

A large, white, oval-shaped spotlight is positioned in the lower half of the page, casting a beam of light upwards. The background is a dark blue gradient with several overlapping, semi-transparent light blue ovals and shapes that create a sense of depth and movement, resembling a stage or a modern architectural design.

# SPOTLIGHT ON...

Lifelong Learning  
for an Ageing Workforce

March 2017

This report follows a five month inquiry chaired by Peter Mayhew-Smith.

This report was written by Maria Murray (Researcher, Education and Skills, Policy Connect).

The Learning and Work Institute and the London College of Beauty Therapy are core sponsors of the Spotlight inquiry.

The Association of Accounting Technicians (AAT) and City & Guilds have kindly sponsored this report.

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**“Older workers constitute the single largest pool of untapped potential in Britain. With the challenges that lie ahead, it is crucial we build on their wealth of skills, experience and collective wisdom.”**

Peter Mayhew-Smith, March 2017

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# SPOTLIGHT PROJECT

At a time of significant structural reform in the further education and skills sector, the Spotlight series brings to the fore particular groups who have typically been neglected by education and training systems. The series aims to shine a light on the experiences of these groups and the under-thought policy challenges facing the sector.

Parallel to this and echoing our concerns has been Theresa May's assertive ambition that Britain must strive to be 'a country that works for everyone'. Reorientation of policy toward those in greatest need is a national priority, which is why this series has sought to identify them and, at the same time, demonstrate how they can be better supported through education and training.

While the first report focused on young people with below average academic attainment and their opportunities post-GCSE, this second publication pays attention to the other end of the age spectrum, the over-50s.

This report, like others in the series, will highlight good practice within government and amongst industry sectors, will indicate how learning provision can be improved and suggest how challenges and difficulties faced by these groups can be overcome by changes to policies.



A handwritten signature in black ink, reading "Barry Sheerman".

Barry Sheerman MP



A handwritten signature in black ink, reading "Ruth Silver".

Dame Ruth Silver

Skills Commission Co-Chairs

# INTRODUCTION

People in Britain are living longer and as a result, many are working longer than ever before. Despite a number of policy drives aimed at delaying retirement, questions remain on how employers will adapt their policies to suit a more age-diverse workforce and how skills provision can deliver for an ageing population. Furthermore, the potential outcome of the UK's decision to leave the EU makes concerns over labour supply even more acute.

Following the publication of the coalition government's *Fuller Working Lives: A Framework for Action*, Dr Ros Altmann, former Minister of State for Pensions and Business Champion for Older Workers, produced a prescriptive report on how to retain, retrain and recruit older workers. This served as a guideline not only for the government and employers, but for older workers themselves, in addition to the media and wider society. Such an approach emphasised the need to involve a variety of actors in changing perceptions about older workers, and indeed informed much of the work of this report.

These reports laid the basis for smarter policy design regarding longer working lives. However, in researching and writing this report one thing became apparent: to enable individuals to remain in the labour market their skills must be continually updated and refreshed, particularly in light of declining industries and increasing automation.

During the course of this inquiry, the Commission expressed concerns about the type of training available to older workers, the funding streams open to them, and the typical burdens faced by them such as health problems and caring responsibilities. In acknowledgement of these issues the report makes recommendations to learning providers, employers, and agencies of the state in how best to incentivise the uptake of training, while supporting older people to remain in work.

More recently, we have been delighted to hear that Theresa May's Conservative Government has pledged its commitment to the idea that "individuals should have the opportunity retrain and upskill at all points of their life". In the 2017 Spring Budget, the Chancellor of the Exchequer, Philip Hammond MP, committed the Government to 'lifelong learning pilots', return to work support and part-time maintenance loans.

These initiatives are to be welcomed. Indeed, many of our recommendations support the thinking behind these announcements and will support their successful implementation. We look forward to supporting government on this crucial agenda.



A handwritten signature in black ink that reads "P. Mayhew-Smith". The signature is written in a cursive, slightly stylized font.

Peter Mayhew-Smith, Inquiry Chair

Principal of Kingston and Carlshalton College

# RECOMMENDATIONS

## Recommendation 1

To combat the likelihood of skills shortages when skilled older workers retire, employers should consider implementing mentoring schemes alongside their apprenticeship programmes.

## Recommendation 2

Facilitate 'transferable parental leave' so that older workers in technical and professional training who have young dependents can transfer their parental leave to a grandparent or family member.

## Recommendation 3

Improve the capacity of employment services (including Jobcentre Plus) to provide tailored advice to older workers.

## Recommendation 4

The Commission welcomes the Government's announcement of 'return to work support' and encourages government to work with employers, learning providers and professional HR bodies, such as CIPD and the Institute of Recruiters (IOR), to signpost available funding and support. This needs to be visible both within and outside of learning institutions in places that older people would see them such as libraries, GP surgeries and Citizens' Advice Bureau.

## Recommendation 5

Employers should incorporate Mid-Life Career Reviews into regular, team-wide appraisals in order to encourage dialogue about training needs later in life, and SMEs should be provided with government-funded advisors to carry these out. Simultaneously, age sensitivity training should be incorporated into management training.

## Recommendation 6

Learning providers should rethink the content, marketing and delivery of courses to improve their appeal to older workers. They should also expand their offerings to include soft skills training and confidence-building workshops.

## Recommendation 7

Publicise the National Insurance exemption for workers after State Pension Age.

## Recommendation 8

When piloting new funding streams, such as the new part-time maintenance loans announced in the Spring Budget, government should investigate innovative methods of signposting funding to assess the impact on loan uptake amongst over-50s.



**Recommendation 9**

The Institute for Apprenticeships – in collaboration with the Department for Work and Pensions – should consider areas and demographics where additional support to employers would encourage them to hire older apprentices.

**Recommendation 10**

The Skills Funding Agency should review the costs to learning providers of supporting older workers to retrain and stay in employment. Additional support should be given where appropriate.

**Recommendation 11**

As part of the Government's recent budget announcement of £40 million for 'lifelong learning pilots', we call for greater collaboration between the Department for Education and the Department for Work and Pensions. They should work together to oversee pilots by Jobcentre Plus, the National Citizen's Service and others to look into the feasibility of learning accounts and their effectiveness in directing workers towards in-demand roles.

**Recommendation 12**

Create a joint minister for lifelong learning between the Department for Work and Pensions and the Department for Education.

**Recommendation 13**

Local Enterprise Partnerships should set up working groups to devise strategies on supporting employers with the realities of an ageing workforce, while also being involved in the analysis of labour market opportunities.

**Recommendation 14**

Further Education colleges should consider appointing a Vice-Principal for lifelong learning, responsible for promoting the uptake of courses among older workers.

**Recommendation 15**

Big businesses should aim to appoint a business champion in their organisation to encourage best practice in their sector. Ultimately, the aim would be to have a business champion representing each industry.

**Recommendation 16**

The National Apprenticeship Awards should consider implementing an upskilling category for older workers who have retrained and excelled in their new vocations.

# 1 Background

An older worker is not easy to define. There may seem to be no single threshold at which a worker becomes 'older'. While chronological age may determine certain entitlements, it is true that people feel 'older' at different speeds and experience age differently. Despite this, there is a consensus that age is a 'defining feature of labour market participation' and that a 'prime' working age exists.<sup>1</sup>

Furthermore, countries worldwide use different definitions of an 'older worker' in relation to policy. This section will therefore explain the UK definition and conclude with an overview of policies which have affected, or are due to affect, this age demographic.

## 1.1. Definitions and terms of reference: what is an 'older worker'?

Some suggest there are noticeable changes in people's attitudes, ability and circumstances as they age. Individuals may acquire caring responsibilities for their parents, be driven out of the labour market by redundancy or ill-health, or else require a less physically demanding role. These predominantly affect low-paid and skilled professions in the case of redundancy, ill health, or the requirement of a less physically strenuous role, whereas caring responsibilities affect mainly women.<sup>2</sup>

As research has indicated, most of these factors force older people out of the workforce involuntarily, although a number of individuals in high-paid roles may opt to retire to pursue other interests<sup>3</sup> – particularly where work is perceived to interfere, impede on or detract from family and/or social commitments.<sup>4</sup>

Muddying an attempt at a clear-cut definition are differences in perception about when middle age ends and old age begins, which is largely built upon cultural and individual norms and beliefs.<sup>5</sup> Yet, although there remains great variation in the different trajectories of older people, one of the starkest trends is the significant number of people who begin to leave the workforce after the age of 50. While a small number of individuals will have left the workforce before the age of 50, the majority of the UK population will have been engaged in the paid workforce, either directly or through a partner.<sup>6</sup>

Aside from falling participation rates in the labour market, 50 is also the age at which discrimination is more frequently reported, and at which a 'growing awareness of

<sup>1</sup> L. Unwin, G. Davey, A. Fuller, and P. Leonard (2015), "Supporting an Ageing Workforce: Implications for Working Life, Training and Skills Policy in England", *Centre for Learning and Life Chances in Knowledge Economies and Societies*,

<sup>2</sup> S. McNair (2011) 'Older people and skills in a changing economy', *UK Commission for Employment and Skills*. Available at: [http://www.oph.fi/download/140969\\_equality-older-people.pdf](http://www.oph.fi/download/140969_equality-older-people.pdf) [accessed 28.09.16]

<sup>3</sup> *Ibid.* p. viii

<sup>4</sup> J.M. Raymo and M.M. Sweeney (2006), 'Work-family conflict and retirement preference', *Journal of Gerontology: Social Sciences*, 61B, pp. 161-9

<sup>5</sup> A.L. Furstenberg (2002), 'Trajectories of aging: imagined pathways in later life', *International Journal of Aging and Human Development*, 55, pp. 1-24

<sup>6</sup> S. McNair (2012), "Older people's learning in 2012," *National Institute of Adult Continuing Education*, p. 10

approaching retirement’ affects individuals’ motivation to work and their career decisions.<sup>7</sup> Moreover, and perhaps most pertinent for this report, is the sharp decrease in training participation once workers reach their mid-50s.<sup>8</sup>

In view of these trends and in keeping with the literature, an ‘older worker’ will hereafter refer to those aged 50 and over. Although this report recognises inter-country differences in defining an older worker (Nordic countries, for example, define ‘older workers’ from the age of 45), the UK government and UK-based research institutions commonly refer to ‘older workers’ as those of at least 50 years old. As this report seeks to make recommendations for UK government policy, UK-based employers, employees and learning providers, consistent definitions are critical to ensure all parties ‘speak the same language’ and can viably implement the recommendations made.

## 1.2. Policy context

The salience of this report is emphasised by incoming policy reforms which will further impact the accessibility of training courses for older people and their position in the workforce more generally. The following table gives an insight into what the relevant reforms are for older workers, and how this will impact their working lives.

