

Business, Energy and Industrial Strategy Committee

Oral evidence: Post-pandemic economic growth: UK labour markets, HC 306

Tuesday 21 February 2023

Ordered by the House of Commons to be published on 21 February 2023.

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Members present: Darren Jones (Chair); Jane Hunt; Mark Jenkinson; Ian Lavery; Andy McDonald; Charlotte Nichols; Mark Pawsey; Alexander Stafford.

Questions 269 - 298

Witnesses

[I:](#) Tony Wilson, Director, Institute for Employment Studies; Lucy Standing, Co-Founder, Bravestarts; and Tim Balcon, Chief Executive, Construction Industry Training Board.

Examination of witnesses

Witnesses: Tony Wilson, Lucy Standing and Tim Balcon.

Q269 **Chair:** Welcome to this morning's session of the Business, Energy and Industrial Strategy Select Committee for our final hearing as part of our review of the UK labour market.

We have two panels today. First, we are delighted to welcome Tony Wilson, who is the director of the Institute for Employment Studies; Lucy Standing, who is the co-founder of Bravestarts; and Tim Balcon, the chief executive of the Construction Industry Training Board. In panel two, we will be hearing from the Minister.

For the discussion on panel one today, we are going to be talking about older people in the workforce. The Chancellor recently gave a speech in which he said, "Britain needs you", with "you" being the over-50s. He said—I think I am quoting—that retired people should "get off the golf course" and get back to work. Do you agree?

Tim Balcon: I will just offer some context before I answer. The construction industry has been full pelt even through the pandemic, and it has a growth trajectory in front of it. We have commissioned some reports—we do this on an annual basis—that say the industry needs 250,000 skilled people to enter the industry every year. 200,000 of those are transient. We lose 200,000 and train 200,000. That leaves about 50,000 vacancies, although it has slightly reduced over the last period.

In answer to the question, do I agree with it? The industry is looking for skilled people. It is not particularly concerned where those skills come from, as long as we have those skills for the industry.

Lucy Standing: I would certainly agree that older people should work. Every marker of successful ageing is associated with people who feel they have a sense of purpose.

Do I feel that they are busy on a golf course out of choice? I would say absolutely not. I would ask Jeremy Hunt, if he wants people to get off a golf course or out of the yoga room or to stop drinking coffee, or whatever it is he thinks they are doing, why does he not start leading the way?

There are a number of barriers, such as a lack of flexible jobs, outdated recruitment practices and jobs boards for which older people do not meet the needs. There are no or very few programmes for career changes or people wanting to re-enter the workplace. There is no career guidance or support for people who have no idea what they want to do next but who do want to work. There are no role models or blueprints for how to do it.

Q270 **Chair:** Tony Wilson, the idea of yoga, coffee and golf sounds quite appealing to me. If I could afford to live a life doing that, I do not want to come back, do I?



Tony Wilson: No, me neither. I might well be joining those ranks before I am 65. Who knows? There are a couple of things. One is that we have seen the early retirement number—people aged 50 to 65 who say they have left the labour force primarily for early retirement—slightly lower than it was before the pandemic. We did see a large or large-ish growth in the pandemic. It has now come back down a bit to about 1 million. There are 1.1 million people who say they have retired in their 50s and 60s. We also have people who are over 65 who have retired. That proportion has stayed about the same, but the number has grown because it is a larger population.

We have also seen different trends in why people have retired. A lot of the people who retired during the pandemic retired in relative financial comfort compared with what we have seen in previous decades. In survey evidence, they say they are living off private pensions and savings and they can afford unexpected costs. They do not need to come back, and all the evidence suggests that they probably will not come back.

Of the people who have made that choice, who say, “I am retired. I am no longer looking for or available for work”, most will not come back. There are so many more millions of older people who are out of work and want to work or would consider coming back but who often have long-term health conditions, caring responsibilities, cannot find the right job or do not know what the right job would be or it is not available for them.

It is not massively helpful to characterise this as golf courses and coffee shops. We should be talking to people about how we help them to achieve what they want. That is often to be back in decent work that is flexible, local and supportive. We then need to think about how we can design policy, both how we support employers and also public policy, to enable us to do that. The issue is not golf course membership or time spent on golf courses, no.

Q271 **Mark Pawsey:** As a follow-up on the points the Chair has just raised, the House of Lords Economic Affairs Committee has just done a report that concluded that it is unrealistic to base policy solutions on persuading or facilitating recent retirees to come back. We have spoken about that, and, Lucy, you said that older people should work. The evidence from that report is that they do not want to. Should they be made to?

Lucy Standing: You can trust people, after a period of time, to get bored and figure it out for themselves. I would suggest that people are very bad at future planning; the evidence certainly seems to support that. I do not even know what I am doing in two weeks’ time, let alone in three years.

Even for younger people, if they sell their company and disappear off to a beach for three years, I guarantee they will come back. They will want to work after a while. You can trust the fact that, when people are retiring at 65, their health will mean they are able to contribute meaningfully to society, and they will want to after a period of time.



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Q272 **Mark Pawsey:** I will put that point to Tim, if I may. Tim, your industry is traditionally physically demanding. Sometimes it is less so. I have visited sites where there are all sorts of aids now. Is it realistic to expect, as Lucy would say, 60 year olds who perhaps were working in construction to go back into it? Are they not worn out and unable to do it?

Tim Balcon: It is fair to say that parts of the industry are very physically demanding. It would be natural to assume that those would suit younger people rather than older people.

The construction industry is very broad. There are about 2.5 million people in the construction industry in a huge variety of roles. We tend to think of construction as the hard hats and the boots we see onsite, but there are loads of opportunity in the construction industry in a wide range of activities.

There is an important point here. People who have done a very physically demanding role can transition into other areas of construction to provide that mentoring and pass on that experience. That is a really important part of this conundrum. I would perhaps focus on the routeways to make sure they are more explicit and more available.

