

## 4.1 Worklessness

### 4.1.1 Background

The Marmot Review stated that “being in good employment is protective of health; conversely, unemployment contributes to poor health. Getting people into work is, therefore, of critical importance for reducing health inequalities.”<sup>1</sup>

### 4.1.2 The local labour market

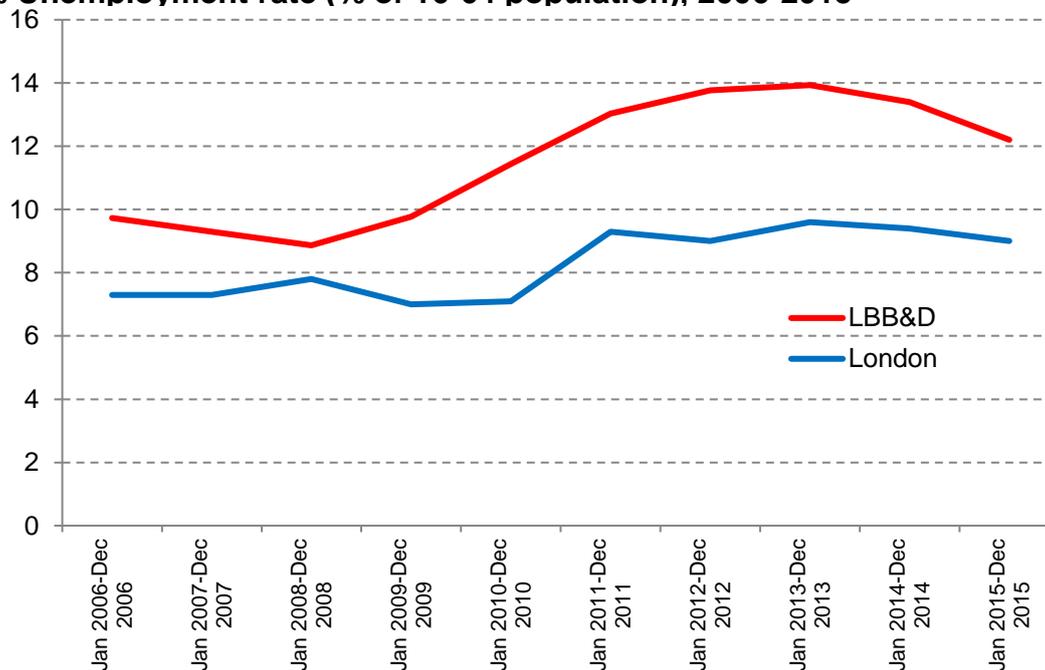
#### *Unemployment*

Figure 4.1.1 below shows unemployment rates over the last ten years in Barking and Dagenham and London.<sup>2</sup> Specifically, unemployment is here defined as people not working who are both looking for and available for work and is unrelated to benefit claims or eligibility. The figures for 2015 show the unemployment rate in the borough at 12.2%, compared to 9.0% in London.

In Barking & Dagenham, this equates to 11,000 working age residents. Over the period, the rate in the borough has averaged 3.3% above the London figure. The positive to be drawn from this is that a significant number of residents are looking for and available for work.

**Figure 4.1.1**

**% Unemployment rate (% of 16-64 population), 2006-2015**



#### *The employment rate & skills*

<sup>1</sup> Marmot, M. (2010). *Fair Society Healthy Lives*. <http://www.instituteofhealthequity.org/projects/fair-societyhealthy-lives-the-marmot-review> Last accessed 9th October 2014.

<sup>2</sup> Annual Population figures from NOMIS. Barking & Dagenham figures are rolling average of the last three years.

Just 64.5% of working age people in the borough are estimated to be in employment, compared to 72.9% in London as a whole<sup>3</sup>. Based on these rates almost 10,700 residents would need to move into work to ensure convergence with the London employment rate.