These policies have a number of implications for older workers. Most significant is the rising State Pension Age (SPA), which will increase the length of time people need to remain in employment and delay the age at which people can receive a pension. It is therefore crucial that older workers maintain up-to-date skills in order to stay in employment between 50 and state pension age or beyond.

**The longer you’re working the longer you’re going to need to invest in skills, knowledge, and development... and obviously educational institutions are one of the best places to do that.”**

- Rachael Saunders, Business in the Community, September 2016

<sup>7</sup> S. McNair (2011), ‘Older people and skills in a changing economy’, *UK Commission for Employment and Skills*. Available at: [http://www.oph.fi/download/140969\\_equality-older-people.pdf](http://www.oph.fi/download/140969_equality-older-people.pdf) [accessed 28.09.16]

<sup>8</sup> Houses of Parliament – *Parliamentary Office of Science & Technology*, POST note Number 391 (October 2011). Available at: <http://www.parliament.uk/briefing-papers/post-pn-391.pdf> [accessed 28.09.16]

## Policy changes affecting older workers:

### **Employment Equality (Age) Regulations (2006)**

Introduced in 2006, these regulations outlawed discrimination on the basis of age, making it illegal for employers to set a compulsory retirement age below 65. Effectively, this set the default retirement age at 65 and meant that an employee aged 65 or over could not bring forward a case of unfair dismissal or age discrimination if dismissed for reasons of retirement. That such a 'major piece of discrimination' should have been incorporated into the very regulations aimed at tackling discrimination was described as 'strange' by one commentator.<sup>9</sup> Perhaps unsurprisingly, the regulations were challenged by Age Concern in 2009 and, although unsuccessful, comments made by the High Court in its decision stressed the need for a review of the Default Retirement Age (DRA), which had been scheduled for the following year.<sup>10</sup>

### **Ongoing changes to State Pension Age (SPA)**

In 2010, plans to increase women's SPA from 60 to 65 came into effect, along with plans to equalise men and women's SPA to 65 by 2018. Between 2044 and 2046 SPA will reach 68 for both men and women. However, as the 2014 Pensions Act made a provision for reviewing SPA every 5 years, it is possible that this will be accelerated, or that SPA may be raised beyond the expected age of 68.

### **Introduction of the Apprenticeship Levy**

Scheduled for April 2017, the Apprenticeship Levy will require all employers with an annual pay bill of over £3m to pay 0.5% of their bill as the Levy charge. As this is expected to incentivise employers to offset the charge by employing apprentices this presents a positive opportunity for promoting not merely young adult apprentices, but older (aged 50+) apprentices too.

### **Right to request flexible working**

Before June 2014 the right to request flexible working only applied to parents of children under 17, under 18 in the case of disabled children and to those caring for an adult. While the provision for carers gave some support for the 'sandwich generation', the policy has been further enhanced by being available to any employee who has served 26 consecutive weeks with the same employer. This means older workers who require reduced hours or home working have a statutory right to request it. However, it does not mean that employers are obligated to approve requests, and we recognise some small or micro-businesses may indeed find such requests impossible to meet.

### **Automatic Enrolment**

Under the 2008 Pensions Act, every employer in the UK must put certain staff into a pension scheme and contribute towards it. This is known as 'automatic enrolment'. However, employers may have different 'staging' dates, which is when their duties to automatically enrol employees come into effect. Anyone between 22 and State Pension Age earning more than £10,000 a year must be automatically enrolled.

<sup>9</sup> M. Sargeant (2010), 'The Default Retirement Age: Legitimate Aims and Disproportionate Means', *Industrial Law Journal*, 39:3, pp. 244-63

<sup>10</sup> *R (on the Application of Age UK) v Secretary of State for Business, Innovation and Skills* [2009] EWHC 2336

# 2 The Case for Retraining and Upskilling

The case for upskilling and retraining older workers is multifaceted. Changes in the UK's demographic makeup mean fewer young people will be available to fill roles, while an increasing demand for qualifications by employers entails a greater need for skills than would have been the case two decades ago.

Together with the proven benefits – to the economy, society, individuals and businesses – of working longer, this report argues there is a strong case for upskilling and retraining older workers.

## 2.1. Shifting demographics

The UK workforce is ageing. As the 'baby-boomers' of the 1950s and 1960s near retirement age, labour shortages and an increasing old-age dependency ratio (OADR) mean unsustainable pressures on public finances are likely. Because government revenue is generated through taxation, older people leaving work come at a significant cost to the public purse. Not only will expenditure rise through providing pensions and healthcare for a larger cohort of older people, but government foregoes the revenue it would have otherwise raised had these people remained in work.

The 2001 census showed that for the first time there were more people over 60 than there were under 16 (21% versus 20% respectively).<sup>11</sup> In 2009, when changes to SPA went into effect, the dependency ratio was 3.2 people of working age (between 16 and SPA) for every person past SPA. It is predicted that without any changes to SPA, the OADR in 2051 would equate to just 2 working age people for every one person over SPA.<sup>12</sup> This presents a significant fiscal challenge.

**“By 2022 the number of people in the workforce aged 50 to State Pension age will have risen to 13.8 million and the number aged 16-49 will have reduced by 700,000.”<sup>13</sup>**

<sup>11</sup> P. Grattan (2003), 'Work after 60 – choice or necessity, burden or benefit?', *Third Age Employment Network (TAEN)*. Available at: <http://www.housingcare.org/downloads/kbase/1953.pdf> [accessed 13.10.16]

<sup>12</sup> Business in the Community (2015), 'The Missing Million – Recommendations for Action', p. 16, available at: [http://www.bitc.org.uk/system/files/the\\_missing\\_million\\_-\\_rec\\_for\\_action\\_23-4-2015.pdf](http://www.bitc.org.uk/system/files/the_missing_million_-_rec_for_action_23-4-2015.pdf) [accessed 13.10.16]

<sup>13</sup> R. Altmann (2015), 'A New Vision for Older Workers: Retain, Retrain, Recruit', p. 3, Department for Work and Pensions

As such, shifting demographics mean it is imperative for government and employers to support older people to remain in employment. While increasing the SPA is one way of influencing the supply-side of older people available for work, this report argues that more must be done to influence employers – i.e. the demand side of the market – in order for older people to successfully remain in or re-enter employment. One method of doing this is to retrain and upskill older workers so they can remain competitive in the labour market.

Additionally, since the UK's vote to leave the European Union, it is unclear whether migration flows into the UK will continue to be a reliable source of labour supply. As such, it is even more imperative for the UK to ensure its workers are adequately skilled.

## 2.2. Increases in the number of jobs requiring qualifications

Data from the 2012 Skills and Employment Survey, jointly funded by the UK Commission for Employment and Skills (UKCES) and the Economic and Social Research Council (ESRC), show the qualification requirements of jobs having risen sharply over the last two decades.<sup>14</sup> While the qualification requirements of jobs in Britain have been on an incline since 1986, the trend became more pronounced between 2006 and 2012 when jobs requiring no qualifications fell from 28% to 23%, and jobs requiring degrees (or higher) rose from 20% to 26%.<sup>15</sup> Since 1992, jobs have also increasingly required generic or 'soft' skills, with the greatest increase being in numerical and computer skills.<sup>16</sup>

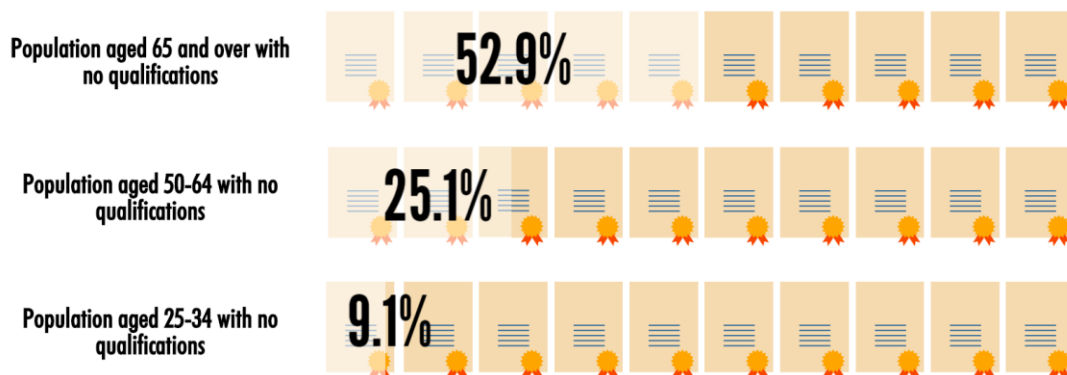
The change in qualification requirements is significant for older workers because they are, on average, the age group least likely to possess formal qualifications. According to a recent Labour Force Survey of qualifications in England and Wales, over half (52.9%) of the population aged 65 and over had no qualifications, dropping to 25.1% for those aged 50 to 64, while only 9.1% respondents aged 25 to 34 had no qualifications.<sup>17</sup> Data which points to a decline in manual jobs, particularly those in manufacturing, and toward generally higher-skilled roles,<sup>18</sup> further highlights the importance of re-skilling for individuals. This is particularly true for those employed in industries facing automation or obsolescence. More broadly, it also suggests an increasing need to upskill in order to meet the requirements of newly-emerging roles in the current job market. This presents an avenue at which employers may use the Apprenticeship Levy to train existing staff, enabling them to fill new roles instead of hiring externally.

<sup>14</sup> A. Felstead, D. Gallie, F. Green and H. Inanc (2013), 'Skills at Work in Britain: First Findings from the Skills and Employment Survey 2012', *Centre for Learning and Life Chances in Knowledge Economies and Societies*, Institute of Education. Available at: [http://www.cardiff.ac.uk/~data/assets/pdf\\_file/0009/118683/1-Skills-at-Work-in-Britain-mini-report.pdf](http://www.cardiff.ac.uk/~data/assets/pdf_file/0009/118683/1-Skills-at-Work-in-Britain-mini-report.pdf)

<sup>15</sup> A. Felstead (2015). 'The Skill Debate: Concepts, Measures and Evidence', p. 232 in *The SAGE Handbook of the Sociology of Work and Employment*  
<sup>16</sup> *Ibid.*

<sup>17</sup> Office for National Statistics (2014), 'Local Area Analysis of Qualifications Across England and Wales'. Available at: [http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171776\\_355401.pdf](http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171776_355401.pdf) [accessed 21.09.16]

<sup>18</sup> L. Cappellari, R. Dorsett and G. Haile (2005), 'Labour market transitions among the over-50s', p. 2. *Research Report No 296, Department for Work and Pensions*. Available at: <http://www.psi.org.uk/pdf/LabMarketTransitions.pdf> [accessed 21.09.16]



While the high numbers of those aged over 50 without qualifications may reflect the recent surge in educational investment, it would be a mistake to attribute an increasing requirement for qualifications as merely a by-product of educational expansion. Indeed, if employers were raising their requirements in line with educational expansion, they would increasingly require new recruits to have higher qualifications on entry than is necessary to do the job; instead, of the respondents who said new recruits would require a degree to get the job, three-quarters also stated that a degree was ‘essential’ or ‘fairly necessary’ to *do* the job.<sup>19</sup>

However, alongside those with no formal qualifications, another large proportion of unemployed over-50s have degree-level or professional qualifications. While this may be a result of redundancy or a career break in light of ill-health or caring responsibilities, it might also suggest such skills have become outdated and need to be refreshed, both for the highly qualified and for those without qualifications.

