

Liverpool City Region Incapacity Benefit Profile



Lynn Deacon, Jennifer Mason, Rebecca Harrison

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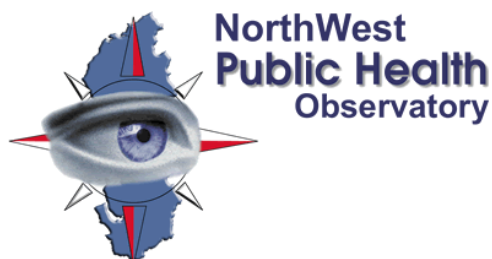


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Introduction

High numbers of incapacity benefits claimants among Liverpool City Region working age residents are of key concern to the Health is Wealth Commission, and form part of nationwide problem that is attracting increasing attention¹, not least because the direct and associated costs of incapacity benefits in one year are higher to the country than hosting the 2012 Olympics². One of the major policy responses to the problem includes the launch of a new work focussed Employment and Support Allowance (ESA) from October 2008.

Included in the information presented here is Incapacity Benefit (IB)/Severe Disablement Allowance (SDA) data from May 2007. Data for the North West and a selection of data for the eight English core cities is also included to help demonstrate the Liverpool City Region's relative position. Second, the analysis includes data from the Department for Work and Pensions (DWP) ad hoc requests team about individuals with mental and behavioural disorders, as this group make up the majority of the IB/SDA cohort locally, regionally and nationally. All the IB/SDA data is taken from the DWP 100% sample and so it can be considered very reliable.

In essence, what follows is an outline of the scale of the incapacity benefit issue in the Liverpool City Region and an indication of further factors or evidence which could be considered towards achieving the Government's ambition to move one million individuals off incapacity benefit nationally³.

Technical note

The data used throughout this profile relates to working age IB (including Severe Disablement Allowance [SDA] within this definition). The analysis focuses on claimants, but as IB is a contributory benefit some 'claimants' do not actually receive any payment but instead obtain National Insurance credits for the duration of the claim.

More details can be found on the DWP website (www.dwp.gov.uk).

The denominators used to calculate percentages are 2006 mid-year population estimates from the Office for National Statistics (ONS).

¹ Department for Work and Pensions (DWP) (2002) Pathways to work: helping people into employment. London: TSO.

² BBC News Channel (2008). 'Jobs needed for 'sick' Britain', May 19 2008. Available at: <http://news.bbc.co.uk/1/hi/uk/7402810.stm>

³ Department for Work and Pensions (DWP) (2006) A new deal for welfare: Empowering people to work. London: TSO.

1. Statistical evidence

1.1 Claimant rates

This section explores the scale of the IB issue in the Liverpool City Region using the data available from the DWP⁴.

At national level, around 2.7 million people of working age in the UK are currently claiming IB/SDA which constitutes the largest group of non-employed, working age benefit claimants⁵. The associated implications for achieving an 80% employment rate and the impacts upon individual health, income and wellbeing are a key concern of the current UK Government⁶. A target has now been set to move one million people off IB by 2015 and to this end the Government has launched a number of national policies designed to reform incapacity benefit and move claimants closer to work. For example, more intensive back to work support is available for new claimants of IB in the form of the Pathways to Work initiative, piloted from October 2003 onwards and now rolled out nationally. A Job Preparation Premium (JPP) introduced as part of the extension of Pathways to Work to existing recipients in February 2005 includes a weekly payment of £20 for a maximum of 26 weeks for those IB recipients undertaking some form of activity that moves them closer to paid employment⁷. A further key aspect of the reforms was the launch of a new work-focussed Employment and Support Allowance (ESA) in 2008 to replace IB. ESA includes an improved medical assessment which shifts the emphasis onto an individual's ability, rather than their incapacity, or inability, to work.

In the Government's *Pathways to Work: helping people into employment*⁸ document produced in 2002, South Wales and parts of the North West were highlighted as areas with persistently high levels of IB/SDA claimants despite significant economic improvements. The more recently published Green Paper for welfare reform, however, notes that the characteristics of IB claimants have changed over the last ten years and that this group is no longer only confined to the former industrial areas. The South East has more claimants than the North East and there are at least 150,000 claimants in every region, making this a national problem. It also notes that over a third of new claimants now come onto IB from other benefits such as Jobseeker's Allowance and Income Support rather than straight from work⁹.

The IB/SDA data from DWP presented here relates to May 2007. This showed that over 2.1 million people of working age across England were claiming IB/SDA. In the Liverpool City Region, there were 106,250 claimants.

- In the Liverpool City Region 11.70% of the working age population are IB/SDA claimants (Figure 1).
- The IB/SDA claimant rate in the Liverpool City Region is 22.7% higher than the North West average (9.53%) and 73.6% higher than the England average (6.74%).

⁴ Via www.nomisweb.co.uk

⁵ www.dwp.gov.uk/mediacentre/pressreleases/2004/sept/stats150904-lms.asp; www.dwp.gov.uk/aboutus/2006/03-10-06.asp

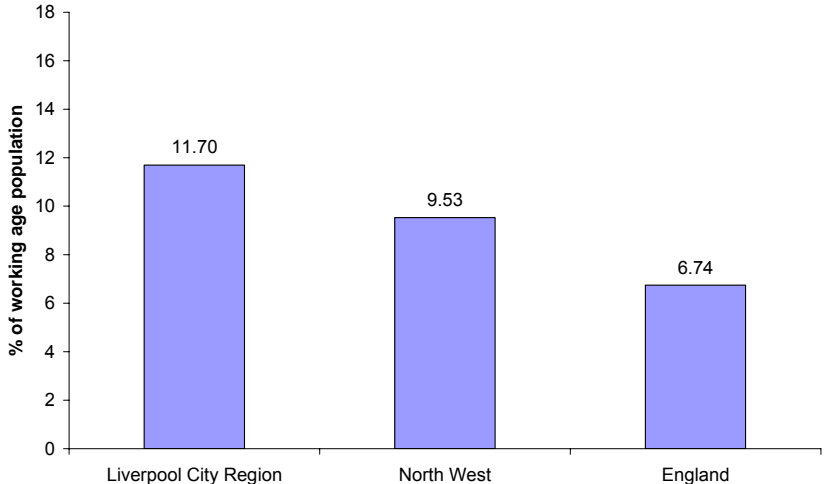
⁶ Department for Work and Pensions (DWP) (2006). *A new deal for welfare: Empowering people to work*. London: TSO.

⁷ DWP (2008). *Research Report No 474 - Pathways to Work from incapacity benefits: A study of experience and use of the Job Preparation Premium*.

⁸ DWP (2002). *Pathways to work: Helping people into employment*. London: TSO.

⁹ DWP (2006). *A new deal for welfare: Empowering people to work*. London: TSO.

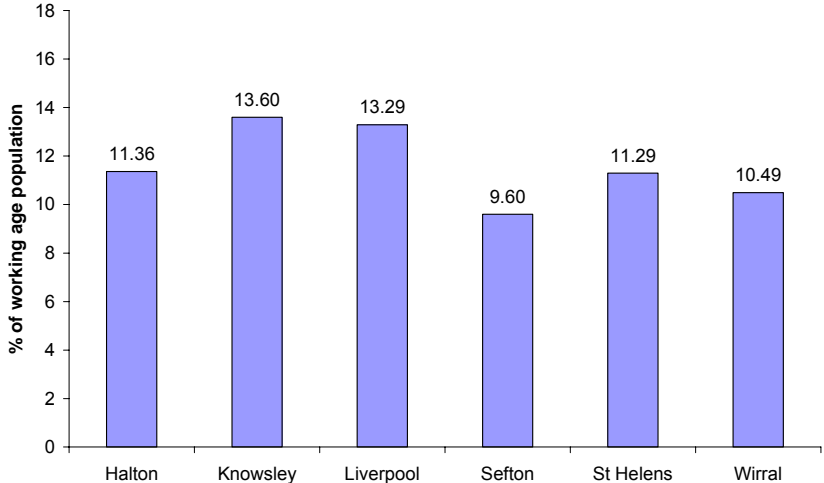
Figure 1: IB/SDA claimants as a percentage of the working age population, May 2007.



