, on a paid or (more often) unpaid or voluntary basis. Similarly, 8 per cent of the sub group who express interest in returning to employment undertake temporary or casual work.

More than four out of every five of those who undertake temporary or casual work do so in jobs that differ from their 'usual occupation'. Table 3.13 lists the temporary or casual jobs reported by these men and women. Two-fifths say that they would like to carry on doing this on a fairly long-term basis and one-in-six say they have considered building on this experience.

Table 3.13 : Temporary or casual work

Men	Women
Organise charity dances	Charity shop assistant
Education trustee/advisor	School work
Gardener	Elderly care homes
Cleaning	Case worker for armed forces
Church	Help elderly
Elderly care homes	Beach mission
	Paper round
	Waitress
	Shop assistant

Source : Sheffield Hallam survey data

The target group: what's likely to work?

Seven lessons emerge from this assessment of the incapacity claimants who show an interest in returning to work:

- The target group is small in relation to the overall stock of East Lindsey's IB claimants. Although the research team can supply some names and addresses, in practice the marketing of back-to-work initiatives may need to be scattered widely among the IB stock in which case the expectation should be that only modest numbers might respond.
- By far the most receptive IB claimants to back-to-work initiatives are likely to be the most recent claimants. Even so, there are also quite a number of longer-term claimants who have not discarded hopes of returning to work.
- Among the IB claimants who might return to work, health problems and disabilities remain a core obstacle. These problems need to be addressed directly through the provision of, or routing to, appropriate rehabilitation services.
- Opportunities for part-time working need serious emphasis. Many women in particular, but also some men, are receptive to the idea of part-time work

especially if it provides an easier transition back into employment and one that can be reconciled with their on-going health worries.

- Guidance needs to be available on the financial pros and cons of returning to work. This needs to take account of the full range of in-work tax credits and the impact on all the benefits claimed by the individual's household. The information also needs to be worked out in detail for each individual.
- Back-to-work services need to respond to the specific aspirations of individual men and women. Many have clear preferences. Generic courses for IB claimants are probably less appropriate than routing individuals to training or job opportunities that match what they want.
- The potential for building on temporary and casual work, often of a voluntary nature, needs to be fully explored.

Fiona, age 37

Fiona has been claiming Incapacity Benefit for just over two years. She is a single parent with five children aged between two and twelve. They live in social rented accommodation.

Fiona has previously worked as a cook, a childminder and a care assistant. Working as a care assistant caused her to develop back pain, which forms the basis of her incapacity claim. The nursing home where she was employed suggested she applied for Incapacity Benefit when she became unable to work.

Fiona is not looking for work at the moment but would like to re-enter paid employment once her youngest child is at school. She would like to work as a classroom assistant but would also consider being a dinner lady in schools, since she has a catering qualification.

However, she recognises that her back pain will need to be accommodated to some degree by an employer.

“When I stand up a lot it hurts. When I sit down a lot it hurts. And when I walk around a lot it hurts. So it’s really limited what I can do.”

She is due to see a new specialist regarding her back pain to try and identify the precise cause and, hopefully, a treatment.

Stephen, age 33

Stephen lives in a house rented from a housing association with his partner and two children, one of whom is disabled and the other is diabetic. None of the family works.

About five years ago Stephen moved from Nottinghamshire to the small village in East Lindsey where he now lives. He had intended to continue self-employment in alloy wheel refurbishment, a trade he had developed with the financial support of the Prince's Trust. Unfortunately, difficult personal circumstances led to a bad start for the business.

Following the break up of his marriage, Stephen had a "mental breakdown". At this time he was claiming Jobseeker's Allowance but he says the breakdown of his marriage and a family bereavement led to a deterioration in his mental health. He went to his GP and was diagnosed as paranoid and psychotic. This led to him claiming Incapacity Benefit.

Stephen says his GP and psychiatric nurse are supportive but have not discussed work with him. He does not feel supported in getting back to work by Jobcentre Plus, and feels that he needs more help in developing his self-employment plan, including funding for practical resources to run his business.

