

**Manchester City Council  
Report for Information**

**Report to:** Economy Scrutiny Committee – 5 September 2018

**Subject:** Economic Impact of the City’s Age-friendly Manchester Strategy

**Report of:** Strategic Lead – Ageing

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**Summary**

The purpose of this report is provide the Committee with an update on the approaches and work being undertaken to address the priority area of employment in the over 50s. It considers the economic impact of older workers on the city and the challenges they face, within the context of the city’s ageing strategy *Manchester: A Great Place to Grow Older 2017-2021*.

**Recommendations**

To note and comment on the contents of this report.

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**Wards Affected:** All

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**Alignment to the Our Manchester Strategy Outcomes (if applicable)**

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	A key ambition of the city’s ageing strategy is to see an increase in the number of age-friendly employers and age-friendly employment practices. This in turn will improve greater retention rates and stability throughout a greater number Manchester’s employers
A highly skilled city: world class and home grown talent sustaining the city’s economic success	With a greater number of age-aware services and employers the strategy will support improved skills and employment support offered to Manchester’s over 50s, both in terms of in work progression and when returning to work
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	A major component of the Age Friendly Manchester (AFM) programme is a long term commitment to tackling ageism, promoting age equality and placing older people’s voices at the centre of its work.
A liveable and low carbon city: a destination of choice to live, visit, work	

A connected city: world class infrastructure and connectivity to drive growth	
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**Contact Officers:**

Name: Paul McGarry  
Position: Head, Greater Manchester Ageing Hub  
Telephone: 07976 572415  
E-mail: Paul.McGarry@greatermanchester-ca.gov.uk

Name: Angela Harrington  
Position: Head of Work & Skills  
Telephone: 0161 234 1501  
Email: a.harrington@manchester.gov.uk

**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Manchester: A Great Place to Grow Older 2017 - 2021  
The Golden Generation - Wellbeing and inequalities in later life

## 1.0 Introduction

- 1.1 This report considers the current position of older workers in the city, those between the age of 50 and 64 and the challenges they face. It sets out the importance of older workers to the Manchester and Greater Manchester (GM) economies. This is set against Manchester, GM and national strategic contexts and the City's ageing strategy *Manchester: a great place to grow older*. The report details the range of activity being delivered across the city by the Work & Skills team and Age Friendly Manchester (AFM) programme, progress achieved to date and proposals for future delivery.
- 1.2 It is important to note that "Strengthening the positive impact of work on health" and "Creating an Age Friendly city" are two of the five priorities contained in the Manchester Population Health Plan. This Plan is also being presented to the Economy Scrutiny Committee on 5 September.

## 2.0 Older Workers in Manchester

- 2.1 Large health and wellbeing inequalities exist in later life with a person's socioeconomic position being a key factor (*The Golden Generation? Wellbeing and Inequalities in Later Life. MICRA, 2017*). For example:
- The risk of becoming socially detached for the richest group of people is just one fifth of the risk for the poorest
  - Residents from the poorest communities have lower survival rates, higher levels of depressed mood, higher levels of frailty over time and will need medium to high levels of care and support up to 15 years earlier than people living in our least deprived neighbourhoods.
- 2.2 **Being in good, well paid, healthy, work and the ability to remain economically active into later life is a strong determinant in older people's health and wellbeing outcomes.**
- Employment rates in Greater Manchester for people aged 50-64 are below the UK average. An additional 19,000 over 50s would need to be in work to meet the current national employment rate.
  - In GM 50-64 year olds are the fastest growing age group among working people.
  - In Manchester over 26% of out of work benefit claimants are aged over 50, which is double the rate across all ages. 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.
  - In Manchester 20% of out of work benefit claimants due to ill health are over 50 years old compared to 8% across all ages
  - 30% of 50-64 year olds in Manchester have no formal qualifications.

