

# Welfare to Work: Tackling the Barriers to the Employment of Older People



REPORT BY THE COMPTROLLER AND AUDITOR GENERAL  
HC 1026 Session 2003-2004: 15 September 2004

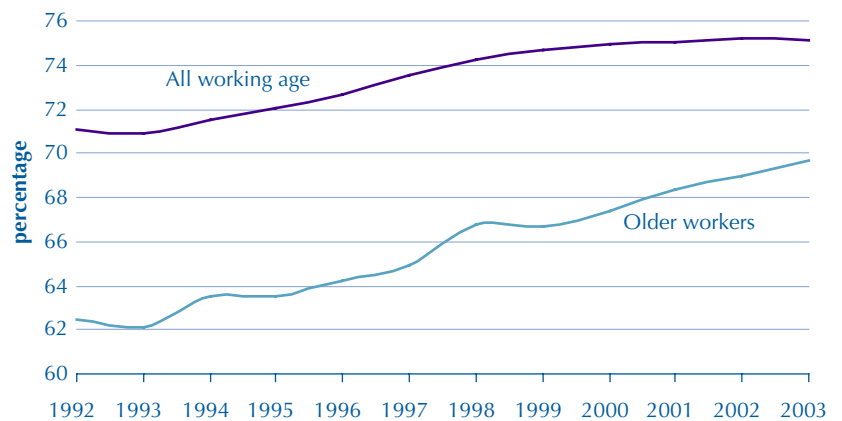
# executive summary

- 1 The United Kingdom's population is getting older. Whilst it is good that people are living longer, there are significant implications for the economy, with the likelihood of increased expenditure on health and other forms of care, and pressure on pension schemes.

## The over 50s are under-represented in the labour market

- 2 The employment rate for working age people aged over 50 has always been lower than the working age population as a whole. Although the employment rate of those over 50 has progressively increased since 1993, there remains concern about the low number of this age group in work<sup>2</sup> and the disadvantages they face in the labour market. Despite skills shortages and low unemployment, the proportion of older people in paid work remains significantly below that of all working age people, although the gap is narrowing (**Figure 1**).

### 1 The proportion of older people in work is lower than that of working age people in general



Source: Labour Force Survey

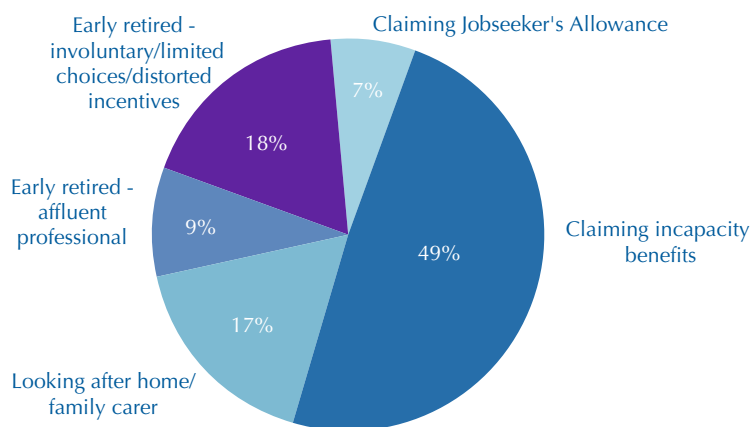
- 3 The circumstances of the 2.7 million people aged between 50 and state pension age who were not in work in 2003 varied greatly. Between 700,000<sup>3</sup> and one million<sup>4</sup> would like to work, of which 200,000 are looking actively. At the same time, around half are on incapacity benefits (**Figure 2 overleaf**). Within this national picture, there are significant regional and local variations, with high proportions of people on incapacity benefits in the North East and Wales, and a relatively high proportion of people early retired in the South East.

<sup>2</sup> For the purposes of this report we use the Government's definition of 'older people' as those over 50.

<sup>3</sup> Labour Force Survey, Spring 2003.

<sup>4</sup> Factors affecting labour market participation of older workers, Research report 200, Department for Work and Pensions, 2003.

