Sheffield Hallam University | Centre for Regional Economic and Social Research

The Real Level of Unemployment 2022

The myth of full employment across Britain

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Summary

This report presents an alternative set of unemployment figures for every district and unitary authority in Great Britain. It is the sixth in a series of similar reports dating back to 1997.

The report explains how official measures of unemployment fail to adjust for distortions arising from the operation of the benefits system and how the very large numbers of incapacity-related claimants hide substantial unemployment.

Drawing on official statistics and proven methods, the report estimates that in early 2022 the real level of unemployment across Great Britain as a whole was just over 2.3 million. This compares with 1.77 million on the claimant count and only 1.31 million on the government's preferred measure based on ILO criteria and the Labour Force Survey.

The report estimates that there are some 790,000 'hidden unemployed' on incapacity benefits. These are men and women who might have been expected to be in work in a genuinely fully employed economy. They do not represent fraudulent claims and they account for slightly less than a third of the headline total of incapacity claimants of working age.

The real level of unemployment is estimated to be broadly the same as in 2017, when similar figures were last produced, but remains lower than the levels in the immediate wake of the financial crisis or in the 1990s.

In Wales hidden unemployment is estimated to account for more than half of all unemployment, and in Scotland, the North West, North East and South West hidden unemployment accounts for approaching half the total. In London and the South East hidden unemployment accounts for only a fifth.

Hidden unemployment is disproportionately concentrated in the weakest local economies, particularly Britain's older industrial areas and a number of seaside towns. In the worst affected places, the estimated real rate of unemployment exceeds 10 per cent of all adults of working age. By contrast, in substantial parts of southern England outside London the rate is around 2 per cent.

(continued…)

The report concludes that whilst some parts of Britain are now at or close to full employment, the economy as a whole is still some way off and substantial unemployment persists in other parts of the country.

The data for unitary and district local authorities shows that in 2022 there are really three different Britains:

FULL EMPLOYMENT BRITAIN (below 4% real unemployment)

- *141 local authorities*
- *20 million people*
- *Average real unemployment 2.8%*
- *14% of unemployment 'hidden'*

MIDDLING BRITAIN (4-8% real unemployment)

- *158 local authorities*
- *31 million people*
- *Average real unemployment 6.0%*
- *34% of unemployment 'hidden'*

HIGH UNEMPLOYMENT BRITAIN (more than 8% real unemployment)

- *64 local authorities*
- *14 million people*
- *Average real unemployment 9.4%*
- *42% of unemployment 'hidden'*

The report argues that Levelling Up has a key role to play in reducing unemployment in less prosperous areas and there needs to be help too, including from employers, in maintaining labour market engagement among men and women with ill health or disabilities.

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Why unemployment figures matter

In 2022 in the wake of the pandemic, 'unemployment' has faded as an economic and political concern. The business pages of newspapers and the media in general are more concerned with labour shortages and their contribution to inflation, and whilst no-one suggests that unemployment has entirely disappeared the assumption is that much of Britain is operating at close to full employment. The bad old days of mass unemployment are now far behind it seems.

But are the official figures a reliable guide? Unfortunately, this is deeply questionable. In particular, in the benefits system there are mechanisms that hide substantial unemployment, meaning that the official figures consistently underestimate the true scale of unemployment. The official numbers accurately reflect what they set out to count but they do not provide the full picture.

This failing is more than a mere technical issue. It means that perceptions of the UK labour market based on the official figures are distorted and likely to mislead policymakers. What's more, in so far as the hidden unemployment is concentrated far more in some places than others it means that the official unemployment figures provide a misleading guide to the disparities between different parts of the country – something that clearly matters at a time when Levelling Up is high on the political agenda.

This is the sixth in a series of reports on the real level of unemployment that we have published at five-yearly intervals since 1997[1]. The new report, like its predecessors, provides estimates for every unitary and district authority in Great Britain. Here we deploy essentially the same methods as in the earlier studies but with a number of refinements. For the first time, the report is also accompanied by an online dataset, accessible on the Sheffield Hallam website, that allows the figures for each area to be interrogated.

[1] The previous reports were for 1997, 2002, 2007, 2012 and 2017.

The difficulties of measuring unemployment

The casual observer might be forgiven for assuming that the level of unemployment is a hard-edged number that is easily counted. Indeed, high-profile reports from players such as HM Treasury and the Bank of England regularly provide a single definitive figure for the UK as a whole. Look closer and the reality is more complex. Before we present our own estimates it is therefore appropriate to explain the complexities and the often conflicting levels of unemployment to which they can point.

The role of the benefits system

Let us begin with the impact of the benefits system. Men and women of working age who are out-of-work actually draw on three main groups of benefits:

- *Unemployment benefits*. These used to be either contributions-based or income-based Jobseeker's Allowance (JSA). JSA remains for claimants with sufficient recent National Insurance contributions but most unemployment benefit claimants now draw on Universal Credit with a requirement to look for work.

- *Incapacity benefits*. These were originally Invalidity Benefit and Severe Disablement Allowance, which were replaced by Incapacity Benefit, which in turn was replaced by Employment and Support Allowance (ESA). Large numbers still remain on ESA but since the roll-out of Universal Credit new claimants with health problems or disabilities are placed in one of two 'limited capability to work' groups, neither of which carries an immediate requirement to look for work.

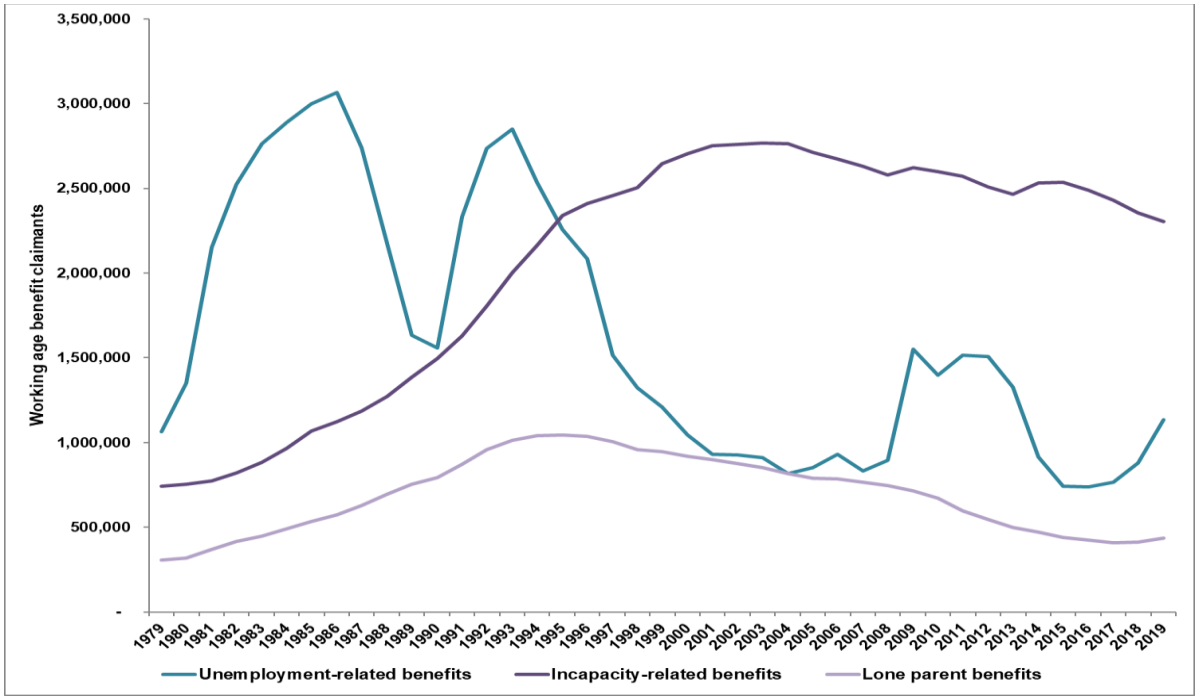
- *Lone parent benefits*. This was once Income Support but the largest numbers now claim Universal Credit as lone parents of young children.

The three groups are mutually exclusive. It is not possible, for example, to claim incapacity benefits at the same time as unemployment benefits. Conventionally, only those in the first of the three groups would be counted as 'unemployed'. Figure 1 shows the numbers on each of the three out-of-work benefits from 1979 to 2019 for Great Britain as a whole. We'll look more closely at what's happened since then, during the pandemic, in a moment.

In the wake of recession, the numbers claiming unemployment benefits reached 3 million in the mid-1980s, fell back, rose again during the recession of the early 1990s and then declined to under a million. Following the 2008 financial crisis the numbers peaked at around 1.5 million before falling back once more to below a million. From around 2017 onwards the numbers crept up again as Universal Credit was rolled out and widened the range of claimants required to look for work.

