

## Agenda – Enterprise and Business Committee

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Meeting Venue:

**Committee Room 1 – Senedd**

Meeting date: 7 October 2015

Meeting time: 09.10

For further information contact:

**Gareth Price**

Committee Clerk

0300 200 6565

[SeneddEcon@Assembly.Wales](mailto:SeneddEcon@Assembly.Wales)

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### **Private pre-meeting (09.10–09.20)**

#### **1 Introductions, apologies and substitutions**

#### **2 Employment Opportunities for People Over 50 – consideration of Welsh Government Response**

(09.20–10.00)

(Pages 1 – 26)

Victoria Lloyd, Director of Influencing, Age Cymru

David Pugh, Chief Executive, Prime Cymru

Attached Documents:

Research Brief

EBC(4)–22–15 (p.1) Evidence from Age Cymru

### **Break (10.00–10.10)**

#### **3 Employment Opportunities for People Over 50 – Consideration of Welsh Government Response**

(10.10–10.50)

Jeff Protheroe, Operations Manager, National Training Federation Wales

Iestyn Davies, CollegesWales

Greg Walker, CollegesWales



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Cymru

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Wales

## **4 Employment Opportunities for People Over 50 – Consideration of Welsh Government Response**

(10.50–11.30)

(Pages 27 – 37)

Sarah Rochira, Older People's Commissioner for Wales

Terry Mills, Chair, Opportunities for Learning and Employment Expert Advisory Group, Ageing Well in Wales, Office of the Older People's Commissioner for Wales

Attached Documents:

EBC(4)-22-15 (p.2) Evidence from the Older People's Commissioner for Wales

## **5 Employment Opportunities for People over 50 – Consideration of Welsh Government Response**

(11.30–12.15)

(Pages 38 – 39)

Julie James AM, Deputy Minister for Skills and Technology

Huw Morris, Director for Skills, Higher Education and Lifelong Learning

Rachel Garside-Jones, Head of Skills Policy Engagement

Attached Documents:

EBC(4)-22-15 (p.3) Evidence Paper from the Deputy Minister for Skills and Technology

## **6 Papers to note**

### **6.1 Follow up letters from Rail Infrastructure Scrutiny session on 17 September 2015**

(Pages 40 – 44)

Attached Documents:

EBC(4)-22-15 (p.4) Letter from William Graham to the Secretary of State for Transport

EBC(4)-22-15 (p.5) Letter from William Graham to the Minister for Economy, Science and Transport

## **6.2 Active Travel Independent Report**

(Page 45)

Attached Documents:

EBC(4)-22-15 (p.6) Active Travel Independent Report commissioned by the  
Minister for Economy, Science and Transport

**Private de-brief (12.15-12.30)**

# Agenda Item 2

Document is Restricted

## Evidence paper

### **Inquiry into employment opportunities for older people - Scrutiny of Welsh Government response**

#### **Enterprise and Business Committee National Assembly for Wales**

**September 2015**

## **1. Introduction**

1.1 Age Cymru is the leading national charity working to improve the lives of all older people in Wales. We believe older people should be able to lead healthy and fulfilled lives, have adequate income, access to high quality services and the opportunity to shape their own future. We seek to provide a strong voice for all older people in Wales and to raise awareness of the issues of importance to them.

## **2. Context**

2.1 We are pleased to provide supplementary evidence to the Enterprise and Business Committee's inquiry into employment opportunities for older people. Following our initial written and oral evidence at the beginning of 2015 we welcome the opportunity to scrutinise the Welsh Government's response to the Committee's recommendations.

2.2 Employment opportunities for people aged 50 and over remain an important topic with major implications for the financial wellbeing of older people and future pensioner poverty levels.

2.3 More people are working for longer than ever before. For some this is through choice, while for others a combination of economic factors and policies such as the raising of the State Pension Age mean that continuing to work is a financial imperative. Following the abolition of the default retirement age in 2011, employees can no longer be forced to retire just because they turn 65.

2.4 Nevertheless, remaining in work or finding new employment once considered 'older' is still a significant challenge for many people. Despite being illegal under the Equality Act 2010, we believe age discrimination still exists and older workers – typically those aged 50 and over – can still face barriers in accessing work and training.

2.5 An ageing population may bring challenges but it is also a notable success and a significant opportunity. To fully grasp this opportunity we must put aside outdated assumptions and recognise the skills and value that older people bring as employees and contributors to wider society and to the economy.

