

Chapter 5 Economic Exclusion and Worklessness

Introduction

5.1 This chapter describes the extent, intensity and geography of economic exclusion and worklessness in Leicester and Leicestershire. It highlights the significant variation across the sub-region in terms of deprivation and worklessness, and identifies groups and communities that are more likely to experience economic exclusion.

Index of Multiple Deprivation (IMD)

5.2 Published in 2004 and 2007, the English Indices of Deprivation gives an indication of deprivation experienced at Local Super Output Area (LSOA or neighbourhood) level¹. The measures are based on a range of indicators (38 in total), grouped under the following seven domains shown in table 5.1. The domains are weighted to calculate the index, with the income and employment domains carrying the highest weights

Table 5.1 IMD Domains and their Weights

	Domain weight
Income	22.5%
Employment	22.5%
Crime	13.5%
Health, Deprivation and Disability	13.5%
Education, Skills and Training	9.3%
Barriers to Housing and Services	9.3%
Living Environment	9.3%

5.3 In order to gauge how an individual neighbourhood compares against all 32,482 neighbourhoods in the country, a ranking system is used where 1 is the most deprived and 32,482 the least deprived. In arriving at an overall multiple deprivation score (IMD), each of the indicators are weighted based on their importance.

IMD at Local Authority Level

5.4 Since local authorities are large in both population and geographical terms, it is difficult to generalise too much about the extent of deprivation between different local authorities². However, the Social Disadvantage

¹LSOAs - in this chapter the term neighbourhoods is used – referring to small communities (generally smaller than wards) which have around 1,500 people living in them. In total, there are 32,482 LSOAs in England and 583 in Leicester and Leicestershire.

² Radburn, R. (2008) 'Key Results from the Leicestershire Indices of Deprivation 2007'. Accessed via www.lsr-online.org

Research Centre at Oxford University makes an attempt, using six measures:

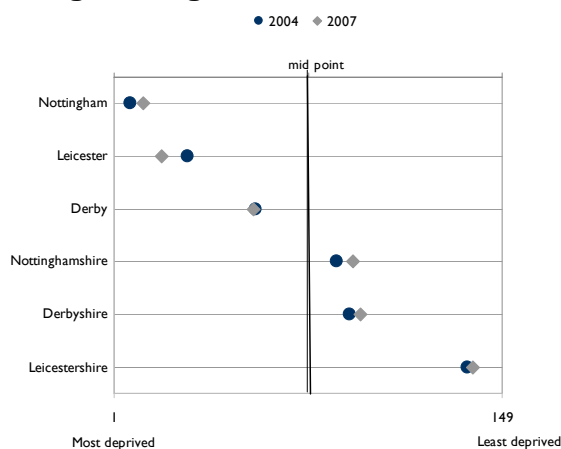
- Average rank
- Average score
- Extent
- Concentration
- Income scale
- Employment scale

5.5 A relatively useful way of representing local authority level deprivation as a whole is the average score measure, which presents population-weighted IMD scores. Here, the IMD score for each neighbourhood (LSOA) within a local authority has been population-weighted and then ranked out of the 149 local authority areas in England, with 1 being the most deprived and 149 the least deprived. This is useful because it gives greater saliency to more extreme neighbourhood scores and so more extreme levels of deprivation.

5.6 Using this measure, Leicester City is now the 20th most deprived local authority in the country and Leicestershire County is the 12th least deprived. Leicestershire's position has improved since 2004 whereas Leicester City's position has worsened in relative terms.

5.7 In deprivation terms, cities tend to be more deprived than their sub-regions, which is illustrated in Figure 5.1. The distinction between city and county is more marked for Leicester City and Leicestershire than for Derby City and Derbyshire and Nottingham City and Nottinghamshire. The fact that Leicestershire is the least deprived local authority out of the sub-regions shows in the chart and Nottingham City stands out as the most deprived.

Figure 5.1 Rank of Three Cities and Three Counties Local Authorities Using Average IMD Score



Increased Deprivation in Leicester City

- 5.8 The increased IMD rank between 2004 and 2007 is primarily (but not exclusively) due to an increase in young people's education deprivation. This increase in education deprivation is more apparent in some "multicultural" city areas, although education is still significantly less deprived than all other indicators in these neighbourhoods. These areas also tend to exhibit an increase in income deprivation (perhaps due to new communities moving into the area or residents with high prospects moving out).
- 5.9 Disadvantaged deprived areas (usually areas of social housing) where young people's education is significantly more deprived than other indicators have also seen an increase in education deprivation (although to a lesser extent) and therefore this indicator is particularly low in 2007. Indeed, the two most deprived neighbourhoods for education in the UK in 2007 are in the Braunstone and Rowley Fields ward. These disadvantaged areas also appear to have experienced an increase in employment deprivation and health deprivation.

IMD at Neighbourhood Level

- 5.10 The IMD data ranks all 32,482 neighbourhoods in the country. Figure 5.2a breaks down Leicester and Leicestershire's neighbourhoods in terms of their national position in quintiles - the 20% most deprived to 20% least deprived neighbourhoods in England in sequence. The top two graphs demonstrate well the contrast between Leicester City and Leicestershire in IMD terms. Almost half (47% or 87 LSOAs) of Leicester City's neighbourhoods fall within the 20% most deprived quintile nationally, whilst only five or 1% of Leicestershire County's neighbourhoods are in the most deprived 20%. On the other hand, Leicestershire's pattern is quite different with 182 neighbourhoods (nearly 50%) in the least deprived 20% neighbourhoods in England. Charnwood and North West Leicestershire together contain the five neighbourhoods within the most deprived quintile nationally. However, in overall terms, the districts themselves cannot be labelled as deprived. In comparison to other districts, Oadby and Wigston has some interesting contrasts. Whilst no neighbourhoods are in the most deprived quintile, it has a relatively high proportion of neighbourhoods in both the 20-40% most and 80-100% least deprived neighbourhoods in the country.

5.11 The map in figure 5.2b shows the spatial distribution of deprivation³; the dark purple areas of the map represent neighbourhoods in the top 20% most deprived in England. The distinction between Leicester City and Leicestershire here is stark. Furthermore, from the Leicester City map, it can be seen that neighbourhoods immediately surrounding the City, particularly those in Hinckley and Bosworth, tend to suffer from relatively high levels of deprivation. The five neighbourhoods in Leicestershire which, by national standards, are deprived are: Loughborough Bell Foundry, Greenhill North East, Loughborough Warwick Way, Greenhill Centre and Loughborough Canal South.

