

**Manchester City Council
Report for Resolution**

Report to: Economy Scrutiny Committee – 1 February 2017

Subject: Position of older workers in Manchester

Report of: Strategic Director Adults' Social Care and Director of Public Health

Summary

The position of older workers has been traditionally overlooked by national policy-makers and commissioners. Older workers in Manchester experience high levels of ill-health have lower than average work skills and can often experience long-term exclusion from the labour market. This report describes the national, regional and local policy context and sets out an overview of existing services aimed at this age group

Recommendations

It is recommended that the Scrutiny committee:

- Notes the contents of this report.
 - Endorses the actions set out the section 7, 'Next steps'.
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Wards Affected: All.

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Background documents (available for public inspection):

DWP's Fuller Working Lives strategy 2014
GM Combined Authority/Centre for Ageing Memorandum of Agreement 2016

1.0 Introduction

- 1.1 The position of older workers, which is generally defined as people aged 50 and over (where possible, data for the 50-64 group has been included in this report) has been traditionally overlooked by national policy makers and commissioners. The abolition of default retirement age, along with changes to state pensions, ongoing labour market and economic pressures, combined with recent changes to the benefits system, have brought renewed focus to the topic. For post-industrial cities such as Manchester, the impact, of poor health, low skills and long-term exclusion from the labour market, has significant challenges for public services, neighbourhoods and families alike.
- 1.2 The city and city-region are responding with a range of initiatives, covering health, work and wellbeing, employer engagement, and targeted interventions, designed to create work, training and social opportunities. This report gives an overview of the relevant national, regional and local policies and interventions and sets out some key next steps.

2.0 Background: What we know about ageing and work

- 2.1 Nationally the number of people aged over 50 in employment is rising and now makes up over a third of the total workforce, nationally. However, currently around one in five men and one in four women in the UK still leave the labour market before state pension age. The 'Missing Million' report produced by Business in the Community shows that up to a million older workers have been forced out of work prematurely.
- 2.2 The principal factors that lead to older workers exiting the labour market involuntarily include: economic crises and high levels of unemployment; poor work environments; and poor health and low skills. In terms of skills, older workers in Manchester are far less likely to possess qualifications to level two, than their younger counterparts, and in particular are less likely to be as digitally literate. Research also confirms that older workers who are in work as less likely to access training than younger colleagues, whilst ageist stereotypes are still commonplace in recruitment and retention.
- 2.3 Caring responsibilities are another major factor that impact on working in later life, with many people leaving work to provide personal care to family members. At present one in five older workers gives up work to provide care for someone else.
- 2.4 We know that being in work for this age group is associated with better health and wellbeing and improved quality of life beyond state retirement age, although for some groups, leaving work is associated with improved quality-life and wellbeing. Research at Manchester University shows this is especially the case for those experiencing poor quality work environments, where extended working may be associated with high rates of depression and poor mental health generally.
- 2.5 In addition to health factors, having low levels of qualifications significantly reduces the likelihood of working. This is a particular problem because older