Source: NWPHO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

- 26.3% of IB/SDA claimants in the North West and 5.0% of IB/SDA claimants in England live in the Liverpool City Region.
- Among the Liverpool City Region districts, Knowsley (13.60%) has the highest proportion of IB/SDA claimants, twice the England rate, and Sefton (9.60%) the lowest (Figure 2). All six Liverpool City Region districts have a higher proportion of IB/SDA claimants than the regional and national averages: even Sefton’s rate is still 1.4 times the England average.
- Liverpool City Region have some of the worst IB/SDA claimant rates in England. Knowsley’s rate is ranked 353rd and Liverpool’s rate 352nd out of 354 local authorities (where 1 = best and 354 = worst). In total, five of the six local authority districts (Knowsley, Liverpool, Halton, St Helens and Wirral) have rates that fall into the worst 10% local authorities, and Sefton is not far behind (314th).

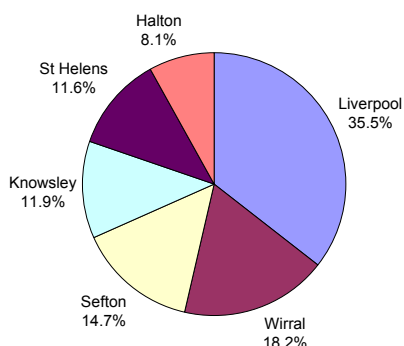
Figure 2: IB/SDA claimants as a percentage of the working age population, May 2007.



Source: NWPHO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

- Over half the IB/SDA claimants in the Liverpool City Region live in Liverpool (35.5%) or Wirral (18.2%) (Figure 3).

Figure 3: Liverpool City Region IB/SDA claimants by district, May 2007.



Source: NWPFO from DWP (100% WPLS)

- Compared to the English core cities, Liverpool City Region districts also have poor claimant rates (Table 1). Knowsley and Liverpool have worse rates than all core cities. While Manchester's rate is also relatively poor (11.39%, 333rd in England), Halton, St Helens, Wirral and Sefton have worse rates than all remaining core cities. The rate in Leeds (6.28%) is actually better than the England average, demonstrating that not all northern, urban areas have high claimant rates.

Table 1: IB/SDA claimants as a proportion of the working age population. Liverpool City Region districts and English core cities, May 2007.

	Area	IB/SDA claimants of working age	Working age population	IB/SDA claimants as % of working age population
Worst ↑	Knowsley	12,690	93,300	13.60
	Liverpool	37,740	283,900	13.29
	Manchester	35,200	309,000	11.39
	Halton	8,580	75,600	11.36
	St Helens	12,300	109,000	11.29
	Wirral	19,330	184,200	10.49
	Sefton	15,610	162,600	9.60
↓ Best	Newcastle	16,620	177,000	9.39
	Nottingham	17,380	196,500	8.85
	Birmingham	53,270	625,400	8.52
	Bristol	21,180	277,200	7.64
	Sheffield	25,270	355,000	7.54
	Leeds	30,700	489,100	6.28
	Liverpool City Region	106,250	908,500	11.70
	North West	403,700	4,235,700	9.53
	England	2,132,530	31,626,700	6.74

Source: NWPFO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

- High IB/SDA claimant rates are not confined to the Liverpool City Region, however. Easington in County Durham has by far the worst rate in the country (17.92%). And of the 43 local authorities in the North West, 18 (41.8%) have rates that fall within the worst 10% of all local authorities in England, including Blackpool (13.21%, 351st), Barrow-in-Furness (12.66%, 349th) and Burnley (12.24%, 345th).

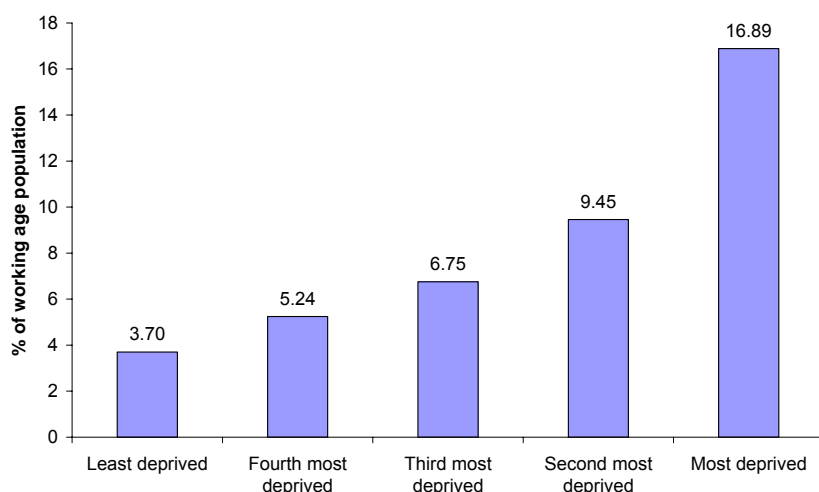
Liverpool City Region neighbourhoods

IB/SDA data is also available to neighbourhood level, in this case, for Lower Super Output Areas (LSOA). LSOAs have an average population of 1,500 people. Analysis of data at LSOA level illustrates some stark differences, masked by rates at the larger local authority district level geographies.

Across the Liverpool City Region, there are 20 LSOAs where over one in four working age adults¹⁰ is claiming IB/SDA: 12 in Liverpool, 3 in Wirral, 2 in Halton, 2 in Wirral and 1 in Sefton. And in one LSOA in Liverpool (in the Vauxhall area), 38.23% of adults are claiming IB/SDA. There are also extremely high claimant rates several other LSOAs: one in Birkenhead (32.70%), another LSOA in Vauxhall (30.18%), one in Linacre in Sefton (29.68%), and another in Everton (29.18%), among others.

Unsurprisingly, there is clear relationship between IB/SDA claimants and deprivation. By matching the Liverpool City Region's LSOA claimant rates to their national Index of Multiple Deprivation 2007 quintile, the inequality is apparent (Figure 4). Within the least deprived LSOAs in the Liverpool City Region, just 3.70% of working age adults are claiming IB/SDA. But in the most deprived quintile, 16.89% of adults are claiming these benefits, 4.6 times as many.

Figure 4: IB/SDA claimants as a percentage of the working age population by Index of Multiple Deprivation 2007 quintile, May 2007.

