



# Employment and labour market policies for an ageing workforce and initiatives at the workplace

## National overview report: United Kingdom

**Part I**

**Part II**

**References**

This report is available in electronic format only and has not been submitted to the standard Foundation editorial procedures.

# Part I

## 1. Main characteristics of the evolution of the company case studies over the last decade (expansion, narrowing, extension, abandonment)

### Expansion

*Denso Manufacturing*

*Telecommunications company*

*First Group*

*London and Quadrant Housing Trust*

*Catering company*

*Financial Services Company*

*St Helens Council*

*Baker Harding*

All of the organisations (above) had expanded the initiatives related to older employees. In all cases there was a business need, but the success of those initiatives was varied. For different reasons, the organisations were putting greater emphasis on retention. Denso, Telecommunications company and First Group were all wishing to retain the expertise and experience of older employees. London and Quadrant and Catering company were wishing to recruit staff to meet labour market shortages, and were keen to create an environment where older employees were valued.

Denso took the most comprehensive approach. Much of this was as a result of a takeover by a multi-national company based in Japan. It raised the level of support available to tackle occupational health issues, particularly those affecting older employees. It re-designed the working environment to reduce physical stresses and strains. Denso took extensive steps to show that it valued older employees, their expertise and experience, and where older staff lacked numeracy and literacy skills they embarked on an up-skilling programme.

Telecommunications company increased the scope of its flexible retirement options in 2001. It introduced five different programmes. Although the programme planning and policy implementation were expansive, the take-up has been lower than expected.

First Group's programme is relatively new, and has several aims: to allow drivers to extend their working lives beyond age 65, to give flexible working opportunities to those aged 60 to 70; and to raise awareness of financial and physical health issues among its employees. This scheme is developing in several directions simultaneously.

London and Quadrant has taken positive steps since 2000 to recruit and value older workers, and more recently has encouraged the take-up of health and well-being programmes among its employees.

Financial services company has been working proactively to encourage older employees to stay within the business. It was keen to see a diversity of staff in all its business groups, but particularly in call centres which tended to have a younger age profile. In previous times, when there were branch closures, older staff tended to take redundancy offers. These circumstances are no longer being replicated.

In St Helens Council there are two recently introduced human resource management initiatives that are pertinent. The first of these, the 'Workplace Well-Being Policy', sets out management arrangements put in place to ensure that work

activities are not injurious to employees' physical and mental well-being. The 'Older Workers' Policy', specifically addresses the Council's ageing workforce. It has been introduced in response to demographic change and to expand obligations under the Council's Comprehensive Equality Policy pending the introduction of the Government's new age legislation.

In Newham Health Authority Along with the original initiatives, which remain similar, three initiatives have recently been introduced related to recruitment processes, health and well-being, and awareness raising. The Trust has run an initiative with a recruitment agency which has been especially helpful for orienting older candidates who return to work after having been made redundant in their previous job. Regarding health and well-being, the Trust has been examining the value of having doctors and therapists 'on the spot', i.e. within health centres across Newham, so that employees can access them whenever they have health or well-being problems. Finally, regarding awareness raising, recent national initiatives have been highly influential in changing HR practices and policies within the Health Service, but the Trust believes that more information about these should be disseminated to all employees. It has developed its own communication strategy.

In Baker Harding previous initiatives have remained in place but have recently become more 'formalised' due to legislative changes and requirements set by the national recruiters' federation. But in general, the company does not regard this formalisation of practices as highly influential.

In Hinchinbrooke NHS Trust some previous initiatives e.g. on recruitment processes, have remained the same. Others, such as those on health and well-being have been modified. The most important change can be observed in training and development practices, which have become more 'standardised' due to changes to the career structure within the NHS. Three new initiatives that have been introduced recently concern health and well-being, career management and awareness-raising regarding the forthcoming age legislation.