The numbers claiming lone parent benefits rose from around 300,000 at the start of the 1980s to a peak of around 1 million in the mid-1990s. More recently the numbers on lone parent benefits have fallen, not least because eligibility has gradually been restricted just to those with the very youngest children.

Figure 1: Out-of-work working age benefit claimants, GB, 1979-2019



Source: DWP

The most striking feature in Figure 1 is the rise in the numbers out-of-work on incapacity-related benefits – up from around 750,000 at the end of the 1970s to a plateau of around 2.5 million in the early 2000s. The numbers then declined a little from this all-time high but not by much. These remarkable numbers are in practice largely invisible: they surface in the media from time to time but few beyond those who follow these issues are probably aware of their scale.

The scale and timing of the increase in incapacity numbers in the years following the deindustrialisation and job loss of the 1980s and early 90s points strongly to an element of hidden unemployment. Indeed, it is impossible to explain the increase in health terms alone at a time when general standards of health have slowly been improving. Over the period of surging incapacity numbers there was also no real-terms increase in the financial value of benefits that might have attracted more claimants, so that too cannot explain the increase. If anything, the opposite was true – benefits were squeezed at the margins – and from the 1990s onwards there have been reforms to try to bring the numbers down.

The relevance to the measurement of unemployment is that the jobless who suffer from health problems or disabilities generally claim incapacity benefits instead of unemployment benefits. In practice, many unemployed people have picked up injuries over the course of their working life and there is the effect on physical capabilities of illness, disease and simply getting older. On top of this, mental health conditions including anxiety and depression are widespread. In practice, therefore, many of the unemployed with health problems or disabilities qualify for incapacity benefits and there can be a modest incentive to do so because in many circumstances the benefit entitlement is a little higher and subject to lower levels of conditionality.

The result is that the very large numbers claiming incapacity benefits are likely to hide unemployment. This does not imply, of course, that the health problems or disabilities are anything less than real or that the benefit claims are in any way fraudulent.

Table 1 lists the local authorities with the twenty highest incapacity claimant rates[2]. In all these authorities the incapacity claimant rate exceeds 10 per cent of all adults of working age (16-64). By contrast, in large parts of southern England outside London, where the economy is stronger, the incapacity claimant rate is typically 2-3 per cent.

Table 1: Incapacity benefit claimant rate*, 2021, top 20 districts

	%		%
1. Blaenau Gwent	13.3	11. Glasgow	10.9
2. Blackpool	13.1	12. Middlesbrough	10.7
3. Inverclyde	12.8	13. Liverpool	10.6
4. Neath Port Talbot	12.5	14. Hartlepool	10.5
5. Merthyr Tydfil	12.5	15. Torbay	10.4
6. Knowsley	12.3	16. Torfaen	10.2
7. West Dunbartonshire	11.6	17. Clackmannanshire	10.2
8. North Ayrshire	11.5	18. Burnley	10.2
9. Rhondda Cynon Taf	11.3	19. St Helens	10.2
10, Caerphilly	11.1	20. Wirral	10.1

*% of all 16-64 year olds
Sources: ONS and DWP

The incapacity claimant rate is especially high in parts of South Wales, Merseyside, North East England and Clydeside. These are places where standards of health have long been known to be below the national average but what they also have in common is that they have all experienced large-scale industrial job losses. Initially it was the ex-miners, ex-steelworkers and other redundant industrial workers, mostly men, who drove much of the increase in incapacity numbers in these places[3]. They have now nearly all dropped out of the figures into retirement but, where there is still a serious imbalance between labour demand and labour supply, they have been succeeded by the generation behind them. In these difficult local labour markets, the competition for jobs has eventually squeezed out women with physical or mental ill health or disabilities as well[4].

[2] The incapacity claimant numbers used here and subsequently in the report combine the numbers claiming incapacity-related benefits (ESA, IB and SDA) in August 2021 and the number claiming Universal Credit on the basis of limited capability to work in November 2021. Source: DWP.
[3] See for example C Beatty and S Fothergill (1996) 'Labour market adjustment in areas of chronic industrial decline', *Regional Studies*, vol. 30, pp. 637-650.
[4] C Beatty, S Fothergill, D Houston, R Powell and P Sissons (2009) *Women on Incapacity Benefits*, CRESR, Sheffield Hallam University.

A number of seaside towns also have high incapacity claimant rates. Blackpool and Torbay make the top 20 but a number of other coastal districts are not far behind – Hastings, Great Yarmouth, Scarborough, Thanet (which covers Margate and Ramsgate), Tendring (Clacton) and East Lindsey (Skegness). These seaside towns have generally not lost jobs on the scale of older industrial Britain but their economies have been under sustained pressure from changing patterns of tourism and their peripheral location does not make it easy to attract new businesses. Their distinctive housing stock – former guest houses converted into cheap flats for example – can also draw in claimants from surrounding areas and further afield. Their generally older population tends to boost incapacity numbers too.

The point here is that alongside the quite large numbers that claim unemployment-related benefits there is a further, larger group out-of-work on incapacity-related benefits – and that they are far from evenly spread across the country. A more comprehensive view of unemployment needs to bring at least some of them into the picture.

Conflicting official measures

There are actually two official measures of unemployment, and the figures have often been some way apart.

The *claimant count* – the number claiming unemployment benefits, shown earlier in Figure 1 – is an administrative count undertaken by what is these days the Department for Work and Pensions. For many years the 'claimant count' and 'unemployment' were regarded as synonymous but this broke down in the 1980s and 90s as changes to benefit rules reduced entitlement and eligibility for unemployment benefits and increasing numbers fell outside the scope of the count.

The other measure, and the one that is officially preferred and now most widely quoted, is *ILO unemployment*. This is the number of people who meet the International Labour Organisation (ILO) definition of unemployment:

- that they are out-of-work
- available to start work in the next two weeks
- and have looked for work in the last four weeks

This self-reported measure of unemployment is in theory independent of benefit status – you don't have to be eligible for or claiming unemployment benefits to be included. It therefore includes unemployed jobseekers who are ineligible to receive benefit (for example because of means-testing) and others who don't make a claim for whatever reason.

A drawback of the ILO measure is that it is based on a sample survey, the Labour Force Survey. Like any sample survey, the estimates for areas where the sample is small, such as local authority districts, are therefore subject to a margin of error, requiring the Office for National Statistics to modify the raw district-level data to take account of the claimant count whilst still ensuring consistency with regional and national totals.

Figure 2 compares the claimant count with the ILO unemployment figures over the period 1979 to 2019 for Britain as a whole. Whereas in the 1980s and early 1990s the two measures were not far apart, the gap subsequently widened with ILO unemployment substantially exceeding claimant unemployment. In the early 2010s the gap stood at just under one million.

From around 2016 onwards the gap between claimant and ILO unemployment began to narrow again. This reflected the gradual introduction of Universal Credit, replacing Jobseeker's Allowance for most unemployed claimants. Universal Credit extends the requirement to look for work – and therefore increases the claimant count – for example to include the partners of unemployed claimants if they too are not in work. Universal Credit has also added some very low-paid in-work claimants to the claimant count[5]. The effect of the transition to Universal Credit has been to boost the claimant count irrespective of the performance of the economy and labour market.