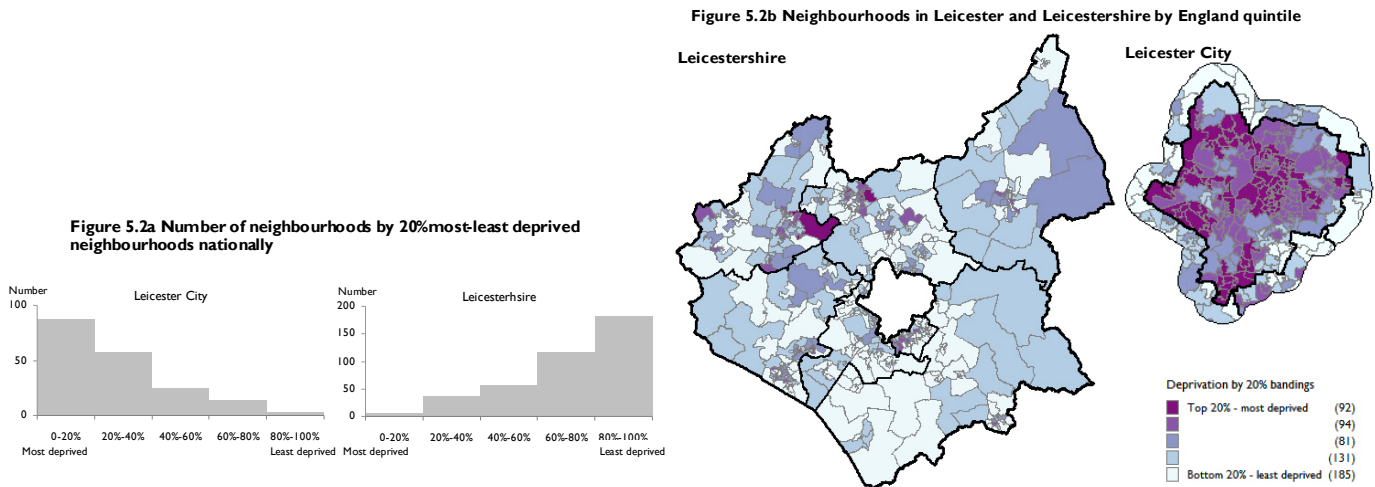


Figure 5.2c Top 10 most deprived neighbourhoods in Leicestershire

2007 Rank	Quintile (England)	LSOA name	District
2,119	20% most deprived	Loughborough Bell Foundry	Charnwood
3,625	20% most deprived	Greenhill North East	North West Leicestershire
3,769	20% most deprived	Loughborough Warwick Way	Charnwood
4,183	20% most deprived	Greenhill Centre	North West Leicestershire
5,450	20% most deprived	Loughborough Canal South	Charnwood
6,758	20% to 40% most deprived	Loughborough Central Station	Charnwood
6,761	20% to 40% most deprived	Loughborough Woodthorpe	Charnwood
7,051	20% to 40% most deprived	Measham Centre	North West Leicestershire
7,368	20% to 40% most deprived	Hinckley Trinity West	Hinckley and Bosworth
8,464	20% to 40% most deprived	Earl Shilton East	Hinckley and Bosworth

Figure 5.2d Top 10 most deprived neighbourhoods in Leicester City

2007 Rank	Quintile (England)	LSOA name
117	20% most deprived	StMat-Kamloops Crescent
170	20% most deprived	Saff-Saffron North
176	20% most deprived	StMat-Malibar Road
216	20% most deprived	Nparks-New College
251	20% most deprived	Braun-Woodshawe Rise
313	20% most deprived	StPet-St George's Retail Park
330	20% most deprived	Braun-Wellinger Way
337	20% most deprived	Saff-Saffron East
386	20% most deprived	Bleys-Home Farm
483	20% most deprived	Bleys-Lomond Crescent

³ The map should be read cautiously. Neighbourhood (or LSOA) boundaries are defined in terms of population size and not spatial size. Neighbourhoods in rural parts of Leicestershire are therefore overemphasised given the fact that we are concerned with the socio-economic distance between neighbourhoods rather than the geographic distance.

Types of Deprivation in Leicester and Leicestershire

- 5.12 The IMD data is collected across seven 'domains' and it is possible to analyse within these domains in order to better understand the types of deprivation experienced within a neighbourhood. This section focuses, in particular, on how employment deprivation is experienced differently amongst different neighbourhoods.
- 5.13 Figures 5.3a and 5.3b show the patterns of domain deprivation for Leicester and Leicestershire's most deprived 10% and 10%-20% of neighbourhoods (116 in all). The icons in the graphic represent how deprived a neighbourhood is on each domain relative to the rest of England; the more shaded the dot, the more deprived that neighbourhood is. The completely shaded dots indicate that the neighbourhood is in the 20% most deprived quintile relative to the rest of England.
- 5.14 A poor position nationally in terms of IMD usually means a poor ranking in terms of both the employment and income domains. Interestingly, the most deprived neighbourhoods in the sub-region are not necessarily deprived in terms of the "barriers" domain – which measures access to housing/housing provision and distances to a GP, supermarket, primary school and Post Offices. Only one of the nine County neighbourhoods in the plots scores in the 20% most deprived nationally on the barriers domain. The implication here is that, rather than being in isolated rural areas, the most deprived parts of Leicestershire are those within urban areas. Another important point is that a neighbourhood's relative position on the education/skills domain is not always consistent with their ranking on the employment domain.

Icons used in Figures 5.3a and 5.3b

●	Most deprived 20% neighbourhoods in England
◐	20%-40% deprived
◑	40%-60% deprived
◒	60%-80% deprived
○	Least deprived 20% neighbourhoods in England