<sup>19</sup> A. Felstead, D. Gallie, F. Green and H. Inanc (2013), ‘Skills at Work In Britain: First Findings from the Skills and Employment Survey 2012’, *Centre for Learning and Life Chances in Knowledge Economies and Societies*, Institute of Education. Available at: [http://www.cardiff.ac.uk/\\_data/assets/pdf\\_file/0009/118683/1-Skills-at-Work-in-Britain-mini-report.pdf](http://www.cardiff.ac.uk/_data/assets/pdf_file/0009/118683/1-Skills-at-Work-in-Britain-mini-report.pdf)

## 2.3. Benefits to the individual

Learning in later life is becoming increasingly important not least because of the demographic and legislative changes outlined above, but also because of ‘skill-biased technological advancements’<sup>20</sup> which simultaneously create new roles and contribute to the decline of others. Declining roles include occupations such as farmers, millwrights, dressmakers, and tool and die makers<sup>21</sup> while newly emerging roles commonly include those in the IT and financial sectors.<sup>22</sup> As such, one of the most obvious benefits of retraining and upskilling is the improved capacity of older workers to fill new and emerging roles, which enables them to stay competitive in the labour market.

These benefits translate into significant monetary returns for individuals over a working life. These add up to between £48,000 and £74,000 for level 2 apprenticeships, and between £77,000 and £117,000 for level 3 apprenticeships.<sup>23</sup> Those completing an apprenticeship at level 4 or above could earn £150,000 more on average over their lifetime.<sup>24</sup> Regarding sector-based work academies, which will be discussed in greater detail in section 4.3, these confer an estimated net benefit of £1,950 to the individual over the course of a working life.<sup>25</sup>

Furthermore, learning may offer benefits to health and wellbeing. Stimulation and enrichment can help maintain older workers’ cognitive abilities, productivity and motivation. As a 2009 White Paper points out, there is a ‘moral imperative’ to find activity with purpose for those affected by the recession.<sup>26</sup> This report goes further in suggesting not only is an activity ‘with purpose’ important for those affected by the recession, but more specifically for people who find themselves with inadequate savings in old age. For people with little funds to enjoy their retirement as they would have liked, a valuable avenue for fostering social ties and engaging in self-betterment can be found in local colleges, community centres and through online courses. Learning can take a variety of formats and doesn’t have to end in a formal qualification: lots of people gain valuable experience and form fulfilling relationships through book groups, public lectures, and evening classes.

**“Pre-retirement education helps to encourage people to consider options (to continue participating actively in their communities) and increases confidence, combats stereotypical attitudes and provides up to date information and signposting.”**

- Written response to HMG, Preparing for our Ageing Society: A Discussion Paper (2008), The Pre-Retirement Association of Greater Manchester<sup>27</sup>

<sup>20</sup> F. Kolland and A. Wanka (2013), ‘Learning in Later Life’. *The Sage Handbook of Aging, Work and Society*, p. 380

<sup>21</sup> A. Dohm (2000), ‘Gauging the labor force effects of retiring baby-boomers’, *Monthly Labor Review – Bureau of Labor Statistics*, p. 19

<sup>22</sup> Bureau of Labor Statistics, ‘Industries with the fastest growing and most rapidly declining wage and salary employment’. Available at: [http://www.bls.gov/emp/ep\\_table\\_203.htm](http://www.bls.gov/emp/ep_table_203.htm) [accessed 28/09/16]

<sup>23</sup> London Economics (2011) – BIS Research Paper Number 53, Returns to Intermediate and Low Level Vocational Qualifications

<sup>24</sup> AAT and CEBR (2013) University education – is this the best route into employment?

<sup>25</sup> Department for Work and Pensions (2016), ‘Sector-based work academies: A quantitative impact assessment’, p.43. Research Report No. 918, available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508175/rr918-sector-based-work-academies.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508175/rr918-sector-based-work-academies.pdf) [accessed 02.11.16]

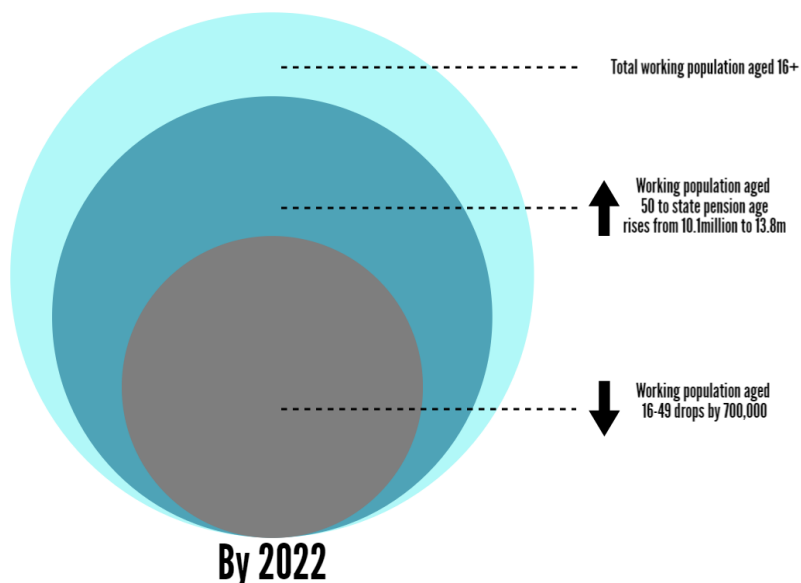
<sup>26</sup> Department for Innovation, Universities and Skills (2009), ‘The Learning Revolution’.

<sup>27</sup> HM Government, (2009) ‘Building a Society for All Ages’, p. 19, DWP.



## 2.4. Benefits to business

Upskilling and retraining older people makes business sense. Between 2014 and 2022 there will be 3.7 million more people aged between 50 and State Pension Age and 700,000 fewer people aged 16-49.<sup>28</sup> This has an impact on the workforce: by 2022, there are expected to be 12.5m job vacancies with only 7m younger people available to fill them.<sup>29</sup> As such, recruiting, retaining and retraining older workers will be vital for overcoming potential labour shortages and skills gaps. In some circumstances training has been used as a staff retention strategy, and this tactic could be a useful tool for sectors that find it difficult to recruit younger workers.



Studies also reveal employer perceptions of older workers can be positive, with good time keeping, consistent performance throughout the working day, better anger and stress management, greater empathy, good people and customer service skills cited as a benefit of employing older workers.<sup>30</sup> Another study emphasises the reliability, benefit of 'life experience' and common sense, and the 'stabilising and calming influence' an older worker can bring to the workforce.<sup>31</sup>

Indeed, there are many benefits to having an intergenerational workforce, not least because of the skills and experience that older workers bring. It may also ensure institutional memory is handed down within an organisation.

Additionally, there may be a lost opportunity for older workers to mentor younger employees. Training up new staff can be costly, and an internal mentoring scheme is one way

<sup>28</sup> R. Altmann (2015), 'A New Vision for Older Workers: Retain, Retrain, Recruit', p. 16, Department for Work and Pensions

<sup>29</sup> Department for Work and Pensions (2013), 'Employing older workers: An employer's guide to today's multi-generational workforce'.

<sup>30</sup> S. Harris and G. Higgins (2006), 'A review of organisational interventions that can prevent early retirement among older workers', *Health and Safety Laboratory*, Research Report RMS/06/03.

<sup>31</sup> See: R.W. Johnson (2007) 'Managerial attitudes toward older workers: a review of the evidence', Discussion Paper No. 07-05, *The Urban Institute*; W.A. Jackson (1998), *The Political Economy of Population Ageing*. Edward Elgar, Cheltenham.

to facilitate an ‘intergenerational knowledge transfer’ without incurring huge costs. We therefore make the following recommendation to employers:

### Recommendation 1

To combat the likelihood of a skills shortage when skilled older employees retire, employers should consider implementing mentoring schemes alongside their apprenticeship programmes.

## 2.5. Benefits to the economy and society

The economy will benefit from extended working lives: increased labour supply can raise potential Gross Domestic Product (GDP) and consumption, leading to a boost in tax revenues. Early labour market exit (below State Pension Age) increases the likelihood of claiming income-related benefits in retirement, and subsequently increases government expenditure through lost taxation and higher welfare spending. To put this into context, it is estimated £7bn per year is spent on out-of-work benefits for people aged between 50 and State Pension Age. If everyone worked just one year longer, the UK workforce would grow by about 1.75% and GDP could rise by as much as 1%. This would have added £17bn to 2014 GDP.<sup>32</sup>

Conversely, if there had been no changes to State Pension Age, the future level of real GDP would be around 6% lower than is currently projected to be the case by 2030. With fixed expenditure plans and tax rates, the government’s budget balance would be worse by around 3.5% in 2030.<sup>33</sup> With planned changes to state pension and pension enrolment, the UK economy will be better off. Real consumption will rise as people will have higher incomes, and less saving would be required for retirement.

