

The Working-Age Client Group in London – August 2009

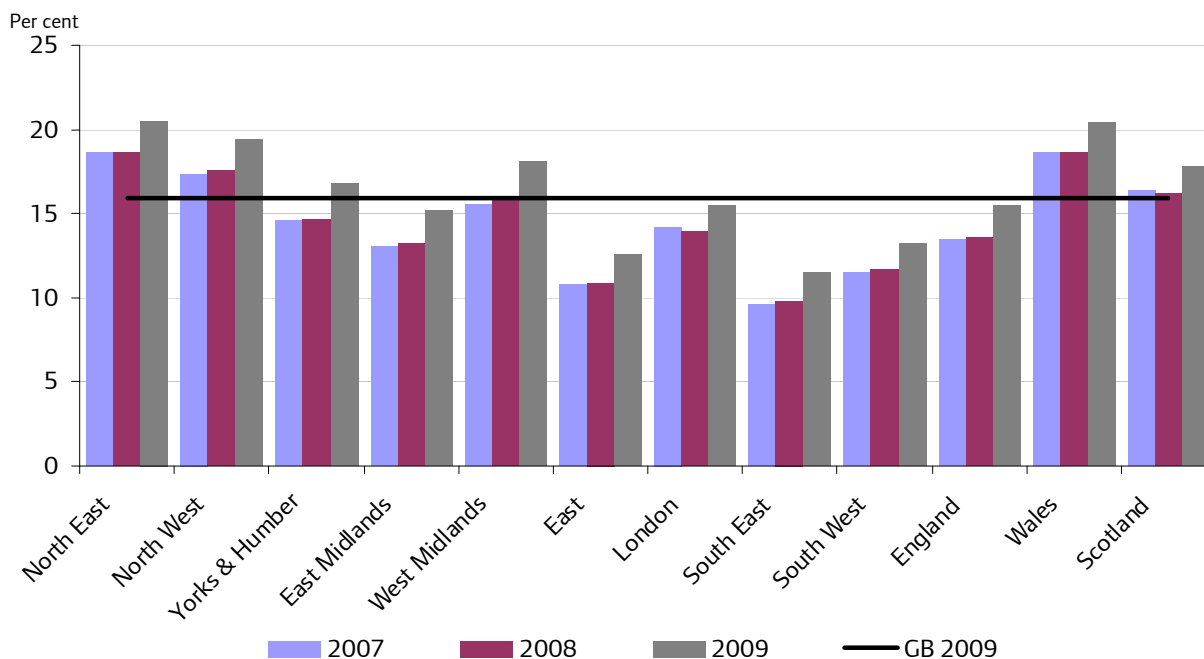
Background

This *Update* presents a comprehensive snapshot of the Working-Age Client Group dataset, derived from the Department for Work and Pensions’ Longitudinal Study. The Longitudinal Study links benefit information with employment records from Her Majesty’s Revenue and Customs. The figures refer to working-age claimants of ‘key benefits’¹. Results are presented by gender, age-group, primary benefit type, duration of claim and the number of children each claimant has.

Results

In August 2009, almost 800,000 working-age Londoners claimed at least one key benefit, equivalent to 15.5 per cent of the working-age population. The highest regional rate was the North East at 20.5 per cent. The South East had the lowest proportion at 11.5 per cent of the working-age population. The London rate represents the lowest regional increase since August 2007 at just 1.3 percentage points, compared with 2.5 percentage points in the West Midlands, the highest of any region. London and Scotland were the only regions to record a decrease between 2007 and 2008 at 0.3 and 0.2 percentage points respectively. Wales and the North East saw no change and rates in the remaining regions saw slight increases over the year (See Chart 1).

Chart 1: Percentage of the working-age population claiming at least one key benefit, August 2007, 2008 & 2009.











Source: Department for Work and Pensions Longitudinal Study

¹ Key benefits include the following; Bereavement Benefit, Carer’s Allowance, Disability Living Allowance, Employment and Support Allowance (from November 2008), Incapacity Benefit/Severe Disablement Allowance, Income Support, Jobseeker’s Allowance, Pension Credit, State Pension and Widow’s Benefit.