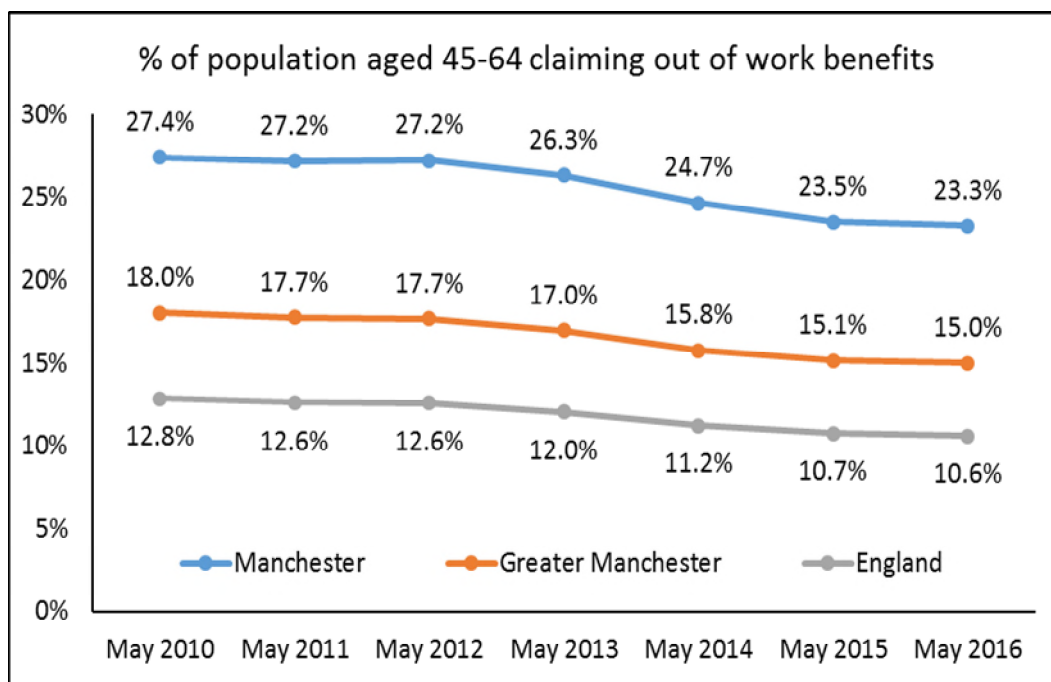
people are competing with younger people in the labour market with more qualifications

- 2.6 Nationally there is an increase in the number of older workers choosing to pursue self-employment (41% of all workers aged 65 plus), and some evidence that they tend to be more successful than their younger counterparts. However these 'silver entrepreneurs' as they are sometimes known do face significant challenges in establishing long-term business success and data suggests that incomes from self-employment tend to be low with high levels of insecurity for those entering self-employment for the first time. Part-time employment is also an important feature of work in later life: 28% of those aged 50-64 work part-time, rising to 66% for those aged 65+ (this compares with 22% of those aged 25-49).
- 2.7 When considering the opportunities for older worker employment it is important to make a distinction between recruitment on the one side and retention on the other. Nationally, there has been a substantial increase in people working past age 65 but this relates to people being *retained* in their jobs rather than *recruited* to new ones. Age discrimination legislation (ADL) is likely to be one of the factors influencing increased retention of older employees. However, whilst opportunities to remain in work have improved, there is considerable evidence for continued age discrimination in hiring practices. This is consistent with evidence from the United States, which suggests that ADL has more impact on employee retention than recruitment.
- 2.8. There is considerable evidence that older workers value opportunities to work flexibly towards the end of their working lives and the idea of gradual or phased retirement remains popular. However, apart from part-time work there is not much evidence of the availability of such flexibilities. Public policy has increasingly recognised that access to flexible work is not only an issue for parents of school age children but also for those who care for partners or older relatives. The right to request flexible working has been extended from parents to carers and from June 2014 to all employees with at least 26 weeks service. This measure is expected to have an impact on older workers and increase the scope for gradual retirement. We know that amongst the older workforce are highly skilled assets and we need to look at more flexible work and health practises to retain them. In Manchester this is particularly true of manufacturing and construction where we have high levels of skills shortage

3.0 Position of older workers in Manchester and unequal ageing

- 3.1 In Manchester, reflecting broader local social and economic patterns, the picture is somewhat different to the national profile. As table 1 illustrates whilst national rates of people aged between 45 and 64 who are on out-of-work benefits are of 10.6 per cent, Manchester's rate is over double at 23.3 per cent. Of these, 10,300 are aged between 55-64, with 900 claiming Job Seekers Allowance, 8,650, Employment Support Allowance/Incapacity Benefit and 760 on other benefits.

Table 1. Older workers on out-of-work benefits in Manchester, Greater Manchester and England: 2010-2016¹



3.2 The rates of those on out-of-work benefits are unevenly spread across the city. Appendix 1 shows the concentrations, or ‘hotspots’ in Greater Manchester of older workers on out-of-work benefits, with the highest Manchester rates being found in north and east Manchester and in areas of Wythenshawe.

There is also evidence that particular groups of BME older workers are more likely to be out-of-work. The overall trend shows that employment rates are lower for the broad ethnic minority groups than the White ethnic group, but unemployment is especially high for older people from the Pakistani/Bangladeshi ethnic groups (8 per cent of those 50 are unemployed plus as opposed to 3 per cent of the White majority).

