

Unlocking the value of your older workforce

20th September 2017

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CIPD
North East of England

North East
Local Enterprise Partnership



#fullerworkinglives

Michelle Rainbow

North East LEP – Skills Director

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Welcome

- CIPD – Sarah Carnegie
- Ward Hadaway – sponsors
- Fiona Thom - Economic Adviser, Department of Work & Pensions
- Alistair McQueen – Aviva, keynote and panel facilitator
- Panelists Lynn Parry, Northumbrian Water Group
 - Lorna Hodson, Tyne & Wear Fire and Rescue Service
 - Di Keller, Sage Group PLC
 - Paul Scope, Ward Hadaway
 - Mike Wade, Hodgson Sayers
- Seminar leaders – Kingswood, TUC North, CROW and Ward Hadaway.

About the North East Local Enterprise Partnership



What is the North East Local Enterprise Partnership (LEP)?

The North East LEP is a public, private and education partnership that works together to improve the North East economy. The North East LEP covers Durham, Gateshead, Newcastle, Northumberland, North Tyneside, South Tyneside and Sunderland local authority areas.

What is the North East Strategic Economic Plan (SEP)?

The SEP is our plan for economic growth in the North East for the period 2014-2024. It sets out what we are good at, our targets to create more and better jobs and details how we are going to deliver them.

What is the LEP's role in delivering the SEP?

Our role is to provide strategic leadership for the region, working with partners and facilitating each element. We also aim to secure maximum investment and resources for the region, raise the national profile of the North East and work with partners on initiatives that will have the greatest economic impact for the area.

Why is it important to have a SEP?

The SEP is recognised by government as the North East's principal economic policy document that sets a strategic direction for our regional economy. It outlines our medium term economic plan and helps identify interventions and investments to support economic growth and to create more and better jobs for our economy. It is the plan which is shared and owned by the North East to grow the economy.

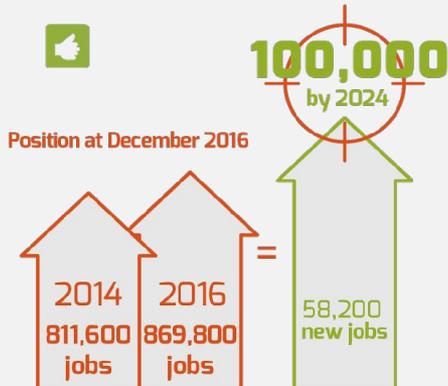
The Strategic Economic Plan

More and better jobs



Context, aims, progress, place and targets

Target Increase the number of jobs in the North East economy by 100,000 by 2024

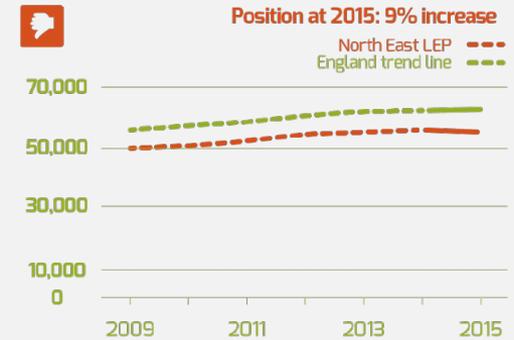


Target 50% of all jobs created from 2014 will be will be better jobs

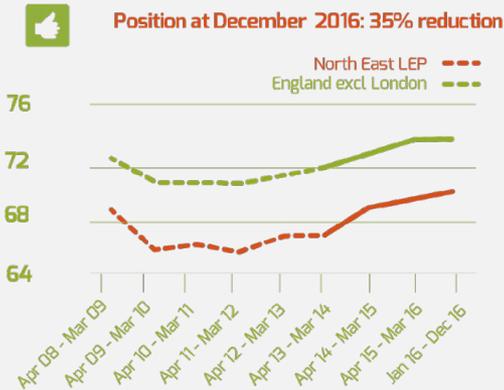


Reduce the gap in GVA per full time equivalent

Target 50% reduction in gap by 2024



Close the gap in the employment rate for people aged 16-64 **Target** 100% reduction in gap by 2024



Reduce the gap in private sector employment density **Target** 50% reduction in gap by 2024



Reduce the gap in economic activity for people aged 16-64 **Target** 50% reduction in gap by 2024



Areas of opportunity

4 areas of industrial focus with opportunities for economic growth and regional productivity



Tech North East
Driving a digital surge



Health Quest North East
Innovation in health and life sciences



Energy North East
Excellence in subsea, offshore and energy technologies



Making the North East's Future
Automotive and medicines advanced manufacturing

Our digital specialisms include:

- Software development
- Cloud computing shared services
- Systems design and communications
- Building information modeling
- Games design and delivery.

Our national centres of excellence are:

- Ageing and age related diseases
- Personalised medicine
- Formulation
- Emerging national centres in healthcare photonics and dementia.



29,000
IT & digital
Employees

A software & technology industry valued at £2 billion Part of a northern ICT Economy worth £12 Billion

15,250
Creative Industries
Employees

Our emerging specialisms include:

- Data analytics
- Virtual reality
- Smart data
- Cybersecurity.



Highest ranked NHS trust in clinical research studies in UK



The International Centre for Life
600 Employees from 35 countries World leader in stem cell technology

World leading in offshore and subsea technology



Over 50 companies with a combined turnover of £1.5bn employ more than 15,000 people

50,000 STEM students Coming through our universities every year

Key Sectors



Automotive



Medicines



Three key enabling service sectors, offering opportunities for high value employment



Education



We have a highly diverse education system including four universities providing a significant research base and educating 100,000 students each year.

Based on its share of employment, the education sector is estimated to account for nearly 7% of total North East LEP GVA and has seen growth over the last 10 years of around £700 million.

The further education (FE) system includes ten colleges and a range of other providers including sixth forms and private bodies. There are around 900 schools in the North East.



Financial, professional and business services

The North East hosts key segments of the UK's £180 billion financial technology, banking, insurance, securities dealing, fund management, management consultancy, legal services, and accounting services sectors.

There are 17,645 financial, professional and business services companies in the region.



Transport and logistics

Around 4,000 additional jobs have been created in the transport and logistics sector since 2014.

This comprises about 4% of the business base plus a range of public providers.



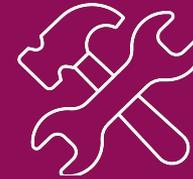
Six programmes of delivery



Supporting innovation



**Business growth and
access to finance**



Skills



**Employability
and inclusion**



**Economic assets
and infrastructure**



**Transport and
digital connectivity**

Improving skills in the North East

Excelling in
technical and
professional
education

Higher
education

Education
challenge

50+ workforce –
retrain, regain, retain

North East
Ambition

Contact Information

For further details

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W
ector

Fiona Thom

Department for Work and Pensions Economic Advisor

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Department
for Work &
Pensions

Fuller Working Lives

Fuller Working Lives - Mission Statement

To support individuals aged 50 years and over to remain in and return to the labour market and tackle the barriers to doing so.

The FWL strategy has an ambition to increase the retention, retraining and recruitment of older workers by bringing about a change in the perceptions and attitudes of employers, and to challenge views of working in later life and retirement amongst individuals.

The Strategy adopts a new approach - it is **led by Employers** who rightly see themselves as the ones who understand the business case and can drive change.

The Strategy sets out why it's important for people to have Fuller Working Lives for **Employers and Individuals**.

The Strategy also sets out action **Government** is taking to support older workers remain in the labour market.



Fuller Working Lives

A Partnership Approach



February 2017

The FWL evidence base underpins the FWL Strategy

- **New analysis and evidence** is presented in relation to:
 - how individuals, employers and the economy can benefit from FWL; and
 - the key factors associated with people working later in life, such as health, caring responsibilities and relevant skills.

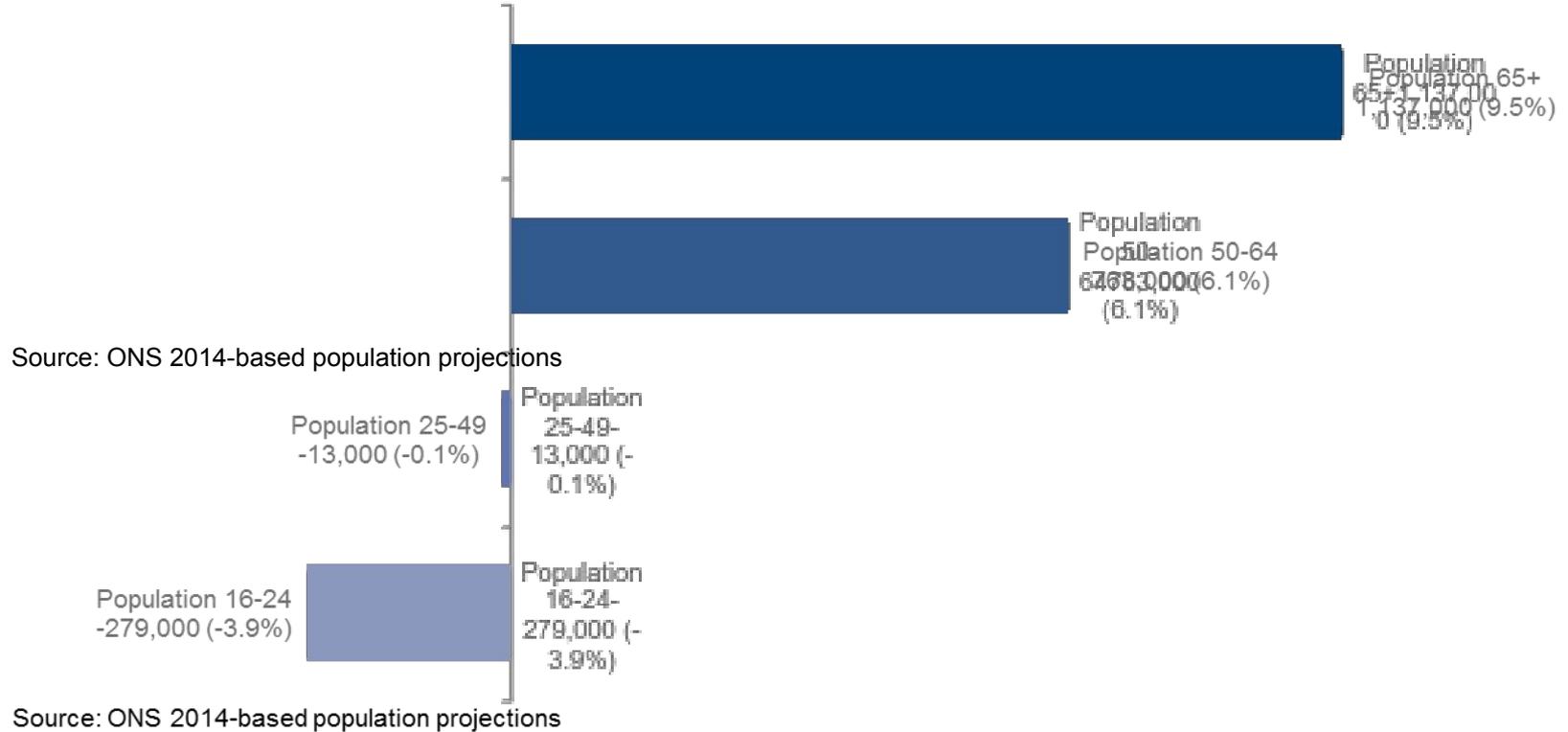
The paper also presents what we know about the attitudes of both employers and individuals towards working later in life, drawing on **four research reports published** Dec 2016 – Feb 2017:

- Attitudes to working in later life: analysis of British Social Attitudes Survey 2015.
- Older workers and the workplace: evidence from the Workplace Employment Relations Survey.
- Sector-based work academies and work experience trials for older claimants: combined quantitative and qualitative findings.
- Employer experiences of recruiting, retaining and retraining older workers: qualitative research.

WHY IS FWL IMPORTANT?

The UK, along with other developed countries, is currently in a period of demographic change...

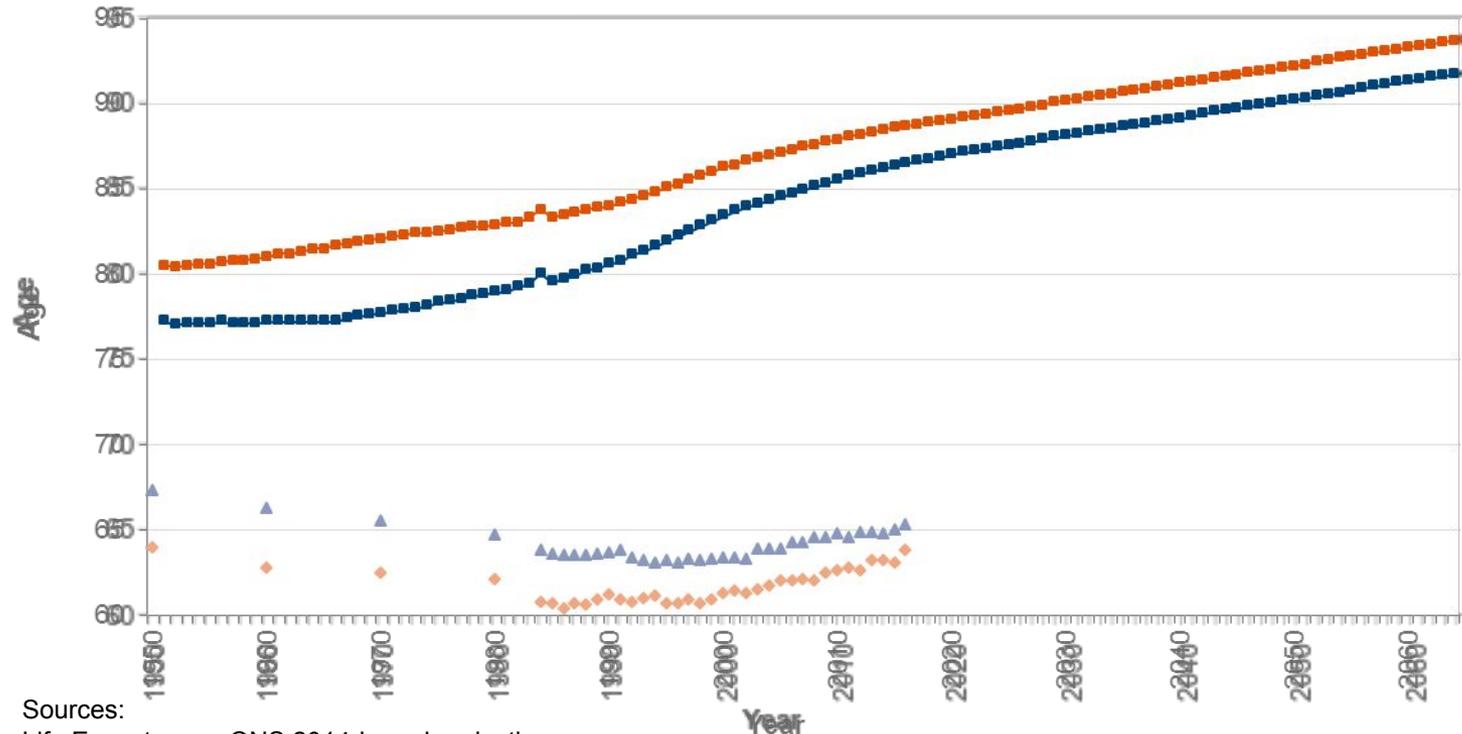
Projected change in UK population – 2017 to 2022:



The increase in the proportion of the population aged 50 years and over highlights the important role that older workers play in the labour market.