"I would love to work but I'm not very good with people I don't know....I had my own business....I just need some help to start things rolling. I know there's work there but I've not got the tools to show them."

One the other hand, Stephen says he is glad that Jobcentre Plus doesn't pressure him into getting a job. He says he is not interested in working for an employer due to his mental health problems. He also feels that the security his family have on benefits is perhaps more appealing than low paid work or an unsuccessful business.

"I would never be able to be in the position we're in now, unless the business worked. The position we're in now, it's safe, it's a living, the children are happy, there's nobody banging on the door for debts, we cope."

4. THE ABSORPTION CAPABILITY OF THE EAST LINDSEY ECONOMY

Demand and supply

Back-to-work initiatives targeted at benefit claimants are almost always exclusively 'supply side' initiatives – they are about encouraging and equipping the individual to re-engage with the labour market. The implicit assumption is that if an individual on benefit looks for work they should be able to find work, and if they do so they will not simply displace another jobseeker. In other words, moving one claimant off benefit won't simply result in another person moving on. This is a simplistic view that ignores the demand for labour.

The present research team has been at the forefront in arguing that the big increases since the early 1980s in the numbers claiming incapacity benefits in places such as East Lindsey is primarily the result of a deficient demand for labour⁴. Thus in East Lindsey the ultimate cause of the high IB numbers is the weakness of the local economy. This view is actually widely accepted by academics who study Britain's urban and regional problems though it remains controversial in parts of government. In this view, the numbers out of the labour market on benefits, including IB, are unlikely to be brought down very much unless there are jobs available for them. This inevitably raises questions about the absorption capability of the East Lindsey economy.

Commuting

The first point to note in this context is that East Lindsey district is a relatively self-contained labour market. This is illustrated by Table 4.1, which shows the workplace location of the East Lindsey residents who have jobs (either as employees or self-

⁴ See in particular C Beatty and S Fothergill (2005) 'The diversion from 'unemployment' to 'sickness' across British regions and districts', *Regional Studies*, vol 39, pp 837-854.

Table 4.1 : Workplace location of East Lindsey residents in employment, 2001

	Men (%)	Women (%)	Total(%)
East Lindsey	75	79	77
North East Lincolnshire	7	7	7
Boston	5	6	5
Lincoln	2	2	2
North Kesteven	2	1	2
All other locations	9	4	7
	100	100	100

Source : Census of Population

employed). The figures, from the 2001 Census, show that three-quarters of male residents in employment, and a rather higher proportion of women, both live and work within the district. The survey data presented earlier (in Table 3.7) also showed that the vast majority of IB claimants in the district were only interested in fairly local employment. The point here is that both the commuting and survey data show that the ability of the labour market to absorb East Lindsey's IB claimants depends largely on the health of the East Lindsey economy.

Job growth

In recent years the UK has experienced a sustained period of economic growth and job creation. East Lindsey has not entirely bucked the national trend.

Table 4.2 shows the increase in the number of jobs in the district between 1998 and 2005. The figures are from the government's Annual Business Inquiry (ABI), which is carried out in December each year, and therefore omit summer-season jobs in the holiday trade or farming. The figures also exclude the self-employed, who can make up an important component of the overall economy in seaside towns and rural areas. The ABI employment figures are however the best guide available for local areas.

Table 4.2 : Job growth in East Lindsey 1998-2005

	Men	Women	Total no.	%
Full-time	-350	1,000	650	2.8
Part-time	-50	900	850	5.8
Total	-400	1,900	1,500	3.9

NB Figures exclude self-employed

Source : Annual Business Inquiry

The ABI figures show an increase in the number of jobs in the district between 1998 and 2005. Overall employment is up by 1,500, though this aggregate figure masks a modest reduction in employment among men. This represents an increase of just under 4 per cent – some way behind the national average increase over the same period. To put the increase of 1,500 into context, if this local employment growth were to be repeated over the next seven years (not entirely impossible) and if all the additional jobs were to be filled by local men and women who would otherwise have claimed incapacity benefits (an extremely tall order) the incapacity numbers in East Lindsey would fall by around a fifth. That would still leave East Lindsey with an incapacity claimant rate of about 8 per cent – still higher than the current national average, and about three times higher than the rate currently found in the most prosperous parts of southern England.