### **Narrowing**

*Energy company*

*Children's Charity*

The scope of the initiatives supportive of older employees had diminished in two organisations where re-structuring and downsizing had taken place. In the case of the Energy company, the company was now in a more stable situation, and the support mechanisms that had been in place to assist large numbers of staff through redundancy or early retirement were less in evidence. The Children's Charity had not abandoned its policies, but its re-structuring and downsizing, combined with high staff turnover, had resulted in different human resource management priorities.

### **Extension – continuing ?**

Eden Brown has recognised as an 'Age Positive' employer, maintained a consistent approach to flexible working for its entire staff regardless of age.

In Oil Company some of the original initiatives (e.g. recruitment process and flexible work arrangements) have remained in place, but some others have changed, in the sense of becoming more 'sophisticated'. The main cause of change in the age-management initiatives has been the general influence of the U.S.-based company, which changed its structure (i.e. to become less hierarchical), and has brought a greater 'people' focus to the business.

### **Abandoned**

This did not apply to the cases.

## **Other**

### *National charity*

The national charity introduced, quite recently, a policy of flexible working for all ages, and has developed policies to encourage 'active ageing' among its staff.

The borough council that was featured as one of the original case organisations, ten years ago, had shifted its policy stance quite significantly. It had moved from adherence to an equal opportunities policy, which was concerned with compliance, to a human resources approach that positively valued diversity, and endeavoured to support individuals in the workplace. Many employees were working flexible hours and part-time contracts allowing them to balance the demands of working lives and personal lives.

## **2. What are the main impacts of measures/initiatives at the company level (e.g. benefits to older workers and benefits to employers, any unintended consequences)?**

### **Healthier staff**

The most positive results were in the area of health and well-being. There has been an increased emphasis on both voluntary action and company-instigated actions in relation to health. The effect has been to prolong the working lives of some employees in their fifties and early sixties, particularly through occupational health support.

Subsidised or free membership of health and fitness facilities, and / or the provision of company-based health and fitness support have been well-received by staff. The formal occupational health management of employees appeared to be better resourced than in the past and was now more effective.

### **Happier staff**

London and Quadrant and Eden Brown were the best examples of organisations where there were more contented staff. It is possible that staff at First Group welcomed the financial options / flexible working opportunities made available through the Flexible Decade programme, but as with most organisations' initiatives in this area, there is a lack of quantifiable evidence in the public domain on the numbers taking part. With First Group, there was evidence that staff were accessing learning opportunities provided by the company, and improving their qualifications.

### **Staff retention**

The main driver of the employment policies related to older employees has been retention of staff for their experience and expertise. Unfortunately, it has been difficult to get quantitative outcomes for the different initiatives, and thus measure the real impact on older employees and their employers. Telecommunications company indicated that it had seen an increase in the average age at which employees left the company.

The use of flexible working initiatives to prolong employees' active involvement in the workplace had had minimal take-up or impact.

### **The image of older employees and mixed-age workforces**

Several organisations indicated that they saw advantages in having a mixed-age workforce, and they wanted to retain older employees who could demonstrate an understanding of customers of a similar age. This was a point made by Financial services company, Telecommunications company and London and Quadrant. There was some qualitative comment that such policies were working, but little quantifiable evidence.

### **3. Driving forces for implementing good practice at the company level (Please make special reference to the influence of public policy, e.g. legislation or financial incentives, and collective agreements – at national, sectoral or company level – if applicable)**

#### **Labour market**

*Energy company*

*First Group*

*London and Quadrant*

*Denso*

*Telecommunications company*

*Catering company*

*Financial Services Company*

*St Helens Council*

The strongest business driver for the implementation of age-positive employment policies was the labour market.

First Group, London and Quadrant, and Denso were each concerned about labour supply. First Group needed to extend the working lives of its drivers, because of the scarcity of young drivers. London and Quadrant was failing to find skilled trades people at a reasonable wage cost in the London area, and Denso, like First Group, was failing to see a supply of appropriately qualified younger people coming into its industry. Catering company wished to retain the younger workers it had recruited and trained through their working lives. It was facing a competitive labour market, and the retention of older / more mature employees was an important part of its HR strategy.

