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Spotlight on Economic Inactivity and Long-term Sickness

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Long-term sickness and inactivity hampers UK job market and economy

Morning Star · 4mon

Economic inactivity among young people doubles over past decade

Personnel Today · 1d

The autumn statement must tackle economic inactivity

BBC · 27d

How can the UK's inactivity crisis be tackled?

The Times · 22d

Long-term illness keeping women and young men out of work

INDEPENDENT · 13h · on MSN

Councils call for rethink over 'failing' support for economically inactive

Government tackling 'economic inactivity' with 2023 Spring Budget initiatives

Record numbers not working due to ill health

DWP launches new plan for claimants to try work without losing sickness benefits

2.5 million people are off work due to long-term sickness – and it's a growing problem for working-age women

Economically Inactive Definition

- People aged between 16- 64 are classed as "economically inactive" if they are not in employment but don't meet the criteria for being "unemployed".
- This means they have not been seeking work within the previous four weeks or were unable to start work within the next two weeks.
- Common reasons include being retired, looking after the home or family or being temporarily or long-term sick and disabled.

Reasons for Economic Inactivity

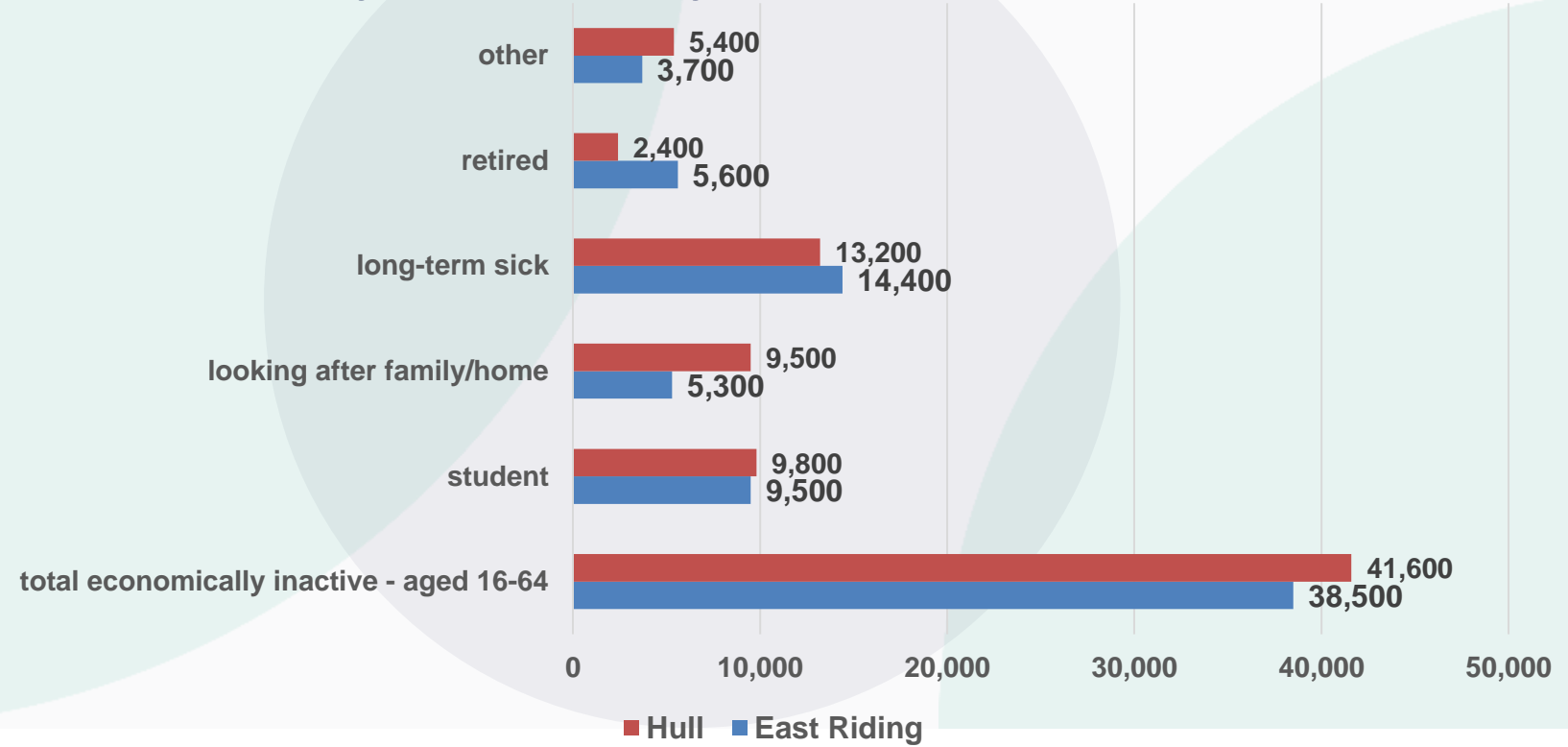
- **Retired**
- **Sick - Long-term**
- **Sick- Temporary**
- **Looking after family/home**
- **Student**
- **Discouraged**
- **Other**