3.3 Older women are now a major part of the UK workforce. Nationally, the largest increases in employment rates have been amongst women in their 50s and 60s: since the mid-1980s, the participation rate for women has grown from 17.7 (1985) to 40.7 per cent (2015); and for women aged 55-59 from 48.6 to 68.9 per cent. Further increases are inevitable given the harmonisation and increases in women and men’s state pension ages. Part-time employment predominates among women workers, notably in sectors such as Education, Health and Social Care, Wholesale/Retail, and Public Administration. Women are much more likely to provide care and to reduce the hours they work to accommodate caring responsibilities. They may also be ‘forced’ to retire

Out of work benefits: Job Seekers Allowance, Universal Credit not in employment, Employment Support Allowance / Incapacity Benefit, Lone Parent Income Support, Others on income related benefits. Source: DWP via Nomis and StatXplore

arising from the need to provide support for relatives or a partner. Developing strategies to improve work-life balance will be crucial to help retain and raise the quality of life of older women workers.

4.0 National and regional policy

4.1 Although policies and commissioning relevant to older workers are increasingly the responsibility of GM agencies under devolved powers, there is a range of key national initiatives that set out key data, policy insights and national investments. These include

- DWP's Fuller Working Lives strategy 2014 – this strategy is due to be updated in 2017.
- A new national Carers strategy is due out this year (consultation being reviewed currently) and has relevant to working carers in this age group.
- There is a new Older Worker Business Champion, the CEO of Aviva-UK,
- The latest annual report, Baby Boomers: Fit ForThe Future, by England's Chief Medical Officer, Professor Dame Sally Davies.
- The government's 'Improving Lives: The Work and Disability Green Paper' is in open consultation, focusing on how to narrow the gap in employment rates for people with disabilities and long-term health conditions, and bring employment and health systems together.
- The Cridland Review of State Pension age will report in spring 2017. This report is significant as to what will happen after 2026 in terms of future changes to the State Pension age.

4.2 At a Greater Manchester level the key policy developments are represented in the GM Population Health Plan, which includes proposals to improve health-related employment support for people on out-of-work benefits and for those in work. GM's 2016-19 Work and Skills plan sets out a strategy for improving the commissioning and delivery of employment and skills services, drawing on existing and emerging policy levers, and utilising opportunities from health and social care devolution, for example, new care roles could provide employment for over 50s who have experience and responsibilities for caring.

4.3 The GM Ageing Hub was set up by GMCA in March 2016 to bring together the region's research communities, with policy makers and practitioners to establish GM as an international leader in ageing, alongside a commitment to become the UK's first age-friendly city-region. In addition the Hub has made increasing the numbers of older workers in employment its third key priority. Working jointly with the national Centre for Ageing Better (CFAB) the Hub has commissioned the Centre for Local Economic Strategies (CLES) – in partnership with the Learning and Work Institute – to carry out research and co-design work to address worklessness and job insecurity amongst people aged 50 and over in Greater Manchester. Alongside this priority the Hub's work programme includes developing a city-region platform for innovation in goods, services and knowledge in response to rising numbers of older consumers, known as the 'grey pound' and which is estimated to be worth £320billion per year to the UK economy - up by £100billion in nine years to 2014. Spending on food and non-alcoholic drinks rose at 5.1% a year from

2003 to 2012, whilst the over 50s account for 76% of the nation's financial wealth.

5 Manchester overview

5.1 At a Manchester level older workers are able to access a mixture of nationally, regionally and locally commissioned services. These include:

5.2 Mainstream Jobcentre Plus services, such as the Work Programme

- The Work Programme, a two year programme delivered by commissioned partners to support a wide range of benefit claimants, whilst Work Choice for clients with more substantial barriers to work arising from disabilities or long term health conditions. This scheme close for referrals in March 2017.
- The Help to Work offer is for those who have completed the Work Programme but not been able to find employment, providing intensive and personalised support through their Jobcentre Work Coach.
- Sector Based Work Academies, designed to support claimants who are close to the labour market but who need sector specific insight and training to find work in a sector with vacancies.
- The New Enterprise Allowance which supports unemployed people who want to start their own business.
- In addition to nationally commissioned provision, DWP District Offices can use their Flexible Support Fund to commission other local provision as needed.
- The Skills for Employment programme, a GM programme commissioned, aimed at out of work resident, which provides clients with a learning mentor; access to tailored skills, training and qualifications; and work placements.