Figure 5.3a Top 10% Most Deprived Neighbourhoods in Leicester and Leicestershire

	IMD	Employment	EST	Income	Health	Crime	Living	Barriers
StMat-Kamloops Crescent	117	●	●	●	●	●	●	●
Saff-Saffron North	170	●	●	●	●	●	●	●
StMat-Malibar Road	176	●	●	●	●	●	●	●
Nparks-New College	216	●	●	●	●	●	●	●
Braun-Woodshawe Rise	251	●	●	●	●	●	○	●
StPet-St George's Retail Park	313	●	●	●	●	●	●	●
Braun-VWellinger Way	330	●	●	●	●	●	○	○
Saff-Saffron East	337	●	●	●	●	●	●	●
Bleys-Home Farm	386	●	●	●	●	●	●	●
Bleys-Lomond Crescent	483	●	●	●	●	●	●	●
Braun-Meynell's Gorse	505	●	●	●	●	●	●	●
Saff-Saffron West	516	●	●	●	●	●	●	○
StPet-Guthlaxton Street	554	●	●	●	●	●	●	●
Abb-Abbey Rise	563	●	●	●	●	●	●	●
Nparks-Stephenson Drive	609	●	●	●	●	●	●	○
StMatt-St Marks	694	●	●	●	●	●	●	●
Nparks-Cuffling Drive	822	●	●	●	●	●	●	○
Braun-Braunstone Leisure Centre	1,144	●	●	●	●	●	●	○
CWood-Rowlatts Hill	1,212	●	●	●	●	●	●	●
CWood-Mundella Community College	1,371	●	●	●	●	●	●	●
CWood-Crown Hills	1,611	●	●	●	●	●	●	●
Stone-Lonsdale Street	1,614	●	●	●	●	●	●	●
Saff-Saffron South	1,695	●	●	●	●	●	●	○
CWood-Prospect Road	1,698	●	●	●	●	●	●	●
Bleys-Butterwick Drive	1,718	●	●	●	●	●	●	●
Nparks-Dupont Gardens	1,751	●	●	●	●	●	●	○
Braun-Braunstone Ave Library	1,768	●	●	●	●	●	●	○
Abb-StockingFarmSouth	1,770	●	●	●	●	●	●	○
Abb-StockingFarmNorth	1,792	●	●	●	●	●	●	○
Abb-Mowmacre Hill	1,798	●	●	●	●	●	●	●
CWood-Holkham Avenue	1,824	●	●	●	●	●	●	●
Nparks-Coates Avenue	1,885	●	●	●	●	●	●	○
Nparks-Dominion Road	2,091	●	●	●	●	●	●	○
Loughborough Bell Foundry	2,119	●	●	○	●	●	●	○
StPet-Twycross Street	2,204	●	●	●	●	●	●	●
CWood-Forest Road	2,224	●	●	●	●	●	●	●
Abb-Bedale Drive	2,299	●	●	●	●	●	●	●
CWood-Northfields House School	2,309	●	●	●	●	●	●	○
Stone-Highfield Street	2,334	●	●	●	●	●	●	●
StPet-Maynard Road	2,383	●	●	●	●	●	●	●
Eymon-Runcorn Road	2,511	●	●	●	●	●	●	○
Thurn-Kirkwall Crescent	2,544	●	●	●	●	●	●	●
Nparks-Glazebrook Road	2,557	●	●	●	●	●	●	○
Nparks-New Parks Boulevard North	2,560	●	●	●	●	●	○	○
Bleys-Calver Hey Road	2,639	●	●	●	●	●	●	●
Blgy-Belgrave Hall	2,685	●	●	●	●	●	●	●
Braun-Wyville Road	2,688	●	●	●	●	●	●	○
Spinn-Spinney Hill Park	2,989	●	●	●	●	●	●	●
Eymon-Brettell Road	3,066	●	●	●	●	●	●	○
Cstle-De Montfort Street	3,108	●	●	○	●	●	●	●
Braun-Braunstone Park	3,182	●	●	●	●	●	●	○
Cstle-City Centre	3,253	●	●	○	●	●	●	●
Greenhill North East	3,625	●	●	●	●	●	○	●
Spinn-Frederick Road	3,746	●	●	●	○	●	●	●
Loughborough Warwick Way	3,769	●	●	●	●	●	●	○
Spinn-Diseworth Street	4,113	●	●	●	●	○	●	●
CWood-Asfordby Street	4,162	●	○	●	●	○	●	●
Greenhill Centre	4,183	●	●	●	●	●	○	○

Figure 5.3b Top 10%-20% Most Deprived Neighbourhoods in Leicester and Leicestershire

	IMD	Employment	EST	Income	Health	Crime	Living	Barriers
Blgy-Sutton Estate	4,277	●	●	●	●	●	●	●
Eymon-Scotwood Crescent	4,288	●	●	●	●	●	●	○
Eymon-Featherstone Drive	4,312	●	●	●	●	●	●	○
CWood-Overton Road	4,317	●	●	●	●	●	●	○
Spinn-Matlock Street	4,454	●	●	●	●	○	●	●
Fosse-Bosworth Street	4,577	●	●	●	●	●	●	●
Wcotes-Bede Park	4,680	●	●	●	●	●	●	●
Evton-Goodwood Crescent	4,901	●	●	●	●	●	●	●
Wpark-Daneshill Road	5,090	●	●	●	●	●	●	●
Stone-Dore Road	5,092	●	●	●	●	●	●	●
Humb-Hamilton Community College	5,112	●	●	●	●	●	●	○
CWood-Bridge Road	5,202	●	●	●	●	●	●	●
Spinn-Shipleigh Road	5,308	●	●	●	●	●	●	●
Eymon-The Slade Greens	5,329	●	●	●	●	●	●	●
Stone-St James Road	5,344	●	●	●	●	●	●	●
CWood-Mornington Street	5,367	●	●	●	●	●	●	●
Bleys-Glenfield Hospital	5,442	●	●	●	●	●	○	●
Loughborough Canal South	5,450	●	●	●	●	●	●	○
Blgy-Acorn Street	5,495	●	●	●	●	●	●	●
Fmen-Aylestone Recreation Ground	5,700	●	●	●	●	●	●	●
Braun-Elmesthorpe Rise	5,710	●	●	●	●	●	●	○
Thurn-Eddystone Road	5,801	●	●	●	●	●	●	○
Blgy-Watson Road	5,804	●	●	●	●	●	●	●
StMatt-Weymouth Street	5,894	●	●	●	●	●	●	●
Eymon-Saffron Hill	6,014	●	●	●	●	●	●	○
Nparks-Western Park Golf Course	6,023	●	●	●	●	●	○	●
Fosse-Woodgate	6,033	●	●	●	●	●	●	○
Ayle-Montrose Road	6,100	●	●	●	●	●	●	○
Blgy-Lancashire Street	6,184	●	●	●	●	●	●	●
Blgy-Marfit Street	6,197	●	●	●	●	●	●	○
Lat-Ross Walk	6,276	●	●	●	●	●	●	●
StMatt-Buller Road	6,281	●	●	●	●	●	●	●
CWood-Humberstone Park	6,341	●	●	●	●	●	●	●
Thurn-Nursery Road	6,429	●	●	●	●	●	●	●
Lat-Bruin Street	6,497	●	●	●	●	●	●	●
Lat-Cossington Street	6,592	●	●	●	●	●	●	●
CWood-Rufford Street	6,711	●	●	●	●	●	●	●
Rmead-Lockerbie Avenue	6,752	●	●	●	●	●	●	●
Cstle-Princess Road West	6,756	●	●	●	●	●	●	●
Loughborough Central Station	6,758	●	●	●	●	●	●	○
Loughborough Woodthorpe	6,761	●	●	●	●	●	○	○
Ayle-Gilmorton Estate	6,767	●	●	●	●	●	●	○
Fmen-Knighton Fields West	6,769	●	●	●	●	●	●	○
Wcotes-Westleigh Road	6,920	●	●	●	●	●	●	●
Spinn-Stanhope Street	6,932	●	●	●	●	●	●	○
Measham Centre	7,051	●	●	●	●	●	○	○
Hinckley Trinty West	7,368	●	●	●	●	●	○	○
Abb-AbbeyPumpingStation	7,390	●	●	●	●	●	●	○
CWood-Smith Dorrien Road	7,434	●	●	●	●	●	●	●
StMatt-Martin Street	7,438	●	●	●	●	●	●	●
Stone-Draper Street	7,465	●	●	●	●	●	●	●
Humb-Barry Road	7,550	●	●	●	●	●	●	○
CWood-Nottingham Road	7,664	●	●	●	●	●	●	●
Spinn-Linden Street	7,693	●	●	●	●	○	●	●
Lat-Glendon Street	7,783	●	●	●	●	●	●	●
Spinn-Crown Hills Community College	7,957	●	●	●	●	●	●	●
Fosse-Paget Road	8,040	●	●	●	●	●	●	○
Fosse-Newfound Pool	8,051	●	●	●	●	●	●	○