HEY Economic Inactivity Data

For HEY around **80,100** people, **22.3%** of the population aged 16 to 64 were "economically inactive" in the year ending June 2023

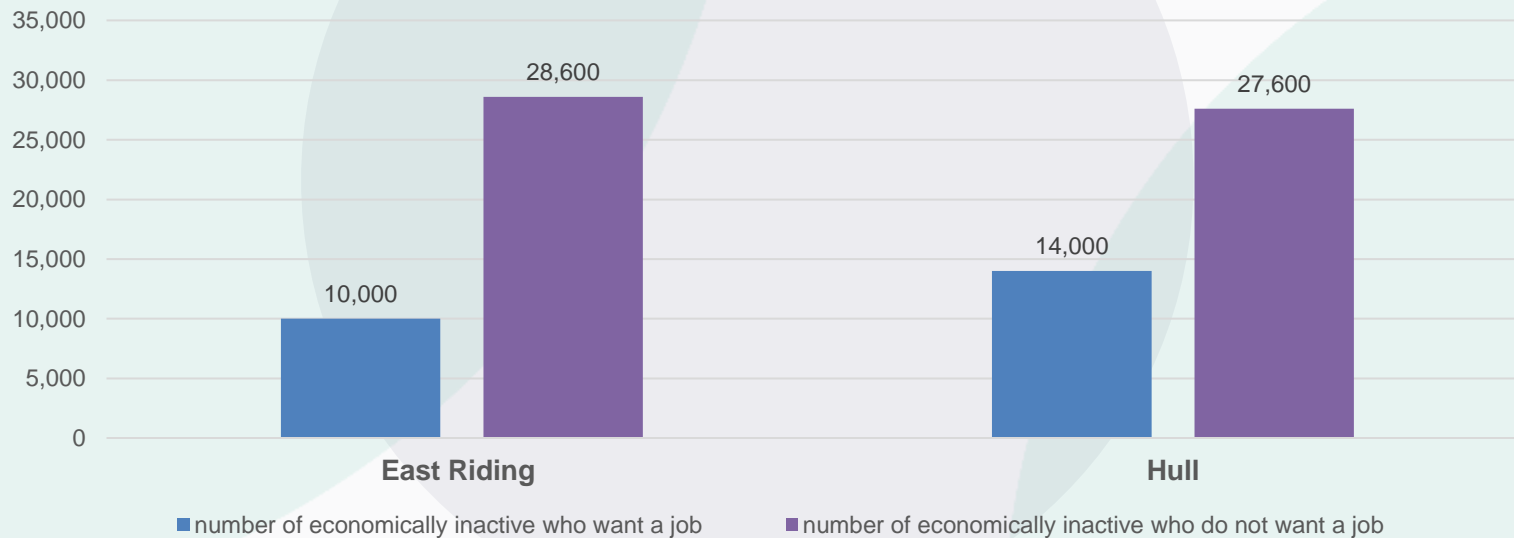
	June 2023	March 20	Difference
Hull	41,600 (24.6%)	35,500 (21.1%)	+6,100 +17.2%
East Riding	38,500 (20.2%)	34,600 (17.9%)	+3,900 +11.3%
Y&H GB	23.0 % 21.4%	22.8% 20.9%	

