

Evidence Paper for Enterprise and Business Committee: Employment Opportunities for Older People (those aged 50+)

Department for Education and Skills

Background

1. By 2020 a third of UK workers are expected to be aged over 50¹ and within 20 years nearly a quarter of the UK workforce will be aged 65 or over.² Average retirement dates have steadily increased over the past decade and, in 2011, were 64.5 years for men and 62 years for women. Additionally, people are enjoying 7 years more retirement than in the 1970s. For many people, working extra years will become an economic necessity. Recent UK legislation ensures that employers cannot dismiss older workers on the grounds of age and aims to encourage workers to remain longer in the labour market.
2. Although around 60 per cent of older workers remain fit, healthy and keen to work, the major causes of economic inactivity in the 50+ age group are ill-health or disability, primarily among men and low earners.

Policy Statement on Skills and Skills Implementation Plan

3. In January 2014, the policy statement on skills set out the Welsh Government's long-term ambition for employment and skills policy in Wales. The statement outlined the major challenges facing our nation over the coming decade and the actions which could be taken to develop a competitive and sustainable skills system for the future.
4. The Welsh Government committed within the statement to produce a Skills Implementation Plan setting out the key policy actions and their timeline in order to deliver the ambitious goals for Wales.
5. The plan, launched on 15 July, focuses on policy actions up until 2016 working with employers, unions and delivery partners. These actions are part of the longer-term reform required to secure a resilient and sustainable skills system for Wales.
6. The Welsh Government ensures that the development of all employability policies and programmes specifically consider the particular challenges facing older people and encourages the same across the public and private sectors.
7. Providers delivering learning programmes on behalf of the Welsh Government must not discriminate on the grounds of age; race; faith or belief; sexual orientation; gender; pregnancy or maternity; being married or in a civil partnership; being a disabled person; being transgender.
8. Increasing employment opportunities for young people and adults remains a key priority for the Welsh Government. That is why, as referenced in our

¹ ONS Labour market projections 2006-2020.

² ONS, statistical Bulletin 2010.

Programme for Government, we operate employability programmes: Traineeships for young people aged 16-18; and Work Ready for adults aged 18 plus. These employability programmes support young people and adults to gain confidence, motivation, improve their skills and gain work experience to enable them to enter sustained employment.

9. As a result of an ageing population there is a growing number of people in the 50 plus age group. This trend is occurring at the same time that many older people face reduced or delayed incomes from pension payments. This has compelled many to stay in work for longer than anticipated in order to make ends meet. The trend for people to stay in work for longer is now expected to continue and grow into the future.
10. It should also be noted that many employers consider their older workers to be a valuable asset: positive aspects attributed to them include a strong work ethic, reliability, loyalty, business experience, institutional memory and specialised skills.
11. Against this backdrop and at a time of reducing public finances, the Policy Statement on Skills identified the need to rebalance the responsibility for skills investment and to develop a policy for co-investment working with employers and individuals. The Welsh Government reiterated the commitment to taking action on co-investment as part of the Skills Implementation Plan published in July.
12. To support the development of a co-investment policy, aimed at those aged 19 plus and in employment, a public consultation was published in February 2014 seeking input from stakeholders on how to address the challenge of securing a financially sustainable skills system. A focus of the consultation was on how Wales can narrow the gap with the rest of the UK in terms of the level of employer investment in skills as well as the need to challenge those employers who are not currently investing in the skills of their workforce.
13. The Framework for co-investment in skills was published on 20 November 2014. The Framework recognises the varied and wider range of investments being made in skills and thus focuses action on three areas:
 - Influence** – detailing the action that government can take, working with employers, providers, unions and other stakeholders, to influence the investment decisions being made by employers.
 - Investment** – defining the collective responsibility for skills investment (co-investment) and the investment principles which will drive areas of government and employer intervention.
 - Impact** – evaluating investment decisions using the Skills Performance Measures published by the Welsh Government in September 2014 and ensuring that there is appropriate performance accountability factored within relevant areas of policy and programme delivery.
14. The co-investment framework aims to provide a strong foundation for shifting the emphasis from a government-led approach to skills investment to a system influenced and led by employers. In terms of government-led

investments, these centre on the need to continue to support apprenticeships for those aged 25 and under, the development of higher level apprenticeships for all ages, Essential Skills for adults and ongoing support for Welsh for adults.

European Funding

15. Skills are essential to enter and maintain employment. Therefore, we have focused a large share of European funding on supporting individuals to improve their skills and helping people into work.
16. Having learnt lessons from the last round of European funding we are currently working on an effective transition into the 2014-2020 Structural Fund Programmes. Our aim will be to create a more flexible system of support that clearly identifies and responds to the needs of both businesses and individuals. As part of this the DfES Footprint for ESF Delivery has been developed. The DfES Footprint for ESF Delivery document outlines the Department's approach to ESF and provides a map of youth and adult employment and skills provision across Wales, highlighting relevant links with the 2014-2020 ESF Programmes.