Claimant unemployment

The main impact of recent employment growth, in East Lindsey and the wider regional and national economy, has in fact been to reduce claimant unemployment – ie the number of people out of work and claiming unemployment benefits, principally Jobseeker's Allowance. Table 4.3 shows that between 1997 and 2007 claimant unemployment in East Lindsey fell by nearly 600. The figures presented here are for August each year, a time when seasonal unemployment is at its very lowest, so they understate the scale of the local unemployment problem, but the point remains that claimant unemployment is lower now than a decade ago.

Table 4.3 : Claimant unemployment in East Lindsey 1997-2007

	Men	Women	Total
August 1997	1,574	598	2,172
August 2007	1,125	478	1,603
Change 1997-2007	-449	-120	-569

Source : ONS

Very recent trends in unemployment have been less positive. This is illustrated in Table 4.4. Between August 2004 and August 2007 the claimant unemployment rate among men in East Lindsey actually increased by nearly one percentage point, and among women by half a percentage point.

Table 4.4 : Claimant unemployment rates in East Lindsey

	as % of working age	
	Men	Women
1997	4.3	1.8
1998	3.6	1.6
1999	3.2	1.2
2000	2.9	1.1
2001	2.3	1.0
2002	2.1	0.9
2003	2.0	0.8
2004	1.9	0.9
2005	2.2	0.9
2006	2.6	1.2
2007	2.7	1.3

Figures are for August each year

Source : ONS

As the number of jobs in East Lindsey and the wider economy increased it was inevitable that claimant unemployment would fall first because JSA claimants are required to look for work. In contrast, the vast majority of IB claimants are not active jobseekers. However, with claimant unemployment now at historically low levels, even after the recent small increases, there are fewer JSA claimants available to fill new job opportunities and many of those that remain on JSA are likely to face obstacles to employment such as low skills. With lower claimant unemployment, the potential for placing IB claimants in work grows. For the first time in a generation, perhaps, there is therefore a real prospect of making serious in-roads into IB numbers – provided of course that the growth in the national and local economy is sustained.

A further factor should assist the effectiveness of back-to-work initiatives. Even at times when the headline total of IB claimants is static, there is turnover within the stock. Nationally, the annual flows on and off incapacity benefits are equivalent to around a quarter of the stock. A lot of the turnover is among short-term claimants, for example men and women moving onto incapacity benefits after a short-term illness or injury and then moving back again into work. However, even if only 10-15 per cent of the stock of post-6 months IB claimants were moving off incapacity benefits each year, in East Lindsey that would equate to 600-1,000 claimants a year, though not all of these would move into jobs. In practice, back-to-work initiatives may hit their targets by latching on to these men and women who would anyway have moved off incapacity benefits, though that would not necessarily mean that the help provided was wasted if the move was speeded up or if intervention allowed claimants to find better jobs or ones more closely suited to their needs.

Migrant workers

A potential flaw in the argument that an increase in the number of jobs and low claimant unemployment together create the opportunity to reduce IB numbers is the impact of migrant workers from abroad. The widely held view is that migrant workers, especially those from new EU member states, tend to be young, healthy and well-qualified, and that they are willing to accept wages that are poor by UK standards. Employers will therefore prefer migrant workers to less skilled British workers, the argument goes. Incapacity claimants who are less healthy, older and

have few if any formal qualifications are likely to be especially exposed to competition from this source.

In East Lindsey, the large number of relatively low-paid and often seasonal jobs in the tourist sector is perhaps particularly likely to attract migrant workers. So too is the volume of work in agriculture and food processing.