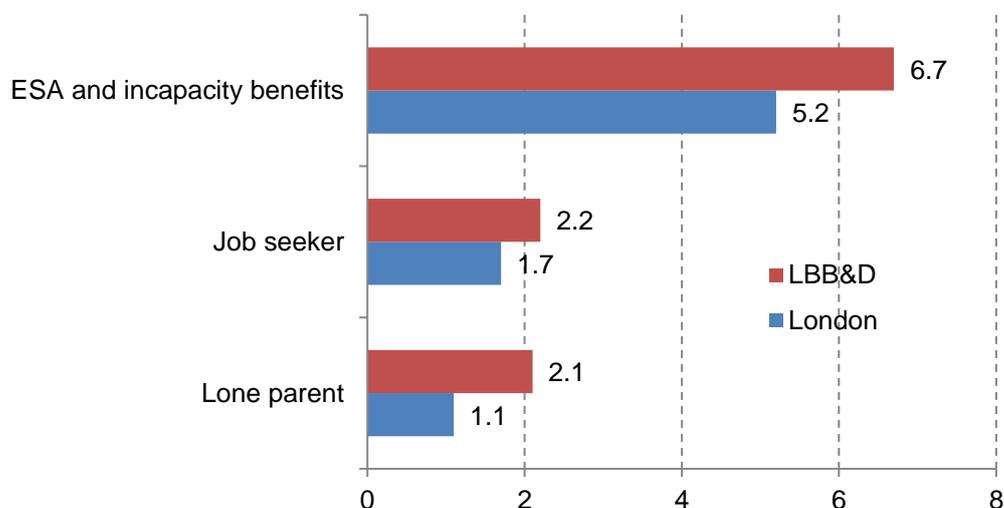
Based on the latest available statistics (to December 2015), in Barking and Dagenham, an estimated 14.1% of working age residents (aged 16-64) have no qualifications, compared to an average of 7.3% across London<sup>4</sup>. There is a clear correlation between skill levels and employment rates.

#### *Claimants of key out of work benefits*

Figure 4.1.2 below shows the percentage of working age residents claiming key benefits in November 2015. Barking & Dagenham has a much higher rates of claimants in the case of each of the three benefits. The percentage of lone parents claiming is the highest in London, with the figure for ESA claimants the third highest in London. More recent figures for jobseekers (for May 2016) show that the borough has the second highest rate of claimants.

**Figure 4.1.2**

#### **Claimants of key benefits (% working age people), November 2015**



#### *Long-term benefit claimants<sup>5</sup>*

The only reliable indicator on the duration of worklessness is provided by benefit claimant data. Across all working age benefits, in November 2015 some 13,180 residents (73%) were claiming for over one year. The figures are particularly stark in the case of claimants of Employment and Support Allowance or Incapacity Benefits:

<sup>3</sup> ONS Annual Population Survey, borough figures are a rolling average of last three figures for Jan-Dec up to December 2015 [http://www.nomisweb.co.uk/reports/lmp/la/1946157260/subreports/ea\\_time\\_series/report.aspx?](http://www.nomisweb.co.uk/reports/lmp/la/1946157260/subreports/ea_time_series/report.aspx?)

<sup>4</sup> ONS Annual Population Survey, borough figures are a rolling average of the last three 12 month figures (Jan-Dec) up to December 2015

[http://www.nomisweb.co.uk/reports/lmp/la/1946157260/subreports/quals\\_time\\_series/report.aspx?](http://www.nomisweb.co.uk/reports/lmp/la/1946157260/subreports/quals_time_series/report.aspx?)

<sup>5</sup> All figures derived from NOMIS.

82% were claiming for 1+ years (6,870 people), with 54% having claimed for 5+ years (4,530 people).

#### **4.1.3 Welfare reform**

At February 2016 a total of 263 households in the borough were affected by the benefit cap, with almost two in three (173, 66%) losing up to £50 per week. The large majority of affected households are single parents (250, 80%)<sup>6</sup>. A further reduction in the benefit cap from £26,000 to £23,000 in London will take place in early November 2016. Provisional estimates in late February 2016 indicate that 600-799 households in the borough will have been affected by the new lower figure.

Universal Credit continues to roll out in the borough. Of the claimant count of 3,140 in March 2016, 552 were claiming Universal Credit, with 2,588 claiming Jobseekers Allowance.

