



One Million More

Mobilising business to make the most of the opportunity of older workers and an ageing population

A progress report from the Government Business Champion for Older Workers

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Foreword from Andy Briggs

CEO UK Insurance, Aviva UK Life and Chair, Age at Work, Business in the Community

I welcome the opportunity to collaborate with Government as the Business Champion for Older Workers.

In my role as the Business Champion for Older Workers I have worked with BITC to set a target of one million more people over the age of 50 in employment by 2022. It is based on independently commissioned analysis of official data for over 50s workforce participation. This report outlines the progress made since the start of our work on the future of an ageing workforce. We are starting to see positive signs, but there is still much further to go.

The Business Champion for Older Workers target is important as we need to be bold in what we aim for. To achieve it would lead to economic growth and reduced burdens on younger generations in future years. We are putting forward recommendations to both Government and Business, and calling on them to take action. There are potentially significant benefits to be gained in the coming years if these actions are taken.

Older workers are too important to ignore:

- Research shows that adding one year to everyone's working life could increase GDP by 1% per year after a period of transition (equivalent to £18bn in 2015).¹
- By 2020, over 50s will comprise almost one third of the working age population and almost half of the adult population.²
- The UK employment rate at age 50 is 84%, dropping to 62% at age 60.³
- 37% of people aged 50+ and unemployed have been out of work for 12 months or more, compared with 26% of all UK adults.⁴

There are significant challenges emerging for the UK workforce.

We are monitoring the labour and skills requirements of the UK, and the potential impact of both an ageing workforce and the implications for migration post-Brexit. The macro ramifications of a workforce shortage are significant:

- A workforce shortage negatively impacts productivity and GDP growth.
- Pension and healthcare costs will grow far more rapidly than long-term economic growth.
- Skill shortages put pressure on wages, making some UK-based operations uncompetitive unless they adapt.

¹ Barrell, R., Kirby, S. and Orazgani, A. (2013) The macroeconomic impact from extending working lives. ONS 2015 GDP data. Period of transition is six years.

² ONS 2014-based Population Projections.

³ Annual Population Survey (APS) July 2015 – June 2016.

⁴ Labour Force Survey (LFS) March – May 2017.

And we know that longer life expectancy means that increasingly people want to work longer. The default retirement age has been removed from legislation; traditional ideas of a fixed 'cliff-edge' from working life to retirement are becoming outdated.

Older workers require government, business and social support to provide increased opportunities for good quality work. My role as Government Business Champion for Older Workers is to mobilise business to make the most of the talent, knowledge and skills of older workers. With Business in the Community, we provide employers with the practical guidance and support they need to take action. Our guides are designed to support employers in achieving their 12% target, by understanding their workforce profile, listening to what their older employees need and taking action to improve their retention and recruitment of older workers.

This report highlights where we believe action and collaboration between government and business is most needed.

Summary of recommendations and offers of collaboration:

- **Public reporting and transparency** are an increasing focus in debates on corporate governance, and Commit & Publish supports that direction of travel. The government has already enacted law on gender pay reporting, and work is underway on race.
 - Our offer:** We are providing an opportunity for leading employers to publically demonstrate their commitment to transparency through Commit & Publish.
 - Our recommendation:** Make public reporting across the protected characteristics, including age, a priority.
- **Retraining** is a crucial part of achieving change for older workers and enabling fuller working lives, as well as filling the growing skills gaps across UK business.
 - Our offer:** We will help employers to understand the development needs of their older workforce, and support the creation of a skills policy and strategy which works for older workers.
 - Our recommendation:** Publish and implement a national skills strategy which is fully inclusive of older workers and their training needs.
- **Public sector:** Many older workers are employed in the public sector, and retention and recruitment of those over 50 is crucial to preventing workforce shortages.
 - Our offer:** We will collaborate with the government to support public sector employers to retain, retrain and recruit older workers. We can do this using our evidence of what works, and by facilitating the sharing of best practice between employers.
- **Carers:** Supporting carers is a crucial part of supporting older workers to stay in work.
 - Our offer:** We will advise employers on how to make their workplace more supportive and inclusive of informal carers.
 - Our recommendation:** Bring statutory support for carers on par with that for parents. Introduce 5-10 days of paid care leave from paid employment. Conduct a review of how tax breaks could support families to buy care or other services to help carers remain in work alongside their caring responsibilities.