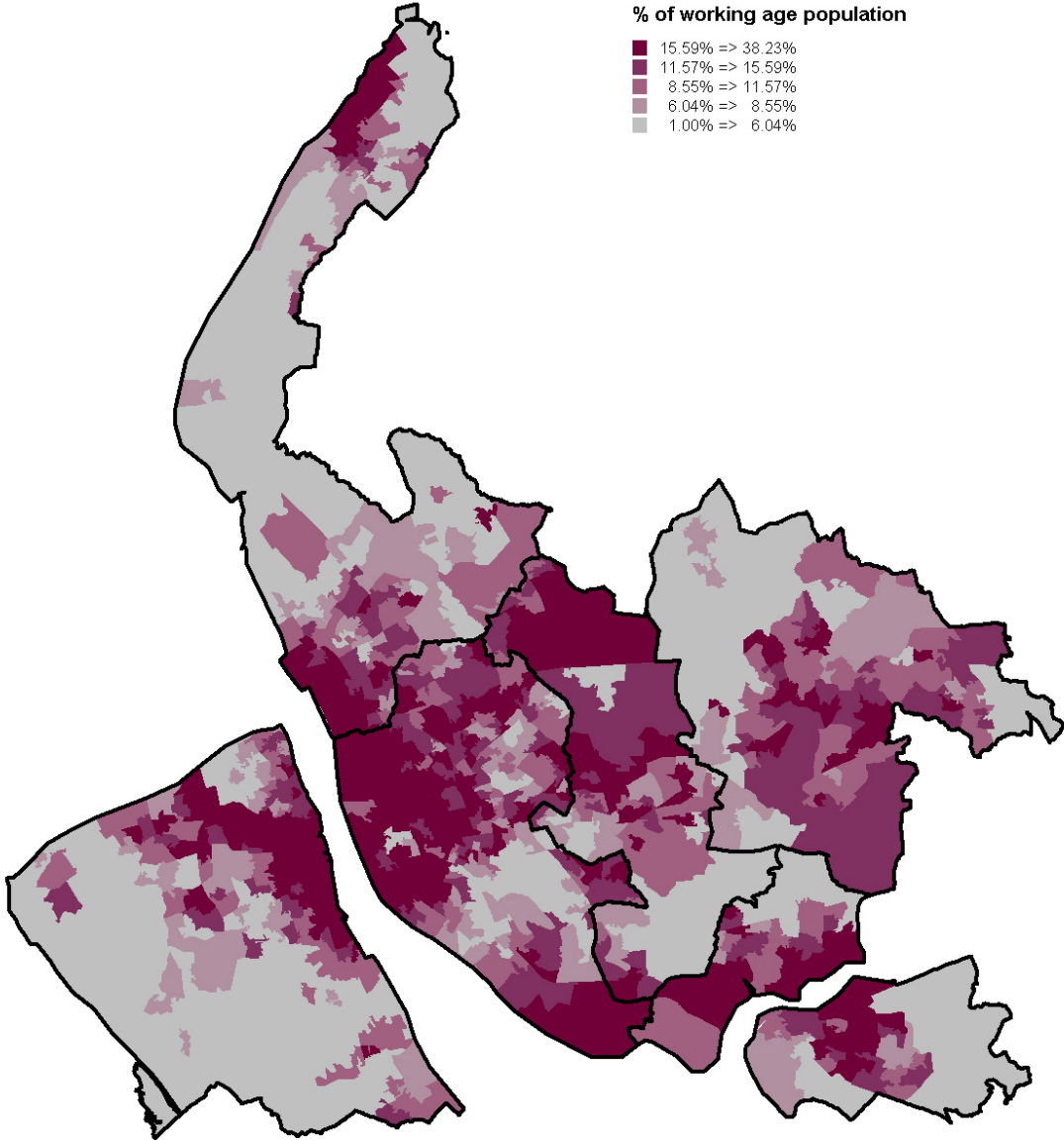


Source: NWPFO from DWP (100% WPLS), Office for National Statistics (mid-year population estimates) and Communities and Local Government (IMD 2007)

High LSOA IB/SDA claimant rates are also seen throughout the Liverpool City Region (Figure 5): there are clusters of high rates and each district has several LSOAs that have rates that are among the worst fifth in the whole area. However, each district also has LSOAs that are among the best fifth in the area and often the worst and best areas border each other, further highlighting the internal inequalities in the Liverpool City Region.

¹⁰ Claimant data is only available for all adults (not just those of working age) at LSOA level. However, the number of claimants over retirement age is small (around 0.5% of all claimants). In addition, the population denominators used to calculate claimant rates here include 15 year olds because deriving the working age (16-retirement) population for LSOAs would require single year of age figures which are not available. Therefore, LSOA claimant rates are not an exact match with the previously published rates in this report. They are, however, an extremely close match.

Figure 5: IB/SDA claimants as a percentage of the working age population. Liverpool City Region, May 2007.

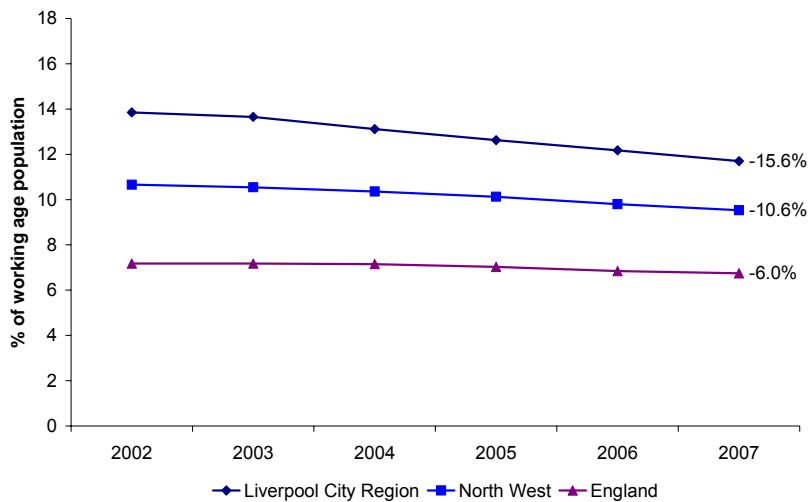


Source: NWPFO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

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- IB/SDA claimant rates have declined nationally, regionally and locally between May 2002 and May 2007 (Figure 6). Over the five years, in the Liverpool City Region the rate has fallen by 15.6%, greater than the decrease seen across the North West (-10.6%) and England (6.0%). Therefore, the gap between the Liverpool City Region and England rates has narrowed. However, the Liverpool City Region started from a far higher baseline (13.85% in May 2002) than England (7.17%) and so a more rapid decline may be expected. Although a fall in the IB/SDA rate is encouraging, this level of decrease would have to be maintained for many years in order for the Liverpool City Region to compete with, or even approach, the England average.

Figure 6: IB/SDA claimants as a percentage of the working age population, May 2002 to May 2007.



Source: NWPFO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

1.2 Gender of claimants

1.2.1 Proportions of all IB/SDA claimants

- The majority of IB/SDA claimants across the Liverpool City Region are men (57.7%), but this percentage is below the national (58.4%) and regional (58.6%) proportions (Table 2). It has, however, been noted that nationally the proportion of female IB claimants is increasing¹¹.
- At local authority level, the highest proportion of male IB/SDA claimants is seen in St Helens (59.2% of all claimants), while Knowsley has the lowest proportion (55.5%).
- Across the English core cities, men comprise the majority of the IB/SDA cohort. However, Bristol (61.2%) and Newcastle (60.6%) have particularly high proportions of men. And compared to most of the core cities, Liverpool City Region districts have proportionately more women on IB/SDA.

Table 2: Gender of IB/SDA claimants as a percentage of all working age IB/SDA claimants. Liverpool City Region districts and English core cities, May 2007.

	Area	Males (%)	Females (%)
↑ % more men	Bristol	61.2	38.8
	Newcastle	60.6	39.4
	Manchester	60.2	39.8
	Sheffield	60.0	40.0
	Nottingham	60.0	40.0
	Birmingham	59.6	40.4
	St Helens	59.2	40.8
↓ % less men	Wirral	58.4	41.6
	Sefton	58.2	41.8
	Liverpool	57.6	42.4
	Leeds	57.4	42.6
	Halton	57.0	43.0
	Knowsley	55.5	44.5
		Liverpool City Region	57.7
	North West	58.6	41.4
	England	58.4	41.6

Source: NWPHO from DWP (100% WPLS)

¹¹ Beatty C, Botterill K, Fothergill S and Powell R (2008). Knowsley's Incapacity Claimants. Sheffield: Sheffield Hallam University.