5.15 A breakdown of the deprivation domains reveals that, while areas of social housing (around Saffron Lane, Braunstone, New Parks and Beaumont Leys) may experience a range of multiple economic and social deprivation, some neighbourhoods exhibit deprivation that is specific to income and employment whereas in other neighbourhoods deprivation is linked to education and skills.

Income Deprivation

5.16 As well as out-of-work benefits the income deprivation domain includes:

- Working Tax Credit with an equivalised income below 60 per cent of the national median before housing costs.
- Child Tax Credit with an equivalised income below 60 per cent of the national median before housing costs.

Therefore, this domain includes low-paid working families, rather than just those on out-of-work benefits

5.17 Areas of high income deprivation often also experience employment and education/skills deprivation, creating cycles of social and economic exclusion. However, in some neighbourhoods, income deprivation appears linked to low education/skills rather than employment deprivation. This may infer that income deprivation in these neighbourhoods is associated with **low skilled/low paid employment**.

5.18 The following neighbourhoods, from the top 75 most deprived for overall IMD, were identified with this characteristic:

- Spinney Hills-Spinney Hill Park (48)⁴
- Charnwood - Ashfordby Road (58)
- Eyres Monsell - Featherstone Drive (62)
- Fosse - Bosworth Street (66)
- Westcotes - Bede Park (67)
- Charnwood - Bridge Road (72)
- Spinney Hills-Shipley Road (73)
- Eyres Monsell-The Slade Green (74)

5.19 Within other neighbourhoods, income deprivation appears to be linked to employment deprivation but not education and skills deprivation. This may suggest that there are other specific barriers to employment. However, few of these neighbourhoods are deprived in terms of the barrier to services domain suggesting that they are not geographically isolated.

⁴ (n)=IMD ranking

5.20 The following neighbourhoods from the top 75 most deprived for overall IMD were identified with this characteristic:

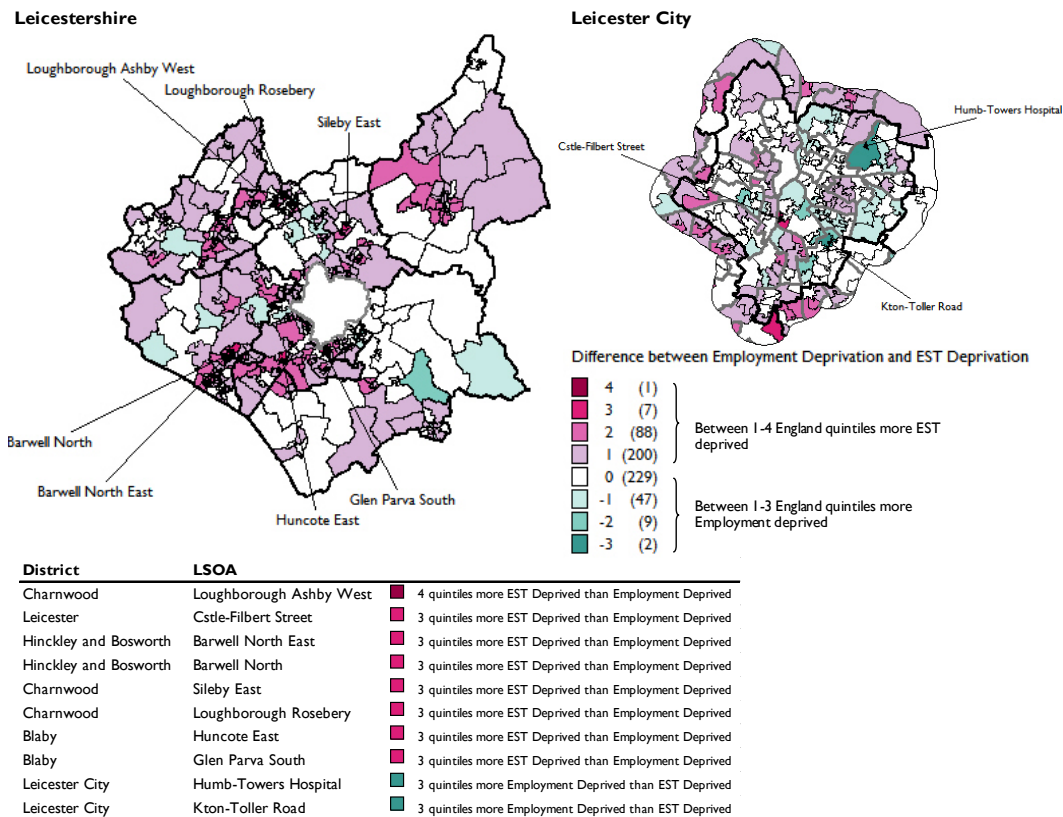
- St Peters-Guthlaxton Street (13)
- Loughborough Bell Foundary (County) (34)
- Stoneygate – Highfields (39)
- Belgrave - Belgrave Hall (36)
- Belgrave –Sutton Estate (61)
- Stoneygate – Dore Road (69)
- Stoneygate-St James Road (75)

5.21 A few neighbourhoods within the top 20% for IMD are income deprived but not education/skills or employment deprived, possibly suggesting underemployment, e.g. Loughborough Canal South and Loughborough Central Station. These neighbourhoods also appear to rank high on the crime domain.