### **3. Comments on Welsh Government responses to recommendations**

**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.**

- 3.1 There are substantial gaps in the published knowledge base for employment, unemployment, self-employment and poverty amongst older people in Wales. Almost all the data sources are UK-wide or England and Wales and originate from the Office for National Statistics (ONS) and Department for Work and Pensions (DWP). As such, detailed assessment of issues as they specifically impact upon Wales is problematic or impossible and this can be seen to hinder the development of targeted policy responses.
- 3.2 Therefore we welcome the Welsh Government's response that it will consider how to use existing research programmes to produce research in respect to people aged 50 and over. However, we note that this stops short of a definitive commitment and appears to rule out research specifically brought conducted into the experiences of older people in the labour market in Wales. We believe something along this line would be required to meet the Committee's recommendation in full.
- 3.3 Understanding any issues, barriers and opportunities present in Wales specifically, and in different parts of Wales, is extremely important. We also believe that research focused on older people, or with a discrete section related to older people, is vital given that it is often stated that there are specific challenges facing this group, including responding and adapting to new industries, new skills requirements and age discrimination.

**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.**

- 3.4 It is important that the Welsh Government understands the different issues and barriers faced by older men and women, as well as the specific barriers faced by older people with other protected characteristics. It is possible that the current equality proofing undertaken on the skills policy would not identify the barriers faced by older women (or older men) because it considers age and gender characteristics separately.

3.5 Nevertheless, our overriding concern, covered in more detail below when discussing the Welsh Government's responses to recommendations 5, 8 and 9, is the current absence of any skills and training programmes which seek to take account of the needs of older workers.

**Recommendation 3 - The Welsh Government should commission research to identify the extent of perceived or actual age discrimination in skills, training and employment matters.**

3.6 As noted in our previous evidence to the Committee, there is a dearth of empirical evidence in relation to the existence of age discrimination in employment in general, and even more so in relation to the situation in Wales.

3.7 However responses from older people indicate that age discrimination is perceived to be widespread. 40% of workers aged 50 and over in the UK believe they have been disadvantaged at work for appearing too old.<sup>1</sup> Polling by Age Cymru in 2010 found that 71% of people in Wales believed older people were discriminated against on the grounds of their age in employment, while 1 in 5 people (21%) between the ages of 50 and 64 believed they had personally experienced discrimination in employment because of their age.<sup>2</sup> A number of other pieces of research indicate that people perceive that older people are discriminated against by recruitment practices in particular.

3.8 Therefore we are disappointed that the Welsh Government's response to this recommendation simply repeats the one they provided in relation to recommendation 1. Again, this response stops short of making any firm commitment to rectify the current evidence gap. We do not believe this demonstrates that the Government is placing sufficient importance on a problem our own research shows is regarded as particularly endemic and significant by people in Wales. We would like to see the Welsh Government take this issue far more seriously in keeping with their stated commitment to equality.

**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.**

3.9 As above, given the perceived scale of age discrimination in employment practices, we believe that this is a crucial recommendation. Therefore, while we welcome the Government's acceptance in principle of this recommendation, we are slightly disappointed that it has not accepted the full scale of it.

3.10 Whilst the work of both the National Partnership Forum (NPF) and the Older People's Commissioner's Ageing Well Programme are extremely welcome and positive, they are both operated at arms length from the Welsh Government and, as noted by the Commissioner herself, neither receive specific government funding.

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<sup>1</sup> CIPD/CMI (2010), Managing an ageing workforce.

<sup>2</sup> ICM Opinion poll for Age Cymru, February 2010.

3.11 We would like to see the Welsh Government undertake more direct work on this issue, along the line of that recommended by the Committee.

**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.**

3.12 We note the Welsh Government's position that the structure and purpose of Jobs Growth Wales means that it may not address the specific needs of older people. We understand the reasoning behind this but believe that greater opportunity to gain confidence, work experience in new sectors, or to demonstrate a wider range of skills might benefit some of the large numbers of older people currently out of employment.

3.13 In addition the Government's response does not address the general point that very little specific support or programmes are available for people in this age group. This is especially the case in relation to Welsh Government programmes and we believe that the Government should consider developing an appropriate programme to support the large number of jobless people over 50 in Wales.

3.14 As outlined in our previous evidence, the Work Programme operated by the UK Government has been shown to be failing older job-seekers who have significantly poorer outcomes than other age groups. We support the intentions of the Welsh Government in striving to engage with the DWP over how the Work Programme will be delivered in Wales in the future. We urge the Welsh Government to include the needs of older people and an ageing workforce in these discussions and their representations.

3.15 We welcome the Government's intention to introduce a new adult employability programme from April 2016 and in particular its focus on core essential skills such as digital literacy. We await further details over what this programme will look like. In designing this programme it will be important to ensure that the 'all-ages' nature of the programme does not prevent it from meeting the specific needs that some groups will have. As discussed in our previous evidence, it is also extremely important to note that digital skills are not the only specific requirement of older job-seekers but that confidence, application and interview skills, and basic literacy and numeracy can also be barriers for some people. The design of this programme should present an ideal opportunity for the Welsh Government to consider the needs of this (and other) age groups specifically.