Gender

For Great Britain as a whole, the overall rates were the same for men and women. In London, the proportion of working-age men claiming a key benefit was 14.4 per cent, 2.3 percentage points lower than the female rate, the largest margin of any region where males had lower claimant rates. This was in contrast to the North East, where a higher proportion of the working-age men (21.5 per cent) claimed at least one key benefit than females (19.4 per cent), leading to a gender gap of 2.1 percentage points, the highest of any region.

Table 1: Percentage of the working-age population claiming at least one key benefit, by gender, August 2009.

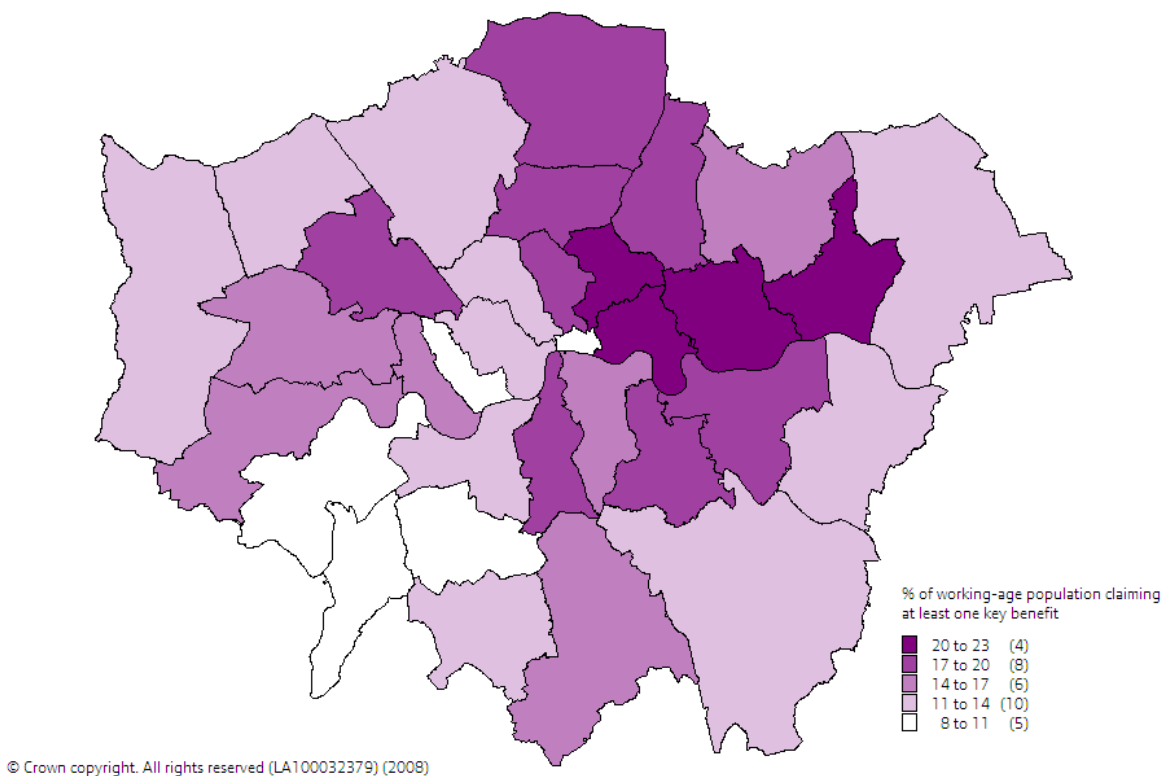
	Males	Females	% point difference	
North East	21.5	19.4	2.1	
North West	19.8	18.9	0.9	
Yorkshire and The Humber	17.3	16.3	1.0	
East Midlands	15.2	15.2	0.0	
West Midlands	18.4	17.8	0.6	
East	12.2	13.0	-0.8	
London	14.4	16.7	-2.3	
South East	11.2	11.8	-0.6	
South West	13.2	13.3	-0.1	
England	15.4	15.5	-0.1	
Wales	20.8	19.9	0.9	
Scotland	18.3	17.2	1.1	
Great Britain	15.9	15.9	0.0	

Source: Department for Work and Pensions Longitudinal Study

Overall, the London figure (15.5 per cent) was close to the national rate of 15.9 per cent (See Chart 1), however considerable variation exists among London boroughs. Hackney (22.7 per cent) leads four boroughs (Barking and Dagenham, Newham and Tower Hamlets) with rates greater than one in five of the working-age population (See Map 1). In contrast the City of London (8.0 per cent) Richmond upon Thames (8.3 per cent) and Kingston upon Thames (8.5 per cent) all have rates lower than one in ten of the working-age population.