...and increases in the average age of leaving the labour market are not keeping pace with the increases in life expectancy.

Average age of exit from the labour market and cohort life expectancy at 65 years:



Sources:

Life Expectancy - ONS 2014-based projections.

Average Exit Age - Blöndal, S and S. Scarpetta (1999), ONS Pension Trends and LFS Q2 Analysis.

UK - Female Labour Market exit age

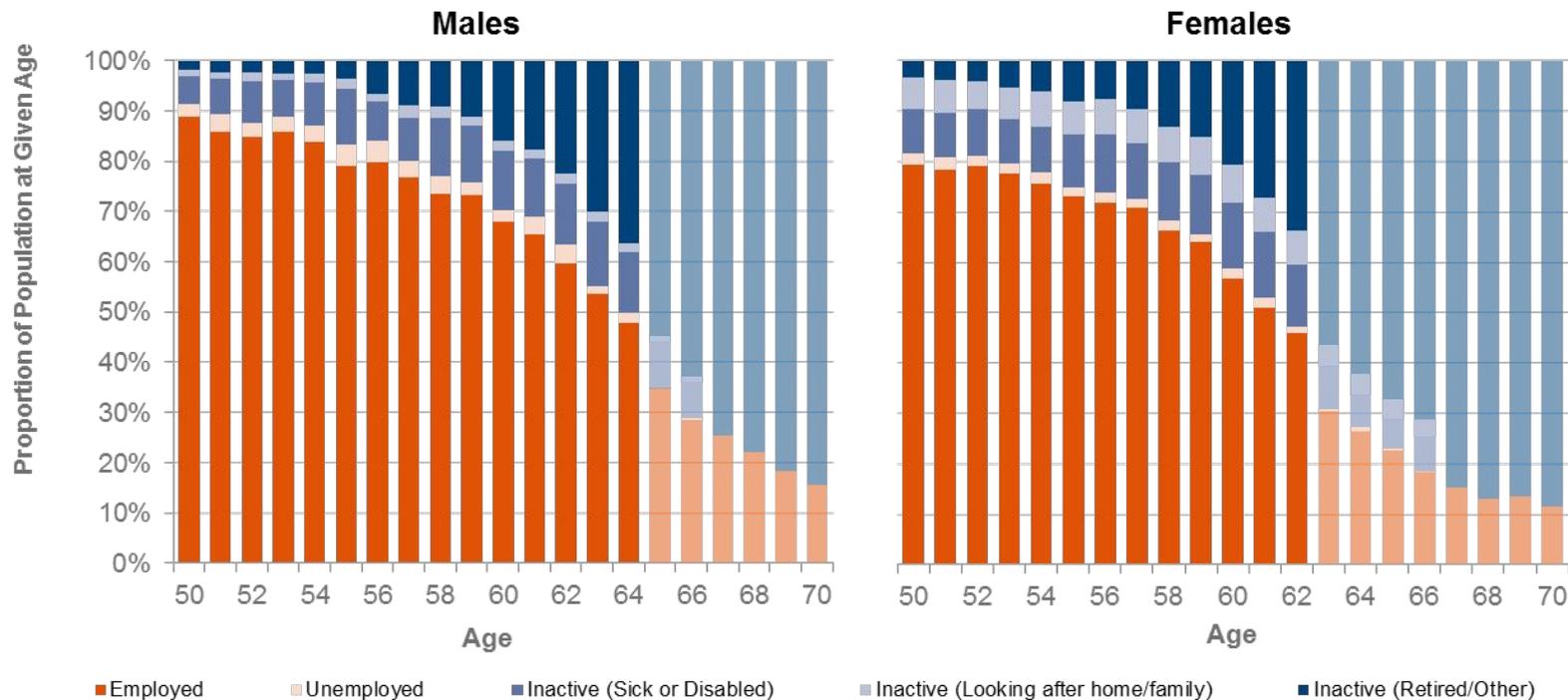
UK - Male Labour Market exit age

UK - Male cohort life expectancy at 65

UK - Female cohort life expectancy at 65

As people approach SPa, employment rates decline and economic inactivity rates rise, as people leave the labour market 'early'...

Economic activity by single year of age (July 2015-June 2016):



Source: APS July 2015 - June 2016.

Note: The lighter bars indicate ages at and above the 2016 State Pension age (Men - 65 years old, women 63 years old).

Over half of men and women are not in work in the year before reaching SPa. Moreover, one in four men and one in three women reaching SPa have not worked for five years or more.

Employers are largely positive about older workers...

- Resent research with employers highlights that older workers are described as loyal, reliable, committed and conscientious, with valuable business and life experience to offer the organisation (IFF 2017).
- Polling research from 2015 highlighted that **employers value older workers** in their workforce
 - over three quarters of employers believed the **experience** of workers over 50 was the main benefit of having them in their organisation;
 - 65 per cent highlighted the **reliability** of older workers;
 - 21 per cent said older workers were **more productive**, whilst 68 per cent thought they were equally productive to other age groups.
- Similarly, quantitative research conducted on workplaces across the UK stressed that the **age composition** of private sector workplaces **does not have a sizeable role to play in explaining their performance**. Additionally, having more older workers does not impact on workplace financial performance or quality of outputs (NIESR 2017).

Yet, research has also highlighted challenges...

- **Equal opportunities policies have become more widespread, but practices have not.** In 2011, three per cent of workplaces had special policies to encourage applications from older workers, down from 5 per cent in 2004. With only 17 per cent of workplaces monitoring recruitment by age.
- **Flexible working** arrangements are offered on a case-by-case basis. They are more likely to be made for long-standing employees than for new entrants. Flexibility is less likely to be available to workers in physically demanding roles, which tend to be lower paid.
- **Line managers** don't always have the skills required to ensure older workers feel comfortable discussing issues related to ageing.
- Employers reported that there **wasn't any age-related bias in their recruitment.** However there were some concerns. Additionally, attributes such as loyalty and experience, are difficult to effectively demonstrate at a job interview. (NIESR 2017; IFF 2017)

Employers are aware in general of an ageing population, but an ageing workforce is not yet a prominent concern and only few employers are taking active steps to change their policies and practices to take this into account.

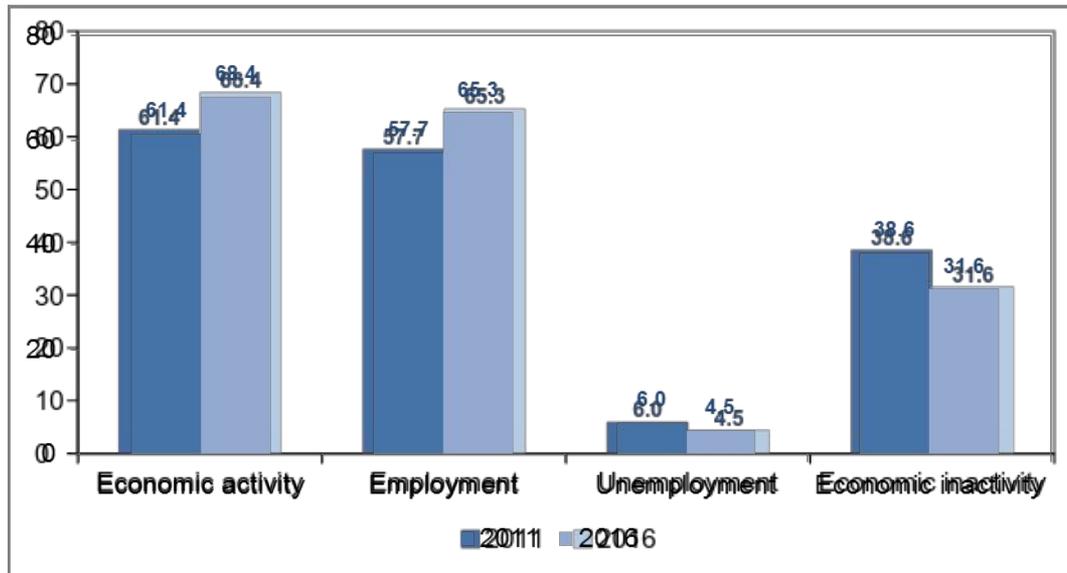
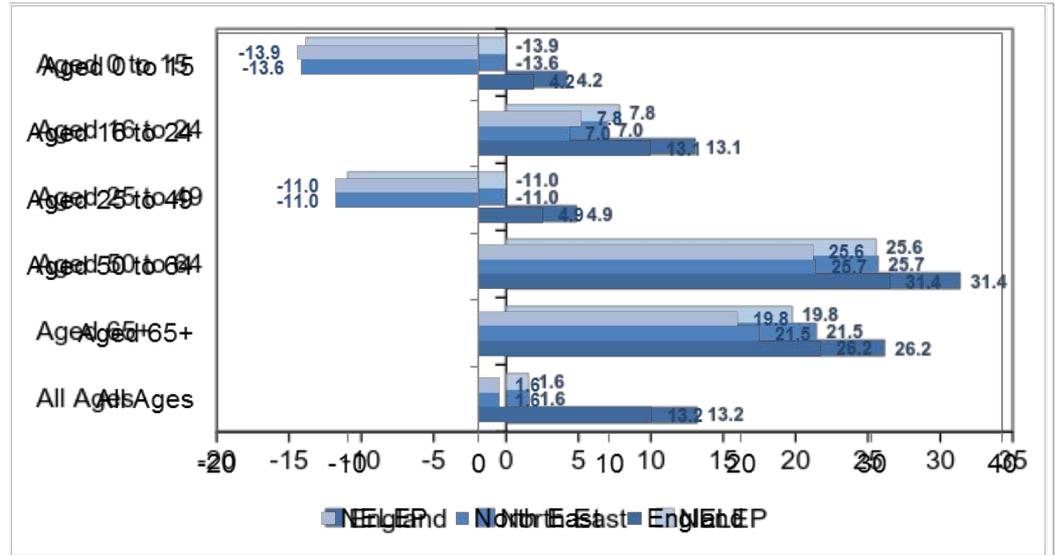


REGIONAL LABOUR MARKET

The North East LEP area has an older population structure than England as a whole...

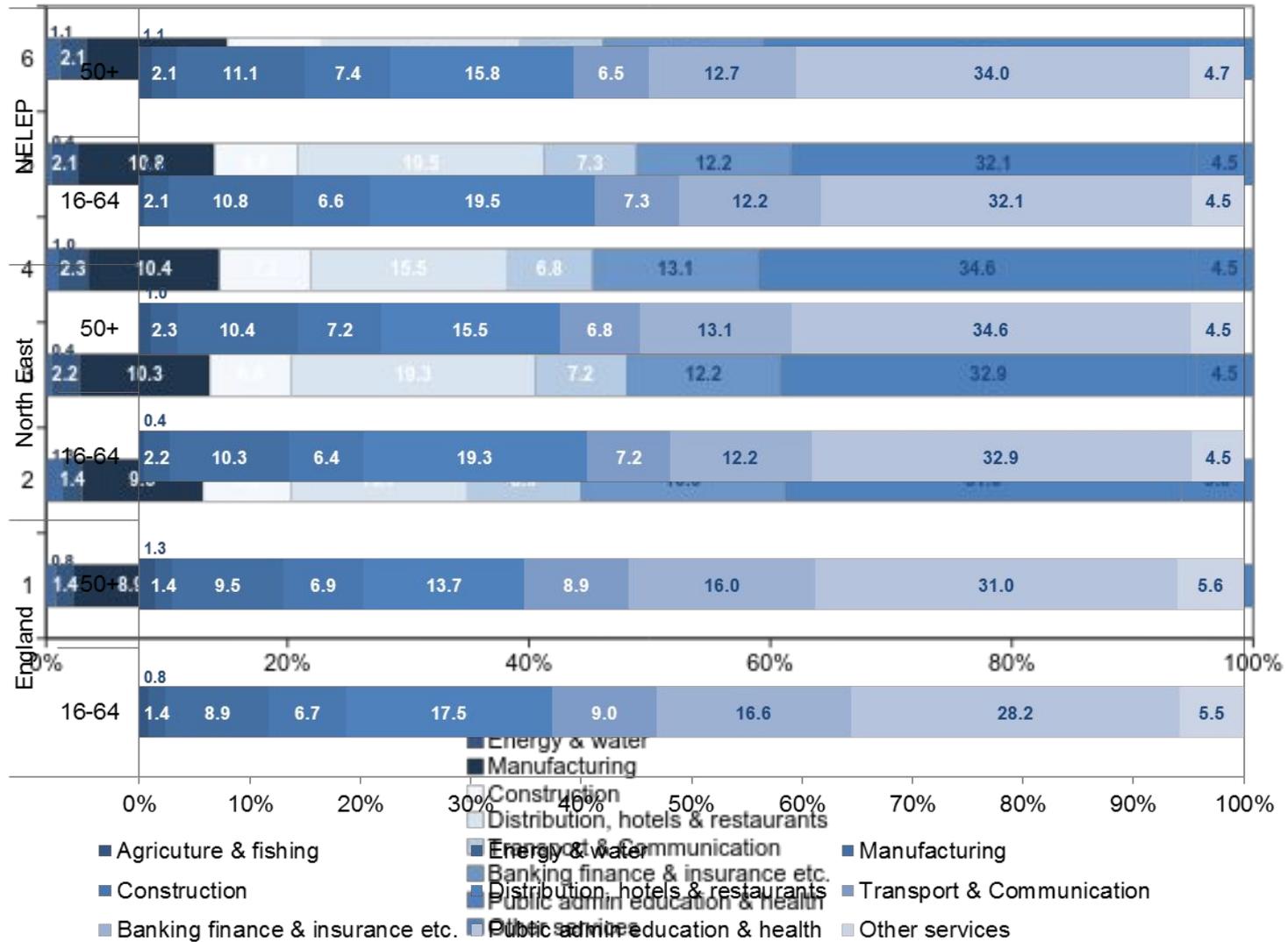
50-64 year olds account for 20.1% of the North East LEP population, compared to 19.9% in the North East and 18.2% across England as a whole.