The financial services company and the telecommunications company both had specific labour market needs that they felt could be fulfilled by older people. In financial services, there was a drive to increase the number of older employees in call centres because it was felt their presence would improve the working atmosphere, and that they would display good customer service skills with clients on the telephone.

The other driver behind staff retention, and the raising of organisations' normal retirement age to 65, was the pension fund deficit problem.

#### **Health and safety; health and well-being**

*Denso*

*London and Quadrant*

*Eden Brown*

*National charity*

*St Helens Council*

*Newham Health Authority*

For Energy company, health and safety management is a cornerstone of its business. The company provided extensive

occupational health support, physiotherapy and gymnasia for staff. Occupational health teams worked with staff, particularly older employees, and trained them to accomplish their work tasks in ways that were beneficial and not detrimental to their physical health.

Denso Manufacturing, following its takeover by a Japanese multi-national manufacturer, worked extensively on job re-design to minimise the health risk to its employees, particularly older workers, and always had physiotherapy provision on site. It reduced sickness absence and injury, and gained improved productivity.

London and Quadrant and Eden Brown provided subsidised health and well-being support which brought greater levels of employee satisfaction, and also reduced sickness absence from staff.

The national charity also offered support around physical health through its employee assistance scheme. This support has now been broadened to include mental health, and staff are able to participate in a stress audit as part of the scheme if they wish.

### **Corporate social responsibility**

*Financial Services Company*

*Eden Brown*

*Telecommunications company*

At the highest level in organisations, there appears to be greater awareness of corporate social responsibility. Although organisations were taking steps to be compliant with legislation, and in each case said that they wished to be ahead of employment legislation, they particularly wished to be seen as good employers both internally and externally.

All the organisations interviewed indicated that they had taken extensive steps to remove overt and as well as unintended discrimination from their policies and practices.

London and Quadrant was reviewing its recruitment literature and intended to show a diversity of age groups in the photographs in its publications.

## **4. Which characteristics of particularly successful measures/policies can you provide? (Please provide short exemplary description of individual cases)**

### **Health and well-being**

London and Quadrant offered a range of health and welfare benefits such as life assurance benefits, disability income scheme, a contribution to the cost of health-screening and access to low-cost insurance. There were also counselling services for staff and their families. As far as ergonomics and health were concerned, the organisation supplied office equipment with special features for older workers.

The organisation had recently launched a programme called “vielife” through which all employees and especially older ones can take regular health checks. They could then receive medical advice, or be referred to a general practitioner in order to tackle common health problems such as dehydration, obesity, stress, insomnia, depression, etc.

### **Labour market**

First Group’s Total Rewards programme, including the Flexible Decade initiative, allowed employees to combine salary reward with pension income, within a flexible working structure, between the ages of 60 and 70.

### **Programme design – flexible working**

The Telecommunications company programme is a model of good policy design. The take-up has been less than the company would have liked. Nevertheless, as template for other organisations to create a series of flexible working options, it is a good one.

The five options were:

- **Wind Down.** This gave employees an opportunity to go part-time or job share
- **Step Down.** This enabled employees to reduce their work commitments by taking a position with a lower level of responsibility
- **Time Out.** This allowed employees to take full- or part-time sabbaticals
- **Helping Hands.** This encouraged employees to take up volunteering or community work
- **Ease Down.** This allowed employees to gradually reduce working hours and/or responsibilities, particularly in the last 12 months prior to leaving the company.

## **5. Which key lessons can be drawn from implementing measures and initiatives cases (e.g. role of actors, main reasons for success or failure, innovative features)**

### **Success**

#### *Senior management commitment*

The programmes which were the most successful were those that had senior management's whole-hearted commitment. However, whatever level of management commitment was involved, if the financial impact of policies did not benefit employees, then they were unlikely to succeed. The lack of interest by employees in flexible working was often the result of employees' fear of losing some of their pension entitlement.

