

**Department for Work and Pensions**

**Research Report No 585**

# **DLA claimants – a new assessment: The characteristics and aspirations of the Incapacity Benefit claimants who receive Disability Living Allowance**

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A report of research carried out by the Centre for Regional Economic and Social Research, Sheffield Hallam University on behalf of the Department for Work and Pensions

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# Summary

## Aims and scope of the report

This report looks at the 1.25 million adults of working age who claim Disability Living Allowance (DLA) as well as incapacity benefits. The purpose is to identify the characteristics and aspirations of these men and women, and to assess the extent to which they differ from, or are similar to, the Incapacity Benefit (IB) claimant group as a whole. The policy background is the Government's aspiration to reduce the number of IB claimants by one million by 2016, which would almost certainly require a substantial reduction in the number of DLA claimants among this group.

The core of the report draws on new survey data, previously compiled by the research team, covering more than 3,600 IB claimants, of whom over 1,700 also claimed DLA. The survey was carried out between November 2006 and October 2007 in eight local authority districts in five different regions. Analysis of the survey data is complemented by an overview of DLA claims using national benefits data and by evidence from in-depth follow-up interviews with a smaller number of claimants.

## Background

DLA is intended to help offset the additional costs of disability and is paid at a number of rates depending on personal circumstances. In theory, the rules governing eligibility are stringent: for example, to be entitled to the lower rate mobility component an individual should have sufficient difficulty walking, for physical or mental reasons, to require guidance or supervision out of doors.

In February 2008, a grand total of 2.9 million men and women in Great Britain were in receipt of DLA. Of these, almost 1.7 million were of working age (16-59/64), and 1.25 million of these men and women claimed both incapacity benefits and DLA. This group represents 3.4 per cent of the entire working-age population.

Like IB claimants more generally, the men and women on DLA are concentrated towards the older end of the working-age population and around three-quarters have been on incapacity benefits for at least five years. Two-thirds of all new DLA awards (including those covering men and women above State Pension age are

for a fixed period, and the remaining third are awarded indefinitely. The stock of DLA claimants, however, has become dominated by indefinite awards: they account for nearly 70 per cent of the total, and an estimated half of the DLA claimants who also claim incapacity benefits.

DLA claimants are concentrated in almost exactly the same local authority districts as the wider incapacity claimant group, and the differences across the country are large. In several of the older industrial areas of the North, Scotland and Wales, the DLA claimant rate is five times higher than in the more prosperous parts of southern England. In Merthyr Tydfil in South Wales, 8.5 per cent of all adults of working age claim both incapacity benefits and DLA. In Glasgow and Liverpool the proportion is nearly seven per cent. In contrast, in most of Surrey, Hampshire, Berkshire and Buckinghamshire for example, the proportion is between one and two per cent.

On the other hand, the proportion of incapacity claimants in each area who receive DLA – which averaged 47 per cent in February 2008 – does not vary greatly across the country.

## Survey evidence

The report presents a range of comparisons between DLA claimants and other IB claimants, drawing on the survey data. The comparisons highlight a number of important similarities:

- both groups tend to be very poorly qualified;
- both groups are dominated by manual workers, especially those from lower-grade occupations;
- many in both groups have a track record of substantial continuous employment;
- illness, injury or disability was easily the most important trigger of job loss for both DLA claimants and non-claimants;
- labour market detachment is formidable in both groups;
- in terms of household type (partner, children, etc) the two groups are almost identical;
- in terms of housing tenure, the two groups are also very similar.

These similarities suggest that DLA claimants share the same socio-economic background as other IB claimants. In so far as there are differences between the two groups, these are largely ones of degree:

- DLA claimants are, on average, a little older;
- DLA claimants are likely to have been on incapacity benefits for longer;
- DLA claimants are less likely to have moved onto IB via a spell on unemployment benefits;

- DLA claimants are a little more likely to cite ill-health, injury or disability as the principal cause of job loss;
- DLA claimants are affected by a somewhat different set of medical problems – often more clear-cut physiological issues;
- more DLA claimants say they ‘can’t do any work’ and they tend to be more pessimistic about the trajectory of their health problems or disabilities; and
- DLA claimants are less likely to express an interest in returning to work.

What these points tell us is that there are some real differences between DLA claimants and other IB claimants, centred around health and disability.

Other statistics of note include the low share of DLA claimants who say they have had contact with Pathways to Work or New Deal for Disabled People – just nine per cent at the time of the survey, though the figure can be expected to increase through time – and the low proportion – just 13 per cent – who say they have taken part in any rehabilitation programme.

## Prospects for a return to work

While virtually all DLA claimants report limitations on the work they can do, arising from their ill-health or disability, only 29 per cent say they ‘can’t do any work’. Nevertheless, only 19 per cent say they would like a job or might like one in future.

The DLA claimants who express an interest in working are somewhat younger than the group as a whole. The most recent claimants are the most likely to express an interest in working. However, reflecting the high proportion of very long-standing claims among the DLA group as a whole, the largest numbers with an interest in working are long-term claimants. Many men, as well as many women, would be favourably disposed to part-time employment. Ill-health or disability is cited as the dominant obstacle to taking up a job.

Wage aspirations are often quite high. Nearly a third of the male DLA claimants who would like a job say they would need to earn at least £300 a week after tax to make it worthwhile coming off benefits. DLA itself may be partly responsible for the high level of this threshold in so far as claimants fear that taking up employment will ultimately lead to loss of DLA entitlement. In fact, there are no DLA rules that disqualify claimants from taking a job: DLA entitlement is based on the nature and extent of health limitations and disabilities, and should be affected only if there is a change in their condition. In practice, the fact that DLA is not automatically withdrawn from claimants taking up employment may not be widely understood.

Logistic regression analysis, using the survey data, confirms that among the IB claimant group, age, qualifications, duration on benefits and self-assessed health are each important determinants of the likelihood of an interest in working now or in the future. The regression suggests that, other things being equal, a lack of

formal qualifications reduces the likelihood of wanting to work by 40 per cent, and the over-fifties are 80 per cent less likely to want to work than the under-35s.

Over and above these factors, there is a statistically significant association between being a DLA claimant and the likelihood of wanting work – the analysis suggests that, other things being equal, a DLA claim reduces the probability of wanting work by 37 per cent. One possible interpretation of this finding is that, over and above other factors including health, being a DLA claimant reduces the financial incentive to take up employment. However, complications around the accurate measurement of the impact of ill-health and disability limit the robustness of this particular conclusion because within each health category in the regression model it may be that DLA claimants are skewed towards the ‘worst’ end of the range.

## Conclusions

The report concludes that for non-employed working-age claimants, DLA functions primarily as a top-up to IB. In this regard it provides financial support to some of the most disadvantaged men and women in the contemporary labour market. The key pieces of evidence are the concentration of DLA claimants in exactly the same places as the wider stock of incapacity claimants, and the fact that in many respects the DLA claimants are actually not very different from the wider group of non-employed incapacity claimants of which they form part.

In the long run, therefore, bringing down the numbers claiming IB will probably lead to a reduction in the numbers claiming DLA, though not necessarily swiftly or in proportion to the reduction in IB numbers.

The report argues that bringing down IB numbers requires a twin-track strategy:

- support and advice for individuals – including sustained engagement with rehabilitation services in the case of DLA claimants;
- economic regeneration in the areas where IB and DLA claimants are concentrated.

Whilst at least some vacancies do become available in all areas all of the time, even during recessions, the scarcity in many areas of the sorts of jobs that would meet the realistic aspirations of many IB and DLA claimants – who are usually limited in the type, quantity and location of the work they are able to do – remains a key issue.

The evidence from parts of southern England, where the economy was at or near full employment for most of the decade up to 2008, shows convincingly that where the labour market is tight for long enough it is possible to achieve IB and DLA claimant rates well below those currently found in much of the rest of the country.

# 1 Introduction

## 1.1 Purpose and scope of the report

This report looks at the 1.25 million adults of working age who claim Disability Living Allowance (DLA) as well as incapacity benefits. They make up nearly half of all the working-age men and women who claim incapacity benefits, yet as a group they have hitherto been only poorly understood. Does their eligibility for DLA indicate that their health problems or disabilities are so serious that there is little prospect they will ever return to work? Or are they not-so-very-different from other incapacity claimants and might they be usefully targeted by back-to-work initiatives?

These questions matter because the Government has set a target of a one million reduction in the number of incapacity benefit claimants by the middle of the next decade. This goal was first laid out in a Green Paper in February 2006<sup>1</sup> and re-affirmed in July 2008<sup>2</sup>. It implies a reduction in the headline total of incapacity claimants from around 2.6 million to 1.6 million. With such a high proportion of incapacity claimants in receipt of DLA, it is hard to see that a major reduction in the headline total can be achieved without also reducing the number of incapacity claimants who receive DLA. Is this possible, and if so, how?

The report deploys the results of a survey of more than 3,600 Incapacity Benefit (IB) claimants to explore the differences between those who claim DLA and the rest. The survey was carried out in eight local authority districts around the country. Just over 1,700 of the men and women covered by the survey were DLA claimants. Particular attention is given to the DLA claimants who express an interest in returning to work. What do they see as obstacles to employment, and what help would they need to find a way forward?

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<sup>1</sup> Department for Work and Pensions (2006). *A New Deal for Welfare: empowering people to work*. DWP, London.

<sup>2</sup> Department for Work and Pensions (2008). *No one written off: reforming welfare to reward responsibility*. DWP, London.

Analysis of the survey data is complemented by a statistical overview of the incapacity claimants who receive DLA, including their highly uneven distribution around the country. The report also draws on in-depth follow-up interviews with a smaller sub-set of claimants, which provide an insight into the complexity of the individual circumstances that often lie behind the aggregate figures.

## 1.2 A brief guide to incapacity benefits

The headline figure of 2.6 million non-employed, working-age incapacity claimants across Britain, now widely quoted in public debate, is made up of three groups:

- **Incapacity Benefit** recipients. These men and women make up around 60 per cent of the national total. IB is not means-tested except for a small number of post-2001 claimants with significant pension income. To qualify for IB an individual does not have to be incapable of all work in all circumstances. Rather, they must score sufficiently highly on a 'Personal Capability Assessment' to be not required to look for work as a condition of benefit receipt.
- Incapacity claimants who fail to qualify for IB itself because they have insufficient National Insurance (NI) credits. The Government counts these men and women as IB claimants but most of these **NI credits only claimants**, as they are termed, actually receive means-tested Income Support (IS), usually with a 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 ten per cent. SDA is closed to new claimants.

Excepting a very small number of claimants who undertake what is known as 'permitted work' (for example, as a form of rehabilitation) none of these incapacity claimants are in employment.

For many men and women leaving a job because of ill-health, disability or injury, IB is accessed after six months – the employer is in most cases liable for Statutory Sick Pay (SSP) for the first six months. A proportion of new claimants do, however, move onto IB directly from work (for example, in the case of redundant workers with health problems) or from other benefits. In practice, quite a number of IB claimants have been out-of-work for significantly longer than the duration of their IB claim.

The individual's own GP 'signs off' the initial claim but this is subsequently reviewed by doctors working on behalf of the Department for Work and Pensions (DWP). Under benefit rules, it is not possible to claim any of these incapacity benefits (IB, NI credits or SDA) at the same time as unemployment benefits (Jobseeker's Allowance (JSA)). It is, however, possible to claim a number of means-tested benefits, including IS, alongside incapacity benefits, depending on household circumstances.

In October 2008, IB (and the NI credits only version) were replaced for new claimants by **Employment and Support Allowance** (ESA). The Personal Capability Assessment was also replaced by the Work Capability Assessment, which the DWP expects to reduce the numbers qualifying for ESA compared to IB<sup>3</sup>. The aim of the Work Capability Assessment is to assess how a health condition or disability affects the person's ability to undertake activities and to identify what they can do. There are also planned changes in the conditionality regime for claimants in that for the first time all but the most severely ill or disabled claimants will be required to undertake some work-related activity as agreed with their Personal Adviser. All ESA claimants also have to attend a number of Work Focused Interviews (WFIs). ESA and the new Work Capability Assessment are being gradually phased in for existing IB claimants and the full changeover is expected by 2013. ESA's introduction is too recent for it to figure in the statistics presented in this report.

### 1.3 A brief guide to Disability Living Allowance

DLA is meant to help offset the additional costs of disability – though there is actually no requirement that DLA recipients actually spend it in this way. How they use the money is for them to choose. There are two 'components' to DLA:

- a 'care component', paid at three different rates (highest, middle and lowest);
- a 'mobility component', paid at two different rates (higher and lower).

An individual may receive just one component or both, depending on their circumstances, and where more than one component is received the rates (higher, lower, etc) will not necessarily be the same. For the over-16s, DLA payments are to the disabled person themselves, not their carer (if they have one) who may be entitled to benefits in their own right.

Qualification for IB does not mean automatic qualification for DLA, and vice versa<sup>4</sup>. In theory, the administrative rules governing access to DLA are stringent. For example, to be entitled to the lower rate mobility component an individual should have sufficient difficulty walking (for physical or mental reasons) to require guidance or supervision out of doors. To be entitled to the lower rate care component, an individual should need help for at least part of the day with things such as washing, dressing, eating or going to the toilet, or (in the case of over-16s) be unable to prepare a cooked meal. To qualify for the middle care component, this help should be needed throughout the day, and for the highest component through the night as well.

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<sup>3</sup> Department for Work and Pensions (2008). *Raising Expectations and Increasing Support: reforming welfare for the future*. DWP, London.

<sup>4</sup> The higher rate care components of DLA do, however, result in an automatic waiver of the Personal Capability Assessment.

In addition to payments to large numbers of IB claimants, DLA is paid to many individuals over State Pension age (60 for women, 65 for men) provided that they started claiming before pension age, and payments are also made in respect of disabled children. DLA is not means-tested, nor classed as taxable income. DLA is also excluded when calculating the principal means-tested benefits – IS, income-based JSA, Housing Benefit (HB) and Council Tax Benefit (CTB). Tax Credits can be enhanced by access to DLA. In addition, further benefits can follow from DLA receipt. These include the disability premiums payable with IS. Parking permits, exemption from road tax and access to the Motability scheme are also available to those on the higher rate mobility component.

Unlike IB (or the new ESA) access to DLA is not dependent upon being out of work – the theory being that the costs of disability remain whether or not a person is in employment. Around 300,000 DLA claimants do in fact hold down a job, in addition to the 1.25 million out of work on IB or SDA.

Access to DLA is determined by DWP Decision Makers on the basis of a lengthy application form and in most cases supporting evidence, for example, from medical practitioners. DLA can be awarded for a fixed period or indefinitely. DWP administrative data shows that one-third of all new DLA awards are indefinite, but since a proportion of the claims awarded for a fixed period do come to an end the proportion of the stock of DLA claims that is indefinite is higher.

DWP data for all DLA claimants (including those above working age) shows that in February 2008 2.0 million of the total 2.9 million DLA claims – 69 per cent – were indefinite<sup>5</sup>. No comparable figures for working-age claimants are currently available. It is reasonable to assume that claimants over pension age are more likely to have been awarded indefinite entitlement, bearing in mind their advancing years and diminished expectations about the likelihood of a long-term recovery. However, even if all the non-working-age DLA claims were indefinite (which is most unlikely) that would still imply that nearly 0.8 million of the grand total of nearly 1.7 million working-age DLA claimants – or just under half – have been awarded DLA on an indefinite basis. In the absence of hard data, a plausible assumption might therefore be that around half the stock of DLA claimants who also claim IB/SDA have been awarded DLA on an indefinite basis.

Fixed term awards must of course be periodically reviewed in order for entitlement to continue. In 2007/08, nearly 290,000 renewal decisions were made. In addition there were 275,000 other reviews and reconsiderations – appeals against disallowed claims for example, which are common. But putting aside these triggers, re-assessments of ongoing claims – in essence, ‘spot checks’ on continuing eligibility – appear to occur infrequently if at all<sup>6</sup>.