% change in population by age band, 1995 to 2015



Economic activity, employment, unemployment and economic activity rates, 50-64 year olds, North East LEP area, 2011-2016

Breakdown of employment by industry and age band (% of total employment in age band), 2016



Thank You and Questions?

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View our Evidence base and research at:

<https://www.gov.uk/government/publications/fuller-working-lives-evidence-base-2017>

Strategy:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/587654/fuller-working-lives-a-partnership-approach.pdf

Alistair McQueen

Aviva – Head of Savings and Retirement

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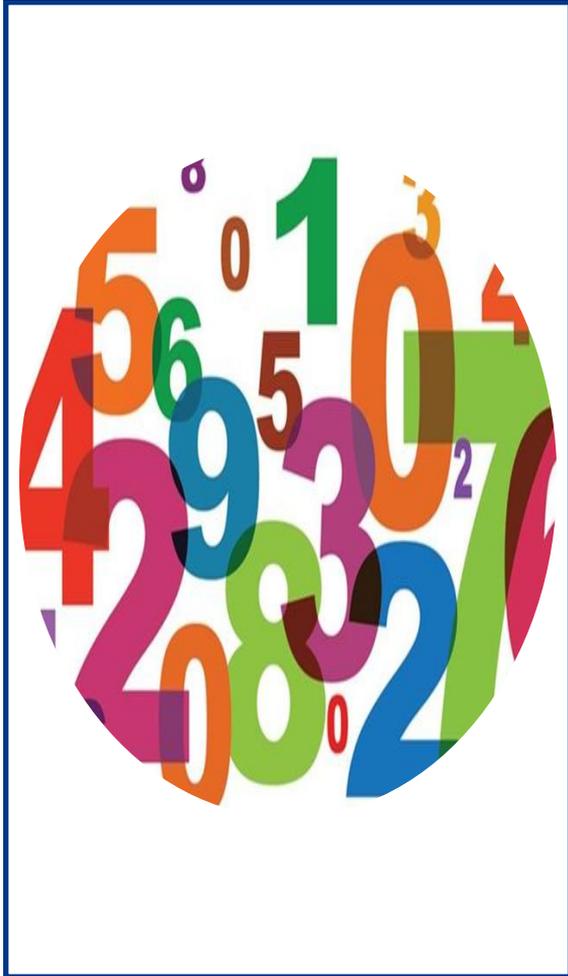
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Unlocking the value of the older workforce

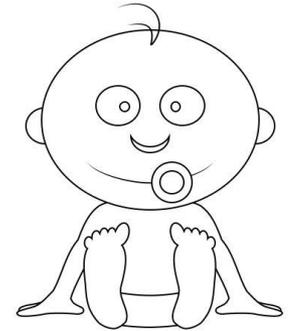
Alistair McQueen
Head of Savings & Retirement, Aviva

 **@hellomcqueen**

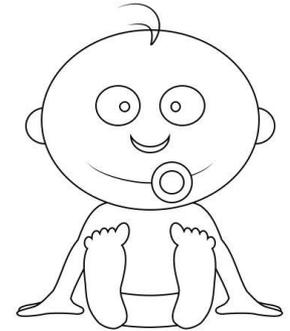
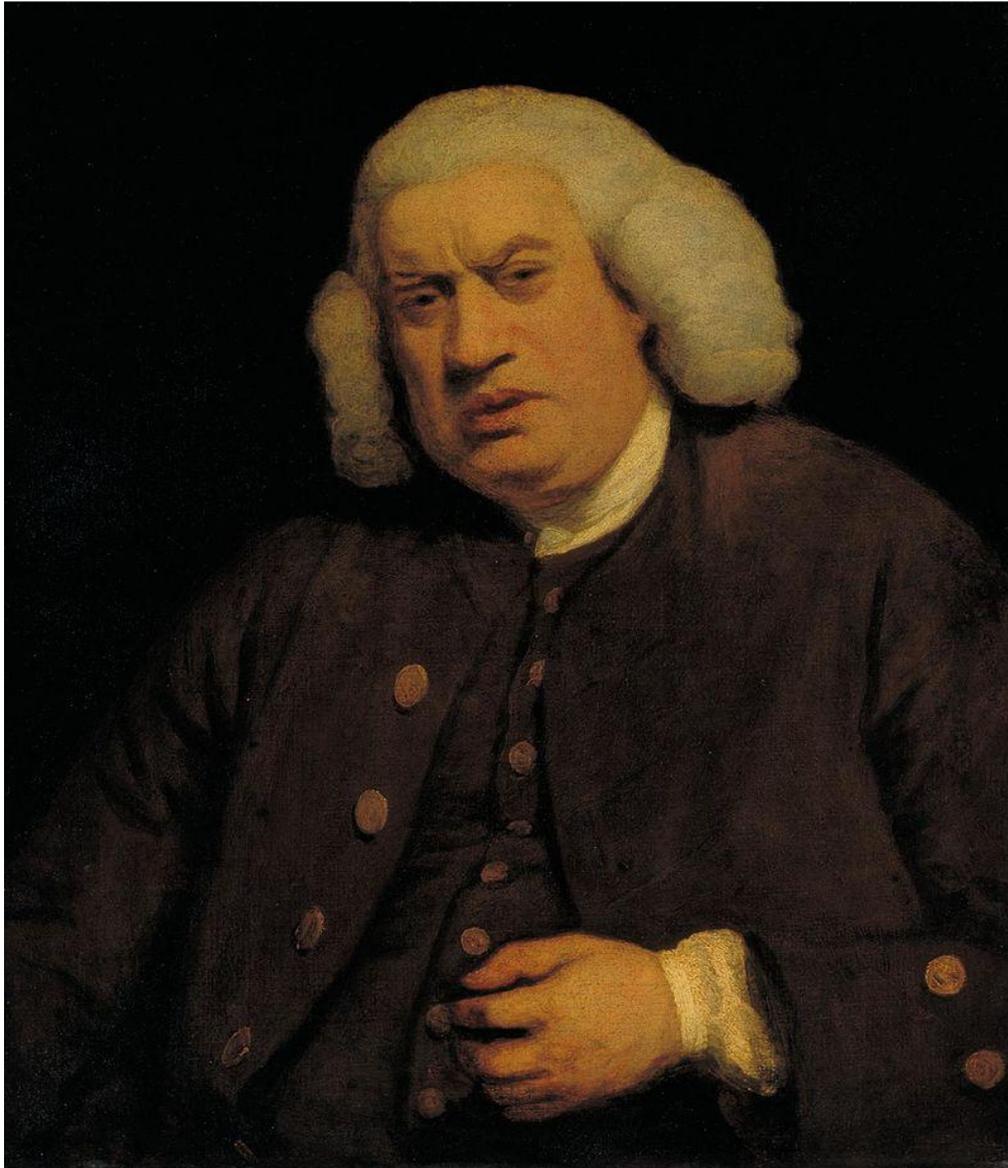
What I will cover



1696 ... 1709 ... 1908 ... 1917 ... 1948 ... 2010 ... 2017

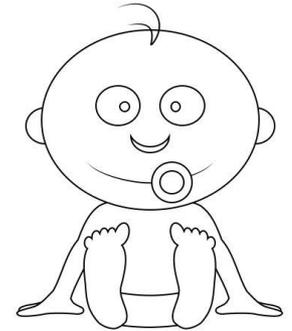
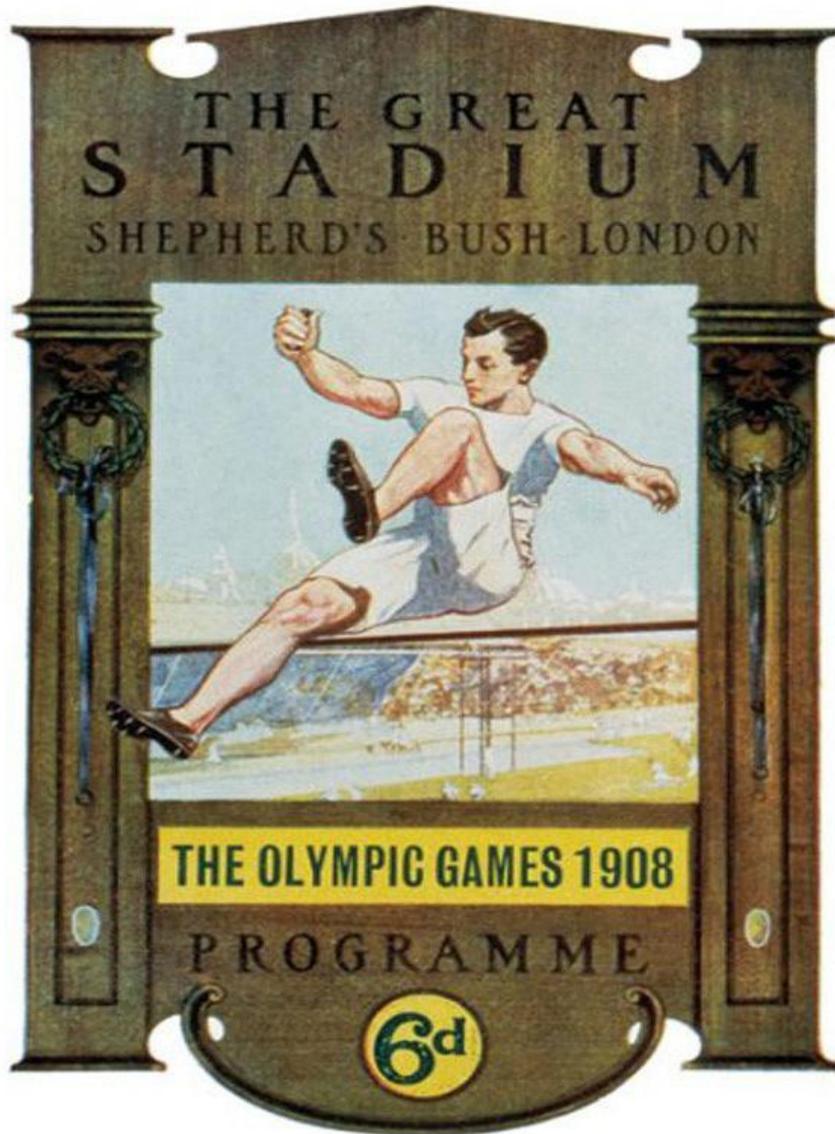


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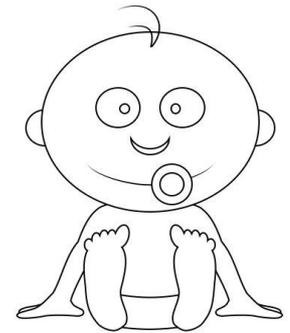