**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.**

3.16 The Communication Plan referred to in the Welsh Government's response would appear to provide a good opportunity to engage with employers in Wales about age equality. However, this only refers to 2015-16 and therefore time is extremely short for it to have any kind of significant impact.

3.17 We sympathise with the point that reaching every employer in Wales is extremely ambitious, but this should not distract from the value of an ‘age positive’ campaign of this nature to employers. Given the major knock-on impact of perceived or actual age discrimination on individuals, the Welsh economy and, ultimately, the budgets of Welsh public services, we believe that there would be substantial value in the Welsh Government communicating this type of positive message.

**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.**

3.18 Our comments in relation to this recommendation are the same as those in relation to recommendation 1 and 3 above.

**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.**

**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.**

3.19 We are extremely concerned by the response of the Welsh Government to these two recommendations. We believed that the commitment to the publication of an Older People’s Skills Strategy was one of the most positive elements of the Strategy for Older People 2013-2023 and we are extremely disappointed that the Welsh Government has changed its position, especially as we understood that there was a significant commitment to its development at the time.

3.20 This adds to a growing concern we have that the Strategy for Older People in Wales is being marginalised; it currently lacks any substantial commitment or resourcing, financial or otherwise. As it was, the third phase of the Strategy contained few substantive new commitments and it should be considered a real blow to its ongoing credibility that this one has now been dropped.

3.21 The Welsh Government’s response states that the planned Older People’s Skills Strategy has been superseded by the publication of the Policy Statement on Skills and supporting Skills Implementation Plan. However these documents make very few references to the specific needs of older workers and job seekers, the barriers that they might face, or the skill sets they need in today’s job market. We do note the positive mentions of improving literacy and numeracy, however.

- 3.22 Unfortunately, when taken as a whole, this response from the Welsh Government only adds to our perception that the Welsh Government does not consider supporting older workers to be a priority. This is due to several factors: the absence of an Older People's Skills Strategy; the lack of references to specific needs of older employees or job seekers in the all age Skills Implementation Plan; and the focusing of specific support programmes towards the 18 – 24 age group.
- 3.23 Nevertheless, we do welcome the Welsh Government's statement that *"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."* It will be important for the future financial security, health and well-being of Wales' ageing population that this is the case.

**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.**

- 3.24 Given our previous statements about the Work Programme struggling to appropriately support older job seekers, we believe there is merit in exploring whether more skills programmes should be designed and delivered in Wales. This should also help to target resources most appropriately and to minimise duplication.
- 3.25 As a result, we welcome the Welsh Government's discussions with the UK Government, though, in light of our criticisms above, we believe that further devolution in this area would necessitate a broadening of the Welsh Government's current focus and priorities.

**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.**

- 3.26 We strongly support the Committee in this recommendation and note the Welsh Government's statements about skills programmes being available on an all-age basis. We restate, however, that the withdrawal of funding for some apprenticeships for people over the age of 24 introduces a disincentive for employers to employ some older people and will make it more difficult for older workers to retrain and learn new skills. Whilst this may not be the Welsh Government's intention it is likely to be the reality on the ground.
- 3.27 We welcome the Government's response elsewhere that they will monitor changes in the demographics of those individuals who access our employment and skills programmes, including on age grounds.

**4. Conclusion**

- 4.1 Our initial evidence to the Committee stated that we did not believe that enough focus was placed on the employment and skills needs of people aged 50 and over – an important point given that people are being required to work for longer and the fact that Wales has an ageing population. As such we welcomed the Committee’s report and recommendations for how this could be remedied.
- 4.2 Whilst the Welsh Government has accepted some of the Committee’s recommendations in principle, on the whole we are disappointed by the response. When taken as a whole, this response from the Welsh Government only adds to our perception that older workers are not considered to be a priority.
- 4.3 We would support the Committee in raising these issues with the Welsh Government and hope that this could lead to a gradual change of approach.



**Older People's Commissioner for Wales**  
**Comisiynydd Pobl Hŷn Cymru**

**Response from the Older People's  
Commissioner for Wales**

**to the**

**Welsh Government Response to the NAFW  
Enterprise and Business Committee  
Report on Employment Opportunities for  
People Over 50**

**September 2015**

For more information regarding this response please contact:

Older People's Commissioner for Wales,  
Cambrian Buildings,  
Mount Stuart Square,  
Cardiff, CF10 5FL  
08442 640670

## **About the Commissioner**

The Older People's Commissioner for Wales is an independent voice and champion for older people across Wales, standing up and speaking out on their behalf. She works to ensure that those who are vulnerable and at risk are kept safe and ensures that all older people have a voice that is heard, that they have choice and control, that they don't feel isolated or discriminated against and that they receive the support and services they need. The Commissioner's work is driven by what older people say matters most to them and their voices are at the heart of all that she does. The Commissioner works to make Wales a good place to grow older - not just for some but for everyone.

