

Evidence paper

Inquiry into employment opportunities for older people - Scrutiny of Welsh Government response

Enterprise and Business Committee National Assembly for Wales

September 2015

1. Introduction

1.1 Age Cymru is the leading national charity working to improve the lives of all older people in Wales. We believe older people should be able to lead healthy and fulfilled lives, have adequate income, access to high quality services and the opportunity to shape their own future. We seek to provide a strong voice for all older people in Wales and to raise awareness of the issues of importance to them.

2. Context

2.1 We are pleased to provide supplementary evidence to the Enterprise and Business Committee's inquiry into employment opportunities for older people. Following our initial written and oral evidence at the beginning of 2015 we welcome the opportunity to scrutinise the Welsh Government's response to the Committee's recommendations.

2.2 Employment opportunities for people aged 50 and over remain an important topic with major implications for the financial wellbeing of older people and future pensioner poverty levels.

2.3 More people are working for longer than ever before. For some this is through choice, while for others a combination of economic factors and policies such as the raising of the State Pension Age mean that continuing to work is a financial imperative. Following the abolition of the default retirement age in 2011, employees can no longer be forced to retire just because they turn 65.

2.4 Nevertheless, remaining in work or finding new employment once considered 'older' is still a significant challenge for many people. Despite being illegal under the Equality Act 2010, we believe age discrimination still exists and older workers – typically those aged 50 and over – can still face barriers in accessing work and training.

2.5 An ageing population may bring challenges but it is also a notable success and a significant opportunity. To fully grasp this opportunity we must put aside outdated assumptions and recognise the skills and value that older people bring as employees and contributors to wider society and to the economy.

3. Comments on Welsh Government responses to recommendations

Recommendation 1 - The Welsh Government should take the lead, and work with the Older People's Commissioner for Wales and other key stakeholders to commission research in respect of people aged 50 and over for each of the following:

- **Employment opportunities;**
- **Tackling long-term unemployment;**
- **Self-employment; and**
- **Levels of older-age poverty.**

The work should be an urgent and high priority and there should be a much more accurate assessment of the economic issues and position of people over 50.

- 3.1 There are substantial gaps in the published knowledge base for employment, unemployment, self-employment and poverty amongst older people in Wales. Almost all the data sources are UK-wide or England and Wales and originate from the Office for National Statistics (ONS) and Department for Work and Pensions (DWP). As such, detailed assessment of issues as they specifically impact upon Wales is problematic or impossible and this can be seen to hinder the development of targeted policy responses.
- 3.2 Therefore we welcome the Welsh Government's response that it will consider how to use existing research programmes to produce research in respect to people aged 50 and over. However, we note that this stops short of a definitive commitment and appears to rule out research specifically brought conducted into the experiences of older people in the labour market in Wales. We believe something along this line would be required to meet the Committee's recommendation in full.
- 3.3 Understanding any issues, barriers and opportunities present in Wales specifically, and in different parts of Wales, is extremely important. We also believe that research focused on older people, or with a discrete section related to older people, is vital given that it is often stated that there are specific challenges facing this group, including responding and adapting to new industries, new skills requirements and age discrimination.

Recommendation 2 - The different barriers faced by men and women and their different experiences of the workplace should be considered in the development of any support to help people over 50 into employment; and the Welsh Government should complete separate impact assessments for men and women aged 50 and over for all their skills and training programmes.

- 3.4 It is important that the Welsh Government understands the different issues and barriers faced by older men and women, as well as the specific barriers faced by older people with other protected characteristics. It is possible that the current equality proofing undertaken on the skills policy would not identify the barriers faced by older women (or older men) because it considers age and gender characteristics separately.

3.5 Nevertheless, our overriding concern, covered in more detail below when discussing the Welsh Government's responses to recommendations 5, 8 and 9, is the current absence of any skills and training programmes which seek to take account of the needs of older workers.

Recommendation 3 - The Welsh Government should commission research to identify the extent of perceived or actual age discrimination in skills, training and employment matters.