In the case of sector-based work academies, research suggests that in the 18 months following a sector-based work academy start, participants spend, on average, 50 days longer in employment and 29 days less on benefit compared to similar non-participants.<sup>34</sup> The net financial benefit to society is estimated at £950 per participant.<sup>35</sup>

<sup>32</sup> Department for Work and Pensions (2014), ‘Fuller Working Lives – why this is important’, available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/548248/fuller-working-lives-infographic.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/548248/fuller-working-lives-infographic.pdf) [accessed 26.10.16]

<sup>33</sup> R. Barrell, S. Kirby and A. Orazgani (2011), ‘The macroeconomic impact from extending working lives’, Department for Work and Pensions, Working Paper No 95

<sup>34</sup> R. Ward, J. Woods and R. Haigh (2016), ‘Sector-based work academies: A quantitative impact assessment’ research summary, p.3, Department for Work and Pensions. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508177/rr918-sector-based-work-academies-summary.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508177/rr918-sector-based-work-academies-summary.pdf) [accessed 02.11.16]

<sup>35</sup> Department for Work and Pensions (2016), ‘Sector-based work academies: A quantitative impact assessment’, p.43. Research Report No. 918, available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508175/rr918-sector-based-work-academies.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508175/rr918-sector-based-work-academies.pdf) [accessed 02.11.16]

## Sector-Based Work Academies (SBWAs)

### Purpose of SBWAs:

The sector-based work academies scheme, rolled out in England from 2011 and in Scotland from 2012, was introduced to help unemployed benefit claimants gain the relevant skills and work experience required to work in a specific sector, give claimants the guarantee of a job interview in a specific vacancy, and also allow employers to fill existing vacancies with suitable applicants. It is open to recipients of Jobseeker's Allowance, Universal Credit (all work-related requirements group) or Employment and Support Allowance (Work-Related Activity Group), aged 18 years or over, or eligible lone parents aged 18- to 24-years-old in receipt of Income Support.

Sector-based work academies offer pre-employment training, work experience placements and a guaranteed job interview up to a maximum total duration of six weeks. As the scheme is linked to genuine job vacancies, it has the added advantage of helping to fill roles in sectors with a high demand for a bigger workforce. Those undertaking a placement continue to receive their benefit and are required to continue their job search activities. According to official statistics, there were 229,770 SBWA starts between July 2011 and November 2015.<sup>36</sup>

## Characteristics of Employers

- 52% employers said they were involved with all three 'core' elements: sector-specific training, work experience placement and guaranteed job interview.<sup>37</sup>
- Placements in shops were the most common (21%), followed by placements in an office (13%), a warehouse (11%), a care/residential home (9%), outdoors (9%) or in a restaurant, bar or cafe (9%).

## Impact Assessment

- Nine in ten thought the different elements of the sector-based work academy worked well together. The same proportion was satisfied with the overall quality of the training.
- 76% reported having an increased confidence.
- 80% reported developing new skills.
- Where the sector-based work academy included a work placement, 42% of participants were offered a job upon completion. Nine in ten job offers were accepted.
- When asked what were the most useful things they gained during their training, respondents mentioned a range of skills, including interview skills or techniques (16%), customer service skills (12%) and communication skills (9%), as well as a range of sector-specific skills.
- Among those who completed their placement, 22% were offered a job by the placement organisation. More than four in five (83%) agreed that they looked more attractive to employers, while 77% agreed that they had developed new skills that could help them find a job.

<sup>36</sup> Department for Work and Pensions (2016), 'Youth Offer Official Statistics: April 2012 to November 2015', p. 9. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/502309/youth-offer-statistics-to-nov-2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/502309/youth-offer-statistics-to-nov-2015.pdf) [accessed 30/01/17]

# 3 Barriers to Employment and Lifelong Learning

While accepting variation in the life trajectories of older workers, it is nevertheless possible to identify common barriers to remaining in work, gaining employment and accessing learning opportunities later in life.

Although some are physical barriers to access – such as health, geography or caring responsibilities – many of the challenges faced by older people centre around ageism, stereotypes, psychological, and informational barriers.

## 3.1. Health and other physical barriers

Physically demanding jobs, jobs which attract low commitment to the organisation and tasks offering little autonomy to the employee consistently appear to be associated with early retirement decisions and/or behaviour.<sup>38</sup> Early retirement behaviour may be reflected in decisions to reduce working hours, begin a phased retirement or take on a less senior role, as opposed to engaging in upskilling, retraining and other career development strategies.

Disability and poor health are also some of the most common reasons for early retirement in Britain. Interestingly, one study based on the closure of MG Rover in Longbridge found that individuals who had received a free training place since its closure reported less of a decline in their overall health than those who did not receive training.<sup>39</sup> Although we cannot conclude that training leads to better health outcomes, there is compelling evidence to suggest there is some relationship between education and self-perceived health.

Indeed, it has been suggested that those who work beyond SPA are often both better educated and in better health. Healthier respondents are also more likely to say that old age starts later and middle age ends later, independent of their age and sex.<sup>40</sup> However, it should be noted that this might merely reflect the type of jobs obtained by people with higher levels of education. They are more likely to be non-manual, offer flexible working and more

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<sup>37</sup> Department for Work and Pensions (2013), 'Employer perceptions of work experience and sector-based work academies'. Research report No 842. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/207534/rrep842.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207534/rrep842.pdf) [accessed 30/01/17]

<sup>38</sup> G.A. Adams, J. Prescher, T.A. Beehr and L. Lepisto (2002), 'Applying work-role attachment theory to retirement decision making', *International Journal of Ageing and Human Development*, 54:2, pp. 125-37; M. Blekesaume and P.E. Solem (2005), 'Working conditions and early retirement: a prospective study of retirement behaviour', *Research on Ageing*, 27, pp. 3-20

<sup>39</sup> D. Bailey, C. Chapain, M. Mahdon and R. Fauth (2008), 'Life after Longbridge: Three Years on', *The Work Foundation*, p. 7. Available at: [http://www.theworkfoundation.com/downloadpublication/report/204\\_mg\\_rover\\_130509.pdf](http://www.theworkfoundation.com/downloadpublication/report/204_mg_rover_130509.pdf) [accessed 14.10.16]

<sup>40</sup> P. Demakakos, E. Hacker and E. Gjonca (2004), 'Perceptions of ageing' in (eds), *Retirement, health and relationships of the older population in England. The 2004 English Longitudinal Study of Ageing (wave 2)*. London: IFS, pp. 339-68.

autonomy, while those with lower levels of education may be concentrated in industries involving ‘high physical workload, repetitive work, low autonomy and high work pressure’.<sup>41</sup> This undoubtedly impacts people’s self-perceived health and fosters an aversion to remain in work.

Regarding statistical indicators of the cohorts most likely to access apprenticeships, there is data to show certain ethnic minorities (particularly Asian/Asian British) are significantly under-represented in apprenticeship starts.<sup>42</sup> Although negative stereotypes almost certainly play a role it is also suggested that geography is a contributing factor. Urban areas tend to have a higher proportion of ethnic minorities and fewer apprenticeship opportunities when compared to areas dominated by manufacturing where there may be more apprenticeship opportunities.<sup>43</sup>

However, there is some evidence to show that ‘white’ ethnic groups are most over-represented in under-19 and in younger cohorts, while apprenticeship starts become more ethnically diverse the older the age band.<sup>44</sup> This is promising for older workers, although more must be done by employers and learning providers to target black or minority ethnic (BME) individuals, both in recruitment and the uptake of training.

## 3.2. Caring responsibilities

Caring responsibilities either for young dependents, elderly parents or both are another catalyst for early retirement. In total around 20% of 45-59 year olds provide some form of informal care,<sup>45</sup> while the peak age for caring duties is between 50 and 64.<sup>46</sup> How carers will support themselves in retirement is a real concern, particularly given that 81% of employed carers (those who receive care-related benefits) are ineligible for automatic enrolment,<sup>47</sup> because they fail to meet the £10,000 threshold necessary to automatically enrol.

Women are most at risk from early labour market exit, with figures suggesting 17% of unemployed women left their last job to care for someone compared to only 1% of men.<sup>48</sup> Furthermore, due to an increase in life expectancy and in the number of people delaying parenthood, the ‘sandwich generation’ – where carers have multi-generational duties for both ageing parents and children or grandchildren – is growing. Being a part of the sandwich generation can multiply the burden for older workers, and difficulty reconciling work with family commitments (particularly when these involve caring responsibilities for more than one person) causes many older people to leave the labour market early or fear losing their jobs.

<sup>41</sup> P. Hoonakker, H. Choi, P. Carayon, R. Warren (2006), ‘The effects of working conditions on health in an older population: Results from WLS’. *Wisconsin Longitudinal Study*

<sup>42</sup> J. Crook (2014), ‘Apprentices and Ethnic Minorities’, *Black Training and Enterprise Group*. Available at: <http://www.bteq.co.uk/sites/default/files/Apprenticeships%20and%20Ethnic%20Minorities.pdf> [accessed 14.10.16]

<sup>43</sup> J. Murray, ‘Youngsters from ethnic minorities miss out on apprenticeships’, 22 Feb 2011, *The Guardian*. Available at: <https://www.theguardian.com/education/2011/feb/22/apprenticeships-black-ethnic-minorities-take-up>

<sup>44</sup> A. Fuller, P. Leonard, L. Unwin and G. Davey (2015), ‘Does apprenticeship work for adults?’, *The Nuffield Foundation*, p. 26. Available at: <http://workfutures.southampton.ac.uk/files/2013/08/Adult-Apprenticeship-Full-Report.pdf> [accessed 14.10.16]

<sup>45</sup> L. Dahlberg, S. Demack and C. Bambra (2007), ‘Age and gender of informal carers: a population-based study in the UK’, *Health & Social Care in the Community*, 15:5, pp. 439-445

<sup>46</sup> R. Altmann (2015), ‘A New Vision for Older Workers: Retain, Retrain, Recruit’, p. 31, *Department for Work and Pensions*

<sup>47</sup> Pensions Policy Institute (2015), ‘PPI Briefing Note 75: Who is ineligible for automatic enrolment?’ PPI, London

<sup>48</sup> D. Smeaton, S. Vegeris and M. Sahin-Dikmen (2009), ‘Older workers: employment preferences, barriers and solutions’, *Equality and Human Rights Commission*

The literature responds to these challenges in several ways. One suggestion, related to inclusion in learning programmes, is for the possibility of ‘transferable parental leave’ so that mothers in technical and professional training (e.g. employed as an apprentice) can transfer their parental leave to a grandparent or family member.<sup>49</sup> This would give grandparents a statutory entitlement to return to their jobs after a period of providing care, and potentially enable more mothers to remain in technical and professional training.

Following a report by the Institute of Public Policy Research on the ‘sandwich generation’, we make a similar recommendation:

### Recommendation 2

Facilitate ‘transferable parental leave’ so that older workers in technical and professional training who have young dependents can transfer their parental leave to a grandparent or family member.

Another recommendation is to incentivise carers to remain in work by allowing pension funds to be withdrawn tax free if used for care.<sup>50</sup> Similar to how childcare vouchers work, ‘family care vouchers’ could support people remaining in work, while ensuring elderly and younger dependents receive the care they need.

## 3.3. Informational barriers

Informational barriers not only prevent older people from finding out about available training schemes, they also act as a barrier for employers. In both respects, informational barriers are a major obstacle to training and learning opportunities.