## 2 Half of those between 50 and state pension age not in work are claiming incapacity benefits



Source: Labour Force Survey

### The employment of older people is an international issue

- 4 Relatively low levels of labour market participation by older people are common to many OECD countries. The United Kingdom's record compares favourably with other countries.

### Barriers to employment faced by older people

- 5 Of the 2.7 million people between 50 and state pension age not working, it is estimated that between 700,000 and one million would like to work. People aged over 50 can experience a wide range of barriers to work (**Figure 3**). Some such as age discrimination are linked to age, whereas others such as low skills can be experienced by anyone. Increasing employment in recent years has meant that those relatively easy to place have found jobs. Thus, an increasing proportion of those remaining out of work are harder to help as they face a number of barriers.
- 6 Improving the position of the over 50s in the labour market and tackling age discrimination in the workplace are key parts of the Government's Welfare to Work strategy. Although the Department for Work and Pensions has lead responsibility for improving the employment position of older people and other disadvantaged groups, other government bodies have important responsibilities (**Figure 4**).

### There are benefits in an economically active older population

- 7 There are individual and business benefits from the employment of older people. For many, being out of work can result in poverty, insecurity and social exclusion; working can help combat these. Benefits for employers arise, for example, from the reliability of older workers which can lead to lower staff turnover, greater productivity and skills retention. It is estimated that the relatively lower level of employment among older workers costs the economy £19-£31 billion a year in lost output and taxes and increased welfare payments.





## The Government is helping older people overcome barriers to work

- 8 The Government is helping older people into work in a number of ways designed to tackle different barriers (Figure 5). These reflect, in part, what older people say they need (Figure 6 overleaf). For example, there are programmes to improve self-confidence and interpersonal skills; to provide work experience and financial incentives for older people to re-enter the labour market; to support older people into self-employment; and to improve qualifications and vocational skills. The Government is also working with employers to raise their awareness of the benefits of employing an age diverse workforce and tackle age discrimination, and has recently introduced proposals to increase the opportunity and incentives for people to work longer. Progress to date is summarised in the paragraphs below.

## Good progress has been made towards achieving the Department for Work and Pension's Public Service Agreement targets

- 9 The Department for Work and Pensions has the following Public Service Agreement targets for the employment of older people:

### Department for Work and Pensions Public Service Agreement targets:

Over the three years to 2004, to increase the employment rate of people aged 50 and over, taking account of the economic cycle, and to reduce the difference between their employment rate and the overall employment rate of working age people.<sup>5</sup>

The Department has a similar target over the three years to 2006.

## 5 The Government is helping older people into employment in a variety of ways

Government intervention	Organisations involved	Progress to date
Targets to increase older worker employment rate	Department for Work and Pensions	The Department is likely to achieve its 2001-2004 Public Service Agreement target for increasing the employment rate of older people, before taking account of the economic cycle. Jobcentre Plus and some other government agencies also have targets that cover older people.
New Deal 50 Plus	Jobcentre Plus	To the end of December 2003, the programme had helped at least 120,000 people into work at an estimated cost of £270 million.
Employment programmes to help those on incapacity benefits	Jobcentre Plus, its local delivery partners and the NHS	The Department has recognised existing initiatives have not been very successful in helping those on incapacity benefits return to work and is piloting new approaches - "Pathways to work" - in seven locations.
Self-employment	Department for Trade and Industry, Small Business Service, Jobcentre Plus	The Government provides support for PRIME (formerly known as the Prince's Initiative for Mature Enterprise) which, in its first three years, has helped more than 7,000 people over 50 interested in working for themselves and established and supported over 700 new businesses and 900 new jobs.
Other employment programmes	Jobcentre Plus and its local delivery partners	To the end of December 2003, other employment programmes have helped around 170,000 older people into work at an estimated cost of £420 million.
Over 50s Outreach	A range of organisations	The Department has recognised that many economically inactive over 50s do not use the services offered by Jobcentre Plus and is piloting the use of other organisations to promote back-to-work help in seven locations.
Training and education	Department for Education and Skills, Learning and Skills Council, local training and education providers, Jobcentre Plus	There is no reason to expect that levels of participation in education and training should be the same across all age groups. Although participation by older people has risen in recent years, their rate of participation remains below that for younger age groups. Local Learning and Skills Councils are required to address inequality in participation, retention and achievement in education and training by setting targets for under-represented or under-achieving groups. The Councils offer a range of programmes to help improve the employability of older people.
Information, advice and guidance	Learning and Skills Council, Jobcentre Plus, Information, Advice and Guidance Partnerships	Although there is no reason to expect that use of information, advice and guidance services should be the same for all age groups, older people make less use of these services than younger people. The Learning and Skills Council intends to re-launch Information, Advice and Guidance Partnerships in August 2004.
Regional employment issues	Regional Development Agencies	To date, the responses of Regional Development Agencies to age diversity and the ageing population have been mixed.
Combating age discrimination	Department for Trade and Industry, Department for Work and Pensions	In the past 5 years, the Government has launched a number of initiatives aimed at raising employers' awareness, promoting age diversity in employment and paving the way for the introduction of age discrimination legislation in 2006.
Flexible retirement and extending working life	Department for Work and Pensions, Inland Revenue	The Government has proposed a range of measures to promote flexible retirement and extend working life. These will be introduced between 2005 and 2010.