The Older People's Commissioner:

- Promotes awareness of the rights and interests of older people in Wales.
- Challenges discrimination against older people in Wales.
- Encourages best practice in the treatment of older people in Wales.
- Reviews the law affecting the interests of older people in Wales.

## Welsh Government Response: NAFW Employment Opportunities for People Over 50 Report

1. As the Older People's Commissioner for Wales I welcome the opportunity to respond to the Welsh Government response to the Enterprise and Business Committee Report on Employment Opportunities for People Over 50<sup>1</sup>. This response builds upon my written evidence<sup>2</sup>, oral evidence in January 2015, and letter to the Committee Chair in August 2015<sup>3</sup>. I am pleased to contribute to the Committee's Inquiry once again and highlight this crucial issue.
2. Whilst there is much to welcome in the response there are areas where the Welsh Government must go further to improve employment opportunities for people over 50.

### Recommendations 1, 3 and 7

3. These recommendations relate to the Welsh Government undertaking research to better understand the current situation and to identify the key barriers preventing older people from taking up employment. This is much needed as there is a dearth of evidence and, as emphasised in the report, up-to-date and accurate analysis is urgently required in order to make evidence-based policy decisions. The Deputy Minister's acceptance of these recommendations in principle is therefore welcomed.
4. As I emphasised in my letter to the Committee Chair, whilst much of my work is collaborative in approach I expect that the Welsh Government leads on this research and fully supports the work of the 'Opportunities for Learning and Employment' strand of Ageing Well in Wales, including encouraging other partners e.g. Careers Wales to participate.

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<sup>1</sup> <http://www.senedd.assembly.wales/documents/s43365/%20Government%20response%20-%20September%202015.pdf>

<sup>2</sup> <http://www.senedd.assembly.wales/documents/s35635/EBC4-03-15%20p.1%20Older%20Peoples%20Commissioner%20for%20Wales.pdf>

<sup>3</sup> <http://www.senedd.assembly.wales/documents/s43306/Letter%20from%20the%20Older%20Peoples%20Commissioner%20for%20Wales%20-%202014%20August%202015.pdf>

5. With adequate support from the Welsh Government, the Centre for Ageing and Dementia Research, also a partner in Ageing Well, could undertake this research. Furthermore, using the expertise of the Opportunities for Learning and Employment Expert Advisory Group, an established platform that brings together those partners who can make a real difference in improving employment prospects for people over 50, is crucial in order to provide advice and disseminate information amongst partner networks. Through Ageing Well in Wales, I am prepared to work with the Welsh Government to develop these research proposals.

### **Recommendations 4 and 6**

6. Regarding the recommendation on a Welsh Government-led initiative to do more to challenge age discrimination, I warmly welcome the Deputy Minister's acceptance in principle. Ageism and age discrimination are key barriers to employment for many older people, and much more needs to be done to tackle this.
7. The Deputy Minister refers to existing activity undertaken by myself via the Ageing Well in Wales Programme and the National Partnership Forum (NPF), and that there are no additional financial implications. I must emphasise that neither Ageing Well nor the NPF receive specific Government funding, and therefore further support is required to progress with the work undertaken by both the Programme and Forum.
8. Ensuring that the Welsh Government leads on work to challenge age discrimination sends a strong positive message that Wales is a nation that recognises the benefits of employing older people and promotes a culture of age-friendly employers. Welsh Government efforts should complement my 'Say No to Ageism' awareness raising campaign, to be launched in October 2015.

9. Furthermore, Welsh Government support to complement the UK Government Age Positive campaign<sup>4</sup> and engage with Welsh employers, particularly SMEs, could be hugely impactful. I welcome the acceptance of this recommendation in principle and the development of a Communication Plan to engage with employers and invest in skills. Partnership working between the Welsh Government and the Department of Work and Pensions (DWP) is crucial to coordinate efforts in promoting age-friendly workplaces and encourage employers to tackle ageism and age discrimination, and through Ageing Well in Wales and my 'Say No to Ageism' awareness raising campaign I will support the roll out of the Communication Plan and engagement with employers.

## **Recommendation 5**

10. The Deputy Minister's rejection of this recommendation, designing a scheme similar to Jobs Growth Wales for those over 50 seeking to re-enter the labour market, is regrettable. My written evidence, and the report itself, made it clear that in an employment context, older people are largely a forgotten group and very often an after-thought when it comes to employment schemes and programmes.