#### *Fulfilling business need*

#### **labour market**

Policies and practices beneficial to older workers appeared to gain a much higher profile when the 'supply-side' was failing to deliver new recruits to businesses.

#### **sharing age profile with customers**

Some organisations suggested that older workers would help their business remain in touch with their customer base, but there was limited evidence to support this claim.

### **Failure**

#### *Economic difficulties*

The positive approaches that some organisations had taken to their cohort of older employees tended to fade away when faced with external factors that demanded labour force reductions.

#### *Mixed messages*

Several organisations were taking the opportunity to raise the age level of entitlement to draw company pensions. Others were replacing old company schemes with new ones. Thus, while some organisations were giving positive signals about being age-positive, middle-aged and older employees had the perception they were being financially disadvantaged.

**Other***Measurement*

There was little evidence of detailed measurement of the impact of the initiatives introduced.

**6. What are future issues concerning age-management raised at company level? (problems not resolved in individual organisations so far, challenges faced etc.)****Does age-management stop at 55 or 60 or 65?**

There was little evidence that age-positive initiatives are impacting on those over age 60. First Group had a significant initiative in trying to retain the 60–70 year old age group. Telecommunications company has only recently abandoned its normal retirement age of 60, so it is too early to see the impact of that measure. Several organisations were concerned about the loss of corporate knowledge that had resulted from the departure of staff in their fifties rather than their sixties. However, measures that were beneficial to both employers, and employees over age 55, seemed to be taking longer to devise and implement.

**Make flexible working work...**

Many organisations had flexible working – which has resulted from the need to meet legislative requirements around maternity and paternity. Only a few had worked through the business case, and successfully implemented, flexible working for all ages, including older employees.

**Age management and legislative change**

The case company evidence shows that organisations were developing policies that were applicable to all age groups, and these may have less impact in supporting older workers than those previously in place.

Whilst there was evidence that diversity statements had been developed in most case organisations, they were not complemented by comprehensive age-management policies that appreciated stages in the life cycle.

### **I. Perception of demographic/labour market issues in national policy over the last decade and development of national policy concerning an ageing workforce (employment policies incl. legislation, pension reform etc. and influences of EU-policies/programmes) (2 to 3 pages, 1.000 to 1.500 words)**

It has been recognised in policy circles for some time that population ageing will have a profound effect on the composition of the British labour market. From the end of the 1980s the share of younger people in the labour force began to decline. At the same time, 'prime-age' adults began to make up an increasing share of the working age population. Between 1990 and 2000, the average age of the working-age population increased by 1.3 years from 37.5 to 39.0 years (Dixon, 2003). Population and labour force projections show a further ageing of the labour force. The average age of the working-age population is projected to increase by around 0.7 years in the decade to 2010, and 0.5 years in the following decade according to Government Actuary's Department population projections from 2002. By 2010, the proportion of working-age people between 50 and 64 years old will be greater than at any time since the mid-1970s. From 2005 the proportion of prime-age adults (30-49) will begin to decline. By contrast, the proportion of older adults (50-64) is predicted to increase from 27 per cent in 2000 to 32 per cent by 2020 (Dixon, 2003). Thus, roughly one third of the labour force will be aged 50 or over by the year 2020.

The ageing of the labour force is currently high on the agendas of policy makers. In recent years, numerous official reports have considered the economic implications of population ageing and have emphasised the importance of re-activating older workers and tackling age barriers in the labour market (e.g. Cabinet Office, 2000; House of Lords, Select Committee on Economic Affairs, 2003). This has been supported by a marked increase in research which has considered the relationship between age and the labour market (e.g. Hirsch, 2003). This situation is interesting, given that early retirement as it has been known in other European nations was never as significant a feature in the United Kingdom.