Economically Inactive by Reason

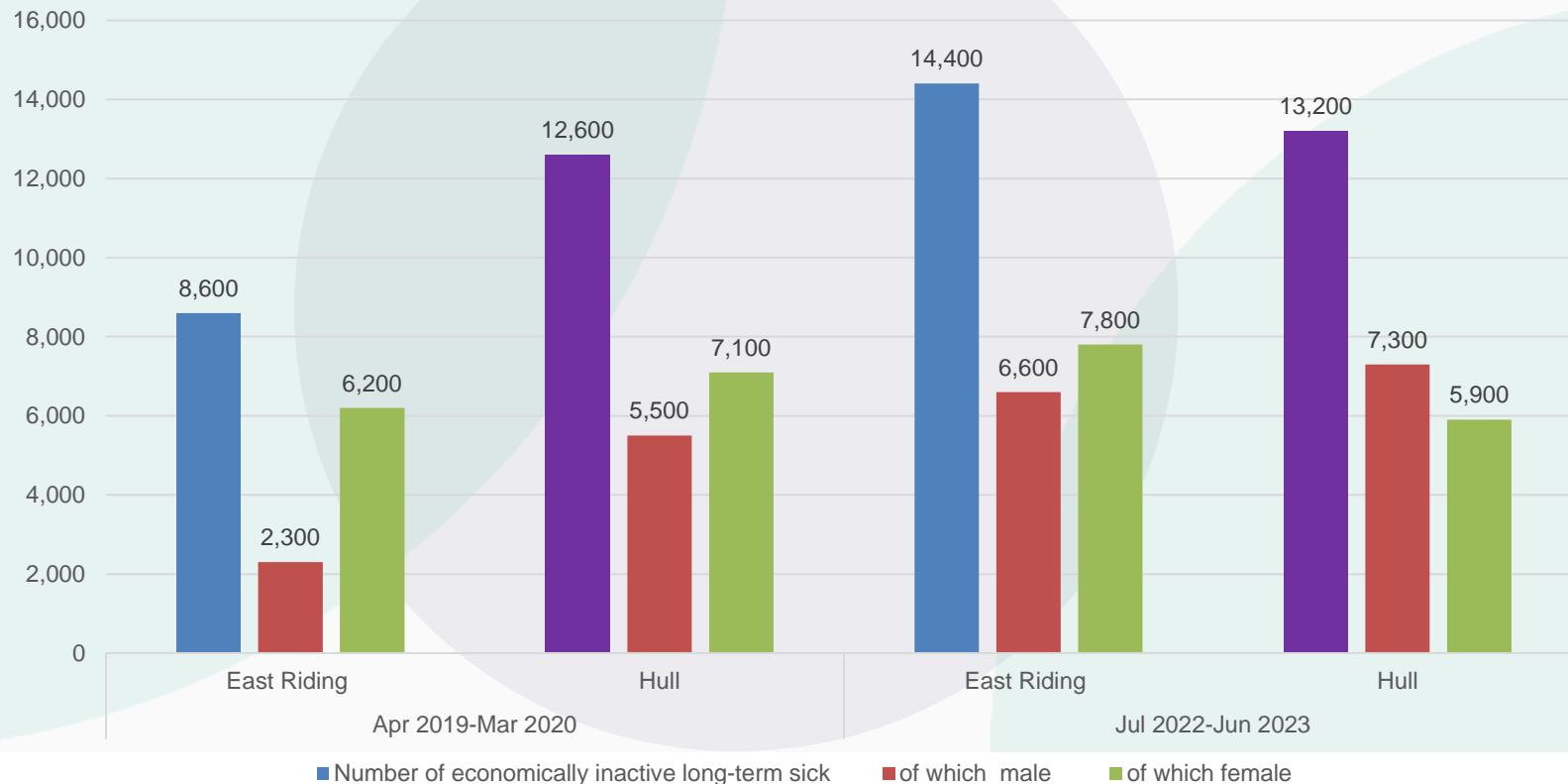


Economically inactive who want / don't want a job

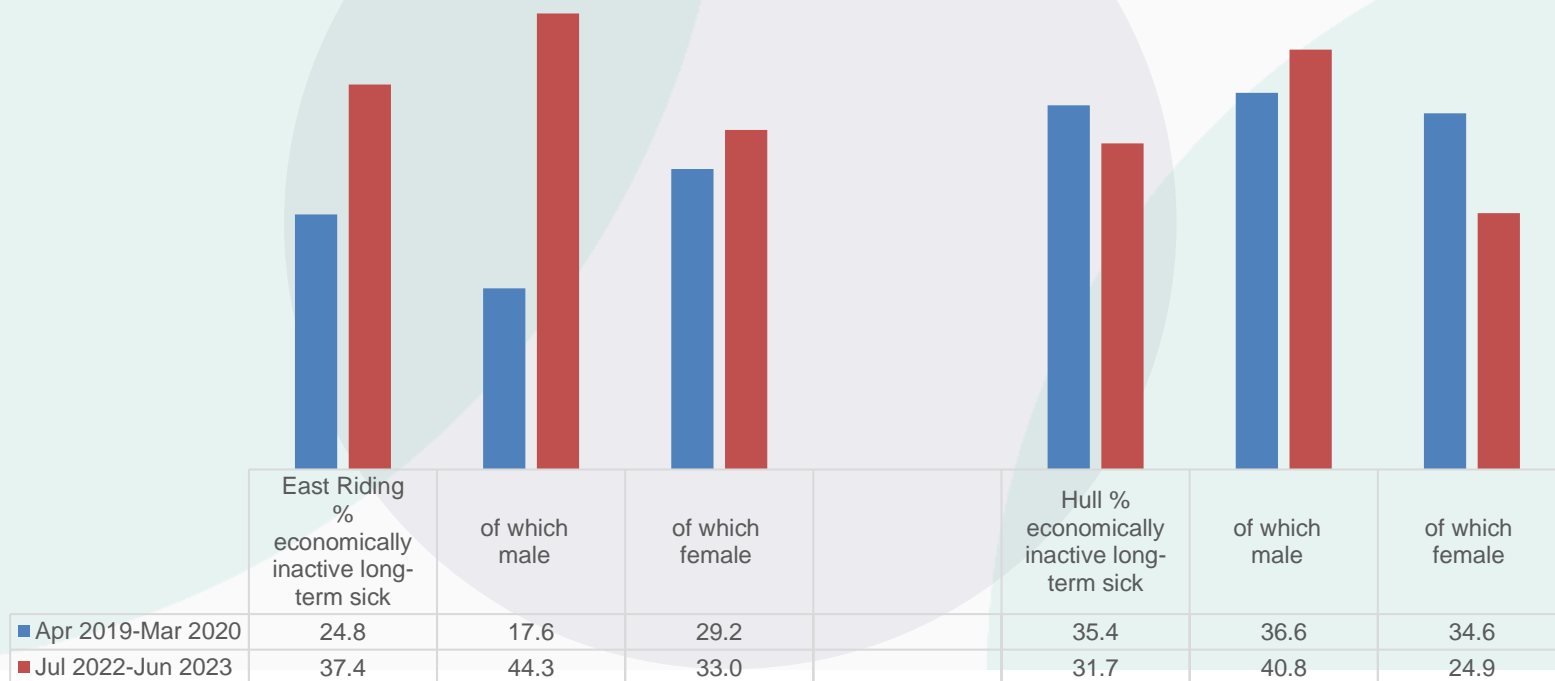
Chart Title



Economically Inactive - Long-term Sick March 2020 and June 23



% Economically Inactive - Long-term Sick March 2020 and June 23



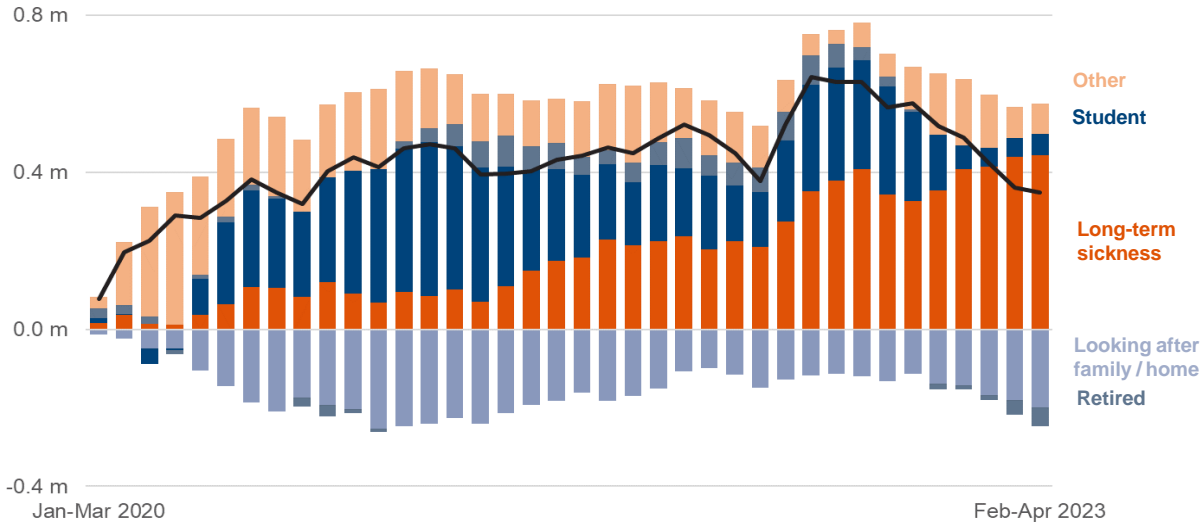
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The National Picture

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Long-term sickness has risen to be the most common reason for being economically inactive

Change in the number of people (compared to pre-pandemic) who are economically inactive by main reason, 16 to 64, UK, Jan-20-Mar-20 to Feb-23-Apr-23



Compared to the latest quarter (Feb-Apr 23) **long-term sickness** has:

- **increased** by **35,000** on the quarter
- **increased** by **217,000** on the year
- **increased** by **442,000** since the start of the pandemic (Dec-Feb 20)

Economic inactivity, where the main reason is long-term sickness, has risen by 442,000 since the start of the pandemic. Between 2019 and 2022, 69% of those becoming inactive due to long-term sickness **were already inactive for another reason** in the previous quarter. Therefore, individuals **switching their inactive status to long-term sick has played a role in this increase.**

Source: Labour Force Survey, INAC01, seasonally adjusted



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New support for disabled people and those with long-term health conditions