#### **4.1.4 Current provision**

Services for those who are long-term unemployed and claiming benefits are being delivered under the government's Work Programme. Payments are weighted to the delivery of sustainable job outcomes. Overall, the three providers covering the borough have performed relatively well: 2,720 out of the 8,780 residents referred onto the programme from June 2011-December 2014 had found sustainable work (26 weeks for the bulk of participants). The 31.0% conversion rate was the fifth highest in London.<sup>7</sup>

While overall performance is beginning to reach initial expectations for Jobseekers Allowance claimants, it remains particularly poor for claimants with health problems. Only 11.8% of new ESA claimants (excluding those with 12+ month prognosis and equivalent to 60 out of 510) had found work for 13 weeks or more to December 2015. Overall, only 120 out of 1,330 (9.0%) residents on ESA and accessing the Work Programme secured sustainable work. This was the 13<sup>th</sup> highest figure in London.

A key aim for Jobcentre Plus is to work with local partners to prevent people moving onto the programme by ensuring that they move into work before becoming long term unemployed. They are also responsible for supporting those who have been on the Work Programme for two years and are consequently returned to Jobcentre Plus. Feedback from providers indicates that many of these people have health problems.

Despite the relative success of Work Programme providers locally, around 70% of those receiving support are returned to Jobcentre Plus having failed to find

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<sup>6</sup> DWP Benefit cap: Number of households capped to February 2015  
<https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-february-2015>

<sup>7</sup> Figures produced using DWP Work Programme Tabulation tool, accessed April 2016 at [http://tabulation-tool.dwp.gov.uk/WorkProg/wp\\_cuml\\_jo/tabtool\\_wp\\_cuml\\_jo.html](http://tabulation-tool.dwp.gov.uk/WorkProg/wp_cuml_jo/tabtool_wp_cuml_jo.html).

sustainable employment. There is some additional help available through Council-funded Job Shop provision, delivered from Barking Learning Centre, Dagenham Library and the Adult College; however, the service does not always support those referred onto the Work Programme. Many service users are not claiming any benefits and otherwise unable to access any face-to-face support. There is an increasing focus on those with health-related barriers to work and close working with the Talking Therapies service, as well as joint work with Richmond Fellowship who are commissioned to support people with mental health problems. The Job Shop service assists (and evidences) around 900 people into work each year.

#### **4.1.5 Inequalities**

The Marmot review mentions that: “rates of unemployment are highest among those with few or no qualifications and skills, people with disabilities and mental ill-health, those with caring responsibilities, lone parents, those from some ethnic minority groups, older workers, and, in particular, young people.”<sup>8</sup>

##### *Gender*

There is a substantial gap of 10.8% in employment rates for women in the borough compared to the London figure (55.7% compared to 66.5%). This compares to a gap for men of 5.5% (73.8% in Barking & Dagenham compared to 79.3% in London).<sup>9</sup> This shows that women in our borough are less likely to be resilient to change as men.

Women form 58% of claimants of key out of work benefits in the borough. The disparity is in large measure due to the disparity in lone parents claiming benefits, 97% of whom are women.

##### *Disability*

Figures for London as a whole suggest that around half of all people with a work-limiting disability are in work (50.1%) in 2015<sup>10</sup>. Some caution should be attached to the figures for Barking & Dagenham given the small sample, but these indicate an employment rate 8-10% lower for the borough.

Some groups have particularly low employment rates: in 2014/15 only 3.7% of adults in contact with secondary mental health services were in employment, compared to 6.7% in London and 6.8% nationally; only 3.2% of adults in Barking & Dagenham

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<sup>8</sup> Marmot, M. (2010). *Fair Society Healthy Lives*. <http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review> Last accessed 9th October 2014.

<sup>9</sup> ONS Annual Population Survey, borough figures are rolling average of last three Jan-Dec figures up to December 2015 [http://www.nomisweb.co.uk/reports/lmp/la/1946157260/subreports/ea\\_time\\_series/report.aspx](http://www.nomisweb.co.uk/reports/lmp/la/1946157260/subreports/ea_time_series/report.aspx), accessed June 2016

<sup>10</sup> NOMIS/Annual Population Survey, January-December 2015, variable: *Employment rate aged 16-64 - EA core or work-limiting disabled*.

with learning disabilities were in employment compared to 7.5% in London and 6.0% nationally.<sup>11</sup>

#### **4.1.6 Interpretation and analysis**

The impact of the Work Programme is disappointing and there remains a pressing need to ensure effective engagement between health services, particularly those supporting residents with mental health problems such as the talk therapies (IAPT<sup>12</sup>) and employment service providers; sub-regional partnerships in London are currently involved in discussions with the Department of Work & Pensions on the successor programme to the Work Programme. This is to be designated the Work & Health Programme and is expected to focus very heavily (80% of participants) on people with disabilities or health problems.