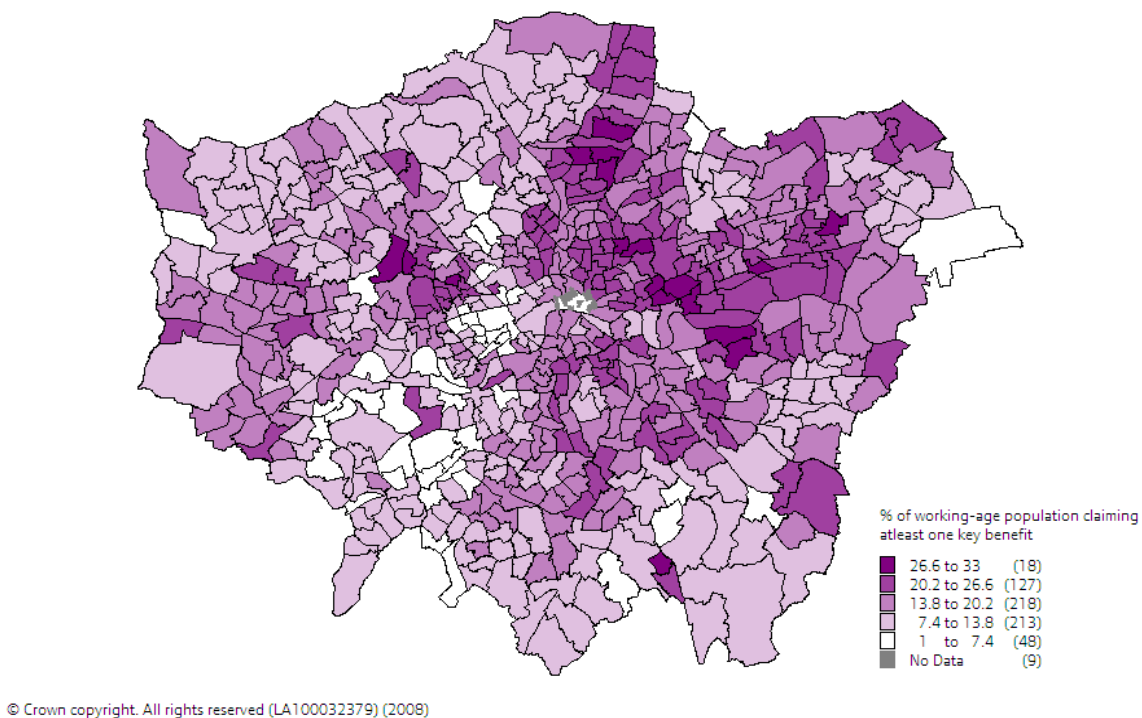
Map 2 shows the proportion of the working-age population claiming at least one key benefit by ward. In total, 26 wards in London have a rate within the highest ten per cent of all wards in Great Britain, equivalent to just four per cent of wards in London. However, 134 wards had rates within the top 20 per cent of wards in Great Britain, equivalent to 22 per cent of wards in London. Barking and Dagenham, Hackney and Haringey each contained seven wards with working-age claimant rates greater than one in four. Northumberland Park ward in Haringey had the highest rate in London at 32 per cent, followed by Edmonton Green in Enfield at 31 per cent. Knightsbridge and Belgravia had the lowest rate at 1 per cent, followed by Queen's Gate in Kensington and Chelsea at 2 per cent.

Map 1: Percentage of the working-age population claiming at least one key benefit, by borough, August 2009.



Source: Department for Work and Pensions Longitudinal Study

Map 2: Percentage of the working-age population claiming at least one key benefit, by ward, August 2009.

