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Investing in jobs and skills

Welcome to the June e-newsletter

Welcome to the June anniversary edition of **50+ Matters** where we look at how the UK's grandparents are having to juggle work and care, the government's new Work Programme Framework and ask for your feedback about our e-newsletter.

We welcome your views and comments about the content of this e-newsletter and any suggestions you have for items and features you would like to see included in future.

UK Lags Behind Europe in Supporting Grandparents

New research has found that the UK is lagging behind some of its European neighbours when it comes to recognising the role of grandparents.

With an ageing population, high numbers of mothers in employment and the prevalence of family breakdown, the contribution of grandparents is becoming increasingly important in family life.

Research found that there are 14 million grandparents in the UK, and the average age for becoming a grandparent is 49. ^[1]

The evidence from the UK suggests that grandparents are the largest group awarded kinship care of children. Also, longer life expectancy may well find them as members of a four generation family, caring for both grandchildren and elder parent/s.

However, the new EU study, *Grandparenting in Europe* ^[2], shows that compared with other European countries, Britain's grandparents are undervalued and overlooked leaving many struggling to juggle work and care and without any financial support.



Grandparenting in Europe, a new EU study.

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The study shows that a number of EU countries have already taken steps to ensure grandparents' role is supported including:

- Parents able to transfer parental leave to a grandparent
- Working grandparents able to take leave if their grandchild is unwell
- Grandparents being paid for the care they provide under certain circumstances (eg to support teenage parents).

In the UK, parental leave cannot be transferred to grandparents, nor is it possible for parents to pay grandparents childcare tax credits or childcare vouchers if they care for children so that parents can work.

One in three working mothers in the UK rely on grandparents for childcare, but grandparents currently have no right to request flexible working.

From April 2011, UK grandparents who provide childcare for a child under 12 so that parents can work will be able to claim National Insurance credits towards their basic state pension.

Although this is seen as a significant step forward in the recognition of the caring contribution that grandparents make, the growth in mothers' participation in the labour market will further increase demands for kinship care provided by grandparents.

14 million

Number of grandparents in the UK

49

The average age for becoming a grandparent

Further research by Grandparents Plus showed:

- Seven out of 10 (70%) think grandparents should be paid through tax credits or childcare vouchers, rising to 3 out of 4 (75%) for grandparents working full time.
- Nearly half (46%) of all grandparents who provide childcare for their grandchildren say they would work flexibly if it was an option, while almost a third (32%) say this is already an option for them.
- More than half (53%) of grandparents between the age of 45 and 54 agree that grandparents should be entitled to a period of leave in their own right when a grandchild is born.

Andrew Barnett, UK Director of the Calouste Gulbenkian Foundation which has funded the new EU study added:

“The evidence highlighted in this report shows that across the UK and Europe grandparents provide valuable continuity of care for families [...]. We must ensure that policies and practices support grandparents to fulfil this important role without it having a negative impact on their lives.”

^[1] http://www.grandparentsplus.org.uk/news_files/13%20Jan%2009%20-%20Pensions%20Penalty%20Press%20Release.doc

^[2] *Grandparenting in Europe*, by Grandparents Plus, the Beth Johnson Foundation and the Institute of Gerontology at King's College London, June 2010

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Transforming Welfare to Work

In a recent address to welfare providers, Chris Grayling, Employment Minister outlined government plans to reform welfare.

The government's mission to end the "debilitating cycle" of worklessness, he acknowledged, would require expertise in the sector to be freed up and greater incentives provided for groups to work together to get more people back into work.

Following the announcement of the new single Work Programme, the "radical overhaul" promised over the next few months will include re-assessment of all the people on incapacity benefits, and the commitment to carry out root and branch reform of the benefits system.

The Employment Minister acknowledged that much in the complex system of welfare makes it more difficult for people to gain skills and experience through volunteer work or to access paid employment without the "immediate" loss of benefits.

Once the Work Programme is implemented it will supersede many of the national programmes currently on offer and these will be phased out. The Flexible New Deal support will be folded into the Work Programme.

The four key elements to the government approach include:

- radical simplification of the back to work system and an end to centrally designed welfare to work programmes
- balancing risk and reward: introduction of a provider payment system that reflects the differing nature of the challenges and one heavily based around the principle of payment by results by helping people find, and remain in, employment
- longer contract periods enabling providers to invest and secure a proper return
- organisations who lead in the sector will, in future, need to demonstrate the capital strength to take on the risks inherent in a heavily outcome-based approach (helping those on out-of-work benefits, and in particular, dealing with government plans to address the issue of the 2.6 million people on ESA and incapacity benefits).

Details of the new contracting approach and bidding process are being worked through currently and an event is planned in July.