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<sup>5</sup> These figures are based on data in an answer to a Parliamentary Question dated 23 October 2008.

<sup>6</sup> The *Disability Rights Handbook* notes that less than one per cent of awards are checked each year.



**Bryan, age 38**

Bryan has been claiming IB for over five years. He also claims DLA. He lives alone in a house rented from a housing association.

In the five years before he started claiming benefit, Bryan was self-employed as an electrician's mate in the construction industry. He then had an accident at work. After six months he returned to work but was then made redundant. He got another job, but says that the deterioration in his physical health, caused by the injury, impacted on his ability to fulfil his work commitments and he lost this job too.

Immediately prior to his IB claim, Bryan tried to get by using money awarded as compensation for his industrial injury and by using credit cards. At this time he was living with his wife. He says that mounting financial pressures led to their marriage break-up and within three months he had moved out and had an emotional breakdown. This led to a claim for IB after doctors diagnosed him with depression and chronic back pain.

Bryan says that he would like to work but because of the nature of his condition he feels that he would not be a reliable employee: *'If I don't do anything I can get through most days with painkillers and not be too bad, but as soon as I do anything I suffer for it one way or another'*. He feels there is little hope for him to find an employer who would be flexible to his needs, both physically and emotionally.

*'Out of curiosity'* Bryan regularly looks for job opportunities in the papers. He claims there is a limited job market in the immediate vicinity. He sees this as a potential barrier, as he is unsure of his ability to drive or travel too far since his accident.

Bryan feels he has a wealth of skills to offer a potential employer. He has undertaken training courses in computing but none have led to employment. Bryan says that he has received little assistance looking for work.

**Jenny, age 27**

Jenny lives with her parents in a house rented from a housing association. She has been claiming IB since she moved to the area six years ago. She also claims DLA for asthma and osteoporosis. Her mother claims IS and a Carer's Allowance for round-the-clock care for Jenny.

Jenny previously claimed JSA. She had been studying performing arts at college and began signing on after graduation. When her health deteriorated she found it difficult to launch a career in her chosen field. When she moved, she put in a new JSA claim but was denied it on the grounds of her health and placed on IB.

Her condition affects her mobility and she has a mobility scooter, for which she pays on a monthly basis. She says that her health is the main barrier to moving off IB and into employment and feels that local job opportunities are scarce. She is concerned that even if she were to get better, the only job vacancies would be at the local Co-op.

Jenny feels that she probably would be able to get a job but, because of the unpredictability of her illness, it would be difficult to retain: *'I could be OK one day and the next I could wake up and be too ill to go in. That could happen three or four times during a week, but then none the next week'*.

She feels frustrated that she can no longer pursue a career in the performing arts. She is currently studying A-level psychology from home in order to improve her employability.

## 2 The statistical background

### 2.1 National trends

In February 2008<sup>7</sup>, a grand total of 2,943,000 men and women in Great Britain were in receipt of Disability Living Allowance (DLA). Of these, 1,685,000 were of working age (ie 16-64 for men, 16-59 for women). Of the remainder, 954,000 were over State Pension age and 304,000 claims related to children under 16<sup>8</sup>.

In turn, of the 1,685,000 working-age DLA claimants, 1,246,700 – 74 per cent of the total – also claimed Incapacity Benefit (IB)<sup>9</sup> or Severe Disablement Allowance (SDA). It is this group of almost 1.25 million men and women that is the focus of the present report. Of the remaining 439,000 DLA claimants of working age, 344,000 claimed DLA alone (mostly as an in-work benefit) and the final 95,000 claimed DLA alongside a variety of other benefits.

Table 2.1 shows the trend in the number of IB/SDA claimants of working age who claim DLA. The figures here go back to May 2002, the earliest date for which data is readily available. The table shows that over the 2002 to 2008 period, the number of IB/SDA claimants in receipt of DLA rose by just over 100,000. The increase was continuous, though with the larger increases in the earlier part of the period. Since 2005, the increase has settled down to a little under 10,000 a year.

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<sup>7</sup> The most recent date for which figures were available at the time of writing.

<sup>8</sup> These figures, and those in the following paragraph, are from National Statistics (NOMIS; [www.nomisweb.co.uk](http://www.nomisweb.co.uk)). Crown copyright material is reproduced with the permission of the Controller of HMSO. The figures are based on Department for Work and Pensions (DWP) benefit records.

<sup>9</sup> Including National Insurance (NI) credits only claimants.

**Table 2.1 IB/SDA claimants of working age in receipt of DLA, Great Britain**

	Number	As a percentage of all working-age IB/SDA
May 2002	1,142,600	41.5
May 2003	1,181,000	42.8
May 2004	1,205,200	43.7
May 2005	1,221,700	44.6
May 2006	1,228,200	45.9
May 2007	1,237,900	47.0
February 2008	1,246,700	47.8

Source: Office for National Statistics (ONS).

Over the same period the number of IB/SDA claimants has been falling – from a peak of 2.79 million in 2003 to 2.61 million in February 2008. One consequence is that the share of IB/SDA claimants who claim DLA has been rising steadily, from 41.5 per cent in May 2002 to 47.8 per cent in February 2008. Nearly half of all non-employed incapacity claimants of working age now also claim DLA.

These numbers are large by any standards. The number of IB/SDA claimants who receive DLA (1.25 million) is not far short of the total number of claimant unemployed (1.5 million in May 2009). The numbers also exceed the total number of lone parents in receipt of Income Support (IS) (approximately 0.75 million). The headline total of 1.25 million men and women claiming both IB/SDA and DLA represents 3.4 per cent of the entire working-age population of Great Britain.

Table 2.2 shows the breakdown between men and women. What needs to be kept in mind here is that at the moment men move across from incapacity benefits to a State Pension at the age of 65, whereas women move across at the earlier age of 60<sup>10</sup>. The consequence is that the number of working-age women claiming IB/SDA is substantially less than the number of working-age men. Among the under-60s, however, the numbers are far more balanced, with the ratio now only 52:48 in favour of men. The table shows that men account for rather more than 700,000 of the 1.25 million IB/SDA claimants who receive DLA. The larger increase between 2002 and 2008 has, however, been among women – 60,000 – at least in part mirroring the gradual shift in the balance of IB/SDA claimants that has been occurring over a long period.

<sup>10</sup> Under detailed benefit rules there are, however, some circumstances where someone who continues in employment beyond SPA can claim IB for a short period.

**Table 2.2 Increase in the number of IB/SDA claimants of working age in receipt of DLA, Great Britain**

	<b>Men</b>	<b>Women</b>	<b>Total</b>
May 2002	671,800	470,800	1,142,600
February 2008	715,400	531,300	1,246,700
Increase	43,600	60,500	104,100

Source: ONS.

Table 2.3 shows the main disabling condition of those on DLA, as recorded on the DWP's benefit records. The figures here are for all working-age claimants – data is not available separately just for those who also claim IB/SDA – but since three-quarters of working-age DLA claimants do claim IB/SDA the figures do offer a useful guide.

A single category – 'other mental health causes' – accounts for more than a fifth of the total and has been by far the largest source of growth in the working-age DLA numbers since 2002. This is a broad category that embraces many different mental and behavioural problems. Amongst IB claimants as a whole, 'mental or behavioural disorders' now account for around 40 per cent of all claims and the largest source of recent growth. To qualify for DLA on mental or behavioural grounds should, in theory at least, mean that the problem is sufficiently severe to require regular support at home or to curtail unsupported mobility outside the home.

**Table 2.3 Medical basis of DLA claims, all working-age claimants, Great Britain, February 2008**

	Number of claimants	Increase May 2002 to February 2008
Other mental health causes	357,700	131,700
Other disability conditions	276,600	-2,500
Arthritis	206,300	-6,100
Learning difficulty	177,900	35,900
Back ailments	144,700	6,400
Muscle/joint/bone disease	144,300	33,900
Heart disease	51,900	-10,100
Epilepsy	47,200	8,400
Stroke related	47,000	3,300
Malignant disease	43,500	6,900
Multiple sclerosis	40,700	8,500
Blindness	39,500	3,700
Chest disease	34,900	1,160
Diabetes	24,700	4,950
Deafness	22,200	5,200
Renal disorders	8,500	1,500
AIDS	6,600	700
Parkinson's disease	6,500	1,200
Skin disease	4,100	1,000
Frailty	500	0
All conditions	1,685,200	235,500

Source: ONS.

Table 2.4 provides a breakdown of IB/SDA and DLA claimants in February 2008. There are three component parts to this table. The first part shows the breakdown between men and women. The figures show that the women who claim IB/SDA are slightly more likely to claim DLA, but the male-female difference is small.

The second part of the table shows the share of IB/SDA claimants in each age group who receive DLA. The overall differences here are not large but there are some variations. The share of under-25s who also receive DLA is high – 46 per cent. This probably reflects childhood disabilities being carried forward into adulthood. Thereafter, as the number of IB/SDA claimants grows in successive age cohorts, the proportion of DLA claimants initially falls and then begins to rise again, reaching a peak of 50 per cent for the over-55s.

**Table 2.4 Breakdown of IB/SDA claimants in receipt of DLA, Great Britain, February 2008**

	All IB/SDA claimants of working age	DLA recipients	
		Number	Percentage of all IB/SDA
<b>By sex</b>			
Men	1,511,400	715,400	47.3
Women	1,094,600	531,300	48.5
<b>By age</b>			
Under 25	165,400	76,800	46.5
25-34	334,900	139,800	41.7
35-44	576,700	263,700	45.7
45-54	740,900	369,900	49.9
55-59	484,400	244,500	50.5
60-64*	303,700	151,900	50.0
<b>By duration of claim</b>			
Up to 6 months	208,100	11,300	(5.4)
6 months – 1 year	142,300	24,600	(17.3)
1-2 years	205,500	55,400	(26.9)
2-5 years	460,800	172,000	(37.3)
5 years or more	1,589,400	983,400	(61.9)
All IB/SDA claimants	2,606,100	1,246,700	47.8

\*Men only.

Source: ONS.

The third part of the table deals with the duration on benefit. In the second column, dealing with DLA claimants, 'duration' refers to the length of the longer standing of the two claims, which may not always have been IB/SDA, so the percentages (in the third column) are in essence a guide. They do however point very strongly towards the disproportionate representation of DLA claimants among longer-term IB/SDA claimants.

## 2.2 The geography of Disability Living Allowance claims

Figures 2.1 and 2.2 show the share of the working-age population claiming IB/SDA with DLA, by district across England, Scotland and Wales. Table 2.5 lists the top 20 and bottom ten districts across Britain on this indicator<sup>11</sup>. The data here combines the DWP claimant numbers with the most up-to-date population estimates. The research team is not aware of any previous efforts to map the distribution of this group of claimants, so the resulting figures are wholly new.

The key point is that there are large and apparently systematic variations across the country in the share of the working-age population that claims both IB/SDA and DLA. At the extremes, the claimant rate in Merthyr Tydfil, in South Wales, is more than eight times higher than in Hart district in Hampshire. The 'top 20' districts have claimant rates that are typically four or five times higher than the 'bottom 10'. Whereas there is an extensive area in the South East around London, spilling over into neighbouring parts of the Midlands, South West and East Anglia, where the 'IB/SDA with DLA' claimant rate is consistently below two per cent, in the North of England, Scotland and Wales the rate rarely if ever falls as low. The 'top 20' districts are dominated by older industrial areas in the North, Scotland and Wales; the 'bottom 10' are all in the more prosperous parts of southern England.

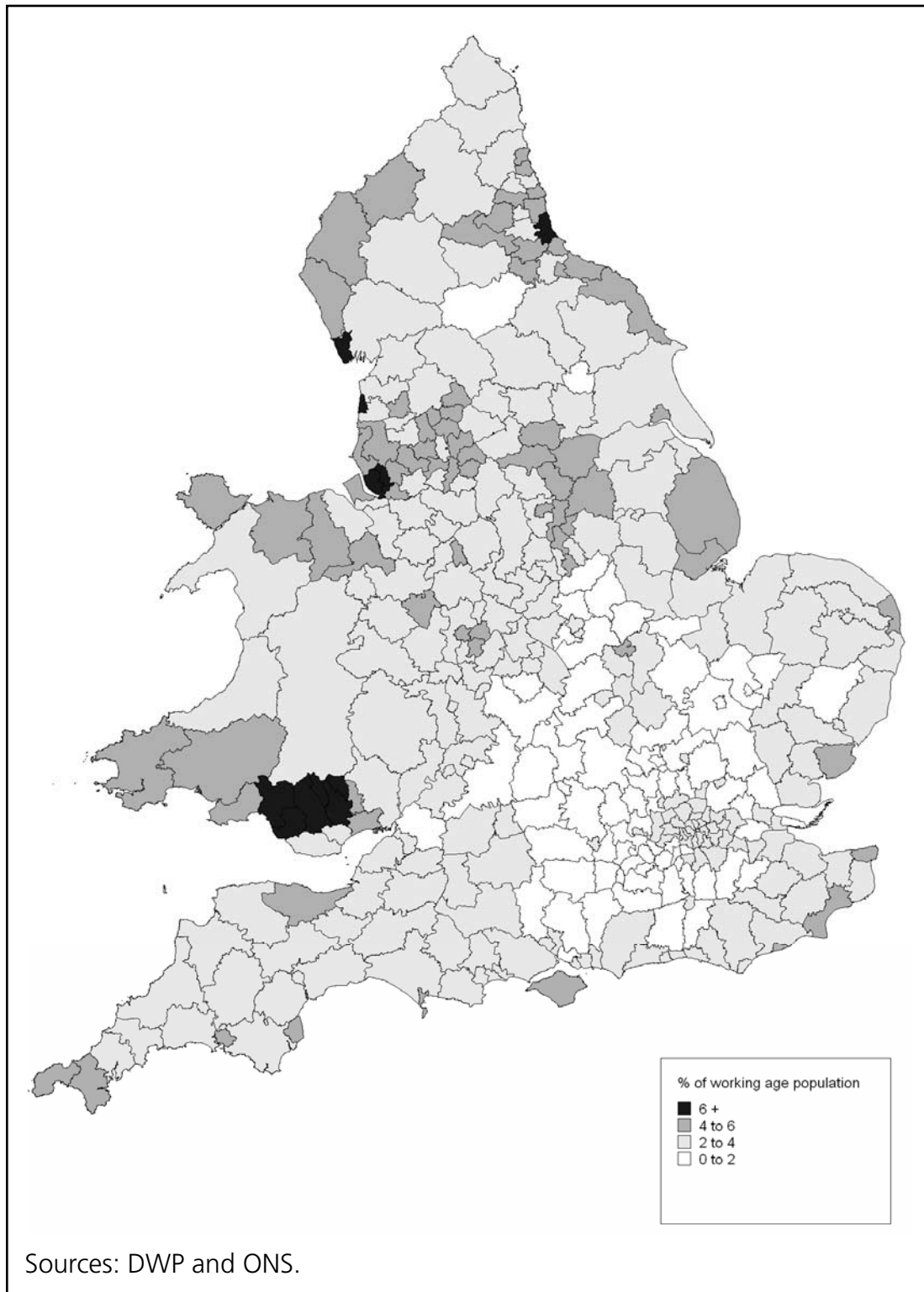
To anyone with a basic knowledge of the geography of IB across Britain this is an extremely familiar picture. The figures presented here deal with a substantial sub-set of the overall IB/SDA claimant group, so some similarity is perhaps to be expected. Even so, the similarity is striking. To illustrate this point, Figure 2.3 correlates the overall IB/SDA claimant rate, by district, with the 'IB/SDA with DLA' claimant rate. The relationship is exceptionally strong. What the correlation shows is that the IB/SDA claimants who claim DLA are concentrated in the same places as the overall stock of IB/SDA claimants. On average, for every percentage point increase in the overall IB/SDA claimant rate, the 'IB/SDA with DLA' rate increases by 0.47 percentage points.