Q273 **Mark Pawsey:** You told us about your 50,000 vacancies, but Lucy has just referred to the barriers, such as the lack of flexibility, no role models, no training and no support. What is your industry doing to deal with those challenges?

Tim Balcon: There is a huge amount of activity. Through the pandemic, the industry came together through the Construction Leadership Council, the CLC. It is fair to say that this is the most collaborative the industry has been on addressing some of these issues. Some of the opportunities that construction offers are now being done across the industry and industry-wide.

Nearly all trade bodies and sector bodies are involved with a common agenda to make sure we are getting the right people coming into the industry, that the skills are available for those right people and also that the industry is recruiting people to have employed status more so than it does currently. Currently, 40% of the industry is employed permanently. The rest are employed on a subcontractor or self-employed basis. That is a key dynamic when it comes to people leaving or early-retiring, job security and progression. That needs to be built into the thinking.

Q274 **Mark Pawsey:** Tony, is the House of Lords right to say this is not even worth pursuing because people do not want to do it?

Tony Wilson: Yes. For that group who say they have early-retired, yes, but there is a risk that we conflate over-50s who have left the labour market and are not coming back with over-50s who have early-retired.

Q275 **Mark Pawsey:** What is the difference?



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Tony Wilson: There are more people who are out of the labour market who are aged over 50 who say they are out of the labour market because they have a long-term health condition, because they have caring responsibilities or for other reasons than there are people who say they are out of the labour market because they have retired.

Understandably, the House of Lords Committee was really focused on these flows out of work due to early retirement. In that evidence, I described that as the biggest exodus of over-50s we have seen since the 1980s. In the 1980s, there was a public policy choice to privatise the nationalised industries and pension off a lot of older people—older men, primarily. Many of them passed into long-term worklessness. Here it has been more accidental: a combination of furlough, redundancies, flexible labour markets and all sorts of things like early access to pensions, private pension income, et cetera.

While that is a really important trend, the bigger challenge right now is that there are people who are out of work who are not coming back and who are staying out of work longer. There are more people out of work over 50 who say the primary reason for them being out of work is a long-term health condition than there are who say it is because of early retirement. They may not have exited because of a long-term health condition. They might have said, “I am leaving because of short-term ill health” or for other reasons, but now they are stuck out of work.

Q276 **Mark Pawsey:** You also mentioned that one of the reasons people are comfortable in retiring is because they have more wealth than previous generations. Does that simply arise from the fact we have had pretty huge increases in the value of properties? The people who bought a house for £30,000 or £40,000 with a mortgage have now paid off their mortgage and their house is worth £250,000. Is it not that that gives them the reassurance to feel they can retire? Is that what is unique to this generation?

Tony Wilson: A really big part of it is housing wealth. The other part is occupational defined benefit pension schemes, most of which have now closed, which people in their 50s are still benefiting from.

Mark Pawsey: We have a golden generation.

Tony Wilson: The third is the growth of asset prices generally and private pension income. There are massive inequalities. I might be exaggerating, but we have people who have pension wealth and pension income, and people who do not. The people who have pension wealth and pension income do not feel any compulsion or need to retire. They primarily have pretty decent jobs. There are a heck of a lot of people, men and women, in lower-skilled and lower-paid work, who have left the labour market and who are not relying on pension income. They are relying on benefits or other means. This is also quite different spatially; it is different in different places as well.



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Q277 **Mark Pawsey:** Is this an issue affecting this generation only that is unlikely to be repeated?

Tony Wilson: Yes. Younger people may need to work until—

Andy McDonald: Until they drop.

Tony Wilson: I was not going to say it, but yes. That is not a good thing. What happens to that wealth? This is one of the challenges when we get a housing price correction, if people are not willing to sell their homes because they think they are worth more. Danny Dorling was talking about this. This is going to make things much worse. Yes, the fact that so much of our wealth is tied up with older people, many of whom have now left the labour market, is a problem. It is a problem with rent.

Mark Pawsey: We could go on for a long time on this.

Chair: Yes, my mortgage finishes when I retire. That is one way of keeping me in the workforce.

Q278 **Andy McDonald:** All the people who are able to retire make a significant contribution to the economy with their spending power. That is economically valuable. Tony, can you help me with the difference between this country and other European comparators? Since the pandemic, in the bounce-back of people returning to the workplace, I think I am right in saying that there is a marked difference. The UK is a bit of an outlier in terms of the sluggishness of people going back to the workplace. Do you have any thoughts as to why that is happening? What are the distinguishing features?

Tony Wilson: That is right. We have been a relatively high-employment country. We are now mid-table internationally in terms of international developed economies. That correction has happened since the pandemic. We are one of the few countries that has seen workforce participation fall since the pandemic. Apart from some South American countries, us, the US, Latvia and Switzerland are the only countries that have seen workforce participation fall.

Why would that be? We do not know, and a lot of it would be speculation. There are a few things that have been different. We had a massive furlough scheme, which was passive and untargeted and which pretty much anyone could claim. Many organisations and many people said at the time that there was a risk that people who were furloughed were going to drift into inactivity. "Inactivity" is such a horrible word. As you say, people are economically active in all sorts of ways. They said that people would drift into not participating and detach from work.

We then had massive redundancies. We had 1 million redundancies in 2020-21. Normally we would have about 400,000 or 500,000 a year. That affected older people more than other ages. People moved to economic inactivity and then redundancy. We also had the self-employed income support scheme. A lot of older people were self-employed. For



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example, in the construction industry and other industries, they took the money and left. There were quite a lot of financial incentives and there was also a lack of active support.

Other countries have had more targeted furlough schemes. They have had ones that have included things like access to training and more regular contact. They have been based more on employer bodies, social partners and Government working together. They have been more established than the UK model. That could be one factor, but it would not be the only one.