Figure 2: Claimant and ILO unemployment, GB, 1979-2019

Sources: DWP and ONS

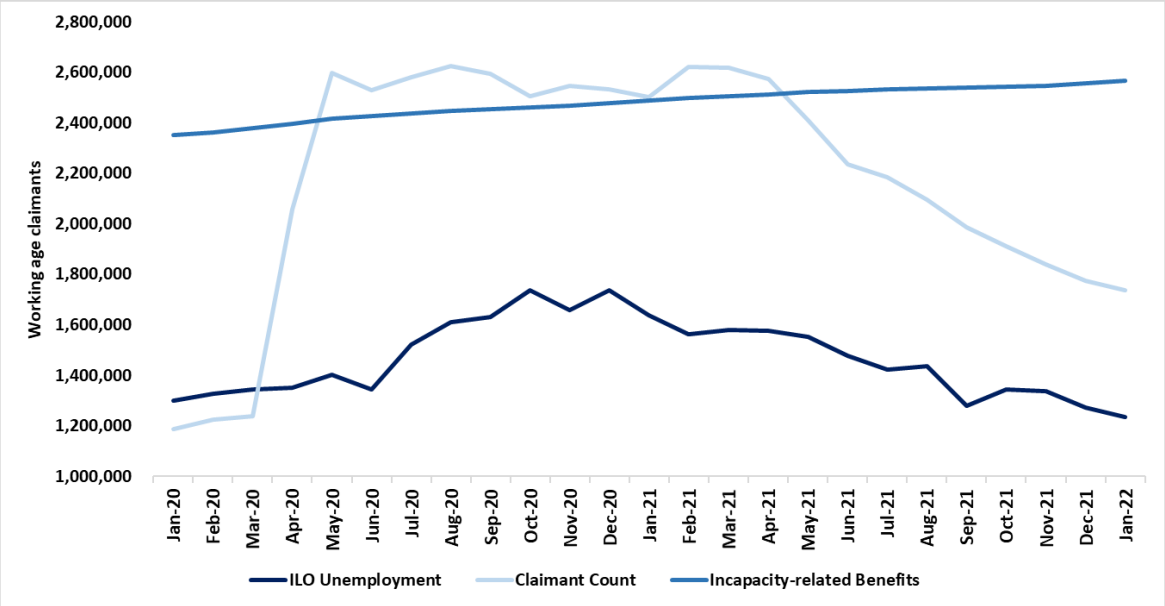
[5] These are required to look for additional hours or better-paid work as a condition of benefit receipt.

Impact of the pandemic

The Covid-19 pandemic complicated the measurement of unemployment, and the consequences are only now beginning to unravel. Figure 3 looks at what happened over this period.

In early 2020 the claimant count and ILO unemployment stood at 1.2 and 1.3 million respectively. They then diverged – the claimant count shot up to more than 2.5 million whereas ILO unemployment peaked at only 1.7 million. From the spring of 2021 onwards, as the economy reopened, both measures began to fall – the claimant count more steeply than ILO unemployment – but by the start of 2022 the claimant count remained around half a million higher than ILO unemployment.

Figure 3: Trends in worklessness during the pandemic, GB



Sources: DWP and ONS

During the pandemic both measures were flawed:

- The claimant count *overestimated* unemployment because it included at least 200,000 very low-income households in work (required to look for better-paid work as a condition of UC receipt) including some qualifying as a result of the temporary £20 a week increase in Universal Credit. Also, for administrative convenience some UC claims that would otherwise have closed were left open for six months.

- Conversely, the ILO measure *underestimated* unemployment because in the unusual and difficult circumstances of the pandemic some people who wanted to work gave up looking and therefore failed to qualify on the ILO criteria.

The upshot is that the claimant count now exceeds ILO unemployment, a reversal of the situation over the previous twenty-five years. In February 2022 the claimant count for Great Britain as a whole stood at 1.77 million and even stripping out in-work UC claimants leaves the total at 1.55 million[6]. By comparison, ILO unemployment across GB for the three months to January 2022 stood at 1.31 million.

During the pandemic the numbers on incapacity benefits also began to creep up steadily – across GB as a whole from just below 2.4 million at the start of 2020 to rather more than 2.5 million by the end of 2021. This renewed upward trend sits alongside Labour Force Survey data showing that, over the same period, economic inactivity among people aged 50 to 70 rose by almost half a million[7]. Whilst the LFS data identifies 'retirement' as the most frequent reason for the increase, the high incapacity claimant rate amongst the over 50s suggests that the rise in economic inactivity among this group during the pandemic is likely to have fed through to higher incapacity claimant numbers.

Measuring 'real unemployment'

The 'real level of unemployment', as defined in this report, is the sum of two components:

- Unemployment benefit claimants, who comprise:
    - Universal Credit claimants who are not in employment and required to look for work
    - Jobseeker's Allowance claimants

- The hidden unemployed among incapacity claimants

'Unemployment benefit claimants' are a narrower group than those now included in the claimant count which, as we noted, now includes some men and women in work on low incomes who are required to look for better-paid work as a condition of benefit receipt[8]. We opt to use unemployment benefit claimants as the starting point not because the level is now higher than ILO unemployment (though it would be odd to leave out these extra unemployed) but because:

- All these individuals are out-of-work and required to look for work as a condition of benefit receipt

- Unemployment benefit claimants and incapacity claimants are two mutually exclusive groups within the benefits system, so there is no possibility of double-counting

[6] Source: DWP.

[7] Office for National Statistics (2022) *Movements out of work for those aged over 50 years since the start of the coronavirus pandemic*, ONS, London.

[8] A very small number of JSA claimants also claim UC and are therefore double-counted in the figures for unemployment benefit claimants. In August 2021 across GB as a whole they account for 7,636 claimants.

- The number of unemployment benefit claimants in each local area is a precise administrative count, not a survey-based estimate

For unemployment benefit claimants we use the Universal Credit figures for January 2022 plus JSA numbers for August 2021, the latest local data available at the time the calculations here were undertaken[9].

The second component – the hidden unemployed among incapacity claimants – is more difficult to measure. The present report and the previous reports in this series all use a 'benchmarking' approach. For each district, a benchmark incapacity claimant rate is generated based on the claimant rate in fully-employed parts of southern England[10] and on underlying differences in the extent of incapacitating ill health and disability between each district and this fully-employed part of southern England. For each district, the benchmark is intended to reflect what should be achievable if the local economy were operating at full employment. Excesses over the benchmark are deemed to be a form of hidden unemployment.

The fundamentals of this approach are tried and tested[11]. Its strength is that it takes account not only of what has been shown to be possible, in term of claimant rates, in fully-employed parts of Britain but also adjusts for underlying differences in the extent of incapacitating ill-health and disability.

As a guide to differences in the incidence of incapacitating ill-health we use the ratio between the Standardised Mortality Rate (SMR) in each district[12] and the SMR in the fully-employed part of southern England. In effect, if the SMR in a district is 20 per cent above the level in fully-employed southern England we would expect the incapacity claimant rate to be 20 per cent higher. SMRs measure the death rate in each area after adjusting for the age structure of the local population and are widely regarded as the single most objective measure of health. Ultimately, they provide only a proxy for variations in incapacitating ill health or disability from place to place but they do offer a guide that is unaffected by benefit status, which is a clear risk affecting survey-based data on self-reported health. We use the SMRs for 2019 to avoid distortions arising from the Covid-19 pandemic.

This approach using SMRs was piloted in our 2017 report, replacing the use of data on 'permanent sickness' from the 1981 Census, before the surge in incapacity claimants, which has become too historic to offer a guide[13].

[9] Sources: DWP.
[10] Defined here and in earlier reports as Berkshire, Buckinghamshire, Hampshire (minus Portsmouth and Southampton), Hertfordshire, Oxfordshire, Surrey and West Sussex.
[11] In addition to the earlier reports in this series, see C Beatty and S Fothergill (2005) 'The diversion from 'unemployment' to 'sickness' across British regions and districts', *Regional Studies*, vol 39, pp 837-854.
[12] Source: ONS.
[13] For Britain as a whole in 2017 the method based on SMRs generated an estimate of hidden unemployment that was 35,000 higher than the previous method.

The method deployed here to estimate hidden unemployment on incapacity benefits adjusts for the biggest single distortion to official unemployment figures. It is nevertheless worth underlining that the resulting figures all remain estimates subject to a residual margin of error.

National overview

For Great Britain as a whole in early 2022 our methods point to a level of unemployment that is substantially higher than the official figures:

	Unemployment benefit claimants	**1,550,000**
plus	**Hidden unemployed on incapacity benefits**	**790,000**
equals	**REAL LEVEL OF UNEMPLOYMENT**	**2,340,000**

Our estimate is that in early 2022 the real level of unemployment across Britain stands at just over 2.3 million. Some two-thirds are the 'visible' or recorded unemployed in the claimant count. The remaining third are the 'hidden' unemployed on incapacity benefits. The combined total represents an unemployment rate of 5.8 per cent of the working age population.

We estimate that across Britain as a whole hidden unemployment on incapacity benefits accounts for 790,000 men and women. These are the claimants *who might reasonably be expected to have been in work in a genuinely fully-employed economy*.

This large number of hidden unemployed needs to be seen in the context of the headline GB total of 2.57 million out-of-work on incapacity benefits. In effect, our figures suggest that almost 1.8 million men and women would remain on incapacity benefits even if there were full employment across the whole country. The hidden unemployed are a minority of incapacity claimants (around 30 per cent) and again it is worth emphasising that there is no suggestion here that the claims are in any way fraudulent or that the health problems or disabilities are anything less than real.

Table 2 compares the new estimates for 2022 with the figures from our previous studies[14]. Three points are worth noting.

First, at just over 2.3 million the real level of unemployment in 2022 is little changed on the level in 2017 and still well down on the post-financial crisis figure for 2012, or indeed the much higher level back in the 1990s.