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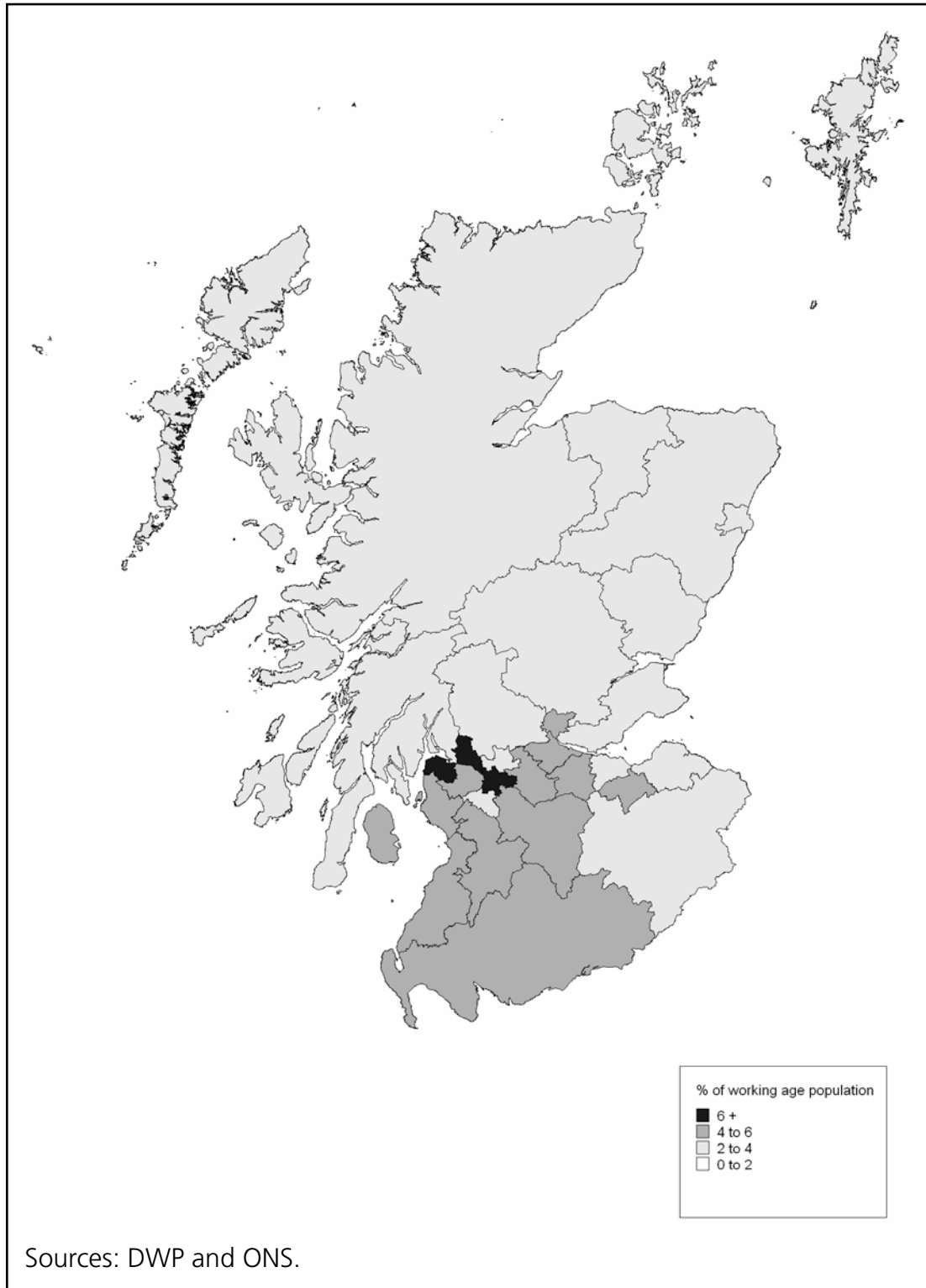
<sup>11</sup> The City of London and the Isles of Scilly are excluded here, and from subsequent analyses in this section, because of their very small population.



**Figure 2.1 Claimant rate for IB/SDA with DLA, by local authority district, England and Wales, February 2008**



**Figure 2.2 Claimant rate for IB/SDA with DLA, by local authority district, Scotland, February 2008**

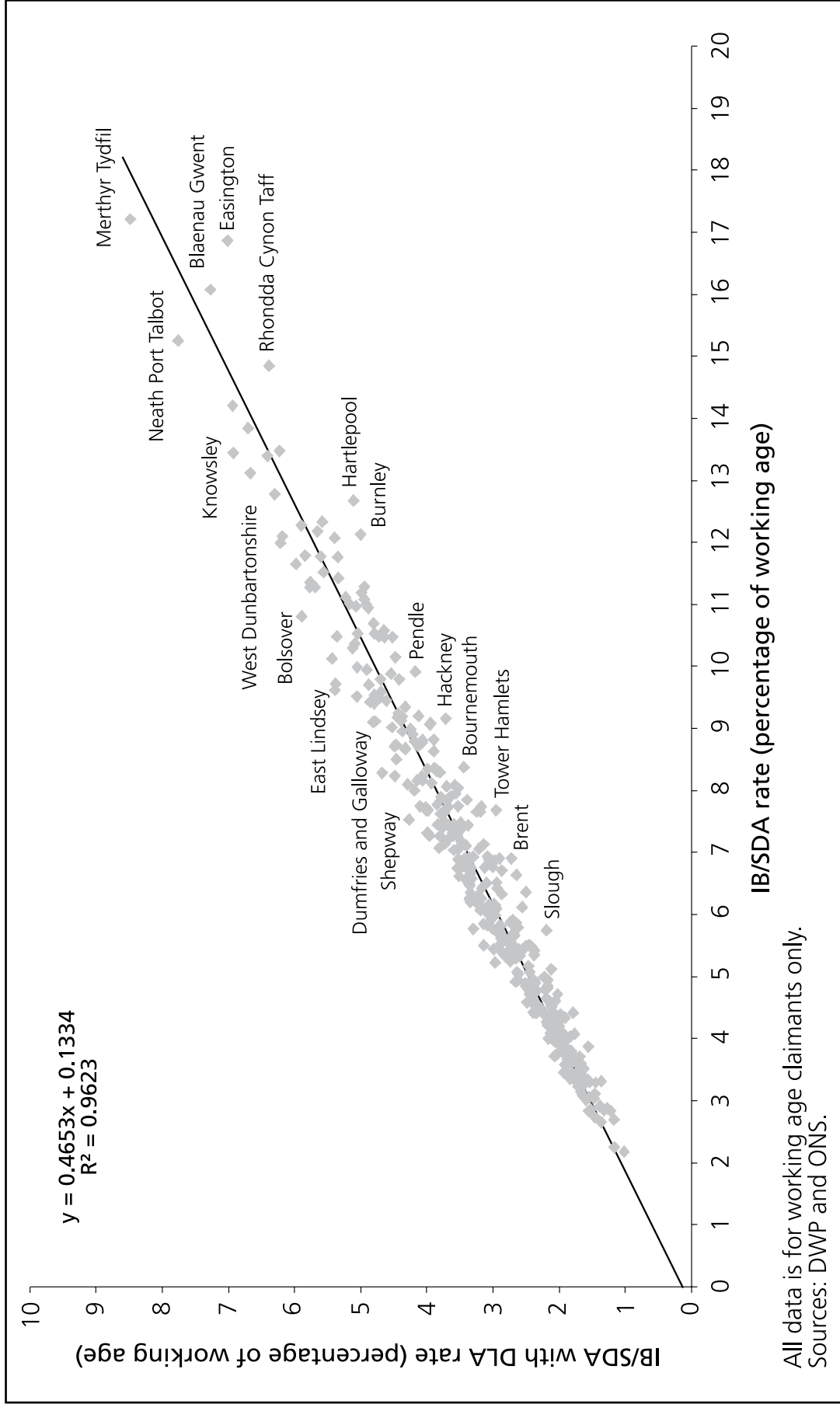


**Table 2.5 IB/SDA with DLA claimant rate, Great Britain districts, February 2008**

Percentages of working-age population		
<b>Top 20 districts</b>		
1.	Merthyr Tydfil	8.5
2.	Neath Port Talbot	7.8
3.	Blaenau Gwent	7.3
4.	Easington	7.0
5.	Caerphilly	6.9
6.	Knowsley	6.9
7.	Glasgow	6.7
8.	Liverpool	6.7
9.	Blackpool	6.4
10.	Rhondda Cynon Taff	6.4
11.	Bridgend	6.3
12.	Inverclyde	6.2
13.	W Dunbartonshire	6.2
14.	Barrow in Furness	6.2
15.	Torfaen	6.0
16.	Carmarthenshire	5.9
17.	Bolsover	5.9
18.	Dundee	5.8
19.	Swansea	5.8
20.	Halton	5.8
<b>Bottom 10 districts</b>		
397.	Runnymede	1.4
398.	Uttlesford	1.4
399.	S Northamptonshire	1.4
400.	Kingston upon Thames	1.4
401.	S Buckinghamshire	1.3
402.	Windsor and Maidenhead	1.3
403.	Elmbridge	1.2
404.	Surrey Heath	1.2
405.	Wokingham	1.2
406.	Hart	1.0

Sources: DWP and ONS.

**Figure 2.3 Correlation between 'IB/SDA with DLA' claimant rate and overall IB/SDA claimant rate, Great Britain districts, February 2008**



It is tempting to explain this close correlation in health terms alone. If the high IB/SDA claimant rate in some areas reflects higher underlying levels of ill-health and disability, the incidence of more severe ill-health and disability, and thereby eligibility for DLA, might be expected to rise in step with the overall scale of ill-health and disability. In the areas where IB/SDA claimant rates are highest it is certainly true that underlying standards of health are worse. Indeed, poverty and labour market detachment are themselves important triggers of ill-health, so it is hardly surprising that deprived districts such as Merthyr Tydfil in Wales or Easington in North East England should top the lists for both IB/SDA and DLA claimant rates.

However, there is a growing body of evidence, including important contributions by the present authors<sup>12</sup>, that argues that the variation in IB claimant rates across Britain is strongly influenced by the strength of the local labour market at least as much as by health. In particular, it was large-scale job losses from industries such as coal, steel and engineering that first triggered sharply rising IB claims in much of the North, Scotland and Wales, whereas in the parts of southern England where there has effectively been full employment for quite a number of years, very few men or women end up on incapacity benefits. The evidence suggests that in the areas where the economy is strong, even many of the men and women with long-term work-limiting illness or disability do find work.

Three points are worth making here:

- The four- to five-fold disparity in the 'IB/SDA with DLA' claimant rate between the best and worst districts seems too large to explain in health terms alone.
- The timing and location of the increase in the number of IB claimants around Britain points strongly to a labour market trigger.
- The historic data on incapacitating ill-health among the working-age population (from the 1981 Census for example) points to far lower levels, and in the meantime general standards of health are widely understood to have improved, albeit with some of the slowest improvements among some of the most disadvantaged groups.

A more plausible interpretation of the close correlation between DLA and IB claims is that an IB claim is a key trigger to a DLA claim. Put simply, if someone claims IB they are also more likely to claim DLA as further source of financial support. The process at work may be that many men and women claiming IB have a pressing need to increase their otherwise modest income, and thereby make a claim for DLA as well. There may be a learning process: having entered the benefits system via IB, the potential for claiming DLA as well may come to the claimant's attention, for example, via medical practitioners, benefits advisers or other claimants. So the

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<sup>12</sup> See in particular Beatty, C. and Fothergill, S. (2005). *The diversion from 'unemployment' to 'sickness' across British regions and districts*. Regional Studies, vol 39, pp 1654-75.

trigger may come from entry into the benefits and medical system rather than from the claimant themselves. Either way, the district-level data points strongly to DLA functioning in practice as an adjunct to IB.

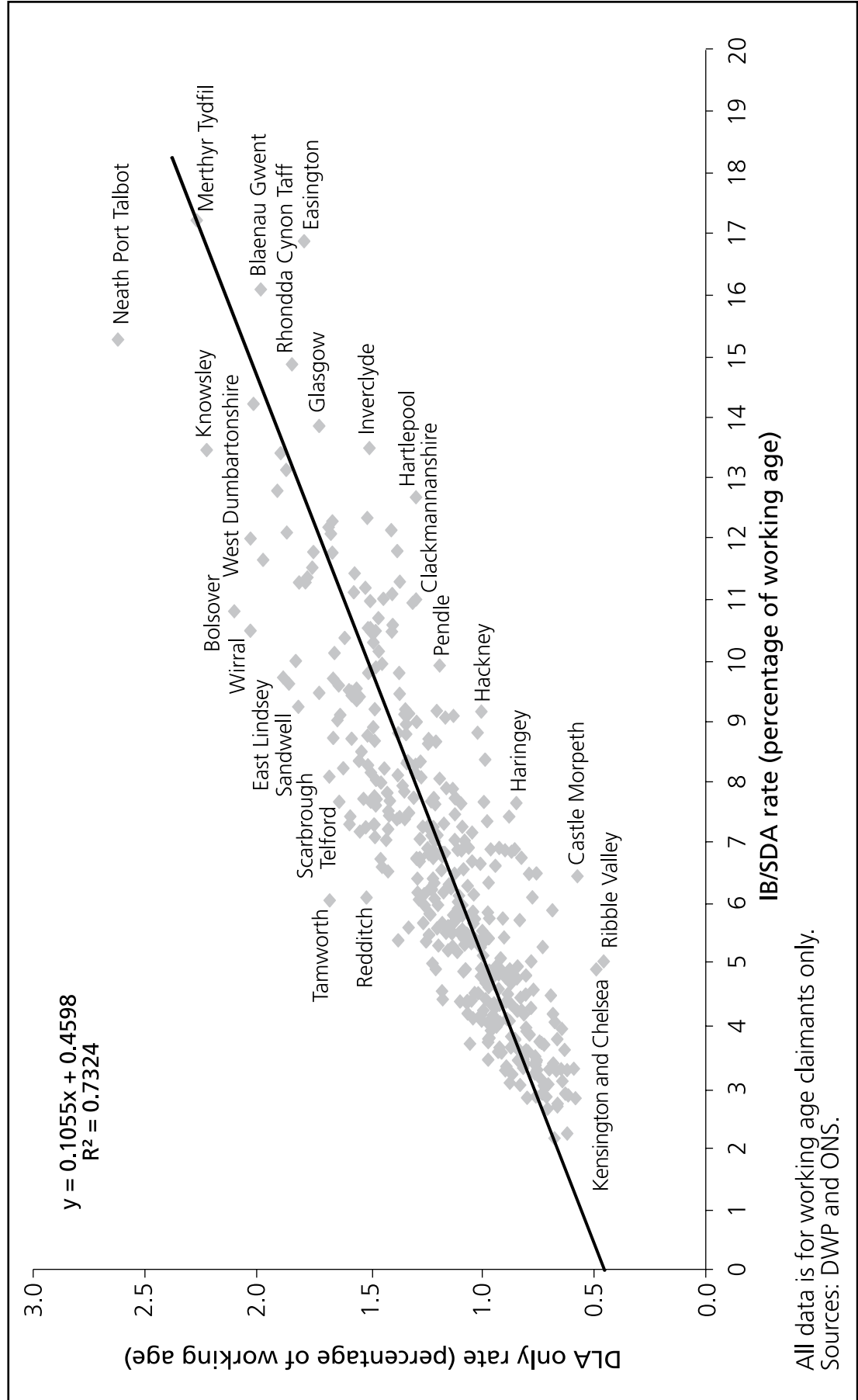
Data on the working-age population claiming DLA alone – most of whom will be in work – also shows an association with the overall IB/SDA claimant rate. This correlation, shown in Figure 2.4, is somewhat weaker but still very clear. What this data tell us is that DLA claimants in work are also concentrated in high IB claimant areas. This is again consistent with the more widespread incidence of ill-health and disability in these places. The key process does, however, seem to involve benefit rules, because as DLA claimants leave IB they will often be entitled to retain this benefit.