1.2.2 Proportions of the working age male population

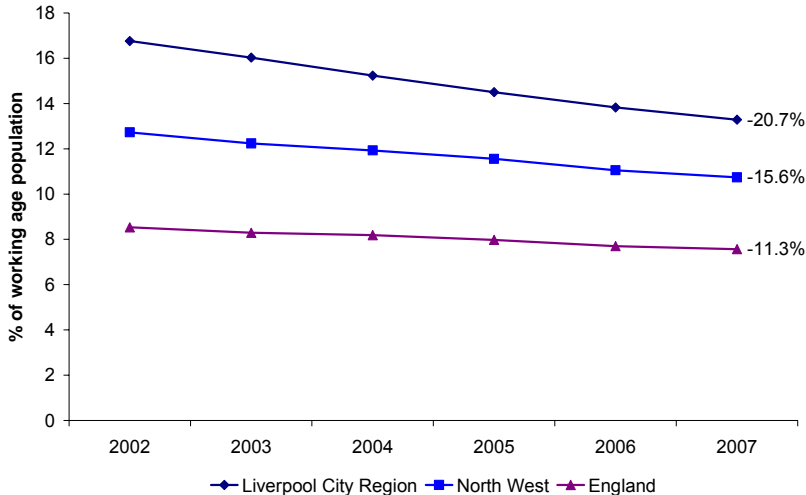
- Across the Liverpool City Region, 13.28% of the male working age population claim IB/SDA. This is far higher than the England (7.56%) and North West (10.74%) percentages (Table 3, Figure 9).
- Within the Liverpool City Region, Knowsley has the highest percentages of male IB/SDA claimants as a proportion of the male working age population (15.21%), over twice the England average. Sefton has the lowest percentage (10.96%), but this is still over 1.4 times the England rate (Table 3, Figure 10).
- Knowsley and Liverpool have higher male IB/SDA claimant rates than any English core city. Outside the Liverpool City Region, Manchester has the highest percentage of working age men claiming IB/SDA (12.95%). Other core cities have far lower proportions, including Leeds (6.98%), which is below the England average.
- The percentages of working age male IB/SDA claimants as a proportion of working age males overall fell between May 2002 and May 2007 nationally, regionally and across the Liverpool City Region (Figure 7). Over these five years, the male IB/SDA claimant rate has fallen by over a fifth in the Liverpool City Region, a greater decline than across the North West and England. However, as previously noted, this may be expected given the fact that the Liverpool City Region starting point is far higher than England's.

Table 3: Male IB/SDA claimants as a proportion of the male working age population. Liverpool City Region districts and English core cities, May 2007.

	Area	%
Worst →	Knowsley	15.21
	Liverpool	15.04
	Manchester	12.95
	St Helens	12.93
	Halton	12.76
	Wirral	12.09
	Newcastle	10.98
	Sefton	10.96
	Nottingham	10.01
← Best	Birmingham	9.88
	Bristol	8.96
	Sheffield	8.56
	Leeds	6.98
	England	7.56
	Liverpool City Region	13.28
	North West	10.74
	England	7.56

Source: NWPPO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

Figure 7: Male IB/SDA claimants as a percentage of the male working age population, May 2002 to May 2007.



Source: NWPFO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

1.2.3 Proportions of the working age female population

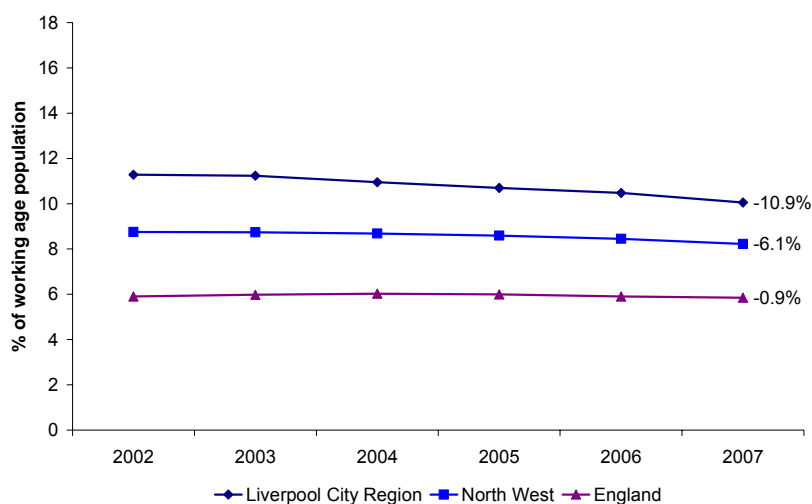
- Across the Liverpool City Region, 10.05% of the female working age population claim IB/SDA. This is far higher than the England (5.85%) and North West (8.55%) percentages (Table 4, Figure 9).
- Within the Liverpool City Region, Knowsley (12.02%) has the highest percentage of female IB claimants as a proportion of all working age females (over twice the national average) and Sefton has the lowest proportion (8.19%) (Table 4, Figure 10).
- Compared to the English core cities, the Liverpool City Region districts have poor female IB/SDA claimant rates. The worst rate seen outside the Liverpool City Region is in Manchester (9.63%), but Knowsley, Liverpool and Halton all have higher rates. The remaining core cities all have lower rates than all of the Liverpool City Region districts.
- The proportions of female working age IB claimants decreased across the Liverpool City Region (-10.9%) and the North West (-6.1%) between May 2002 and May 2007, while a slight decrease was seen across England (-0.9%) (Figure 8).

Table 4: Female IB/SDA claimants as a proportion of the female working age population. Liverpool City Region and English core cities, May 2007.

	Area	%
Worst ↑	Knowsley	12.02
	Liverpool	11.48
	Halton	9.91
	Manchester	9.63
	St Helens	9.54
	Wirral	8.85
	Sefton	8.19
	Newcastle	7.67
	Nottingham	7.54
Best ↓	Birmingham	7.08
	Sheffield	6.39
	Bristol	6.20
	Leeds	5.53
	Liverpool City Region	10.05
North West	8.22	
England	5.85	

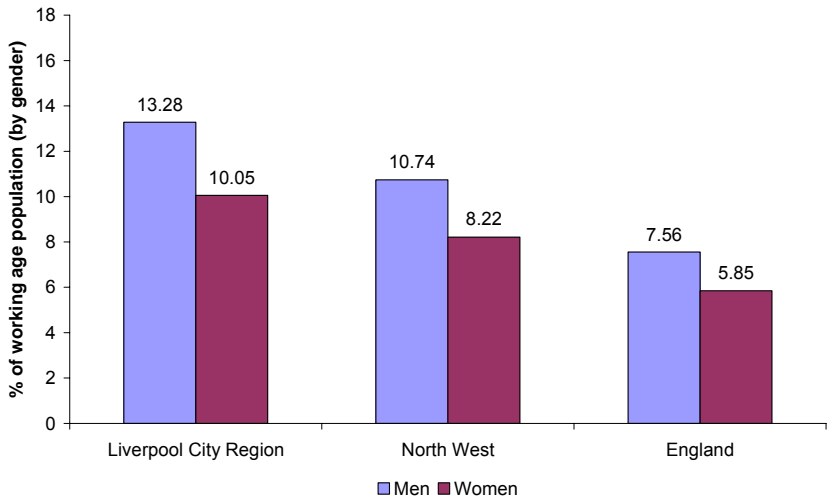
Source: NWPFO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

Figure 8: Female IB/SDA claimants as a percentage of the female working age population, May 2002 to May 2007.