There are other reasons why we have a squeeze. Young people have stayed in education longer in this country. There has been a really significant rise in education participation and a fall in the youth labour force, too. There are about 600,000 fewer young people in the labour force now than a decade ago. That is a massive change. They grease the wheels of the labour market in a lot of these lower-skilled and lower-paid jobs.

There is also migration. Migration was contributing growth of about 200,000 to 220,000 a year in employment, year on year, until 2016. Since then it has contributed a growth in employment of about 140,000 a year. Again, that is a massive correction. These are all things where there probably are some differences between us and European countries, but there has not been a systematic look at why this has changed.

Q279 Andy McDonald: I wonder whether the ability of people to retrain is a significant one. From my constituency experience, I know that my local FE college has to manage 41 different funding portals for people to return to the workplace. I wonder whether that is in play. Perhaps you could comment on that.

The other thing is about the appeal of going to work, be it security of terms and conditions or making it financially worthwhile for people. Of course, we heard this morning about the research into the four-day working week and how successful that pilot has been. There was no drop in productivity, and some companies reported an increase in productivity and lower rates of sickness absence. Are these factors that we should be exploring?

Tony Wilson: Yes. Those are the big ones that I did not mention and should have. Other people have talked about them too, and I am sure they will have views on them.

The lack of access to appropriate support and a system that enables that has been a really big factor, particularly for people over 50. Some of that is different in other countries. We do not have a public employment service that people can access. I get contacted about this by people over 50 who just email in and say, "I have been out of work. I cannot go to Jobcentre Plus. I have contacted the National Careers Service and they



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have given me a telephone consultation". When did the National Careers Service become our public employment service?

This is not the case in many other countries. In Germany, they have a very successful programme called Perspectives 50 Plus. I should do that in a German accent, but I will not. That is specifically targeted at helping people aged over 50. It was largely built on the New Deal 50 Plus model in the UK, which existed for quite some time. We do not have that specialist focus.

You are also right on training. Colleges and training providers have to be very focused on keeping enrolments high, primarily amongst young people and primarily in longer courses. If you are an employer, you can have any training you want as long as it is an apprenticeship or a sector-based work academy. You can have two weeks' training or you can have two years' training; there is very little in the space in between. You can see how those two options for training would likely disadvantage older people.

I can perhaps talk more later about support for older people. Specifically on employment support—I have done a lot of work on this—there are things that are distinctly different, but not that different, about how we work better with people over 50. Lucy and I were talking earlier about some of this. Your experience is right. There are areas where we could get much better in our programme design.

Tim Balcon: I have a few points to make on that one. To give you some scale, the construction industry has lost 120,000 people from the industry since the pandemic. That is the scale. That is on top of our normal cycle of recruiting and losing people.

Tony mentioned a few points that are really important, one of which is the capability of FE colleges to pick this up, create a conduit between the needs of employers wanting skills and connect with local communities in order to give them those skills. FE colleges are part of the answer, but they have their hands tied behind their backs, particularly with the way they are funded.

I am caricaturing FE a little bit unfairly perhaps, but FE tends to work more on an educational basis and it is mainly focused on younger people. At the minute we are talking about correcting some of the things the education system did not give them in English or maths, but employers want skills. They want people who can go onsite and do a job. That needs to be strengthened. If we could support FE and relieve them of some of the financial pressures they are currently coping with, you would have a delivery mechanism to be able to upskill people.

Secondly, if you are a person looking for a job or looking to move industry, where do you get the help and support from? Sometimes the skills system becomes impenetrable for people who have been out of the



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training and educational system for a long time. There is nowhere to get that support.

At CITB, we have put in enormous amounts of resource specifically to be able to address those particular areas. Because we are a levy body, we have somewhere between £200 million and £250 million to invest in programmes such as these. That is exactly what we are doing for industry. We have the Go Construct website, which is around careers advice. That has been used by over 1 million people, and that is going up.

An important initiative that came out of the pandemic was about retaining talent. We have a talent retention scheme. There are currently about 38,000 jobs in that. The whole answer to this is to better connect up that training system with a supply of people coming from one side and the employers on the other side wanting to recruit those people.

People do not want training; they want a job. The training is a means to an end. It is about making that supply chain between people and jobs a little bit shorter and closer together.

Q280 Alexander Stafford: We have heard already that it is quite a good life at the moment for people who retired during the pandemic. It seems to be almost a one-off time when people have retired earlier, with furlough and the pandemic, as we discussed. How can we stop this happening in the future? Is there a risk that similar situations will happen where large numbers of over-50s will retire? What can we do to stop people in their late 40s and early 50s considering early retirement? Are the Government too generous when it comes to accessing private pensions? What could we do to stop that?

Tim Balcon: There are a few things we can do. We need to have flexibility that you can offer a more experienced worker to be able to present their skills in a different way. The four-day week might be one of the solutions to deal with that. I would certainly welcome that. By the way, I retired about three years ago, as a kind of wonderful irony.

The second thing is to get in those routeways. My reason for coming back was to give something back because I felt I could make a difference. It is about utilising the experience and capabilities of people with that experience to better support the younger people coming through and those pathways, in particular the qualifications where the skills system lies, could be strengthened to support that.

Lucy Standing: On this one, I do not see the route around this being a financial one. If the Government are too generous, I would suggest that is not enough. People will want to work because it provides them with so much more than the finance around it. In my experience, people are wanting to go back to work because of social connection, because they want to learn new things or because they want a sense of purpose. If the



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financial position is such that they are able to retire, that is not anything the Government have to worry about.

Tony Wilson: I agree. We have very generous rules on accessing private pensions early. That is something we need to look at.

Q281 **Alexander Stafford:** Are they too generous?