[14] Because of the revised method for estimating hidden unemployment among incapacity claimants the pre-2017 figures are not fully comparable with the later data.

Table 2: The real level of unemployment, GB 1997-2022

	1997	2002	2007	2012	2017	2022
Unemployment benefit claimants*	1,835,000	980,000	940,000	1,555,000	785,000	1,550,000
Additional ILO unemployed	315,000	470,000	650,000	985,000	735,000	0
Hidden on incapacity benefits	1,020,000	1,150,000	1,010,000	900,000	760,000	790,000
REAL UNEMPLOYMENT	**3,180,000**	**2,600,000**	**2,600,000**	**3,440,000**	**2,280,000**	**2,340,000**

*Claimant count 1997-2012
Sources: ONS, DWP and Sheffield Hallam estimates

Second, whereas the 'visible' unemployed were for many years split between those claiming unemployment benefits and the additional unemployed meeting the ILO criteria, the wider scope of Universal Credit means that the claimant numbers are now larger than the ILO-based count.

Third, hidden unemployment on incapacity benefits appears to have stopped falling. Between 2002 and 2017 the numbers fell by around 400,000 but, at 790,000, hidden unemployment on incapacity benefits is now estimated to be around 30,000 higher than in 2017[15]. This is nevertheless still well down on peak levels.

Regional differences

Table 3 shows the estimated real unemployment by region and nation across Great Britain. The North East and Wales top this list, both with a rate of 7.7 per cent of the working age population – a long way from full employment. At the other end of the spectrum the rate in the South East of England is just 3.8 per cent. In effect, the unemployment rate in the worst-hit regions is double the rate in the best.

It needs to be emphasised that the unemployment rates here, and subsequently in the report, are all expressed as a percentage of the *working age population*. This differs from official statistics, which use the *economically active population* (i.e., the employed plus the unemployed) which is smaller. The effect is that the unemployment rates shown here and elsewhere in the report are all lower – by around a quarter – than if they had been expressed in relation to the economically active population. For example, in the North East and Wales the unemployment rates expressed in relation to the economically active population are 10.2 and 9.9 per cent respectively. We use the working age population because the 'economically active' excludes incapacity claimants[16].

[15] From 2010 onwards the staged increase in the state pension age for women (from 60 to 66) and from 2018 for men (from 65 to 66) will have added to incapacity numbers.
[16] Data availability means that the working age population is defined here as 16-64. Following the raising of the state pension age, 65 year olds also qualify for unemployment and incapacity benefits and are included in the benefits data.

Table 3: The real level of unemployment by region and country, early 2022

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	*% of working age*
North East	74,100	54,000	**128,000**	*7.7*
Wales	67,400	83,000	**150,000**	*7.7*
North West	195,400	147,000	**342,000**	*7.5*
Scotland	122,300	102,000	**224,000**	*6.4*
West Midlands	174,600	61,000	**235,000**	*6.4*
Yorkshire & Humber	141,400	78,000	**219,000**	*6.4*
London	299,200	72,000	**371,000**	*6.1*
East Midlands	97,300	49,000	**146,000**	*4.9*
South West	92,300	63,000	**155,000**	*4.6*
East of England	119,500	38,000	**157,000**	*4.1*
South East	170,000	41,000	**211,000**	*3.8*
Great Britain	**1,550,000**	**790,000**	**2,340,000**	*5.8*

Sources: ONS, DWP and Sheffield Hallam estimates

Table 4: Share of unemployment hidden on incapacity benefits, early 2022

	%
Wales	55
Scotland	46
North West	43
North East	42
South West	41
Yorkshire & Humber	36
East Midlands	34
West Midlands	26
East of England	24
South East	19
London	19
Great Britain	**34**

Sources: ONS, DWP and Sheffield Hallam estimates

Table 4 makes the point that hidden unemployment is far more significant in some regions than others. Our estimates suggest that rather more than half the total unemployment in Wales is hidden on incapacity benefits. In Scotland, the North West, North East and South West the proportion not far below half. By contrast, in London and the South East the proportion estimated to be hidden on incapacity benefits is just 19 per cent.

This uneven distribution of hidden unemployment has important implications for the way regional differences are understood because, broadly, it is the least prosperous regions that have the highest incidence of hidden unemployment. By omitting hidden unemployment, the official figures therefore seriously understate the differences between regions in the strength of the local labour market.

Real unemployment at the local level

Figure 4 shows the estimated real rate of unemployment by district and unitary authority. The figures for each authority are presented in the appendix.

The map shows how high unemployment remains a defining feature of substantial parts of Britain. Parts of South Wales, North Wales, Central Scotland, North East England, South and West Yorkshire, and the Liverpool, Manchester and Birmingham areas stand out as having particularly high levels. In this respect the figures here confirm what official figures have been showing for many years but the real unemployment data exposes the extent to which the problem in these places is much worse than official statistics suggest. Unemployment in these mostly older industrial areas typically remains in excess of 8 per cent, and in some cases above 10 per cent, of the entire working age population.

In a number of districts covering seaside towns the real unemployment rate also reaches these high levels. Several London boroughs also have high unemployment, though to a significant extent this reflects residential segregation between 'rich' and 'poor' areas within the capital.

On the other hand, there is little to suggest that unemployment is more than a marginal issue in large parts of southern England outside London. Some parts of northern England, such as much of North Yorkshire, also fall into this category. In these places, the real level of unemployment is typically below 4 per cent and sometimes nearer 2 per cent.

Table 5 lists the local authority districts with the highest and lowest real unemployment. Of the 50 districts with the highest rates, around 30 cover older industrial towns. Seaside towns – including Blackpool at the top of the list – account for another eight and the bigger regional cities for ten. Just two London boroughs (Haringey and Brent) make the list. These 50 areas could claim to be Britain's main unemployment 'blackspots'.