- **Mid-life Review:** Originally proposed by John Cridland as a 'Mid-life MOT', this concept brings together health, wealth and career support at a time when people are considering their plans for the later stage of their working life. It could create a new social norm, opening up career and life opportunities for people over 50.

Our offer: We will collaborate with business on a pilot of the Mid-life Review of health, wealth and career, in order to test its effectiveness for both business and older workers.

- **Flexible working:** The right to request flexible working is important to individuals, and has worked well for business.

Our offer: We will support employers to design and implement agile or flexible working practices across their workforce.

Our recommendation: Legislate for flexible working from day one so that employees have the right to request flexible working from the start of the job application process, rather than waiting 26 weeks.

Introduction from Rachael Saunders

Age at Work Director, Business in the Community

Taking on the role of Government Business Champion for Older Workers has been a fantastic opportunity to scale up business engagement with the opportunities offered by our ageing population.

Business in the Community has been working since 2014 to mobilise employers to take action on age at work.

Business in the Community's campaigning on age at work began with the publication of the Missing Million report, in partnership with ILC-UK. The third report, containing recommendations for action for business, was published in Responsible Business Week in April 2015. That report set out the challenge of over a million people over 50 who were involuntarily workless – a huge opportunity for business, as well as a challenge to society.

In May 2015, a Prince's Seeing is Believing visit, led by Andy Briggs, took a group of senior business leaders to understand the issues for themselves.

The day started at Poplar Job Centre Plus where Brian Beach, Research Fellow at the International Longevity Centre, spoke about the issues and common myths associated with an ageing workforce. To bring this to life, delegates broke into small groups to hear first-hand accounts from people over 50 about the barriers they have faced in gaining employment.

The visit continued at Community Links, where the discussion focused on what businesses can learn from community organisations that are providing employability support to the over 50's. Delegates heard from Geraldine Blake, Chief Executive of Community Links and Lauren O'Leary who leads on BITC's Ready for Work programme, as well as beneficiaries that have received this support.

The visit concluded at Barclays HQ with a discussion focusing on the business value of taking action on the ageing workforce. Representatives from Aviva Life, Barclays, Ricoh, and The Co-operative Group led the conversation, explaining their approach to supporting the older demographic group and the business benefits of this.

In September 2015, Andy Briggs formally took on the chair of the Business in the Community Age at Work Leadership Team, joining other leading businesses committed to mobilising change for older workers.

The first focus of the campaign was to demonstrate the business case for action on age at work, and to gather good practice, to inspire companies to take action.

In September 2016, we published "Age in the Workplace: Retain, Retrain, Recruit." This was our first piece of work as part of our partnership with the Centre for Ageing Better. That report set out what action business can take, and includes numerous examples of action from leading responsible businesses.

In October 2016, the Government appointed the Business in the Community Age at Work Leadership Team, led by Andy Briggs, CEO of Aviva UK Life, as Business Champion for Older Workers. This has given us invaluable clout and enabled us to scale up our impact.

In February 2017, we brought together several hundred business leaders to an event addressed by the Minister for Employment, where we launched our One Million More target. This is a target businesses can work towards, and the public, media and stakeholders can support. We continue to work closely with government to track progress against that target.

The strong support we have from the broader business community; Institute of Directors, Confederation of British Industry, CIPD and the Recruitment Employment Confederation, will only support our efforts to meet our target.

For employers, we have created tools and advice they can use to take action on age at work. We will continue to produce and provide insight-driven guidance that can be used by businesses of any size and in any sector.

We are also tackling the fundamental questions posed by an ageing population. How can employers support their employees through later life transitions? How can we enable fuller and longer working lives by incentivising older workers? What does a rapidly changing world of work driven by technology mean for older workers? Our Create, Scale and Roll programme brings together thought leaders to answer these critical questions, and create solutions for business.