Now however, there is an increasing emphasis on extending working life in policy debates in the UK. Policies are in place aimed at promoting the employment of those with disabilities, while the notion of employment as a source of income of those in the Third Age has also gained credence. Added to this, there may be increasing public pressure for older workers to be given the opportunity to work on.

A report prepared by the Cabinet Office's Performance and Innovation Unit (Cabinet Office 2000) set out a number of recommendations for the development of policies towards older people. Key recommendations for government were as follows:

- Set out its vision of the role and value of older people.
- Increase contact with and job-search assistance for people on sickness and disability benefits.
- Provide careers information and advice to older displaced workers.
- Raise the minimum age at which an immediate pension is payable.
- Increase the transparency of occupational pension schemes by showing the cost of early retirement in company accounts.
- Promote the advantages of diversity and flexibility in working practices through a group of 'champion' employers.
- Each Civil Service department to review the case for increasing its retirement age to 65.

Recognising that age discrimination impacts on many areas of policy, the government has also created a Ministerial Group on Older People to co-ordinate work across departments. The Secretary of State for Work and Pensions is the

Government Champion for Older People and the Department for Work and Pensions, the lead Department for older people. DWP has responsibility for monitoring progress across Government by means of updates from other Departments and for liaising with them on the development and expansion of a strategic approach to tackling older people's issues. However, a recent report concluded that there is an "outstanding need to provide an overall framework for work across Government affecting older people because, despite progress in joining up policy-making, there remains a lack of co-ordination in some areas" (Comptroller and Auditor General, 2003, page 8). The report suggested that this might be assisted by publication of the Government's older people strategy, which has recently occurred.

The re-election of the Labour Government in 2001 brought with it a renewed emphasis on productive welfare policy which places employment at the centre of both social and economic policies (Walker, 2002). The election manifesto contained specific commitments in this field: to raise the employment rate from 50 per cent to 70 per cent, to tackle discrimination, to extend New Deal 50 plus (see below) and to examine ways in which occupational pensions can be combined with part-time work so as to encourage flexibility in retirement.

The present Government's manifest position on older workers is neatly summarised in its recent Pensions Green Paper where it sets out its proposals for reforming the retirement income system. In this paper the Government was seeking views on the following issues (DWP, 2002):

- providing additional help for those aged 50 and over and recipients of incapacity benefits to help them return to work;
- treating men and women between 60 and women's State Pension age as active labour market participants when women's State Pension age increases from 2010;
- maintaining the State Pension age at 65, while providing increases for those deferring claiming their pension;
- implementing in 2006 age discrimination legislation covering employment and vocational training;
- allowing people to continue working for their employer while drawing their occupational pension, raising the earliest age from which a pension may be taken from age 50 to age 55 by 2010; and
- changing public service pension scheme rules, for new members initially, to make an unreduced pension payable from 65 rather than 60.

Active labour market policies frequently feature older workers as a target group. The most important of these is New Deal 50 Plus, which has been utilised by large numbers of older workers, though those on 'inactive' benefits have been less likely to participate. Given that these represent a far greater number of the client group, this points to weaknesses in the Government's strategy to date, though this has been recognised and is addressed in recent policy statements. However, participation rates among older people have been declining for some time, suggesting that the effectiveness of the programme has not been sustained.

If sustainability of employment is considered, New Deal 50 Plus has been a success. However, a significant minority of clients feel demeaned by low pay and unskilled work. The programme also benefits clients in terms of improved self-confidence (though for many confidence appears to remain low throughout), increased motivation and more effective job-search activities (Moss & Arrowsmith, 2003).

In its Pensions Green Paper the Government stated that from 2003 it would progressively introduce a new package of more intensive back-to-work help for people aged 50 and over and guidance to employers on the benefits of recruiting and training older workers. It would extend the support available through New Deal 50 plus so that individually tailored help for each client could be drawn from a range of possible options: personal advice, training, work trials, volunteering

opportunities and an in-work training grant. It would be available to all people aged 50 and over who had been on specified benefits for six months or more, and their dependent partners aged 50 and over.