Tony Wilson: Yes. Good luck to any politicians who want to make that change now that genie is out of the bottle. By the time I get there, it will probably be 58. What is it now? It is 57. It was 55 very recently. That is very early, particularly given the sheer size of occupational pension wealth compared with state funding, which is different in other countries. We have a much larger occupational system.

Similar to Lucy, I would focus more on the active things we can do, such as making work better, making work more enjoyable and having higher job satisfaction. There are some really interesting academic studies on this. Regardless of whether you have a health condition, whether you are in high or low-skilled work, whether you are disabled or whether you have children, people who report higher satisfaction with their work are more likely to stay in work.

We have had decades of employers, for the most part, in general terms, not having to worry too much about labour supply. We have always had enough supply for changes in demand and additional demand. That has now changed. Firms are now having to rediscover some of the art around how you try to make work more rewarding, more enjoyable and more satisfying and also have good workforce planning and workforce strategy to keep people in work. This is a really big job.

They will not go to Government for that help. We do not need a Government service to do this, but we need to think about how we can work better. CITB is a great model. If we had more things like CITB in different industries, that would be hugely beneficial, full stop. In particular, the ability to link better between employers and industry and to speak with the voice of industry would be really important. That is an area we should really focus on.

Q282 **Alexander Stafford:** You mentioned that companies now need to learn more about how they can retain staff. Some companies, organisations and sectors have older demographics working for them. What lessons can other sectors learn from the sectors that employ over-50s? What is the best way to do that?

Tim Balcon: The construction industry is doing a lot of soul-searching in terms of how to make the industry more attractive for longer. They are on it. I would go back to the point I mentioned earlier: 40% of the construction industry is permanently employed, and 60% live on a project-to-project basis. People get spooked. Particularly when there is potential for a recession, they will tend to leave the industry and go into a much safer area.



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If you consider those people who have been a contractor, a subby or self-employed all their lives, my guess is that those pensions and that support are less available to them. They have to work somewhere. It is almost about looking at the employment laws that surround subcontracting as well as at a broader scheme. That perhaps needs to be considered.

We are giving you a lot of the parts of the equation without giving you a particular answer in terms of what the equation tells you. There are a lot of things to consider.

Lucy Standing: I would say that it is not that clear. I am consulting and working with a number of large organisations. The question I get asked the most is, "What is everyone else doing?" I would say the blueprint on retaining older workers is anything but clear.

Tony Wilson: There are things firms can do. One is to know your data. A lot of firms simply do not collect and record data on it. They do not think about age diversity in their own recruitment panels, for example. There are lot of things they could do. We tend to focus on things like, "How do we change the language in job ads?" If the people who are doing the interviewing are not thinking about it, are not trained on it and do not understand it, that is a challenge.

On the stuff around flexibility, there is one-sided versus two-sided flexibility. We need to look at how firms can be supported to have more flexibility around shift patterns and locations of work and choice of work. There are tons of things we can do.

Lucy Standing: There are tons of things we can do, but for every company that is profit-driven, because they do not have the return on investment data to back it up, asking them to take that initial step is incredibly difficult and challenging.

Q283 **Alexander Stafford:** Flipping the whole premise on its head, are there some advantages for your business to older people leaving your sector early? Do you want a younger workforce? Is that what employers are looking for?

Tony Wilson: That is not really a choice we have now. Even if firms want a younger workforce, given how much the younger workforce has contracted and how much the older workforce is growing, that is not a choice for firms. It is not one they should want to make either. Older workers are often more productive and they often stay in a firm for longer, and they bring more skills and experience.

It is about how you get that back. What are those potential benefits? We have done some work on this with Timewise around flexible working. Even small reductions in turnover in industries with high turnover can have a massive positive return. We have documented some of this too. This also applies to things like sickness absence. If you can reduce



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sickness absence by making work more flexible, it can have a really significant return. There is a big challenge in how we make that case.

Hopefully, no firms are thinking, "We want to have younger people rather than older people", but I am not sure it is a choice they have at the moment.

Tim Balcon: It is not something I have heard the industry say at all. Going back to your previous point about how you would think construction would suit a young person, I have not heard one employer or one trade body mention that. I have heard them ask how they can retain the experience they have.

Q284 **Charlotte Nichols:** To give an example, in her early 50s my mum was working in a primary school. A friend of hers who was a railway contractor said, "You have some transferrable skills we are interested in. We are looking for some people on this contract". She had a career change in her early 50s from, as I said, working in a primary school to being a railway contractor, something she has loved ever since.

If that discussion were to have taken place at the tail end of her 50s, rather than at the beginning of her 50s, it might have ended up being a very different conversation. There is a reticence by some employers, fairly or unfairly, that taking on older workers is a risk if they are about to retire. The investment they might put into training them on the job will be lost quicker than if they are taking on a younger person, who might stay in the business for 20 or 30 years, for example.

What would you say the recruitment challenges are for employers to make clear they have an interest in taking on older people? Is that barrier something that is explicit from employers, is it maybe an unfounded fear that older workers have, or is it a bit of both?

Lucy Standing: I do not have data on people in their late 50s versus the earlier 50s. All I can really say on this is that, certainly as far as recruitment practices are concerned, what we see currently is broken. It is not geared up for people to make changes. It assumes a level of expertise and insight that cannot be matched by people who simply have never had the opportunity to work in that sector.

I liken a lot of this to dating. You do not marry someone without dating them. You cannot know what job you want to do if you have no experience of it. If organisations were to emphasise potential and attitude, they would see a sea change in people coming to them. So many people rule themselves out of opportunities because they see that people want five years' experience.

It can even be the job description. There is a social care advert today in the *Times*. It has a brilliant landing page: jobs in social care. The minute you click on the link, it takes you direct to a page where you have to know exactly what job and it is £11 an hour. You think, "I have not even dated you yet. I need to spend a little bit more time understanding what I



am getting into". That entire layer is removed at 50-plus. Even if they wanted to make a selection decision, they are not able to make an engagement one.