## 6 Older people have identified a number of forms of support they require to help overcome barriers to employment and learning

- **Skills assessment** including help in identifying: existing and transferable skills, aptitudes and experience, and relating these to the current labour market; previously unrealised potential; and preferred learning styles.
- **Accessible, personally relevant, up-to-date and sufficiently detailed information** to assist career choice; to identify suitable local opportunities (jobs, learning, volunteering); and to locate local organisations that can help.
- **Advisers who are prepared to listen and motivate** and offer help and support in regaining lost confidence and self-esteem. Many older clients are reassured by dealing with older advisers.
- **Adviser continuity and feedback** so that older people can return to see the same person and do not have to repeat their story. Older people welcome feedback and 'tracking' of progress because these show that agencies are interested and genuinely care.
- Help with such areas as **personal presentation, writing CVs, interview techniques, job-search and self-advocacy.**
- **Training opportunities** that provide them with skills required by the local labour market, and which they can afford.
- **Work trials, work sampling and work experience** so that they can try out their skills, find out about unfamiliar occupations and prove themselves to employers.
- **Peer group support** to provide motivation and encouragement.
- **In-work support** particularly at transition points in their employment (e.g. when they start working and when financial incentives are withdrawn).
- **Work with employers** to confront and overturn age discrimination by employers.

*Source: Challenging age: information advice and guidance for older age groups, Department for Education and Skills, 2003; A review of what works for clients aged over 50, Research report, Department for Work and Pensions, 2003; research undertaken by MORI for the National Audit Office*

- 10 The Department is likely to achieve its 2001-2004 target. Although government programmes have had an impact, the full extent of their contribution to improving the number of over 50s in work is unclear. The buoyant economy will have had some effect, although the Department has been unable to assess its impact. Demographic changes, for example the increase in women in work, are also driving up employment rates. In addition, the difficulties experienced by private pension funds associated with falling equities markets and the tightening of regulations concerning ill-health related retirement in public pensions programmes may also have played a part.
- 11 Although the Department for Work and Pensions has responsibility for improving the employment position of older people, the Cabinet Committee on Older People, established to co-ordinate policy on issues relating to older people, has an important leadership and co-ordinating role as initiatives are spread across several departments and agencies. But the priority given by the Department for Work and Pensions to older workers, and its related Public Service Agreement targets, has not been shared by other departments.

- 12** Jobcentre Plus - an agency of the Department for Work and Pensions - has targets for placing people in work, but they are not set for individual client groups (although there are underpinning planning assumptions for each client group category, which are published in the Jobcentre Plus Business Plan). Instead, each office has an overall points target, and scores towards it reflect the priority Ministers attach to helping different client groups into work. The structure is intended to ensure that everyone receives help irrespective of their barriers to work, by recognising and rewarding the extra effort involved in helping clients requiring more support to find work. This includes additional points for clients in specified local authority areas identified as being at most disadvantage. Pressure to meet job entry targets may mean that staff focus effort on those most ready for work. Although there are no top level targets for improvements in the employability of people who have made progress but not found work, Jobcentre Plus does have a number of key management indicators in this area. These cover, for example, the numbers of basic skills qualifications achieved by those identified by Jobcentre Plus as having a basic skills need.