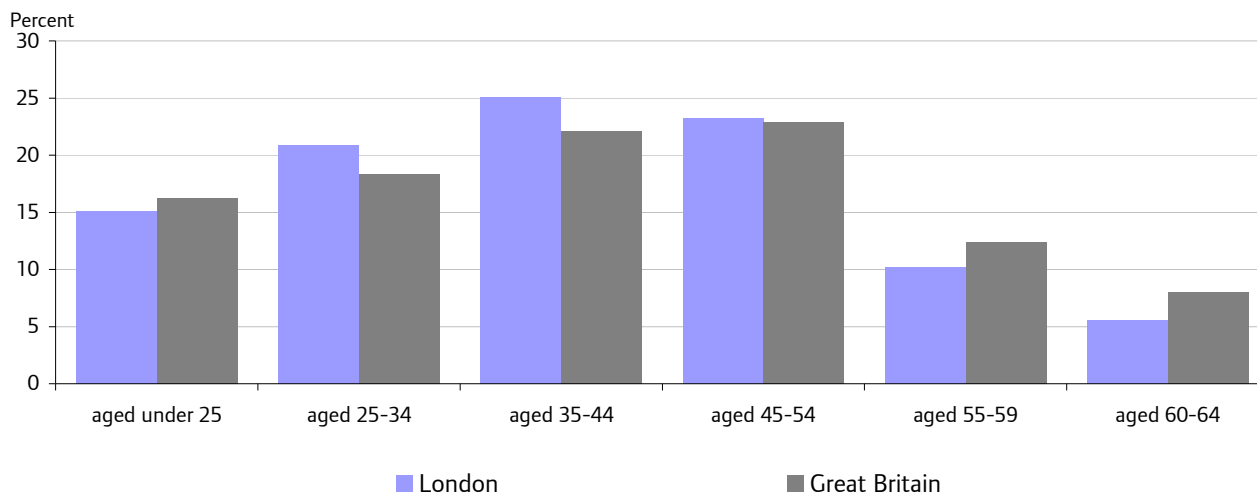


Source: Department for Work and Pensions Longitudinal Study

Age-Group

Chart 2 shows the distribution of the population claiming at least one key benefit by age-group. A higher proportion of claimants in London are aged between 25 and 44 than in Great Britain. Proportions were equal in the 45-54 age-group and lower in London for those aged under 25 and over 55. The largest difference in proportions occurred in the 35-44 age group, at 3 percentage points.

Chart 2: Percentage of the working-age population claiming at least one key benefit, by age-group, August 2009.



Source: Department for Work and Pensions Longitudinal Study

During the 4th quarter of 2009, 15 per cent of the population aged 16-24 in England were not in education, employment or training, equivalent to almost 900,000 young people. The rate in London was 14 per cent, equivalent to almost 120,000 individuals and 13 per cent of the English total². Although the proportion of claimants in London aged under 25 was lower in London than Great Britain, the overall figure masks considerable variation at a smaller geography. In total, 68 wards had proportions more than a third higher than the Great Britain figure, equivalent to around ten per cent of all wards in London.

Benefit Type

Alongside counts of the number of individuals claiming at least one key benefit, the Department for Work and Pensions provide data relating to the type of benefit individuals are claiming. Table 2 shows the proportion of the working-age population claiming selected benefits only, i.e., the benefit is claimed in isolation. More detailed data relating to the combinations of benefits claimed are also available³, but are not discussed within this *Update*. The proportion of working-age claimants, claiming only Income Support or Pension Credit⁴, is higher in London than any other region at 19 per cent, 5.5 percentage points higher than the Great Britain average. This is a recognised characteristic in London – nine of the ten highest local authority Income Support claimant rates in England in August 2009 belonged to London boroughs.

In contrast the proportions of the working-age population only claiming either Disability Living Allowance (4.8 per cent) or Incapacity Benefit only (10.6 per cent) were lower in London than any other region. The proportion claiming Carers Allowance in London (3.6 per cent) was also the lowest

² Department for Children Schools and Families.

³ Income Support (IS) and Incapacity Benefit (IB); Disability Living Allowance (DLA), IS and IB; DLA, IS and Severe Disablement Allowance (SDA); DLA and IS; DLA and SDA; IS and SDA, DLA and JSA and 'Other Combinations'.