Monitoring the number of migrant workers is notoriously difficult at the national scale, let alone the local level. Figures have recently become available, by district, on the number of National Insurance number registrations by non-UK nationals for two years, 2005-06 and 2006-07. These show an in-flow to East Lindsey over the two years of 1,590 migrant workers, of whom 760 were from Poland. The remainder will have come from a wide range of other countries, including the Indian sub-continent, the rest of the EU and of the Commonwealth. The limitations of this data must be emphasised: the figures are for migrants' most recently recorded address, which may not reflect where they are now living and working, and some migrants will have been only temporary, for example students with part-time jobs as well as other short-term employees.

The figures suggest that, in relation to the size of the local economy, this is a significant in-flow of new workers. The in-flow of migrant workers to East Lindsey over just two years is for example as large as the total increase in employment in the district between 1998 and 2005. On the other hand it cannot be assumed that all new jobs would anyway be created in the absence of a supply of migrant labour, or that the jobs taken by migrant workers could ever be filled by IB claimants. The large recent inflow of migrants from EU accession states could also prove to be a once-off adjustment process.

Wage levels

The key problem in East Lindsey (and probably elsewhere) is the quality of the available jobs and in particular the level of wages. As noted earlier, many IB claimants say they need to earn £300 a week or more, *after tax*, to make it worth their while coming off benefit. No doubt this reflects the full range of benefits they would stand to lose, the costs of getting to work and recompense for the additional

effort in taking on a job. Unfortunately, it is questionable just how many of the jobs they might secure in East Lindsey would pay this level of wages.

Table 4.5 shows the hourly rates of pay in the jobs held by the lowest paid 20 per cent of East Lindsey residents. The figures here are derived from the government's Annual Survey of Hours and Earnings but have been adjusted to take account of erratic fluctuations from year to year in the local figures due to the small annual sample size. Most IB claimants are likely to compete in this low-paid segment of the labour market, not least because very many have no formal qualifications and their long periods out of the labour market are likely to disadvantage them.

Table 4.5 : Hourly rates of pay in East Lindsey in 2006 : lowest 20% of residents

	£ per hour	GB = 100
Men	6.37	0.87
Women	5.46	0.90
Full-time workers	6.46	0.87
Part-time workers	5.21	0.95

Source : Authors' estimates based on Annual Survey of Hours and Earnings

For both men and women in East Lindsey, wages at the bottom end of the labour market trail the national average. The important point, however, is that in this segment of the labour market the absolute level of wages is low. For men, the figure in the table might typically equate to a take-home pay of around £200-220 a week for a full working week. For women the take-home pay would be much lower.

The discrepancy between local wage levels and the aspirations of many IB claimants underlines the importance of encouraging clients on back-to-work schemes to volunteer for the DWP's Pathways to Work programme. Within Pathways, there is provision for IB claimants who take up employment and earn less than £15,000 a year to receive a £40 back-to-work top-up for the first twelve months. Without this top-up it is hard to see that many potential jobseekers will find it financially worthwhile to return to work.

Lessons from elsewhere

Trying to re-engage incapacity claimants with the labour market is a surprisingly novel activity but this is also a period of major policy innovation.

By far the most significant innovation is the introduction by DWP of the Pathways to Work initiative, run by Jobcentre Plus. Labour market intermediaries in East Lindsey will already be well aware of this national programme. The important point about Pathways to Work is that it is widely regarded as a great success. The statistical evidence, for example, shows that in the pilot areas the share of new IB claimants leaving benefit within the first six months is up by eight percentage points, compared to non-pilot areas, from around 30 to 38 per cent⁵. Pathways provides work-focussed interviews, routing to training, return to work credits and access to an innovative Condition Management Programme. The limitation of Pathways is that it is compulsory only for new claimants (with some limited exceptions). Existing claimants can opt-in, but on a purely voluntary basis.

