Ageing Workforce Policy Briefing Note

Introduction
The UK’s population is ageing, people are living longer and our concept of retirement is changing. Many people aged 55 and above are already putting off retiring, and those entering the workforce today can expect to continue working well into later life. Government policy across a number of areas must respond to this trend.

A number of changes have already been made, including the removal of the default retirement age (DRA), the extension of the right to request flexible working and the introduction of unprecedented pension freedoms that allow people greater flexibility when accessing their savings.

However, more can and must be done to ensure that the impact of people continuing to work later in life is fully understood and the right support is available where and when it is needed. Those who wish to continue working need opportunities to be available to them, while those who feel unable to continue in full time employment need support as they retire.

Current policy is failing to adequately address some of the biggest challenges facing older workers (i.e. those aged 55 and above). There are four key areas that need further consideration as a matter of urgency:

1. The complex relationship between employment, finances, health and care
2. Regional inequalities in health and employment opportunities
3. A labour market that isn’t working for older workers
4. A business environment that doesn’t support older workers

Key challenges

The complex relationship between employment, finance, health and care

- While many people want to remain in work for longer and are physically and mentally healthy enough to do so, increases in life expectancy have not been matched by increases in health as we age and so others feel forced to carry on working despite declining health, often because of their financial circumstances.
- Conversely, some older people may want to return to the workplace but feel unable to do so because voluntary sector organisations rely on their contribution or because they are needed to look after elderly relatives and/or grandchildren.
- Government must acknowledge the interconnectedness of employment, finance, health and care, both for individuals themselves and for their families and local communities.
- It must ensure that policy is better integrated so that older workers’ financial and health needs are considered alongside their employment needs, and that adequate care services are available to support those currently being looked after by older people who may return to the workforce.

Regional inequalities in health and employment opportunities

- While longevity is increasing in the UK, these increases are not consistent across the different regions of the country. Life expectancy varies across the country, as does disability-free life expectancy (DFLE).
- DFLE is significantly lower in areas such as Sheffield (where DLFE for males at birth is just 61.0 years) or Cornwall (where it is 63.0 years) than areas such as Surrey (where it is 69.9 years) or Herefordshire (where it is 68.8 years).
• At the same time, while the UK’s economy is growing and unemployment is falling, this is not balanced across the whole of the country. Unemployment is just 4.1% in the South East, but 7.4% in the North East. Older people living in areas with low job creation may want to remain in or return to the workforce but be unable to do so because there are not enough jobs available.
• This means the Government needs to use a targeted approach to its ageing workforce policy, recognising the significant regional differences and considering different interventions to address the specific challenges each area is facing.

A labour market that isn’t working for older workers
• Although businesses are starting to recognise the commercial benefits of older workers, this tends to focus only on those remaining in a current role, not those seeking career changes or re-entering the workplace in later life.
• Government needs to facilitate a more effective labour market for older workers, and work with business groups to challenge the prejudices that cause employers to be sceptical of older people seeking a new job.
• Current apprenticeship and training policy, and funding, is strongly focused on under-25s, meaning that older workers looking to train in new areas, improve their skills and increase their employability are struggling. It is important that career-change apprenticeships are promoted alongside career-start apprenticeships.
• In addition, the approach to career guidance is still focused on young people and based on the expectation that individuals will have just one career throughout their life. Guidance is focused on students at school or university rather than continuing throughout a person’s life, and tends to encourage people to develop specialist skills relevant to their chosen sector, which limits the options available to them when looking for new employment opportunities later in life.

A business environment that doesn’t support older workers
• While in theory all employees have the same right to request flexible working, in reality older workers who are caring for elderly relatives or looking after grandchildren are often overlooked as businesses focus on parents, and particularly mothers, with traditional childcare responsibilities.
• In particular, employers often fail to realise that caring for elderly people is much less predictable than for young children. Our research has found that people aged over 85 have an average of four or five different health problems. Conditions such as dementia do not often follow predictable patterns and so planning time off work can be difficult for carers.
• In addition, there can be a failure among businesses to recognise the strengths of older workers, for instance their reliability and inter-personal and communications skills. There can be a perception that older workers are not ambitious, rather than seeing them as individuals with a range of motivations, many of whom may want the chance to explore new opportunities in later life.
• Unfortunately, while the removal of the DRA has had many positive consequences, it has also made many employers and employees nervous about having honest conversations about individuals’ hopes and plans for the future as they get older. This means businesses are unable to plan adequately and older workers feel unable to continue in employment in the way they would like to.

Recommendations

Integrate employment, pension, health and care policies

Given the complex nature of the relationship between work, finance and health, individuals’ decisions about whether and how long to stay in work are not simply a matter of employment policy, they are also influenced by health and financial circumstances as people age, as well as the caring responsibilities they have. Therefore:

• Government departments such as DWP and DH, in particular Public Health England, need to work together more closely and recognise the impact of each other’s policies on the others.
• The Government should set up a cross-departmental task force specifically focused on the issue of the ageing workforce.
• This should be chaired by a new Business Champion for Older Workers, who should be appointed as soon as possible now Baroness Altmann CBE has become Minister of State for Pensions.
• All draft legislation should be assessed to ensure that any potentially negative consequences for other areas of life can and will be mitigated against.
• In addition, health and care services must be available to look after elderly people who may previously have been cared for by those now remaining in or returning to the workforce.