Figure 4: Estimated real unemployment by district, early 2022

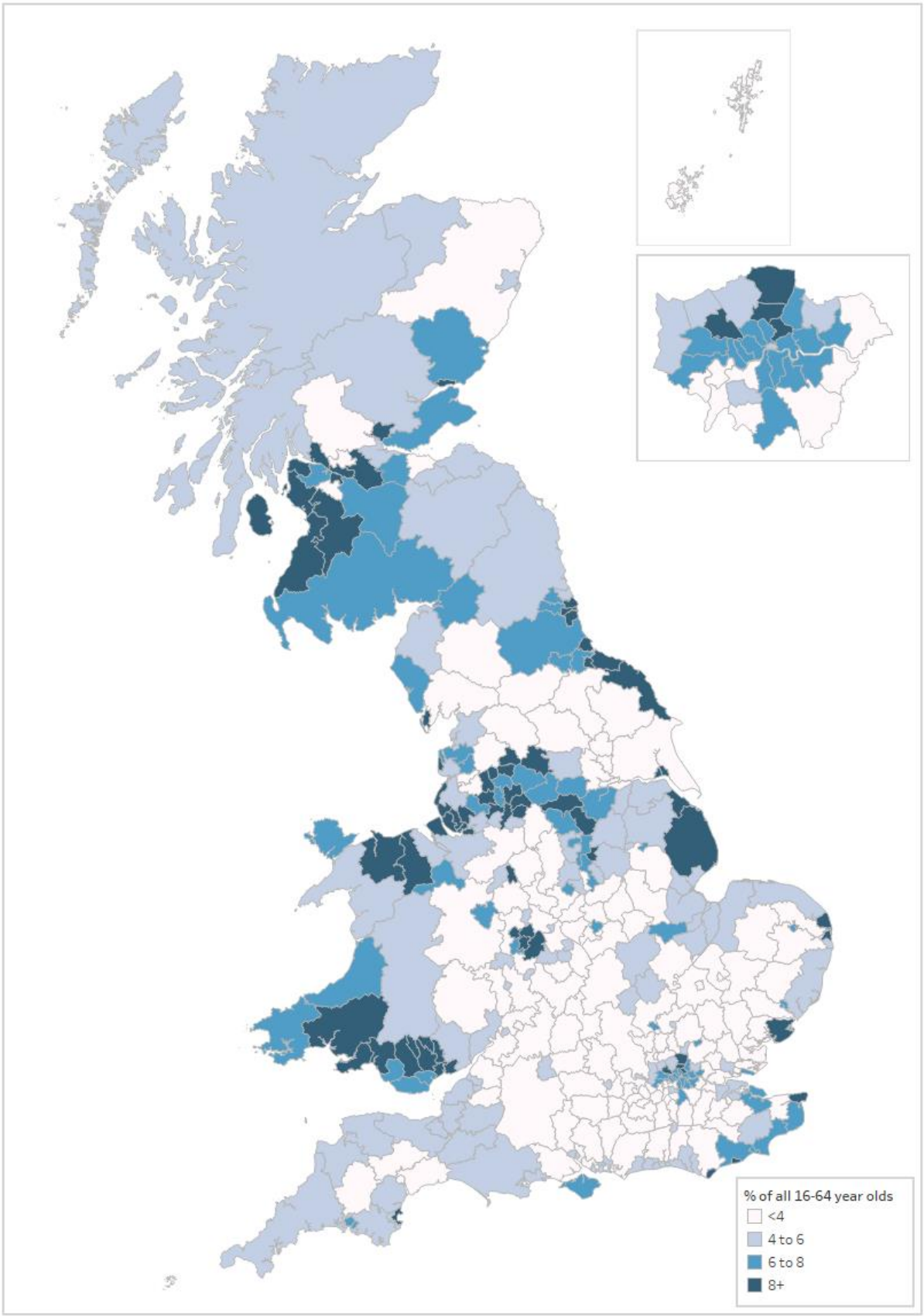


Table 5: Estimated real unemployment: highest and lowest districts, early 2022

		% of working age			% of working age
	TOP 50 DISTRICTS			**(cont)**	
1.	Blackpool	14.7	40.	Sandwell	8.9
2.	Blaenau Gwent	12.2	41.	St Helens	8.9
3.	Knowsley	11.8	42.	East Lindsey	8.9
4.	Middlesbrough	11.6	43.	Blackburn with Darwen	8.8
5.	Hastings	11.4	44.	Halton	8.8
6.	North Ayrshire	10.9	45.	Dundee	8.8
7.	Liverpool	10.9	46.	Salford	8.6
8.	Inverclyde	10.9	47.	Newport	8.5
9.	Merthyr Tydfil	10.8	48.	Walsall	8.5
10.	Hartlepool	10.8	49.	Swansea	8.4
11.	West Dunbartonshire	10.7	50.	Rotherham	8.4
12.	Birmingham	10.6			
13.	Neath Port Talbot	10.5		**BOTTOM 20 DISTRICTS**	
14.	Thanet	10.5	343.	Eastleigh	2.0
15.	Burnley	10.4	344.	West Oxfordshire	2.0
16.	Great Yarmouth	10.2	345.	Cotswold	2.0
17.	Hull	10.1	346.	Epsom & Ewell	2.0
18.	Rochdale	9.9	347.	Vale of White Horse	1.9
19.	Glasgow	9.8	348.	South Oxfordshire	1.9
20.	Caerphilly	9.7	349.	Uttlesford	1.9
21.	Torbay	9.6	350.	Fareham	1.8
22.	Wolverhampton	9.6	351.	Rushcliffe	1.8
23.	South Tyneside	9.6	352.	York	1.7
24.	Hyndburn	9.5	353.	Guildford	1.7
25.	Rhondda Cynon Taf	9.4	354.	Ribble Valley	1.7
26.	Haringey	9.4	355.	South Cambridgeshire	1.7
27.	Oldham	9.3	356.	Waverley	1.7
28.	Redcar & Cleveland	9.3	357.	Harborough	1.7
29.	Sefton	9.3	358.	Mid Sussex	1.7
30.	Torfaen	9.2	359.	Rutland	1.7
31.	Tendring	9.2	360.	Wokingham	1.7
32.	Bradford	9.1	361.	Hart	1.6
33.	Bolton	9.1	362.	Richmondshire	1.5
34.	Wirral	9.1			
35.	Eastbourne	9.0			
36.	Sunderland	9.0			
37.	Brent	8.9			
38.	East Ayrshire	8.9			
39.	Stoke on Trent	8.9			

Source: Sheffield Hallam estimates based on ONS and DWP data

The 20 places with the lowest real unemployment rates are a mixture of rural and suburban districts, mainly in southern England. These districts, plus a number of others where the real unemployment rate is in the 2-3 per cent range, can legitimately claim to be operating at or near full employment. Richmondshire, with the lowest real unemployment of all (1.5 per cent) is a district in North Yorkshire and coincidentally the constituency of the present Chancellor of the Exchequer, which perhaps provides a salutary reminder that ministers' knowledge of their constituency is not a good basis for national policymaking.

In many of the places with the highest real level of unemployment, hidden unemployment accounts for a high proportion of the total. Table 6 lists the 20 local authorities with the highest share. In all of these the share exceeds 50 per cent and at the top of the list, in Neath Port Talbot, hidden unemployment falls just short of 70 per cent. Local authorities in South Wales are particularly prominent on this list, accounting for all six top places and nine of the top 20.

Where claimant unemployment is high, hidden unemployment is nearly always high as well. This is consistent with the view that in difficult labour markets the men and women with health problems or disabilities are disadvantaged in finding or retaining work and that, when they fall out of employment, they boost the numbers claiming incapacity benefits rather than unemployment benefits.

London is the important exception to the rule that high claimant unemployment and high hidden unemployment go together. A number of London boroughs now have high claimant unemployment – higher indeed than before the pandemic – but this is not matched by high numbers of hidden unemployed on incapacity benefits. Given that the likelihood of claiming incapacity benefits rises with age, and that London has a markedly younger workforce than the rest of the country, the lower incapacity claimant rate in London is not entirely surprising. The effect, however, is that much more of London's unemployment is 'visible' in the claimant unemployment figures.

Table 6: Share of unemployment hidden on incapacity benefits, early 2022, top 20 districts

	%		%
1. Neath Port Talbot	69	11. Scarborough	59
2. Blaenau Gwent	66	12. Torfaen	59
3. Merthyr Tydfil	63	13. Swansea	58
4. Carmarthenshire	63	14. Wirral	58
5. Caerphilly	63	15. Copeland	58
6. Rhondda Cynon Taf	63	16. Allerdale	58
7. Torbay	62	17. Knowsley	57
8. Inverclyde	62	18. Chesterfield	57
9. Bridgend	60	19. Eilean Siar	57
10, Barrow in Furness	59	20. Bolsover	56

Sources: ONS, DWP and Sheffield Hallam estimates

The scale and nature of contemporary unemployment

The evidence here shows that official statistics provide at best a partial view of the scale of unemployment across Britain. The UK continues to hide large numbers of unemployed on incapacity benefits and the numbers of hidden unemployed are more than enough to cast a different light on the state of the labour market. In particular, the myth that the UK economy is now operating at or near full employment should be dismissed.

What the data also shows is that big variations in the health of regional and local economies are still very much with us. Based on our estimates for unitary and district local authorities, in 2022 there are really three different Britains:

FULL EMPLOYMENT BRITAIN (below 4% real unemployment)

- 141 local authorities
- 20 million people
- Average real unemployment 2.8%
- 14% of unemployment 'hidden'

MIDDLING BRITAIN (4-8% real unemployment)

- 158 local authorities
- 31 million people
- Average real unemployment 6.0%
- 34% of unemployment 'hidden'

HIGH UNEMPLOYMENT BRITAIN (more than 8% real unemployment)

- 64 local authorities
- 14 million people
- Average real unemployment 9.4%
- 42% of unemployment 'hidden'

Hidden unemployment tends to be concentrated in the weakest local labour markets. The effect of its inclusion in the figures is therefore to widen the gap between the best and worst areas across the country. Extensive parts of southern England outside London, and several other places too, do indeed seem to be at or close to full employment but that is emphatically not the case in most of the older industrial areas of the North, Midlands, Scotland and Wales, or indeed in quite a number of seaside towns.

The high level of vacancies does not dent this assessment. Prior to the Covid-19 pandemic, the ONS Vacancy Survey typically recorded around 800,000 a month. During the first lockdown in 2020 this fell to not a great deal more than 300,000 a month and until well into 2021 the number of vacancies remained below the long-term norm. But by the autumn of 2021 monthly vacancies rose to around 1.2 million – a new record. Some of this recovery will reflect posts held vacant during the pandemic but, more importantly, as the labour market finally improved during 2021 it triggered a higher level of job turnover. More workers began to move from employer to employer – a clear observation from quarterly Labour Force Survey data – which in turn resulted in a higher level of vacancies as employers moved to fill posts. The point here is that most vacancies are not 'hard-to-fill posts' but instead just jobs

that have become vacant as the previous employee has moved on. In effect, vacancy data is a better guide to labour turnover than a shortage of workers.