Managers and HR departments, for example, are often unaware of publically-funded skills and employment programmes, and how to utilise them effectively.<sup>51</sup> They are also largely unaware of how demographic change will affect their workforce, with 15% of employers expecting a decrease in older workers and 37% expecting things to stay the same.<sup>52</sup> They are therefore poorly equipped to help older people navigate their options when it comes to learning, and underestimate the role older workers will play in maintaining their workforce in the coming years.

Older people lack knowledge on the types of learning provision and financial support available to them. Amongst older people, little information is known about Advanced Learning Loans, the New Enterprise Allowance, traineeships and apprenticeships. Support services such as Fit for Work and the National Careers service are also relatively unknown and under-utilised.

<sup>49</sup> D. Ben-Galim and A. Silim (2013), ‘Sandwich Generation’, *Institute for Public Policy Research*. Available at: [http://www.ippr.org/files/images/media/files/publication/2013/08/sandwich-generation-August2013\\_11168\\_11168.pdf?noredirect=1](http://www.ippr.org/files/images/media/files/publication/2013/08/sandwich-generation-August2013_11168_11168.pdf?noredirect=1) [accessed 05.10.16]

<sup>50</sup> R. Altmann (2015), ‘A New Vision for Older Workers: Retain, Retrain, Recruit’, p. 29, Department for Work and Pensions

<sup>51</sup> Department for Business, Innovation and Skills (2010), ‘Is business ready for an ageing nation?’, p. 19, available at: <https://www.researchonline.org.uk/sds/search/download.do%3Bjsessionid=6E9DFD0B9384BB0AF8D4BFDC714B0076?ref=B15484>

<sup>52</sup> P. Taylor and A. Walker (1998), ‘Employers and older workers: attitudes and employment practices’. *Ageing and Society*, 18:6, p. 650

**“Many services and the communication that surrounds older people suffers from being patronising in tone and based on assumptions of stupidity and helplessness in the aged.”**

- Individual respondent to HMG, *Preparing for our Ageing Society; A Discussion Paper (2008)*<sup>53</sup>

Similarly, employment support services may not meet the needs of over-50s. Research by Age UK concludes that over-50s with degree-level and professional qualifications found basic-level support packages ill-suited to someone of their skills and experience.<sup>54</sup> This is particularly true for those who have been made redundant from senior or qualified positions. Indeed, an excessive focus on skills for new entrants to the labour market – such as CV writing – might appear to be better suited for young people and at worst can be perceived as patronising.

### Recommendation 3

Improve the capacity of employment services (including Jobcentre Plus) to provide tailored advice to older workers.

This recommendation is echoed by The Work Foundation, who presented evidence to the Skills Commission. They suggest creating a national and local directory of services for older workers that the Fit for Work service could signpost. Additionally, they see the Fit for Work service as a potential tool for signposting Mid-Life Career Reviews and training organisations.

Lastly, they share the view that advisors within the service should be trained and aware of the challenges faced by older workers, and particularly those with a health condition.<sup>55</sup>

<sup>53</sup> HM Government, (2009) 'Building a Society for All Ages', p. 38, DWP.

<sup>54</sup> G. Deuchars and C. Brooks (2013), 'Consultation response: Adult careers information, advice and guidance in London'. Available at: <http://www.ageuk.org.uk/brandpartner/global/londonvpp/documents/adult-careers-information-advice-and-guidance-0113.pdf> [accessed 24.10.2016]

<sup>55</sup> T. Taskila, V. Shreeve, M. Laghini and S. Bevan (2015), 'Living long, working well: supporting older workers with health conditions to remain active at work', p. 4, *The Work Foundation*

## Mid-Life Career Reviews

### The pilot:

- In 2013, the Department for Business, Innovation and Skills (BIS) agreed to fund the National Institute for Continuing Adult Education (NIACE) to deliver Mid-Life Career Reviews (MLCRs) to anyone in England who was 'mid-life'
- **3600** sessions were delivered to **2994** clients
- 47% of participants were unemployed, 48% were employed, 2% were economically inactive, 2% were self-employed and 1% were retired
- A range of providers were funded, mainly Unionlearn and the National Careers Service
- The research aimed to assess the demand for a MCLR while exploring the career guidance needs of adults at mid-life and what is needed to meet them

### How they work:

Mid-Life Career Reviews were borne out of a need to help people plan and prepare for redundancy, find out about different ways of working and career possibilities, and generally stay in work for longer.

Reviews were delivered either through one-to-one sessions with an advisor (34%), group sessions (34%), over the telephone (13%) and online (1%), at a cost of approximately £100 per participant.

Reasons why clients undertook a review included: being unemployed and seeking work (64% respondents); seeking a new career/job (24%); redundancy (11%); seeking change in working arrangements (8%); seeking promotion/new challenges (6%); and being afraid of redundancy (3%).

Topics covered with clients included gaining employment, career development, training/learning opportunity, volunteering, self-employment, finances, health, retirement options, caring responsibilities and relationships.

### Benefits:

Reviews can address major policy challenges, such as:

- Discouraging premature retirement
- Reducing underemployment – in hours and use of skills
- Encouraging lifelong learning
- Ensuring a satisfying and well managed retirement

Clients also welcomed the opportunity to discuss concerns and issues which they had rarely discussed with anyone else.<sup>56</sup> Additionally, a client-centred approach was welcomed, where advisors considered work, health, retirement and finances together.

<sup>56</sup> S. McNair (2015), 'A mid-life career review: making the older labour market work better for everyone'. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/463892/mid-life-career-review-presentation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/463892/mid-life-career-review-presentation.pdf)



Although we recognise that careers advisors may have lacked, up until now, a pressing need for this type of tailored advice, changing demographics necessitate that they fine-tune their advice in order to have a positive impact on getting older workers back into employment. Not only should Jobcentre Plus and other government-funded careers advisors be trained in the common issues faced by older workers (particularly with respect to health and caring responsibilities), but they should also be equipped to identify transferable and soft skills in older workers. Additionally, we suggest that advisors receive training on the educational opportunities open to older workers, which points to the potential of Jobcentres as an effective site of signposting. On this point, the Government has begun making steps to increase the number of Older Claimant Champions, increasing from seven regional leads to one in all 34 Jobcentre Plus districts.<sup>57</sup>

**“The responsibility is collective. It’s for policy-makers, it’s for employers, it’s for media, and it’s how we treat each other as colleagues in the workplace.”**

- Heidi Allen MP, June 2016

In failing to signpost these schemes effectively, early exit is more likely since people perceive fewer choices available to them and retirement becomes the default. This report recognises employers, learning providers and the government all have a responsibility to signpost and encourage uptake of these schemes, and therefore makes the following recommendation:

#### Recommendation 4

The Commission welcomes the Government’s announcement of ‘return to work support’ and encourages government to work with employers, learning providers and professional HR bodies, such as CIPD and the Institute of Recruiters (IOR), to signpost available funding and support. This needs to be visible both within and outside of learning institutions in places that older people would see them such as libraries, GP surgeries and Citizens’ Advice Bureau.

Relatedly, research suggests older people are also unaware of their entitlements and employee rights. For example, over half of over-50s in one study were unaware they won’t pay NI contributions if working past State Pension Age<sup>58</sup>. In another, over a quarter of respondents (28%) were unaware of age equality regulations which meant they could keep working for as long as they liked, and 31% were unaware of their right to request flexible working.<sup>59</sup> This suggests that although learning provision and support is important, it is equally important that the rights and entitlements of older workers are communicated in similar government-backed campaigns.

### 3.4. Ageism and stereotypes

Social identity, societal attitudes and perceptions of ageing also play a role in keeping people in work. Negative perceptions and stereotypes of older people in the workplace have been found to contribute to early exit of the labour market, an individual’s prospects for

<sup>57</sup> Department for Work and Pensions (2017), ‘Fuller Working Lives: A Partnership Approach’, p. 10.

<sup>58</sup> R. Altmann (2015), ‘A New Vision for Older Workers: Retain, Retrain, Recruit’, p. 16, Department for Work and Pensions

<sup>59</sup> Department for Work and Pensions (2015), ‘Attitudes of the over 50s to Fuller Working Lives’, *DWP ad hoc research report no. 15*. Available at: <http://www.50plusworks.com/downloads/attitudes-over-50s-fuller-working-lives.pdf> [accessed 24.10.16]

development and advancement within an organisation, and their likelihood of being offered training.

One particular report identifies the following stereotypes and perceptions held by HR departments regarding older people at work:

- That chronological age determines health, and age brings illness and disease
- Getting older is associated with a loss of cognitive capacity such as memory, reasoning, thinking and problem-solving
- Older workers have poorer sensory abilities, including vision and hearing
- Older workers lack physical strength and endurance – including muscular and aerobic capacity, fatigue and recovery
- Older workers have difficulty adapting to change
- Older workers take more time off sick.<sup>60</sup>

Additionally, employers may have beliefs about the preferences of older people – such as the desire to start retirement planning at the age of 60, or a desire to take on less senior roles as they age – which are not always accurate. On the contrary, 56% of people surveyed aged 60-69 who are already retired said they would still like to be working.<sup>61</sup>

To help identify employer attitudes at play, one UK-based employer survey found that the recruitment and training of older workers was associated with: perceived trainability; creativity; cautiousness; physical capabilities; the likelihood of having an accident; and an ability to work with younger workers. On the other hand perceived productivity, reliability, the ability to adapt to new technology, an interest in technological change, and flexibility were found to have no relationship with employment practices.<sup>62</sup> Where there is any loss in productivity, it may be due to skills obsolescence rather than age,<sup>63</sup> which again highlights the importance of upskilling for older people.

This study shows stereotypes that deem older workers incapable of mastering technology have little relevance in the real world. It also highlights the nature of employer concerns which are overwhelmingly focused on cognitive decline rather than personality features exhibited by older people. However, studies suggest that cognitive performance does not show any marked decrease until after the age of 70, because cognitive skills such as intelligence, knowledge, language and complex problem-solving are ‘resistant to age-related declines’ and are likely to increase with age.<sup>64</sup>

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<sup>60</sup> K. Benjamin and S. Wilson (2005), ‘Facts and misconceptions about age, health status and employability’, *Health and Safety Laboratory*, Report Number HSL/2005/20. Available at: [http://www.hse.gov.uk/research/hsl\\_pdf/2005/hsl0520.pdf](http://www.hse.gov.uk/research/hsl_pdf/2005/hsl0520.pdf) [accessed 03.10.16]

<sup>61</sup> R. Altmann (2015), ‘A New Vision for Older Workers: Retain, Retrain, Recruit’, p. 31, Department for Work and Pensions

<sup>62</sup> P. Taylor and A. Walker (1998), ‘Employers and older workers: attitudes and employment practices’, *Ageing and Society*, 18, pp. 641-58

<sup>63</sup> V. Skirbekk (2004), *Age and Individual Productivity: A Literature Survey*. Vienna: Vienna Yearbook of Population Research.