### Employment programmes

- 13** Jobcentre Plus has a number of employment programmes. These include the New Deal programmes, which aim to help jobseekers into work through the provision of information, advice and support, and Work Based Learning for Adults, the Government's main training programme for adults.
- 14** In April 2000, the Government launched New Deal 50 Plus as its main employment initiative to help return to work people aged 50 and over who have been out of work for six months or more. The programme is voluntary and the main elements are: access to a Personal Adviser, who provides one-to-one guidance about finding work, an in-work financial incentive and an in-work training grant. Compared with other New Deal programmes, performance data for New Deal 50 Plus is limited, and a full economic evaluation of its effectiveness in increasing employment among older people has not been undertaken. Consequently, the Department does not know how many might have found work anyway, without the programme's assistance. However, evaluations that have taken place indicate that over 50 per cent of those who took up the financial incentive would most probably have taken the work without the financial incentive.<sup>6</sup>
- 15** In April 2003, the in-work financial incentive under New Deal 50 Plus changed from an Employment Credit to a payment made as part of the Working Tax Credit. The Employment Credit had been paid directly to the individual and was highly visible, whereas the Tax Credit is made in arrears by an adjustment to pay packets and based on household not individual income. Data on the take up of the Tax Credit is not available, but anecdotal evidence from Jobcentre Plus staff and third parties suggests this change has had a detrimental effect on participation in the programme.



<sup>6</sup> *Evaluation of the New Deal 50 Plus: Research with Individuals (wave 1), Research and development report ESR91, Employment Service, 2001 and Evaluation of the New Deal 50 Plus: Research with Individuals (wave 2), Research and development report ESR92, Employment Service, 2001.*



- 16** Although the general health of the nation has improved on many indicators, there has been a marked increase in the number claiming incapacity benefits. In 1979, 690,000 people received the forerunners to the current incapacity benefits. Since then the number of people of working age on incapacity benefits has nearly quadrupled, but with smaller increases since the mid-1990s. In 2003, 2.7 million people received incapacity benefits, half of them aged 50-64. The Department is introducing work-focused interviews for new incapacity benefits claimants and is piloting new approaches in seven locations.
- 17** The incidence of self-employment, a particularly attractive option for some made redundant or who have retired early, increases with age. The Department of Trade and Industry supports The PRIME Initiative Ltd, which supports self-employment and enterprise among the over 50s. In its first three years, PRIME has helped more than 7,000 people over 50 wanting to work for themselves, and established and supported over 700 new businesses and 900 new jobs.
- 18** Some programmes run by Jobcentre Plus have been less successful for older people than younger clients. Although the availability of New Deal 50 Plus affects the comparison, participation by older people in most other programmes is relatively low. In particular, although more than 50 per cent of those on incapacity benefits are over the age of 50, just 32 per cent of those on the New Deal for Disabled People were over 50. Also, the rates of success in securing a job were considerably lower for over 50s participants in New Deal 25 Plus and Employment Zones.

### Training, education and guidance

- 19** Older people and others at a disadvantage in the labour market on average have relatively low levels of qualifications and skills, so improving basic and vocational skills can help to improve their employability. There is no reason to expect that levels of participation in training and education should be the same across all age groups. However, although in recent years training and education participation rates for the over 50s have increased, they remain lower than those of younger age groups for most forms of training and education.
- 20** Local Learning and Skills Councils are required to address inequality in participation, retention and achievement in education and training by setting targets for under-represented or under-achieving groups in their Equality and Diversity Impact Measures. However, although the local Councils offer a range of programmes relevant to improving the employability of older people, to date only seven of the 47 Councils have specifically addressed issues relating to older learners.
- 21** There is no reason to expect that levels of use of information, advice and guidance services - designed to help people make realistic and well informed choices - should be the same across all age groups, though on average older people make less use of these services than people from younger age groups. In 2002-03, fewer than 15 per cent of Information, Advice and Guidance Partnerships' clients were aged 50 plus.
- 22** The National Skills Strategy, published in July 2003, set out a cross-government agenda for raising investment in skills. It commits the Department for Education and Skills, the Department for Work and Pensions, the Department for Trade and Industry and other partners to a range of actions which will help people, including older people, gain the skills for employability. However, the National Skills Strategy makes no specific mention of addressing the skills needs of older learners.