⁴ Pension Credit replaced the Minimum Income Guarantee (MIG), which, itself, replaced Income Support for older people in April 1999. It can only be claimed by those aged 60 and above and hence, is grouped with Income Support.

of any region. The proportion claiming only Job Seeker's Allowance was 27 per cent, the second highest regional rate.

Table 2: Percentage of the working-age population claiming selected benefit types only, August 2009.

	Income Support/Pension Credit	Disability Living Allowance	Incapacity Benefit or ESA	Job seeker's Allowance	Carers Allowance	Any Benefit
North East	13	5	16	24	5	21
North West	12	6	14	23	5	19
Yorkshire and The Humber	13	6	13	27	5	17
East Midlands	12	7	14	26	6	15
West Midlands	13	6	12	29	5	18
East	14	7	13	26	6	13
London	19	5	11	27	4	16
South East	14	7	13	25	6	12
South West	13	7	15	21	6	13
England	14	6	13	25	5	16
Wales	11	6	17	20	5	20
Scotland	11	6	15	22	4	18
Great Britain	13	6	13	25	5	16

Source: Department for Work and Pensions Longitudinal Study

Statistical Groups

The Department for Work and Pensions statistical group typology presents each person by the main reason they are in contact with the department. Benefits are arranged hierarchically and claimants are assigned to the topmost benefit which they receive (See table in background section to this *Update*). Thus a person who is a lone parent and receives Incapacity Benefit would be classified as 'Employment and Support Allowance and incapacity benefits', whereas someone receiving both Bereavement Benefit and Disability Living Allowance would be classified as 'Disabled'. For this reason the group 'Lone Parent', for example will not contain all lone parents claiming Income Support. Some will be included in the 'Employment and Support Allowance and incapacity benefits' group instead.

Across all regions, the largest proportion of working-age clients was assigned to the Employment Support Allowance (ESA) and Incapacity Benefit statistical group. Exactly two in five Londoners were assigned to this group, the lowest proportion of any region and five percentage points lower than in Great Britain. A quarter of working-age claimants in Great Britain were assigned to the Job Seekers group compared with 27 per cent in London – the second highest proportion regionally. London has by far the highest percentage of claimants assigned to the lone parent group at 18 per cent, six percentage points higher than the Great Britain rate (See Table 3). The other groups category includes the carer, disabled, other income-related benefit and bereaved groups. London has the lowest percentage of claimants assigned to this group at 15 per cent compared with 18 per cent in Great Britain.

Table 3: Percentage of the working-age population claiming at least one key benefit by selected statistical groups, August 2009.

	Job Seeker	ESA & IB	Lone Parent	Other groups ¹
North East	25	47	11	17
North West	24	48	11	17
Yorkshire and The Humber	27	43	11	18
East Midlands	26	44	11	19
West Midlands	30	40	12	18
East	26	42	13	20
London	27	40	18	15
South East	25	42	13	20
South West	21	48	11	20
England	26	43	13	18
Wales	21	51	10	18
Scotland	22	51	10	17
Great Britain	25	45	12	18