Governments over the last decade have placed considerable emphasis on awareness raising among employers in particular. An important element of recent employment policy has been the Code of Practice on Age Diversity. Its impact, however, in terms of changing employer behaviour appears to have been slight. A recent initiative is the Age Positive website (<http://www.agepositive.gov.uk/>). This was launched in 2001 and comprises a variety of features including: employer case studies, a discussion forum, advice and guidance, updates on the Government's Age Positive campaign and progress towards legislation.

## **II. Relevant actions of social partners and other key actors: Policies and practices (1 page, 500 words)**

There have been significant differences between employer and trade union groups in terms of their positions on the government's forthcoming age discrimination legislation. The issue of a default retirement age for organisations has caused considerable controversy. The Government's advisory body on pensions has argued that there should not be a default age at all, but if there is, this should be set significantly higher than 65. Others such as the Confederation of British Industry would prefer a default retirement age of 65 (Financial Times, 23 June, 2004).

There is also apparent conflict between the two government departments most involved with age and employment issues: the Department of Trade and Industry and the Department for Work and Pensions. On the one hand, until recently the DWP was promoting greater flexibility in retirement and arguing that mandatory retirement ages were not appropriate, while at the same time, the DTI argued that no decision has been made on the future of retirement ages (Financial Times, 24th and 26th of April 2004). The DTI, along with business groups such as the Confederation of British Industry and EEF, the manufacturers' organisation, is said to favour a default retirement age of 65, while the Department for Work and pensions and the Trades Union Congress are said to favour having no mandatory retirement ages<sup>1</sup>.

A number of commentators have gone further, recommending that the Government increase the age at which people can start to draw their State Pension. For women this is already set to increase from 60 to 65 between 2010 and 2020 to match that for men. It has been argued – for example, by the National Association of Pension Funds and the Institute for Public Policy Research – that it should be increased to 67 or 70 for both men and women. Publicly, the government is committed to a default retirement age of 65, though a review body, the 'Turner Commission', recently recommended a staged, long-term, increase in the state pension age to 68<sup>2</sup>.

The logic of the argument is that an increase could change attitudes and encourage more people to work into later life. But the Government point out that there is not a straightforward relationship between the State Pension Age and when most people actually stop working. For example, two-thirds of men have stopped working by the age of 65. In its Green Paper the Government states its view that increasing the State Pension Age is not necessary to ensure that the goal of extending working life is achieved. It goes further arguing that given its proposals on the deferral of claiming of a state pension, the notion of a single fixed State Pension Age might start to seem anachronistic if, as they intend, people will start drawing their State Pension at a range of ages starting at 65.

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<sup>1</sup> The two government departments have recently agreed on a default retirement age of 65.

<sup>2</sup> [http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/30\\_11\\_05\\_exec\\_summ.pdf](http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/30_11_05_exec_summ.pdf)

Moreover, the Green Paper states that while increasing the State Pension Age would reduce long-term public expenditure, it would disproportionately affect lower-income people who rely more on state benefits in retirement. Also, the same people tend to have lower life expectancies, and so, with fewer years in retirement, they would see a disproportionate reduction in their income. The effect might be particularly severe on those who have done manual work for long periods in heavy industries, in which there is a record of low life expectancy.

In its Pensions Green Paper the Government stated that it has already begun to address the issues from its perspective as an employer. A recommendation of the report *Winning the Generation Game* (Cabinet Office, 2000) was that public-sector employers should review their retirement ages and examine the case for allowing those who want to work on to age 65 to do so. According to the Government 75 per cent of civil servants can do this already and the number able to serve beyond age 60 is expected to increase. But most public service pension schemes still allow a normal pension to be taken at age 60 or under, or allow an earlier pension for those with longer service. The Government's Green Paper proposes to change the rules of public-service pension schemes and applied to new members to make an unreduced pension payable from age 65 rather than 60. Government proposals regarding reform of public sector pension ages have been strongly criticised by civil service unions and have been shelved for the time-being.