It is nevertheless important to be clear about the nature of the unemployment we identify. The problem is different from what it was thirty years ago. Even allowing for distortions to the official figures, UK unemployment is down on peak levels. For many of the workless the problem is therefore unlikely to be that they cannot find any job at all, which was probably the case in the era of three million claimant unemployed, but rather that they have difficulty finding suitable work with acceptable pay and conditions that also matches their skills and capability, and indeed that they can access if they don't own a car. Zero-hours contracts, shift-working and jobs that are incompatible with childcare are not realistic options for many.

In contemporary Britain there are simply not enough 'good jobs' to satisfy everyone in all parts of the country. In many places it has been erosion of manufacturing industry, in particular, that has removed a layer of jobs that once filled a key gap in the middle of the labour market.

It is also important to be clear about the nature of hidden unemployment on incapacity benefits. As we noted, the health problems or disabilities are not necessarily anything less than real, nor the benefit claims in any way fraudulent. Also, the hidden unemployed on incapacity benefits are not necessarily active jobseekers – indeed, the majority have given up looking for work. Incapacity claimants are only too well aware of their health problems or disabilities and are shrewd enough to know that they would be at the back of the queue for jobs because most employers prefer to take on healthier workers who they think will be more productive and reliable.

What we are arguing is that the hidden unemployed *would have been in work in a genuinely fully-employed economy*. In this respect official statistics understate the scale of unemployment across Britain, especially in the least prosperous parts of the country. Furthermore, because of the sheer number of incapacity claimants – nearly 2.6 million across Great Britain, of which we estimate that 790,000 are hidden unemployed – this major distortion to unemployment figures cannot be ignored.

Bringing the numbers down

What then is the way to bring down these persistently high levels of unemployment? There are three fundamental elements to a solution.

The first is to grow the national economy. A healthy rate of growth always brings down the national level of unemployment and, because local and regional labour markets are so interconnected, in just about all parts of the country as well. Of course, it's easy to say 'grow the national economy' but the challenge is to find ways of doing so. Here is not the place to enter into a discussion of macroeconomic policy or industrial strategy but the point remains that the national economy is critically important to local and regional unemployment.

The second element is local and regional economic development – or what has recently become known as 'Levelling Up'. This is arguably now the key to lower unemployment because the slack in the UK labour market is far from evenly spread around the country. Substantial part of Britain – broadly the pale areas on the map in Figure 4 – are already at or close to full employment so growing the national economy can't be expected to bring down unemployment much further in these places. It is also unrealistic to expect large numbers from high unemployment areas to move to work in these fully-employed parts of Britain because these places, mostly in the south, are often the ones with the highest house prices and the greatest constraints on new housebuilding.

There is actually a lot of positive experience, accumulated over many decades, about how to deliver successful Levelling Up. Indeed, to dismiss previous experience as a 'failure' is quite misleading, even if it has too often been the case that the genuine progress that has been made has been offset by continuing job losses from older industries. Investment in infrastructure is important, but so too is support for business, including regional investment aid – a tool the UK government has recently neglected despite its effectiveness over the years. Investment in skills and in R&D have roles to play as well. In truth there never has been a single 'silver bullet' that can deliver Levelling Up. The reality is that Levelling Up requires sustained action on a broad front and different places often require different solutions tailored to local circumstances. However, by relieving pressures on the labour and housing markets in large parts of southern England, the more prosperous parts of the country actually have as much to gain from Levelling Up as the places dogged by high unemployment.

The third element in bringing down unemployment is support to help individuals engage with the labour market. This is especially important in the context of the hidden unemployed on incapacity benefits, whose present-day detachment from the world of work is often considerable even though they often have many years of previous work experience. Realistically, many incapacity claimants are unable to return to work – even our estimates suggest that it is a minority who would probably have been in work in a genuinely fully employed economy. In practice, the key challenge is probably to reduce the numbers dropping out of the labour market – to stem the onflow to incapacity benefits and to facilitate an early return to work.

This is a process that needs to involve employers at least as much as claimants themselves. For too long, employers have been too ready to discard men and women with health problems and/or disabilities. In the years before Brexit, for example, employers often opted for cheaper and healthier migrant workers even when there was an untapped local surplus of workers on incapacity benefits. Even if new jobs can be delivered in the right places, employers' attitudes need to change. They need to be more flexible about expectations and requirements, and more open-minded about potential employees who may have been out of the labour market for some while but still have skills and abilities to offer.

APPENDIX: Estimated real level of unemployment by district and unitary authority, early 2022

			Real unemployment	
	Unemployment benefit claimants	Hidden on incapacity benefits	Number	% of working age population
GREAT BRITAIN	**1,550,000**	**790,000**	**2,340,000**	**5.8**
ENGLAND	**1,365,000**	**600,000**	**1,970,000**	**5.6**
NORTH EAST	**74,100**	**54,000**	**128,000**	**7.7**
County Durham	12,390	12,300	24,700	7.5
Darlington	2,830	1,600	4,400	6.8
Hartlepool	3,140	3,100	6,200	10.8
Middlesbrough	5,830	4,400	10,200	11.6
Northumberland	6,730	4,300	11,100	5.8
Redcar & Cleveland	3,570	4,000	7,600	9.3
Stockton-on-Tees	5,140	3,300	8,400	6.9
Tyne and Wear				
Gateshead	5,710	4,000	9,800	7.7
Newcastle upon Tyne	9,740	3,600	13,300	6.4
North Tyneside	4,800	2,500	7,300	5.7
South Tyneside	5,450	3,500	8,900	9.6
Sunderland	8,810	6,800	15,600	9.0
NORTH WEST	**195,400**	**147,000**	**342,000**	**7.5**
Blackburn with Darwen	4,980	3,300	8,200	8.8
Blackpool	6,330	6,000	12,300	14.7
Cheshire East	5,580	2,500	8,100	3.5
Cheshire West & Chester	5,750	4,100	9,800	4.7
Halton	3,220	3,800	7,000	8.8
Warrington	3,780	1,600	5,400	4.2
Cumbria				
Allerdale	1,440	1,900	3,300	5.8
Barrow-in-Furness	1,350	1,900	3,200	8.0
Carlisle	1,950	2,100	4,100	6.3
Copeland	1,090	1,500	2,600	6.4
Eden	550	300	800	2.6
South Lakeland	930	400	1,400	2.3
Greater Manchester				
Bolton	9,910	6,200	16,100	9.1
Bury	5,130	3,200	8,300	7.2
Manchester	22,750	9,800	32,600	8.3
Oldham	9,350	4,300	13,600	9.3

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
Rochdale	8,210	5,500	13,700	9.9
Salford	8,980	5,900	14,900	8.6
Stockport	6,310	4,000	10,300	5.8
Tameside	6,610	4,800	11,400	8.1
Trafford	4,330	1,900	6,300	4.3
Wigan	8,090	6,100	14,200	6.9
Lancashire				
Burnley	2,960	2,600	5,600	10.4
Chorley	1,850	900	2,800	3.8
Fylde	1,360	800	2,200	4.7
Hyndburn	2,580	2,100	4,700	9.5
Lancaster	2,870	1,500	4,400	4.7
Pendle	2,690	1,800	4,500	8.1
Preston	3,920	2,500	6,400	6.9
Ribble Valley	620	0	600	1.7
Rossendale	1,810	1,000	2,800	6.4
South Ribble	1,450	1,100	2,600	3.8
West Lancashire	2,150	1,400	3,500	5.1
Wyre	1,990	1,900	3,900	6.2
Merseyside				
Knowsley	4,830	6,400	11,200	11.8
Liverpool	19,130	17,800	36,800	10.9
Sefton	6,820	8,300	15,100	9.3
St. Helens	4,500	5,300	9,800	8.9
Wirral	7,240	10,200	17,500	9.1
YORKSHIRE AND THE HUMBER	**141,400**	**78,000**	**219,000**	**6.4**
East Riding of Yorkshire	4,980	2,500	7,500	3.8
Kingston upon Hull	10,900	6,000	16,900	10,1
North East Lincolnshire	4,010	3,700	7,700	8.1
North Lincolnshire	3,600	2,100	5,700	5.5
York	2,440	0	2,400	1.7
North Yorkshire				
Craven	550	200	800	2.4
Hambleton	960	300	1,300	2.4
Harrogate	1,800	400	2,200	2.3
Richmondshire	510	0	500	1.5
Ryedale	600	300	900	2.9
Scarborough	1,960	2,900	4,900	8.0
Selby	1,300	100	1,400	2.4