Around a quarter of the stock of IB claimants turns over each year, even in high IB areas. In the three months to February 2008, DWP benefit records show that across Britain as a whole, 11 per cent of the working-age men and women who left incapacity benefits (IB/SDA) were DLA claimants – equivalent to an annualised rate of 65,000 DLA claimants leaving IB/SDA. This percentage does not vary much between regions. However, combined with big regional and local differences in the IB/SDA claimant rate and with the fairly even rate of stock turnover around the country, it results in much larger numbers of DLA claimants leaving incapacity benefits where the incapacity claimant rate is highest. A high 'IB/SDA with DLA' claimant rate in an area therefore translates, over a number of years, into a high 'DLA in work' rate in the same area.

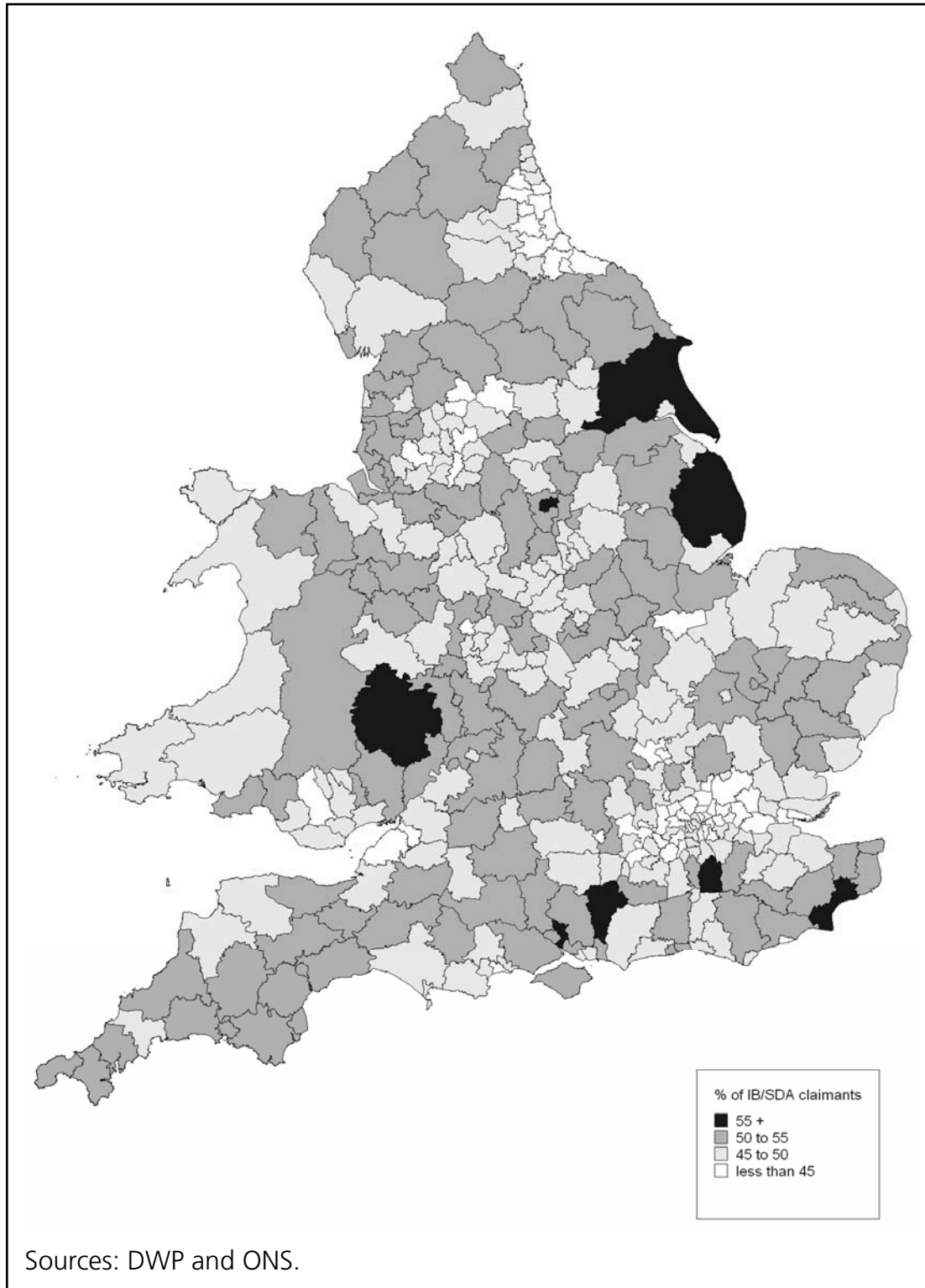
Since the numbers claiming IB/SDA and DLA are closely correlated at the district scale, the proportion of IB/SDA claimants who receive DLA does not vary greatly around the country. All districts fall within a comparatively narrow range from 57 per cent (in the Orkney Islands) to 38 per cent (in Slough). In two-thirds of all districts the proportion falls between 45 and 52 per cent. The share of IB/SDA claimants who receive DLA is shown in Figures 2.5 and 2.6.

The geography is clearly very different to the overall incidence of 'IB/SDA with DLA' claimants (in Figures 2.1 and 2.2 earlier). In particular, there is no tendency for Britain's older industrial areas to shine through as places where a high proportion of IB/SDA claimants also receive DLA. In fact, a number of the districts with the highest proportion of IB/SDA claimants in receipt of DLA are essentially rural districts – the East Riding of Yorkshire, East Lindsey (in Lincolnshire), Herefordshire and Dumfries and Galloway. Conversely, the proportion is relatively low across the whole of the industrial North East, in the Manchester and Birmingham areas and in London. Of the 20 districts with the lowest proportion of IB/SDA claimants in receipt of DLA, eight are London boroughs and a further five are in London's immediate commuter hinterland. The factors at work may include the age structure of the local population – London has a disproportionately large number of young adults – and migration by claimants with disabilities. Nevertheless, the important observation here remains that the share of IB/SDA claimants who claim DLA does not vary greatly across the country.

**Figure 2.4 Correlation between 'DLA only' claimant rate and overall IB/SDA claimant rate, Great Britain districts, February 2008**



**Figure 2.5** Share of IB/SDA claimants who also receive DLA, by local authority district, England and Wales, February 2008







**Judy, age 48**

Judy has been on IB for just over two years because of epilepsy. She also claims DLA. She lives with her husband, who is in work. Their grown-up daughter lives in the house next door and helps out when she can.

Judy had been working as a receptionist in a doctor's surgery when she started suffering blackouts and fits. Her fits began infrequently but then built up to as many as four a day. Initially, her employer's occupational health officer suggested she only worked downstairs to avoid the risk of falling. However, the practice manager was unhappy with this arrangement. After two years, her employer indicated it was not feasible for her to continue working but explained that she would be eligible to claim IB.

Judy has been told she will never be completely cured but that it is possible to reduce the frequency of her fits. Because her condition could potentially be brought under control, she is not permitted to draw on her occupational pension until she reaches retirement age.

Judy says she hates being at home and not being able to work. She is also concerned about the stigma attached to claiming benefits. Out of interest, she looks for jobs in the papers. She would like to do similar work to before, such as reception or admin, if the environment was amenable to her condition.

She sees employers' perceptions of her condition as the main obstacle to work: *'Not many people want you when you're going to have a fit and wet your pants in work, do they really?'*

**Janice, age 43**

Janice was in her late 20s and living with her boyfriend (now her husband) when she was first diagnosed with a condition that causes the build-up of fluid on the brain. At the time Janice was working part-time at a local supermarket while her partner worked as a roofer. Before this she had worked in a canteen and in a plastics factory.

Although her employer had indicated that they would take steps to alter her work if her condition deteriorated, Janice became pregnant and around six months into the pregnancy decided to leave work. She found her condition was aggravated by the strain of pregnancy and childbirth. This was when, on the advice of a social worker, she began claiming IB.

Janice and her husband moved four years ago to be closer to family. Since then, Janice's husband has also developed health problems due to a work-place accident. He currently works full-time at a local laundry. In addition to Janice's IB, the family receive DLA for both Janice and her son.

Whilst in principle Janice would like to move off benefits she has no specific aims and struggles to see what type of work she could do. She says her condition means that she has difficulty with mobility and also problems with memory and recognition.

A further obstacle has been her caring responsibilities for her son (now 14) who suffers from epilepsy: *'I liked my work but my lad was having fits everyday, and then he started to have headaches. And I used to get phone calls from the school "Your son's got a headache. Can you come and fetch him?" or "He's had a fit at school. Can you come and fetch him?"...I wouldn't find a job that's going to keep letting me run out.'*

Her mum sometimes helps out with childcare when Janice has to go into hospital, but otherwise she says it's difficult to find someone to look after her son because of his condition.



## 3 New survey evidence

### 3.1 The Sheffield Hallam Incapacity Benefit survey

The present report draws on a major new survey of Incapacity Benefit (IB) claimants. The survey was carried as part of a research project funded by the Government's Economic and Social Research Council (ESRC) and by local partners<sup>13</sup>. The analysis presented here, funded by the Department for Work and Pensions (DWP), looks specifically at the IB claimants who also receive Disability Living Allowance (DLA).

The survey was carried out in eight local authority districts, spread across five regions. The areas were selected to provide a mix of the different types of area – urban, rural, former coalfield, seaside – where IB claimant rates are particularly high. The share of the working-age population in the eight survey areas who claim IB/Severe Disablement Allowance (SDA) with DLA is shown in Table 3.1. The figures range from 4.3 per cent to 6.9 per cent – all above the Great Britain average of 3.4 per cent – reflecting the strong link between the IB and DLA claimant rates identified in Chapter 2. The share of IB/SDA claimants in the eight districts who receive DLA is much closer to the Great Britain average.

The survey was carried out between November 2006 and October 2007. It was conducted face-to-face in individuals' own homes, by professional interviewers, using a tightly structured questionnaire. The DWP supplied the names and addresses of the claimants to be interviewed, directly from its benefit records. The names and addresses were for IB claimants (including National Insurance (NI) credits only claimants) but excluded SDA claimants. The individuals selected for interview were clustered in some ten local areas in each district on the basis of postcodes, spread randomly across the whole of the district. The sample size in each district varied a little, reflecting the scale of co-funding from local partners<sup>14</sup>.

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<sup>13</sup> The ESRC-funded research was carried out jointly with the University of Dundee.

<sup>14</sup> In Barrow the target was 1,000 completed interviews, in Blackpool, Great Yarmouth, Hull, Knowsley and Wansbeck the target was 400, and in Easington and East Lindsey it was 300. All these targets were essentially achieved.

**Table 3.1 Survey areas, February 2008**

	Percentage of working age claiming IB/SDA with DLA	DLA claimants as a percentage all IB/SDA
Barrow in Furness (Cumbria)	6.2	51.1
Blackpool (Lancs)	6.4	47.8
Easington (Durham)	7.0	41.6
East Lindsey (Lincs)	5.4	56.0
Great Yarmouth (Norfolk)	4.7	49.6
Hull (Yorkshire)	4.3	49.8
Knowsley (Merseyside)	6.9	51.5
Wansbeck (Northumberland)	4.8	45.5
Great Britain average	3.4	47.8

Sources: DWP and Office for National Statistics (ONS).

Potential interviewees were sent a letter prior to the start of the survey giving them two weeks to opt out by contacting Sheffield Hallam University on a free phone line. The opt-out rate averaged 18 per cent. There were up to three call-backs at each targeted address. No contact was made in 30 per cent of cases (in some instances because the target number of interviews for the district had already been met) and there was a refusal rate of four per cent on the doorstep. The rates of opt-out, no contact and refusal are broadly typical of this type of survey research. Combined, they indicate that interviews were carried out with 55 per cent of the individuals originally targeted. Each interview typically lasted 20-30 minutes.

Checks were carried out on the quality of the information gathered by the field force. These included cross-checking with the data on age and duration on benefit 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.

Comparisons with aggregate DWP data on the age and duration on benefits of IB claimants in each of the survey areas and, in particular, with the national stock of IB claimants confirms that the survey sample is broadly representative<sup>15</sup>. The exception is the under-representation of very new IB claimants (less than six months) which, in particular, reflects the time lag between the extraction of names and addresses by DWP and the interviews themselves.

In all, 3,629 useable interviews were completed – 1,694 with men and 1,935 with women<sup>16</sup>. Of these, a total of 1,708 – 778 men and 930 women – or 47.1 per cent

<sup>15</sup> The detailed comparisons can be found in Beatty, C. *et al.* (2008), *Women on Incapacity Benefits: new survey evidence*. CRESR, Sheffield Hallam University.

<sup>16</sup> The somewhat higher number of women reflects the focus of the ESRC-funded component of the survey.

of the total, said they received DLA. This proportion is very close to the national share of IB/SDA claimants who receive DLA (47.8 per cent in February 2008).

In the analysis presented here the whole of this dataset is pooled<sup>17</sup> and comparisons are drawn between the IB claimants who said they received DLA and the rest<sup>18</sup>. The survey did not collect information on the component or level of DLA claims and it has not proved possible to add this information from DWP sources, so all the figures refer simply to the DLA group as a whole.

### 3.2 Age and duration on benefits

The age of the IB claimants included in the Sheffield Hallam survey is shown in Table 3.2, differentiating between those who were DLA claimants and the rest.

Both groups of claimants are skewed towards the older age groups. This is a well-established pattern, echoing the national data presented earlier in Table 2.4. DLA claimants are somewhat older than other IB claimants, but not markedly so. In the survey, 70 per cent of DLA claimants were over 45, compared to 60 per cent of other IB claimants. Conversely, just ten per cent of DLA claimants were under 35, compared to 18 per cent of the others. The lower proportion of DLA claimants in the 60-64 age group compared to the preceding age cohort (55-59) reflects the fact that women mostly move across from IB to a State Pension at age 60.

**Table 3.2 Age of incapacity claimants in IB survey**

	DLA claimants %	Other IB claimants %
16-24	2	5
25-34	8	13
35-44	21	23
45-54	35	29
55-59	23	19
60-64	12	12
All claimants	100	100

Source: Sheffield Hallam survey data.

<sup>17</sup> Including a very small number of interviewees over State Pension age who claimed IB.

<sup>18</sup> There is remarkable similarity, across a wide range of indicators in the survey data, between the men and women who claim IB. The similarities are documented in Beatty, C. *et al.* (2008). In much of the present report the data presented does not therefore distinguish between men and women.

The average duration on incapacity benefits is substantial, as the national benefits data also illustrated. Table 3.3 looks at the duration on sickness or disability benefits reported by the interviewees. DLA claimants emerge as having claimed these benefits for longer than other IB claimants – 70 per cent of DLA claimants have been on sickness or disability benefits for at least five years, compared to just half of other IB claimants. Even so, the fact that so many IB and DLA claimants have been on benefits for a very long time is perhaps the most striking observation.

**Table 3.3 Length of time on sickness or disability benefits**

	DLA claimants %	Other IB claimants %
Less than 6 months	1	3
6 months – 1 year	3	8
1-2 years	6	12
2-5 years	20	27
5-10 years	28	24
10 years or more	42	25
All claimants	100	100

Source: Sheffield Hallam survey data.

### 3.3 Qualifications

Table 3.4 shows selected qualifications held by the two groups of 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 both groups that have no formal qualifications at all – 60 per cent of both DLA claimants and of other IB claimants. There is clearly a large cohort here that, for lack of qualifications alone, is likely to be acutely disadvantaged in the labour market. The disadvantage also applies fairly equally to both groups.

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 been falling. Among both groups of IB claimants, however, the share with no formal qualifications remains exceptionally high.