Flexible Budgets for Colleges

This month the government announced a series of measures to free colleges from unnecessary bureaucracy, as the first stage of a new skills strategy.

John Hayes, Further Education, Skills and Lifelong Learning Minister said that lifting restrictions on finance and allowing colleges to move money between budgets would enable colleges to respond quickly to skills demands:

A recent survey ^[1] from the Chartered Institute of Personnel and Development

found that skill shortages are still an issue for employers. Two-thirds (68%) of organisations have experienced recruitment difficulties, with 67% reporting an inability to source specialist talent.

The government is providing nearly £3.5 billion to the Skills Funding Agency in 2010/2011 to support training places, £550

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million of which is to be spent on increased numbers of technical apprenticeships, and a further £1 billion to support other areas of further education spending (including £757 million on work based learning).

Government proposals met with approval from the adult learning sector, who welcomed the introduction of the 'single line' adult budget.

Martin Doel, Association of Colleges Chief Executive, said:

"Overall, this is a very positive set of proposals. We look forward to working with Government and the Skills Funding Agency to continue the direction of travel in 'setting Colleges free' to best meet the needs of the students, communities and businesses they serve.

"The 'single line' budget will, among other things, allow Colleges to manage better the transfer from Train to Gain to additional apprentice places."

^[1] *Resourcing and Talent Planning*, Survey of 500 organisations, CIPD

Upward Prediction in Public Sector Job Losses

Up to 725,000 public sector jobs could be axed over the next five years – 225,000 more than previously feared, according to the Chartered Institute of Personnel and Development.

Dr John Philpott, the CIPD's Chief Economic Adviser warned of a bleak outlook in the short term if tough fiscal measures, although unavoidable, are concentrated on cuts in public spending rather than tax increases.

The CIPD's own pre-general election baseline estimate of 500,000 UK public sector job cuts for the period 2010-2015 was based on a roughly 60:40 split between cuts in public spending and tax hikes. If, as seems likely, the government adopts a split closer to 80:20 as a means of deficit reduction, public sector jobs losses of around 725,000 are expected.

Unlike in the 1990s when public sector downsizing was mitigated by growth in jobs in the private sector, this time around it is predicted that deficit reduction will slow an already anaemic recovery, affecting jobs in both the private and public sectors.

One of the first departments to feel the consequences of the cuts will be Department for Work and Pensions. Jobcentre Plus was expanded rapidly last year to deal with the rise in unemployment caused by the recession. Many of the new

staff taken on were given temporary contracts which will run out shortly. The public sector hiring freeze which is being introduced for the rest of this year means they will not have their contracts renewed.

According to the Office for National Statistics, nearly 6.1 million were employed in the public sector in the UK people at the end of the first quarter of 2010.

Of these, approximately 2.62 million worked in Central Government (including the NHS), just over 2.91 million worked in Local Government and 555,000 worked in publicly owned corporations (including Royal Mail and London Underground).

Currently the public sector accounts for 21.1% of total employment in the UK.

21.1%

Total employment in the UK in the public sector

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News Briefs

Other recent news items at a glance...

Recruitment Subsidy to be Withdrawn

The £1000 Recruitment Subsidy paid to employers for recruiting an eligible person who has been claiming Jobseekers Allowance for over 6 months is being withdrawn at the end of June.

The subsidy was introduced in April last year as part of the then Government's recession response measures. Jobcentre Plus point out that it was a temporary measure and was due to end in March 2011 anyway.

The decision to end it earlier was part of the new Government's package aimed at cutting public spending by £6.2 billion this year.

Employers are able to claim the subsidy for eligible people starting work by 30th June and will have to submit their claim to Jobcentre Plus by 20th July.

People Turning 50 Expect to Work Longer

Almost nine out of ten people turning 50 are considering working on past state pension age in order to have a higher standard of living when they retire.

A longitudinal study *The National Childhood Development Study* conducted by the Economic and Social Data Service has been following the lives of 10,000 people born in one week in 1958. It has found that 70 per cent feared they would not have enough money to live on in old age.

The study interviewed the cohort when they were 50 or 51 and found around one in four (24 per cent) strongly agreed with the statement "when I reach state pension age I would do some paid work if it meant a better standard of living". A further 47 per

cent agreed with it and 18 per cent somewhat agreed with it.

But financial necessity was not the only reason people had for considering working on. For some, who felt that at least some work was good for them, it was more a lifestyle choice.

Revised Remit For Low Pay Commission

The new Government is revising the remit of the Low Pay Commission (LPC). The Commission will continue to monitor, evaluate and review the National Minimum Wage (NMW) and its impact, and review the levels of each of the different minimum wage rates. This year the LPC is also asked to pay particular attention to the competitiveness of small firms; and the employment prospects of young people, including those in apprenticeships and internships.