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
South Yorkshire				
Barnsley	5,910	6,800	12,700	8.3
Doncaster	8,980	6,100	15,100	7.8
Rotherham	7,610	5,900	13,500	8.4
Sheffield	15,880	7,900	23,800	6.1
West Yorkshire				
Bradford	22,120	8,200	30,400	9.1
Calderdale	5,300	4,200	9,500	7.3
Kirklees	11,570	6,300	17,800	6.5
Leeds	22,490	6,700	29,200	5.6
Wakefield	7,960	7,400	15,400	7.1
EAST MIDLANDS	**97,300**	**49,000**	**146,000**	**4.9**
Derby	7,380	4,400	11,800	7.3
Leicester	11,270	4,900	16,200	6.9
Nottingham	12,000	6,000	18,000	7.6
Rutland	390	0	400	1.7
Derbyshire				
Amber Valley	1,800	1,800	3,600	4.6
Bolsover	1,370	1,800	3,200	6.3
Chesterfield	2,090	2,800	4,900	7.5
Derbyshire Dales	650	200	900	2.1
Erewash	2,120	1,600	3,700	5.3
High Peak	1,330	800	2,100	3.7
North East Derbyshire	1,460	1,500	2,900	4.9
South Derbyshire	1,430	200	1,600	2.4
Leicestershire				
Blaby	1,290	100	1,400	2.3
Charnwood	2,600	300	2,900	2,4
Harborough	960	0	1,000	1.7
Hinckley & Bosworth	1,720	200	1,900	2.8
Melton	690	0	700	2.3
N W Leicestershire	1,380	400	1,800	2.8
Oadby & Wigston	870	200	1,100	3.2
Lincolnshire				
Boston	1,820	700	2,500	5.9
East Lindsey	3,000	3,800	6,800	8.9
Lincoln	2,780	1,300	4,100	6.0
North Kesteven	1,400	300	1,700	2.4
South Holland	1,680	600	2,300	4.2
South Kesteven	2,420	700	3,200	3.8
West Lindsey	1,670	1,400	3,100	5.5

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
Northamptonshire				
North Northamptonshire	6,560	1,900	8,400	4.0
West Northamptonshire	8,220	600	8,800	3.5
Nottinghamshire				
Ashfield	3,010	2,400	5,400	6.8
Bassetlaw	2,150	1,900	4,000	5.7
Broxtowe	1,730	700	2,500	3.5
Gedling	2,100	1,100	3,200	4.4
Mansfield	2,560	2,900	5,500	8.2
Newark & Sherwood	2,120	1,500	3,600	4.9
Rushcliffe	1,290	0	1,300	1.8
WEST MIDLANDS	**174,600**	**61,000**	**235,000**	**6.4**
Herefordshire	2,550	1,300	3,900	3.4
Shropshire	4,860	1,600	6,400	3.4
Stoke-on-Trent	8,550	5,700	14,200	8.9
Telford & Wrekin	4,110	3,000	7,100	6.3
Staffordshire				
Cannock Chase	1,960	1,200	3,200	5.0
East Staffordshire	2,140	700	2,900	3.9
Lichfield	1,530	100	1,700	2.7
Newcastle-under-Lyme	2,180	1,300	3,500	4.2
South Staffordshire	1,890	100	2,000	3.0
Stafford	2,000	800	2,800	3.3
Staffordshire Moorlands	1,150	700	1,800	3.1
Tamworth	1,680	500	2,200	4.6
Warwickshire				
North Warwickshire	1,050	200	1,200	3.1
Nuneaton & Bedworth	3,160	1,300	4,500	5.6
Rugby	1,830	0	1,800	2.7
Stratford-on-Avon	1,760	0	1,800	2.3
Warwick	2,130	200	2,300	2.5
West Midlands County				
Birmingham	60,110	17,500	77,600	10.6
Coventry	10,970	2,100	13,100	5.1
Dudley	9,340	3,300	12,700	6.5
Sandwell	13,060	5,200	18,200	8.9
Solihull	4,390	1,600	6,000	4.6
Walsall	9,810	5,000	14,800	8.5
Wolverhampton	11,510	4,200	15,700	9.6

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
Worcestershire				
Bromsgrove	1,620	0	1,600	2.7
Malvern Hills	1,670	300	1,500	3.3
Redditch	1,950	500	2,500	4.7
Worcester	2,260	500	2,800	4.3
Wychavon	2,010	600	2,600	3.5
Wyre Forest	1,980	1,300	3,300	5.6
EAST	**119,500**	**38,000**	**157,000**	**4.1**
Bedford	4,470	1,100	5,600	5.3
Central Bedfordshire	4,260	0	4,300	2.3
Luton	8,240	2,000	10,300	7.7
Peterborough	6,170	2,700	8,800	7.1
Southend-on-Sea	5,260	2,600	7,800	7.0
Thurrock	4,230	0	4,200	3.8
Cambridgeshire				
Cambridge	1,980	500	2,400	2.8
East Cambridgeshire	1,050	100	1,100	2.1
Fenland	2,260	1,300	3,500	5.9
Huntingdonshire	2,330	200	2,500	2.3
South Cambridgeshire	1,670	0	1,700	1.7
Essex				
Basildon	4,260	1,900	6,100	5.3
Braintree	2,500	200	2,700	2.9
Brentwood	1,280	0	1,300	2.7
Castle Point	1,380	300	1,700	3.2
Chelmsford	2,880	0	2,900	2.6
Colchester	3,530	500	4,100	3.2
Epping Forest	2,590	0	2,600	3.2
Harlow	2,720	800	3,500	6.5
Maldon	1,030	100	1,100	2.9
Rochford	1,200	0	1,200	2.3
Tendring	3,840	3,400	7,300	9.2
Uttlesford	1,050	0	1,100	1.9

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
Hertfordshire				
Broxbourne	2,160	600	2,800	4.6
Dacorum	2,750	300	3,100	3.2
East Hertfordshire	1,880	0	1,900	2.0
Hertsmere	2,030	400	2,500	3.9
North Hertfordshire	1,990	0	2,000	2,4
St Albans	1,980	0	2,000	2.2
Stevenage	1,990	800	2,800	5.0
Three Rivers	1,300	0	1,300	2.3
Watford	2,210	0	2,200	3.6
Welwyn Hatfield	2,200	100	2,300	2.8
Norfolk				
Breckland	1,950	1,100	3,100	3.8
Broadland	1,500	700	2,200	2,9
Great Yarmouth	3,060	2,800	5,800	10.2
King's Lynn & W Norfolk	2,250	2,100	4,400	5.1
North Norfolk	1,490	1,600	3,100	5.5
Norwich	3,870	3,200	7,000	7.2
South Norfolk	1,770	500	2,300	2.7
Suffolk				
Babergh	1,290	200	1,500	2.8
Ipswich	4,000	1,800	5,800	6.8
Mid Suffolk	1,200	100	1,300	2.1
East Suffolk	4,140	3,200	7,300	5.3
West Suffolk	2,340	800	3,100	3.0
LONDON	**299,200**	**72,000**	**371,000**	**6.1**
Camden	7,430	4,600	12,000	6.1
Hackney	11,500	5,000	16,500	8.2
Hammersmith & Fulham	6,670	2,100	8,700	6.8
Haringey	13,020	4,300	17,300	9.4
Islington	8,360	4,100	12,400	6.6
Kensington & Chelsea	4,000	2,900	6,900	6.5
Lambeth	13,110	2,800	15,900	6.7
Lewisham	12,500	3,300	15,800	7.4
Newham	17,200	1,700	18,900	7.6
Southwark	12,030	3,400	15,400	6.6
Tower Hamlets	13,020	2,800	15,800	6.5
Wandsworth	8,190	0	8,200	3.4
Westminster	6,870	4,600	11,500	6.0
Barking & Dagenham	8,810	900	9,800	7.2
Barnet	11,530	2,900	14,400	5.7
Bexley	4,680	700	5,300	3.4
Brent	14,710	4,500	19,200	8.9
Bromley	6,320	900	7,200	3,5