<sup>64</sup> L. Yeomans (2011), ‘An update of the literature on age and employment’, *Health and Safety Laboratory*, RR832. Available at: <http://www.hse.gov.uk/research/rrpdf/rr832.pdf> [accessed 10.10.16]

Problematically, the perceived lack of trainability, lack of flexibility and poor cost effectiveness are often used as justification for avoiding investment in the training and development of older workers.<sup>65</sup> Yet, there is evidence to suggest a worker in their fifties is likely to stay longer at a firm than one in their twenties.<sup>66</sup> Studies also report that older workers may be seen as ‘harder to engage in training’ and ‘less likely to identify their training needs’ than younger employees.<sup>67</sup> Because of this discrepancy between employers’ perceptions and reality, as well as issues surrounding the identification of training needs, this report makes the following recommendation:

### Recommendation 5

Employers should incorporate Mid-Life Career Reviews into regular, team-wide appraisals in order to encourage dialogue about training needs later in life, and SMEs should be provided with government-funded advisors to carry these out. Simultaneously, age sensitivity training should be incorporated into management training.

This tackles the issues in several ways. Firstly, by incorporating Mid-Life Career Reviews (MLCRs) into regular, team-wide appraisals, there is no ‘singling out’ of older employees, which was a key concern for the Commission. Supporting this, studies show intergroup permeability has an impact on disengagement from work (i.e. early retirement), with intergroup permeability defined as an older worker being valued regardless of their age.

MLCRs offered exclusively to older workers without the equivalent for younger employees would likely make them feel segregated, discriminated against and further marginalised. However, by running parallel appraisals for the whole team, MLCRs help establish a neutral starting point for discussing future career plans. Instead of leading an older employee to fear the word ‘review’ and mistakenly feel they will be fired, MLCRs facilitate dialogue about where an individual can take his or her career. Asking age-neutral and open-ended questions to all employees such as, “where do you see yourself in 5-10 years?” allows individuals the freedom to express their needs without feeling pressure to answer with “retired”. However, this does not mean all employees need to be treated the same: individuals will express different needs and desires for their career during MLCRs, and the changes an employer makes thereafter should reflect a bespoke solution for the individual in question.

**“Mid-Life Career Reviews are good because they provide a structured way and say to people that it’s okay to have these conversations that they might not be comfortable having. Formal training or development routes might also come through those sorts of conversations as well.”**

- Rachael Saunders, Business in the Community, September 2016

Secondly, asking age-neutral questions about the direction of their career facilitates discussion about training needs which older workers may be less likely to identify. Particularly if it transpires during MLCRs that an older employee wants to remain in the

<sup>65</sup> A.E.M. van Vianen (1997), ‘A social information processing perspective on transfer of attitudes to continued training’, *Applied Psychology*, 46:4, pp. 354-59

<sup>66</sup> Chartered Institute of Personnel and Development (2012), ‘Managing a healthy ageing workforce – a business imperative’, p. 18, available at: [https://www.cipd.co.uk/binaries/managing-a-healthy-ageing-workforce-a-national-business-imperative\\_2012.pdf](https://www.cipd.co.uk/binaries/managing-a-healthy-ageing-workforce-a-national-business-imperative_2012.pdf)

<sup>67</sup> H. Pillay, K. Kelly and M. Tones (2008), ‘Exploring work and development options to reduce early labour force exit of mature aged Australians’. *International Journal of Training Research*, 6:2, pp. 20-39

organisation for another 10 years, the process can both dispel perceptions that they ‘haven’t got much time left’ in the company, as well as encourage employers to invest in them and offer training. If team-wide appraisals result in long standing and high-achieving employees undergoing training, older workers will perhaps feel more comfortable in accepting and even volunteering themselves for training.

In organising appraisals this way, older workers may be more likely to see the benefit of training and less likely to associate being offered training with a perceived decline in their abilities. By helping to identify training needs and the desired direction of their career, MLCRs may also facilitate sideways moves within an organisation and hence prolong working lives. This is true for any employee who experiences dissatisfaction and/or boredom in their current role, but may be particularly pertinent to those in industrial roles where work is becoming increasingly ‘intensive’, leading to stress and a lack of fulfilment. For individuals in these sectors and in low-skilled jobs, they may feel a strong need to ‘get out of the rat race’ and draw their pensions early. Encouraging the possibility of a sideways move – say, to a role with less pressure or physical strain – could give greater job satisfaction to older workers and enable them to want to continue working.

Despite age being a protected characteristic, academics have questioned whether it is the last ‘acceptable’ form of discrimination. This is why the report recommends age sensitivity training: both to help line managers understand the legal implications of direct and indirect discrimination as well as help them to support the needs and adjustments required by older workers.

Although similar in its purpose to MLCRs it is distinct in its delivery. Unlike MLCRs which are focused on the abilities and training needs of employers, age sensitivity training must be focused on improving the capacity of line managers to support later life working. This typically would include information about possible adjustments, how to implement flexible or home working, training on what counts as discrimination, and ‘myth-busting’ information to dispel negative stereotypes. Following a suggestion from Baroness Altmann, age sensitivity training could also include menopause support and awareness. Such a move would help employers understand the support and provisions that can be made for women undergoing the menopause, and possibly lead to workplace adjustments. Relatedly, line managers should also be proactive in adopting age-friendly policies such as flexible, part-time or home working, since a great deal of retirees would like to remain in work if these provisions could be made as an alternative to full-time, office-based roles.

### 3.5. Psychological barriers and self-perception

While employers holding negative perceptions of old age undoubtedly contribute to low levels of older workers being offered training, self-perception plays an equal part in this. Older workers may perceive themselves as ‘untrainable’ and lacking the capacity to learn new skills, and may therefore be reluctant to invest in their skills development.

For example, research finds their low confidence means they are less likely to volunteer for training programmes when they are available<sup>68</sup>. Another study on employers suggests older workers are perceived as ‘lacking confidence to train’.<sup>69</sup>

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<sup>68</sup> N. Rosen, L. Williams and F. Foltman (1965), ‘Motivational constraints in an industrial retraining program’. *Personnel Psychology*, 18:1, pp. 65-79

In encouraging older workers to retrain and lengthen their time in sustainable employment, attitudes such as these need to be challenged. Whereas previous recommendations have focused on how employers can encourage employees to train, training and learning providers must also consider how they can pitch the benefits of lifelong learning.

### Recommendation 6

Learning providers should rethink the content, marketing and delivery of courses to improve their appeal to older workers. They should also expand their offerings to include soft skills training and confidence-building workshops.

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<sup>69</sup> H. Pillay, K. Kelly and M. Tones (2008), 'Exploring work and development options to reduce early labour force exit of mature aged Australians'. *International Journal of Training Research*, 6:2, pp. 20-39

# 4 Modes of Learning

Several routes to learning are available for older workers. However, some may be more effective than others in incentivising uptake. Programmes may have a certain brand image, be marketed toward certain age groups, or may adhere to rigid timetables where part-time, flexible or distant learning is not feasible. Furthermore, different modes of learning are often attached to alternative funding mechanisms, which also play a part in the likelihood that older workers will engage in training.

How the 50+ age group prefers to learn – with regards to the environment, level of contact and perceived career relevance – is therefore of prime importance. This section utilises witness evidence in presenting ways older workers prefer to learn, how different groups of older workers (e.g. unemployed vs. employed) can access training, and how each mode’s funding aspect can attract older learners.

## 4.1. Workplace learning

Apprenticeships and on-the-job training enable people to immediately apply the skills they learn and are either part of or attached to a job. Research suggests both these factors are important motivators for adult learners, since they value the real-life application of their skills and are more likely to undertake training if they see it as a vehicle for career progression. As others have also pointed out, government-backed apprenticeships can be an important vehicle for employers in addressing skills gaps and shortages, as well as a staff retention strategy.<sup>70</sup>

While just over 21.1% of adult learners were between 45-59 and 8% over 60 in 2011/2012, these age groups only accounted, respectively, for 12% and 0.6% of apprenticeship starts in 2012/2013.<sup>71</sup> Between 2015/2016, over-50s made up just 6.5% of funded apprentices.<sup>72</sup> One suggestion put to the Commission was that the apprenticeship ‘brand’ was associated with younger learners and as such, appeared less appealing to over-50s. Nevertheless, the literature shows case studies in which apprenticeships clearly improve the career prospects of older workers, particularly those who have been unemployed for long periods of time.<sup>73</sup>

<sup>70</sup> A. Fuller, P. Leonard, L. Unwin and G. Davey (2015), ‘Does apprenticeship work for adults?’, *The Nuffield Foundation*, p. 55 and p. 78.

<sup>71</sup> Department for Work and Pensions (2014) ‘Fuller Working Lives – A Framework for Action’, p. 19.

<sup>72</sup> Office for National Statistics (2016), ‘Further education and skills: statistical first release June 2016’, p.33. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/556015/SFR\\_commentary\\_June\\_2016\\_final\\_JuneOfqual\\_update.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/556015/SFR_commentary_June_2016_final_JuneOfqual_update.pdf) [accessed 27.02.17]

<sup>73</sup> See, for example, the case study of *Centrica* in A. Maitland (2010) ‘Working Better: the over 50s, the new work generation’, Manchester: Equality and Human Rights Commission, p. 14-16

## All Age Demographic Summary of Apprenticeship Participation (2015/16) Learner Volumes

Funded Apprentices					
Apprenticeship type	Intermediate Level Apprenticeship	Advanced Level Apprenticeship	Higher Apprenticeship	Total Apprenticeships	%
Total Learners	513,600	368,600	43,800	899,400	100.0%

Age	Intermediate Level Apprenticeship	Advanced Level Apprenticeship	Higher Apprenticeship	Total Apprenticeships	%
Under 19	140,100	67,800	2,400	202,000	22.5%
19-24	164,700	144,900	11,000	308,700	34.3%
25-49	174,600	135,900	25,400	330,200	36.7%
50+	34,200	19,900	5,100	58,600	6.5%

**Source:** Statistics: further education and skills, Department for Education and Skills Academy, 13 January 2014 - 26 January 2017.

**“From the older workers’ perspective... they quite often want a different form of learning when they get a bit older: they’re not so much looking for a full-time course leading to a formal qualification.”**

- Christopher Brooks, Age UK, September 2016

In rethinking the content and delivery of courses, we suggest that greater weight be given to the preferred learning style of older workers. For example, the Commission heard that older workers perform well in so-called ‘adult learning modes’, where they are able to apply lessons immediately to real situations, and where they engage in bitesize or modular learning. This suggests apprenticeships, NVQs, on-the-job training and online learning (where courses are typically divided into modules) would be particularly well suited to older workers.

