

## **Written Response by the Welsh Government to the report of the Enterprise and Business Committee on Employment Opportunities for People Over 50**

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I would like to take this opportunity to thank the Enterprise and Business Committee for the work they have undertaken to examine the employment opportunities for people over 50 in Wales.

As noted within my evidence to Committee on the 25 February, many employers consider their older workers to be a valuable asset. The positive aspects attributed to them include a strong work ethic, reliability, loyalty, business experience, institutional memory and specialised skills. There are clear benefits to Wales of retaining the skills and experiences of older workers as well as looking ahead to ensure we develop the high-skilled knowledge economy of the future.

The Welsh Government already has a major change programme underway to develop a sustainable and competitive skills system over the next decade. The priorities for these reforms are identified within the Policy Statement on Skills which was published in January 2014. I firmly believe that the best way of supporting the employment opportunities for people over the age of 50 is to continue with the plans we have in place whilst ensuring we factor in the needs of particular groups of individuals at all ages as we further develop our policies and programmes.

Clearly our on-going discussions with the Department for Work and Pensions on the future of the Work Programme and how we gain a consistent and responsive employment offer for Wales will be of direct benefit to individuals of all ages. I welcome the opportunity to continue to work with the Older People's Commissioner and other key stakeholders and partners to look at specific actions that could be taken in this area and in considering any future changes to Wales' devolution settlement.

I am aware of some level of apprehension regarding the Welsh Government's Framework for Co-investment in Skills and the perception that this is seeking to limit support for those individuals over the age of 25 and, thus, those individuals who are over 50. I would like to reiterate to the Committee that, unless otherwise stated, all of our skills programmes are able to support the needs of individuals irrespective of their age. However what must also be recognised is the pressure on the overall skills budget and the need to take some tough decisions as to how our programmes are prioritised to support the long-term needs of the Welsh economy. For example, this is why we have committed to focusing our apprenticeship provision on supporting youth engagement and employment and on delivering the high-level vocational skills which are needed to underpin future jobs.

I have set out below responses to the 11 recommendations put forward by the Committee. Although the majority of recommendations sit within my portfolio I have also shared the responses with the Minister for Health and Social

Services given his responsibilities in relation to the Older People's Strategy and the Older People's Commissioner for Wales.

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### **Recommendation 1**

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

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

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

### **Response:** Accept in principle

The Welsh Government provides a range of standalone and ongoing research activities to support the production of evidence to inform specific policy and programme areas. Where relevant and appropriate there is scope to look at extending the existing sources of evidence available in response to potential gaps. In the first instance this normally includes reviewing the opportunity for tabulating existing sources of national statistics, for example the UK Annual Population Survey, to reflect the needs of particular policy areas.

There are also a range of research activities undertaken externally to the Welsh Government which can sometimes be of value when compiling a more rounded evidence base. For example there was a report published in June 2015 by the Joseph Rowntree Foundation on Understanding Age and the Labour Market.

On the basis of the above points, I will therefore consider the request by the Committee to produce research in respect of people aged 50 and above, while noting that this request is viewed in the context of the current programme of research activity of the Welsh Government. In addition, further consideration will be given to the range of existing research projects being undertaken linked to this policy area, and the extent to which current data sources are able to provide the intelligence requested by making changes to the way in which such data sources are presented.

**Financial Implications** – Any additional costs will need to be drawn from existing programme budgets and the existing capacity of the Knowledge and Analytical Services (KAS) within the Welsh Government. A specification will need to be agreed with KAS and timetabled alongside existing and future research commitments.

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**Recommendation 2:**

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

**Response:** Decline

As noted in my letter of 11 March 2015, a series of impact assessments were undertaken covering Children's Rights, Equality, Rural Proofing and the Welsh Language to inform the Welsh Government's skills policy. I also provided Committee with a supplementary paper on the engagement of those individuals aged 50 and above with major Welsh Government employment and skills programmes. That paper noted the impact on this particular age cohort and the information provided reflects the core impact assessments already undertaken with respect to the Welsh Government's wider skills policy.

I do not intend to commission any retrospective impact assessments where such action has already been covered through those impact assessments previously compiled. I do however recognise the need to monitor the ongoing impact of the Welsh Government's skills policy and this will be informed by our Skills Performance Measures which were published in September 2014.

**Financial Implications** – None given that this recommendation is not being accepted. Ongoing work to review the impact of the Welsh Government's skills policy will be taken forward by the existing action from the Skills Implementation Plan to integrate the Skills Performance Measures across a range of policies and programmes.

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**Recommendation 3:**

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

**Response:** Accept in principle

I will look to incorporate this request as part of the overall research brief set out in Recommendation 1 and in line with the capacity of existing research and data sources from the Welsh Government and other sources.

Please also refer to the response provided to Recommendation 1.