- 3.6 As noted in our previous evidence to the Committee, there is a dearth of empirical evidence in relation to the existence of age discrimination in employment in general, and even more so in relation to the situation in Wales.
- 3.7 However responses from older people indicate that age discrimination is perceived to be widespread. 40% of workers aged 50 and over in the UK believe they have been disadvantaged at work for appearing too old.¹ Polling by Age Cymru in 2010 found that 71% of people in Wales believed older people were discriminated against on the grounds of their age in employment, while 1 in 5 people (21%) between the ages of 50 and 64 believed they had personally experienced discrimination in employment because of their age.² A number of other pieces of research indicate that people perceive that older people are discriminated against by recruitment practices in particular.
- 3.8 Therefore we are disappointed that the Welsh Government's response to this recommendation simply repeats the one they provided in relation to recommendation 1. Again, this response stops short of making any firm commitment to rectify the current evidence gap. We do not believe this demonstrates that the Government is placing sufficient importance on a problem our own research shows is regarded as particularly endemic and significant by people in Wales. We would like to see the Welsh Government take this issue far more seriously in keeping with their stated commitment to equality.

Recommendation 4 - The Welsh Government should work with the Older People's Commissioner, the Department for Work and Pensions, major Welsh employers, employer-representative bodies and trade unions to do more to try to challenge age discrimination.

- 3.9 As above, given the perceived scale of age discrimination in employment practices, we believe that this is a crucial recommendation. Therefore, while we welcome the Government's acceptance in principle of this recommendation, we are slightly disappointed that it has not accepted the full scale of it.
- 3.10 Whilst the work of both the National Partnership Forum (NPF) and the Older People's Commissioner's Ageing Well Programme are extremely welcome and positive, they are both operated at arms length from the Welsh Government and, as noted by the Commissioner herself, neither receive specific government funding.

¹ CIPD/CMI (2010), Managing an ageing workforce.

² ICM Opinion poll for Age Cymru, February 2010.

3.11 We would like to see the Welsh Government undertake more direct work on this issue, along the line of that recommended by the Committee.

Recommendation 5 - The Welsh Government should consider designing a scheme similar to Jobs Growth Wales for those over 50 seeking to re-enter the labour market.

3.12 We note the Welsh Government's position that the structure and purpose of Jobs Growth Wales means that it may not address the specific needs of older people. We understand the reasoning behind this but believe that greater opportunity to gain confidence, work experience in new sectors, or to demonstrate a wider range of skills might benefit some of the large numbers of older people currently out of employment.

3.13 In addition the Government's response does not address the general point that very little specific support or programmes are available for people in this age group. This is especially the case in relation to Welsh Government programmes and we believe that the Government should consider developing an appropriate programme to support the large number of jobless people over 50 in Wales.

3.14 As outlined in our previous evidence, the Work Programme operated by the UK Government has been shown to be failing older job-seekers who have significantly poorer outcomes than other age groups. We support the intentions of the Welsh Government in striving to engage with the DWP over how the Work Programme will be delivered in Wales in the future. We urge the Welsh Government to include the needs of older people and an ageing workforce in these discussions and their representations.

3.15 We welcome the Government's intention to introduce a new adult employability programme from April 2016 and in particular its focus on core essential skills such as digital literacy. We await further details over what this programme will look like. In designing this programme it will be important to ensure that the 'all-ages' nature of the programme does not prevent it from meeting the specific needs that some groups will have. As discussed in our previous evidence, it is also extremely important to note that digital skills are not the only specific requirement of older job-seekers but that confidence, application and interview skills, and basic literacy and numeracy can also be barriers for some people. The design of this programme should present an ideal opportunity for the Welsh Government to consider the needs of this (and other) age groups specifically.

Recommendation 6 - Either on their own, or with the Department for Work and Pensions, the Welsh Government should run an Age Positive campaign which is well publicised to every employer in Wales to promote the benefits of employing and retaining workers aged 50 and over.

3.16 The Communication Plan referred to in the Welsh Government's response would appear to provide a good opportunity to engage with employers in Wales about age equality. However, this only refers to 2015-16 and therefore time is extremely short for it to have any kind of significant impact.

3.17 We sympathise with the point that reaching every employer in Wales is extremely ambitious, but this should not distract from the value of an ‘age positive’ campaign of this nature to employers. Given the major knock-on impact of perceived or actual age discrimination on individuals, the Welsh economy and, ultimately, the budgets of Welsh public services, we believe that there would be substantial value in the Welsh Government communicating this type of positive message.