However, the Commission also heard that one problem with modular learning relates to funding, where students can only obtain funding for completing a whole qualification. This may act as a deterrent for older workers who have an interest in particular (especially short-term) modules but do not want to undertake a full-time, year-long qualification.

**“One of the problems with bite-sized learning like the NVQ is that you can only get funding for the complete qualification, so that was a deterrent for people who wanted to do particular modules.”**

- Baroness Susan Garden, September 2016

## 4.2. Distance and part-time learning

Distance or part-time learning can have the necessary flexibility that an older worker might need. For disabled older workers or those who suffer from health and/or mobility issues, a mode of learning that can be completed in their spare time and at home can be hugely beneficial. Additionally, there is a greater chance that these courses will be delivered in a modular, bite-sized format. Some degrees are also offered in this format, most notably by the Open University.

Where there is an older than average workforce, such as in rural areas like the Scottish Highlands and Islands, flexible learning methods will become even more important.<sup>74</sup> Methods which combine e-learning, video-conferencing, e-mail and other distance contact with tutors are becoming both increasingly popular and necessary to attract older learners. As an added benefit, these modes of learning mean older workers can often maintain employment while studying in their spare time.

## 4.3. Informal learning

While formal qualifications can be a useful tool to show updated qualifications and demonstrate upskilling, other types of learning can be equally as important. Other than learning valuable work-related skills that may help getting a job, there is also an intrinsic value in learning for its own sake. Indeed, being with people of similar interests helps strengthen community bonds, boosts confidence and promotes individual well-being. The Commission also heard evidence from the International Longevity Centre, which cited studies suggesting occupation and job satisfaction are interlinked with length of service and individual well-being.

Informal learning opportunities will be most readily available to people already in a job, although there have been examples of unemployed people undertaking informal training outside of traditional employment. Sector-based work academies (SBWAs), which were designed to support unemployed claimants of Jobseeker's Allowance, Universal Credit or Employment and Support Allowance, are such an example. In SBWAs, unemployed claimants gain pre-employment training (up to 30 hours per week), work experience in their chosen sector, and are guaranteed an interview at the end of it. This can be an extremely useful way for unemployed people to gain the relevant skills and experience to work in a specific sector, as well as allowing employers to fill existing vacancies more easily. As such, they have a particular significance for people who have been made redundant from declining industries.

While they clearly have a financial benefit – with the net benefit to the Exchequer thought to be around £100 per participant<sup>75</sup> – the efficacy of SBWAs specifically for older workers is unclear. Although we know that the 50+ age group make up 11% of participants in sector-based work academies,<sup>76</sup> further analysis is needed to find out how effective they are for this

<sup>74</sup> G. Ford (2005) 'Am I Still Needed? Guidance and Learning for Older Adults', *Centre for Guidance Studies*

<sup>75</sup> Department for Work and Pensions (2016), 'Sector-based work academies: A quantitative impact assessment', p.43. Research Report No. 918, available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508175/rr918-sector-based-work-academies.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508175/rr918-sector-based-work-academies.pdf) [accessed 02.11.16]

<sup>76</sup> Department for Work and Pensions (2016), 'Youth Offer Statistics', p. 4. Available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/550389/youth-offer-statistics-to-may-2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/550389/youth-offer-statistics-to-may-2016.pdf) [accessed 02.11.16]



age group. For example, one study cites SBWAs as being most effective for 22-24 year olds,<sup>77</sup> but it does not include the 50+ age group in its analysis.

Another way for older people to pursue informal learning opportunities comes from interest groups, charitable organisations, and specialist institutes. For example, the RSPB, the Women's Institute, the National Trust and the University of the Third Age (U3A) have historically all offered some form of informal learning. These examples demonstrate how organisations can flourish without direct government support. Additionally, due to the self-organising nature of these groups, they may be even better aligned with the interests of older workers since their members often set the agenda.

However, in the case of U3A, classes are almost exclusively designed with retired and semi-retired individuals in mind, resulting in limited impact for older people looking to return to work. As an alternative, TUC's 'unionlearn' scheme offers training for union members, agency/contract workers, full and part-time employees, retired individuals and – in some learning centres – the wider community too. Unlike courses at the University of the Third Age, some TUC training can be accredited by way of a certificate or diploma.

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<sup>77</sup> R. Ward, J. Woods and R. Haigh (2016), 'Sector-based work academies: A quantitative impact assessment' research summary, p.3, *Department for Work and Pensions*. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508177/rr918-sector-based-work-academies-summary.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508177/rr918-sector-based-work-academies-summary.pdf)

# 5 Funding Incentives

While it is important to tackle the barriers older workers face in accessing training opportunities, they must also be incentivised. This report has already recommended that learning providers rethink the delivery and marketing of courses and that government pilots new funding models. However, there are other suggestions which go further, particularly to address the impact of caring responsibilities on older workers' educational opportunities.

## 5.1. Incentivising older workers

One suggestion to incentivise older workers, designed to overcome the psychological barriers to saving, is to create a lottery attached to savings products.<sup>78</sup> Another from Baroness Altmann recommends allowing pension funds to be withdrawn tax free if used for care.<sup>79</sup>

According to a YouGov survey, 68% of those in their 50s and 34% of those in their 60s did not know they were exempt from National Insurance (N.I) contributions.<sup>80</sup> If it was better publicised, this could be a significant incentive for older people to remain in work. Echoing a recommendation of Baroness Altmann, we recommend:

### Recommendation 7

Publicise the National Insurance exemption for workers after State Pension Age.

Evidence given to the Commission and found in research suggests older people are also more debt-averse,<sup>81</sup> which has an impact on the uptake of learning loans. In order to tackle the under-representation of older workers in formal training schemes, this report suggests piloting alternative funding options and new ways of signposting government-supported programmes:

### Recommendation 8

When piloting new funding streams, such as the new part-time maintenance loans announced in the Spring Budget, government should investigate innovative methods of signposting funding to assess the impact on loan uptake amongst over-50s.

This report suggests a more tailored funding scheme may be more successful than a blanket approach as is currently used. For example, Advanced Learning Loans are for any adult aged over 24, yet individuals over 50 are significantly under-represented. For the 2015/2016 academic year, the 50+ age group made up less than 7% of all Advanced Learning Loans applications received.<sup>82</sup> We suggest this is because provision and guidance on Advanced

<sup>78</sup> Department for Business, Innovation and Skills (2010), 'Is business ready for an ageing nation?', p. 29.

<sup>79</sup> R. Altmann (2015), 'A New Vision for Older Workers: Retain, Retrain, Recruit', p. 29, Department for Work and Pensions

<sup>80</sup> *Ibid.* p. 42

<sup>81</sup> Age UK (2016) Policy Position Paper: Learning and Skills. Available at: [http://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Policy/work-and-learning/ppp\\_learning\\_and\\_skills\\_en.pdf?dtrk=true](http://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Policy/work-and-learning/ppp_learning_and_skills_en.pdf?dtrk=true)

<sup>82</sup> Department for Education (2016) '24+ advanced learning loans applications: 2015 to 2016 (final)', p. 9, available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/562927/24-plus\\_advanced\\_learning\\_loans\\_application\\_info\\_2015-2016\\_final\\_report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/562927/24-plus_advanced_learning_loans_application_info_2015-2016_final_report.pdf) [accessed 01.03.17]

Learning Loans does not address the needs and concerns of older workers, focusing disproportionately on the financial costs as opposed to the opportunity costs and benefits.

<b>24+ Advanced learning loans applications, received by age, academic year 2015-16</b>		
<b>Figures</b>	<b>Applications Received</b>	<b>Average loan amount (£)</b>
<b>24-30</b>	31,060	2,890
<b>31-40</b>	28,470	2,710
<b>41-50</b>	15,650	2,580
<b>50+</b>	5,450	2,560
<b>Unknown</b>	20	-
<b>Total male</b>	23,810	3,000
<b>Total female</b>	56,840	2,640
<b>Grand total</b>	80,650	2,740

**Source:** 24+ Advanced Learning Loans Application Information 2015 to 2016 Academic Year Final Report, Department for Education.

## 5.2. Incentivising employers

One recurrent theme within the literature is the lack of incentives for employers to retrain older employees or take on older apprentices. Currently, Government funds apprenticeship frameworks at different rates depending on the age of the learner. With the Apprenticeship Levy, each individual framework pathway will be allocated to a single funding band, regardless of the age of the learner.<sup>83</sup>

However, inequalities between younger and older apprentices still persist. Employers who do not pay the levy (i.e. those who have a wage bill of less than £3m per year) are required to 'co-invest' in training costs for an apprenticeship, which entails paying 10% with the government paying the remaining 90%. This applies to all employers with over 50 employees. Both small and large employers also receive a payment of £1,000 if training an apprentice aged 16-18, or an apprentice aged 19-24 who are care leavers or who have a Local Authority Education, Health and Care plan. This payment does not apply for employers taking on an older apprentice.

<sup>83</sup> Department for Education (2016), 'Apprenticeship Funding', p. 5, available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/545509/Apprenticeship\\_Funding\\_Proposals\\_from\\_May\\_2017.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/545509/Apprenticeship_Funding_Proposals_from_May_2017.pdf)

There is also some financial support for small employers (with less than 50 employees) taking on young apprentices. For apprentices aged 16-18, or an apprentice aged 19-24 who is a care leaver or has a Local Authority Education, Health and Care plan, government waives the co-investment requirement. This means small employers do not have to contribute toward training costs. No such financial support or incentives exist for employers – of any size - looking to take on older workers.

#### Recommendation 9

The Institute for Apprenticeships – in collaboration with the Department for Work and Pensions – should consider areas and demographics where additional support to employers would encourage them to hire older apprentices.

### 5.3. Incentivising learning providers

This report recognises that in order to incentivise learning providers, they themselves must be subject to an attractive funding system. However, it has been shown that funding models have so far been designed so that there is a greater incentive to enrol 16-18 year olds onto training courses.

In particular, we propose that the Apprenticeship Levy make allowances for providers who enrol over-50s onto their courses. Currently, learning providers receive a payment of £1,000 for apprentices aged 16-18 or an apprentice aged 19-24 who is a care leaver or has a Local Authority Education, Health and Care plan. Yet, there are also costs associated with training older workers, particularly if learners' mobility is poor and adjustments need to be made. As with our recommendation to incentivise employers through the levy, we suggest:

#### Recommendation 10

The Skills Funding Agency should review the costs to learning providers of supporting older workers to retrain and stay in employment. Additional support should be given where appropriate.