In a number of parts of the country, however, Pathways is being extended experimentally to include claimants who have been on incapacity benefits for longer periods. Various groups – all claimants of less than two years' standing in some areas, post-1999 claimants in others – are in these areas being called in for interview. The research team have spoken to Jobcentre Plus staff in four of the areas where Pathways has been extended in this way – Lancashire, South Tyneside, Essex and Somerset.

In all four of these areas the Pathways interventions being offered to longer-term claimants are the same as for new claimants, though the number of interviews is generally reduced from six to three. In this respect there therefore seems to be nothing radically new on offer. The general observation from these areas is that 'stock' IB claimants are a far more difficult group to tackle and it is very hard indeed to make real progress with all but a very small minority. The problem, as Jobcentre Plus staff see it, is that attitudes and lifestyles have often become entrenched. In addition, a common view is that after six months or more on incapacity benefits, mental health problems become an issue for many claimants, even if they were not

⁵ Department for Work and Pensions (2006) *A New Deal for Welfare: empowering people to work*, DWP, London.

the reason for their claim in the first place, and can then take over as the main factor preventing people returning to work or even beginning the process.

In short, the lesson from elsewhere in trying to move longer-term incapacity claimants into work is that if there is a magic formula that works and can be transferred across into East Lindsey, it does not yet seem to have been discovered.

Some views from local Jobcentre Plus offices...

Jobcentre Plus staff say that Incapacity Benefit is often a form of early retirement for men from manual occupations. However, they note that increasing numbers of younger men with drug, alcohol and mental health problems are now claiming IB, partly they say to avoid the conditions attached to Jobseeker's Allowance.

A common route onto IB for women, they argue, is for lone parents to claim when their youngest child reaches 16..... "They have been a lone parent most of their benefit life, if you like. Then it's an automatic response that keeps it going. And they are very aware of their entitlements."

Jobcentre Plus staff also note that Skegness attracts people from surrounding industrial areas. These people are sometimes suffering depression after a relationship breakdown, they say, and are men and women who holidayed in Skegness as children and have come in search of sanctuary.

They note that while some people on IB engage in paid employment under the 'permitted work' rule, this is limited to seasonal jobs in the summer months. This indicates a degree of capacity to work, they say, but permanent jobs are not readily available in the local labour market. Jobcentre Plus advisors have developed links with local employers to support return to work, but they say a lack of large employers limits the effectiveness of this approach.

They also note that prevailing wage levels are low in the local area, and that the work disincentive is magnified for people on multiple benefits: "If they're on Income Support it's very, very hard because there are so many 'fringe benefits' if you want to call it that – Housing Benefit, Council Tax Benefit...[The benefit trap] is a reality I would say. Certainly there's a comfort zone and once they're in that comfort zone it's very, very difficult to get them out of it."

Staff also say there is a bad press surrounding Tax Credits: "You get a lot of people who just don't trust it...I would say it's not been well marketed. There's an awful lot of people who say 'I'll end up owing money'."

They also argue that in terms of health, many incapacity claimants underestimate what they are capable of doing.

They say confidence building is vital, but that Jobcentre Plus finds it difficult to work sufficiently intensely with individuals to alter their outlook: "[The problem] is numbers really. It's how many we can actually physically see and it's how many employers we've got with vacancies we can place them into."

A view from local employment agency...

"I get the overall impression from people we've spoken to that they've taken that route because they feel they're slightly better off being on an IB claim. And I think some doctors are persuaded. And there are a lot of people out there who know how to work the system."

"When we spoke to people out on the coast about work there were a lot of them that mentioned not being able to get benefits in the winter, and that work was seasonal."

"Initially there are things like travel costs, and whether the pay will come through quickly enough, and not knowing are you actually going to be better off after you've been taxed - and especially if you're moving back into work through part-time work."