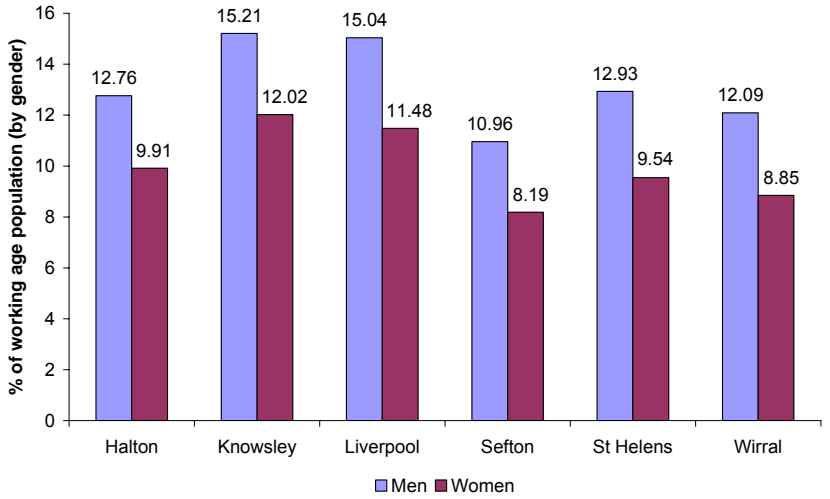
Source: NWPFO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

Figure 9: IB/SDA claimants as a percentage of the working age population by gender, May 2007.



Source: NWPHO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

Figure 10: IB/SDA claimants as a percentage of the working age population by gender. Liverpool City Region districts, May 2007.



Source: NWPHO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

1.3 Age of claimants

1.3.1 Proportions of all IB/SDA claimants

Evidence has largely suggested that IB claimants were mainly older men, formerly employed in the manufacturing industries¹². But, as noted in the previous section, large numbers of current claimants are also women, often around 40% or more. Furthermore, data from the DWP showing the age of IB claimants across eight specific age bands as a proportion of all IB claimants shows that while the older working age population still form the majority of the IB/SDA claimant cohort, there are also many working age claimants who are relatively young.

- Across the Liverpool City Region, 16.8% of IB/SDA claimants are aged under 35, and still have 30 or more years to go to retirement age (Table 5).
- Large numbers of claimants (47.5% of all those in the Liverpool City Region) are aged 50 to retirement age, however. This poses a key challenge, as this group are known to be particularly disadvantaged in the labour market. For example, the over 50s are a key focus of government unemployment policies due to lower rates of employment than average among such individuals.
- Differences in the distribution of claimants across agebands between areas may be affected by the age structure of local populations. The age distribution of Liverpool City Region claimants does not vary widely from the North West and England distributions. However, areas such as Bristol, Manchester and Nottingham have a younger distribution of claimants.

Table 5: Age of IB/SDA claimants as a percentage of all IB/SDA claimants. Liverpool City Region districts and English core cities, May 2007.

	Area	Age							
		16-17	18-24	25-34	35-44	45-49	50-54	55-59	60-64
LCR	Halton	0.0	5.4	11.7	19.8	13.3	15.0	21.9	12.9
	Knowsley	0.2	5.4	11.7	21.3	15.0	16.4	19.1	11.1
	Liverpool	0.1	5.1	11.8	22.2	14.7	16.1	19.1	10.8
	Sefton	0.1	4.7	10.8	21.6	14.3	15.5	20.2	12.7
	St Helens	0.2	5.5	11.4	20.1	12.5	14.5	21.1	14.8
	Wirral	0.2	5.5	11.3	22.1	13.3	15.1	20.3	12.4
Core cities	Birmingham	0.2	6.6	14.4	22.9	13.7	15.3	17.3	9.6
	Bristol	0.2	7.2	17.8	25.4	13.0	12.9	15.0	8.5
	Leeds	0.3	5.9	13.2	22.5	13.2	14.7	19.3	11.1
	Manchester	0.2	6.7	14.5	25.0	14.5	14.3	16.3	8.5
	Newcastle	0.2	6.4	13.7	21.1	14.0	15.3	18.5	10.8
	Nottingham	0.2	6.0	15.5	24.3	14.0	14.4	16.3	9.2
	Sheffield	0.2	6.7	14.1	22.6	13.2	13.9	17.1	12.3
	Liverpool City Region	0.1	5.2	11.5	21.5	14.1	15.6	20.0	12.0
	North West	0.2	5.7	12.2	21.8	13.3	14.9	19.6	12.3
	England	0.2	6.1	13.0	22.2	13.3	14.7	18.9	11.6

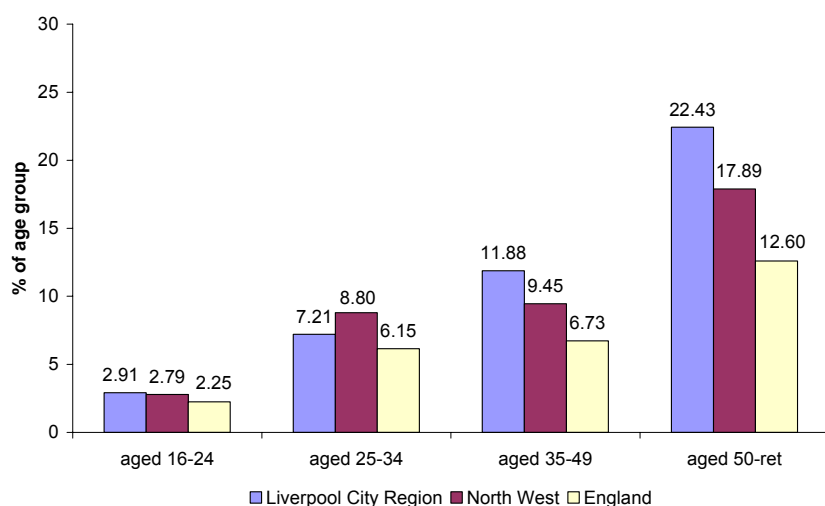
Source: NWPHO from DWP (100% WPLS)

¹² Department for Work and Pensions (DWP) (2006). A new deal for welfare: Empowering people to work. London: TSO.

1.3.2 Proportions of the working age population by age

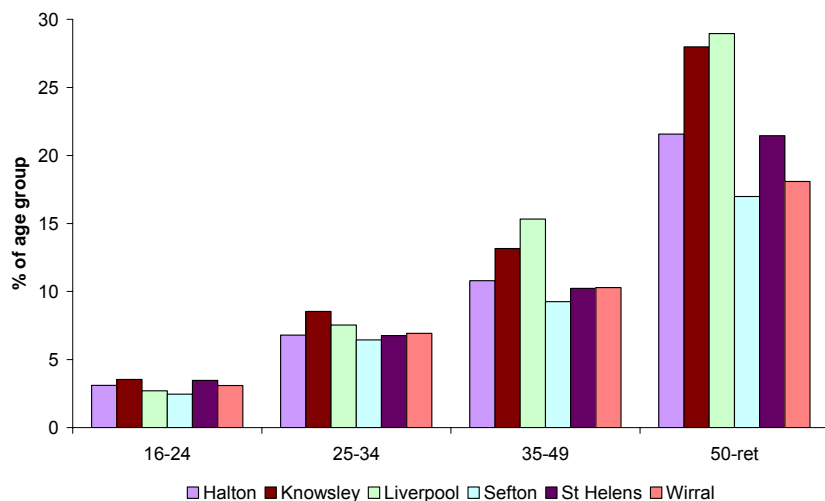
- The IB/SDA claimant rate clearly increases as age increases across the Liverpool City Region, the North West and England (Figure 11). In the Liverpool City Region just 2.15% of 16-24 year olds claiming IB/SDA compared to over one in five (22.43%) adults aged 50 to retirement age.
- The Liverpool City Region has higher claimant rates than the North West and England for those aged 16-24, 35-49 and 50-retirement age. In particular, the 35-49 and 50-retirement age rates are around 1.8 times the national average. However, the North West has a higher number of 25-34 year olds claiming IB/SDA as a percentage of the 25-34 year old population than the Liverpool City Region.
- Similar patterns are seen in the Liverpool City Region districts (Figure 12). Of particular concern is the percentage of adults aged 50 to retirement age who claim IB/SDA in Liverpool (28.95%, 2.3 times the England average) and Knowsley (27.98%).