The Commission – itself comprised of numerous FE College principals – made observations and raised concerns regarding the declining number of adult learners in their classrooms. Unless mechanisms are put in place, there will likely be a continued trend of falling participation rates. However, the Apprenticeship Levy – due to come into operation in April 2017 – is one such mechanism and, while its impact on older workers is yet to be seen, we recognise it may well drive rates up.

### 5.4. Incentivising saving

Furthermore, there is a need to incentivise both individuals and the government to co-invest in learning, and make access to funds more straightforward.

We have seen how funding for and access to learning is a source of inequality among different social strata, age groups and professions. Throughout the inquiry, members of the Commission emphasised the need for a mechanism with which individuals could save for learning and training opportunities. While we warn against creating an additional ISA, a

financial services product that merges existing saving models and which requires government to co-invest could encourage older workers to consider investing in lifelong learning.

One approach put forward by the Learning and Work Institute recommends “Personal Learning Accounts”, a revamped but distinct version of Individual Learning Accounts.

Personal Learning Accounts would include: a skills passport, setting out skills and qualifications learned to date; information on the local labour market and performance of learning providers, including students’ employment and earnings; entitlements to public funding and loan support; and a “help to learn bonus”, whereby the government tops up money saved by individuals toward learning.<sup>84</sup> The report goes on to claim the digital approach to Personal Learning Accounts would help counter fraud (that seemed to plague Individual Learning Accounts), provide accessible information on jobs, careers and earnings, and could simultaneously provide incentives to invest while ensuring “proper use of public funds”.<sup>85</sup> Of these benefits, we feel the most pertinent to this report is aligning skills provision to local labour market demands. For this reason, we recommend:

### Recommendation 11

As part of the Government’s recent budget announcement of £40 million for ‘lifelong learning pilots’, we call for greater collaboration between the Department for Education and the Department for Work and Pensions. They should work together to oversee pilots by Jobcentre Plus, the National Citizen’s Service and others to look into the feasibility of learning accounts and their effectiveness in directing workers towards in-demand roles.

<sup>84</sup> Learning and Work Institute (2016), ‘Power to the People: The case for Personal Learning Accounts’, p. 19. Available at: [http://www.learningandwork.org.uk/sites/niace\\_en/files/files/Lifetime%20learning%20policy%20solution%20FINAL.pdf](http://www.learningandwork.org.uk/sites/niace_en/files/files/Lifetime%20learning%20policy%20solution%20FINAL.pdf) [accessed 09.02.17]

<sup>85</sup> Learning and Work Institute (2016), ‘Power to the People: The case for Personal Learning Accounts’, p. 19. Available at: [http://www.learningandwork.org.uk/sites/niace\\_en/files/files/Lifetime%20learning%20policy%20solution%20FINAL.pdf](http://www.learningandwork.org.uk/sites/niace_en/files/files/Lifetime%20learning%20policy%20solution%20FINAL.pdf) [accessed 09.02.17]

# 6 Leading Change

Over the next few decades, changes in the nature of work and the labour market itself will fundamentally question our current model of education and training. A child born today is far more likely to work for 50 years and have multiple career pathways, compared to today's over-50s who could expect to work for 40 years in just one or two career routes.

Although it has been the norm to 'front-load' and invest heavily in education at the beginning of one's life, the trend of having multiple careers necessitates change. It is evident that aside from older workers themselves, governments, employment services, learning providers and businesses will have a role to play in facilitating change.

## 6.1. Ensuring and measuring progress

Measuring the impact of policies designed to extend working lives and encourage lifelong learning can be difficult. Not only are there few tools to evaluate the uptake of informal classes and self-funded training, but some surveys may skew unemployment statistics. For example, in self-reported surveys, people are more likely to classify themselves as 'retired' or economically inactive when in fact they are unemployed and seeking a job, but have largely given up in their search. For this reason we warn against relying on self-reported surveys, and argue it is perhaps best to measure progress through Jobcentre Plus, the Department for Work and Pensions, and Department for Education statistics.

Additionally, older workers are affected by barriers and issues that cut across multiple government departments. If government is to encourage apprenticeships and training schemes for unemployed people who would benefit from them, departments must be more collaborative and integrative. Employment, health and education are inextricably linked, so an approach at combatting early fall out from the labour market must tackle contributing factors in their entirety.

Facilitating a more 'joined-up' service would allow for a deeper understanding of the causes of early exit, and a more nuanced approach to overcoming the obstacles to longer working lives. In order to properly assess the impact of retraining or upskilling on the duration of a working life, we call for the creation of a joint minister situated between the Department for Work and Pensions and the Department for Education.

### Recommendation 12

Create a joint minister for lifelong learning between the Department for Work and Pensions and the Department for Education.

This would encourage government departments to centrally track the success of certain programmes, such as Mid-Life Career Reviews and Sector-Based Work Academies, in helping older workers re-enter or remain in employment – particularly after redundancy.

Devolution deals offer greater alignment between skills and employment policy. Following these changes, the shared responsibility between learning providers, businesses, Local Enterprise Partnerships, employability services and the government will be even more important. We therefore make a number of recommendations to ensure accountability at each level:

### Recommendation 13

Local Enterprise Partnerships should set up working groups to devise strategies on supporting employers with the realities of an ageing workforce, while also being involved in the analysis of labour market opportunities.

Good practice already exists among many Local Enterprise Partnerships (LEPs), and the Department for Work and Pensions appears to be building relationships with LEPs in order to highlight the impact of an ageing demographic on productivity. Once in post, Mayors should endeavour where possible to work with LEPs in promoting an age-diverse workforce within businesses.

For example, Enterprise M3 and Coast to Capital LEPs have launched an apprenticeship scheme for older apprentices in Surrey which aims to help older claimants into work. LEPs have also been running conferences, setting up skills pledges for local employers, and the London LEP is commissioning initiatives to provide bespoke support for unemployed or inactive over-50s. Whereas only a minority of LEPs had identified older workers as an important group within the workforce during 2014-2015, now almost all LEPs recognise that older workers are crucial to filling skills gaps.<sup>86</sup>

As well as re-thinking how to market programmes toward older workers, educational institutions should appoint a member of staff responsible for overseeing the effectiveness of these efforts. Such roles have been created with success in certain institutions, with the Highlands College and Barnet and Southgate College having appointed a Vice-Principal and Deputy Director respectively for Lifelong Learning.

### Recommendation 14

Further Education colleges should consider appointing a Vice-Principal for lifelong learning, responsible for promoting the uptake of courses among older workers.

<sup>86</sup> Department for Work and Pensions (2017), 'Fuller Working Lives: A Partnership Approach', p. 21

In order to encourage older workers to upskill and take up technical and professional training, their hard work must be recognised within businesses and at a national level. We therefore call upon industry leaders, big businesses and sector bodies – such as the National Apprenticeship Service and the Learning and Work Institute – by making the following recommendations:

#### **Recommendation 15**

Big businesses should aim to appoint a business champion in their organisation to encourage best practice in their sector. Ultimately, the aim would be to have a business champion representing each industry.

#### **Recommendation 16**

The National Apprenticeship Awards and the Festival of Learning Awards should consider implementing an upskilling category for older workers who have retrained and excelled in their new vocations.



# SKILLS COMMISSION

The Skills Commission is an independent body made up of leaders from the education sector, the business community and major political parties. It is co-chaired by Labour MP Barry Sheerman, and Professor Dame Ruth Silver, President of the Further Education Trust for Leadership (FETL) and former Principal of Lewisham College. Supported by a secretariat at Policy Connect, the Commission examines skills and employment policy, holds evidence-based inquiries, and produces written reports with recommendations for policymakers.

Alongside the previous *Spotlight* inquiry into young people with below average academic attainment, past inquiries have included:

- *Going Places: Innovation in Further Education and Skills*
- *Guide to the Skills System*
- *Still in tune? The skills system and the changing structures of work*
- *Technicians and Progression*

Our reports have been debated in Parliament, and recommendations have been taken up by all major parties in pre-election manifestos.

# METHODOLOGY AND STEERING GROUP

## Methodology

The findings and policy recommendations within this report are based on impartial research, evidence given to the Commission by expert witnesses, and in-depth discussions between the author and key sector figures including Baroness Altmann and civil servants within the Department for Work and Pensions.

Two steering group evidence sessions were held between June 2016 and September 2016. These acted to explore and scrutinise key issues, inform and guide desk-based research, and allow the Commission to consider recommendations. The evidence sessions were led by the inquiry Chair Peter Mayhew-Smith and Commissioner Baroness Sue Garden.

## Steering Group

### Inquiry Chair:

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Peter Mayhew-Smith	Principal of Kingston College and Carshalton College
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### Steering Group:

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Heidi Allen MP	Conservative Member of Parliament for South Cambridgeshire
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Catherine Bush	Head of Policy, City & Guilds
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Shane Chowen	Head of Policy & Public Affairs, Learning and Work Institute
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Helen Davies	Head of Public Affairs (Skills & Employment), OCR
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Ian Ferguson CBE	Founder & Chairman of Trustees, Metaswitch Networks
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Scott Forbes	Head of Policy & Communications at emfec, part of the Skills and Education Group
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Professor Alison Fuller	Pro-Director for Research and Development, Institute of Education, UCL
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Baroness Susan Garden	Liberal Democrat member of the House of Lords
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Gemma Gathercole	Head of Policy (Funding & Further Education), OCR
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Phil Hall	Head of Public Affairs & Public Policy, AAT
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Lord Lucas	Conservative Member of the House of Lords
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Christianne C. de Moncayo	Chief Executive, LCBT
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Barry Sheerman MP	Labour Member of Parliament for Huddersfield
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Dame Ruth Silver	Founding President of the Further Education Trust for Leadership (FETL), Co-Chair, Skills Commission
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Catherine West MP	Labour Member of Parliament for Hornsey and Wood Green
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The Skills Commission is part of Policy Connect. Policy Connect is a leading network of Parliamentary groups, research commissions, forums and campaigns working to inform and improve UK public policy.

Working across a wide range of policy areas, covering mainstream and niche issues, the Policy Connect network of groups is recognised for providing the highest quality in impartial, policy-led research, events and campaigning.

Each group is led by parliamentarians and senior figures from across its policy field and is staffed by a team of full-time, dedicated policy experts. Every group within the network is unique, operating independently, with its own programme of events, research and campaigning activity. However, all groups share the same fundamental principles that comprise the Policy Connect approach: non-profit, cross-party, fully transparent, providing policy expertise in a highly organised and professional manner.

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## DEDICATION

**The *Spotlight* series is dedicated to the memory of Eileen Cavalier OBE (1945-2016), founder of LCBT and member of the Skills Commission, in thanks for the thousands of opportunities she created and the support she gave the sector.**



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