- 36% of older residents (of all ages) are income deprived
- 59% of older residents (of all residents) live in our most deprived neighbourhoods
- 56 years is the healthy life expectancy for a Manchester resident

### **3.0 Importance and positive impact of older workers to the economy of the city**

- 3.1 Nationally between 2012 and 2022, an estimated 12.5 million jobs will be opened up through people leaving the workforce and an additional 2 million new jobs will be created, yet only 7 million younger people will enter the workforce to fill these jobs (The Missing Million research, undertaken by ILC-UK). The important role of older workers is evident and there needs to be encouragement and support to enable older people to continue working into later life.
- 3.2 Increasing the rate of economic participation of those aged 50-64 has great economic benefit for the city and city region. Gross Value Added (GVA) could grow by as much as £813.6 million if the GM 50-64 employment rate matched the UK average. And if the GM 50-64 employment rate was at the all-age GM average, GVA could grow by as much as £901.6 million.
- 3.3 Being in fulfilling work for longer is key to people being able to prepare for a good later life. Good work is important financially but is also a major source of social connections, good health, and provides a sense of purpose. By delaying retirement until 65, instead of 55, someone with average earnings could earn £280,000 extra income and might increase their pension pot by 55%.
- 3.4 Despite pervasive views to the contrary, the evidence clearly demonstrates that increasing the number of older workers does not have a negative impact on the employment rates of younger workers nor on productivity.
- 3.5 Many successful employers who employ older workers as part of a multi-generational workforce, report benefits which include:
- a broader range of skills and experience;
  - opportunities for mentoring new recruits;
  - transfer of skills across the workforce;
  - reduced staff turnover; and
  - improved staff morale. (DWP, 2013)

## **4.0 Strategic Context**

### **4.1 National picture**

The Government has included ageing as one of the Grand Challenges at the heart of its Industrial Strategy (2017) and has committed investment in

harnessing the power of innovation to help meet the diverse needs of an ageing society. GM has been chosen as one of three national trailblazers and section 4.2 sets out how it is responding to this.

Older workers have more difficulty than any other group in returning to work. Analysis by the Department for Work and Pensions (DWP) shows just 16.2% of people over the age of 50 are supported into a long-term job. That is a success rate of less than one in six - worse than any other group regardless of gender, ethnicity, or disability.

Extending or achieving a fuller working life is therefore now firmly established as a core element of public policy. The framework for this has been set out in Fuller Working Lives: A Partnership Approach (DWP, 2017) which identifies what are viewed as the social and financial benefits of a longer working life.

As part of the Fuller Working Lives strategy, the National Careers Service (NCS) has teamed up with Local Enterprise Partnerships to trial supporting local employers with their employees' mid-life career needs. Equally, the NCS provides employees with careers and skills advice, encouraging them to rethink, refresh and reinvent their options so they can get the best out of their working lives. See section 5.5 for further detail.

## **4.2 Greater Manchester**

*Our People, Our Place*, the Greater Manchester Strategy (GMS), states "our vision is to make Greater Manchester one of the best places to grow up, get on, and grow old". The Greater Manchester Ageing Hub has been formed to coordinate a strategic response to the opportunities and challenges of an ageing population, and to lead on transforming GM into an age-friendly City Region; priority ten of the GMS.

As one of three national *trailblazers* for the government's national Industrial Strategy, Greater Manchester is currently developing its Local Industrial Strategy (GM LIS), enabling the City Region to fully capitalise on the global opportunities presented by the Grand Challenges. This aims to provide a long-term vision that sets out the opportunities to grow the economy and reform public services to 2030 and beyond. Agreement has been reached with central government that the GM LIS will focus on; neighbourhood scale models; innovation ecosystems; developing new models of care and support; and supporting older workers. The GM LIS will be published in early 2019.

The Greater Manchester Ageing Strategy sets out the need to better capitalise on the talent and expertise of older residents, to combat poverty in later life, and increase economic participation among the over 50s. This is one of the three strategic priorities for creating an age-friendly Greater Manchester.

To achieve this the strategy proposes the following objectives under economy, work and skills:

- Create a GM network of public and private age-friendly employers

- Reduce the number of older workers at risk of falling out of work due to ill health or caring responsibilities
- GM agencies and businesses taking advantage of economic opportunities of ageing populations such as goods, services and tourism.

A dedicated Economy and Work task group has been established to drive and oversee the Economy, Work and Skills theme of the GM Ageing Strategy and the work of the Hub. The task group brings together GM strategic, policy and research leaders, along with the Centre for Ageing Better, to improve opportunities for older workers to choose to stay in work, create more age-friendly businesses, and support those out-of-work to find appropriate work, training and other relevant opportunities.