Our call to action, practical support and use of Commit and Publish as a public accountability mechanism for employers is a powerful platform to mobilise real change on age at work.

This is a report to government on the progress that the Business Champion for Older Workers has made since taking up the role in September 2016.

In this report, we outline progress to date with the one million more target, Commit and Publish, and Create, Scale and Roll. We also review the work undertaken internally by the Age at Work Leadership Team companies and set out our future vision alongside our call to action for government, and for business.

Age at Work Leadership Team



Business Champion Target: One million more older workers by 2022

As the Government Business Champion for Older Workers, we are tasked with supporting employers to adapt to the needs of our ageing population through better retaining, retraining and recruiting of older workers.

In February 2017, we launched a target for one million more older people in work by 2022. This is equivalent to every UK employer increasing their number of workers aged 50-69 by 12% by 2022.



The target is aimed at supporting older people who want the same range of options and opportunities as younger colleagues, and to be properly recognised for their experience and expertise. In valuing the skills older people can bring to the workplace, enabling multiple careers and career changes, employers will benefit from the breadth and depth of knowledge and skills this employee group can offer.

Achieving the target is intended to enable people to stay in work for longer, address the widening skills gap, and tackle age bias in work. The target is a critical measure of initial progress on fuller working lives, and will provide the baseline from which future progress can be measured.

Each employer has their own starting point, and we are committed to supporting them to achieve the target. Our guides are designed to support employers in achieving their own 12% target, by understanding their workforce profile, listening to what their older employees need and taking action to improve their retention and recruitment of older workers. One million more – or 12% – is challenging, but achievable.

Commit & Publish

To ensure that we are on track to achieving one million more older workers by 2022, we are asking every UK employer to 'Commit & Publish':

Commit to collaborating with us to reach the target, and;

Publish the number and percentage of older workers in their workforce in order to work transparently.

Aviva, Atos, Barclays, The Co-operative Group, Home Instead Senior Care, Mercer, Boots UK and the Financial Services Compensation Scheme were the first to commit to 2022 target and to publish data on their older workers. Since the launch, we have written to a wide range of other businesses to seek their support. We plan to announce more companies that have signed up in coming weeks.

You can see the published workforce data here:

age.bitc.org.uk/BusinessChampion/Commitandpublish/workforcedata

We are asking employers to publically Commit their support today and as part of this commitment, to pledge to Publish their workforce data by age within this calendar year, by 31 December 2017. Employers can Commit & Publish, or find out more, at age.bitc.org.uk/BusinessChampion/Commitandpublish

Commit & Publish enables us to engage more businesses on the issues of age at work, and mobilize them into taking action. Businesses have the opportunity to demonstrate their commitment to transparency around older workers. The data we ask for is simple, yet meaningful. Looking at age workforce data across some of the UK's largest employers, it allows us to review and track progress towards the target.

We are committed to supporting employers who Commit & Publish, so that together we can make progress towards the target and enable fuller working lives.

Create, Scale and Roll

Create Scale and Roll is our strand of work which brings together thought leaders to answer challenging questions, and create solutions for business.

- **Create** innovative solutions for fuller, healthier and longer working lives, by collaborating with employers and experts on pilots, roundtables and research.
- **Scale** up solutions that work, by synthesising our evidence-based advice and recommendations in toolkits and other outputs which can be widely applied.
- **Roll** out our advice and recommendations through far-reaching networks such as The Confederation of British Industry, Chartered Institute of Personnel and Development, Federation of Small Businesses, The Institute of Directors and sector bodies.

Our 'Create' activities have included:

- A Responsible Business Week break out conference session on "Non Traditional Incentives", on 24th April 2017. **Mercer** spoke about how to engage employees beyond pay, and **Home Instead Senior Care** gave attendees thought-provoking examples of how to build a sense of community and purpose. We had 40 senior business attendees from across sectors. To help scale up work on engaging older workers across UK business, we created a [toolkit](#) which includes learnings from the event, evidence and recommendations for action.
- A roundtable on transitions in mid-later life, on 16th May 2017. Led and hosted by **EY**, and working with the Centre for Ageing Better and Gulbenkian Foundation, this roundtable involved an invaluable discussion on retirement, divorce, ill health and caring. We published a [toolkit](#) outlining how employers can support people through transitions in mid to later life.