"You have to start changing their aspirations of what they want and where they want to be.....There has to be almost like a pivotal point, where people decide that they can't carry on like they are for whatever reason, whether that's financial or I think more likely something to do with their own mental well-being. 'Am going to be like this forever? Am I going to stay like this forever?'..... I don't know how much proactive encouragement there has been from any external agencies to say you maybe shouldn't be like this forever."

"Our provision does make it very easy for people. But it's not necessarily realistic in terms of going back to work.....Which jobs is it that they are going to progress to? And [is there] such availability?"

5. CONCLUSIONS AND IMPLICATIONS

The survey findings show that East Lindsey's stock of incapacity claimants will not be easy to move back into employment or training. The majority are now very detached from the labour market. Ill health and disability is virtually the norm within this group, more than half have no formal qualifications, fewer than one-in-twenty are looking for work, and only around a quarter retain any interest in working again, now or in the future.

These observations do not run contrary to the widely held view that there is substantial 'hidden unemployment' among IB claimants in a district such as East Lindsey. In a genuinely fully employed economy, many of East Lindsey's 7,700 incapacity claimants would have been in work. The prosperous parts of southern England demonstrate very clearly that where the local economy is sufficiently strong for long periods, incapacity claimant rates far below those in East Lindsey can be attained. Even allowing for underlying poor health in East Lindsey, a claimant rate of less than half the one currently prevailing in the borough – 9.8 per cent of the working age population – should be possible in the right conditions.

What appears to have happened in East Lindsey is that, in a difficult local labour market, normal competitive pressures have marginalized the men and women who are least able or willing to retain a foothold in employment – the poorly qualified, those with poor health or disabilities and, to some extent, the least motivated. Many of these men and women are then gravitating to incapacity benefits as the best way to get by. Added to this, the inflow of IB claimants from elsewhere in the country is adding a further upward twist to east Lindsey's IB numbers.

On a positive note, the recent growth in employment in the local economy, and the relatively low level of claimant unemployment indicate that for the first time in perhaps two decades there is now a real possibility of bringing IB numbers down in the district. Part of any reduction can be expected to occur via a smaller on-flow onto

incapacity benefits, but there is every reason to hope that if some of the existing stock of claimants can be re-motivated or retrained within the framework of back-to-work initiatives, and if they are willing and able to travel to where jobs are available, they should be able to find work.

On a more negative note, the low wages at the bottom end of the East Lindsey labour market and the potential competition for jobs from migrant workers remain serious obstacles to any reduction in IB numbers.

There is no 'magic formula' as to how a reduction might be achieved. In particular, there does not as yet seem to be a proven model of intervention that can simply be transferred into East Lindsey. The research nevertheless offers at least five practical pointers:

- *The target group for back-to-work initiatives is relatively modest.* Only about 1,700 of East Lindsey's IB claimants express an interest in working, now or further into the future. They tend to be a slightly younger group than the stock of claimants as a whole, and have not been out of work for so long.
- *Back-to-work initiatives need to respond to individual needs and aspirations.* Many of those who might be drawn back into work have fairly clear ideas about what might suit them and about the obstacles that they face. A 'one size fits all' approach is inappropriate.
- *Part-time working may often offer a way forward.* Many women and quite a number of men are open-minded about the possibility of part-time work, and some see it as their first preference. Part-time working can be an important way of re-building confidence and enabling former claimants to test ways of coping with their health problems and disabilities.
- *Successful interventions will often require a 'health' dimension.* The health problems facing many of East Lindsey's incapacity claimants do not necessarily prevent them from undertaking any work at all, but some degree of health limitation is nearly universal. As well as training and re-motivation, many will require access to appropriate rehabilitation services.

- *Most clients of back-to-work initiatives should also be encouraged to register for Pathways to Work.* This will facilitate access to rehabilitation services, but more particularly will allow claimants re-entering employment to access a £40 a week top-up if they take up low-paid employment. Given the low level of wages at the bottom end of the East Lindsey labour market, this top-up may be necessary to make it financially worthwhile coming off benefit.