Figure 11: IB/SDA claimants as a percentage of the working age population by age, May 2007.



Source: NWPHO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

Figure 12: IB/SDA claimants as a percentage of the working age population by age. Liverpool City Region districts, May 2007.

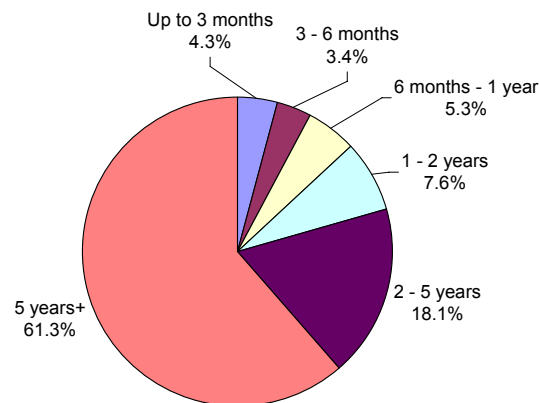


Source: NWPHO from DWP (100% WPLS) and Office for National Statistics (mid-year population estimates)

1.4 Duration of claims

- Nearly eight out of ten (79.4%) claimants in the Liverpool City Region had been claiming IB/SDA for two years or more (Figure 13).
- In total, 61.3% of claimants in the Liverpool City Region had been claiming IB/SDA for at five years. This is higher than the North West (57.9%) and England (55.0%) averages (Table 6). A significant issue here will be how to improve the health of this particular group and to support such individuals to become economically active given the length of break from the labour market.
- Across the Liverpool City Region districts a similar pattern is seen. And among the districts, Liverpool has the highest proportion of claimants that have been claiming for five years or more (62.9%).
- Long-term benefit claiming is more of an issue in the Liverpool City Region than across the core cities, as four of the six districts have proportionately more claimants having claimed for five or more years than all core cities.

Figure 13: Liverpool City Region IB/SDA claimants by duration of claim, May 2007.



Source: NWPHO from DWP (100% WPLS)

Table 6: Duration of claims of IB/SDA claimants as a percentage of all IB/SDA claimants, May 2007.

	Area	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 5 years	5 years and over
LCR	Halton	4.8	3.7	5.4	8.2	18.5	59.7
	Knowsley	4.3	3.2	5.6	7.6	17.7	61.5
	Liverpool	4.1	3.3	5.0	7.5	17.2	62.9
	Sefton	4.2	3.3	5.4	7.7	18.4	61.0
	St Helens	4.6	3.5	6.1	7.6	20.4	57.8
	Wirral	4.7	3.5	5.4	7.4	18.0	61.0
Core cities	Birmingham	4.9	4.1	5.8	8.6	20.5	56.2
	Bristol	5.2	4.3	7.1	10.1	22.9	50.5
	Leeds	6.4	5.1	6.3	8.3	20.4	53.6
	Manchester	4.7	3.8	6.0	8.2	19.8	57.6
	Newcastle	4.7	3.7	5.4	7.7	18.8	59.7
	Nottingham	4.3	4.1	6.0	8.5	21.7	55.4
	Sheffield	5.1	4.0	6.5	8.7	21.2	54.5
	Liverpool City Region	4.3	3.4	5.3	7.6	18.1	61.3
	North West	4.7	3.8	5.7	8.3	19.7	57.9
	England	4.9	4.3	6.3	8.9	20.6	55.0

Source: NWPFO from DWP (100% WPLS)

1.5 Reason for claim

Nationally, a third of new claimants currently cite mental health conditions as the primary cause of their incapacity compared with one fifth in the mid-1990s (DWP, 2006)¹³. People with long-term mental health problems are known to have the lowest employment rate (around 24%) of any of the other main groups of disabled people and it is suggested that mental health has not benefited from the same progress in tackling stigma and discrimination as other areas, such as race and sexuality¹⁴. Barriers to working among this group include:

- symptoms of illness and side effects of treatment;
- an inflexible benefit system;
- fear of failure;
- low expectations;
- lack of qualifications due to interrupted education;
- lack of life skills (such as timekeeping);
- stigma among employers;
- low level of resources for job brokerage services or job retention support; and
- additional problems posed by lone parenthood or racial prejudice.

Individuals with mental health problems are, however, known to have the highest 'want to work rate' of any disabled group. For example, statistics show that while 52% of all disabled people want to work, this figure rises to 78% of people with 'depression and nerves' and 86% with 'mental illness, phobias and panics' (Stanley and Maxwell 2004 cited in Rankin, 2005).

The May 2007 IB/SDA data by reason for claim for claim shows that:

- More individuals across the Liverpool City Region (42.5%) claim IB/SDA for mental or behavioural disorders than for any other condition. This is in line with the North West average (42.3%) and slightly higher than the England average (41.1%) (Figure 14).
- Diseases of the musculoskeletal system and connective tissue is the second most frequent reason for claim in the Liverpool City Region (17.7%), North West (17.8%) and England (17.7%), followed by symptoms, signs and abnormal clinical and laboratory findings not elsewhere classified (claimed by 11.0%, 10.8% and 11.2% of claimants respectively). This latter category can include abnormalities of heart beat, abnormal blood pressure reading without diagnosis, abnormalities of breathing, pain in the throat and chest, fever or convulsions not elsewhere classified (among other conditions)¹⁵.
- Diseases of the circulatory system is the fourth most frequent reason for claim in the Liverpool City Region (6.0%) and North West (6.1%), higher than across England (5.4%) where it is the fifth most frequent reason for claim. Instead, diseases of the nervous system are the fifth most prevalent reason for claiming IB/SDA among claimants in the Liverpool City Region (5.0%) and North West (5.5%), proportionately lower than in England where it is the fourth most frequent reason for claim (6.2%).

Across the Liverpool City Region local authorities, a similar pattern emerges, although there are some differences (Table 7).

- Reasons for claiming IB/SDA are dominated by mental and behavioural disorders, ranging from 44.6% of claimants in Liverpool to 35.2% in Halton (the latter of which is lower than the Liverpool City Region average, however).

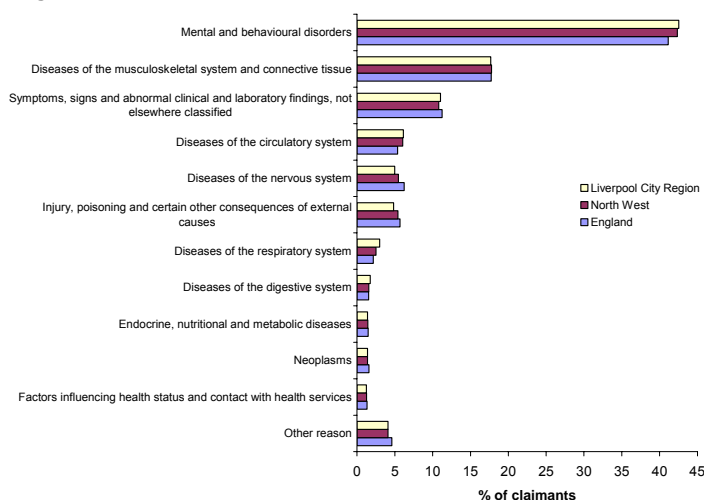
¹³ Department for Work and Pensions (DWP) (2006) A new deal for welfare: Empowering people to work. London: TSO.