Some examples of actions being driven by the Group include:

- Link in with the National Careers Service Pilot as part of the DWP Fuller Working Lives Strategy. Further detail on this is included in the case study section below.
- Explore and develop new GM approaches to Skills and Apprenticeships for older people, alongside the opportunity to use Adult Education budget to support
- Deliver the Working Well programmes to provide intensive, integrated, holistic and personalised support to help individuals return to work, with the over 50s as a key priority group. See section 5.6 for more information.
- Explore the successes and challenges of the 'Ageing Well Oldham' Hub pilot and potential for scaling-up across GM.
- Develop an Over 50s' Employability Pilot, working alongside the Centre for Ageing Better and the DWP to develop a new model for supporting over 50s back into work.
- The GM Good Employment Charter, which aims to engage a wide range of businesses and public sector organisations to create a community of responsible employers.

#### **4.3 Age-Friendly Manchester (AFM)**

The age-friendly strategy for Manchester; *Manchester: a great place to grow older* was refreshed in October 2017. This was in response to the major economic and demographic changes, alongside significant changes in the national and regional political context, which have affected the city since the original strategy's launch in 2009.

Taking the eight key features of an age-friendly city, as defined by the World Health Organisation, as its starting point the strategy puts forward three key priorities, which are all reflected in the Manchester Population Health Plan:

1. Develop age-friendly neighbourhoods - places where people can age well in neighbourhoods of their choice with access to the right services, housing, information, etc.

2. Develop age-friendly services - where commissioning includes age-friendliness in its specification and services are delivered in an age-friendly way and are age proofed
3. Promote age equality - by addressing negative images and changing the narrative to one that celebrates the valuable role and contribution of older people.

Of specific relevance to this report, the strategy proposes that in order to successfully deliver age-friendly services:

- We want businesses and employers to recognise the value of older workers: retaining a highly skilled, experienced workforce - providing healthy work, ongoing training, and maintaining skills
- We want opportunities to be there when older people wish to get new skills, knowledge and qualifications
- Apprenticeships need to be promoted as an opportunity for all age groups and not be perceived solely as something for young people.

## **5.0 Programmes and work being delivered across Manchester**

Following the launch of the refreshed AFM strategy the AFM team has worked closely with the Work and Skills team to strengthen the city's focus on older workers, either via existing programmes of work or in the development of new partnerships and initiatives. These actions are set out in the AFM programme's delivery plan.

In April this year, the Work & Skills Board approved the inclusion of employment of the over 50s as a priority group. This has been reflected in the Work & Skills service plan which will focus on two broad priority themes:

- Raise levels of economic participation in over 50s
- Ensure employers maximise opportunities for over 50s

These broad areas are connected to the three themes within the Work and Skills Strategy but primarily support the delivery of the *Addressing Inequality* theme. Initial activity will:

- target support at work clubs to improve their 50+ employment and training outcomes;
- work with employer networks and employers to develop age-friendly employment practice;
- explore specific enterprise and business start-up support with the Business Growth Hub and BIPC.

The AFM and Work & Skills teams launched and jointly facilitated an Over 50s Employment & Skills Support group in July. The group brings together organisations working to support Manchester people into work, to develop their 50+ focus, share and collaborate on good practice and link them to employer engagement workers. Membership includes DWP, The Growth Company and voluntary and community sector organisations.

The group has been set up to highlight the offer available to support older residents to move from dependency on services and into employment or training by increasing knowledge and awareness of support services and resources that are available. The aims are to address some of the issues faced by those who are 'involuntarily workless' - pushed out of employment through redundancy, ill health or early retirement and to explore how we can work better together to tackle discrepancies across the city.

## **5.1 Work Clubs**

There is a network of around 50 work clubs across the city, delivered by voluntary and community sector groups, housing providers and skills partners. The less formal nature of work clubs appeals to many older residents and offers one to one and peer support.