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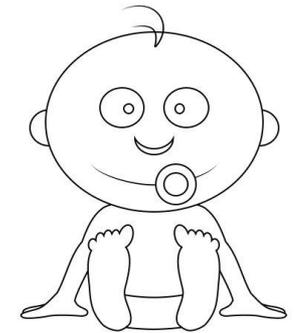
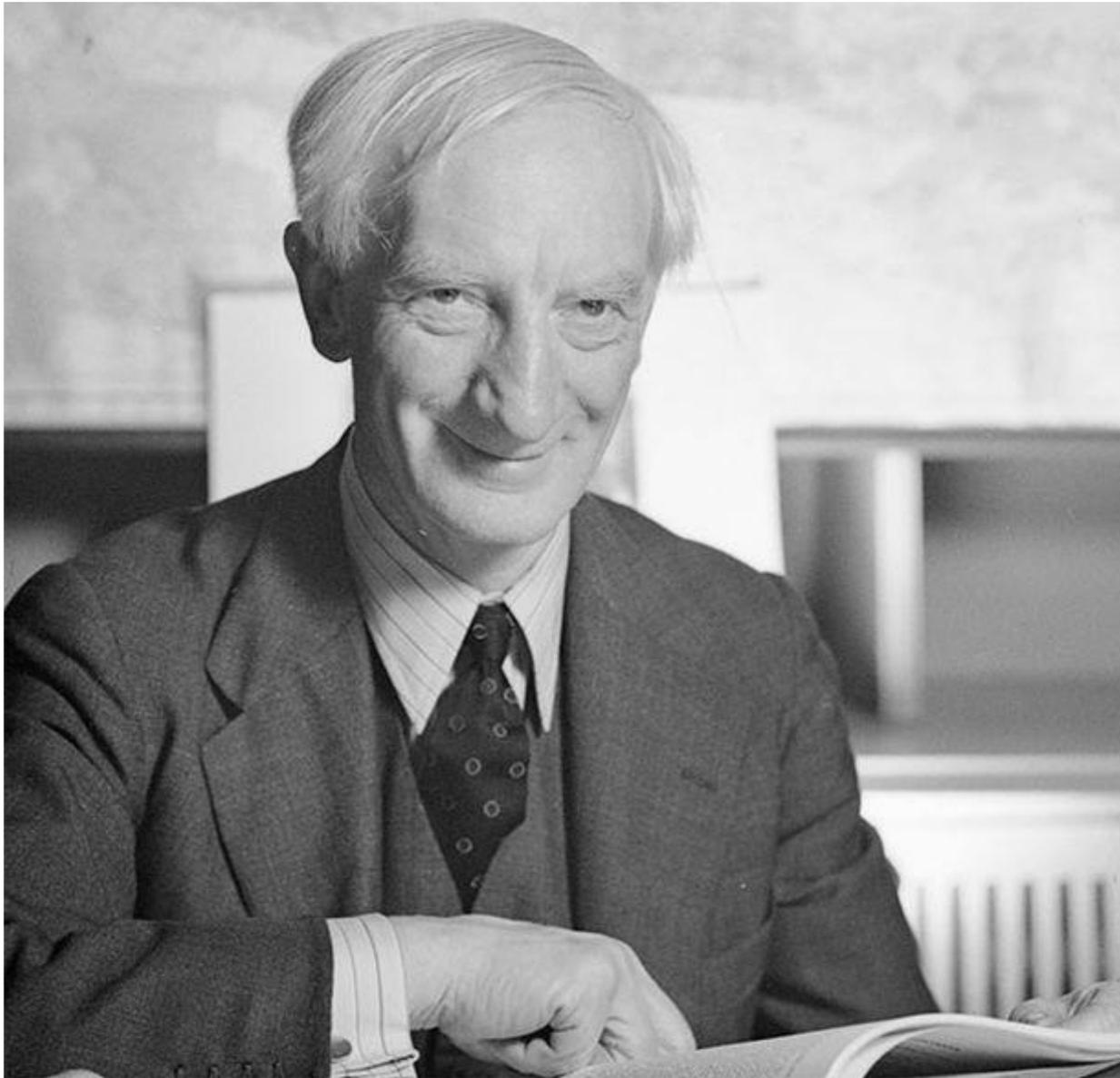
1696 ... 1709 ... **1908** ... 1917 ... 1948 ... 2010 ... 2017



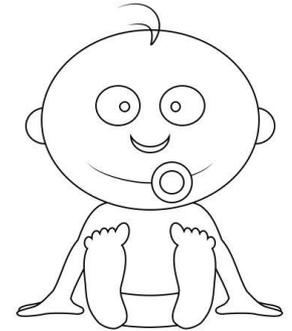
51



52

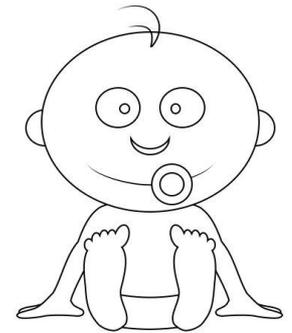


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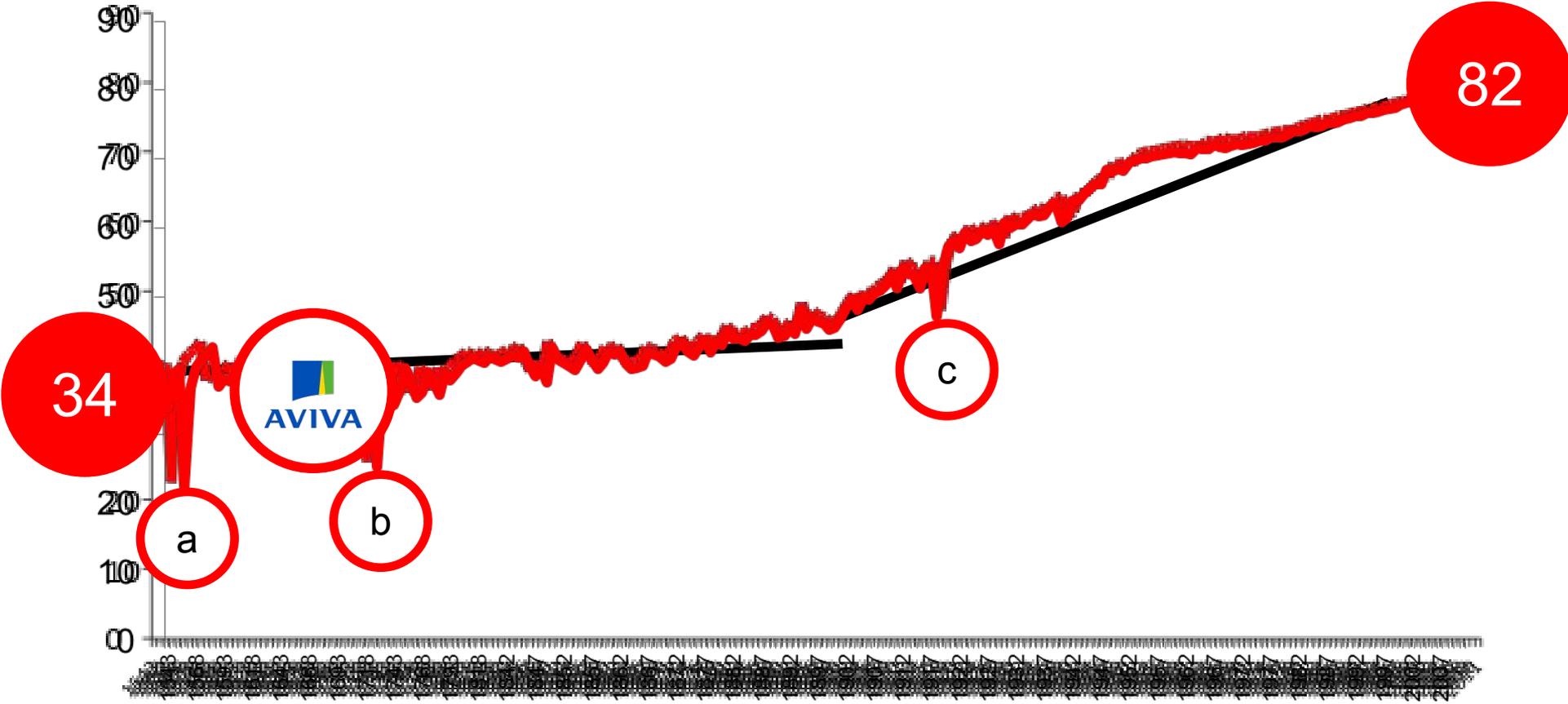
80

1696 ... 1709 ... 1908 ... 1917 ... 1948 ... 2010 ... 2017



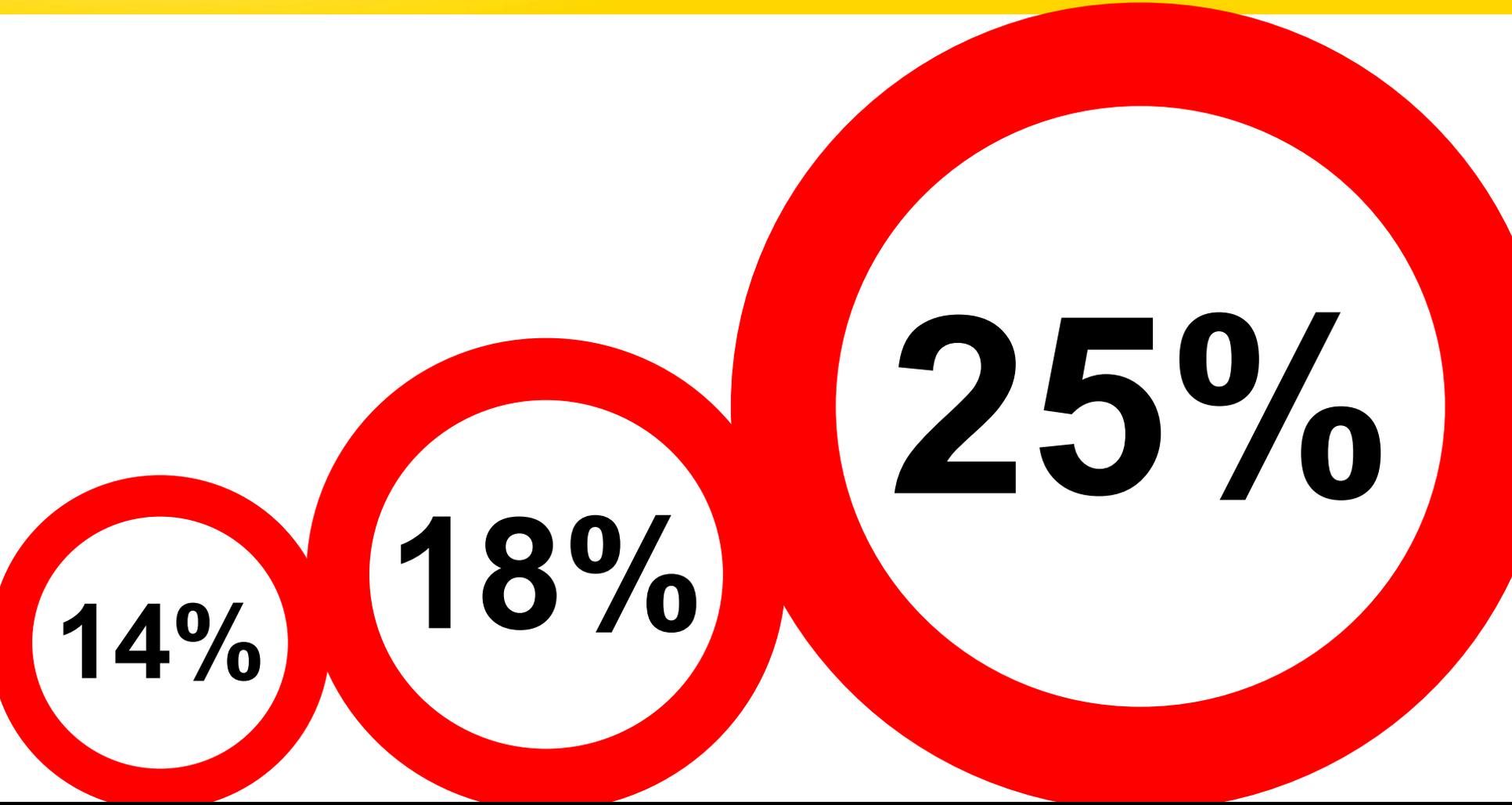
82

UK life expectancy - 1540 to today



Source: Our world in data

Percentage of population over 65 years old



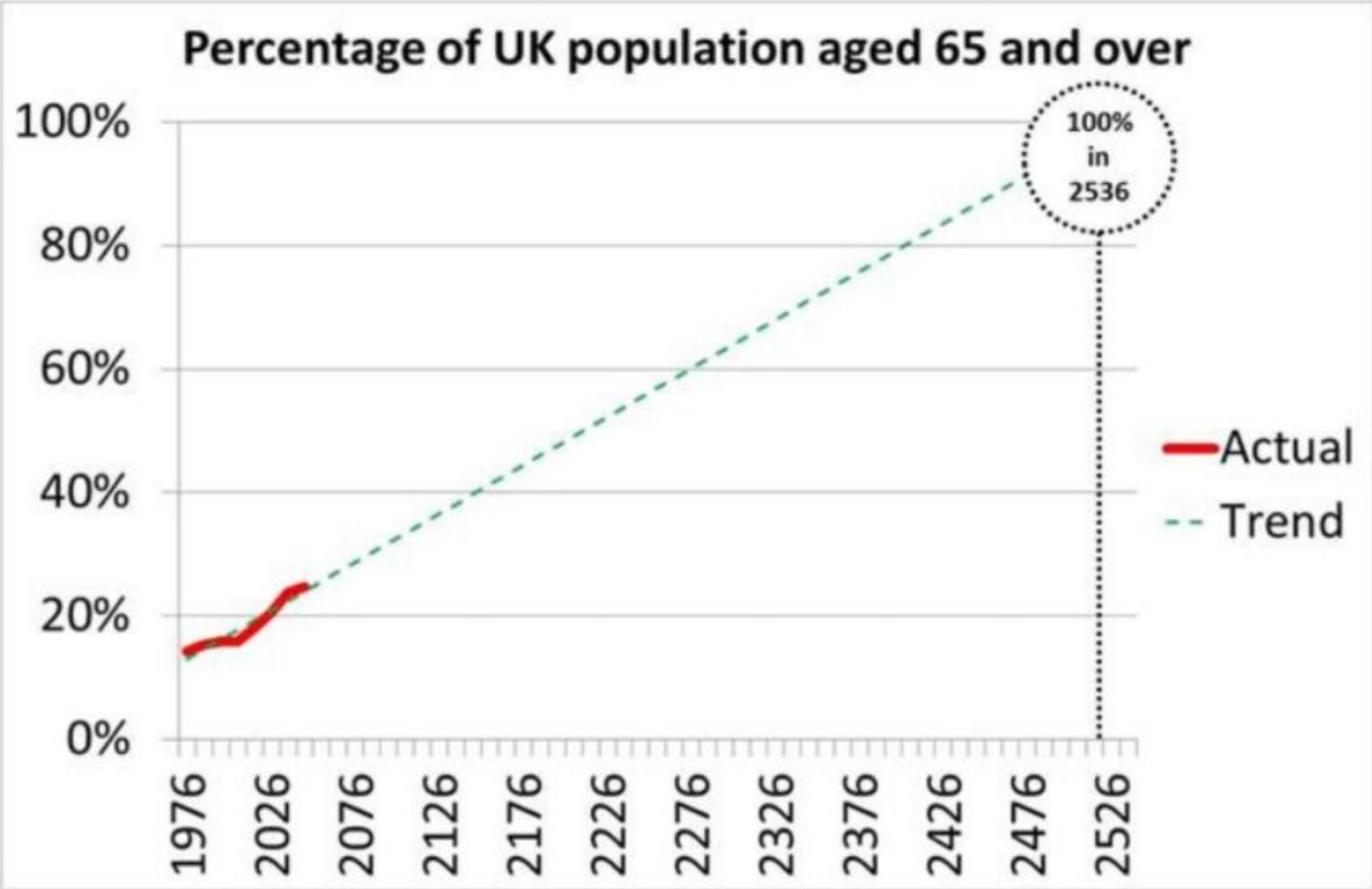
1976

Source: ONS

2016

2046

We'll be a nation of over-65s by 2536



A note of caution about life expectancy

Male life expectancy at birth - Belfast

BELFAST | Combined Bus Routes (South to North)