Employment Deprivation and EST

5.22 As analysis reveals that there is not always a direct relationship between education, skills and training (EST) and employment, it is perhaps worth analysing within these domains in greater detail. Figure 5.4 shows the difference between employment deprivation and EST deprivation for neighbourhoods in Leicester and Leicestershire. Each neighbourhood is compared, based on its position nationally. However, since we are only interested in the difference between domains here, the map does not necessarily give an indication as to the level of deprivation. As neighbourhoods become a deeper shade of purple, the more EST-deprived those neighbourhoods are, relative to employment deprivation. The deeper shade of green indicates neighbourhoods that are more employment deprived relative to EST.

Figure 5.4 The Difference between Employment Deprivation and EST in Leicester and Leicestershire

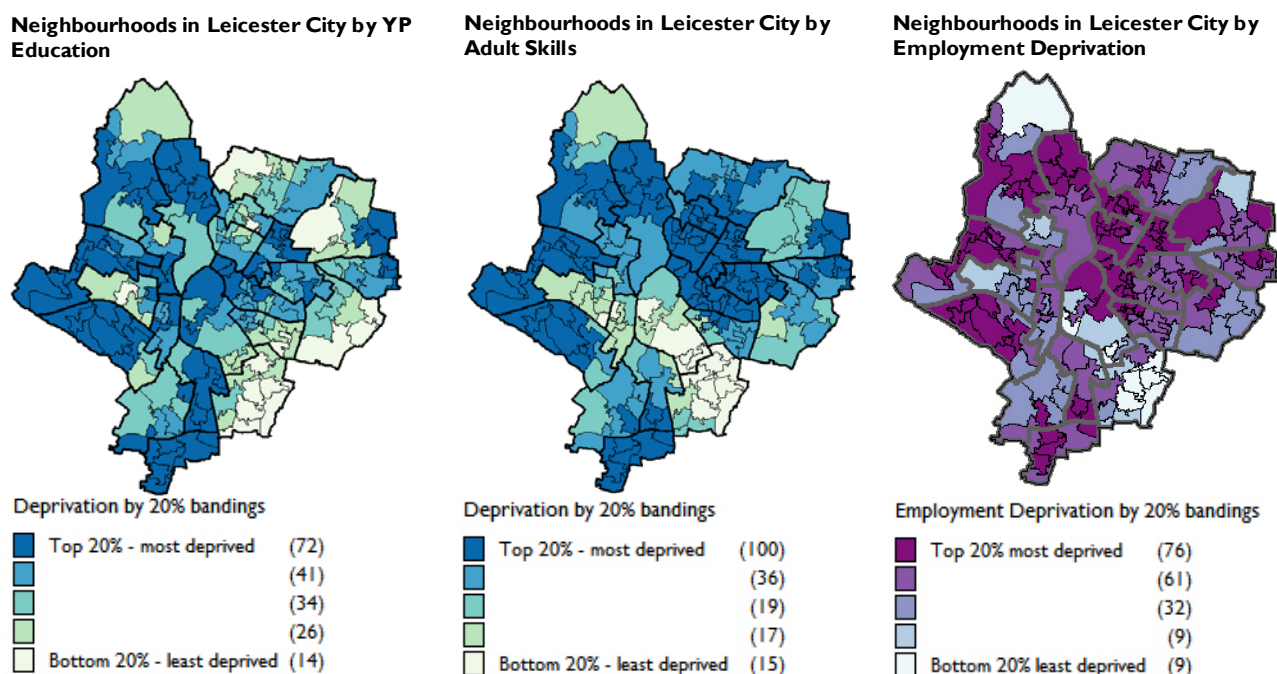


5.23 Many areas in the County are more education/skills than employment deprived suggesting that employment opportunities are good, although, perhaps, employment is low-skilled in some areas. In the City, disparities are more varied with areas on the outskirts more likely to be education/skills deprived than employment deprived, whereas some neighbourhoods in the south and east of the City are more employment deprived than education/skills deprived, particularly within Knighton and Humberstone wards. The data behind the EST domain draw on both young people’s educational attainment and adult skills. Since both are given equal saliency (in terms of weighting), it makes sense to see whether, significantly, disparities are driven by young people’s education or adult skills.

Young People’s Attainment and Adult Skills

5.24 This section of analysis is focussed on the City as there appears to be more disparity between neighbourhoods and types of deprivation.

Figure 5.5 Young People’s Education and Adult Skills by Quintile in Leicester City



5.25 The maps show that neighbourhoods exhibiting Young People’s education deprivation tend to be located in wards of social housing on the edge of the City: Braunstone, Eyres Monsell, Saffron Lane, New Parks and Beaumont Leys, with some individual neighbourhoods towards the centre of the City, such as within Westcotes, Fosse, and Castle. Adult skills deprivation, however, appears to be confined to large discrete areas, both neighbourhoods of social housing in the west of city and the large section in the east of the City, despite some of these areas exhibiting little education deprivation such as Stoneygate, Evington, Humberstone and Rushey Mead.

5.26 In the City, where there is significantly less correlation between adult skills and young people’s education, areas of adult skills deprivation appear to be linked to income and employment deprivation, whereas education deprivation has a closer link to health deprivation and income deprivation affecting children. Many of the disparities, where areas experience high levels of deprivation for some domains and not others, highlight that the issues are far from homogenous. Some places, such as Stoneygate and Belgrave, exhibit high employment deprivation but young people’s education levels are good inferring that education is less of an issue although lack of recognised adult qualifications may have an impact of employment prospects. More disperse areas, in Spinney Hills, Charnwood and Eyres Monsell, appear to have higher education deprivation than

employment deprivation. Further research may be needed to understand the issues in such communities.

Workless Groups Within Leicester and Leicestershire

5.27 Tackling long-term worklessness is a key priority on the inclusion agenda, with targets to reduce the number of people on incapacity benefits and extra funding in specific areas to support lone parents and disabled people into work. However, in the current economic climate such initiatives become even more important. Research from past recessions suggests that local action is a determining factor in the success of post-recession economies. Flexible working opportunities, work trials and voluntary work placements can benefit both businesses and employees entering work after periods of unemployment. Training and learning new skills can also prepare people to take advantage of job opportunities when the economy recovers or access the current vacancies that are still hard to fill despite the current recession. This involves both tailored support to take account of individual needs and a good knowledge of the local labour market and barriers to participation.

Out-of-Work Benefits

5.28 21.8% of working age residents in Leicester City were claiming DWP benefits in August 2009. This compares to 10.5% of working age residents in the County. In total, 83,860 people were claiming out-of-work benefits in the sub-region. North West Leicestershire District had the highest rate of claimants in the County at 12.8% although this is still lower than national and regional averages.