Despite a further reduction in the claimant count in 2015/16 of 10.4%<sup>13</sup>, the borough still suffers from the highest youth unemployment rate in London, the second highest proportion of residents claiming key out of work benefits (11.2% in November 2015).<sup>14</sup> There are significant adverse health impacts that can be expected because of this.

More significant is the large number of residents claiming Incapacity Benefit or Employment and Support Allowance (8,410 in November 2015). While this figure has begun to fall it represents the largest group of claimants by far. Of these, 43.4% are claiming for reasons of mental ill-health (the leading cause).

To help deliver progress on this agenda the Council is negotiating a 2016/17 Partnership Agreement with Jobcentre Plus, Work Programme providers, the Adult College of Barking and Dagenham, Barking and Dagenham College and North East London Foundation Trust. Collectively these partners have established the Barking & Dagenham Employability Partnership as the mechanism through which they will agree and implement initiatives that assist more local residents into work.

The 2016/17 agreement targets a 10% reduction in the claimant count for those claiming for over 12 months. Given the statistics on youth unemployment, a 15% reduction in the 18-24 year old claimant count is proposed. Ambitions for IB/ESA claimants are more limited, with an aspiration to help 100 people (1.2% of the claimant caseload) into work through non-mainstream provision.

The Council is working with local and sub-regional partners to ensure that European Social Fund monies can be accessed to support key groups into work. These include

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<sup>11</sup> Health & Social Care Information Centre, see [www.ascof.hscic.gov.uk](http://www.ascof.hscic.gov.uk)

<sup>12</sup> Improving Access to Psychological Therapies.

<sup>13</sup> Comparison of JSA claimant count figures March 2014 and March 2015, [http://www.nomisweb.co.uk/reports/lmp/la/1946157260/subreports/jsa\\_time\\_series/report.aspx?](http://www.nomisweb.co.uk/reports/lmp/la/1946157260/subreports/jsa_time_series/report.aspx?)

<sup>14</sup> See comparison with other areas tab at <http://www.nomisweb.co.uk/reports/lmp/la/1946157260/report.aspx?#tabwab>

long-term unemployed, disabled people and people with common mental health problems.

In parallel with the Employability Partnership, discussions are taking place with Barking & Dagenham Clinical Commissioning Group, North East London Foundation Trust and Public Health to improve joint working to help people with mental health problems in work. Job Shop teams are working more closely with the IAPT Talking Therapies Service and Richmond Fellowship. The discussions also encompass the advent of the Work & Health Programme.

The Council has established a Welfare Reform Team which is in the process of contacting those already capped to offer support in advance of further reduction in November. Lessons learned from this work will feed into the local authority's Ambition 2020 programme, in particular the Community Solutions early intervention service. Employment outcomes will be a critical objective for the majority of people with which this service engages.

#### **4.1.7 Recommendations for commissioners**

Direct linkages and more effective joint working between health and employment services need to be put in place to ensure a co-ordinated package of support is available to those claiming health-related benefits. A particular focus needs to be on mental health. Re-commissioning and contract management of mental health services needs to ensure alignment with emerging Community Solutions service provision and with the Work & Health Programme.

Providers should be encouraged to begin a dialogue with the Barking & Dagenham Employability Partnership to ensure that their recruitment processes encourage the recruitment of a workforce reflective of the local community. That should include community-based job fairs, which the Council will actively facilitate.

The proposed Care City innovation centre development offers a significant opportunity, through its economic regeneration centre and education and skills escalator strands, to deliver improved employment and skills outcomes for local residents. It will maximise impact if it builds upon existing advice and guidance services (for young people in education as well as adults), job brokerage and skills development services.

Consideration should be given to running focused programmes that improve the supply of local residents – young people and adults – with the skills needed to access employment opportunities, e.g. a local gateway to health and social care that offers advice, guidance and support to access jobs and training. This should also cover support services such as catering, cleaning, and security. There is a need for employers to look at increasing flexible working opportunities, given the employment

rate of women in the borough and the difficulties faced by carers, many of whom want to work and need to do so flexibly.

The Health and Wellbeing Board should receive updates at least twice yearly on the progress of employment and skills initiatives.