A number of focus groups were undertaken at work clubs across the city earlier in the year to gather the experiences of service users over 50, when looking for and finding employment. Feedback highlighted common themes with participants including:

- lack of confidence,
- lack of IT skills,
- daunted by online applications,
- needing jobs suitable for their age and physical abilities,
- valuing one to one support,
- and the need for employers to give them a chance.

This information will be used by the Over 50s Employment & Skills Support group to develop practical approaches to support.

Recently the Work & Skills team awarded a number of grants to work clubs to deliver projects or initiatives to improve employment outcomes for residents. One of the priority groups specified for this funding stream is the over 50s. Projects started in May 2018 and will run until March 2020. Activity will vary by organisation, however, specific outcomes include progression routes on to more formal training, volunteering opportunities and employment outcomes. Further work will take place over the next few months to monitor and evaluate the 50+ employment and training outcomes of the work clubs.

### **Case Study: Tree of Life Centre Wythenshawe**

The Tree of Life Centre in Wythenshawe supports residents five days a week, through a Work Club & IT Learning Centre and supported volunteering programme.

A 56 year old woman who had been unemployed for over 2 years volunteered for ten months within the centre café to boost her confidence and refresh her work skills.

After a short time she began applying for roles in catering and was successful in securing a role as a chef at a busy carvery.

This resident felt a great sense of achievement and also relief that she would be earning a salary again and is no longer claiming benefits.

## **5.2 In the Know Programme**

The Work & Skills team has developed *In the Know* tours which aim to equip unemployed and/or low skilled residents with knowledge to consider a career in one of Manchester's growth sectors, by giving them the opportunity to meet with teams and departments within the Council to find out more about specific job roles and the skills required to carry them out. The tours were initially developed for Not in Education, Employment, or Training (NEET) and those at risk of becoming NEET young people. However, it has been recognised that this kind of work exposure is also of value to adults without recent work experience and has been adapted to address their needs.

A group of adults from Manchester Cathedral work club recently attended the Town Hall complex to speak to city council staff members about their roles. A number of these were over 50 years old. Feedback from the tour was very positive and the group will act as a resident focus group, providing ideas on how the programme can evolve to address the barriers that adults with low or no skills face when trying to access employment opportunities.

The intention is to roll the programme out to external employers in the future. Early interest has been shown by UKFast, based in Hulme, to offer work exposure activities, work experience and apprenticeships.

## **5.3 Skills for Employment Service**

Manchester has a disproportionate number of residents with no or low skills, the over 50s making up the largest proportion of this group. A lack of digital skills has been identified as a particular issue for this age group. Some lower level qualifications have little value in the labour market with a need for greater focus on skills and work experience.

The Skills for Employment service has been commissioned across Greater Manchester to meet some of that need. Delivered by The Growth Company in Manchester it provides qualifications with work experience for residents with low skills as a barrier to work. Detail on the Skills for Employment Service is included in the Working Well Report, which is a separate item on the agenda.

Since 2016 the service has supported 1,107 people aged over 50 years in Manchester. Of these 268 have gained qualifications (24%), 319 have started work experience (29%), 275 have completed work experience (25%) and 167 have sustained employment (15%).

#### **5.4 National Careers Service (NCS)**

From October 2018 the NCS will include people aged over 50 as a priority group. The service provides personalised careers information, advice and guidance to assist young people and adults to make informed choices about learning, employment and skills. It helps residents to understand employer demand and skills gaps through government data presented in accessible job profiles, and assists residents to plan their progress through skills assessment, and a detailed directory of courses and vacancies. Officers from the City Council will work closely with The Growth Company to ensure the service reaches those it is designed to help, including an increased focus on residents over the age of 50.

#### **5.5 Employer Engagement**

A Fuller Working Lives Strategy was launched by the Department for Work and Pensions (DWP) in 2017. Members of the Business Strategy group were given the scope to identify and focus on areas they believed required change, reviewing a series of topics to see how they could improve the retention, retraining and recruitment of older workers. Nationally DWP is engaging with larger employers to become age positive but more needs to be done with small to medium enterprises. To improve the Jobcentre Plus offer for older workers, Older Claimant Champions have been introduced in all Jobcentre Plus regions, to increase awareness of the barriers faced by older claimants and how to address them.