Table 5.2 Number and Proportion of Working Age Residents on DWP Benefits

	Number of Working Age Residents on DWP Benefits	Rate (%)
Leicester	41,890	21.8
Leicestershire	41,970	10.5
Blaby	5,560	9.8
Charnwood	11,290	10.4
Harborough	4,090	8.3
Hinckley and Bosworth	7,300	11.3
Melton	2,820	9.4
North West Leicestershire	7,100	12.8
Oadby and Wigston	3,820	11.0
East Midlands	416,080	15.2
Great Britain	5,878,350	15.9

Source: DWP August 2009

5.29 In August 2009, 40% of people on DWP benefits in Leicestershire were claiming incapacity benefit as their main benefit, compared to 39% in the City. However, there are areas in the City that have a particularly high concentration of residents on such benefits. In New Parks ward in the City, 12.6% of working age residents are on incapacity benefits and 7.1% of residents are claiming lone parent benefits as their main benefit. New Parks also has the highest proportion of people on DWP benefits at 32.8% (33.5% of females and 32.2% of males in New Parks ward).

5.30 Further analysis of the 83,860 people on out of work benefits (August 2009) shows that:

- 48% are female (40,420)
- 40% are on incapacity benefit (33,300)⁵
- 21% are aged over 55 (17,400)⁶
- 12% are claiming a lone parent benefit (9,840)

5.32 Looking more specifically at unemployment measures shows that:

- 28% of JSA claimants⁷ in the sub-region were from BME groups in January 2010. Using the ILO⁸ definition of unemployment⁹, 9,100 out of 30,000 unemployed in the sub-region are from BME groups (29%)
- In Leicester City, 49% of those unemployed using the ILO definition are BME, 33% BME born outside the UK (5,500 people)¹⁰

Priority groups

5.33 The following priority groups were identified in the Multi Area Agreement, City Strategy and the Employment and Skills Plan as more likely to experience significant barriers to employment and skills development. Our analysis has also identified that these groups together contribute to at least 93% of all out-of-work claimants in the sub-region:

- Women
- Those on Incapacity Benefit disabled/in poor health
- NEET
- Carers
- Lone Parents

⁵ These are slightly more likely to be male, although females are more likely between age 50 and 60

⁶ 69% on either incapacity or disabled benefit

⁷ Ethnicity not available for all out-of-work benefits

⁸ International Labour Organisation

⁹ APS Oct 2007 – Sept 2008

¹⁰ APS Oct 2007-Sept 2008

- Older People
- Black or Minority Ethnic Groups
- New Communities

5.34 It is important, therefore, to understand how employment and learning opportunities in the sub-region can enable and support residents in the area to gain skills, find and remain or progress in employment.

Women

5.35 40,420 women were on out-of-work benefits in the sub-region in August 2009, equating to 48% of those on out-of-work benefits. This is highest in New Parks wards, where 34% of females were on out-of-work benefits. This is followed by Eyres Monsell (30.0%). In the sub-region, women are less likely to be employed, more likely to work part-time and more likely to work in the public sector than men. The employment rate for women in the City is 57%. This is lower than other cities in the region, even though economic activity is similar to that of Nottingham. This suggests that women actively looking for work may face specific barriers. Family commitments can mean that women need to work closer to home. They are therefore disproportionately affected by changes in the local labour market such as the decline of sectors. An example of this is the textile industry in Leicestershire. This is a particular problem for women residing in deprived areas as they are characterised by a low-wage economy, making their disadvantage persistent. The tax and benefit system may also be a disincentive for women to gain employment.

5.36 Previous analysis of wage levels revealed that employment for women in the County is less well paid than employment opportunities in the City. This is the opposite for male workers where County jobs, on average, pay more. 46% of employees working in the County are women, compared to 52% of employees working in the City. Given the low proportion of employed females living in the City, this suggests that females may be more likely to commute into the City from the County for work. However, in order to understand the low employment rate for females in the City, we need to explore whether this is due to a lack of suitable jobs, low skills/qualifications, cultural issues or other barriers to work.

5.37 Research into experiences of work and progression in the City has highlighted the issues of women working below their potential¹¹, particularly when working part-time. Some women from certain ethnic

¹¹ http://www.lsr-online.org/reports/working_below_potential_women

minority groups¹² may also face cultural barriers that limit participation in the labour market. They may also lack opportunities to develop language skills. The research conducted by Sheffield Hallam University focuses on two wards, where a high proportion of Bangladeshi and Pakistani women reside: Stoneygate and Spinney Hills.

5.38 Information from 2001 indicated:

- In Stoneygate, 22% of economically active Bangladeshi women were unemployed, compared with just 7% of all economically active women in Leicester as a whole.
- Unemployment rates were very high for Pakistani women in Spinney Hills, where 18% were unemployed (compared with 12% of all women and with 10% of White British women).

5.39 The study's "arts-based" workshops indicated that the labour market disadvantage experienced by local ethnic minority women was related to a combination of the following factors:

- migration history
- language, qualifications, skills and experience
- aspirations and confidence
- infrastructure of the local area
- available range of job opportunities
- cultural/family expectations/circumstances
- discrimination and racism

5.40 However, it should be acknowledged that the importance of each factor varies for each individual woman, and not all are relevant in every case.

5.41 Analysis of 2001 census data reveals that only 9% of Bangladeshi women and 7% of Pakistani women have full-time jobs, compared with 30% of all women in Leicester. Among those in employment, Leicester's large population of Indian women is much more strongly concentrated in the manufacturing sector than the City's White female population. Within this sector, 88% of Indian women, compared with 62% of White women, were in the lower level and lowest-paid jobs. On the other hand, only 4%, compared with 18% of White women - were in the best-paid jobs. The report suggests that language continues to be one of the major barriers faced by women from ethnic minority groups. This was compounded by

¹² http://www.lsr-online.org/reports/ethnic_minority_women_and_acce_1

the fact that many of the hosiery and textiles factories in which they previously worked did not operate in English.

Those on Incapacity Benefit/ disabled/ in poor health

- 5.42 In August 2009, 33,300 people were claiming Incapacity Benefit in the sub-region, equating to 40% of those on out-of-work benefits. This proportion is highest in New Parks ward, where 12.6% of working age residents claim Incapacity Benefits, followed by Abbey ward.
- 5.43 Health is often considered both a consequence of worklessness and barrier to re-entering employment. Once on Incapacity Benefit, claimants are less likely to return to work creating a cycle of poor health either physically or mentally. 43.2% of those on incapacity benefits in the sub-region have a condition of 'mental and behavioural' disorders.
- 5.44 Approximately 20% of the population of Britain suffer from mental ill health at any one time and it is the second most common cause of working days lost through ill health.¹³ The City Joint Strategic Needs Assessment (JSNA) identifies that serious mental illness is higher in the Black Minority Ethnic population than in the White population. Furthermore, people living in the most deprived areas of Leicester are 1.7 times more likely to be registered with mental health services than people in affluent areas¹⁴. The County JSNA estimates that 24% of working age adults with mental health needs are employed compared to 49-59% of people with sensory impairment. This is despite people with mental health needs having the highest "want to work" rate of all "out-of-work" groups.