¹⁴ Rankin J. (2005). Mental Health and Social Inclusion. Mental Health in the mainstream. Working Paper Two. London: Institute for Public Policy Research (IPPR).

¹⁵ See <http://doh.gov.ph/icd-10/R00-R99.pdf> for further details.

- Diseases of the musculoskeletal system and connective tissue is, proportionately, a more frequent reason for claim by claimants in St Helens (20.7%) and Halton (19.9%) than generally across the Liverpool City Region.
- Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified is a more frequent reason for claim in Halton (14.8% of claimants) and less frequent in St Helens (8.9%) and Wirral (9.2%) than across the Liverpool City Region. And diseases of the circulatory system are more frequently seen in St Helens (7.5%) than across the Liverpool City Region, while diseases of the nervous system are less frequent in Knowsley (4.4%).

Figure 14: IB/SDA claimants' reason for claim as a percentage of all IB/SDA claimants, May 2007.



Source: NWPPO from DWP (100% WPLS)

Table 7: IB/SDA claimants' reason for claim as a percentage of all IB/SDA claimants (top five reasons for claiming IB/SDA). Liverpool City Region and districts, May 2007.

Condition	Liverpool City Region	Halton	Knowsley	Liverpool	Sefton	St Helens	Wirral
Mental and behavioural disorders	42.5	35.2	41.8	44.6	41.7	40.2	44.3
Diseases of the musculoskeletal system and connective tissue	17.7	19.9	18.7	16.5	16.7	20.7	17.1
Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified	11.0	14.8	11.3	11.4	11.9	8.9	9.2
Diseases of the circulatory system	6.1	6.5	6.1	5.7	6.0	7.5	6.1
Diseases of the nervous system	5.0	5.5	4.4	4.5	5.8	5.0	5.5

Source: NWPPO from DWP (100% WPLS)

1.5.1 IB/SDA claimants with mental and behavioural disorders

Main disabling condition

In addition to the Pathways to Work programme, the National Service Framework for Mental Health, supported by the National Institute for Mental Health in England, is driving a major programme of reform for mental health services designed to support delivery of a number of Public Service Agreement targets around the issue of mental health, such as increasing the employment rate of people with disabilities and improving their rights and removing barriers to their participation in society (DWP target) and reducing the mortality rate from suicide, and reducing inequalities in health outcomes (Department of Health targets)¹⁶. The Disability Discrimination Act 1995, which outlaws discrimination against people with physical impairments, also covers anyone with a mental impairment as long as it has a substantial, adverse and long-term effect on his/her ability to carry out normal day-to-day activities¹⁷.

Data sourced from the DWP ad hoc requests team gives further insight into the main disabling condition among IB/SDA claimants specifically with mental and behavioural disorders across Merseyside¹⁸ and England¹⁹.

In May 2007, almost half (48.0%) of all Merseyside IB/SDA claimants as a proportion of all those with mental and behavioural disorders had a main disabling condition of depressive episode (Table 8). The following four most common conditions were:

- Other anxiety disorders (13.7%);
- Other neurotic disorders (9.4%);
- Reaction to severe stress (5.1%); and
- Schizophrenia (4.2%).

Together, these top five disabling conditions accounted for four out of five IB/SDA claimants with mental and behavioural disorders.

At national level, the most prominent two conditions among this group of IB/SDA claimants were the same (depressive episode: 46.8% and other anxiety disorders: 10.2%). However, the next three more prevalent disabling conditions were:

- Schizophrenia (5.3%);
- Unspecified mental retardation (5.3%); and
- Other neurotic disorders (4.9%).

There were some clear differences in the prevalence of main disabling conditions among IB/SDA claimants for mental and behavioural disorders between Merseyside and England. For example, drug abuse, unspecified nonorganic psychosis and mental disorder not otherwise specified were relatively less prevalent among Merseyside claimants than England claimants for mental and behavioural disorders, while other anxiety disorders and other neurotic disorders were more prevalent.

¹⁶ Office of the Deputy Prime Minister (2004) Mental Health and Social Exclusion. Social Exclusion Unit Report. London: ODPM Publications.

¹⁷ www.direct.gov.uk/en/DisabledPeople/HealthAndSupport/MentalHealth/DG_10023351

¹⁸ Data for Halton was not included, therefore these figures relate to 'Merseyside' rather than the 'Liverpool City Region'.

¹⁹ Data was not requested for the core cites on this occasion due to the time available to produce the analyses.

Table 8: Main disabling condition among total IB/SDA claimants with mental and behavioural disorders. Merseyside and England, May 2007.

Main disabling condition	Merseyside		England	
	Number	%	Number	%
Depressive episode	20,470	48.0	415,960	46.8
Other anxiety disorders	5,840	13.7	90,710	10.2
Other neurotic disorders	4,010	9.4	43,930	4.9
Reaction to severe stress	2,180	5.1	41,890	4.7
Schizophrenia	1,780	4.2	47,220	5.3
Unspecified mental retardation	1,730	4.1	47,160	5.3
Alcoholism	1,500	3.5	39,700	4.5
Specific development disorders of scholastic skills	1,340	3.1	41,010	4.6
Mental disorder not otherwise specified	1,150	2.7	36,230	4.1
Drug abuse	1,040	2.4	39,360	4.4
Unspecified nonorganic psychosis	440	1.0	15,680	1.8
Phobic anxiety disorders	390	0.9	8,410	0.9
Mental and behavioural disorders associated with the puerperium, not elsewhere classified	240	0.6	2,610	0.3
Pervasive development disorders	140	0.3	3,130	0.4
Persistent mood disorder	100	0.2	1,320	0.1
Persistent delusional disorder	70	0.2	2,250	0.3
Unspecified mood disorder	60	0.1	4,750	0.5
Specific personality disorders	60	0.1	3,390	0.4
Eating disorder	50	0.1	1,630	0.2
Manic episode	30	0.1	850	0.1
Unspecified dementia	20	0.0	590	0.1
Recurrent depressive disorder	20	0.0	670	0.1
Dissociative disorders	0	0.0	110	0.0
Somatoform disorders	0	0.0	10	0.0
Psychological and behavioural factors associated with disorders or diseases elsewhere classified	0	0.0	10	0.0
Total	42,660	100.0	888,590	100.0

Source: NWPFO from DWP (100% WPLS)

Duration of claim

Information on the duration of the claim for IB/SDA claimants for mental and behavioural disorders in the Merseyside area was also received. This shows some interesting differences by main disabling condition (Table 9).

- Nearly six out of ten (58.8%) claimants for mental and behavioural disorders in general had been claiming IB/SDA for five years or more, similar to the proportion seen for all conditions.
- However, far higher proportions of those claiming for schizophrenia (82.6%) and other neurotic disorder (76.1%) had been claiming for five years or more, while a lower proportion of those claiming for reaction to severe stress (31.7%) has been claiming for this length of time. Nearly one in five of those claiming for reaction to severe stress had been claiming for up to six months, a far higher proportion than for any other main disabling condition.

Table 9: Duration of claims of IB/SDA claimants as a percentage of all IB/SDA claimants (top five mental and behavioural disorders). Merseyside, May 2007.