**Financial Implications** – Any additional costs will need to be drawn from existing programme budgets and the existing capacity of KAS. A specification will need to be agreed with KAS and timetabled alongside existing and future research commitments.

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**Recommendation 4:**

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

**Response:** Accept in principle.

Through the National Partnership Forum (NPF) for older people and the work that we do to support older people's networks, work is already underway across the Welsh Government to challenge age discrimination against older people in Wales.

The NPF provides, through the Minister for Health and Social Services, advice to Welsh Ministers on how their policies and strategies impact on older people. The NPF has 3 work streams, one of which has a focus on over 50s and employment.

In addition to this, the Older People's Commissioner has established the Ageing Well in Wales Programme. This has 5 work streams, one of which is the Opportunities for Learning and Employment Expert Advisory Group.

The Department for Work and Pensions is already represented on these two groups and both groups are actively considering how they can influence employers to consider the benefits of employing older people.

The Welsh Government will look to incorporate this recommendation into the work of the groups identified above where it is appropriate to their existing terms of reference and can be taken forward within existing resources.

**Financial implications** – The intention is to make use of the existing activity being undertaken by both the Older People's Commissioner and the National Partnership Forum and, on this basis, there are no additional financial implications beyond those resources already committed by the Welsh Government for these areas of work.

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**Recommendation 5:**

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

**Response:** Decline

I would like to reiterate to the Committee that the rationale for Jobs Growth Wales (JGW) is to support young people to gain the valuable work experience needed to advance in the labour market. Wider employability programmes are available at a national and regional level and we are working with a number of agencies, including the Department for Work and Pensions (DWP),

the Welsh European Funding Office (WEFO) and Local Authorities to ensure that these programmes offer the right level of support for those individuals who are either in work or are looking for work across Wales.

Many people within the older aged cohort face very different needs and may have significantly different barriers to employment than those in other age groups. A large number are faced with health-related issues that prevent them from entering employment and may have been on long-term inactive benefits. There is a greater requirement within this cohort for more engagement type activity and confidence building, with more emphasis on the softer employability skills. Providing older people with a programme that simply provides work experience would be unlikely to prove beneficial, especially where they have experienced episodes of employment through the course of their working life.

I do not believe a complete business case has been presented to suggest a programme equivalent to JGW would be beneficial for those over the age of 50 given the long-term trend in employment and inactivity rates for this particular age cohort, and particularly when compared to those under the age of 25. There are also limited resources to deliver such a commitment within the context of existing budgets.

To supplement this work our intention is to introduce a new adult employability programme from April 2016 which will provide all-age skills support for adults. The focus of this work will be on core Essential Skills, including digital literacy, so that adults have a strong basis on which to access or progress into employment.

Future work on the development of the DWP's Work Programme post-2017 will present a distinct opportunity to align available provision to support unemployed people into sustained employment, with direct benefit to individuals of all ages. We will continue to engage with the DWP to determine how the Work Programme will be delivered in Wales and what flexibilities are required in responding to specific conditions of the labour market, such as an ageing workforce. These issues will need to be considered against our intention to introduce the adult employability Programme, Skills for Employment Wales, from April 2016 and whether such provision could potentially overlap with the ongoing delivery of the Work Programme.

**Financial Implications** – None. Any additional costs will be drawn from existing programme budgets and policy actions being taken forward by the Welsh Government as detailed within the Skills Implementation Plan. The intention to support Skills for Employment Wales from April 2016 has been factored into existing budgets. However, should future budgets change, a revised approach may need to be considered. Skills for Employment Wales will also need to be considered in light of any changes to the Work Programme, including the potential for further devolution in the future. See also response to Recommendation 10 below.

**Recommendation 6:**

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

**Response:** Accept in principle

The Welsh Government is currently developing a Communication Plans for 2015-16 to underpin our work on raising employer engagement and investment in skills aligned with the Welsh Government's Framework for Co-investment in Skills. Although a specific campaign which publicises to every employer in Wales is likely to be overambitious, there is the capacity to align this work with our existing Communication Plan and by working with the Older People's Commissioner's office and organisations such as the DWP where appropriate.

**Financial Implications** – None. Any additional costs will be drawn from the existing programme resources set aside from the Skills Implementation Plan budget line within the Skills Policy and Youth Engagement Division to support the Communication Plan which underpins elements of the Skills Implementation Plan.

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**Recommendation 7:**

The Welsh Government, in conjunction with the office of the Older People's Commissioner for Wales, should:

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

**Response:** Accept in principle

In line with the response to Recommendations 1 and 3 concerning the production of additional research material, I will look to support further research on self-employment with respect to the over 50s age cohort providing it is possible to do so within the context of the existing research activity into self-employment conducted by the Welsh Government.

Please also refer to the response provided to both Recommendation 1 and Recommendation 3.