## The role of Regional Development Agencies

**23** The statutory duties of Regional Development Agencies include promoting employment and enhancing the development and application of skills relevant to employment. The extent to which they have addressed the needs of older workers has been mixed. Only East Midlands has so far set targets in this area and there is patchy coverage in key documents such as Frameworks for Regional Employment and Skills Actions. However, in some cases it is clear that action has been taken in response to the state of the regional labour market. For example, although the South East has the highest employment rate among older people, because of extensive labour and skills shortages the Agency has supported strategic work to improve understanding of the older worker in the labour market through its partnership with Higher Education. All but one Agency have commissioned research on the implications of an ageing population, whilst others acknowledge their understanding is limited and have plans to improve. All regions are developing Regional Observatories to bring together relevant data sources to inform regional policy and strategy.

## Promoting age diversity and tackling age discrimination

**24** Age discrimination in the workplace is a significant barrier to the employment of older people. The Government has tried to tackle it through its Age Positive campaign, and in 1999 launched a non-statutory Code of Practice on Age Diversity in Employment that sets standards for "non-ageist" approaches to recruitment, training and development, promotion, redundancy and retirement. The Government is on course to bring legislation on age into force on 1 October 2006. The complexity of the issues involved, and in particular divergent views on whether a mandatory retirement age should be allowed, has resulted in some delay in the timetable for consultation on draft regulations. The Government is considering a revised timetable for consultation.



## Promoting flexible retirement and extending working life

- 25** Many older people retire early even though they find work rewarding. Given greater flexibility, they may prefer to stay in work. The Government has proposed a range of measures to promote flexible retirement and help extend working life. These include: introducing, in Spring 2005, more generous increases for deferring take up of state pensions; allowing people to continue working for their employer while drawing an occupational pension by April 2006; raising the earliest age from which an occupational pension may be taken from 50 to 55, by 2010; and raising the normal pension age in public service pension schemes from 60 to 65 for new entrants, by the end of 2006.

## Delivering services locally

- 26** Services to help older people into work are delivered locally and should therefore be influenced by local circumstances. To assess their impact, we examined how well services are planned, co-ordinated and delivered in three illustrative locations (**Figure 7**). Whilst not representative, they were selected for their relatively low levels of employment among people over 50 and differing characteristics, as well as the presence of new Jobcentre Plus offices.
- 27** Locally there are a wide range of organisations able to help older people improve their employment position (**Figure 8 overleaf**). Effective provision requires an organisation to co-ordinate and publicise services, effective assessment and referral between providers, as well as the procurement and tailoring of services to meet individual customer needs.




## Service co-ordination and publicity

- 28** There is scope to improve co-ordination of employment and training services for older people across all three locations examined. Difficulties arose primarily from the emphasis placed by each organisation on achieving its own targets, high staff turnover at Jobcentre Plus offices affecting their ability to communicate with partner organisations and refer customers effectively, and links between organisations being reliant on particular individuals. There is also a need to better align the objectives, priorities and practices of Jobcentre Plus offices, local Learning and Skills Councils and local Information, Advice and Guidance Partnerships. Following a report by the National Employment Panel, action to secure better alignment is underway.<sup>7</sup>
- 29** Research, conducted by MORI on our behalf in the three locations, suggested customer awareness of local services to help improve their employment prospects is generally poor. This includes awareness of Jobcentre Plus programmes, information, advice and guidance services and other local services.