11. There are four times as many people over 50 who are not in education, employment or training (NEETs) as there are under 25, and yet they receive little support and attention to re-enter the labour market. Regarding the reference to the long-term trend in employment and inactivity rates for this particular age cohort, whilst economic inactivity for people aged 50-64 had decreased once again at the UK level in 2014/15 to 28.5%, in Wales the figure has increased to 33.2%<sup>5</sup>. This has resulted in a further 10,000 jobless older people in Wales that may be attributable to the inequitable levels of employability support available.

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<sup>4</sup> <https://www.gov.uk/government/collections/age-positive>

<sup>5</sup> <https://statswales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Economic-Inactivity/economicinactivityratesexcludingstudents-by-welshlocalarea-year>

12. With an ageing population and not enough young people leaving education (7 million) to fill the estimated 13.5 million job vacancies at the UK level in the next decade<sup>6</sup>, more must be done to engage with the current 'missing million' i.e. those over 50 who have been made 'involuntarily workless'<sup>7</sup>, helping individuals and local and national economies in the process.
13. I do not agree that a complete business case for a scheme similar to Jobs Growth Wales has not been presented. There are very few schemes to help older people back into employment or to ensure that they have the right skills to remain in the labour market. Whilst I welcome the acknowledgement that older people face significantly different barriers to employment than those in other age groups, I am disappointed that the Welsh Government is not prepared to discuss and develop an appropriate and equitable programme for the large number of jobless people over 50 in Wales. Through Ageing Well in Wales I would be prepared to work with the Welsh Government to develop a cost effective but appropriate model that addresses these specific barriers, and build on the proposals submitted to the Committee in February 2015<sup>8</sup>.
14. Furthermore, a programme that provides work experience for people over 50 could be hugely beneficial and act as a 'gateway' to full or part-time employment. Work experience could provide the impetus to develop new skills, gain confidence and adapt to new working environments. Jobs Growth Wales has made a real difference in supporting young people and a similar scheme for older people could improve their employment prospects.
15. In the absence of a scheme similar to Jobs Growth Wales, the Deputy Minister refers to the Skills for Employment Wales, a new adult employability programme from April 2016. The focus of this programme will be on core Essential Skills, and I very much

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<sup>6</sup><https://www.niace.org.uk/sites/default/files/resources/Manifesto%20General%20Election%202015%20Skills%20for%20Prosperity.pdf>

<sup>7</sup> [http://www.ilcuk.org.uk/images/uploads/publication-pdfs/The\\_missing\\_millions\\_web.pdf](http://www.ilcuk.org.uk/images/uploads/publication-pdfs/The_missing_millions_web.pdf)

<sup>8</sup> <http://www.senedd.assembly.wales/documents/s36927/EBC4-05-15%20p.14%20Older%20Peoples%20Commissioner%20-%20additional%20information.pdf>

welcome this. I have supported the idea of an Essential Skills Package for older people, including financial and digital skills, to improve their employment prospects and increase their resilience in later life. I expect that the new programme will address the particular skills needs of people over 50.

## **Recommendation 8**

16. The Deputy Minister's decision to reject the recommendation to publish a skills strategy specifically for people over 50 is regrettable. The rationale is that this proposal, included in the Strategy for Older People 2013-23, has been superseded by the Welsh Government Policy Statement on Skills and Skills Implementation Plan. However, there are no references in these documents to the specific skillsets that people over 50 require, nor adequate consideration of the key barriers facing people over 50 to remain in or re-enter the labour market e.g. caring responsibilities, qualifications that need updating, improving confidence and the need for flexible working patterns.
17. The Deputy Minister also refers to the Welsh Government Framework for Co-investment in Skills. In my consultation response on the Framework I mentioned the importance of encouraging employers to invest in skills for people of all ages from the outset<sup>9</sup>. Employers in Wales must recognise the benefits of employing a diverse, multi-generational workforce and invest in skills to retain or re-engage with older workers. There is currently insufficient attention on the skills needs of people over 50 and a Welsh Government Skills Strategy for Older People, complemented by a scheme similar to Jobs Growth Wales, could make a real difference in equipping those over 50 with the right skills to get back into employment.