Period life expectancy for men at birth in Belfast is 75.4

Source: Independent review of the state pension age, Department for Work & Pensions, 23 March 2017

The government is worried

£79bn

The government is worried

£79bn



Our three options

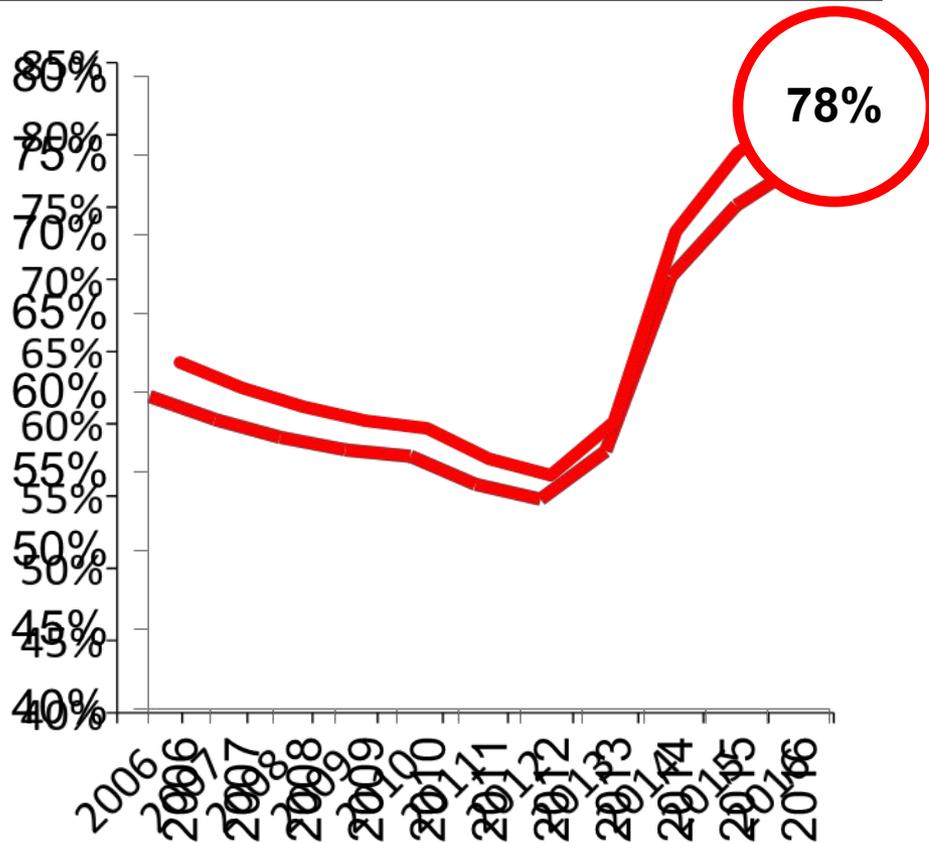
Save
more

Work
longer

Retire
poorer

Good news: More of us are saving

Workers saving in private pensions



Source: DWP

20m
By 2020

Good news: More of us are working longer

5m



1997

10m



2017

Source: ONS

Good news: More of us are working longer



We are worried

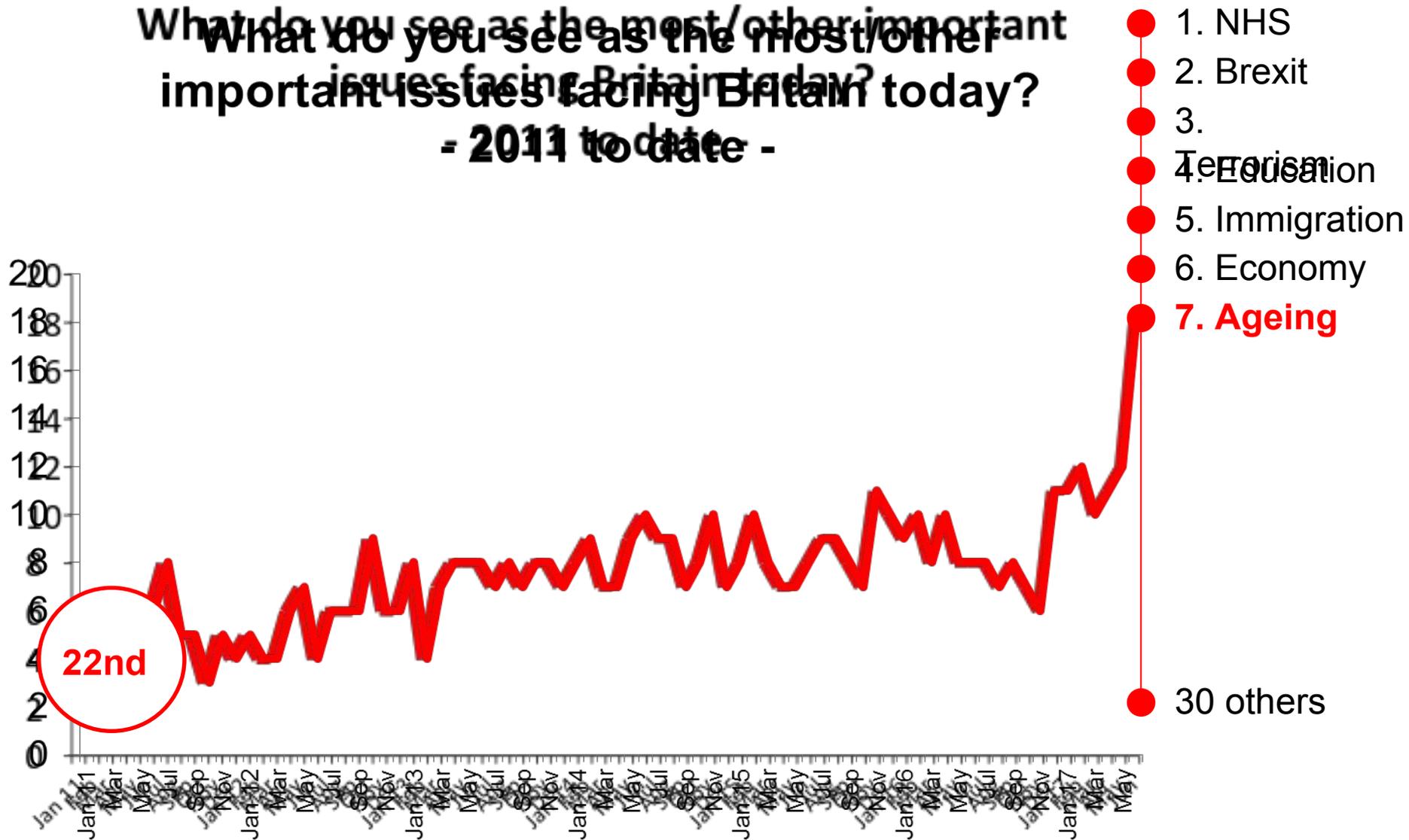
What do you see as the most/other important issues facing Britain today?
- Today -

- 1. NHS
- 2. Brexit
- 3.
- 4. Terrorism
- 5. Immigration
- 6. Economy
- **7. Ageing**

- 30 others

We are worried

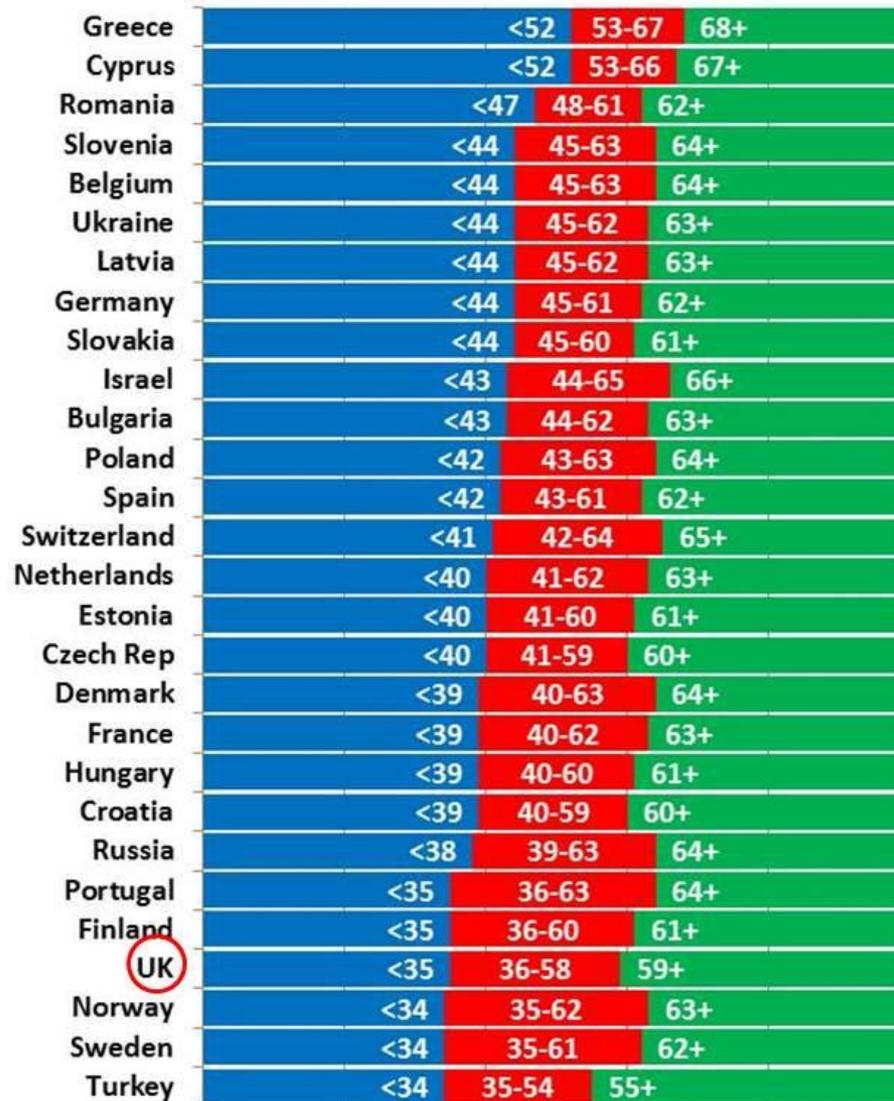
What do you see as the most/other important issues facing Britain today?
 - 2011 to date -