5.3 GM Working Well

The Working Well pilot programme has so far worked with over 4,000 Greater Manchester residents on Employment and Support Allowance (ESA) since early 2014 to help overcome their barriers to work. Under the Greater Manchester Devolution Deal, the Working Well pilot is set to expand from 5,000 ESA claimants to include another 15,000 people who are on out-of-work benefits or in low-paid work. The expansion is due to start in early March 2016 and will run until March 2020. The data for the WW Pilot shows that 37% of current clients are 50+ but only 14% of job outcomes so far are within this age group. The figures for the WW Expansion are 34% and 19% respectively. Feedback from local providers identified barriers to work for older clients on the WW Pilot as:

- The amount of time spent out of work – this was considered to be the biggest barrier.
- Preconceived notions of employers' attitude towards older employees
- Low confidence with modern technology/perceived stigma to re-training.
- Mental health issues, including, bereavement and relationship breakdown.
- Being better off not being in work particularly if they are on the higher rate PIP/Over 50s Housing allowance.

- Poor physical health – general aches and pains – not able to do manual work.
- Accrued debt.
- A resistance to younger keyworkers/preference to speak to older keyworkers.

5.4 Fit for Work, Healthy Manchester and Buzz

Manchester Fit for Work is for people who are in work and off sick, whilst Healthy Manchester is for those who are out of work who are high users of primary care. Following referrals from GPs or self-referral, patients get rapid access to integrated health and wellbeing, social and employment support, personalised to their circumstances.

Both these services and Buzz support people to remove barriers which can impact on their readiness and willingness to manage their health, e.g. debt and housing, whilst supporting them to develop self care strategies and move closer to work. Over the next three years these services will be integrated within core prevention offer within the Manchester Locality Plan

5.5 Local employment and skills provision

Over 30 Work Clubs and Learning Hubs across the city, are delivered by a range of partners including Registered Housing Providers and community groups. Manchester Adult Education Service and The Manchester College provision - including literacy and numeracy, IT skills, employability support, volunteer mentoring, and sector specific training. Lastly, the GM Skills for Employments programme commissioned for out of work residents - it provides clients with a learning mentor; access to tailored skills, training and qualifications; and work placements.

6 **Discussion**

- 6.1 National, regional and local evidence suggest that older workers face a combination of long-standing and more recent barriers to staying in work, and once out-of-work, finding their way back into employment. The overall rising numbers of older workers over the last two decades, combined with competing policy pressures, has resulted in little action being taken at national level to invest in targeted approaches or develop ongoing strategies for this age group.
- 6.2 For cities such as Manchester, which experiences high levels of ill-health and social exclusion amongst people in mid and later life, this gap in policy and investment means that overall national improvements are less well realised locally. Moreover, evidence from the English Longitudinal Study of Ageing (ELSA) by the University of Manchester suggests that the poorest 20 per cent of this age group is experiencing higher levels of ill-health – which is a primary cause of unemployment - than older cohorts at the same age, whilst inequalities in health between this poorest group and the remainder of the over-50s population has been growing since the mid-2000s.
- 6.3 This suggests that the ‘business as usual’ option could represent a significant risk to reducing demand on public services, but also acting as a brake on the