## **Recommendation 9**

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<sup>9</sup> <http://www.senedd.assembly.wales/documents/s41213/CIS%2007%20-%20Older%20Peoples%20Commissioner%20for%20Wales.pdf>

18. The rejection of the recommendation to produce specific outcomes promoting the economic activity of people over 50 as part of the Strategy for Older People in Wales is regrettable. I fully support an outcomes-focused approach and getting people over 50 back into employment can lead to a range of positive outcomes, including increased financial resilience and reduced susceptibility to poverty and social isolation, positive contributions to an individual's physical and mental health and wellbeing, and improvements in skills, confidence and ability to adapt to changes in later life. As previously mentioned, there is little evidence on the employment issues facing people over 50, and data on how many older people, particularly between 50 and State Pension age, are 'NEETs' and are looking to re-enter the labour market is scarce.
19. The Deputy Minister refers to the Skills Performance Measures, published in September 2014<sup>10</sup>. Whilst a better understanding of how these measures monitor skills policy and programmes to support jobs and growth, financial sustainability and equality and equity is welcomed, there are no specific references to the particular skills issues facing those over 50. The Measures refer to data on the equality of access to employment and skills programmes. Whilst the Welsh Government maintains that the vast majority of employment and skills programmes are age-neutral, in reality the programmes are geared towards those under 25 years old. Furthermore, in some sectors e.g. the care industry, those over 25 must fund their own training and employers are often dis-incentivised from employing or offering apprenticeships to those over 50<sup>11</sup>.
20. People over 50 who are looking for employment are not experiencing a level playing field and the Welsh Government must go beyond the Skills Implementation Plan and Skills Performance Measures to support the economic activity of those aged 50 and over. For example, the Welsh Government could consider the

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<sup>10</sup> <http://gov.wales/docs/dcells/publications/140930-skills-performance-measures-en.pdf>

<sup>11</sup> <http://www.senedd.assembly.wales/documents/s41213/CIS%2007%20-%20Older%20Peoples%20Commissioner%20for%20Wales.pdf>

proposals by Niace Dysgu Cymru in their ‘Skills for Prosperity’ publication to make personal mid-career reviews available to all adults, bringing together information on education and skills to help people decide what further skills development they need, as well as doing more to ensure that those over 50 benefit from apprenticeships, an effective ‘gateway’ back into employment<sup>12</sup>.

## **Recommendation 10**

21. I welcome the acceptance of the recommendation to devolve DWP skills programmes to Wales in principle. The Deputy Minister’s statement that there is considerable advantage in taking over responsibility for the Work Programme is strongly supported. Such an approach means that the Welsh Government can provide tailored support to support people of all ages back into employment and address Wales-specific issues.

22. As I have previously mentioned, strong partnership working between the Welsh Government and DWP is crucial in order to coordinate efforts and minimise duplication, leading to better, more impactful interventions that supports people over 50 on the ground. The previous UK Government proposed some positive reforms to fight ageism in the workplace, including a proposal to introduce older workers champions across the UK<sup>13</sup>. It would be hugely beneficial if these proposals were taken forward by the current Government and an older workers champion for Wales, working closely with the Welsh Government, is one example of effective cooperation between Governments.

## **Recommendation 11**

23. I warmly welcome the Deputy Minister’s acceptance of this recommendation. As I have previously emphasised, despite being age-neutral in rhetoric, most employment and skills programmes

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<sup>12</sup> <http://www.niacecymru.org.uk/sites/default/files/resources/Final%20Manifesto%20English.pdf>

<sup>13</sup> <https://www.gov.uk/government/news/fundamental-reform-to-fight-ageism-in-the-workplace-older-workers-scheme-to-tackle-age-discrimination>

concentrate on those under 25 years old in practice. Wales has a ‘forgotten workforce’ and a wealth of knowledge and experience that is currently underutilised and underappreciated. Better support for those over 50 benefits individuals, employers and local and national economies; a recent report by the UK Business Champion for Older Workers suggests that extending working lives and retaining, retraining and recruiting older workers could add an extra £55bn to the UK GDP<sup>14</sup>.

24. It is crucial that younger people are given the best start in life and are supported into education, employment and training, however it is also crucial that those over 50, who want and need to remain in or return to employment, are given similar levels of support. Many of the 205k jobless people in the 50-64 age group in Wales would like to work<sup>15</sup>. The lack of opportunity and access to support is an equality issue that needs to be addressed as a matter of urgency. The Deputy Minister’s acknowledgement that the Welsh Government needs to monitor the impact of prioritising youth engagement and employment on older people is welcomed, and I expect that the forthcoming Skills for Employment Wales Programme will better address the needs of those over 50, fully supported by the existing Skills Performance Measures.

## Conclusions

25. I am pleased that employment opportunities for people over 50 in Wales, an issue that has received little attention for far too long, is now on the agenda. The Committee’s report is warmly welcomed with some positive recommendations that, if implemented, could do much to improve the employment prospects of those over 50 across Wales.