**Table 3.4 Selected qualifications**

	<b>DLA claimants</b>	<b>Other IB claimants</b>
	<b>%</b>	<b>%</b>
Degree	2	2
'O' level/CSE/GCSE	23	25
NVQ/ONC/OND/HNC/HND	11	13
Craft apprenticeship	5	4
No formal qualifications	61	60

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

Source: Sheffield Hallam survey data.

### 3.4 Work experience

Table 3.5 shows the length of time since claimants' last regular paid job. Whilst most IB claimants have been out of work for a very long time, the DLA claimants among them have been out of work for distinctly longer – half for at least ten years, compared to just a third of other IB claimants. However, DLA claimants are no more likely than other IB claimants to have never had a job – just seven per cent fall into this category.

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 the stock of IB claimants faces formidable obstacles to re-employment on this indicator alone, and this obstacle is especially pronounced for a high proportion of DLA claimants.

Table 3.6 shows the occupational background of the two groups of 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 around four-fifths of all DLA claimants and a broadly similar proportion of other IB claimants. The 'other manual' category includes plant and machine operatives, shop work, labouring, and routine personal services, and alone accounts for more than 60 per cent of both groups. Professionals account for very few.

**Table 3.5 Length of time since last regular paid job**

	<b>DLA claimants</b> %	<b>Other IB claimants</b> %
Less than 6 months	0.4	1
6 months – 1 year	1	4
1-2 years	4	10
2-5 years	15	21
5-10 years	21	22
10 years or more	51	34
Never had one	7	7
All claimants	100	100

Source: Sheffield Hallam survey data.

**Table 3.6 Occupational background**

	<b>DLA claimants</b> %	<b>Other IB claimants</b> %
Professional	1	1
Other white-collar	19	15
Skilled manual	16	16
Other manual	62	67
All claimants	100	100

Source: Sheffield Hallam survey data.

In terms of occupation, the differences between DLA claimants and the rest are modest. DLA claimants are slightly more likely to have worked in office jobs – the ‘other white collar’ group here includes managers, clerical workers and other office staff – but it is the similarities rather than the differences between the two groups of claimants that are most striking.

Table 3.7, which shows whether claimants were previously working full-time or part-time or were self-employed, underlines the similarities between the DLA claimants and the rest.

**Table 3.7 Status in last job**

	<b>DLA claimants</b>	<b>Other IB claimants</b>
	%	%
Employee – full-time	81	81
Employee – part-time	15	16
Self-employed	4	3
All claimants	100	100

Source: Sheffield Hallam survey data.

The similarities are largely repeated in Table 3.8, which shows the length of time in the claimant's last job. What is noticeable here is that even DLA claimants mostly have a record of substantial continuous employment. Nearly half had been in their last job for at least ten years, and approaching a third for 20 years or more.

**Table 3.8 Length of time in last job**

	<b>DLA claimants</b>	<b>Other IB claimants</b>
	%	%
Less than 2 years	18	22
2-5 years	14	13
5-10 years	20	14
10-20 years	20	18
20 years or more	29	33
All claimants	100	100

Source: Sheffield Hallam survey data.

### 3.5 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 3.9 shows the responses.

A striking feature here is the importance of illness or disability as the trigger of job loss. This was cited by three-quarters of DLA claimants and by almost as many of the other IB claimants. That still leaves a quarter of DLA claimants, and nearly a third of other IB claimants, for whom other factors were the primary reason. Compulsory severance, for example, accounts for 11 per cent of DLA claimants – one in nine of the total. A miscellany of other reasons, including leaving to have a baby, caring responsibilities and voluntary retirement, account for the remaining DLA claimants.

**Table 3.9 Principal reason for job loss**

	DLA claimants %	Other IB claimants %
Compulsory severance*	11	15
Voluntary – redundancy/retirement	2	2
Voluntary – pregnancy/baby	4	4
Voluntary – to look after children/others	2	3
Voluntary – other reasons	4	5
Illness, injury or disability	75	69
Other	1	1
All claimants	100	100

\*Compulsory redundancy, dismissal, end of contract.

Source: Sheffield Hallam survey data.

Three-fifths of DLA claimants in the survey said they moved straight away onto IB once their last job came to an end. The same proportion of non-DLA claimants also moved onto IB straight away. However, whereas only seven per cent of DLA claimants came to IB from a spell on Jobseeker's Allowance (JSA) or Unemployment Benefit, 14 per cent of non-DLA claimants did so. One in six in both groups had previously claimed incapacity benefits at some stage in the past.

### 3.6 Health issues

Table 3.10 looks at the nature of individuals' health problems and disabilities. 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 IB claims. The medical basis of DLA claims is likely to be similar, but since the two benefits are assessed separately there will be differences in at least some cases.

Two categories dominate: mental/behavioural problems and musculoskeletal problems. These two categories account for just over half of all DLA claimants and two-thirds of other IB claimants. Both categories of illness or disability are very broad. 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. Musculoskeletal problems can be characterised as 'bad backs' as well as more serious physiological constraints on movement.

**Table 3.10 Nature of ill-health or disability**

	<b>DLA claimants</b>	<b>Other IB claimants</b>
	%	%
Mental, behavioural	30	45
Musculoskeletal	24	21
Nervous system	9	4
Circulation	7	4
Injury, poisoning	5	4
Respiratory	4	2
All other	21	20
All claimants	100	100

Source: DWP.

There are nevertheless important differences between DLA claimants and the rest. DLA claimants' entitlement to IB is less likely to be based on mental/behavioural problems, and rather more likely to be rooted in musculoskeletal problems. The figures in Table 3.10 also suggest that DLA claimants' entitlement to IB is more likely to be on the basis of very clearly defined medical conditions – circulation problems for example, which include problems arising from heart attacks. Since eligibility for DLA requires a significant degree of care or mobility need, which would not necessarily be implied by IB eligibility, some of these systematic differences are perhaps to be expected.

Nevertheless, it is important to note that many of these reported conditions – including those affecting DLA claimants – 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<sup>19</sup>, which most claimants have to go through after six to nine months to maintain an IB claim, assesses the ability to undertake a number of basic tasks, not whether they are incapable of all types of work in all circumstances. If the individual scores sufficiently highly (i.e. 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 six and seven million adults of working age report a 'long-term work-limiting illness or disability'. Of these, around half are in employment.

Table 3.11 shows claimants' own assessment of the influence of health on their ability to work. A degree of self-reported health limitation is nearly universal – only around one in 20 claimants say there is no limitation on the work they can do. Also, relatively few report only modest limitations. However, only a minority of DLA claimants (29 per cent) and a still smaller group of other IB claimants (20 per cent) say that they 'can't do any work'. This is an important observation. What

<sup>19</sup> Replaced in October 2008 by the Work Capability Assessment. The Personal Capability Assessment will have applied to all the interviewees in the survey.

it indicates is that even though DLA claimants may face greater obstacles arising from their ill-health or disability, a clear majority do still see themselves as capable of at least some work. The issue is generally what type of work, and how much.

**Table 3.11 Self-assessment of influence of health on ability to work**

	DLA claimants %	Other IB claimants %
'Can't do any work'	29	20
'A lot' of limitation	55	57
Some limitation	12	19
No limitation	3	4
All claimants	100	100

Source: Sheffield Hallam survey data.

Table 3.12 presents claimants' own expectations about their health or disabilities. Optimism is not the norm: easily the largest group expect their problems to worsen. Hardly any expect them to ease. DLA claimants are also noticeably more pessimistic about their health problems or disabilities than other IB claimants.

**Table 3.12 Expectations about current health problems/disabilities**

	DLA claimants %	Other IB claimants %
Get better	3	7
Stay much the same	13	14
Fluctuate	19	25
Get worse	61	46
Don't know	5	8
All other	21	20
All claimants	100	100

Source: Sheffield Hallam survey data.

DLA claimants also report longer-standing problems – 65 per cent say they have had their current health problem or disability for ten years or more, compared to 45 per cent of non-DLA claimants. However, DLA claimants are no more likely to have had to face health problems or disabilities when they were in work – two-thirds of both groups say their present health problems or disabilities were an issue when they were in their last job. In addition, there is little evidence that the deterioration in health has been much greater for DLA claimants – 59 per cent of DLA claimants say their problems have worsened since they were in their last job, compared to 57 per cent of non-DLA claimants. Twenty-six per cent of DLA claimants (and 30 per cent of non-DLA claimants) say their current health problems are about the same, or less severe, than when they were working.

When asked 'Have you taken part in any rehabilitation programmes?', only 13 per cent of DLA claimants and 12 per cent of other IB claimants said 'yes'. For those who have taken part in such programmes, Table 3.13 presents their assessment of the impact. Rather more than 40 per cent say these programmes 'helped a lot' or 'helped a little', though an equal proportion are negative about the outcomes. There is, however, little difference in the outcomes between DLA claimants and the rest.

**Table 3.13 Impact of rehabilitation programmes**

	<b>DLA claimants</b>	<b>Other IB claimants</b>
	%	%
Helped a lot	13	13
Helped a little	32	30
Too early to tell	7	8
Not sure	6	7
Not at all	34	39
Made things worse	8	3
All claimants	100	100

Source: Sheffield Hallam survey data.

### 3.7 Job aspirations

Table 3.14 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 DLA claimants saying they would like a job is very low indeed – just 11 per cent of the men and women interviewed. However, among the IB claimants who do not receive DLA the proportion is not hugely higher – just 20 per cent. These figures confirm IB claimants as a group that is very demotivated with few aspirations to work. The DLA claimants among them are, on average, some of the most demotivated of all.

On a more positive note, the second line of Table 3.14 shows the additional claimants who say 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 19 per cent of DLA claimants and 34 per cent of other IB claimants.

**Table 3.14 Job aspirations**

	DLA claimants %	Other IB claimants %
Would like a job	11	20
Might like a job further into future	8	14
Looked after last job ended	10	17
Looking now	3	5
Thinks there's a realistic chance of ever getting one	1	3

Source: Sheffield Hallam survey data.

The figures on the share that would like a job, now or in the future, contrast sharply with the normal claim by the DWP that 80-90 per cent of IB claimants would like to go back to work<sup>20</sup>. The contrasting figures are, however, not necessarily incompatible. The DWP figure refers to new claimants, whereas the figures in Table 3.14 refer to the total stock of claimants, most of whom have been claiming incapacity benefits for a very long time. Many new claimants will not only have aspirations to return to work but also reasonable expectations of doing so, for example, because they expect their health problems to be temporary, and in due course many do indeed succeed in returning to work. As these men and women leave incapacity benefits, the ones who remain are more likely to be those with more formidable obstacles to returning to work and/or lower aspirations to return. Further to this, disillusion and disengagement are likely to become entrenched the longer an IB claim continues (Table 4.3, later, offers confirmation of this point). The survey areas from which the data is drawn, which all have high levels of worklessness, may also contribute to the low proportion aspiring to go back to work because these are all places where finding a suitable job is never going to be especially easy.

The third line in Table 3.14 shows the proportion that looked for work after their last job ended. In both groups this was not large, though one in ten DLA claimants and one in six other IB claimants did look for a new job at this point. 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 low for both DLA claimants and the rest. It should be noted here that unlike JSA for the unemployed, IB 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 (ESA), which replaced IB for new claimants from October 2008, will, for the first time, introduce an element of conditionality

<sup>20</sup> See, for example, Department for Work and Pensions (2008). *Raising Expectations and Increasing Support: reforming welfare for the future*. DWP, London.



but this is 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 not only presently looking for work but also think there's a realistic chance of getting a job. The figures show that hardly any men and women fall into this category, especially among the DLA claimants.

Table 3.15 shows the main reasons that claimants give for not wanting a job. Poor health dominates the responses, for both DLA claimants and other IB claimants. The overwhelming importance of ill-health or disability as a reason for not wanting a job highlights the way that many IB claimants now define their detachment from the labour market.

**Table 3.15 Main reasons for not wanting a job**

	DLA claimants %	Other IB claimants %
Health not good enough	93	93
Too much uncertainty	5	4
Decide to retire permanently	4	3
Family responsibilities	2	2
Children to look after	1	2
No suitable jobs	1	1

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

Source: Sheffield Hallam survey data.

### 3.8 Pathways to Work

Pathways to Work was first introduced in a number of pilot areas in the autumn of 2003 and was subsequently rolled out, finally covering the whole of Britain in April 2008. Pathways was in operation in six of the eight survey areas<sup>21</sup> at the time the IB survey was conducted. All new IB claimants (with some specified exceptions) have to pass through Pathways during their first six to nine months. This involves compulsory Work Focused Interviews (WFIs) and claimants may be routed on to training or rehabilitation schemes. To date the routing has been voluntary, but as the full provisions of the new ESA come into effect, many new claimants will be required to undertake specific activities. Existing IB claimants have always been able to volunteer for Pathways once it is was up and running in their area<sup>22</sup>.

<sup>21</sup> The exceptions are East Lindsey and Great Yarmouth.

<sup>22</sup> In a small number of pilot areas, none of which was covered by the survey, Pathways to Work has been extended to automatically cover some existing claimants.

New Deal for Disabled People (NDDP) has been around longer, since mid-2001, but engagement is entirely voluntary. NDDP also provides access to training and rehabilitation.

Table 3.16 shows that, at the time of the survey, only a minority of IB claimants had had contact with either Pathways to Work or NDDP. This is unsurprising, given the long duration of so many IB claims and the focus of the compulsory element on new claimants. DLA claimants were slightly less likely than other IB claimants to have had contact with either of these Government schemes. Again this is unsurprising, given the greater duration on benefit of many DLA claimants.

**Table 3.16 Contact with Pathways to Work or NDDP**

	DLA claimants %	Other IB claimants %
Yes – compulsory	5	8
Yes – volunteered	4	4
No	89	86
Don't know/not sure	3	2
All claimants	100	100

Source: Sheffield Hallam survey data.

### 3.9 Sources of income

Incapacity Benefit is not generous. The standard, long-term rate, which applies to the majority of claimants, is just over £80 a week. DLA too is not generous – the lower rate mobility and care components are both worth less than £20 a week, though the care component rises to a highest rate of nearly £70 a week and those who are entitled to the higher mobility component as well receive a total of more than £110 a week. However, compensating for the relatively modest sums, many IB claimants receive further top-up benefits and IB is rarely the sole source of household income.

Table 3.17 shows the benefits being received by the IB claimants in the survey. The figures here refer to what the claimants said they were receiving. The IB claimants are again divided into two groups – those that said they were receiving DLA and the rest.

**Table 3.17 Benefits currently received**

	DLA claimants %	Other IB claimants %
Disability Living Allowance (DLA)	100	0
Incapacity Benefit (IB)	74	89
Council Tax Benefit (CTB)	54	45
Housing Benefit (HB)	47	41
Income Support (IS)	42	41
Disablement/Industrial Injuries	4	3
Other benefits (excluding Child Benefit)	3	4

Source: Sheffield Hallam survey data.

IB itself is not received by everyone because the IB claimants who have insufficient NI credits usually receive IS. In addition, some IB recipients also receive IS as a top-up, depending on household circumstances. DLA itself acts as a gateway to enhance IS entitlement, with disability premiums of between £12 and £50 a week depending on the degree of disability. The potential here for confusion in the way that individuals describe their benefits is considerable, especially as the Government counts them all as IB claimants even if they actually receive IS on the grounds of incapacity.

The figures in Table 3.17 suggest that DLA claimants are markedly less likely to receive IB – 74 per cent say they receive IB, compared to 89 per cent of other IB claimants. In fact, DWP benefits data on the individuals in the survey shows that IB was actually received by 70 per cent of the DLA claimants (just four per cent fewer than said they received IB) and by 64 per cent of the other IB claimants (25 per cent fewer). What this suggests is that DLA claimants have a more accurate understanding of exactly which benefits they are receiving. This may be a pointer to their general understanding of the complexities of the benefits system and the rules governing entitlement to its various component parts. Their longer average duration on benefits, highlighted earlier, might well reinforce this understanding.