NEET

- 5.45 In 2009, 4.4% of 16 to 18 year olds in the County and 8.4% of 16 to 18 year olds in the City were Not in Employment, Education or Training (NEET)¹⁵. This is equivalent to approximately 900 Young People in the City and 800 Young People in the County. Trend data suggests that NEET has not increased despite the economic climate although more young people are now entering further education rather than employment. However, there continue to be wards in deprived areas of the City where high numbers of young people are still not accessing EET. Many of these young people have additional barriers to engaging such as low educational attainment, involvement with the youth offending service, caring responsibilities and housing issues, particularly for those leaving care. Almost one in five 16 to 18 year olds were NEET in Freeman ward,

¹³ Social Care Institute for Excellence. A new deal for welfare: Empowering people to work. SCIE: April 2006. <http://www.scie.org.uk/publications/consultation/welfarereform.pdf>

¹⁴ <http://www.oneleicester.com/leicester-partnership/jsna>

¹⁵ November 2008 – January 2009 average

followed by Eyres Monsell, New Parks and Westcotes. In the County, Charnwood district had the highest % NEET at 5.8% with the highest 3 wards in the County all located in Loughborough. While overall NEET rates are lower in the County, 24.5% of young people in or leaving care (16-18) were NEET in the County, compared to 23.3% in the City. 56.3% of young parents (16-19) in the County were NEET compared to 64.7% in the City. (January 2008).

- 5.46 Across the sub-region in August 2009, the majority of young people joining NEET from employment and training were from manual/service, catering, motor vehicle, hairdressing and childcare sectors. From education, the courses studied previously by NEET joiners were in primarily motor vehicle, childcare and construction.

Carers

- 5.47 7.9% of those on out-of-work benefits claim carers allowance (6,610 claimants). However, it is likely that relatively few people with caring responsibilities claim carers' allowance, often looking after ill or elderly relatives with little support. For young carers, such responsibilities can have an impact on ability to participate and progress in further education or training.
- 5.48 The County JSNA found that in Leicestershire, of those carers aged between 16 and 74 years, 70.2% of male carers are in full-time or part-time employment compared with 59.0% of females. There are certain groups of people who more frequently provide care. For example, women have a 50:50 chance of needing to provide care by the time they are 50 years old compared with men who have the same chance by the time they are 75 years old.

Lone Parents

- 5.49 12% of people on out-of-work benefits claim a benefit related to being a lone parent (e.g. income support). This is highest in New Parks ward where 7.1% of working age residents claim lone parent benefits, followed by Eyres Monsell and Braunstone. Recent change in national policy has meant that, when a child reaches 12 years old, lone parents are transferred onto JSA and encouraged to find work. This is planned to decrease to age 7 in 2010.
- 5.50 Local research with 280 lone parents in Leicester City found that, for most lone parents being out-of-work was perceived as a temporary situation. Most lone parents wanted to work part-time. However, many had very little work experience or had low qualifications, compared to lone parents already in work. Trust in formal childcare was also an issue. Lone parents

in work often cited lack of support from employers and lack of opportunities to progress.¹⁶

Older People

5.51 For over 55s, 58% of those claiming out-of-work benefits were claiming incapacity benefits although 2,160 over 55's in the sub-region were looking for employment (JSA claimants) in August 2009. Advances in health care and quality of life has meant that many people are active for longer. However, it can be difficult for older people to get back into work if they have been made unemployed. This recession has increased the number of claimants aged over 50 in the County from 905 in April 2008 to 2,449 in April 2009. This includes both claimants looking for high-skilled profession and manufacturing jobs and those looking for low-skilled elementary jobs. Older people often feel discriminated against in the job market. A 2005 report¹⁷ highlighted that 16% of the workforce aged between 45 and 74 years in Leicestershire had experienced direct discrimination because of their age, and 43% thought that the negative attitudes of employers was a main barrier when looking for, or changing, jobs.²⁶ On average, the over 50s in England earn 26% less in a new job compared to their previous job.

Black or Minority Ethnic Groups and New Communities

5.52 43% of JSA claimants in January 2010 in the City were from ethnic minority groups (5,280 claimants). Grouping together BME groups, however, often fails to address the differences between groups. The large proportion of some communities, such as established Indian Asian that are high-performing, particularly in education, can mask the disadvantages faced by other smaller groups or new communities. Few BME workers appear to be employed in high-level jobs in the City despite high progression rates to Higher Education. Some groups have also been identified as underachieving at KS4, such as White and Black Caribbean. This group was also found to be more likely to be NEET after leaving school¹⁸.

5.53 Leicester City is home to a number of new communities. Many previous groups of immigrants have settled well into Leicester. Currently almost

¹⁶ http://www.lsr-online.org/reports/supporting_lone_parents_into_work

¹⁷ BMG Research, 2006 Leicestershire Household Survey

¹⁸ <http://www.connexions-leics.org/pdf/Towards%20Positive%20Progression%20-%20full%20report%20August%202006.pdf>

30% of the City's population was born outside of the UK¹⁹. However, NICEC and Connexions Leicester Shire research²⁰ with young unaccompanied asylum seekers has found that many do not feel informed or involved with the education system and there is a lack of co-ordinated support.

- 5.54 Research with Somalian communities has also suggested that unemployment rates are as high as 75%²¹. The Somali population in Leicester is estimated as between 6,000 and 10,000 people. Most arrived since 2003-04, although small numbers of Somali people are still arriving in the City as asylum seekers. A number of focus groups with the community in 2005 found that unemployment was a significant issue, as was English language, particularly for the older community. Focus groups with the older women also identified cultural issues of not wishing to work, but also of not being comfortable claiming benefits. The Spring 2009 School Census Data also confirms levels of poverty and deprivation within the Somali community.

Further Challenges

- 5.55 Few barriers to employment exist in isolation and often support is needed to address a number of related or consequential issues such as childcare, housing, confidence, etc. before a person can be supported into a sustainable form of employment. Holistic support needs to be flexible enough to take into account inter-dependent needs. Some barriers to employment and economic activity may cut across a number of different groups. An example of a cross-cutting disadvantage is financial exclusion.
- 5.56 Financial exclusion involves exclusion from basic financial services and products such as a current account and home contents insurance. This often leads to difficulty with accessing affordable credit and savings. It also risks exposure to loan sharks and mounting debts. A recent report²² identifies a number of difficulties and barriers that may be a consequence of financial exclusion:
- finding it hard to get a job as more and more employers require bank accounts for direct credit of wages or salaries.
 - paying more for utilities due to lack of access to discounts available for direct debit and other automated payment methods.