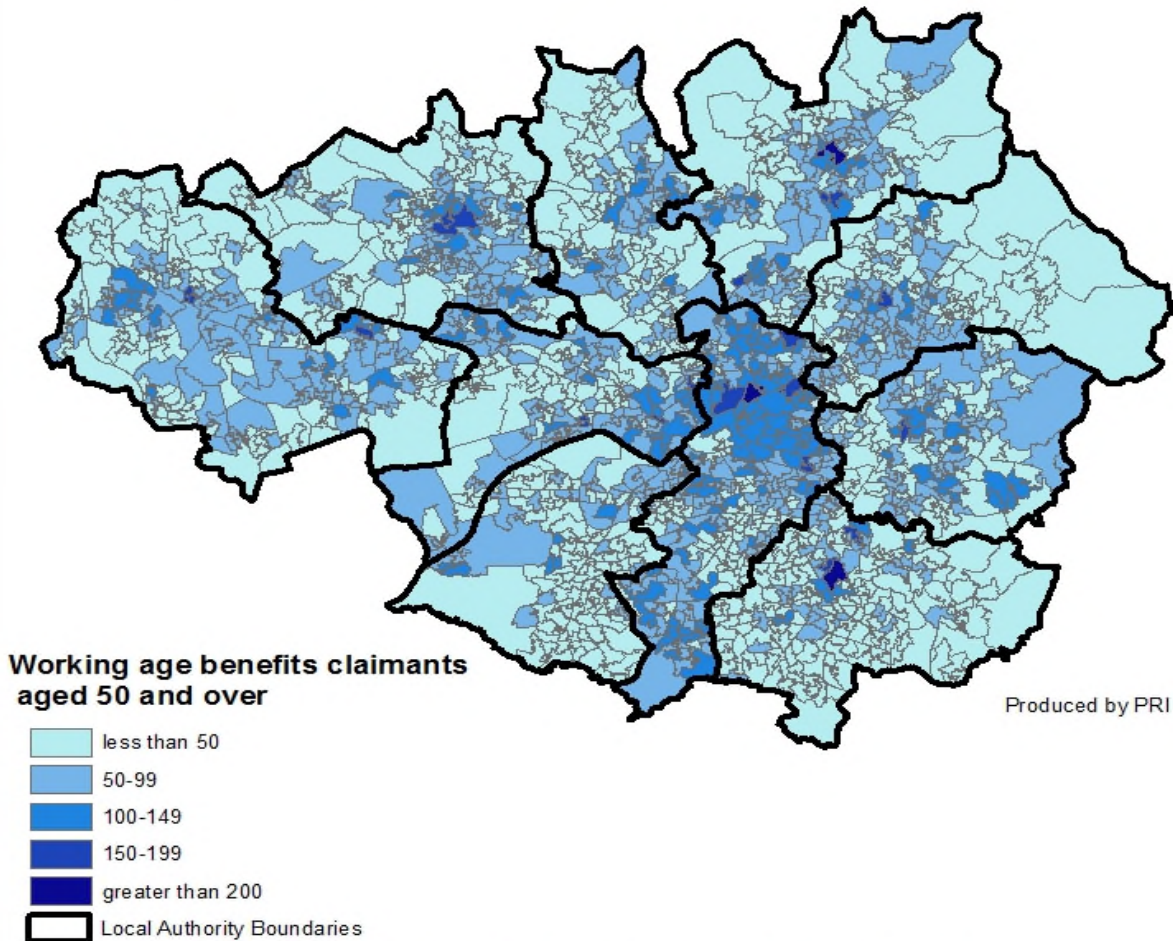
growth of the local economy, and having an ongoing impact on the wellbeing of families and neighbourhoods. A number of health and work policies and interventions, such as those described at a GM and Manchester level are in development, as are a range of other wellbeing and mental health services and the Age-friendly Manchester programme, which amongst other priorities, promotes opportunities for social participation in mid-life. There needs to be clearer recognition of the role that older people perform, beyond paid work, such as the contribution made to local communities; as consumers where the city aims to capture their spend at district and local centres.

7 Next steps

7.1 There are a number of areas for development that are essential building blocks for a coherent and effective strategy to improve the social and economic position of older workers in the city. These include:

- Further analysis is required concerning the reach and impact of existing Manchester services and programmes on older workers, creating an 'ageing lens' on current and proposed activities and policies. This can include an audit of current training and support opportunities for older workers.
- Further collaboration with GM programmes the Centre for Ageing Better and the Manchester Institute for Collaborative Research on Ageing at the University of Manchester, establishing evidence-based programmes and interventions.
- Enhanced working with local businesses and public sector agencies to secure support for positive policies regarding older workers.

Working age benefits claimants aged 50 and over by LSOA boundaries (2001 Census) May 2016



Includes out of work benefits claimants, plus benefits received for carers, disabled and bereaved