The objectives of the document are to:

- guide project development activity;
- encourage collaborative working;
- reduce duplication and competition;
- identify gaps in provision;
- encourage the use of Labour Market Intelligence (LMI) in the design and development of projects.

17. The original Footprint document was published in May 2014 in partnership with the Wales European Funding Office (WEFO) and can be viewed on the Welsh Government website at [DfES Footprint for ESF Delivery 2014-2020](#).
18. The Footprint document is a live document that is updated on a quarterly basis to capture and present up-to-date project information. The first update was published in September 2014 and is available at the link above. The document and update reports do not replace guidance documents published by WEFO but are intended to add value to the project development process for organisations seeking to access ESF.
19. The table below identifies the number of participants aged 50 and over that started ESF Welsh Government-funded skills programmes from 1 January 2013 to 30 November 2014. The total participant number for this period was 19,995.

Project Name	Number of Participants
Essential Skills in the Workplace Competitiveness	62
Essential Skills in the Workplace Convergence	151
Essential Skills in the Workplace Non ESF	1
Leadership & Management - Competitiveness	144
Leadership & Management - Convergence	188
ReAct II Competitiveness	613
ReAct II Convergence	1138
Sector Priorities Fund Pilot - Convergence	15
Sector Priorities Fund Pilot - Non-Convergence	13
Skills Growth Wales Competitiveness	909
Skills Growth Wales Convergence	1569
Total	4803
Percentage of 19,995 total	24.1%

Employment and Skills Support

20. The new Skills Gateway, launched in January 2015, will offer a single engagement, assessment and referral system that will provide a seamless service for individuals of all ages and businesses seeking skills support.

21. The Government considers it essential that future employment and skills support is accessible to people of all ages and abilities and is in line with the Strategy for Older People in Wales.

Strategy for Older People (Health and Social Services)

22. The importance of employment and lifelong learning for older people has been a focus for Welsh Government since the first Strategy for Older People was published in 2003. The Strategy for Older People Phase 3, launched in May 2013, identifies that employment is protective against poverty and poor health and aids well being for older people.

23. The Commissioner for Older People hosts an 'Ageing Well in Wales' programme that is being taken forward as a partnership between the public and third sector in Wales. A key theme of this programme is also focussed on Employment and Skills for older people.

Assisting and supporting people with additional challenges (for example, those with a disability) (Local Government and Communities)

24. When developing the Framework for Action on Independent Living, disabled people told us about the barriers they face to getting and keeping a job, for example:
- Disproportionately low skill and qualification levels. This can be for all sorts of reasons, from absence from school during childhood, barriers to access to mainstream education, lack of specialist support, and low expectations – sometimes of parents or staff, and sometimes of disabled people themselves;
 - Physical barriers, such as access to buildings and transport to work;
 - Negative attitudes of employers or other staff; and
 - Lack of awareness of the support that is available to help support people into education and skills training, and into employment.
25. We are aiming to address lower skills and qualifications levels amongst disabled people by ensuring that all Welsh Government education and training policies are fully inclusive so that disabled people have the same opportunities as their non-disabled peers.
26. Other priorities in the Framework for Action on Independent Living include accessibility of public transport and access to buildings; making progress in these areas will also help create an enabling society that provides the all-round support needed to help disabled people to get and keep good jobs.
27. The Equality Act 2010 also supports disabled people in the workplace by placing a duty on employers to make reasonable adjustments. The duty to make reasonable adjustments aims to make sure that, as far as is reasonable, a disabled worker has the same access to everything that is involved in doing and keeping a job as a non-disabled person.

Relevant Statistics

28. Official figures reveal that, for the first time, there are now over one million³ workers aged over 65 years of age across Britain.
29. Research by investment bank, Citi, shows that all of the net gain in employment in the last decade can be accounted for by the over 50s age group.⁴
30. Employers who promote generational diversity and develop a multi-generational workforce are more successful and better able to retain the skills of older workers, whilst developing a younger workforce for the future.⁵

³ ONS quoted in <http://www.dailymail.co.uk/news/article-2340119/Number-65s-work-doubles-decades-1million-time.html>

⁴ <http://www.dailymail.co.uk/news/article-2272756/Greying-workforce-squeezing-younger-generation-jobs-50s-90-rise-employment.html>

⁵ Research by CIPD <http://www.cipd.co.uk/NR/rdonlyres/25DA52DE-F120-4579-AFE3-564C8801425D/0/genuphowfourgenerationswork.pdf>