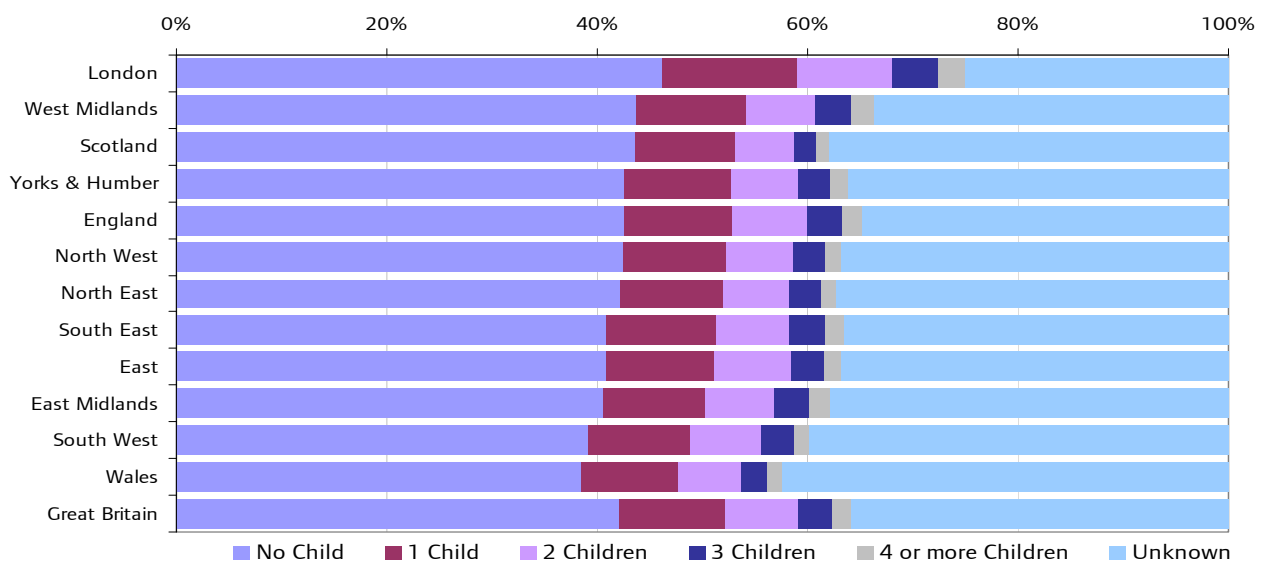
¹ Other groups include, carer, disabled, other income-related benefit and bereaved.

Source: Department for Work and Pensions Longitudinal Study

Working-age Clients with Dependent Children

Dependent children are those aged under 16 together with those aged 16-18 still in full-time education for whom an additional amount of benefit is paid. London had the highest proportion of those claiming at least one key benefit without any dependent children at just over 46 per cent, compared with 42 per cent in Great Britain. The capital also has the highest proportion of working-age claimants with just one dependent child, two dependent children, three dependent children and four or more. The capital has by far the lowest proportion of claimants where the child dependency status is unknown compared with other regions at 25 per cent. The London rate is nine percentage points lower than the next lowest region. Almost two thirds of the unknown claimants were assigned to the statistical group covering claimants of Incapacity Benefit or Employment Support Allowance, widely known to be a lower proportion of the overall client group in London than in other regions.

Chart 4: Percentage of the working-age population claiming at least one key benefit, by number of dependent children, August 2009.



Source: Department for Work and Pensions Longitudinal Study

Working-age Clients and Duration of Claims

More than one in four working-age claimants of a key benefit in London had their longest running current claim for less than six months, the second highest rate regionally. Claims in London lasting between six months and two years are relatively consistent with the rate in Great Britain. Those with a claim lasting five years or more in London account for 37 per cent of the working-age client group, the joint second lowest proportion regionally behind the West Midlands at 36 per cent (See Table 4).

Table 4: Percentage of the working-age population claiming at least one key benefit, by duration of claim⁵, August 2009.

	Up to 6 months	6 months to 1 year	1 year & up to 2 years	2 years & up to 5 years	5 years and over
North East	24	11	10	14	41
North West	23	10	10	15	42
Yorkshire and The Humber	27	12	10	14	38
East Midlands	25	11	10	15	38
West Midlands	27	12	10	15	36
East	26	12	10	15	37
London	26	11	10	16	37
South East	26	11	10	16	37
South West	23	11	10	17	39
England	25	11	10	15	38
Wales	22	10	9	15	45
Scotland	24	10	9	15	43
Great Britain	25	11	10	15	40

Source: Department for Work and Pensions Longitudinal Study

Background

Table A: Hierarchy of benefits and statistical groups

Benefit being claimed	Title of group
Jobseeker's Allowance	Jobseekers
ESA, Incapacity Benefit or Severe Disablement Allowance	ESA and incapacity benefits
Income Support with a child under 16 and no partner	Lone Parent
Carer's Allowance	Carer
Other Income Support (including IS Disability Premium) or Pension Credit	Other on Income Related Benefit
Disability Living Allowance, Attendance Allowance or Industrial Injuries benefits	Disabled
Widow's Benefit, Bereavement Benefit or Industrial Death Benefit	Bereaved

Source: Department for Work and Pensions

⁵ For claimants who are receiving two or more benefits concurrently, the duration variable relates to the oldest current claim. The duration is calculated in days and is derived from the reference date and the claimant's claim start date

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