Q285 Charlotte Nichols: In your experience from construction, Tim, would more of a focus on things like transferable skills, for example, for older people coming from different sectors be more beneficial than some of the financial incentives and things we are hearing from the Government? Is it about the culture that you project within your organisation or how you talk about what it is you are looking for?

Tim Balcon: The industry would welcome those skills. That dating analogy is quite an interesting one. We have the skills hubs and the onsite experience. This is an opportunity for people to try the construction industry with a 16-week programme. Initially, when they first come in, particularly at the onsite hubs, the industry presents itself and the opportunities. We have had an air hostess who is now working in the demolition industry. Increasingly, there are more of these examples coming out. These onsite hubs and boot camps are a really good opportunity for people to engage in the construction industry and find out whether it is for them or not.

On the apprenticeships side, we are starting now to present ideas about pre-apprenticeship, which is exactly about coming and having a look at the industry. What we have found with apprenticeships, by the way, is that people start one apprenticeship and then finish on a completely different one. It is not easy to pick your choice.

We are not geared up particularly well for those cross-sectoral transfers. The industry is generally focused—this is across the board—on getting new entrants to come in and training them up into their industry. Given where we are now with labour shortages, the industry is searching for different ways of recruiting whole groups of new people. The industry would absolutely welcome that example.

Q286 Charlotte Nichols: One of the things I have not heard us discuss when we have been talking about barriers, first, is the impact of menopause for women who are over 50. We have also touched on childcare and caring responsibilities, but I am increasingly finding in my constituency that the only way people in their 20s and 30s are able to go to work is if their parents are taking on the lion's share of the caring responsibilities because of how expensive childcare is, increasingly. What might be the unintended consequence elsewhere in the labour market of a real focus and push on getting over-50s and people who have retired back into the labour market?

Tony Wilson: You are right on both parts. On the menopause, that is absolutely right. This is a significant driver of why women leave work in their 50s and why they might find it harder to return. There have been some good industry-led initiatives about being a menopause-friendly employer and things we can do as employers. The more employers sign



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up to that, the better. That will make workplaces more inclusive and supportive.

On the childcare point, you are right. There are 500,000 people between 50 and 65 who are out of the labour force primarily because they are looking after family or the home. That may be because they are looking after their own children or grandchildren. Yes, we talk about the need to improve childcare provision and access to affordable childcare to increase labour supply, but part of that source of childcare at the moment is people aged over 50.

One of the benefits of improving access to childcare—there was a report out this morning from the Resolution Foundation talking about some of the things we could do around that—would also hopefully be to free up more older people who may want to return to work but cannot at the moment because of their informal caring responsibilities.

I know that is something the Government are looking at quite closely, but we do need pretty fundamental reform on childcare. We are not going to do this by fiddling with the percentages we reimburse through universal credit or changing the rules on budgeting advances. We need to be a bit more radical.

Lucy Standing: I am going to say something that is very unpopular and probably quite controversial. Whilst I am supportive of understanding, whether it is menopause or childcare, the focus on women is misplaced. In my experience, most of the time it is men who have a much harder time with these career change discussions. Getting them to the table is an awful lot harder.

The more we do to make concessions around women, the more we make women more unemployable. If we want real equality for women, we need to start focusing much more on making this sort of provision available for men as well. If flexibility is going to be made available for women for whatever women's issues, that level of flexibility needs to be provided for men as well.

Tim Balcon: If I may make one point, I would go back to the point that 97% or 98% of our industry is small businesses. I have previous experience of doing a long-term unemployed into work programme, and it was one of the most successful programmes of that ilk. We found that we had to train the employer just as much as the individual because the employer had to learn how to be flexible, how to accommodate some of these things, whether it be childcare or the menopause, and embrace that thinking in the workplace. There is a lot of work needed on training employers in this area as well.

Tony Wilson: Most organisations are run by men, usually by men in their 50s. They often do not understand even really simple things. Having rooms that are different temperatures can be really beneficial for older workers. That is one of the simple things that the menopause-friendly



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campaign—I have forgotten the name of it, but we have signed up to it, as I am sure lots of employees have—talks about that you can do. Another is just looking at your policies around what you allow unpaid leave for. A lot of firms do not allow unpaid leave for different circumstances.

Yes, there are definitely things that are different for men and women. We can recognise that men and women might have different needs in the labour force and try to be supportive of those. The problem is that companies are primarily run by men and they do not necessarily think of those changes they could make.

Q287 Chair: Lucy, just quickly, there was some debate in the House a couple of years ago about how, when employers are recruiting, they put in as standard the need for a bachelor's degree or A-levels. Older workers who were educated when A-levels did not exist are then automatically excluded. Have you seen that get better or is it still a problem?

Lucy Standing: I would say that recruitment is still an enormous issue, and I have not seen a huge amount of improvement. Ageism, in particular, is rife.

Q288 Chair: If you are doing a job ad, you might not have thought about the fact that not everyone will have been around when A-levels existed.

Lucy Standing: It is more than just A-levels and degrees. You are right. People are unbelievably lazy when it comes to writing job ads. When was the last time people changed a job ad? They crank out something they produced five years ago. When was the last time you did a job that six months later bears any resemblance to the job ad you applied for? Things evolve and change all the time.

Q289 Jane Hunt: Having been on a plane very recently, I can understand why air crew want to get into demolition, but there we go. The questions in this section are about employment support to enable over-50s to get into work and what support could be provided. Lucy, we have youth hubs and Kickstart, for example, which are for young people. You referred to this in your first answer. What else could we do to help those over 50?

Lucy Standing: The biggest barrier is this point about having no idea about what to do next. What I can certainly say is that training is not the issue. I can get training courses coming out of my ears. I can fix my dishwasher by watching a YouTube video. Access to training is not the problem.