Non-Government agencies have played a key role in working with employers in terms of tackling age barriers, though significant age-related labour market barriers remain. They have also played an important role in both stimulating the development of public policies and monitoring these policies.

### **III. Status of the issue of older workers in current policy and public debates – identification of future issues (assessment by researchers, 1 page, 500 words)**

Reactivation of disabled older people is an area of current debate. The majority of inactive people aged between 50 and State Pension age receive incapacity benefit because of a health problem or disability. It is the Government's view that new claimants have expectations of returning to work but fail to make this transition, becoming in effect early retired. It is also their view that a lack of skills currency, low levels of confidence and employer discrimination are as important as health difficulties in reducing employment opportunities. The Government has also implemented Pathways to Work pilots, focusing on Incapacity Benefit claimants (DWP, 2004). Main features include:

- specialist Personal Adviser support;
- a series of work focussed interviews during the first 12 months of a claim;
- greater responsibility and power for personal advisers to manage clients via easier access to Government programmes;
- a financial incentive for claimants to return to employment; and
- involvement of other local stakeholders e.g. employers and General Practitioners.

In its recent *Skills White Paper* (DfES 2005) and its national strategy for an ageing society (HM Government 2005) the government proposes to develop better websites and guidance to older people making decisions about careers and skills. It also states that its primary initiative for supporting training in the workplace – the *National Employer Training Programme* – will cater for the needs of older people. In *Employer Training Pilots*<sup>3</sup>, older people appeared to benefit significantly.

<sup>3</sup> The Employer Training Pilots (ETP) were established in September 2002, to test the effectiveness of an offer of free or subsidised training to employees, wage compensation (of various levels) to their employers for giving time off to train plus access to information, advice and guidance.

On the other hand, elsewhere, the government comments on trials of its new Adult Learning Grant (ALG) which is being piloted in areas, paying up to £30 per week for full-time learners though only those aged between 19 and 30 are eligible. Meanwhile, trials of Apprenticeships for adults (over the age of 22) are being carried out in three sectors – health and social care, construction, and engineering. The trials are due to last until March 2006, and as yet, there is no commitment to go beyond this. It is also notable that the government's primary measures of success in its recently published skills strategy document mainly appear to refer to young people.

Additionally, the government announced in its *Skills White Paper* that it is giving Sector *Skills Councils* the remit of considering future labour supply issues, including responding to demographic trends, noting, for example, that some such as *Skillsmart*, operating in the retail sector, are already working with employers who are targeting older workers to meet staffing requirements.

Also the *Skills White Paper* announced that the existing infrastructure of careers information, advice and guidance services for adults will be developed into a comprehensive service linking information on jobs, qualifications and training. A cross-government review will be undertaken. Also announced is a *Skills Coaching* service aimed at low-skill benefit claimants which will provide intensive personal advice and guidance.

Additionally, under new proposals outlined above to make provision to job-seekers more flexible and responsive to client and local needs, the Government has announced a menu of options available to Job Centre Plus offices, including wage subsidies to provide incentives to employers to take on those they might not normally consider (DWP, 2004).

The notion of partial or gradual retirement is now being promoted. Until recently Inland Revenue rules allowed people to work and draw an occupational pension, but only if they were no longer employed by the company paying the pension. However, as of April 2006 occupational pension schemes are allowed to offer people the opportunity to continue working for the sponsoring employer while drawing their pension. Linked to this, the Government has announced that it will increase the minimum benefit age from 50 to 55 by 2010.

Since the European Equal Treatment Directive there has been substantial debate and consultation on legislation proscribing age discrimination. The Government will outlaw age discrimination in employment and vocational training by October 2006. This will cover both direct and indirect discrimination on the basis of age in employment and vocational training. In the proposals, it is stated that in exceptional circumstances, treating people differently on the grounds of age will be allowable, though employers must be able to justify doing so and they will be required to produce supporting evidence if necessary.

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