Beyond disability benefits, CTB and HB (both paid on the basis of household circumstances) are widely claimed, with DLA claimants a little more likely to draw on either of these.

Table 3.18 looks at other sources of financial support. Again, these are varied. Only a very small proportion of either DLA claimants or other 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. Around one in seven in both groups have income from a pension. Excepting the tiny number of IB claimants over SPA, this will be from personal and company pensions. A partner's income can also be an important source of financial support, and this may be income from employment, benefits or a pension. DLA claimants are slightly less likely to have a partner in work,

and more likely to have one that claims benefits in their own right. Just under a third of partners of DLA recipients in the survey claimed Carer's Allowance – an entitlement that will often be rooted in the DLA claimant's needs.

**Table 3.18 Other sources of financial support**

	DLA claimants %	Other IB claimants %
Temporary/casual paid work	2	2
Pension income	16	14
Partner in work	18	21
Partner claiming benefit	22	15
Partner with pension income	8	7
Other personal income	3	3

NB An individual may have several sources of income.

Source: Sheffield Hallam survey data.

### 3.10 Household circumstances

The final two tables in this part of the report deal with the wider household circumstances of the IB claimants who receive DLA.

Table 3.19 shows that half the DLA claimants are living with a partner (as a married or unmarried couple) though only a minority of these couples – around a quarter – have dependent children (under-16s). The preponderance of couples without dependent children is no doubt a reflection of the age of many DLA claimants. Other IB claimants are very slightly less likely to live with a partner, though more likely to have dependent children, and slightly more likely to be a single parent. The proportion living alone is, however, identical. Overall, though, so far as household composition is concerned it is the similarity between the two groups, rather than the differences, that stand out.

**Table 3.19 Household type**

	DLA claimants %	Other IB claimants %
Partner, no dependent children	38	33
Partner, at least one dependent child	12	14
No partner, at least one dependent child	5	7
No partner, other adults/older children	15	16
Live alone	30	30
All claimants	100	100

Source: Sheffield Hallam survey data.

Finally, Table 3.20 shows the housing tenure of the two groups. There is little discernible difference between DLA claimants and other IB claimants. Owner occupation accounts for just over a third of both groups, and half of these owner-occupiers own their home outright. Council housing is the largest single form of tenure. Adding in housing association tenants, rather more than 40 per cent of both groups live in social rented housing.

**Table 3.20 Housing tenure**

	DLA claimants %	Other IB claimants %
<b>Owner-occupied</b>		
With mortgage	19	18
Owned outright	18	18
<b>Rented</b>		
Private	14	16
From housing association	17	14
From local authority	28	28
Live with parents	2	3
Other	2	2
All claimants	100	100

Source: Sheffield Hallam survey data.

### 3.11 DLA claimants: an assessment

Overall, the comparison between DLA claimants and other IB claimants presents a mixed picture. The points of similarity are considerable:

- both groups tend to be very poorly qualified;
- both groups are dominated by manual workers, especially those from lower-grade occupations;
- many in both groups have a track record of substantial, continuous employment;
- illness, injury or disability was easily the most important trigger of job losses for both DLA claimants and non-claimants;
- labour market detachment is formidable in both groups;
- in terms of household type (partner, children, etc) the two groups are almost identical;
- in terms of housing tenure, the two groups are also very similar.

What these points tell us is that the DLA claimants and non-claimants come from the same segment of the labour market and, essentially, from the same segment of society more generally. They have more in common with each other, as IB claimants, than with many other groups in the workforce<sup>23</sup>.

On the other hand, there are also some points of divergence:

- DLA claimants are on average a little older;
- DLA claimants are likely to have been on incapacity benefits for longer;
- DLA claimants are less likely to have moved onto IB via a spell on unemployment benefits;
- DLA claimants are a little more likely to cite ill-health, injury or disability as the principal cause of job loss;
- DLA claimants are affected by a somewhat different set of medical problems – often more clear-cut physiological issues;
- more DLA claimants say they ‘can’t do any work’ and they tend to be more pessimistic about the trajectory of their health problems or disabilities; and
- DLA claimants are less likely to express an interest in returning to work.

What these points tell us is that there are some real differences between DLA claimants and other IB claimants, centred around health and disability. DLA claimants appear to face somewhat greater physical or mental obstacles to working than the non-DLA claimants on IB. This is hardly surprising, perhaps, since DLA requires care or mobility needs that are not necessarily implied by IB eligibility.

Yet even these differences in health or disability rarely appear large. For instance, only a minority of DLA claimants say they can’t do any work. Also, whilst mental/behavioural problems account for the single largest group of non-DLA claimants, they account for the largest group of DLA claimants as well.

The overall impression is that the differences between the two groups are ones of degree. The distinction between DLA claimants and other IB claimants is blurred at best. These are not two radically different social, economic or medical groups.

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<sup>23</sup> All eight survey areas have relatively small ethnic minority populations so the survey did not collect data on ethnicity.

**Peter, age 46**

Peter lives in rented accommodation with his partner, David. David owns a house a few streets away but is currently selling it to generate income for the household. Peter and David have been claiming IB for ten years and five years respectively. Peter is also claiming DLA.

Peter worked as a porter in a local meat factory until he started experiencing problems with his neck and back. He says his GP failed to diagnose his health problems effectively and his condition deteriorated. He found it increasingly difficult to fulfil his responsibilities on the production line. As a result, he suffered a nervous breakdown and was admitted to a psychiatric hospital. He was diagnosed with arthritis and depression and was transferred onto IB when he left hospital. He receives the mobility component of DLA.

Peter says the jobs he had previously were physically demanding. He reflects that flexibility from his employer to take more time off work or to take a different role in the factory might have been helpful.

Peter feels strongly that he would like to return to work, as he would be financially better off, and he would be entitled to further in-work benefits. He took part in a rehabilitation scheme following his release from hospital but it did not lead to permanent employment. He has looked for work and has been for a back-to-work interview. However, he says his health limits the type of work he could do and he hasn't seen anything appropriate. He also says that the local transport system is inadequate.

Peter is concerned that he lacks skills in computers, which he feels are required for most jobs, but would be willing to undergo training. He has previously worked as a taxi driver and thinks that he might like to do so again. However, he is waiting for a more sophisticated diagnosis, following a new course of treatment, to identify whether he is physically capable of doing a driving job in the future.





## 4 The target group for back-to-work initiatives

### 4.1 Targeting interventions

Interventions to help incapacity claimants move closer to the labour market are likely to be most effective if they are targeted. Within the overall stock of Incapacity Benefit (IB) claimants there are substantial numbers who have given up on the idea of ever working again, as the evidence in Chapter 3 shows. These men and women are not propitious targets for back-to-work initiatives. Among the IB claimants who also claim Disability Living Allowance (DLA), the individuals who have given up all aspirations to work are especially numerous – four out of five DLA claimants according to the survey evidence. Given the high degree of illness or disability required to access DLA, this high degree of labour market detachment is perhaps unsurprising. But that still leaves one in five DLA claimants with an interest in working again.

This section of the report looks at the IB claimants in receipt of DLA who express an interest in working again, now or in the future. They account for 328 respondents in the Sheffield Hallam IB survey (141 men, 187 women). This group is arguably the key target for back-to-work initiatives among DLA claimants.

In the absence of compulsion, it is hard to see how the DLA claimants who have given up on the idea of ever working again might be persuaded to re-engage with the labour market. What does need to be noted, however, is that the policy context is changing. At the time of the survey (in 2006/07) compulsion was absent from incapacity benefit rules except for the requirement on most new claimants in Pathways to Work areas to attend Work Focused Interviews (WFIs). Legislation passing through Parliament in early 2009 establishes, for the first time, a requirement on all but the most severely ill new claimants to Employment and Support Allowance (ESA) to sign up to a programme of work-related activity agreed with their Personal Adviser. The requirement to attend WFIs will also be rolled out to most of the existing stock of IB claimants as they gradually transfer across onto

ESA. Giving up entirely on the idea of returning to work will, therefore, no longer be an option for some and more difficult for others. The effect might be expected to be that over time a higher proportion of DLA claimants will express an interest in returning to work.

Nevertheless, the DLA claimants who presently express an interest in working again remain the best bet for early and effective intervention. This section of the report therefore assesses their characteristics and aspirations.

## 4.2 Size of the group

Table 4.1 shows the estimated size of this group across Great Britain as a whole. Of the overall stock of 1.25 million IB/Severe Disablement Benefit (SDA) claimants in receipt of DLA, some 235,000 are estimated to fall into this 'target group'. These are the men and women who, on the basis of the survey data<sup>24</sup>, say they would like a job now or might like one in the future. They comprise just under 20 per cent of all the IB claimants in receipt of DLA.

**Table 4.1 Estimated size of target group for back-to-work initiatives**

	Men	Women	Total
IB/SDA claimants with DLA, Great Britain, February 2008	715,400	531,300	1,246,700
Would like a job now or might like one in the future	18%	20%	19%
Target group	130,000	105,000	235,000

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

There are more men than women in this target group – an estimated 130,000 compared to 105,000. This reflects the larger number of working-age men who claim DLA, which in turn mostly reflects the large number of 60-64 year old men claiming IB and DLA for which there is no comparable group of women<sup>25</sup>. The share of women claiming DLA who express an interest in working is actually marginally higher than for men. These figures, for both men and women, are of course a snapshot at one point in time. There is continuous, if slow, turnover in the stock of DLA claimants and over a period of years the total number of DLA claimants who might offer a fruitful target for back-to-work initiatives will be larger.

<sup>24</sup> The share that would/might like a job is based on data for IB claimants only, rather than all IB/SDA claimants.

<sup>25</sup> As noted in Chapter 2, women mostly move across from IB to State Pension at age 60, whereas men mostly move across at age 65.

Table 4.2 shows the age breakdown of this target group, again based on the survey findings. Whereas nearly a third of the IB claimants who receive DLA are over 55 (see Table 2.4 earlier) the target group is somewhat younger: only around one in six are estimated to be over 55, whilst two-thirds are in the 35-55 age bracket. A further one in five are under 35. Many of the DLA claimants who have not yet given up hope of working are, therefore, still a long way off State Pension age (SPA).

**Table 4.2 Age of target group**

	<b>Men (estimated number)</b>	<b>Women (estimated number)</b>
16-24	6,000	3,000
25-34	19,000	17,000
35-44	41,000	33,000
45-54	41,000	38,000
55-59	16,000	13,000
60-64	7,000	1,000
Target group	130,000	105,000

Sources: Sheffield Hallam survey data and authors' estimates.

### 4.3 Personal characteristics

Table 4.3 looks at the duration of incapacity claims. The figures here express the share of claimants who express an interest in working as a percentage of the total number of DLA claimants in each category. They therefore measure how the probability of wanting a job depends on duration on benefit. The figures reveal a clear pattern: the men and women who have the shortest claims are the most likely to express interest in returning to work. On the other hand, even among the most recent claimants – those who have been on incapacity benefits for less than two years – only around a third express an interest in working again.

**Table 4.3 Target group, by duration on incapacity benefits**

	<b>Percentage who would/might like a job</b>	
	<b>Men</b>	<b>Women</b>
Up to 2 years	28	37
2-5 years	22	25
5-10 years	23	16
10 years or more	12	16

Source: Sheffield Hallam survey data.

Table 4.4 deals with the length of time since the claimant's last regular job. Here the figures are expressed as a percentage of the overall target group. The table shows that more than 40 per cent of the DLA claimants expressing an interest in working have either been out-of-work for ten years or more or never had regular paid employment. These figures serve as an antidote to the earlier observation that the most recent claimants are the most likely to express an interest in working. In fact, because so many DLA claimants have been out-of-work for so long, the big numbers interested in working are likewise among long-term claimants.

Table 4.5 presents figures on selected qualifications. Overall, the DLA claimants who express an interest in working are slightly better qualified than the DLA claimant group as a whole (see Table 3.4 earlier). This applies across all the qualification categories listed here. The proportion with no formal qualifications at all – 45 per cent of the men and 49 per cent of the women – is nevertheless still very high.

**Table 4.4 Target group – length of time since last regular paid job**

	Men %	Women %
Less than 2 years	10	14
2-5 years	21	23
5-10 years	26	18
10 years or more	39	37
Never had one	4	6
All target group	100	100

Source: Sheffield Hallam survey data.

**Table 4.5 Target group – selected qualifications**

	Men %	Women %
Degree	2	4
'O' level/CSE/GCSE	26	37
NVQ/ONC/OND/HNC/HND	18	20
Craft apprenticeship	13	2
No formal qualifications	45	49

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 4.6, mental/behavioural problems account for some 40 per cent of the DLA claimants who express an interest in working. This compares with an equivalent figure of 30 per cent for all IB claimants in receipt of DLA, and is roughly the same as the average for all IB claimants. The proportion

with musculoskeletal problems – just under 20 per cent of DLA claimants with an interest in working – is also close to the average for all IB claimants. The medical assessments here are the ones held on DWP files, not the claimant’s own, and are the basis of the IB claims.

**Table 4.6 Target group – nature of ill-health or disability**

	<b>Men</b>	<b>Women</b>
	<b>%</b>	<b>%</b>
Mental, behavioural	39	41
Musculoskeletal	19	17
All other	42	42
All target group	100	100

Source: DWP and Sheffield Hallam survey data.

Only nine per cent of the DLA claimants who express an interest in working say that they ‘can’t do any work’ compared to an average of 29 per cent among all DLA claimants (Table 3.11). This nine per cent will include men and women who anticipate their health will improve. Overall, only around one in ten of the DLA claimants with an interest in working say they expect their current health problems or disabilities to ease, compared to a third who anticipate a further deterioration. Twenty per cent say they expect their health problems or disabilities to stay much the same, and 30 per cent expect them to fluctuate.

Only 19 per cent of the DLA claimants with an interest in working say they have taken part in any physical or mental rehabilitation programme. This is nevertheless higher than the proportion among all IB claimants in receipt of DLA (13 per cent).

## 4.4 Job aspirations

Table 4.7 presents a range of information regarding the job aspirations of DLA claimants who say they would like a job.

The first part of the table concerns full- and part-time working. It comes as no surprise perhaps that more than half of the women are only interested in part-time working, given the domestic responsibilities that so many women carry. That nearly a third of the men would only like part-time work, and that only just over half would insist on full-time work, is a more novel observation. The preference for (or willingness to accept) part-time working may partly reflect the interplay of ill-health or disability 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 or disabilities may require them to take time off, especially to cope with conditions that they know tend to fluctuate.

**Table 4.7 Aspirations of those who would like a job\***

	Men %	Women %
<b>Would like</b>		
Full-time job only	53	26
Part-time job only	31	55
Full or part-time job	16	19
<b>To start</b>		
Now/fairly soon	39	24
Sometime over next year	17	18
Further into future	11	19
Not sure	34	38
<b>Type of work</b>		
Usual/previous occupation	19	22
Other occupation	52	43
Anything	13	16
Don't know	17	19
<b>Where</b>		
Only in local area	77	92
Local or neighbouring areas	15	5
Anywhere	8	3

\*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 fewer than half the men, and only a quarter of the women, are keen to start fairly soon. More than a third are unsure about exactly when they would like to start work. Again, this probably reflects uncertainty about the trajectories of health problems or disabilities and, in turn, about potential readiness to take up employment.

The third part of the table concerns the type of work these DLA claimants would like. The important observation is that only around a fifth would like to return to their old occupation. Far more – half the men and more than 40 per cent of the women – 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<sup>26</sup>. On the whole, job search horizons are relatively limited, though men are a

<sup>26</sup> 'Local area' was defined a little differently in different survey areas, reflecting the local geography and scale of each of the districts where the survey was undertaken. In smaller districts (eg Barrow, Wansbeck) 'local' is defined as within the same district. In larger districts (eg East Lindsey) 'local' is defined as within the same town.

little more willing than women to look further afield. One of the key factors that influences job search horizons is transport. The survey asked claimants whether they had access to a car or van. Of the DLA claimants who expressed an interest in working, 56 per cent of the men and 48 per cent of the women had a car or van available to the household, but only 37 per cent of the men and 34 per cent of the women said that a vehicle would be available for them to travel to work.