A quiet word about Brexit

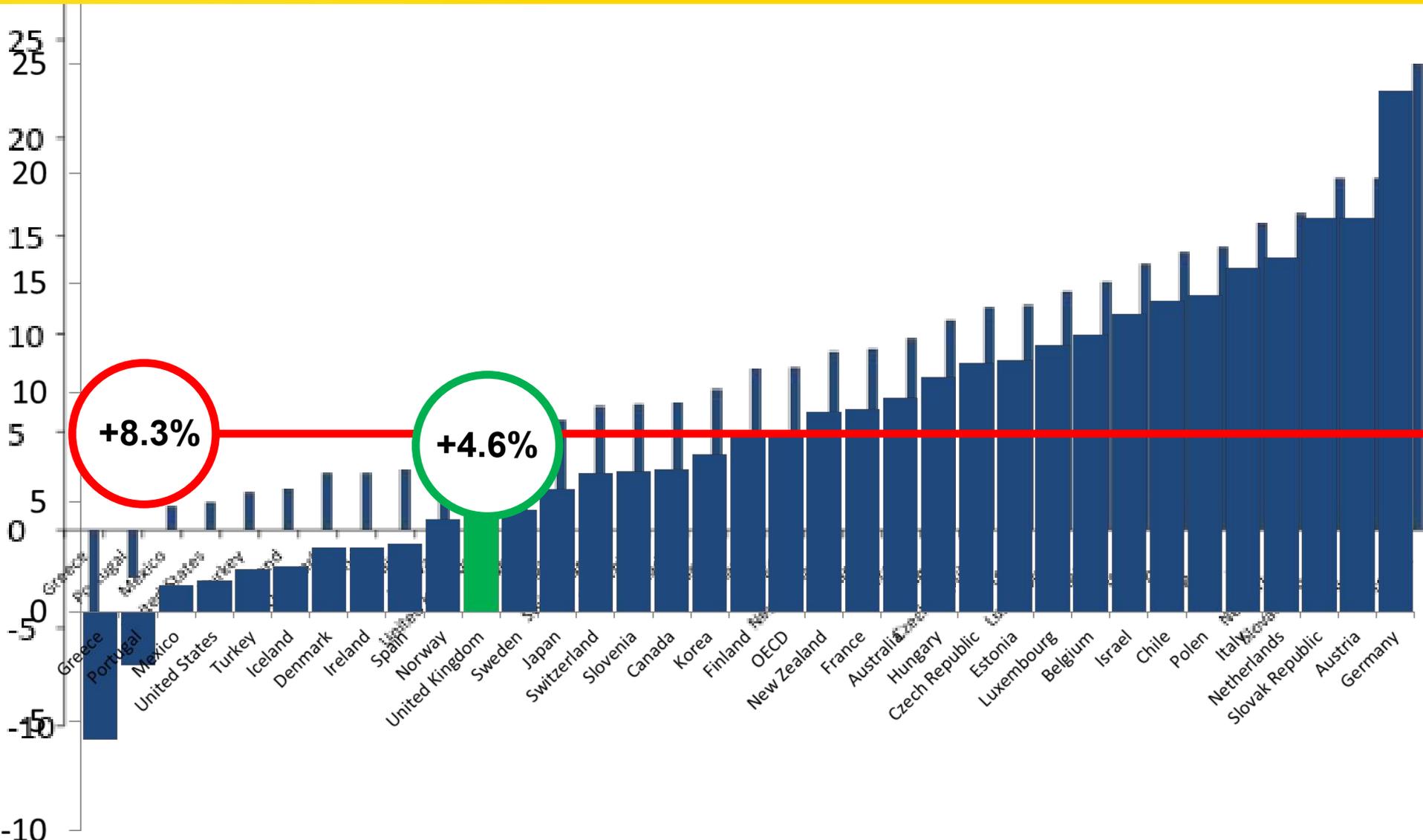


Looking abroad: Stay young. Move to Greece



■ Young ■ Middle-aged ■ Old

Looking abroad: Change in emp. rate 2004-2014



... **than ever before**

We're living longer **than ever before**

More of us are saving **than ever before**

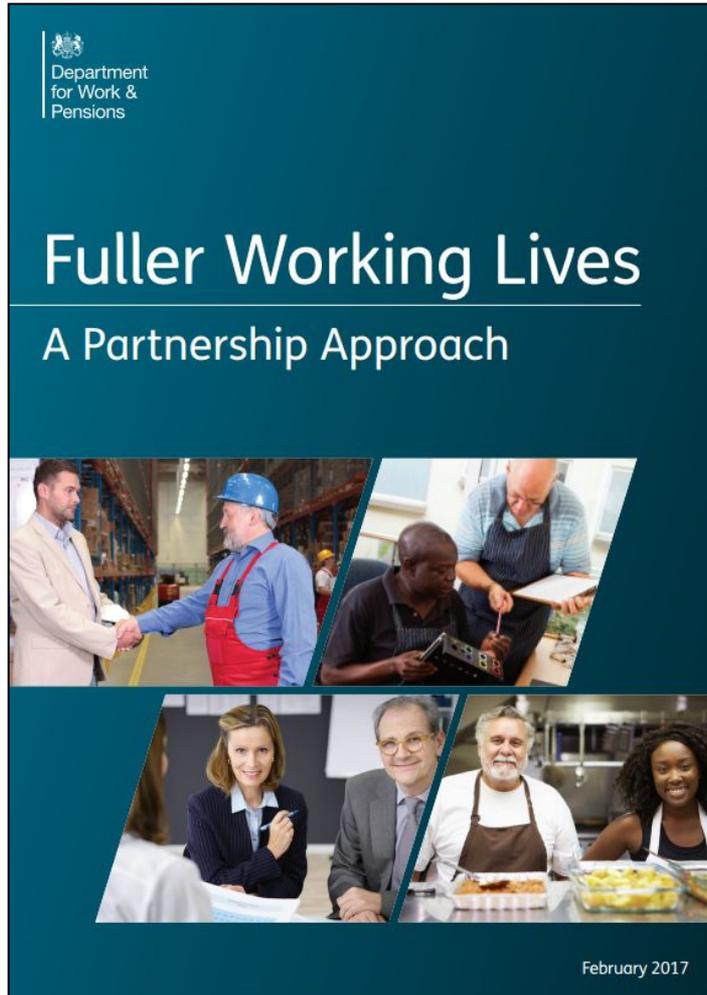
More of us are working longer **than ever before**

Our future bill is greater **than ever before**

We're more concerned **than ever before**

The need for action is greater **than ever before**

Fuller working lives - A partnership approach



Re-thinking

- Make work pay
- State pension reform
- Pension freedoms at retirement
- Automatic enrolment
- Lifetime ISA
- Healthy living
- Flexible working

Re-refreshing

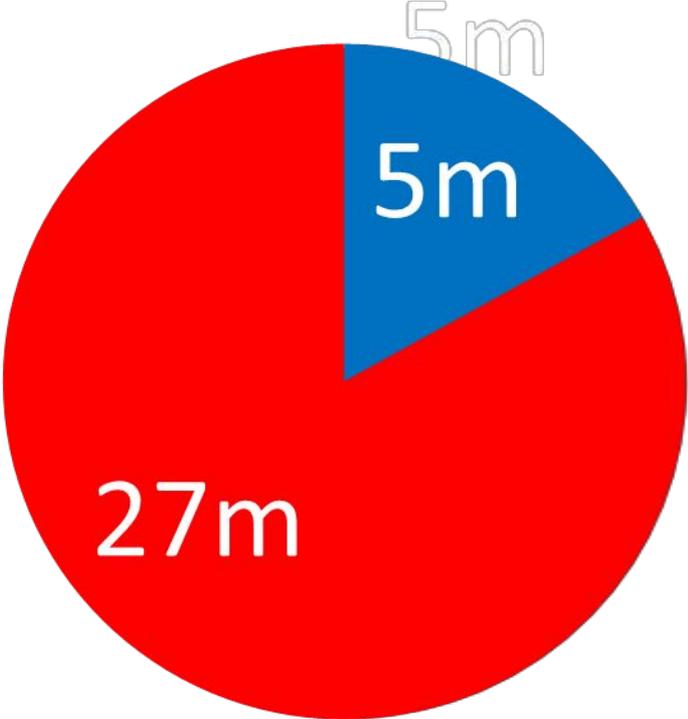
- New skills

Re-inventing

- “Old-trepreneur”
- Volunteering
- Caring

The need for partnership

Workers in the UK



 Private sector

 Public sector

Business in the Community

**BUSINESS
IN THE
COMMUNITY**



Business Champion for Older Workers

***“To mobilise business
to make the most
of the talent, knowledge
and skills of older
workers”***

- February 2017



bitc.org.uk

Business Champion for Older Workers

“To mobilise business to make the most of the talent, knowledge and skills of older workers”

- February 2017

BUSINESS
IN THE
COMMUNITY



Business Champion for Older Workers

***“To mobilise business
to make the most
of the talent, knowledge
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workers”***

- February 2017



- ✓ A workforce shortage hits economic growth
- ✓ A workforce shortage hits productivity
- ✓ A workforce shortage hits international competitiveness

Business Champion for Older Workers

***“To mobilise business
to make the most
of the talent, knowledge
and skills of older
workers”***

- February 2017



- ✓ Age must be no barrier to our opportunity to contribute

Business Champion for Older Workers

“To mobilise business to make the most of the talent, knowledge and skills of older workers”

- February 2017

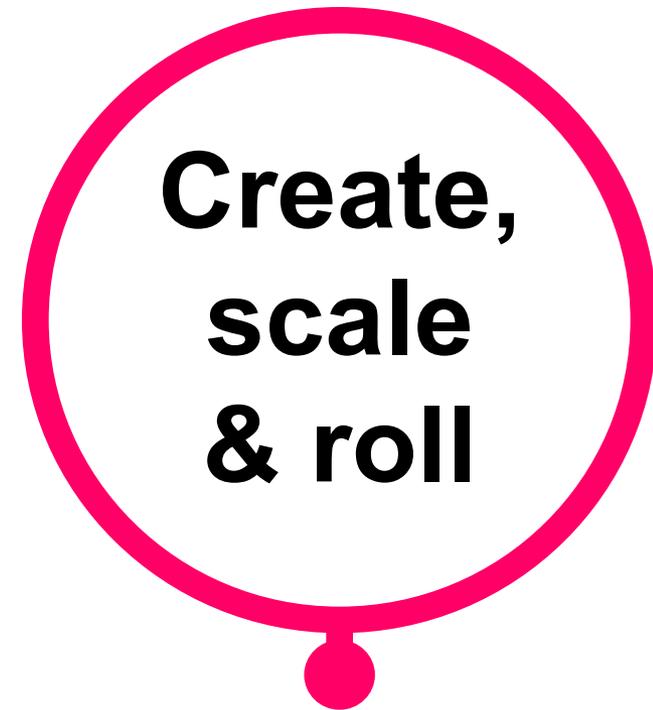


**1 million more
by 2022**

Business Champion for Older Workers

“To mobilise business to make the most of the talent, knowledge and skills of older workers”

- February 2017



**Retraining
Carers
Career development
Flexible working**

Business Champion for Older Workers

“To mobilise business to make the most of the talent, knowledge and skills of older workers”

- February 2017

BUSINESS
IN THE
COMMUNITY

Free stuff!

- ✓ **Toolkit:** Engaging older workers beyond pay
- ✓ **Toolkit:** Supporting older workers through transitions
- ✓ **Toolkit:** Listening to older workers – a focus group guide
- ✓ **Sharing:** Case studies
- ✓ **Insight:** The “Mercer Workforce Monitor”

bitc.org.uk

Aviva: Listening to the over 50s



Over 50s: I am worried about a longer working life

Health worries

**Never retire
worries**

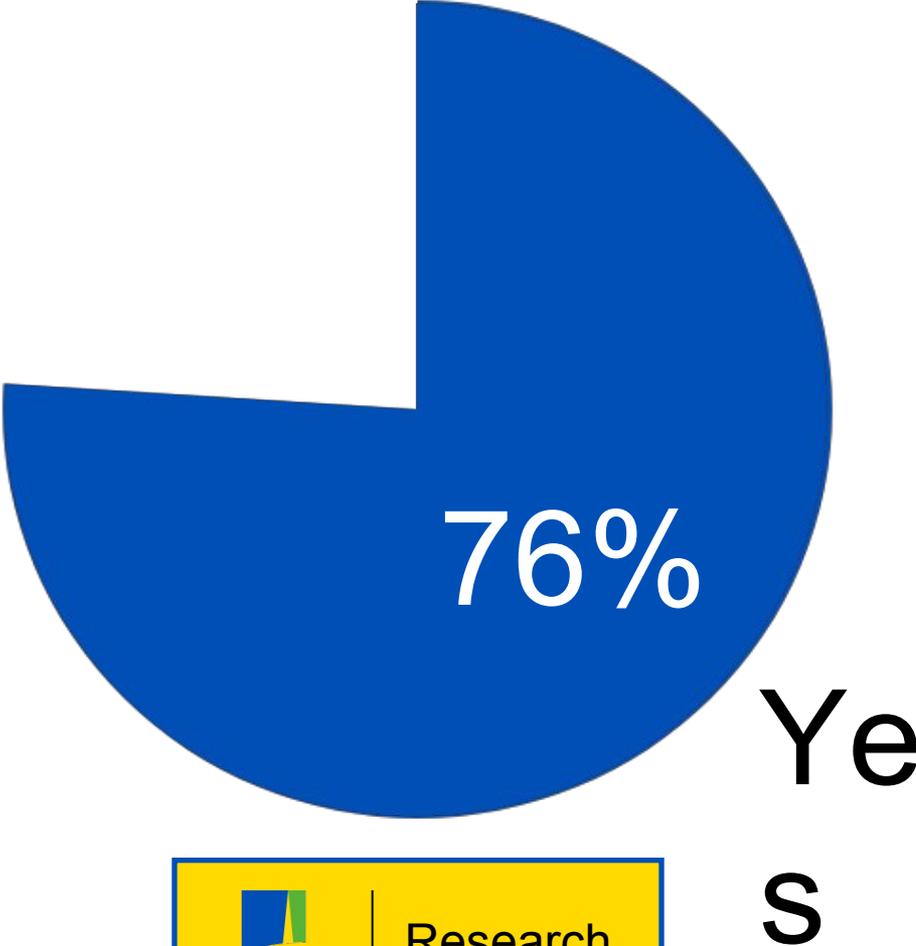
**Job suitability
worries**

5.5m

1.3m

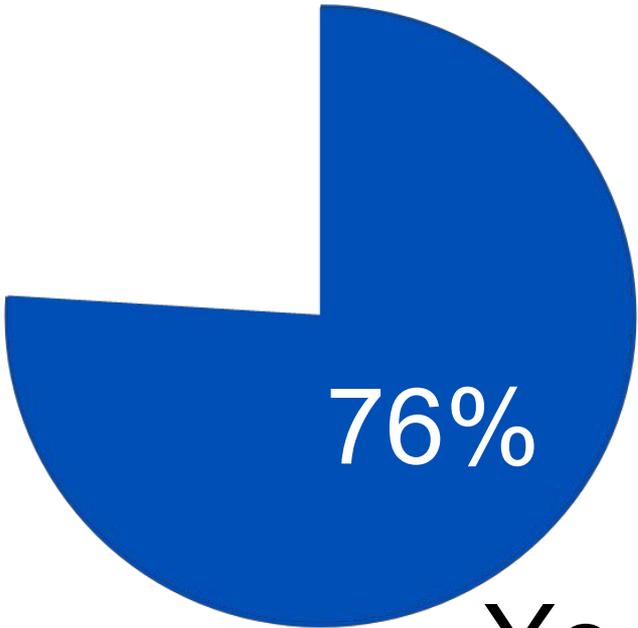
2.2m

Over 50s: I am satisfied at work



Over 50s: I am satisfied at work

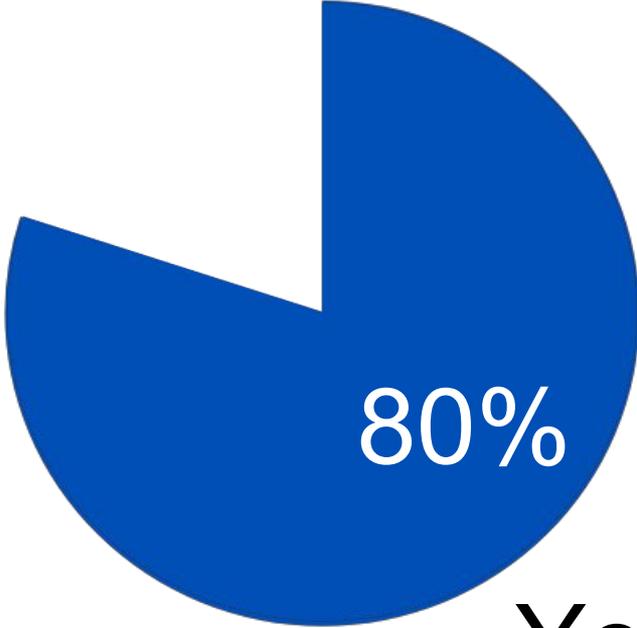
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North East