It is very difficult to commit to training when you do not know what the outcome is going to look like. We have to address that motivation point. What is it I want to do next? That comes from careers guidance, careers support or careers counselling. I would say that provision around that would be point number one.

Jane Hunt: Yes, and knowing what is out there, perhaps.



Lucy Standing: That is point number two. We run programmes on this. I probably did not say, but we have 2,000 subscribers to our surveys, more than 6,000 people and about 600 members.

It is very difficult to get transparency on the market. I have people over 50 who want to become landscape gardeners, interior designers and career coaches coming out my ears. I can say to them through the community and the anecdotal feedback from the community, "Do not bother. You are not going to be able to get jobs in those areas".

We have really struggled to get transparency on where the jobs are. I cannot point people to a jobs board that says, "If you retrain in a particular area, you will pretty much be guaranteed a job". We hear about HGV drivers; we hear about nursing. It is stuff in the general press.

When you start to get down to a level of granularity, most people want to sell a training course. They are not really asked to be very open and honest about how many people then graduate and get jobs after that. That lack of confidence is a big barrier, particularly if people are putting up money.

I would also mention the lack of infrastructure. When you are younger, you have nursery; you have school; you have a degree. People in their 50s are now expected to work for another 20 or 30 years, but what is the blueprint? Where is the psychologically safe place for people to go? We see people paying £90,000 to go and do an MBA or £20,000 to go and retrain or £5,000 to go and do a coaching course or whatever it might be.

The routes in at a later stage are very few and far between. Every FTSE 250 company has a graduate scheme or an apprenticeship scheme. Where are the career-changer schemes? Again, it is that level of social community that is really important. When I was pregnant, I wanted to join the NCT. If you are an alcoholic, you want to work with a bunch of other alcoholics. Whatever the diversity and inclusion criteria are, maybe you want to work with a bunch of ethnic minority people. When you are older, you do not necessarily want to train with a group of people who are 18 and 21. You want your own cohort of people who you can recognise and identify with. That targeted cohort idea is really important.

The other thing I would say is that people are financially trapped. If I were to say to my employer, "I want a couple of days off to retrain. I want to become a counsellor", even if I can access that training for free, what employer is going to turn around and say, "Yes, by all means—enjoy!"? Employers act as though they own employees, but they are not even providing them with a job for life. When someone tries to take some personal responsibility to develop their skills so they can work for another 20 or 30 years, that door is closed. Again, this whole point about flexible working is unbelievably important. It is probably the only place people will get that opportunity even to start to investigate what the options are. That idea about being financially trapped is particularly important.



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Q290 **Jane Hunt:** Thank you very much indeed. Following on from that and talking about support, Tony, can I ask you that general question? You also did refer to a public employment service and the German model, which sounded very interesting. If you could expand on those, I would be grateful.

Tony Wilson: Most countries have a public employment service. Indeed, ours was founded in 1910. We had labour exchanges where people who wanted to find work and work that wanted to find people could go. It provided that kind of clearing and matching service and support. We do not really have that now.

Jobcentre Plus does a really good job in lots of ways, but it is not really a public employment service. It only really provides support to people who are claiming universal credit and the group called the searching for work conditionality group. About one in 10 of all over-50s are out of work and would meet those criteria. About nine out of 10 do not meet those criteria. You cannot go into a jobcentre and ask for help. All you can do is call the National Careers Service. The National Careers Service does not provide that service, fundamentally.

First, we have to have much more open and accessible good-quality, independent and impartial employment-related support. I do not really care—well, I do—whether that is market-provided or whether it is publicly funded or whatever. There are good arguments for having a publicly funded service to address all sorts of potential issues, but that would be as part of a mixed economy. We definitely need people to know they can contact an organisation and get some appropriate support. It might be very light touch; it might not be.

When the narrative is, “Get off the golf course”, that turns off millions of people who are out of work. That is not their experience of being out of work. We need more consistent messages from Government about the benefits of returning to work and how to support that. That is getting a bit better, but there is more we can do.

We also have to reach people through the services they use. There is a lot of talk in the world I work in and operate in around employment-related support and people being hard to reach. They are only hard to reach if you are sitting in a jobcentre or a benefits office. They are in touch with all sorts of services—public services and other services. We can reach people better through health services, through childcare, through housing and through other means, through more community settings, local government and so on.

Then it is about providing the right support, the support that people need. Lucy has touched on this. Quite a lot of research with older people suggests that the fundamental challenge when you are out of work is not knowing what sorts of jobs are available and how useful your skills are. There is a tendency to think, “We need to reskill and retrain”. Hardly



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anybody actually trains for a job and then does that job. People get jobs based on the experiences and the skills they have.

Usually, you want to get back into work as quickly as you can. All the most effective programmes are about getting back into work as quickly as you can, with a supportive employer and the right training in the job. That has to be the focus: helping people orientate and understand what jobs are available and helping them access them.

On the employer side, we need to work much better with them. Flexibility is the golden thread. If you think about all the reasons why people are out of work, flexible work would benefit every single person who is over-represented in that group. Whether that is a parent, a student, a disabled person, someone with a health condition or somebody who is over 50, more flexible work is the one common factor in all of that. The more employers can do on that, the better.

Q291 Jane Hunt: Tim, that flows very nicely into the general question I was going to ask you about support into work for over-50s. You referred to something that is particularly important—the supply chain and the link between training and getting a job. People do not want the training; they want the job at the end of it. You were also referring to the length of courses and apprenticeships. If we had short, very focused training and, indeed, if we went back to where businesses did the training in many cases, would that improve things?

Tim Balcon: It would. We need an age-friendly skills system to start with. It is very much focused at the young people coming out of schools and universities. That is the first thing.