## Assessment and referral

- 30** Personal Advisers are key to Jobcentre Plus's ability to effectively assess the needs of disadvantaged clients, refer them to suitable personal and employability development services, and guide them into work. Evaluations of all New Deal programmes indicate Personal Advisers play a crucial role. However, their effectiveness varies between offices, partly reflecting the degree to which they specialise in particular client groups and related programmes of help, and their experience and training.

## 7 Main characteristics of the three locations examined

	 Wembley (Brent)	 Heanor (Derbyshire)	 Newcastle East (Newcastle)
Location	Urban area	Rural area	Urban area
50 to state pension age population on benefits <sup>1</sup>	7,300 (23.7 per cent)	3,600 (17.9 per cent)	10,400 (31.5 per cent)
50 to state pension age Unemployed <sup>1</sup>	1,000 (3.4 per cent)	300 (1.6 per cent)	1,100 (3.3 per cent)
50 to state pension age on Incapacity benefits <sup>1</sup>	5,300 (17.1 per cent)	3,000 (14.9 per cent)	8,500 (25.7 per cent)
General description of each area, based partly on the opinions of those who took part in the Market and Opinion Research International Ltd research	Brent is characterised by a large non-white community (over a quarter of the population are Asian and one fifth are Black). There is a great deal of competition for local jobs. The vast majority of older people interviewed in Brent are very keen to work, but find it difficult to compete in such a tight labour market, particularly where they perceive illegal workers are undercutting them in terms of the wages they will accept for unskilled/low skilled work.	The decline of the mining industry had a huge impact on local employment levels, with a large section of the population forced to take compulsory redundancy. Many of these people appear to have been out of work and living off their redundancy pay-outs for a long time, but are now finding that this money is running out. Heanor, with an almost exclusively white population, is a rural and very tight-knit community, where older people in particular are often extremely reluctant to travel outside their local area. This inevitably limits the employment options open to them.	The decline of the shipbuilding industry had a huge impact in this area. Older people in Newcastle East tend to be more detached from the labour market, largely due to long-term benefit dependency, as a result of ill-health and/or lack of local job opportunities leading to unemployment. In some cases, there is a perception that the local Jobcentre Plus office simply wants to 'get people off its books' by signing people off Jobseeker's Allowance and on to Incapacity Benefit. All this appears to have had a detrimental impact on many people's motivation to seek work.