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<sup>14</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/411420/a-new-vision-for-older-workers.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/411420/a-new-vision-for-older-workers.pdf)

<sup>15</sup> <https://statswales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Economic-Inactivity/economicinactivityratesexcludingstudents-by-welshlocalarea-year> (Economically inactive 196k, Jobseekers Allowance claimants 9k)

26. There is much to welcome in the Welsh Government's response, however the rejection of some key recommendations is regrettable and a missed opportunity in providing better support to older people who want or need to remain in or re-enter the labour market. I will discuss these issues further with the Deputy Minister in our forthcoming meeting and I look forward to updating the Committee in our 7 October meeting.

# Agenda Item 5

## **Paper to the Enterprise and Business Committee: a follow-up to the Welsh Government's Written Response to the Committee's report on Employment Opportunities for People Over 50**

The Welsh Government's written response to the Enterprise and Business Committee Report on Employment Opportunities for People Over 50 has now been issued. I hope that Committee members have had the opportunity to consider the points which were raised within that response, including the rationale for why certain recommendations were not accepted at this point in time.

In advance of my attendance at Committee on the 7 October I would like to take the opportunity to summarise the points I have raised previously and to comment on what I see as the underpinning themes which appear to be central to the 11 recommendations put forward by the Committee.

### **Developing the evidence base and assessing impact**

A number of the recommendations focused on developing an evidence base to look specifically at those individuals over 50. I fully recognise the benefit of conducting such work. As noted within the Welsh Government written response, there is a commitment to progress a number of the activities proposed subject to resource and acknowledging the research and statistical information already at our disposal.

Following the publication of the Policy Statement on Skills in January 2014 we have made a number of policy and programme changes aimed at ensuring that we are able to meet the long-term ambition of a sustainable and competitive skills system for Wales. I am committed to ensuring that the actions being taken can be appropriately assessed in terms of their impact on the Welsh economy, employers and individuals. For this reason we published Skills Performance Measures in September 2014 and these are continuing to be refined and integrated within Welsh Government policy and programme delivery.

The Skills Performance Measure for *Equality and Equity* will provide greater scrutiny of support for those groups with protected characteristics, including older workers. This will provide a strong evidence base for measuring the impact of policies and allow us to redirect resources, where appropriate.

### **Communication and engagement**

The Committee have highlighted a number of areas where engagement should take place between the Welsh Government and other stakeholders. I am also aware of the proposal from the Older People's Commissioner which suggests a designated ministerial lead should be put in place linked to the Older People's Strategy. I am due to meet with the Older People's Commissioner shortly and I should therefore be better placed to comment on this proposal when I attend Committee in October.

## **Employment support**

As noted within the Welsh Government's written response to Committee, devolution of the Department for Work and Pensions (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. I hope Committee members will appreciate that these considerations are both complex and potentially lengthy. However I would also like to reassure members that discussions with the DWP are ongoing and I am committed to ensuring that, whatever the outcome, we gain a consistent and responsive employment offer for Wales which is of direct benefit to individuals of all ages.

As the discussions with the UK Government progress we are continuing to make a range of programmes available to employers and individuals which will be of direct benefit to those people aged over 50. I provided a breakdown of these within my earlier paper to Committee, including the support from successful programmes such as ReAct. I appreciate that Committee, supported by the input received from stakeholders, would wish the Welsh Government to progress a Jobs Growth Wales scheme for the over 50s. However, as noted within the Welsh Government's response, the rationale for Jobs Growth Wales is to support young people to gain the valuable work experience needed to advance in the labour market and to mitigate the long-term economic 'scarring' impacts of youth unemployment. This remains a priority for the Welsh Government.

## **Ongoing skills policy and strategy**

I have previously highlighted that the focus of recent policy and programme changes have been to respond to the challenges noted within the Policy Statement on Skills and the need to develop a sustainable and competitive skills system for Wales. To date we have progressed work in a range of areas including a consultation and extensive policy work on apprenticeships, the publication of the Framework for Co-investment in Skills, the focus on impact supported by the Skills Performance Measures, support for regional skills policy underpinned by the work of the three Regional Skills Partnerships and the ongoing engagement with DWP on the future of employment support in Wales.

At this point, and given the change programme already underway to address the social and economic challenges facing the Welsh economy, I cannot commit to producing additional policy or strategies focusing specifically on older people in Wales. However I have accepted a number of the Committee's recommendations focused on developing an evidence base to look specifically at those individuals over 50 and will consider this evidence base carefully as we drive forward our change programme.

I look forward to discussing the above points with Committee members when I attend the scrutiny session on the 7 October.