To try to address that, we have created what we call local employer networks. Those bring employers together to determine what their skills needs are. A lot of their priorities at the moment are around getting skilled people into their businesses. We are then connecting the training provision to them so we can create that dialogue. It is not training that we are offering; it is actually jobs: "This is how you get the job because we need to have your skills".

Now, the bit in the middle is an important point. There are many people who would think about construction but would be quite fearful of going back to school or going back into a workplace. Therefore, we need to break that fear down into much more bite-sized parts of learning that we can record and say, "You have achieved something". That is much more palatable than giving them an NVQ or an apprenticeship and saying, "At the end of two years, you need to be able to complete this, which includes English and maths, blah, blah, blah". That is automatically putting some barriers there.

That pastoral care, the stuff Lucy is doing, and mentoring is a really important part of breaking the skills system up so it is much friendlier to people who have not been in the education system for a while, yet it still



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gives employers the confidence and security that people coming out of that training programme have the skills in particular and the competence needed to achieve something on the job.

Q292 Jane Hunt: That is about courses that people can go on, including shorter courses. That is great. What about businesses? Should they take on more responsibility for training the staff who come and join them at any age?

Tim Balcon: That is right. Of course, the construction levy forces their arm a little bit to be able to do that. What we can do is take their levy, present it back and say, "Here is how we are going to invest it for you".

It is a bit like the taxman having a customer services department. It does not bode well, but, when we are talking about things like getting the supply of people into the industry, the industry does value somebody who is able to speak for them in totality and help those smaller businesses. The large businesses depend on the small businesses. That supply chain is really important.

The other thing about training is that it is disproportionately more expensive for a smaller company to train than a larger company. That is where the support is needed, not just in how to engage with the skills system but in helping them with their business. If you recruit more people and invest more in training, your business is likely to grow. There is a whole ecosystem around exactly what you have just described.

Q293 Jane Hunt: I will pose the same question to all of you, if I may, about mid-life MOTs. People seem to feel that they might now have an opportunity to retire early, perhaps because they have gone through furlough or what have you, but a few years down the line they discover they do not have the right resources, for whatever reason, in order to retire and they need to go back. Looking at the advice on work, pension savings, health and wellbeing and people over 40, are mid-life MOTs a good idea, Tony?

Tony Wilson: Yes, I like the model. My previous place, the Learning and Work Institute, and its predecessor, the National Institute of Adult Continuing Education, were involved in what was then called the Mid Life Career Review, which involved large-scale piloting and testing. It is a nice idea. It is a really good, sensible idea to try to have those checkpoints where you can reflect and ask, "How are you doing on savings and on income? Are you enjoying your job? What more can we do to support good health, wellbeing and so on?"

The challenges, though, are around the effectiveness and quality of that support. Is it meaningful for people? Does it lead to them making better decisions or is it a tick-box exercise? Can we get people to take it up? Uptake is probably the biggest challenge. There are not obvious milestones it can attach to. Lisa mentioned NCT. When people have a kid, there is a real opportunity there to say, "Here is some stuff you can now



think about". The wider stuff is the last thing you want to be thinking about when you have a newborn, but it is a moment in your life when you can structure interventions. It is a bit hard to think about how you get that take-up.

The third thing is something that Lucy also touched on. Firms right now desperately want to retain people. Retention is a bigger priority for most firms than recruitment. It is, "How do we keep people?" This might be an opportunity for somebody to say, "No, I do not really like this job. It is not a good fit for my skills, and I would like to do something else". There might be an understandable reluctance for firms to open their doors to those sorts of conversations at a large scale. We have a bit of a challenge on how we deliver it.

The Government are looking to commission this. It is better delivered as a workplace intervention, but it is going to be quite challenging to do it at scale. Yes, it is a nice idea, but I am not quite sure how we are going to see it lead to any kind of step change in what we do.

Lucy Standing: I would say the jury is out. You are not going to hear me say that I do not believe anyone should be investing in this. The fact people are testing it and trying it out I wholeheartedly support. There needs to be consideration around, "How can this be proven? What is the impact of this? What is it going to lead to?"

My slight concern with individual companies doing it is that I am not convinced that companies invest a lot of money in doing a proper evaluation of these things. There are an awful lot of providers out there that very much want to provide this training and sell it for quite a nice profit. I am not convinced yet, because the evaluation has not been done, that it is necessarily a good thing. Is it the best thing we could do vis-à-vis other potential opportunities to create some form of intervention that might possibly be more effective?

Tim Balcon: It is a great idea. I am going to go away and reflect on this a little bit more. Until this conversation, I probably had not made the direct connection between the MOTs and this particular agenda in terms of retaining and keeping staff.

Why it is important in construction is that construction has one of the poorest records in terms of suicides across all sectors. CITB has supported the funding of 29,000 people in mental health awareness and mental health first aid. Just in terms of wellbeing, that is a really important part. We do not want people leaving because of health reasons when those health reasons can be avoided with that pastoral care.

I want to go away and reflect on that one, but it is a really important part. I go back to what Tony said, which was that every sector should have a CITB. It is great that you said that, Tony. Thank you for that. It does mean that we can look at how we can scale these things up across the sector and, particularly, embed it into some of the educational



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programmes we are talking about. We could support the employer and we can build it into some of the training, education and pastoral care we can offer for individuals as well. I will perhaps go away and reflect on that.

Tony Wilson: This is the way you do it. In the mid-life career review, which was evaluated, a lot of that was delivered by trade unions. Of course, most industries do not have union representation at all or do not have very high membership. The role of trade union learning advisers, for example, is another way we can do. It will be important to think more broadly about social partners, sector bodies and other organisations, not just about for-profit private contractors.

Q294 **Ian Lavery:** I just have a couple of points. First, Mr Wilson said before that he thought one of the issues was that a lot of people were given easy access to early pensions, and probably that it should be much harder to access your pension—although you did not say that—until a later age. My experience is quite different to that. Where I live and where I come from, where I have been born and bred, people took reduced pensions at 50 because they could not work any more.