What's next?

- An event on digital transformation, future skills and an ageing workforce, led by Barclays.
- A research report on the ageing workforce in the digital era, in collaboration with Tata Consultancy Services. This research focuses on older workers, technology and skills in the digital era.
- A Spark Salon event, in collaboration with TCS, on the ageing workforce in the digital era. This event will include talks from business leaders and experts on ageing and the changing nature of work.
- A comprehensive toolkit on the issues facing carers in the workplace, including best practice case studies from members of our leadership team and recommendations for action.
- A report on transferable skills and growth sectors, working with Home Instead Senior Care.
- A toolkit on designing apprenticeships for older employees, and the differences and similarities between apprenticeships designed for younger and older employees, working in collaboration with our Youth Employment team at Business in the Community.
- Research resources for employers, including a staff survey template to be used in conjunction with the [focus group guide](#), so that employers can conduct internal research into the perspectives, experiences and aspirations of their older employees.

Data modelling – Mercer

The Emerging UK Workforce Crisis

Mercer developed its Workforce Monitor to get a much clearer picture of the emerging future labour supply in the UK, in order to support companies' workforce planning. The Mercer Workforce Monitor™ is published quarterly and looks at the impacts of ageing and migration over the period to 2030. It incorporates different scenarios for future immigration flows and changes to workforce participation due to later retirement.

The core findings are that growth in the overall UK workforce is very low, and will flat-line or even shrink from current levels should net migration fall to much less than 100,000 per annum. Furthermore, the shape of the workforce radically shifts as the baby boomers move into retirement and there are lower flows at the younger ages. Under a central scenario, by 2022 Mercer calculate that the numbers in the workforce below age 50 are stable, whereas those over 50 will have increased by around 700,000. This increase is both a combination of weight-of-numbers and also a continuation of the experience of recent years, where more older people are staying in work due to rising State Pensions ages. Coupled with this, worryingly, the number of under 25's will have fallen radically, especially amongst the key ages of graduates.

It will become an absolute economic necessity for organisations to look at very different resourcing approaches as flows of graduates and young apprenticeships fall, and the potential flow of young skilled and unskilled migrants reduces. Employers recognise that older workers have advantages over other groups due to their presence in the workforce and their existing experience. In order to help fill the gap, it will therefore be crucial for most organisations to increase the number of older workers.

There is also awareness that there will have to be necessary organisational changes and reshaping of jobs and tasks to provide the flexibility that many older workers want. Balancing this is a sense that an intelligent approach to job construction, coupled with increased automation, will enable companies to channel older workers' experience into providing much needed productivity gains.

Stories from business

Our leadership team organisations are leading the way on age diversity in the workplace and supporting older workers. These employers understand the business and economic benefits of supporting older workers. They have already started to transform their workplaces and management processes, in order to retain, retrain and recruit workers over 50.

Employers such as Aviva and Home Instead Senior Care have focused on recruiting a more age-diverse talent pool, as well as taking action to engage and retain their older employees.

Barclays have removed upper age limits from their apprenticeship schemes and consequently increased opportunities for older workers – who are often excluded from schemes to increase employment.

To find out more about how some of our Leadership Team are supporting fuller working lives in their own organisations, you can read their stories at age.bitc.org.uk/issues/BusinessChampion/govreport

Partnership with the Centre for Ageing Better

In April 2016, Business in the Community and the Centre for Ageing Better announced our partnership. The objectives of the partnership are to identify and test what works to recruit, retrain and retain older workers. As set out above, we collaborated on the “Age in the Workplace – Retain Retrain, Recruit” report in September 2016.

The next step in our partnership is a research programme, commissioned by the Centre for Ageing Better, to gather evidence on how we can ensure workplaces are more age-friendly. A research partnership including the University of Westminster, the University of Southampton, the University of Sussex, and Timewise will carry out primary and secondary analysis with employers and recruiters focusing on:

- Facilitating and supporting flexible working
- Preventing age bias in recruitment
- Maximising the benefits of mixed-age teams

The Centre for Ageing Better and the research team will work closely with Business in the Community to run an employer summit on the research later in 2017 and publish findings in early 2018.