Recommendation 7 - The Welsh Government, in conjunction with the office of the Older People’s Commissioner for Wales, should:

- **commission research into “self-employment and people over 50” to provide a robust platform for evidence-based policy making; and**
- **assess whether there is reasonable financial support for people over 50 who want to start their own business and update either this Committee, or its successor, on their findings.**

3.18 Our comments in relation to this recommendation are the same as those in relation to recommendation 1 and 3 above.

Recommendation 8 - The Welsh Government should publish a skills strategy specifically for people over 50. This should complement the Welsh Government’s all-age skills strategies. It should have some very clear and specific outcomes and set out the ways that these outcomes will be monitored.

Recommendation 9 - The Welsh Government should produce specific outcomes promoting the economic activity of people over 50 (in addition to the skills strategy) as part of their Strategy for Older People in Wales 2013- 23 and set out what resources they are allocating to ensure that these outcomes are achieved.

3.19 We are extremely concerned by the response of the Welsh Government to these two recommendations. We believed that the commitment to the publication of an Older People’s Skills Strategy was one of the most positive elements of the Strategy for Older People 2013-2023 and we are extremely disappointed that the Welsh Government has changed its position, especially as we understood that there was a significant commitment to its development at the time.

3.20 This adds to a growing concern we have that the Strategy for Older People in Wales is being marginalised; it currently lacks any substantial commitment or resourcing, financial or otherwise. As it was, the third phase of the Strategy contained few substantive new commitments and it should be considered a real blow to its ongoing credibility that this one has now been dropped.

3.21 The Welsh Government’s response states that the planned Older People’s Skills Strategy has been superseded by the publication of the Policy Statement on Skills and supporting Skills Implementation Plan. However these documents make very few references to the specific needs of older workers and job seekers, the barriers that they might face, or the skill sets they need in today’s job market. We do note the positive mentions of improving literacy and numeracy, however.

- 3.22 Unfortunately, when taken as a whole, this response from the Welsh Government only adds to our perception that the Welsh Government does not consider supporting older workers to be a priority. This is due to several factors: the absence of an Older People's Skills Strategy; the lack of references to specific needs of older employees or job seekers in the all age Skills Implementation Plan; and the focusing of specific support programmes towards the 18 – 24 age group.
- 3.23 Nevertheless, we do welcome the Welsh Government's statement that *"the measures focussing on jobs and growth, financial stability (i.e. increasing employer investment in employee skills) and raising skills levels will directly support the economic activity of people aged 50 and over."* It will be important for the future financial security, health and well-being of Wales' ageing population that this is the case.

Recommendation 10 - The Welsh Government should:

- **call for the continued devolution of the DWP skills programmes to Wales;**
- **continue to work closely with the DWP to minimise duplication between Welsh and UK funded skills and employability programmes.**

- 3.24 Given our previous statements about the Work Programme struggling to appropriately support older job seekers, we believe there is merit in exploring whether more skills programmes should be designed and delivered in Wales. This should also help to target resources most appropriately and to minimise duplication.
- 3.25 As a result, we welcome the Welsh Government's discussions with the UK Government, though, in light of our criticisms above, we believe that further devolution in this area would necessitate a broadening of the Welsh Government's current focus and priorities.

Recommendation 11 - The Committee understands their reasons for prioritising funding for apprenticeships (level 3 and below) for 16-24 year olds. However the Welsh Government should actively monitor the impact of this on the training opportunities, skills and qualifications of employees aged over 25, and specifically employees aged over 50.

- 3.26 We strongly support the Committee in this recommendation and note the Welsh Government's statements about skills programmes being available on an all-age basis. We restate, however, that the withdrawal of funding for some apprenticeships for people over the age of 24 introduces a disincentive for employers to employ some older people and will make it more difficult for older workers to retrain and learn new skills. Whilst this may not be the Welsh Government's intention it is likely to be the reality on the ground.
- 3.27 We welcome the Government's response elsewhere that they will monitor changes in the demographics of those individuals who access our employment and skills programmes, including on age grounds.

4. Conclusion

- 4.1 Our initial evidence to the Committee stated that we did not believe that enough focus was placed on the employment and skills needs of people aged 50 and over – an important point given that people are being required to work for longer and the fact that Wales has an ageing population. As such we welcomed the Committee’s report and recommendations for how this could be remedied.
- 4.2 Whilst the Welsh Government has accepted some of the Committee’s recommendations in principle, on the whole we are disappointed by the response. When taken as a whole, this response from the Welsh Government only adds to our perception that older workers are not considered to be a priority.
- 4.3 We would support the Committee in raising these issues with the Welsh Government and hope that this could lead to a gradual change of approach.