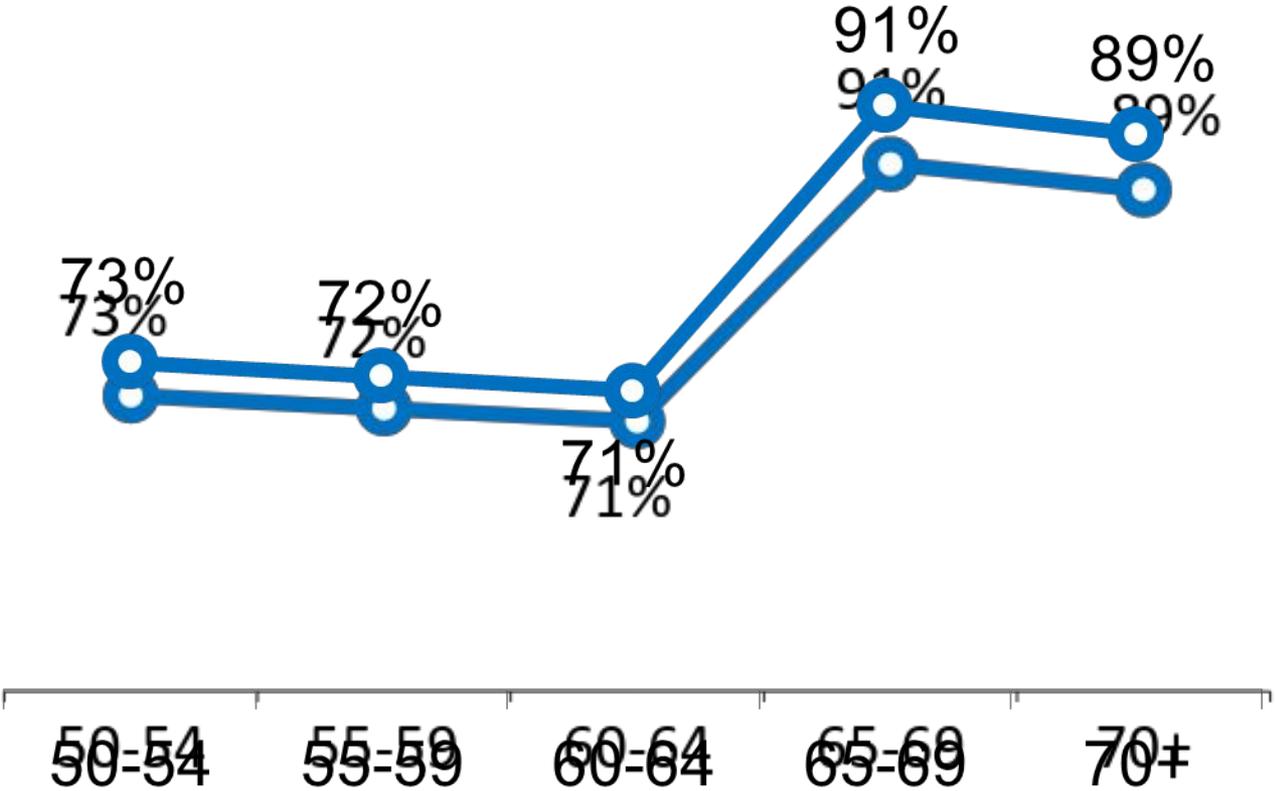


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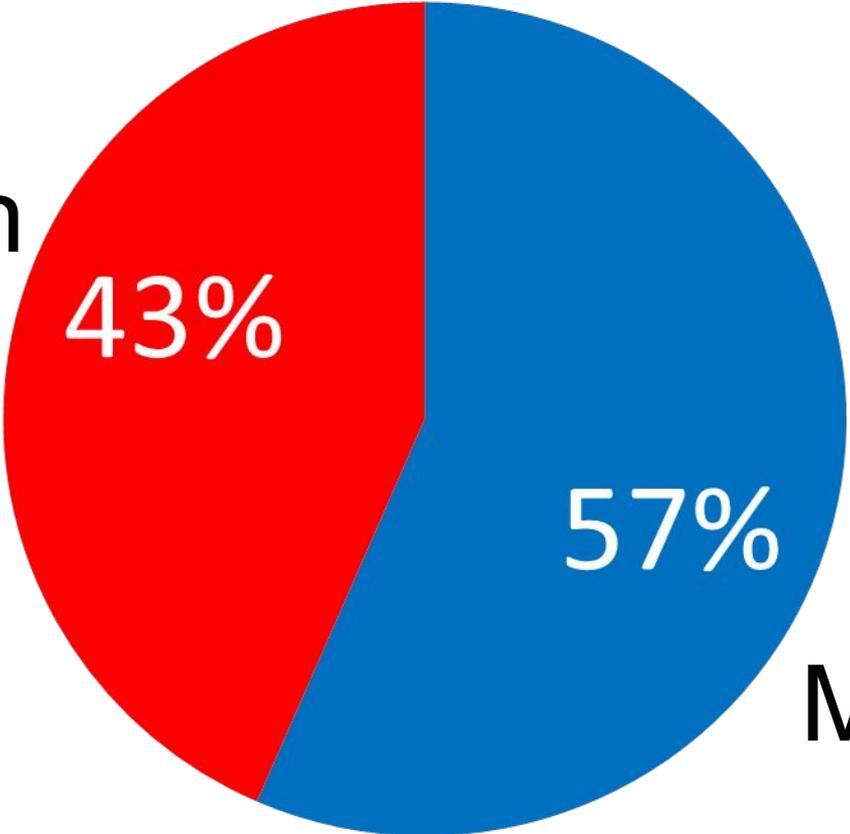


Over 50s: I am satisfied at work – by age



Over 50s: Why am I working?

Job
satisfaction



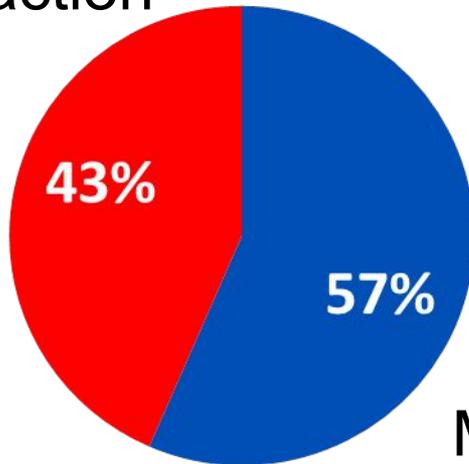
Money



Over 50s: Why am I working?

UK

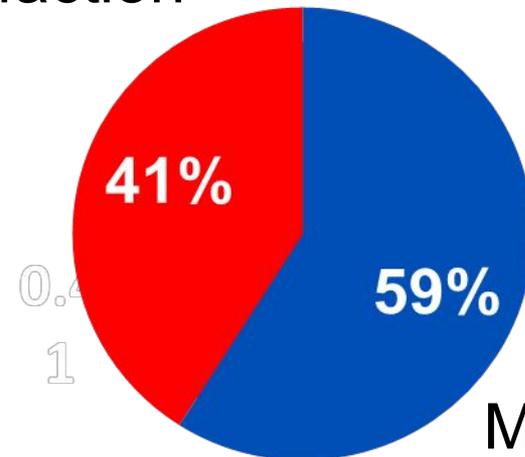
Job
satisfaction



Money

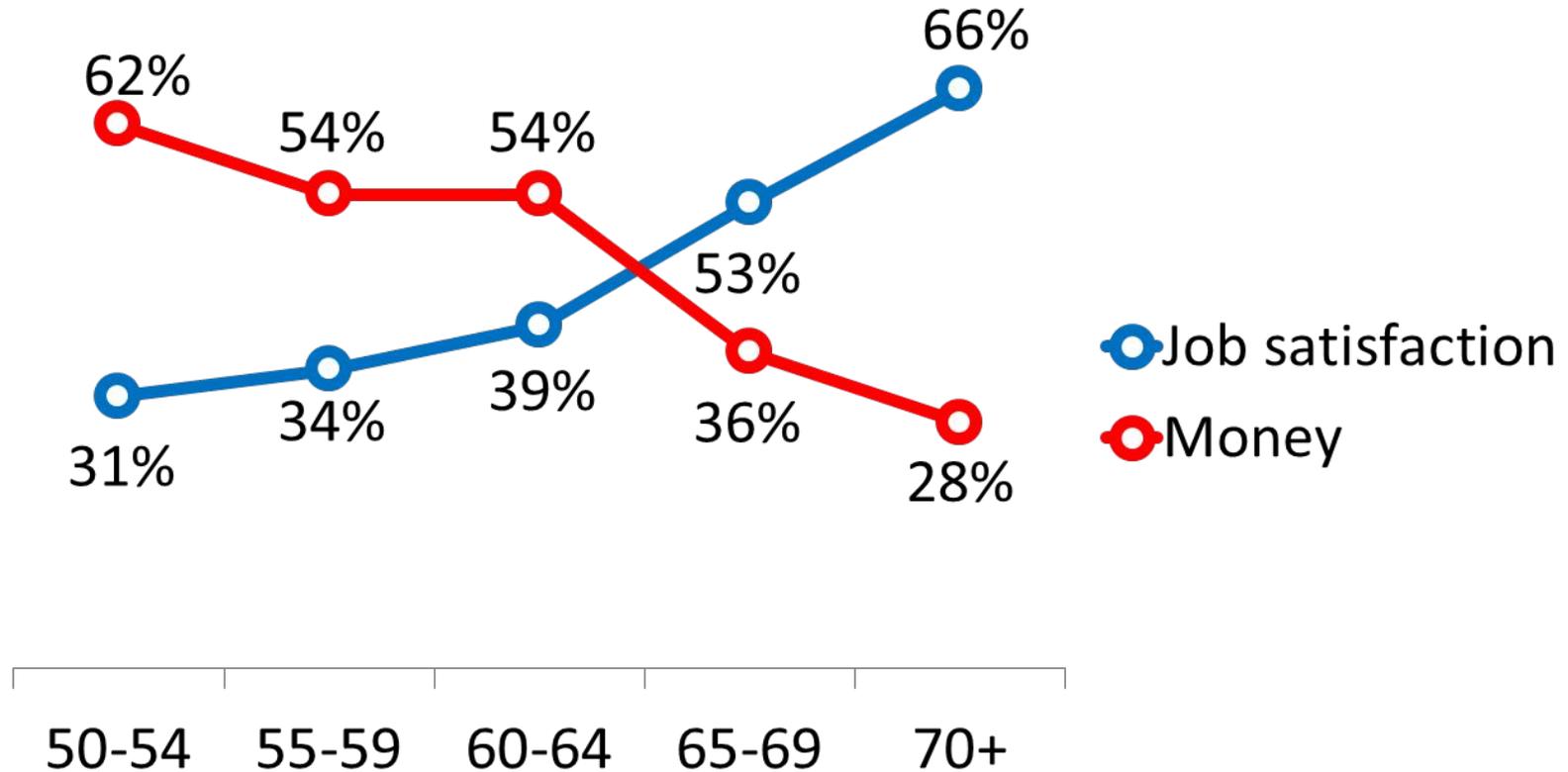
North East

Job
satisfaction



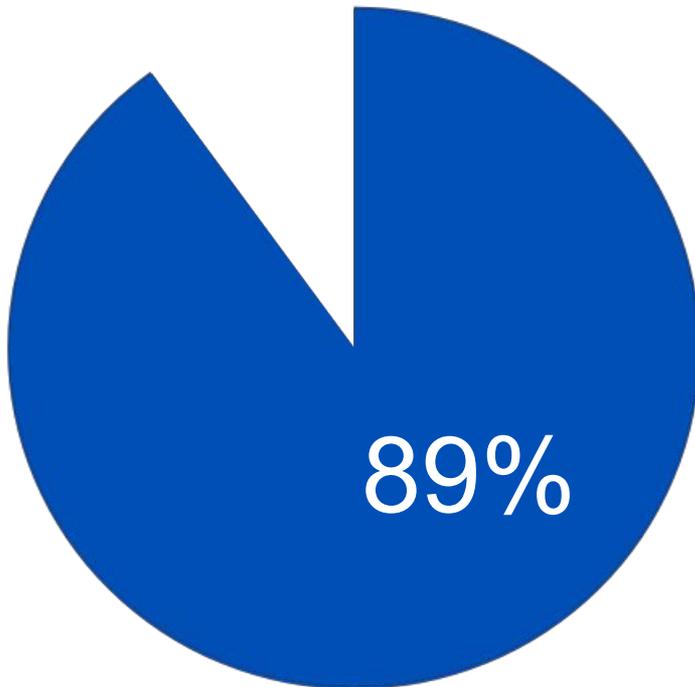
Money

Over 50s: Why am I working? – by age

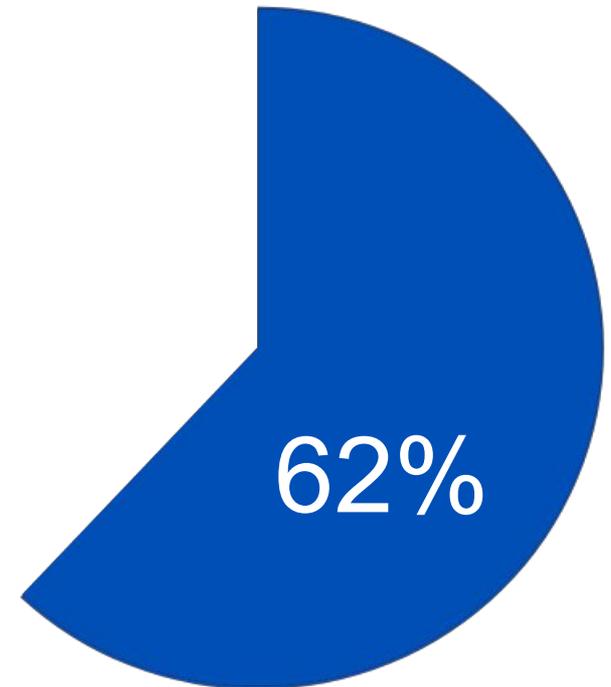


Over 50s: When do I expect to retire?