Call for action

Summary of recommendations and offers of collaboration

Our role as Government Business Champion for Older Workers is an invaluable opportunity to influence and work with government as a key stakeholder. The list below outlines where we believe action could have a real impact. This is not a list of every policy change needed to make the most of the potential of an ageing population, rather it is where we believe most strongly that collaboration with government can encourage and support business to take action.

- **Public reporting and transparency** are an increasing focus in debates on corporate governance, and Commit & Publish supports that direction of travel. The government has already enacted law on gender pay reporting, and work is underway on race.
 - Our offer:** We are providing an opportunity for leading employers to publically demonstrate their commitment to transparency through Commit & Publish - Commit to collaborating with us to reach the target, and Publish the number and percentage of older workers in their workforce. Commit & Publish allows us to create transparency as we work towards the target.
 - Our recommendation:** Make public reporting across the protected characteristics, including age, a priority.
- **Retraining** is a crucial part of achieving change for older workers and enabling fuller working lives, as well as filling the growing skills gaps across UK business.
 - Our offer:** Using our expertise on diversity and age in the workplace, we will help employers to understand the development needs of their older workforce, and support the creation of a skills policy and strategy which works for older workers.
 - Our recommendation:** Publish and implement a national skills strategy which is fully inclusive of older workers and their training needs.
- **Public sector:** Many older workers are employed in the public sector, and supporting the retention is crucial to preventing workforce shortages.
 - Our offer:** We will collaborate with the government to support public sector employers to retain, retrain and recruit older workers. We can do this using our evidence of what works, and by facilitating the sharing of best practice between employers.
- **Carers:** Supporting carers is a crucial part of supporting older workers to stay in work.
 - Our offer:** We will advise employers on how to make their workplace more supportive and inclusive of informal carers, including a workplace policy on carers, a staff network, and other practical recommendations. We will provide online tools, advisory services, and opportunities to learn from, and share best practice with other employers.
 - Our recommendation:** Bring statutory support for carers on a par with that for parents. Introduce 5-10 days of paid care leave from paid employment. Conduct a review of how tax breaks could support families to buy care or other services to help carers remain in work alongside their caring responsibilities.
- **Mid-life Review:** Originally proposed by John Cridland as a 'Mid-life MOT', this concept brings together health, wealth and career support at a time when people are considering their plans for the later stage of

their working life. It could create a new social norm, opening up career and life opportunities for people over 50.

Our offer: We will collaborate with business on a pilot of the Midlife Review of health, wealth and career, in order to test its effectiveness for both business and older workers.

- **Flexible working:** The right to request flexible working is important to individuals, particularly older workers who may be balancing work with care, health conditions, or simply want autonomy and flexibility in the later stage of their working life. It has worked well for many businesses.

Our offer: We will support employers to design and implement agile or flexible working practices across their workforce, and help them understand the strong, evidence-based business case for doing so.

Our recommendation: Legislate for flexible working from day one so that employees have the right to request flexible working from the start of the job application process, rather than waiting 26 weeks, because many older workers cannot wait that long.

Recommendations for Business

Businesses need to take action on fuller working lives now, to ensure economic sustainability and a healthy society in the future. Our population is ageing, and people are living longer. This growth will impact the economy, society, and the workplace. Meanwhile, employers are starting to face skills shortages, and they need to make the most of the older workforce to plug this gap – they are the talent pool of the future:

- There are currently 11 million people aged 65+ in the UK, and this is expected to grow to 19 million by 2050.
- By 2020 the over 50s will comprise almost one-third of the working age population and almost half of the adult population. By the mid-2030s, the over 50s will make up 50% of the UK adult population.⁵
- The population aged 50 years and over will increase, whilst the younger population will decline. It is estimated that from 2017 to 2022 there will be an increase of 800,000 individuals aged 50-64 years old and a decline of 300,000 individuals aged 16-24.⁶
- In 2010, one in four of the working age population were aged 50 years and over; this is projected to increase to one in three by 2022.⁷

Despite this, our research found a Missing Million older people who want to work, but are out of work. Being able to retain, retrain and recruit older workers presents a significant opportunity to UK employers facing skills and workforce shortages.