The Growth Company is delivering the Fuller Working Lives programme alongside the National Careers Service (NCS) in Manchester. The offer includes helping business to manage workforce planning more effectively, supporting individual training and assessment at mid-life career point and supporting businesses to explore flexible working approaches.

Manchester City Council is becoming a Timewise Council which will promote flexible hiring and working across the Council. This will better meet the needs of some of our over 50s group who may need to balance work with health demands and other responsibilities and interests. It will also meet the needs of other groups such as women returners, disabled people and those who have been long-term unemployed for whom a part-time or more flexible employment pattern would be more sustainable.

Locally discussions are underway with Business Working in Wythenshawe (BW3) a corporate social responsibility partnership supporting the social, economic and educational development of local businesses and residents, to develop a local over 50s employment initiative. Early suggestions include developing a toolkit for BW3 members to promote and encourage age-friendly employment practices. Likewise Wythenshawe Forum Trust recently held a business breakfast to share ways to recruit and retain local people. Wythenshawe has a greater percentage of residents over the age of 50 than the citywide average. Businesses were given information on how to adopt age-friendly employment policy and practices.

Self-employment offers an opportunity for older people with greater flexibility and control. Initial conversations have been held with People Plus who are currently delivering the Start Smart self-employment support contract for the Business Growth Hub across Manchester, with the aim of developing an enterprise programme for residents aged over 50. A potential pilot project in South Manchester would build in additional digital skills training.

Complementary to the Start Smart programme is the Business and Intellectual Property Centre (BIPC) at Manchester Central Library. BIPC provides a one stop shop for business start-ups and entrepreneurs. This includes access to information resources, patent clinic and a series of workshops to support self-employment. BIPC *Start-up Day* Manchester will be held in September and will be promoted to older people's groups. This annual event delivers a programme of workshops, meet the experts and inspirational talks to give residents a head start to starting up in business. Following on from this the Work & Skills Team and BIPC will explore establishing enterprise clubs for older people to access peer support and advice from new and established businesses.

Over the next few months the Work & Skills team will develop an overarching communications campaign to promote Manchester's offer to supporting people into work. The campaign will have a specific focus on the over 50s and include a positive image campaign for apprenticeships.

## **5.6 Greater Manchester Working Well Programme**

The Greater Manchester Working Well programme, being delivered by The Growth Company in Manchester, has been commissioned to support people to address their barriers to work and move into employment. Working Well delivers holistic, intensive and personalised support through a key worker who draws on, sequences and integrates other public service interventions to support people with health conditions back to work.

There is a separate report on Working Well on this agenda but worth noting here that the programme evaluation has identified that people aged over 50 are more likely to have been unemployed for a longer period of time and to have severe physical health issues. A further finding suggests that many older people have the perception that they are viewed less worthwhile to an

employer compared to a younger person. This perception linked with low self-confidence acts as a barrier to work.

The programme has prioritised supporting those over 50 with employment, health, skills and qualification support.

In Manchester, 45% of participants on the programme are over 45 years old. To date Working Well has supported 1,244 residents aged over 50 in Manchester, 167 of whom have gone into employment. However, participants over the age of 50 are less likely to secure a sustainable job outcome through the Working Well programme than those under the age of 50.

## **6.0 Conclusion**

This report shows that residents over the age of 50 in Manchester are more likely to be economically inactive; less likely to be highly skilled; and more likely to suffer from poor health. The evidence suggests that being out of work with poor health when you are 50 plus means that as they age, these residents will become more socially isolated, increasingly unhealthy and more dependent on services than if they had worked. Getting more of the City's residents who are over 50 economically active and maintaining those who are in the labour market at work as they age, will have a very positive impact on their health and wellbeing, as well as generate a significant contribution to the local economy.

Given this priority in the Population Health Plan, Age Friendly Strategy and work of the Work and Skills Board, it is timely to increase the focus on this area of work. There is a need to ensure that existing organisations and programmes enhance their delivery for this age group and that new programmes design it in from the outset. The development of the GM Ageing Strategy and agreement from Government to include older workers as a priority for the GM Local Industrial Strategy should bring further opportunities. Manchester's membership of the WHO network of age friendly cities, and European and national age friendly networks, provides the opportunity to further learn from international best practise.