Devolve power to regional authorities to provide appropriate interventions

While there is a clear need for a national strategy for policy related to older people’s employment, finances, health and care, it is vital that there is flexibility for that policy to be applied differently in different regions with interventions targeting the issues with which the local community is particularly struggling. Therefore the Government should:

• Continue its current programme of devolution, providing local authorities with the funding and power they need to make investment and policy decisions on employment and health and social care that are integrated and respond to local needs.
• Ensure departments and local authorities integrate DFLE metrics into their policy development processes and resource allocation formulae so that the health of older people is considered, rather than just life expectancy.

Create a more effective labour market for older workers

Government needs to do more to ensure that sufficient resources are available to older workers looking for new jobs or pursuing training opportunities. Therefore it should:

• Increase the availability and promotion of apprenticeships and training opportunities to older workers.
• Develop additional careers guidance services focused on older workers, promoting lifelong learning and providing advice and support on identifying transferable skills, applying for jobs and writing CVs, and provide a central information hub. This could complement the recently introduced pension guidance service, recognising that older people need a holistic approach to transition from work to full retirement.
• Focus on sectors that can particularly benefit from older workers’ expertise. This should include cyclical sectors such as finance, where previous experience can be a big advantage; industries such as construction, in which technologies and practices don’t change quickly over time; knowledge industries such as education, where declining physical health is less of a barrier to employment; and SMEs, which often suffer from significant skills shortages.

Improve enforcement of employment regulation

Government and business needs to work together to help build a business environment that is supportive of older workers. Therefore they should:

• Review the guidelines around requests for flexible working to help businesses understand how to promote it to older workers and consider requests from those with caring responsibilities for elderly relatives, and how to have open conversations about employees’ plans for the future.
• Robustly tackle age discrimination by businesses and recruitment agencies.
• Encourage businesses to consider how their workplace can help older workers maintain their health, for instance through ergonomic design.
• Create opportunities for businesses to seek and share best practice in their approach to older workers through their networks and supply chains.
• Assess how older people are depicted in adverts, posters, television programmes and other materials, working to ensure they are shown in a variety of scenarios both giving and receiving care as they continue to work in later life.
• Introduce a voluntary code of conduct for organisations to sign up to outlining their commitment to support older workers, and consider requiring firms bidding for Government contracts to demonstrate that they are meeting best practice criteria in their approach to older workers.
About the authors
- Professor Louise Robinson is Director of the Newcastle University Institute for Ageing and Professor of Primary Care and Ageing
- Dr Matt Flynn is Director of the Centre for Research into the Older Workforce
- Professor Carol Jagger is AXA Professor of Epidemiology of Ageing
- Dr Lynne Corner is Director of Engagement at the Faculty of Medical Sciences
- Dr Suzanne Moffatt is a Senior Lecturer at the Institute of Health & Society

About Newcastle University
Newcastle University is a modern civic university, committed to academic excellence. Its mission is to be a world-class research-intensive university, to deliver teaching and facilitate learning of the highest quality, and to play a leading role in the economic, social and cultural development of the North East of England. It is a member of the Russell Group.

Newcastle University and Ageing
Newcastle University’s particular strength is in understanding and preventing age-related conditions to enable people to stay healthier for longer. Through internationally renowned research and knowledge exchange, it contributes to the biological, medical and psychosocial understanding of healthy ageing from birth to old age. This means Newcastle’s work combines academic excellence with real world impact. The work is brought together under the remit of the Newcastle University Institute for Ageing (NUIA).

In December 2014, the Chancellor pledged £20m for the University to establish the National Centre for Ageing Science and Innovation (NASI). The Centre will lead the UK’s efforts to improve the health and well-being of older people by developing new technologies and services to support older people to continue to live in their own homes and remain socially active for as long as possible.

The following are examples of current research initiatives on ageing at Newcastle University:

Newcastle 85+ study
The Newcastle 85+ Study is the first stage of the biggest population-based longitudinal study of health and ageing in the over-85s anywhere in the world and aims to provide new insights into health factors as the population becomes older. It is a flagship programme for Newcastle University and the most developed study of its kind in the world. The study, which began in 2006, is led by Professor Tom Kirkwood and includes a multidisciplinary research team from NUIA and a participant cohort of more than a thousand 85 year olds from Newcastle and North Tyneside. The study is publishing a growing stream of research findings, which is contributing a much better informed picture of the health and challenges faced by today’s oldest older people.

Livewell
The Livewell Programme is a multi-disciplinary collaboration based in Newcastle University and funded by the UK Research Councils and Health Departments through the Lifelong Health & Wellbeing (LLHW) initiative. The programme aims to develop and pilot an integrated suite of life-style based interventions to promote health and well-being in later life. There is very good evidence indicating that behavioural factors (smoking, diet, alcohol consumption, physical activity) and social conditions are strongly associated with health and wellbeing in later life. However, there is very little evidence of practical interventions that can promote improved health and wellbeing in later life. The Livewell Programme is designed to address this research gap by developing interventions that are expected to be feasible, effective, and cost effective, i.e. behavioural and social changes that can be incorporated into everyday life.

VOICENorth
Valuing our Intellectual Capital and Experience, or VOICENorth, was established by Newcastle University to include the public in ground-breaking research on ageing. With more than a thousand people involved to date, it is designed to solve the key issue of how best we make the most of our lengthening lives by improving health and wellbeing, and ensuring people of all ages can live their lives to their fullest potential. Members of VOICENorth are involved in a wide range of projects which interest them – from developing new engineering solutions and technologies, to health service design, projects on improving public transport and housing design, and museums and culture.