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
Croydon	14,390	3,600	17,700	7.1
Ealing	13,970	3,200	17,200	7.8
Enfield	12,620	4,700	17,300	8.2
Greenwich	9,890	2,700	12,600	6.5
Harrow	6,840	1,400	8,300	5.2
Havering	6,010	100	6,200	3.8
Hillingdon	8,070	300	8,300	4.2
Hounslow	10,050	1,130	11,200	6.3
Kingston upon Thames	3,280	0	3,300	2.8
Merton	5,710	0	5,700	4.2
Redbridge	10,030	700	10,700	5.4
Richmond upon Thames	3,200	0	3,200	2,6
Sutton	3,840	700	4,600	3.5
Waltham Forest	10,990	2,200	13,200	7.1
SOUTH EAST	**170,000**	**41,000**	**211,000**	**3.8**
Bracknell Forest	1,720	0	1,700	2.2
Brighton & Hove	8,220	3,100	11,400	5.5
Isle of Wight	3,020	2,900	5,900	7.4
Medway	7,450	2,100	9,600	5.5
Milton Keynes	6,440	1,200	7,600	4.5
Portsmouth	6,360	700	7,000	4.8
Reading	4,240	0	4,200	4.0
Slough	4,980	0	5,000	5.3
Southampton	7,070	2,100	9,200	5.3
West Berkshire	2,160	0	2,200	2.2
Windsor & Maidenhead	2,250	0	2,200	2.4
Wokingham	1,780	0	1,800	1.7
Buckinghamshire	8,980	0	9,000	2.7
East Sussex				
Eastbourne	2,930	2,400	5,400	9.0
Hastings	3,380	3,000	6,400	11.4
Lewes	1,950	1,200	3,100	5.3
Rother	1,770	1,400	3,200	6.3
Wealden	2,130	300	2,400	2.6

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
Hampshire				
Basingstoke & Deane	2,770	0	2,800	2.5
East Hampshire	1,480	0	1,500	2.0
Eastleigh	1,640	0	1,600	2.0
Fareham	1,250	0	1,200	1.8
Gosport	1,730	800	2,500	4.8
Hart	950	0	1,000	1.6
Havant	2,660	1,700	4,400	5.9
New Forest	2,030	1,300	3,300	3.4
Rushmoor	1,850	400	2,300	3.7
Test Valley	1,420	200	1,600	2.1
Winchester	1,520	0	1,500	2.0
Kent				
Ashford	2,700	600	3,400	4.3
Canterbury	3,090	800	3,900	3.7
Dartford	2,120	0	2,100	2.9
Dover	2,760	1,800	4,600	6.6
Gravesham	2,790	800	3,600	5.5
Maidstone	3,390	600	4,000	3.8
Sevenoaks	1,530	0	1,500	2.2
Folkestone & Hythe	2,980	1,800	4,800	7.2
Swale	3,680	1,700	5,400	6.0
Thanet	5,190	3,300	8,400	10.5
Tonbridge & Malling	1,780	0	1,800	2.3
Tunbridge Wells	1,980	200	2,100	2.7
Oxfordshire				
Cherwell	1,980	200	2,100	2.3
Oxford	2,860	0	2,900	2,7
South Oxfordshire	1,630	0	1,600	1.9
Vale of White Horse	1,620	0	1,600	1.9
West Oxfordshire	1,320	0	1,300	2.0
Surrey				
Elmbridge	1,700	0	1,700	2.1
Epsom & Ewell	930	0	1,000	2.0
Guildford	1,720	0	1,700	1.7
Mole Valley	1,030	200	1,200	2.4
Reigate & Banstead	2,090	0	2,100	2.3
Runnymede	1,350	0	1,400	2.3
Spelthorne	1,970	0	2,000	3.2
Surrey Heath	1,080	0	1,100	2.0
Tandridge	1,190	0	1,200	2.2
Waverley	1,250	0	1,300	1.7
Woking	1,440	0	1,400	2.4

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
West Sussex				
Adur	1,560	600	1,700	4.7
Arun	3,030	1,800	4,800	5.4
Chichester	2,120	200	2,400	3.5
Crawley	3,180	800	4,000	5.5
Horsham	1,700	0	1,700	2.0
Mid Sussex	1,530	0	1,500	1.7
Worthing	2,250	1,100	3,400	5.1
SOUTH WEST	**45,200**	**53,000**	**161,000**	**4.8**
Bath & North East Somerset	2,620	300	2,900	2.3
Bristol	11,350	5,800	17,200	5.4
Cornwall & Isles of Scilly	9,830	9.900	19,700	5.9
North Somerset	3,140	3,100	6,200	5.0
Plymouth	5,790	6,100	11,900	7.2
South Gloucestershire	3,350	1,300	4,600	2.6
Swindon	4,960	1,600	6,500	4.7
Torbay	2,820	4,500	7,300	9.6
Wiltshire	6,640	2,000	8,600	2.9
Devon				
East Devon	1,660	1,200	2,900	3.7
Exeter	1,940	1,000	3,000	3.2
Mid Devon	980	800	1,800	3.8
North Devon	1,470	1,600	3,000	5.4
South Hams	1,100	900	2,000	4.0
Teignbridge	1,790	1,600	3,400	4.4
Torridge	960	1,100	2,000	5.3
West Devon	650	500	1,200	3.7
Dorset				
Bournemouth, C'h & Poole	8,370	5,000	13,400	5.5
Dorset	5,100	3,500	8,600	4.1
Gloucestershire				
Cheltenham	1,930	600	2,600	3.5
Cotswold	1,020	0	1,000	2.0
Forest of Dean	1,220	1,200	2,500	4.8
Gloucester	2,690	1,900	4,500	5.6
Stroud	1,300	300	1,600	2.2
Tewkesbury	1,150	0	1,200	2.1

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
Somerset				
Mendip	2,030	1,100	3,200	4.7
Sedgemoor	1,960	1,700	6,600	5.0
South Somerset	2,380	1,900	4,300	4,5
Somerset West & Taunton	2,130	2,300	4,400	5.0
WALES	**67,400**	**83,000**	**150,000**	**7.7**
Isle of Anglesey	1,450	1,500	2,900	7.3
Gwynedd	2,230	1,400	3,600	4.8
Conwy	2,570	2,700	5,300	8.0
Denbighshire	2,150	2,500	4,600	8.3
Flintshire	2,970	1,900	4,900	5.2
Wrexham	2,830	2,700	5,500	6.7
Powys	1,900	2,000	3,900	5.2
Ceredigion	1,190	1,500	2,700	6.2
Pembrokeshire	2,520	2,900	5,400	7.5
Carmarthenshire	3,360	5,800	9,200	8.2
Swansea	5,460	7,700	13,200	8.4
Neath Port Talbot	2,830	6,500	9,400	10.5
Bridgend	2,920	4,300	7,200	7.9
Vale of Glamorgan	2,450	2,500	4,900	6.0
Cardiff	9,480	7,200	16,700	6.7
Rhondda Cynon Taf	5,320	8,900	14,200	9.4
Merthyr Tydfil	1,430	2,600	4,100	10.8
Caerphilly	4,110	6,900	11,000	9.7
Blaenau Gwent	1,890	3,500	5,300	12.2
Torfaen	2,240	3,100	5,300	9.2
Monmouthshire	1,310	1,200	2,500	4.5
Newport	4,780	3,500	8,300	8.5
SCOTLAND	**122,300**	**102,000**	**224,000**	**6.4**
Aberdeen	5,770	900	6,700	4.2
Aberdeenshire	3,610	0	3,600	2.3
Angus	2,060	2,100	4,100	6.0
Argyll & Bute	1,630	1,300	2,900	5.9
Clackmannanshire	1,210	1,400	2,600	8.2
Dumfries & Galloway	2,780	3,300	6,100	7.0
Dundee	4,340	4,300	8,700	8.8
East Ayrshire	3,660	3,100	6,700	8.9
East Dunbartonshire	1,460	800	2,300	3.6
East Lothian	1,850	1,400	3,300	5.0

	Unemployment benefit claimants	Hidden on incapacity benefits	Real unemployment	
			Number	% of working age population
East Renfrewshire	1,140	600	1,800	3.1
Edinburgh	9,490	3,800	13,300	3.6
Eilean Siar	390	400	700	4.9
Falkirk	3,320	2,700	6,000	5.9
Fife	8,770	6,900	15,700	6.8
Glasgow	23,430	20,400	43,800	9.8
Highland	3,630	3,200	6,900	4.8
Inverclyde	2,000	3,200	5,200	10.9
Midlothian	1,520	1,300	2,800	4.8
Moray	1,580	800	2,400	4.1
North Ayrshire	4,060	4,800	8,900	10.9
North Lanarkshire	8,490	9,100	17,500	8.0
Orkney Islands	210	200	400	3.1
Perth & Kinross	2,210	1,800	4,000	4.4
Renfrewshire	3,920	4,100	8,000	6.9
Scottish Borders	2,080	1,700	3,800	5.7
Shetland Islands	240	200	400	3.0
South Ayrshire	2,740	2,800	5,500	8.4
South Lanarkshire	7,200	7,100	14,300	7.1
Stirling	1,460	700	2,200	3.7
West Dunbartonshire	2,840	3,200	6,000	10.7
West Lothian	3,270	4,200	7,500	6.3

Sources: ONS, DWP and Sheffield Hallam estimates

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