I expect to retire
at 65 or later



I expect to retire later
than I did decade ago



Over 50s: When do I expect to retire?

UK

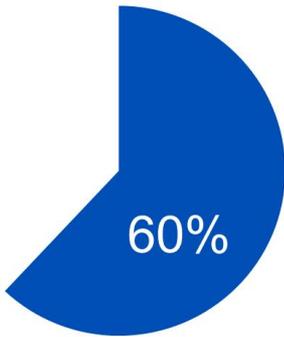
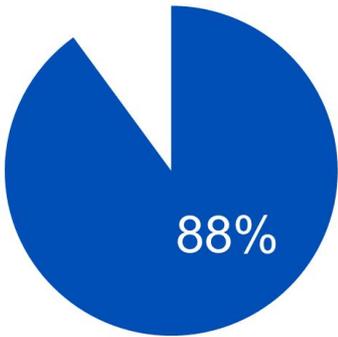
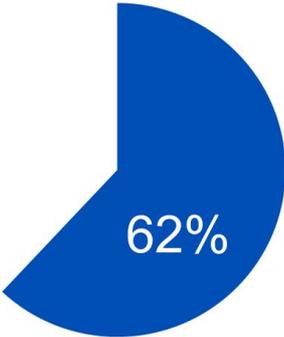
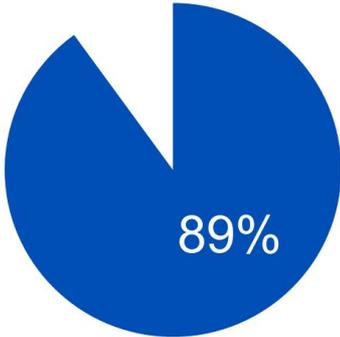
North East

I expect to retire at 65 or later

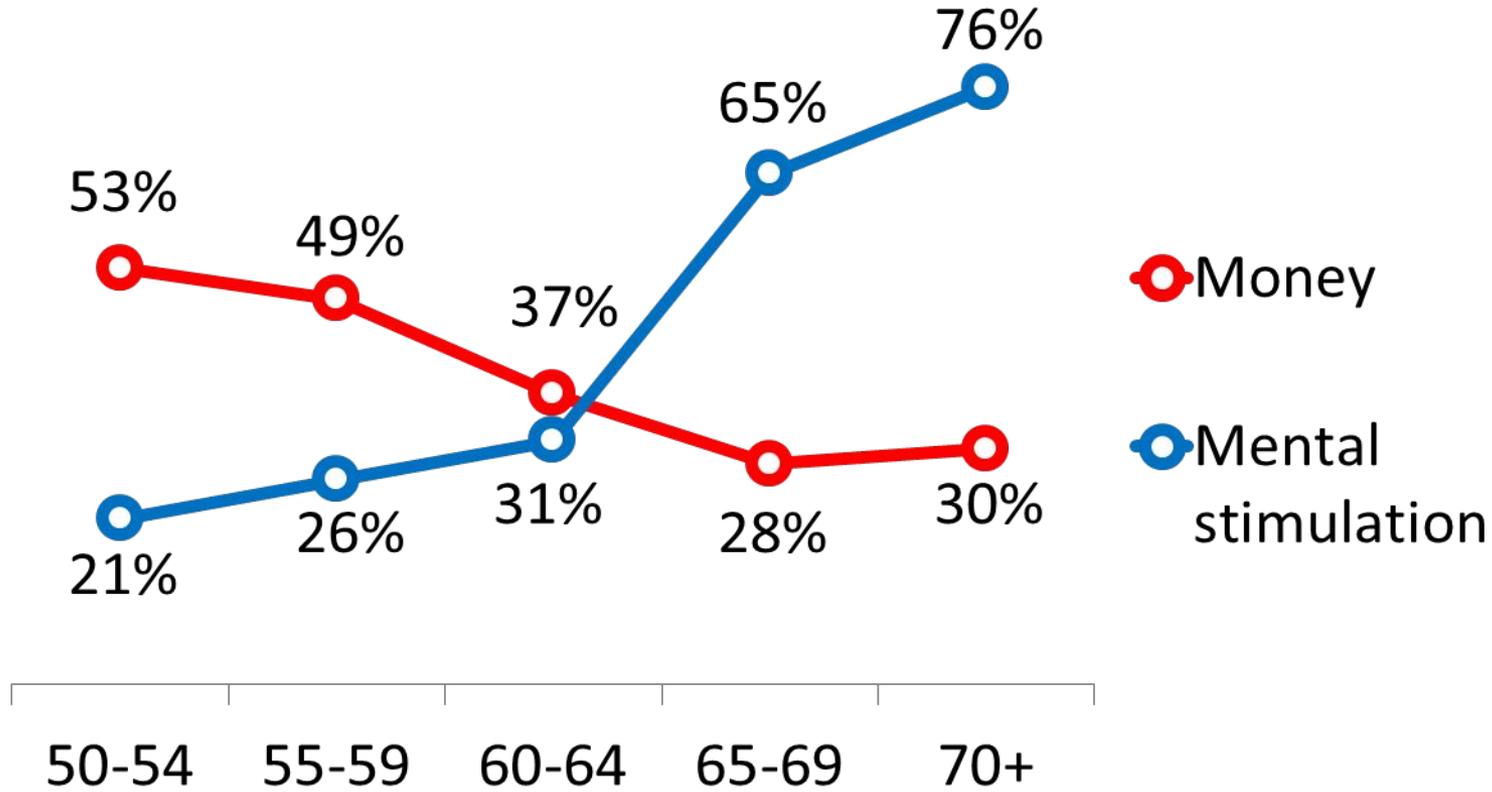
I expect to retire later than I did decade ago

I expect to retire at 65 or later

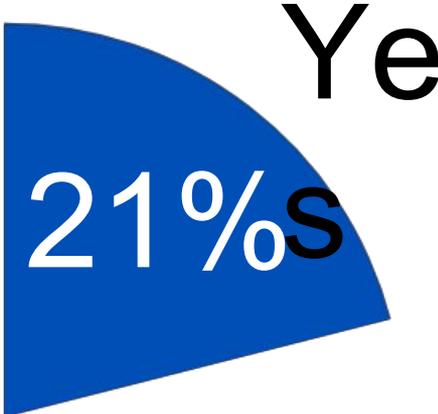
I expect to retire later than I did decade ago



Over 50s: Why will you be working for longer?

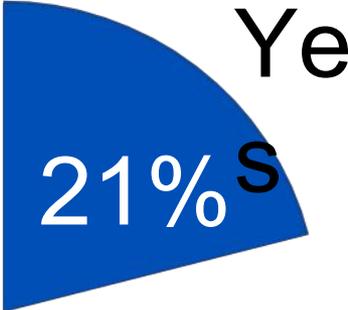


Over 50s: My employer offers me specific support

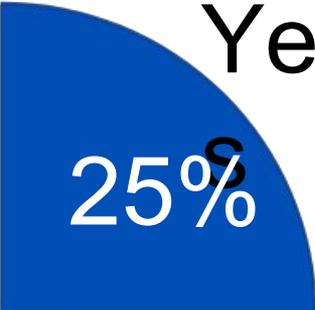


Over 50s: My employer offers me specific support

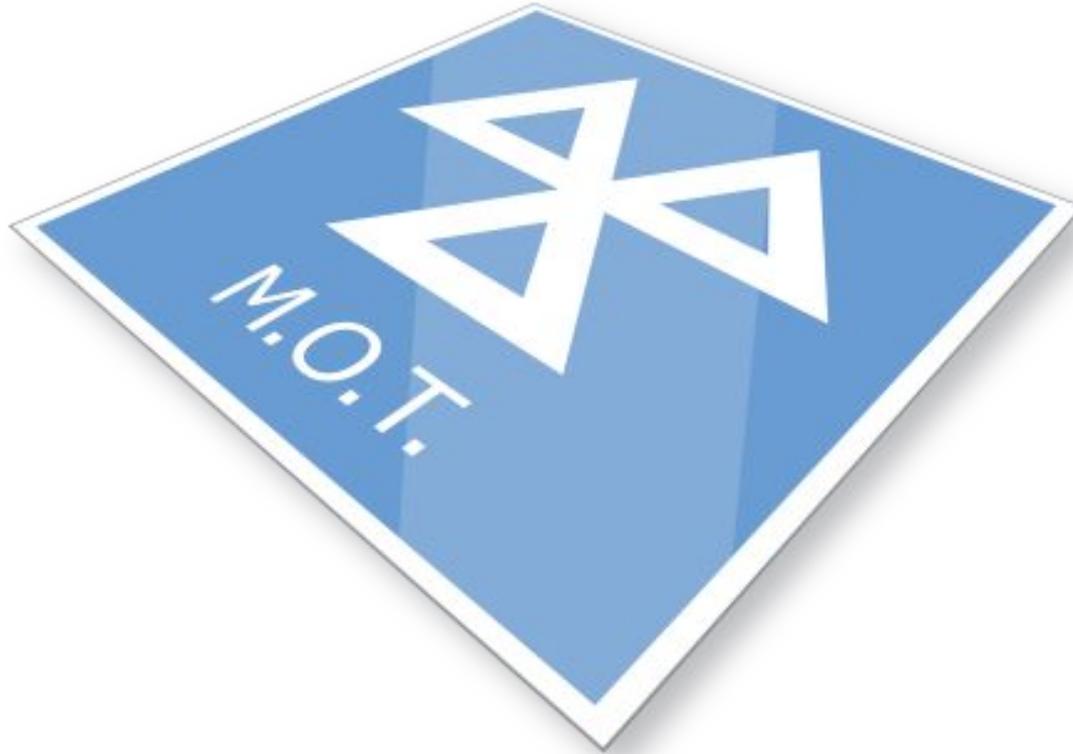
UK



North East



5 actions in Aviva: Career development



5 actions in Aviva: Recruitment



5 actions in Aviva: Avoiding age bias

**Breaking
Bias**

5 actions in Aviva: Carers



5 actions in Aviva: In summary

Mid-life career MOTs

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Recruitment

Flexible working

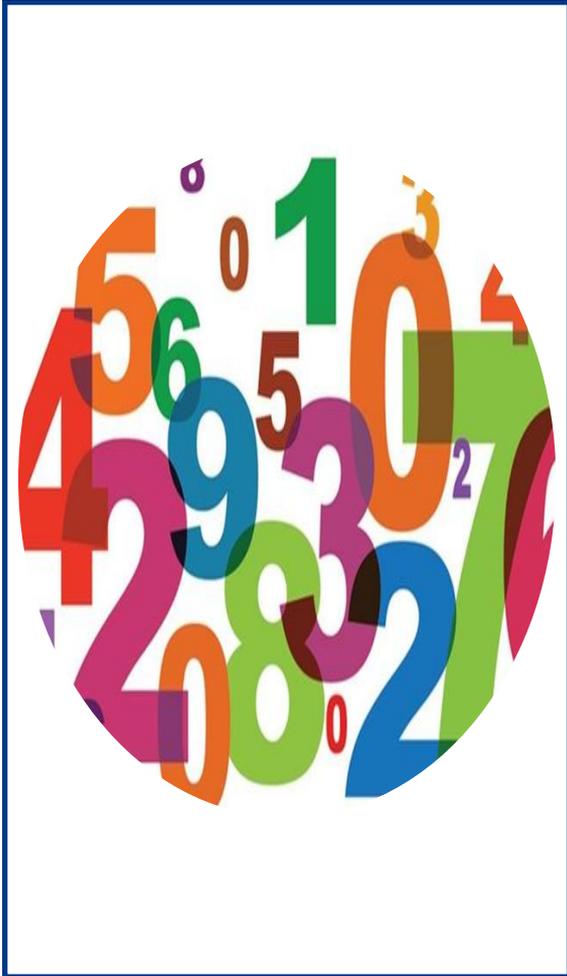
Challenging age bias

Carers



AVIVA

What I have covered





“This world demands the qualities of youth; not a time of life but a state of mind, a temper of the will, a quality of the imagination, a predominance of courage over timidity, the appetite for adventure over the life of ease.”

Robert F Kennedy

Unlocking the value of the older workforce

Alistair McQueen
Head of Savings & Retirement, Aviva

 **@hellomcqueen**

Panel Discussion

•Chaired by **Alistair McQueen**

•Panelists **Lynn Parry, Northumbrian Water Group**

• **Lorna Hodson, Tyne & Wear Fire and Rescue Service**

• **Di Keller, Sage PLC**

• **Paul Scope, Ward Hadaway**

• **Mike Wade, Hodgson Sayers**



Retrain, regain, retain

A pilot to support employers and the older workforce

Working in partnership



Seminars

Located on the 4th Floor

- Seminar 1: Retain; Retrain; Mid-life Reviews - Supporting Fuller Working Lives through career and life planning - Judith Wardell, Kingswood Age Confident – **room 4.25**
- Seminar 2: Retain; Better Health at Work Award: Future-proofing your workplace - Susanne Nichol, TUC– **room 4.06**
- Seminar 3: Recruit; Retain; Retrain; Considering the legal implications of an aging workforce - Paul Scope, Partner, Ward Hadaway– **room 4.20**
- Seminar 4: Retain; Retrain; Recruit; Active ageing through social partnership - Matt Flynn and Chris Ball, Centre for Research into the Older Workforce– **room 4.23**

Thank you and closing remarks

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