**Table 4.8 Alternative occupations cited by those who would like a job**

<b>Men</b>	<b>Women</b>
Care worker	Hairdresser
Counselling	Admin work
Admin assistant	Travel clerk
Clerical	Childcare
Bicycle repair	Author
Baking	Health and safety
Food manager	Food preparation
Building trade	Waitress
Data input	Women's refuge
Computing	Care work
Concierge	Teaching assistant
Labourer	Civil servant
Driving	Cleaner
Factory work	Cashier
Food preparation	Clerical
Fork lift driver	Shop assistant
Gardener	Computing
Janitor	Counselling
Shelf stacker	Psychology
Cleaner	CAB adviser
Photographer	Customer services
Warehousing	Events co-ordinator
Shop assistant	Data input
Accounting	Nurse
Security	Receptionist
Call centre	Social work
Working with animals	Voluntary work
Teaching	
Teaching assistant	
Graphic artist	

Source: Sheffield Hallam survey data.

Table 4.8 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 three alternatives for themselves. The diversity of the list is striking. So too is the highly specific aspirations of at least some individuals.

## 4.5 Wages

Table 4.9 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 important 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 equally complex issue of potential reductions in subsidiary benefits, from Housing Benefit (HB) 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.

**Table 4.9 After-tax earnings needed to come off benefit**

	<b>Men %</b>	<b>Women %</b>
Less than £200 per week	10	17
£200-249 per week	21	17
£250-299 per week	19	13
£300 per week or more	31	18
Don't know	20	34
All who would like job	100	100

Source: Sheffield Hallam survey data.

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 more who say they would need at least £300 a week, and this figure is after tax. Indeed, nearly a third of all the male DLA claimants with an interest in working say they would need at least £300 a week after tax to make it worthwhile for them to come off benefit.

There are important questions here about whether these wage aspirations are realistic, and about the extent to which the benefits system establishes financial disincentives to return to work. Certainly, given the low level of qualification of so many DLA claimants and their often long duration out of work, it is hard to see that many would command wages that would by themselves result in a take-home pay of £300 a week. Also, many claimants – nearly a third of the men and



more than half the women – only express an interest in part-time work, which on average attracts a lower rate of pay than full-time work, quite apart from the obvious point that fewer hours worked will result in lower earnings.

Post-tax earnings of £300 a week would normally require a pre-tax income approaching £20,000 a year, compared to around £12,000 a year for full-time work at the national minimum wage. On the other hand, the tax credit system means that in practice, in the right household circumstances, take-home pay can actually exceed pre-tax income. There is also a £40 a week top-up for the first year for former IB claimants taking up low-wage employment. It is not self-evident, therefore, that even for low-skill workers a post-tax wage aspiration of £300 a week would always go unmet. But whether it could be met by part-time work must be doubtful.

The role of DLA itself in raising wage aspirations is potentially significant. In the survey, 31 per cent of male DLA claimants with an interest in working said they would need at least £300 a week after tax. This compares to just 29 per cent of other IB claimants (ie non-DLA claimants) with an interest in working. The comparable figures for women were 18 and 16 per cent respectively. The theory is that DLA payments are meant to compensate for the costs of disability and are consequently independent of whether an individual is working. Entitlement changes only if 'needs' change. Therefore, in theory, a claimant should keep their DLA entitlement if they find a job.

In practice, many DLA claimants probably do not see the system as working in this way, even if they understand the formal rules. It is not unreasonable that they might believe that if they take a job their entitlement to DLA will eventually be brought into question should this become known, bearing in mind that even the lower mobility and care components of DLA are supposed to require assistance in moving around or in undertaking everyday personal tasks. The loss of DLA is therefore something to weigh against potential earnings. In this respect, the potential loss of DLA may serve as an additional disincentive to working. The survey data suggests that this disincentive may operate as much by setting high wage aspirations as by a fostering a lack of interest in working.

## 4.6 Obstacles to employment

Table 4.10 lists the obstacles to finding work cited by the DLA claimants who say they would like a job or might like a job in future. Ill-health, injury or disability dominates this list, cited by nearly everyone.

Among the less frequently mentioned obstacles, a shortfall in qualifications, skills or experience is cited by 12 per cent of men and ten per cent of women. Rather depressingly, ill-health, injury or disability is again cited most frequently (in around three-quarters of all cases) as an obstacle to obtaining additional qualifications. Lack of confidence is also cited by a third of those who see obstacles to gaining qualifications.

According to the figures in Table 4.10, a lack of suitable jobs is not seen as the key obstacle to working, at least compared to ill-health or disability. However, when asked directly 'Do you think there are appropriate job opportunities for you here in the local economy?' only 16 per cent of the DLA claimants with an interest in working said 'yes'. Sixty-three per cent said 'no' and the rest didn't know<sup>27</sup>.

**Table 4.10 Obstacles to finding work**

	<b>Men %</b>	<b>Women %</b>
Ill-health, injury, disability	93	97
Qualifications, skills, experience	12	10
Age	12	8
Lack of confidence	10	7
Not enough suitable jobs	8	6
Difficult to get to work	6	4
Childcare arrangements	1	6
Lack of advice on benefits/options	1	1

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

Source: Sheffield Hallam survey data.

The level of awareness of local training and employment support services is poor. Just one-third of the DLA claimants with an interest in working are aware of any such services<sup>28</sup>. Likewise, just 18 per cent of these DLA claimants said they had been in contact with Pathways to Work or New Deal for Disabled People (NDDP), though this is double the proportion of the DLA claimant group as a whole that had been in contact with either of these Government schemes. Among the DLA claimants with an interest in working, two-thirds of the contacts had been voluntary.

Table 4.11 presents the responses to the question 'What do you think potential employers would think about you?' Fewer than one in ten of the DLA claimants with an interest in working are confident that an employer would think them a pretty good bet or worth a try. Far more – more than half – think they would be viewed as too ill or disabled, and a further quarter as too big a risk.

<sup>27</sup> This question was only asked in seven of the eight survey areas, the exception being Barrow in Furness.

<sup>28</sup> This question was also not asked in Barrow.

**Table 4.11 What do you think potential employers would think about you?**

	<b>Men %</b>	<b>Women %</b>
A pretty good bet/worth a try	7	6
Too ill or disabled	52	59
Too big a risk	30	20
Too old	7	13
Too little experience	7	9
Too poorly qualified	6	9
Too highly qualified/skilled/experienced	1	3
Don't know	26	18

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 DLA claimants felt they could offer an employer are listed in Table 4.12. This is a diverse list, covering personal characteristics (eg 'reliable', 'punctual') as well as specific skills, and the skills and attributes cited by claimants are presented in no particular order. The point is that, as might be expected with any group of mature and experienced men and women, back-to-work initiatives for DLA claimants 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.

Among the DLA claimants with an interest in working, 12 per cent of the men and nine per cent of the women say they have thought of becoming self-employed. This is noticeably higher than the figures for the IB claimant group as a whole (five per cent of men, three per cent of women). The interest in self-employment may reflect an assessment by DLA claimants that in view of their health problems or disabilities it may be more realistic to work for themselves rather than for someone else. Asked what help they would require to start working for themselves, the varied responses come down in essence to just two: business start-up advice and financial help.

**Table 4.12 Skills or attributes to offer an employer**

<b>Men</b>	<b>Women</b>
Computer engineering	Art and craft
Management	Hardworking
Catering skills	Experience
Chef	Care work skills
Computing	Management
Hardworking	Catering
Drawing	Florist
Driving	Chef
Adaptable	Commitment
Engineering skills	Team work
Quick learner	Computing
Machinist	Customer service
Glazer	Nursing
Fabricator	Dental nurse
Good with animals	First aid
Communication skills	Experience with children
Commitment	Friendly
Reliable	Communication skills
Honest	Loyalty
Knowledge of building trade	Trustworthy
Labouring skills	Nursery nurse
Loyalty	Good time keeper
Painter/decorator	Reliable
Experience	Accounts skills
Friendly	Counselling skills
Security skills	Retail skills
Customer service	Confident
Sign language	Printing
Welding	Hairdressing
Can work alone	Telephone skills
	Youth work

Source: Sheffield Hallam survey data.

## 4.7 Building on temporary or casual work

Nearly seven per cent of the DLA claimants in the survey said they did some temporary or casual work, on a paid or (more often) unpaid or voluntary basis. More specifically, 16 per cent of the DLA claimants who express interest in returning to employment said they undertook temporary or casual work. Three-quarters of these did so in jobs that differed from their 'usual occupation'.

Table 4.13 lists the temporary or casual jobs reported by these men and women. Half say that they would like to carry on doing this on a fairly long-term basis, and half say they have considered building on this experience.

**Table 4.13 Temporary or casual work**

<b>Men</b>	<b>Women</b>
Child support	Activity co-ordinator
Grass cutting	Work with disabled people
Gardening	Citizens Advice Bureau
Leasing assistant	Work with Age Concern
Charity shop	Cafe work
Repairing horse rugs	Charity shop
Samaritan	Childcare
Citizens Advice Bureau	Shopwork
Stable hand	Drug counsellor
Customer care	Playgroup
Teaching assistant	Helping children to read
Cleaning	Work with homeless
Admin assistant	Farm work
Work with disabled people	Paper round
Meals on wheels	Samaritan
	Admin work
	Nursing home
	Hospital assistant
	Support worker
	Mentor
	Youth work

Source: Sheffield Hallam survey data.

## 4.8 The target group: what's likely to work?

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

- The key target group, most likely to respond positively to back-to-work initiatives, is small in relation to the overall stock of IB claimants who receive DLA. Estimates suggest that only rather less than 250,000 of the 1.25 million claimants in this group would like a job, now or in the future.
- The most receptive DLA claimants to back-to-work initiatives are the most recent claimants, but reflecting the high proportion of very long-standing claims, the largest numbers with an interest in working are long-term claimants.
- Among the DLA claimants who might return to work, health problems and disabilities remain a core obstacle. It would seem appropriate to address these problems 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 ongoing 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 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 45**

Fiona lives alone in a house rented from a housing association. Her partner works as a postman but does not live with her. She has been claiming IB since 2006 when she was signed off work by her GP to undergo an operation on her arm. She had been working in an office but was suspended when she started claiming IB. Her employer offered her the opportunity to return to work but she says she did not want to go back after her operation so has been claiming IB ever since.

Fiona felt that her employer was not flexible. She was required to do heavy lifting despite her long-standing health problems. She began claiming DLA in 2003 when she had to reduce her hours of work due to rheumatoid arthritis, which she developed at 33 years old. However, she remained in work until her IB claim.

Fiona is concerned that most of the local jobs on offer – in care homes, hotels or retailing – are unsuitable for what she can do. However, she would like to go back to office work. She says she enjoyed working for the DWP in a number of roles on temporary contracts. She would like to go back to work at the DWP and is waiting for an opportunity to arise. She is open to some sorts of training. She started a computer course but found it uninteresting and did not continue. She says the Shaw Trust has been helping her with application forms and with building her confidence, which she fears she is losing since being out of work.

Fiona is currently waiting to see whether she needs a further operation and is keen to go back to work once she has confirmation from her GP.

## 5 A statistical model of claimant behaviour

Over and above all the other factors that influence whether a claimant is interested in returning to work, does a Disability Living Allowance (DLA) claim itself make any difference?

The complication here is that several of the factors likely to influence whether an Incapacity Benefit (IB) claimant would like a job work together in the same direction, often affecting the same individuals. In the preceding sections of the report, a number of potentially systematic influences have been identified:

- IB claimants, and DLA claimants within this group, are especially concentrated among older age groups – and age is likely to be a determinant of interest in working again;
- a high proportion of IB claimants and of DLA claimants have no formal qualifications – and poor qualifications are likely to reduce potential earnings and therefore incentives to work;
- many DLA claimants in particular, but also many IB claimants, have been on benefits for a very long time – and long durations out of work are associated with declining interest in returning to work;
- DLA claimants are on average more constrained by ill-health or disability than other IB claimants – and more acute health problems or disabilities are likely to be associated with lower interest in returning to work.

To try to disentangle the separate influence of each of these factors and to explore whether a DLA claim is an influence on job aspirations, a logistic regression analysis has been carried out on the full Sheffield Hallam IB survey dataset. The dependent variable in this analysis is the likelihood of an IB claimant saying that they would like a job or might like one in the future. The factors assessed as potential influences on this variable are age, qualifications, duration on incapacity benefits, health and whether or not the individual is a DLA claimant. The results of this exercise are shown in Table 5.1.

**Table 5.1** Logistic regression of factors explaining variance in whether IB claimants would like a job now or in the future

	Odds ratio	Significance
<b>Age</b>		
16-34	1.00	0.000
35-49	0.63	0.001
50+	0.20	0.000
<b>Formal qualifications</b>		
Yes	1.00	0.000
None	0.60	0.000
<b>Duration on incapacity benefits</b>		
Less than 2 years	1.00	0.000
2-5 years	0.72	0.016
5-10 years	0.42	0.000
10 years or more	0.36	0.000
<b>Self-assessed health</b>		
No/some limitation	1.00	0.000
A lot of limitation	0.42	0.000
Can't do any work	0.13	0.000
<b>DLA claimant</b>		
No	1.00	0.000
Yes	0.63	0.000

For those unfamiliar with logistic regression, the key statistic is the 'odds ratio'. This expresses the strength and direction of any given factor's association with the dependent variable (in this case an interest in taking up employment). Each odds ratio is expressed relative to a base line (eg for age, relative to the 16-34 year old group). An odds ratio of 0.50, for example, in this context indicates that an interest in taking up employment is half as likely in comparison to the base line. The statistical significance of each odds ratio is also calculated. A significance of less than 0.05 indicates that the variable is statistically significant at a confidence level of more than 95 per cent. Logistic regression measures the impact of each factor simultaneously, in other words taking all the other factors into account at the same time.

Table 5.1 presents some important conclusions. Taking age first, the likelihood that an IB claimant wants a job declines with age. The odds ratio shows that, holding the other variables constant, the likelihood of an IB claimant aged 50+ wanting a job is 80 per cent less than for a 16-34 year old IB claimant. The differences associated with age are highly statistically significant.



The second part of the table shows the influence of qualifications. The odds ratio here shows that having no formal qualifications lowers the probability of wanting a job by 40 per cent compared to having at least some qualifications. This effect is highly statistically significant.

The third part of the table measures the impact of duration on incapacity benefits. The results show that over and above the other factors (age, qualifications, etc) longer durations on incapacity benefits are associated with lower likelihood of wanting work. An incapacity claimant of ten years' standing or more is 64 per cent less likely than a claimant of less than two years to express an interest in working again. Once more the relationships are highly statistically significant.

The fourth part of the table measures the impact of health. Here the variable is the claimant's own assessment of the health limitations on their ability to work, grouped into three broad categories. This variable too emerges as highly statistically significant, with the claimants who say they 'can't do any work' being 87 per cent less likely to want a job than those who report no limitation or only 'some' limitation.

The fifth and final part of the table differentiates between DLA claimants and the rest. In essence, this part of the logistic regression asks whether being a DLA claimant is associated with the likelihood of wanting a job, over and above the influence of the other four factors in the model. In other words, even though DLA claimants tend to be older, poorly qualified, on benefit for longer and in poorer health than other IB claimants, does the DLA claim itself appear to make a difference? The statistical evidence presented here suggests that it does. Being a DLA claimant reduces the likelihood of wanting a job by 37 per cent. The DLA variable is also highly statistically significant.

It is worth noting that, according to the logistic regression, the estimated impact of a DLA claim on wanting to work now or in the future is somewhat less than the impact of any of the other four factors – age, qualifications, duration on incapacity benefits, and health. But according to these figures, a DLA claim does make a difference even after taking into account the other four factors, including self-reported health.