Fuller working lives and good quality work also benefit employees. For the majority of older workers, working longer brings identity, status, financial stability and social engagement opportunities.

⁵ ONS 2014-based Population Projections.

⁶ ONS 2014-based Population Projections.

⁷ ONS (2014) Population Estimates and 2014-based Population Projections.

Why should business work towards the Business Champion target?

- Research shows that adding one year to everyone's working life could increase GDP by 1% per year after a period of transition (equivalent to £18bn in 2015).⁸ If the employment rate of workers age 55 and over matched that of Sweden, the highest performing EU country, it would add £80bn or 4.2% to GDP.⁹
- The UK employment rate at age 50 is 84%, dropping to 62% at aged 60.¹⁰ With a missing million people over 50 out of work, who want to work, there is a significant opportunity to increase this employment rate and utilise the experience of older workers.

While many organisations already recognise the skills and experience of older workers, and are working to retain existing talent and bias proof recruitment procedures, the economy will only benefit if action is taken across the whole of UK business.

We provide employers with the practical guidance and support they need to take action. Our guides are designed to support employers in achieving their 12% target, by understanding their workforce profile, listening to what their older employees need and taking action to improve their retention and recruitment of older workers.

Understand, Listen, Act

We are committed to supporting employers in meeting their 12% target. Our guidance for action outlines three key steps to take, each with practical recommendations and resources:

- 1. Understand** your workforce profile and assess your data by age. The average age of leaving the workforce in the UK is 65.2 for men and 63.7 for women. The workforce profile is the framework that we will provide guidance for employers on. **Commit & Publish** is the starting point.
Our [Diversity Benchmark](#) measures age, gender and race diversity, to help organisations evaluate their performance, assess themselves against peers, and inform evidence-based decision-making around workplace diversity.
- 2. Listen** to your older employees. Their wants, needs and perspectives can feed into your action plan for retaining, retraining and recruiting older workers. Our [focus group guide](#) is designed for employers researching older workers.
- 3. Act** to transform your workplace to better support older employees. Take your knowledge gained from Understand (workforce data) and Listen (employee feedback), and feed it into your action plan. Your action plan will be most impactful if it focuses on these three areas: **retain, retrain** and **recruit**.

Please see workplace.bitc.org.uk/BusinessChampion

⁸ Barrell, R., Kirby, S. and Orazgani, A. (2013) The macroeconomic impact from extending working lives. ONS 2015 GDP data. Period of transition is six years.

⁹ PwC Golden Age Index 2017.

¹⁰ Annual Population Survey (APS) July 2015 – June 2016.

About the Age at Work campaign at Business in the Community

The Age at Work campaign is part of Business in the Community's workplace campaigns. The workplace campaigns are committed to ensuring that age, gender, race and wellbeing do not limit an employee's engagement and success in the workplace.

How we support employers:

Expertise and advice: We offer employers tailored, practical and pragmatic advice, and cutting edge tools and research on workplace issues of age, gender, race and wellbeing. We are able to convene businesses for the sharing of best practice on ageing workforces to help them get the best out of *all* their employees.

Management and recognition: Through our Diversity and Wellbeing Benchmark service we offer an in-depth management tool to inform strategic action planning, whilst our Awards programmes celebrate best practice, innovation and dedication to diversity equality, inclusion and wellbeing.

Finally, we campaign on the issues that will make the most beneficial difference to employees and employers and to society and our economy, working closely with government bodies to share our expertise in order to influence positive change.

Business Champion for Older Workers

In September 2016, the Government appointed the Business in the Community Age at Work Leadership Team, led by Andy Briggs, CEO of Aviva UK Life, as Business Champion for Older Workers. The role is an opportunity to support employers adapt to the needs of our ageing population through better retention, retraining and recruiting of older workers.

Find out more about the age campaign at age.bitc.org.uk

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