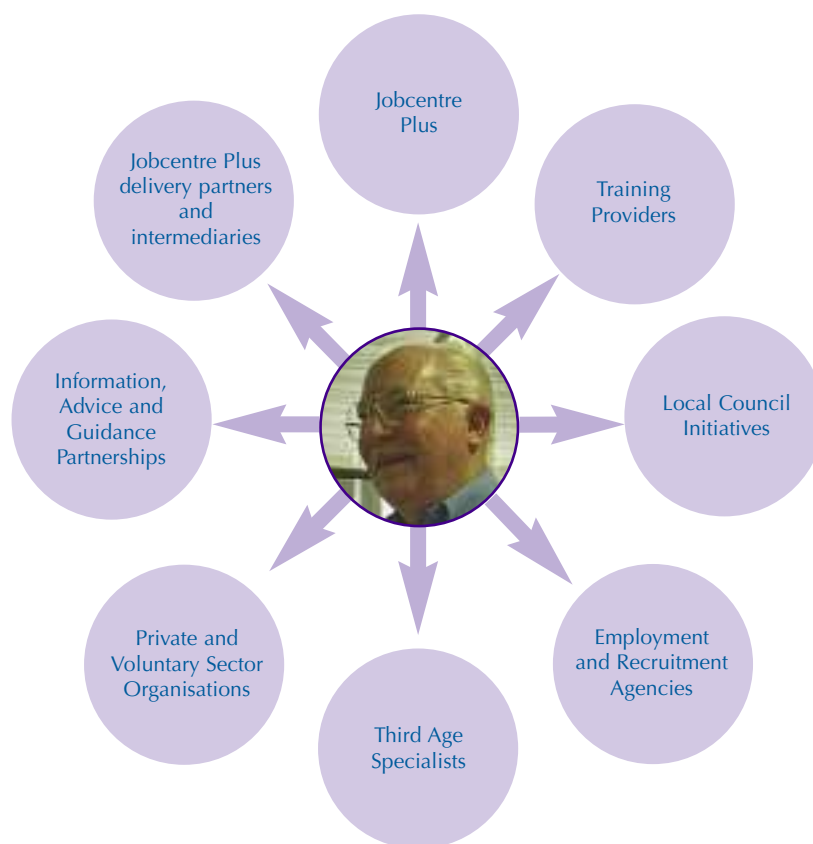
### NOTE

<sup>1</sup> Source: Client Group Analysis of Department for Work and Pensions Information Centre 5 per cent statistical samples relating to August 2003. Figures under 500 are subject to a high degree of sampling error.

Source: Department for Work and Pensions data and research undertaken by MORI for the National Audit Office

- 31** Not every Jobcentre Plus office has an adviser specialising in the New Deal 50 Plus; many cover a range of programmes. New advisers should receive generic training applicable for all types of adviser and specific modules for individual programmes, such as New Deal 50 Plus. In all three Jobcentres we examined, two of which had experienced high staff turnover, most advisers felt that their training was insufficient to enable them to provide an adequate assessment and advisory service for older people, and some had received no formal training at all.

## 8 Organisations involved in local service provision



Source: National Audit Office

### Services to meet individual customer needs

- 32** Services provided by Jobcentre Plus and its partners have met the needs of many older people. However, Jobcentre staff, customers and third parties all felt that services for older people, in particular New Deal 50 Plus, were too inflexible to meet the needs of some customers. In particular, where intervention is required to help older people back into employment, there is evidence that many would benefit from earlier access to services than is currently available. For many, the longer they are out of work the harder it is to return. Recent proposals<sup>8</sup> outlining more local flexibility on early entry to employment programmes should benefit older people. There is a clear trade-off, however, between the benefits that some people might gain from early access to programmes and the risk they would have got a job anyway without public funds, highlighting the importance of being able to judge who best to help.
- 33** Local labour markets and the needs of employers and potential employees vary across the country. As employment levels rise, an increasing proportion of older people are harder to help into work as they face acute or multiple barriers to work. Recognising this, Jobcentre Plus is seeking to progressively increase the flexibility within its programmes to assess and meet individual needs. As part of this, the Adviser Discretion Fund enables advisers to provide small sums of money to overcome barriers to individuals finding work. This is valuable but must be carefully controlled to ensure propriety and accountability.

<sup>8</sup> *Building on New Deal: Local solutions meeting individual needs, Department for Work and Pensions, 2004.*



# RECOMMENDATIONS

- 34 Of the 2.7 million people between 50 and state pension age not in paid work, up to one million would like to work. We estimate that if 10 per cent of these were helped into sustainable employment this would increase economic output by around £3 billion a year. The nine recommendations, set out below, aim to help achieve this.

## Providing local services to meet older people's needs

- a **Jobcentre Plus and its local partners should ensure that services to improve the employment prospects of older people are based on widely accepted best practice. Representatives of organisations working with older people consider practices such as those below work:**

- **Common understanding of the problems and solutions:** Work with partners to develop a shared picture of the local job market, including the size and characteristics of the older client group, recognise that each customer is distinct and clearly identify customer needs and skills from the outset - including existing and transferable skills, aptitude and experience, previously unrealised potential and preferred learning styles.
- **Sound assessment and referral:** Ensure older customers are referred to the most appropriate services to meet their properly assessed individual needs.
- **Specialist guidance:** Ensure that Personal Advisers are fully trained and skilled (including, in listening and motivation) and that, where practicable, they are fully trained in the needs of and services for each client group.
- **Reassuring support:** Try to ensure staff continuity in dealing with individual customers, and provide in-work follow-up support to help ensure a smooth transition from benefits to work in the immediate period after job placement (e.g. through a telephone call to check on progress).
- **Understanding of employers:** Work with local employers to: encourage them to accept increased responsibility for handling the impact of redundancies (e.g. by providing employees with information and help in finding work); educate them about the business benefits of an age diverse workforce (e.g. by holding local events where 'role model employers' share their experiences); and create new and repeat business with employers who see the benefits.
- **Demonstrating value:** Base relations with employers entirely on meeting their skills needs, not the moral case for employing any section of society, and do not put forward unsuitable candidates.
- **Raising levels of awareness:** Publicise services in local libraries, GP practices, post offices and other places visited by older people, and highlight success stories of older people who have found suitable employment or succeeded in training.