There are two possible interpretations of the role apparently played by a DLA claim. One is that the statistical association is spurious because it is measuring the influence of other factors not included in the model (though it is unclear what they might be) or, more likely, that it reflects the relatively crude measurement of ill-health and disability in the model. Within the 'a lot of limitation' and 'can't do any work' categories, DLA claimants may be skewed towards the worse affected end of the spectrum.

The alternative interpretation is that being a DLA claimant does indeed reduce the probability of wanting a job, over and above the other influences on wanting work. This is entirely plausible. In particular, being in receipt of DLA will boost household income and in so far as there are fears that returning to work would eventually lead

to loss of DLA entitlement, being in receipt of DLA will reduce the financial incentive to take up employment. The statistical evidence is at least consistent with this view.

**Mary, age 52**

Mary lives with her husband and teenage daughter in a house rented from the local authority. She used to work full-time, prior to the birth of her daughter, but her condition has deteriorated and her husband is now her full-time carer and receives Carer's Allowance but has no other job.

Mary has suffered from back pains since she was a teenager. Her problems have been compounded by injuries in a car accident and by angina and asthma.

When her husband was working she didn't claim any benefits but first began to claim DLA after the car accident. When she recovered from the car crash her DLA claim was stopped. She then made a claim for IB and a fresh claim for DLA because of her other health problems. She has now been claiming IB for just over ten years.

Mary feels that she is not well enough to work and is not currently looking for work because she says her condition is degenerative. She says she has had little contact with Jobcentre Plus and does not feel pressured by them to move back into employment. She is very happy with her current GP, who she feels is understanding and doesn't push her to move into employment because of the nature of her condition.

Mary sees improvement in her health as the only circumstance that would lead her to come off benefits. She says that home-based employment is a potential option, although it would depend on the nature of the work.

## 6 Qualitative evidence

### 6.1 Follow-up interviews

In addition to the survey of Incapacity Benefit (IB) claimants reported in earlier sections of the report, follow-up in-depth interviews were carried out with a number of claimants. The sample for the follow-up interviews was selected from among the respondents to the survey who had indicated a willingness to be questioned in greater depth. The sample was selected to provide information on claimants in a range of different personal and household circumstances, rather than to be statistically representative, but was drawn from all eight survey areas. The sample was also structured to include a large number of men and women potentially closer to the labour market – arguably the most interesting group for policy.

In all, 101 follow-up interviews with IB claimants were carried out between early 2007 and early 2008. All the interviews were conducted in claimants' own homes, using a semi-structured questionnaire, and were tape-recorded. Typical interviews lasted 45-90 minutes. Twenty-five follow-up interviews were completed with men, and 76 with women<sup>29</sup>.

This section of the report draws on the 41 follow-up interviews that were carried out with Disability Living Allowance (DLA) claimants. In addition, pen-portraits of individual DLA claimants, based on the interviews, are included at points throughout the report.

### 6.2 Disability Living Allowance claimants' viewpoint

It is clear from the in-depth interviews that there is no single route onto incapacity benefits, or onto DLA in particular. As the survey data showed, ill-health or disability is most frequently the trigger to leaving a job:

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<sup>29</sup> The bias in the sample in favour of women reflects the focus of the Economic and Social Research Council (ESRC) funding for the survey.

*'I was hoping that after my operation I could go back to work, but the type of work that I did...It was the bending and the long periods of standing.'*

(Great Yarmouth)

*'The consultant said I could go back to work but it would be very light duties, so they got on to the airport and said they'd agree for me to return to work for light duties, which they agreed to, but in the end they couldn't find anything lighter.'*

(Knowsley)

However, ill-health is not always the immediate trigger, as in this case of a woman who suffers from depression:

*'I started claiming when we were together...because my partner was made redundant. I just claimed for us then, and then we split up and I've been doing what I've been doing ever since.'*

(Wansbeck)

The process of finding out about eligibility for DLA seems haphazard at best. Sometimes the suggestion comes from a GP, sometimes from a Citizens Advice Bureau, sometimes from family and friends, and occasionally from Jobcentre Plus:

*'When I split up with my previous partner I was talking to a friend of mine who works for an advice bureau...She said "Well have you applied for Incapacity Benefit or Disability Living Allowance?" and she got the forms for me and helped me fill them in.'*

(Knowsley)

*'They refused to put me on the sick back in Leicester, so when we moved here six years ago they put me on the sick permanently...I actually went to sign on and they refused me. They said "You're too ill to sign on".'*

(East Lindsey)

*'I went to see the disabilities officer at the jobcentre and she said "Well you can claim" and I said "I wasn't told that".'*

(East Lindsey)

Just as the discovery of DLA (or incapacity benefits more generally) can come as a surprise, so can the outcome of a DLA application:

*'I was 32 when I sent off for Mobility and they gave it to me for life. At 32 years old? I couldn't believe it. That did make us feel awful.'*

(Wansbeck)

For quite a number of men and women, making a successful DLA claim proves far from straightforward, and many find that their initial claim is turned down. Some claims succeed only after going through an appeal, sometimes two or three times.

*'What the doctor says is that everybody gets refused and then you have to appeal.'*

(Blackpool)

That eligibility for DLA is hard to police in an entirely objective way seems to fuel resentments about who exactly receives DLA and who doesn't, even among eligible claimants:

*'Other people get the same who are much less disabled than me, but I've got costs – the car, the lift, help around the house. That seems unfair to me.'*

(Barrow)

*'Surely they should know the difference between someone who's genuine and someone who's not. They're tarring everyone with the same brush and treating everyone as though they're just trying to get money out of the system, which when you're genuine is just soul destroying.'*

(Wansbeck)

*'But there is a lot of people, I know a few, a couple on Incapacity and Mobility, and they can lift cookers. How can you lift a cooker with a bad back? Shift furniture? I have to ask my son to move things for us, but some people get away with it.'*

(Wansbeck)

It is perhaps not surprising, therefore, that quite a number of claimants are discrete about what they receive:

*'I just say we live on my husband's pension because that's better for me because I think people would say "I can't understand why you don't go to work".'*

(Great Yarmouth)

Entitlement to DLA raises household income above what it would otherwise be, and in particular above the level that would result from an IB claim alone. Even so, many DLA claimants clearly find living on benefits difficult:

*'I do get Disability Living Allowance as well. If I didn't get that I would struggle.'*

(Blackpool)

*'We've been through this system, the means test, to see if we need a phone – in our case we do in case I have an angina attack... You find that most of the money is going on bills and it doesn't give you much to live on.'*

(Knowsley)

*'It's OK unless something crops up, like my scooter conks out.'*

(East Lindsey)

*'Mobility Allowance? That's been a big help. But there are times when the phone and the gas went up. God, that was a nightmare.'*

(Wansbeck)

*'Never have enough money. We're always in debt and we've never been in debt before.'*

(Great Yarmouth)

*'We manage, but we're finding it a struggle.'*

(Knowsley)

*'I'm on the low care component and middle rate mobility, and I know I'm spending more a week on my fares.'*

(Wansbeck)

One feature of DLA is of course that claimants are free to decide how their money is best allocated:

*'The only thing is I need a mobility scooter, and I'm using my mobility money to pay off debts.'*

(Hull)

Motivation to return to work does not evaporate for all claimants when they move onto DLA, as the survey statistics showed:

*'I want to beat it [depression] and go out to work and support my children.'*

(Wansbeck)

*'We're not managing, and that would be one of the things to get me back to work.'*

(Knowsley)

On the other hand, even among those who still aspire to work, let alone those who have given up all hope of working again, the physical or mental challenge of returning to work is rarely far from their mind:

*'My obstacles are not being able to walk far or get on a bus.'*

(Great Yarmouth)

*'Every job carries a certain amount of stress, and stress would kill me.'*

(Knowsley)

*'It's not that I don't want a job. It's that I don't think I'd be physically able to do a job.'*

(Great Yarmouth)

*'I went to my GP and said "I want to go back to work" and he said "What do you want to do, go back to work and kill yourself?".'*

(Knowsley)

Then there is the issue of the type of work that DLA claimants feel willing or able to take:

*'I really don't want to be slogging my guts out, a 40 hour week, and have nothing extra to show for it.'*

(Wansbeck)

*'If I could get a job where it was just sat there in front of me, then fine.'*

(Great Yarmouth)

In part, however, some DLA claimants do see their continuing status as a benefit claimant as the result not just of their own ill-health or disability but also as a consequence of the failure of the benefits and employment services to address their particular needs and circumstances:

*'It just seems to be a set system where they keep paying into your bank account and assess you every four years.'*

(Great Yarmouth)

*'I'd like to train in computers to do something where I was just sitting, but you know I've not really had the facilities offered to me.'*

(Great Yarmouth)

*'They were trying to give us incentives to go back...I said "You can offer us a million pounds to go back to work. I can't do it".'*

(Wansbeck)

### **James, age 44**

James suffers from severe back pain that caused him to give up work and led to social phobia and depression. He lives with his wife in a house they have inherited without a mortgage. She provides full-time care for him and claims a Carer's Allowance to top up his IB and DLA. He is also entitled to Industrial Injuries Benefit, awarded following an accident at work.

Until he began claiming IB, James had worked in factories all his life doing manual jobs that he says have contributed to a decline in his health. Having suffered from back problems since he was young, he has found retaining employment difficult since employers, he says, are often reluctant to keep on employees with health problems.

James says that in the local area *'every job is the same'* and involves work that he would no longer be able to do. Also, most of the factories where he once worked have closed down so he says opportunities for employment in general are scarce.

James is concerned that being on benefits perpetuates his depression and he feels stigmatised by some of his neighbours who often regard him with suspicion: *'I don't like claiming but I can't get a job at the minute. It's degrading but I just have to battle along'*.

If his health improved, and he could secure *'light work'*, James would like to return to work. He almost applied for a job in a call centre, but decided against it because he lacks computer skills.

He has attended a computer training course, through Jobcentre Plus. He enjoyed this, but only felt confident enough to participate because he attended with his daughter. He has given up on similar courses because of feelings of insecurity.



## 7 Concluding remarks

When Disability Living Allowance (DLA) was introduced in the early 1990s the expectation was that it would support a relatively small group of men and women. It was estimated at the time that the lower rate care component might benefit 140,000 people, and the lower rate mobility component 150,000<sup>30</sup>. These were the men and women recognised as incurring costs in their daily lives, over and above those incurred by the rest of the population, and DLA was intended to offer compensation.

What the very large numbers now receiving DLA suggest is that entitlement has spread well beyond this narrow group. Even in early 2009, as the economy moved into recession, at 1.25 million the number of incapacity claimants who received DLA was not much less than the total number of claimant unemployed. Adding in all other DLA claimants, including those above pension age, brings the total nearer to three million. In fairness, even in the early 1990s it was recognised that the numbers on disability benefits were increasing sharply, and without any obvious explanation at the time. The point remains, however, that DLA claims have become far more numerous than was originally anticipated.

These comments are not intended to suggest that the health problems and disabilities underpinning DLA claims are anything less than real, or that there is widespread fraud. Indeed, since eligibility for DLA is determined by Department for Work and Pensions (DWP) officials on the basis of evidence from General Practitioners (GPs), hospital consultants and in some cases a medical examination, the scope for outright fraud seems limited.

The evidence in this report suggests that in many respects the 1.25 million non-employed DLA claimants of working age are actually not very different from the wider group of 2.6 million non-employed incapacity claimants of which they form part. Like Incapacity Benefit (IB) claimants more generally, DLA claimants tend to be very poorly qualified and previously worked in mainly lower-grade manual occupations. The differences are ones of degree, especially around health and duration on benefit. Furthermore, DLA claimants are concentrated in exactly

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<sup>30</sup> Department for Social Security (1990). *The Way Ahead*. DSS, London.

the same places as other IB claimants, in particular in the older industrial areas of the North, Scotland and Wales. Where there are few IB claimants, as in much of southern England, there are also few DLA claimants.

What this evidence suggests is that DLA functions primarily as a top-up for a sub-set of IB claimants. In doing so it allows these claimants to live a little more comfortably on benefit than would otherwise be the case, and to do so for longer periods. There is also some evidence, from regression analysis, that after taking into account age, qualifications, health and duration on benefits, DLA receipt is associated with a reduced likelihood of wanting a job.

That DLA functions as a top-up for a substantial proportion of IB claimants could be regarded as no bad thing. IB is not especially generous; DLA makes it more tolerable. In many cases this will be because, as originally intended, DLA offsets some of the financial costs of illness or disability. More to the point, IB has become the principal means of long-term support for many of the most disadvantaged working-age adults – sickness or disability, poor qualifications and advancing years often disadvantage the same individual – especially in the parts of the country where over the last 20 or 30 years there have never been quite enough jobs, especially decently-paid jobs, to go around. The IB claimants with the most acute health problems or disabilities are among the most disadvantaged of all, so they should perhaps not be begrudged DLA as a top-up. Against this, there is the sheer cost to the Exchequer of DLA payments – it would be surprising if the total cost of DLA payments to the 1.25 million were much less than £2.5 billion a year<sup>31</sup>.

It could be argued that, if DLA is now claimed more widely than was ever expected, the way forward is to apply stricter eligibility criteria. In theory at least, the eligibility rules are already very stringent, for example, requiring guidance or supervision out of doors to qualify for the lower rate mobility component, and help or supervision with basic day-to-day tasks to qualify for the lower rate care component. What is less obvious is that, once a DLA claim has been approved, there is regular monitoring that it continues to be justified. Two-thirds of new DLA awards are fixed-term and have to be reviewed periodically, but two-thirds of the total stock of DLA claims – and an estimated half of the stock of DLA claims by IB/SDA claimants – have been awarded on an indefinite basis.

On the other hand, if the large number of non-employed DLA claimants of working age is best understood as part of the wider issue of large numbers on IB (or its new successor, Employment and Support Allowance (ESA)) the approach to reducing the numbers is probably rather different. A twin-track strategy is required.

First, practical support and advice needs to be available to help DLA claimants (and IB claimants more generally) re-engage with the labour market. At present, only a minority of DLA claimants express an interest in working again – rather less than 250,000 according to estimates in this report, though that remains a

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<sup>31</sup> This assumes an average payment of £40 a week.

substantial number. Looking ahead, however, the progressive introduction of ESA, with its new element of conditionality, should begin to erode the bigger numbers that have given up on the idea of ever working again. It is not clear that scale and duration of the interventions needed to move DLA claimants closer to the labour market have been fully anticipated in the current round of benefit reform. DLA claimants are in many respects the most challenging group among IB claimants. To re-engage with the labour market, they require not only advice and training of the kind traditionally provided by employment services, but also sustained access to the physical and mental rehabilitation services that have traditionally been the preserve of the National Health Service.

Second, jobs need to be available in the right places and in the right numbers to absorb claimants who move off IB and DLA (or indeed are diverted from moving onto these benefits in the first place). This is largely a task of local and regional economic development. Having the right national economic context matters as well – and in the short-run the outlook is not good – but as the evidence from the most prosperous parts of southern England demonstrates very clearly, where the economy has been strong over many years and where there are plentiful job opportunities, few men and women need to claim either IB or DLA.

Whilst at least some vacancies do become available in all areas all of the time, even during recessions, the scarcity in many areas of the sorts of jobs that would meet the realistic aspirations of many IB and DLA claimants – who are usually limited in the type, quantity and location of the work they are able to do – remains an issue. By virtue of their greater health problems or disabilities, DLA claimants are likely to be more difficult to re-engage with the labour market than other IB claimants.

If the overall stock of IB claimants falls, as the Government now hopes, DLA claimants are among the least likely to drop out of the figures and they can therefore be expected to account for a rising proportion of all IB claimants. This has been the trend over the last five years. But if the conclusion that DLA functions primarily as an adjunct to IB is correct, then if the fall in IB numbers is sufficiently large and sustained the numbers who also claim DLA should begin to fall as well, even if to a lesser extent.