¹⁹ Annual Population Survey, 2008

²⁰ Helping Asylum Seekers to Plan Learning and Work, NICEC, 2009
http://crac.org.uk/CMS/files/upload/nicec_helping_young_asylum_seekers_report.pdf

²¹ The Diversity of Leicester: A Demographic Profile 2008, Leicester City Council

²² Rural Money Matters: A support guide to rural financial inclusion, August 2009

- having to pay extremely high rates of interest to borrow from doorstep lenders or other providers of 'alternative' credit, or worse, facing extortion, intimidation and violence at the hands of illegal lenders or 'loan sharks'.
- lacking the financial buffer provided by a small sum of savings, or the security provided by simple insurance, meaning that unexpected financial pressures are difficult, if not impossible, to manage.
- not being able to access the impartial advice, particularly on debt problems, that can help people avoid significant financial distress.
- Additional issues include difficulties for people to meet the costs of getting back to work e.g. interview costs, childcare, purchase of work equipment. Debt can also have significant health implications, which, in turn, can be a major barrier to employment.

5.57 2% of East Midland's residents do not have any type of bank account compared to 3% in North West and Yorkshire regions and 2% in all other regions. National research has identified some characteristics of working age people who are less likely to not have a bank account:

- people who are permanently sick or disabled,
- lone parents,
- Pakistani or Bangladeshi people
- tenants (in both the social and private rented sector).

5.58 Compared with owner occupiers, the odds of being without an account were higher among adults living in homes rented from a housing association (3.4 times) or a local authority (4.0 times), rising to over five times the odds for those renting privately (5.4 times). In Leicester City, many of these characteristics are common which suggests that financial exclusion is a particular barrier in the City with a number of implications for those seeking employment.

The Impact of the Recession ²³

5.59 We entered this recession with more total claimants than the 1980s and 1990s recessions. One reason for this is the growth of people moved onto incapacity benefits during past recessions, which has remained high since the 1990s. In the sub-region, JSA claimants almost doubled between August 2007 (13,000) and August 2009 (24,000). In the County, numbers more than doubled over this period. While there does not appear to be a characteristic that is disproportionately affected by claimant increases, those living in 'multicultural' neighbourhoods have seen smaller proportions of claimants than expected in August 2009 in both City and County, with claimant increases in less 'traditional' types of neighbourhoods. JSA rates for December 2009 were 2.7% in the County and 6.6% in the City. There remains an over-supply of claimants seeking

²³ http://www.lsr-online.org/reports/credit_crunch_report_september_2009

administrative and skilled trade jobs although occupations such as personal services have a higher number of unfilled vacancies now than two years ago.

- 5.60 Despite concern in the media, NEET rates have not appeared to increase annually in the sub-region as more young people continue in further education. However, concern is high among young people for future prospects, possibly affecting the choice of opportunities. Those preferring more vocational routes may require more support to ensure that they do not drift in and out of short-term employment or training opportunities as fewer opportunities for those without qualifications or those with lack of experience become available.
- 5.61 The rural economy appears to be more dependent on consumer confidence, with the recession having an impact on businesses within such sectors that rely on customer spending. Indeed, rural businesses in the sub-region are less optimistic about the next 12 months. Those living in rural neighbourhoods are also suffering from high proportions of job losses. While there initially appears little evidence of a 'middle class recession', in rural areas, the high proportions seeking professional jobs are significant. These may be people who traditionally would not be part of the claimant count and may require different support to those in urban areas to find employment.

Routeways Model

- 5.62 New vacancies notified to Job Centre Plus have generally decreased over the last 12 months. However, there has been fluctuation in Leicester City with an increase in July and August 2008 most likely linked to the opening of the new Highcross retail centre in Leicester City. This appears to have had a positive impact on reducing claimant rates particularly for women and BME groups in the City. BME claimant numbers decreased by 2.5% in October 2008 in the City while female claimants decreased by 3.7%. Moreover, BME female claimant numbers decreased by 6.5% between September and October 2008. During this period, JSA rates increased nationally by 2.7%.
- 5.63 The opening of the Highcross retail centre in September 2008 had a vision to enable local people to access opportunities, targeting those most vulnerable. In total, 'Work Highcross' supported 2,075 people into employment. Of the 1,556 known recruits, 1,001 were female recruits and 552 male. More detailed data on 824 employees found 72% were previously unemployed or NEET of which 67% were from BME backgrounds and 52% lived in Leicester City's defined priority areas.

5.64 The Highcross project was supported by a number of partnerships including representation both from the City and County. The partnerships have been successful in developing and supporting a client routeway approach to meet the recruitment needs of employers and also providing routeways for the workless and long-term unemployed to be job-ready to meet genuine job opportunities. This model has been supported by access to local Employment and Skills Services, which have been piloted, and are continuing, at the Highfields and City Multi - Access Centres.

Summary

5.65 Many areas in the County are more education/skills than employment deprived suggesting that employment opportunities are good although, perhaps, that employment is low-skilled in some areas. However, analysis has identified that, in the City, types of deprivation are more varied and there is significantly less correlation between adult skills and young people's education. Areas of adult skills deprivation appear to be linked to income and employment deprivation whereas education deprivation has a closer link to health deprivation and income deprivation affecting children.

5.66 There are many disparities within the city, where neighbourhoods experience high levels of deprivation for some domains and not others. Some areas, such as Stoneygate and Belgrave, exhibit high employment deprivation but young people's education levels are good inferring that education is less of an issue (although lack of recognised adult qualifications may have an impact of employment prospects). More disperse areas in Spinney Hills, Charnwood and Eyres Monsell, appear to have higher education deprivation than employment deprivation. Further research may be needed to understand the issues in such communities.

5.67 In total 83,860 people were claiming out of work benefits in the sub-region in August 2009. North West Leicester district had the highest rate of claimants in the County at 12.8% although the rate in Leicester City was 21.8% with some wards having as much as a third of working age residents on out-of-work benefits. The following priority groups were identified as more likely to experience significant barriers to employment and skills development. Our analysis has also identified that these groups contribute to at least **93%** of all out of work claimants in the sub-region:

- Women
- Those on Incapacity Benefit/disabled/in poor health
- NEET
- Carers
- Lone Parents
- Older People
- Black or Minority Ethnic Groups

- New Communities

5.68 Few barriers to employment exist in isolation and often support is needed to address a number of related or consequential issues such as childcare, housing, health, debt, etc before a person can be supported into a sustainable form of employment. Holistic support needs to be flexible enough to take into account inter-dependent needs.