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2023 Spring Budget Announcements

Musculoskeletal (MSK) Health - scale up community MSK hubs in England so more people can access treatment and provide free access to digital support tools. Introduce employment advisors into MSK services.

Mental Health - expand the IPS scheme in England which supports people with severe mental illness into employment and modernise and digitise mental health services in England.

Cardiovascular Disease (CVD) - digitise the NHS Health Check in England to identify cardiovascular conditions earlier, resulting in improved health outcomes.

Universal Support - Introducing a new supported employment programme for disabled people and people with long-term health conditions in England and Wales, matching participants with open market jobs and funding support and training.

WorkWell Partnership Programme (WWPP) - Integrated work and health support for disabled people and people with health conditions who want help to start, stay or succeed in work.

The programme will be locally led, bringing together the NHS, local authorities and other partners, in collaboration with jobcentres

Government initiatives and programmes

Employment and Health Discussion

A pilot scheme for disabled people and people with health conditions to explore barriers to work will be rolled out to 12 new areas – Hull is one of these areas

Universal Support scheme

Started 13/9/23 – A new, voluntary employment scheme will help 25,000 long-term sick and disabled to help them find appropriate jobs and put in place the support they need.

Occupational Health: Working Better

A consultation seeking views on proposals aimed at increasing employer use of Occupational Health Services.

(This consultation closed 12/10/23)

WorkWell Partnership Programme

WorkWell Partnerships will pilot a new model in England for delivering integrated work and health support in local areas, linking Jobcentres, health services and other local organisations to provide wraparound health support for jobseekers, benefits claimants and those at risk of falling out of work because of their health condition

November Budget Announcements

Chance to Work Guarantee

will transform the prospects of millions of people currently out of work, supporting them to realise their aspirations and potential.

Universal Credit claimants will benefit from boosted Work Allowances meaning that long-term sick and disabled claimants can keep £404 of earnings every month without this affecting their welfare payments, to 'de-risking' the journey into work.

The Work Capability Assessment is being overhauled for those newly moving onto health benefits so work preparation requirements better reflect the opportunities available in the modern world of work, whilst protecting those unable to work.

New Back to Work Plan to help up to 1,100,000 people with long-term health conditions, disabilities or long-term unemployment to look for and stay in work.