- b **Jobcentre Plus offices and local Learning and Skills Councils should seek to align common objectives and priorities in respect of improving employability and collaborate on contracting for employment and training services, in line with the recommendations of the recent report by the National Employment Panel.** At local level, Jobcentre Plus and the Learning and Skills Council often have different objectives and priorities, but they provide services for older people with the common aim of improving employability. They also often contract independently and in different ways, with the same local service providers.

### Setting targets

- c **The Cabinet Committee on Older People has a key role to ensure all government bodies work together to improve the position in the labour market of older people.** Only the Department for Work and Pensions has Public Service Agreement targets for the employment of older people. Responsibility for initiatives cuts across a number of departments and agencies, but not all share the priority the Department for Work and Pensions gives the issue.
- d **As an incentive for staff to focus on the hardest customers, the Department for Work and Pensions and Jobcentre Plus should develop performance measures that reflect improvements in the employability of people who have participated in programmes but not succeeded in obtaining employment.** This recommendation is in line with previous recommendations of the Committee of Public Accounts, the Work and Pensions Select Committee and the National Employment Panel. Jobcentre Plus has top level targets for placing people into work that take some account of the relative difficulty of the task, but not for the improvement in employability made by those not yet placed in work.
- e **Regional Development Agencies should set targets for the employment of disadvantaged groups within their regions, building on the work of the East Midlands Development Agency.** Given their role in supporting regional economic development, the Agencies are well placed to influence the employment of older people and other disadvantaged groups. Setting appropriate targets and developing strategies to meet them is an important part of this.

### Ensuring employment programmes meet older people's needs

- f **The Department for Work and Pensions should review whether the requirement to participate in employment and training programmes should be the same for all, regardless of age.** Lower levels of participation by older people in some programmes reflect, in part, their voluntary nature, and requirements on older people are not always the same as for other age groups. In the light of the principle of rights and responsibilities underpinning its Welfare to Work strategy and the forthcoming legislation on age discrimination, the Government should consider whether such differences should continue.

- g **The Department for Work and Pensions should fully evaluate the New Deal 50 Plus to determine, as far as possible, its net economic effect, as well as the impact on participation levels of introducing the Working Tax Credit in April 2003.** New Deal 50 Plus is the Department's main employment initiative for older people, but the number who would have found work anyway is not known. A full economic evaluation, like that for the New Deal for Young People<sup>9</sup>, should estimate the impact of the programme on the public purse, including reduced benefit expenditure and the increased tax yield, and on the economy as a whole.

### Providing training and support

- h **The Department for Trade and Industry should consider whether its support for The PRIME Initiative Ltd should be expanded beyond the current funding period which ends in March 2006.** This initiative has helped older people into self-employment, which is an attractive option for many. A recent OECD report noted that the scope and visibility of the initiative should be expanded to help promote self-employment among older people.
- i **More local Learning and Skills Councils should specifically address the education and training needs of older people, and Information, Advice and Guidance Partnerships should target their services on those most likely to benefit from them.** There are no reasons why levels of participation in training and education should be the same for all age groups. However, although their participation has risen in recent years, older people still have relatively low levels of participation in most forms of training and education, which they need to compete more effectively in the labour market. They are also under-represented in their use of Information, Advice and Guidance Partnerships, which are a valuable source of help for people who are out of work. This recommendation should help increase older people's participation in education and training and improve their employment prospects.

<sup>9</sup> *The New Deal for Young People: Implications for Employment and the Public Finances*, National Institute of Economic and Social Research, December 2000.