Tony Wilson: That is awful.

Q295 **Ian Lavery:** They could not afford to pay for a round of golf, never mind play golf on a regular basis. That still remains the case. This Committee did a very good report on the mineworkers' pension scheme. When people discuss pensions, we have to realise that not everybody above 50 is out playing golf and enjoying themselves. There are tens of thousands or hundreds of thousands of people out there who are struggling with poor pensions and poor pension provision. They do not have the ability to work, to be retrained or to be reskilled, and they are living in poverty. We should always realise that, particularly for people who have worked in heavy industries. That is a huge issue. I just thought I would make that point.

I just want to put a question to Lucy very quickly. To be honest, all three of you on the panel have more or less touched on this. It is about what older people want in work. They want the same as other age groups: they want flexible working; they want to work from home, if they can. That is the same right across the board. Should employers be incentivised to accommodate that? Should they be looking at the best ways and means to give more flexibility to people? I am saying "older people" for the over-50s. That puts me in that bracket, by the way. In terms of people's motivations, what motivations do people who are classed as older—I will put it that way—have, as they get older, to look to reskill and look for further employment?

Lucy Standing: I am going to jump in here because I feel quite qualified to talk about this particular one. Values change over the course of our lives. By the way, this research is replicated across 150,000 people in 80 different countries. It is a generalisation I can make. When people are



younger, they are more driven around things like money, stimulation, ambition or hedonism. As they get older, values tend to shift more towards things like benevolence, collectivism, giving back, traditionalism and job security. The blend of the two is remarkable. If you think about organisations that might have a value-driven agenda, whether it is social care or the NHS, for example, the opportunity they have to try to target people as they get older would be absolutely amazing. The motivation is absolutely there.

People want to work. I have had emails and letters from people in their 80s: "My husband died 10 years ago. My children have moved to Australia. I am lonely". The only way they can get some meaningful connection in society is to make a contribution, to be the person down the local shop volunteering a couple of hours a week. That is their respite; it is a way to build connections with other people.

Work is incredibly important. Even to the people who are in your area, if they are 50 and they can no longer work physically, there are an awful lot of jobs that they can do and that they could make a wonderful contribution to.

Q296 Andy McDonald: I was going to ask you all sorts of things around the skills and support that are needed to get people to stay in work and all those sorts of things, but you have answered a great deal about that already. I just want to revert to that public employment service model. That may not necessarily be our salvation, but it certainly seems like it could play a major role. Is there any merit in looking to replicate that sort of service in this country? Would it address those issues?

Tony Wilson: In November, we launched a commission on the future of employment support, with abrdn Financial Fairness Trust. That is exactly what we are trying to look at and make the case for.

Germany was the founding father or parent of public employment services, but we have had them for 100 years. Could we go back to something like that? This is about that point around how we help people who want jobs to find jobs that want people. In fact, it was founded more on the basis of, "How do we help jobs find people?" It feels like that has never been more necessary than now, and it touches on a lot of the things we have got around devolution and localisation, the role of local versus national Government, skills investment, careers building, retraining and so on.

There is another point about what employers can do. I will answer the question you did not ask as well. We have talked a lot about this, but some of it is around things like line management capabilities, leadership and access to appropriate support. These are all things that a public employment service can help with as well, not by telling people what to do but by trying to encourage a greater dialogue and a much greater engagement of business with employment and workforce issues.



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This is not just a Covid issue. There are a million more people who are in their 50s than in their 40s. This is fundamentally a demographic challenge that is going to get worse over the decade. It will also get better in many ways. It will be an older population with more older people in work. We are all going to have to face up to thinking about more creative ways to address it. Yes, it is going to be really important for our future.

Q297 Andy McDonald: I just want to come to Lucy, who gave us a very powerful pushback on the issues that were raised as far as women were concerned. We have seen a great number of people devoting their lives to childcare once they get beyond 50 to allow their own children to pursue their own careers. Is that not a significant issue for us to address? We seem to be miles away from that. People with potential, who could engage in the broader economy, are providing childcare services to enable other generations to go to work. Have we not got this wrong?

Lucy Standing: I would agree with you. Yes, we have got it wrong.

Q298 Chair: Thank you. We have run over a little, but I am going to give you each a very quick opportunity, if you wish to use it, to mention one policy area we have not discussed today that should be on the Government's mind on this issue. If we have discussed everything, you do not need to say anything. If there is something burning that we have not talked about, just tell us what it is quickly.

Tony Wilson: We have done a really good job at covering pretty much everything. The one area we have not really talked about is things like occupational health support and the links through with benefits support and so on. That may be an area to think about.

Mr Lavery made a point about incentivising employers. I would put it the other way around. Maybe we should be penalising employers. Where people have higher rates of exiting work and are more likely to move into long-term ill health, employers might have to pay more national insurance, for example. It sounds radical, but a lot of countries do that. They have systems that support that, particularly in northern European and Scandinavian countries, as you might expect. There are things we can do around occupational health support more broadly, around improving access to support while people are in work.

Lucy Standing: By far and away, for the people I work with who are retraining to move into different sectors, the only mechanism for doing that is to volunteer, to develop the skill set and the confidence to enable them to get through an interview later on down the line. That is a privilege afforded only to people who can afford to volunteer.

I am not saying that you should have to pay people who are volunteering, but could there be a tax break? Could there be an advantage for employers who are providing opportunities to volunteer? That is giving people the skills they need to then get a job.



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Tim Balcon: I would just underline a point I touched on, which is making sure the skills system reflects the development of skills for all ages and all people, as opposed to being an educationally focused skills system, which is where we are at the minute.

Chair: Thank you to all three of you for your contributions. We are very grateful.