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

Rt Hon Patrick McLoughlin MP  
Secretary of State for Transport  
Department for Transport  
Great Minster House  
33 Horseferry Road  
London, SW1P 4DR

30 September 2015

Dear Patrick,

## Enterprise and Business Committee request for further information

As you know your officials gave evidence to the National Assembly for Wales' Enterprise and Business Committee on 17<sup>th</sup> September. The session was extremely helpful. I and the other committee members are very grateful both to you for making your officials available, and to them for providing such useful evidence. I would ask you to pass on our thanks for their evidence.

Following the meeting the Committee agreed to write to you to request some further information.

While the St David's Day Command Paper stated that there was "no consensus" on taking forward the Silk Commission proposal that funding Network Rail should be devolved, the Welsh Government's position remains that these powers should be devolved. The Enterprise and Business Committee is planning to undertake an inquiry into the future of Welsh rail infrastructure in the spring where the question of infrastructure powers will inevitably arise.

It would therefore be very helpful if you could, as far as possible:

- Clarify what is meant by the statement that there is "no consensus" on devolution of funding for rail infrastructure, and in particular the issues raised by those parties who do not believe devolution to be appropriate; and
- Set out your current position on how investment in Welsh infrastructure would be funded if responsibility for Welsh infrastructure were ultimately



devolved. Specifically the likelihood that any transfer of powers would be accompanied by an increase in the Welsh Block Grant, and how Network Rail's liabilities might be apportioned.

I appreciate that the second point is currently hypothetical. However, given that the Welsh Government is continuing to press for these powers, and the fact that this Committee will be considering these issues in the spring, it would be helpful for us to understand your position before discussing these issues with the Welsh Government and making any recommendations in this area.

Kind regards,

A handwritten signature in black ink that reads "William Graham". The signature is written in a cursive style with a large, sweeping initial 'W'.

William Graham

Chair, Enterprise and Business Committee



Edwina Hart AM  
Minister for Economy, Science and Transport  
Welsh Government  
Cardiff Bay  
CF99 1NA

30 September 2015

Dear Edwina,

### **Request for information on the funding of rail services in Wales**

As you may be aware, the Enterprise and Business Committee took evidence from Department for Transport (DfT) officials on 17 September 2015 and discussed a range of issues, including devolution of rail franchising powers. Following this session we agreed to write to you to request some information on the funding of rail services in Wales.

### **Funding for the current Wales and Borders Rail Franchise.**

During budget scrutiny in October 2014 you and your official told us that the failure to index the funding transferred into the Block Grant from 2006–07, when the Welsh Government became responsible for funding and managing the franchise, will have added “about £60 million to £70 million to the cost” by 2018 so that the funding of the franchise was a long-term concern.

To help us understand the financial implications, I would be grateful if you could provide the following information on the funding of the current franchise:

- Details of the total annual payments made by the Welsh Government to Arriva Trains Wales for each year from 2006–07 until the end of the franchise in October 2018 (including forecast payments);



- Details of the element of each annual payment which is provided by the Department for Transport to meet its liabilities for services entirely in England;
- Details of the element of each annual payment which is met by the Welsh Government.

For those payments which are the responsibility of the Welsh Government (bullet point 3 above), we would be grateful if you could also break these down into the following items for each year:

- The element met from the original transfer into the Block Grant which is not index linked;
- The element which represents an additional cost to the Welsh Government in meeting its contractual obligations and which results from the failure to index the Block Grant transfer; and
- The element of the payments which are in addition to franchise contractual obligations (i.e. additional investment to meet Welsh Government priorities).

### **Funding for the next Welsh rail franchise.**

DfT also outlined the key elements of the financial package which accompanied the November 2014 agreement on electrification and franchise devolution. We were told that: the block grant would be “unaffected”; that the Welsh Government would be no better and no worse off as a result of the planned remapping exercise; that “reasonable protection” would be offered against reviews of track and station access charges; that DfT would contribute £125m to Valleys electrification; and DfT would fund electrification between Bridgend and Cardiff.

In the light of your concerns about the impact of the failure to index the Block Grant transfer from 2006–07, I would be grateful if you could set out your views on the implications of this settlement for the funding of the next franchise particularly:

- How this settlement will support the investment necessary to improve the next franchise, given wider pressure on Welsh Government budgets; and



- The implications of the remapping exercise referred to in the St David's Day Command Paper for the next franchise, particularly any financial implications and its impact on passengers.

Your response will be extremely helpful to the Committee in its continuing work on preparations for the next franchise.

Kind regards,

A handwritten signature in black ink that reads "William Graham". The signature is written in a cursive style with a large initial 'W'.

William Graham AM

Chair of the Enterprise and Business Committee



# Agenda Item 6.2

Members may wish to note the Active Travel Independent Report by Professor Stuart Cole commissioned by the Minister for Economy, Science and Transport:

<http://gov.wales/docs/det/publications/transport/150916-professor-cole-active-travel-report-en.pdf>