Main disabling condition	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 5 years	5 years +
All mental and behavioural disorders	4.1	3.4	5.7	8.0	19.9	58.8
Depressive episodes	4.3	3.7	6.2	8.8	22.6	54.4
Other anxiety	4.8	3.8	6.0	8.9	21.1	55.7
Other neurotic disorder	2.0	1.7	2.5	4.0	14.0	76.1
Reaction to severe stress	11.0	7.8	12.4	12.8	24.3	31.7
Schizophrenia	0.6	0.6	1.7	3.4	10.7	82.6

Source: NWPFO from DWP (100% WPLS)

2. Primary research

Beyond the statistical information presented previously there is currently limited research available relating to IB claimants other than a number of detailed evaluation studies by the DWP. Findings from the DWP largely examine the impacts of the Pathways to Work pilots and such research tends to report findings only at the national level.

However, the growing interest in IB claimants and the associated need to better understand how to support such individuals back into the labour market has meant that more research of relevance is beginning to emerge. This section presents a summary of results from a study carried out by academics at Sheffield Hallam University to help further explore the characteristics of 3,000 IB claimants across eight case study areas nationally, including 400 claimants in Knowsley.

Knowsley case study of IB claimants

A study by Sheffield Hallam University specifically examined the characteristics, aspirations and barriers to employment among IB claimants in the case study areas, one of which was Knowsley²⁰.

The area was chosen for case study analysis as it had the eighth highest IB claimant rate in Great Britain in August 2006 (14.2%) and the second highest rate in the whole of England, after Easington in County Durham (18.9%).

The 400 IB claimants recruited for the Knowsley study were surveyed via semi-structured, home-based interviews during September 2007. Interviewees included a mixture of males and females across ten local areas spread randomly over the entire district. The largest sample surveyed in the research as a whole was across Barrow-in-Furness in Cumbria (1,000 IB claimants in total).

Interviewee names were supplied in confidence from the DWP and could not be shared with Knowsley Metropolitan Borough Council (KMBC). However, the research team could pass on the names or addresses of those interviewees who expressed an interest in returning to work and who consented to their details being made available.

Key characteristics of IB claimants

The findings from Knowsley showed that in terms of claimants' experience of work:

- Almost half of all claimants had been out of work for more than ten years;
- 15% of women and 10% of men said they had never had regular employment;
- 80% of both men and women have a manual occupational background;
- 30% of men and over a quarter of women spent 20 years or more in their last job;
- The principle reason for leaving a last regular paid job among two-thirds of claimants (both males and females) was illness or injury.
- One-fifth of males and 12% of females left their last regular paid job due to compulsory severance (including compulsory redundancy, dismissal or end of contract); and

²⁰ Beatty C, Botterill K, Fothergill S, and Powell R (2008). *Knowsley's Incapacity Claimants* - part of a national study of IB claimants funded by Knowsley MBC and the Economic and Social Research Council (ESRC).

- Most claimants are living in housing rented from a housing association.

In terms of moving into employment:

- Only one in four claimants say that they would like a job, now or in the future;
- Fewer than one in twenty are actively seeking work;
- Two-thirds had no formal qualifications at all;
- Knowsley has the highest proportions of male IB claimants with no qualifications (70%) compared to the other seven case study areas;
- The main reason for not wanting a job is that 'health is not good enough'; and
- 93% of men and 87% of women have had no contact with the Pathways to Work programme or the New Deal for Disabled People (but it is noted that most IB claimants in Knowsley pre-date the introduction of Pathways to the area).

In relation to health problems among IB claimants:

- Around half of all men and women expect their current health problems to worsen; and
- Only 19% of men and 10% of women have taken part in any rehabilitation programmes, and while a sizeable proportion of both sexes report a positive impact, a larger proportion of males and females (47% and 55% respectively) report that the programme was no help at all.

The researchers summarise the study by arguing that what appears to be happening - as elsewhere - is that IB claimants are dominated by individuals who find it difficult in a competitive labour market, largely those who are the least skilled, the least healthy (and to some extent) the least motivated.

The report also includes a number of anonymised personal profiles which are useful to help contextualize some of the real stories and experiences behind the survey data.

The target group for back to work interventions

Included in the research was an analysis of interventions that might help support IB claimants back into work. It was recognised that many of those interviewed had no interest in returning to work, especially as there was no requirement for existing claimants to do so.

For example, it is noted that:

- The potential target group for back-to-work interventions (i.e. those individuals who say that they would like a job or they might like a job further into the future) is around 2,700; equating to about 24% of all IB claimants in the borough²¹. Such individuals tend to be younger (around 35 - 54 years of age), have not been on benefit the longest and report significant health problems²²;
- Back to work initiatives need to respond to individual needs and aspirations;

²¹ This researchers calculated this figure - as a proportion of all IB claimants in Knowsley during February 2007 (11,750) - based on the finding that only 24% of those surveyed in the Knowsley case study would like a job now or in the future.

²² It is important to note that even some of the longer term claimants (of ten years or more) in the study still expressed a desire to work.

- Part-time working could be a useful route into work for the IB population (as many individuals are very worried about their ability to hold down a full-time job);
- Access to health/rehabilitation services are important as claimants state that their health is a key barrier to working; and
- All clients should be encouraged to engage with the Pathways to Work (PTW) programme to help ease access to health/rehabilitation services. It will also help claimants who enter employment to access a £40 a week top-up payment.

This latter point was thought to be particularly important as the research showed that the low level of wages available at the bottom end of the employment spectrum typically do not match up with the earnings aspirations among IB claimants who want to work. Therefore, a wage top-up such as this could help to make coming off benefit more worthwhile for individuals.

As noted by the Sheffield Hallam researchers, and throughout the literature surrounding this topic, it is widely accepted that the majority of claimants will only move off IB once they reach retirement age or die. This is because it appears that the UK Government is not currently insisting that existing claimants move into work (nor is it planning to in the future).

If the same proportions of IB claimants found to want a job now or in the future in Knowsley are instead applied to the Liverpool City Region data it is estimated that around 25,500 claimants (out of the 106,250 IB claimants in total during May 2007) could be potential targets for future back to work interventions. However, it is important to stress that such a figure is only an approximation and it is possible that many more individuals from the 'stock' of existing claimants across the Liverpool City Region could also return to work if given the appropriate intervention, support and/or targeting.

Further interesting findings emerging from the study were that:

- Three-quarters of women surveyed were only willing to consider jobs within Knowsley itself (while it was around half of men);
- One in seven men were also willing to consider jobs in Liverpool as well;
- More than one quarter of men said that they would be willing to work 'anywhere';
- Only a minority of all IB claimants expressed a wish to return to their old occupation.

The absorption capability of the Knowsley economy

The study also examined the possibility that the local economy can 'absorb' the IB population. The research notes that back-to-work initiatives such as Pathways are 'supply side' interventions which help to better prepare an individual to re-enter the labour market but that these need to be considered alongside the actual demand for labour. The Sheffield Hallam academics argue strongly that the big increases in IB claimants in the 1980s in places like Knowsley are largely the result of 'deficient demand for labour' stating that the ultimate cause of high claimant rates in Knowsley was due to employment downturn in the manufacturing industry during the 1980s and the 1990s. Taking this line of argument, the proportions of the working age population out of the labour market and claiming benefits is unlikely to reduce unless there are sufficient job opportunities available.

Just over 40% of the working population both live and work in the borough, while commuting to jobs in Liverpool accounts for a third of all Knowsley residents in employment. Therefore, researchers argue that the absorption of IB claimants into the local labour market depends upon trends in Liverpool as well as in Knowsley.

Researchers also predict that the recent job growth in the borough (estimated in the Annual Business Inquiry [ABI]²³ to be around 4,000 new jobs between 2000 and 2006), if sustained, should help to bring numbers down.

However, it is also argued that poor wages at the lowest end of the labour market (which are characteristic of Knowsley) could act as a deterrent to any IB claimants returning to employment.

An additional concern is competition from migrant workers and the existing stock of unemployed individuals which could further hinder this group starting work.

²³ Source: Office for National Statistics. Crown copyright reserved.