**Financial Implications** – None. Any additional costs will need to be drawn from existing programme budgets and the existing capacity of KAS. A specification will need to be agreed with KAS and timetabled alongside existing and future research commitments.

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**Recommendation 8:**

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

**Response:** Decline

The original action put forward within the Older People's Strategy to produce an Older People's Skills Strategy has been superseded by our Policy Statement on Skills and Skills Implementation Plan, both published last year. At this point in time I do not intend to publish a separate skills strategy for older workers given the ongoing programme of work being taken forward to implement the actions described within the Policy Statement of Skills.

Our existing skills policy already supports a range of strategic actions which I believe will have a direct benefit on older people in Wales such as our work with Regional Skills Partnerships, our focus on drawing out the impact of our policies and programmes informed by the Skills Performance Measures as well as improving overall levels of investment in skills supported by our Framework for Co-investment in Skills.

**Financial Implications:** None given that this recommendation is not being accepted. Ongoing policy and programme development will be taken forward in line with the Policy Statement on Skills (January 2014) and supported by the actions detailed within the Welsh Government's Skills Implementation Plan (July 2014).

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**Recommendation 9:**

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

**Response:** Decline

As outlined in the response to Recommendation 8, the production of an Older People's Skills Strategy has been superseded by publication of our Policy Statement on Skills and supporting Skills Implementation Plan.

A key action from the plan was to produce a range of Skills Performance Measures which were published in September 2014. These measures monitor how well skills policy and programmes are supporting jobs and growth, financial sustainability, equality and equity and skills levels to ensure Wales remains competitive in a global economy.

The equality and equity measure will monitor changes in the demographics of those individuals who access our employment and skills programmes.

Specifically, we will monitor demography based on age, disability, ethnicity and gender.

Furthermore, the measures focussing on jobs and growth, financial stability (i.e. increasing employer investment in employee skills) and raising skills levels will directly support the economic activity of people aged 50 and over.

**Financial Implications** – None given that this recommendation is not being accepted. Measuring the impact of the Welsh Government's employment and skills policies, through integration of its Skills Performance Measures, will provide relevant data to support the 'Financial' strand of the Strategy for Older People in Wales 2013-23.

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#### **Recommendation 10:**

The Welsh Government should:

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

**Response:** Accept in principle

Devolution of DWP employment programmes has been a key consideration over recent months following the publication of the St. David's Day command paper in late February this year.

Through the St David's Day command paper a commitment has been made for the UK Government to engage with the Welsh Government on areas outlined in the Smith Commission report on Scottish devolution that may be pertinent to Wales. Employment programmes form part of this. The Welsh Government has therefore started discussions on the potential for devolving employment programmes with the DWP.

There would be considerable advantage in taking over responsibility for the Work Programme as it will present a distinct opportunity to better align all available provision to support unemployed people into sustained employment, focussing attention and investment on some of the most disadvantaged people in Wales. There is a need for a better system of support for people seeking employment and greater alignment between the provision available and local labour market opportunities.

**Financial Implications** – None at present. Welsh Government officials are already engaging with the DWP on the Work Programme and the potential for further devolution in the future. This Recommendation aligns with that work and therefore does not present any additional resource requirements for the Welsh Government at this stage.

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#### **Recommendation 11:**



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

**Response:** Accept in principle

In monitoring the impact of the Framework for Co-investment in Skills we intend to make use of the existing Skills Performance Measures published in September 2014 in drawing conclusions on how well the policy is supporting jobs and growth, financial sustainability, equality and equity and international benchmarking.

In developing the measures, consideration has been given as to how best we can improve our standing as a nation and to support the focus on jobs, growth and tackling poverty. We recognise that, in taking forward work on the Skills Performance Measures, this will provide an opportunity to build on the intelligence drawn from other sources of skills and labour market intelligence including those available via the Regional Skills Partnerships.

I would like to take this opportunity to reiterate to Committee members that, unless otherwise stated, all Welsh Government skills programmes are available to access on an all-age basis.

I recognise that, by prioritising apprenticeship provision for those under the age of 25 and focusing on Higher Apprenticeships, there is a perception that this provision is now age restrictive. This is not the case. Apprenticeship provision is still available on an all-age basis although we have chosen to support employers where they are either: (i) seeking to develop higher level vocational skills at Level 4 and above (i.e. via a Higher Apprenticeship); and/or (ii) where they are contributing to reducing levels of youth engagement and employment by supporting an apprentice under the age of 25.

We have taken this approach in response to the immediate challenge of youth engagement and employment. This approach also acknowledges the long-term need for Wales to develop a more highly skilled and competitive labour market capable of supporting future opportunities for jobs and growth.

**Financial Implications** – None at present.

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**Julie James AM**  
**Deputy Minister for Skills and Technology**