31. Learning is a lifelong activity and some 40,055 people over the age of 50 were enrolled in 2012/13 at further education, work-based learning or community learning providers in Wales.⁶ 26,625 of these were learners pursuing part-time learning at Further Education colleges, most of the others in this age range having enrolled with local authority community learning providers.
32. 24.2 per cent of all learners enrolled on part-time courses in Further Education are aged 50 or over.⁷ Some 6.5 per cent are aged over 65 years.
33. Although around 60 per cent of older workers remain fit, healthy and keen to work, the major causes of economic inactivity in the 50 plus age group are ill-health or disability, primarily among men and low earners.
34. Age UK claim that older workers are at more risk from redundancy and find it harder to get another job than their younger counterparts.⁸ Age UK undertook an analysis of official data which shows that, for the last quarter of 2012, 6.6 people aged over 50 were laid off for every thousand in work in the previous three months. This compares with 5.1 workers aged 35-49 and 5.2 aged between 25 and 34. Workers aged 16-24 year olds were slightly more at risk, with 7 people made redundant for every thousand workers, but they were more likely to find work again quickly.⁹

⁶ Source: LLWR

⁷ *ibid*

⁸ <http://www.ageuk.org.uk/latest-press/archive/older-workers-at-high-redundancy-risk/>

⁹ <http://www.ageuk.org.uk/latest-press/archive/older-workers-at-high-redundancy-risk/>

Annex 1 - Impact and Value for Money of European Funding (Finance and Government Business)

Introduction

1. The purpose of this paper is to set out written evidence on the impact and value for money of European funding.
2. Firstly, the paper presents a brief analysis of the implications of an aging population and the barriers faced by older people. This analysis has fed into the design of the 2014-2020 European Programmes. Secondly, the paper describes the planned support for older people in the 2014-2020 Programmes. Finally, the paper presents some results for older people from the 2007-2013 European Social Fund (ESF) Programmes.

Analysis of implications of an aging population and barriers faced by older people

3. The ONS projections indicate that the number of people aged 65 years and more will increase by 50% (more than 290,000 people) in Wales between 2012 and 2037. This projected demographic change has implications across a range of socio-economic domains including health, poverty, employment and transport. For example, older people typically require more health care than younger people; they are less likely to be in employment and tend to have fewer options at their disposal to access services.
4. An ageing population makes it increasingly likely that more people will be taking on the role of help and support for older people this will particularly impact on women who remain the primary carers. The challenge is to allow carers to balance work and family life so that they can work to their full potential.
5. The effects of disabilities and/or a work limiting health condition, may also be a barrier to maintaining sustained employment and health issues may become more common in the workplace as people are required to work longer. Action will be required, with both employers and individuals to address these issues to prevent them becoming a driver to worklessness or a barrier to progression.
6. The following evidence was identified in the Equality Impact Assessments for the Programmes in Wales:
 - People over 50 find it more difficult to find work when unemployed due to a number of barriers. For example, older people may find it more difficult to use the internet for employment searching / applications.
 - Withdrawal from the labour market for people between the ages of 50 and 70 can partly be put down to caring for family members, particularly for women and health problems.
 - Older workers are much less likely to be offered to participate in employer provided training than younger workers.
 - Age and a lack of technology-related skills are large obstacles in terms of looking for jobs for adults over the age of 50.

- Women's pension entitlement is often lower than men's and their risk of poverty in later life is greater.

Support for older people in the 2014-2020 ESF Programmes

7. The 2014 – 2020 ESF programmes in Wales will place an emphasis on the need to support the employment of older people or people with a disability, including a work limiting health condition. This will be as part of a package of targeted support, based on clear labour market evidence and employer demand to achieve sustainable economic and social outcomes for the longer term. In addition, economically inactive people aged 55 and over are identified as a specific target group of the Programmes.
8. The ESF programme proposals reinforce the Welsh Government expectation that integrated action will be taken to promote social inclusion and combat poverty, contributing simultaneously to the Europe 2020 targets and the Welsh Governments Tackling Poverty Action Plan.
9. Individuals over the age of 50 who are not in employment often face some of the most complex barriers in returning to sustainable employment, including skills and qualifications, transport, care responsibilities, financial and emotional barriers as well as attitudes to work and welfare dependence.
10. Periods of recession and labour market uncertainty present additional challenges for these individuals when competing for the opportunities available. Actions within the ESF programmes will support individuals to address these multiple and complex barriers and will be complemented by support for older workers, and those with health issues, to remain in work and continue to learn new skills which aid adaptability.

Results of the 2007-2013 ESF Programmes

11. Latest monitoring data show that over 30,000 people aged over 55 have been supported or are currently receiving support from the 2007-2013 ESF Programmes.
12. Of those people aged over 50 who have completed an ESF project aimed at helping them find employment just over 15% were in employment after finishing their project. Just over a quarter gained a qualification whilst 6% went on to undertake further learning.
13. Of those people aged over 50 who have completed an ESF project aimed at improving progression in employment almost 40% have gained a qualification.
14. Although we do not currently have other data broken down by age, evidence from independent surveys of people who have left an ESF project suggests that a high percentage of participants have gained job-related skills from an ESF project. For example, nearly 70% of people who left an ESF project during 2012 said that they had gained job-specific skills related to a specific occupation. An analysis of these findings by age group will be available soon.