The LPC will report to the Prime Minister and the Secretary of State for Business, Innovation and Skills by the end of February 2011, with their recommendations for October 2011.

The Government has also announced it is accepting the LPC's recommendations for an increase in National Minimum Wage rates which will come into effect on 1 October 2010. NMW rates will be: £5.93 per hour for low paid workers aged 21 and over (increased from £5.80); £4.92 per hour for 18-20 year olds (increased from £4.83); and £3.64 per hour for 16-17 year olds (increased from £3.57).

For the first time there will be an apprentice minimum wage of £2.50 per hour. The new rate will apply to those apprentices who are under 19 or those that are aged 19 and over but in the first year of their apprenticeship.

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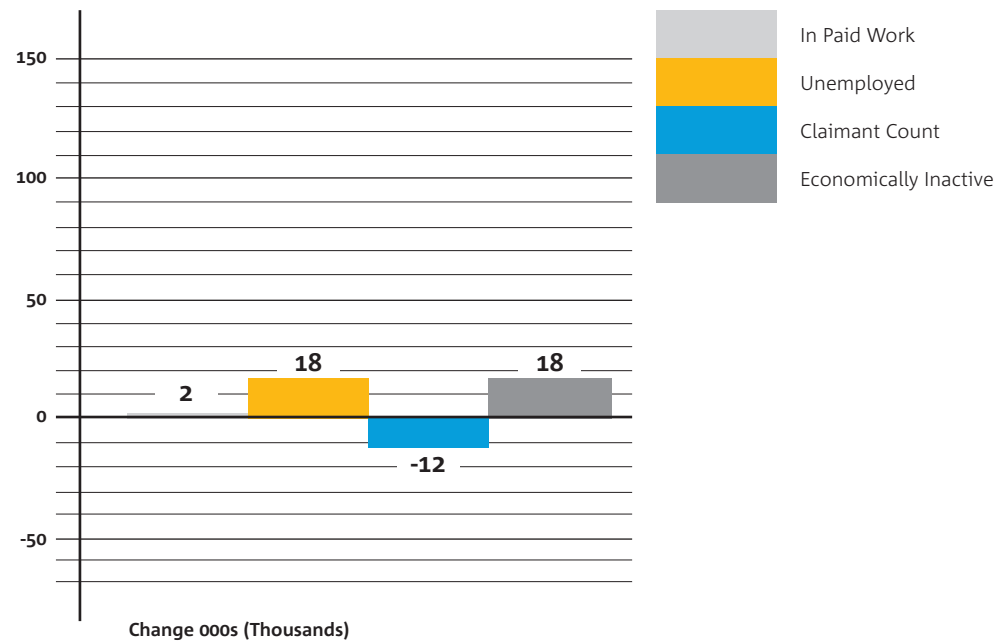
50+ Labour Market Spotlight

A monthly look at the 50 to state pension age employment figures and a specific item of interest regarding older workers.

Latest 50-State Pension Age Employment Figures

Feb-April 2010: Changes versus same period last year

Source: Labour Market Statistics June 2010, Office for National Statistics



A Closer Look At The 50+ Unemployment Figures: Feb – Apr 2010

Source: Labour Market Statistics June 2010, Office for National Statistics

	All (000s)	Rate (%)	Up to 6 mths (000s)	6-12 mths (000s)	12 mths + (000s)	% over 12 mths	24 mths + (000s)
Men 50+							
Feb-Apr 2010	254	5.7%	92	58	115	43.4%	50
Change on year	+13	+0.3	-30	+16	+28	+8.7%	3
Change %	+5.3%	-	-24.7%	+37.2%	+31.6%	-	+5.7%
Women 50+							
Feb-Apr 2010	114	3.0	50	24	40	35.1	16
Change on year	+5	+0.1	-10	+5	+10	+7.5	0
Change %	+4.7%	-	-17.3%	+29.2%	+33.2%	-	-1.0%

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Ask TAEN

The column that answers a selection of questions we've received...
In this edition:

Can you tell me what % of men and women aged 50 to state pension age work in the main industry sectors in Great Britain?

Source: ONS Labour Force Survey (Q2 2009)

Sector	50	-	SPA
	All	Men	Women
Agriculture & Fishing	1.8%	2.5%	0.7%
Energy & Water	1.5%	2.2%	0.4%
Manufacturing	12.1%	16.0%	6.4%
Construction	8.8%	13.7%	1.7%
Distribution, Hotels & Restaurants	14.8%	13.5%	16.6%
Transport & Communication	7.6%	10.8%	3.0%
Banking, Finance & Insurance	15.6%	17.0%	13.5%
Public administration, Education & Health	32.6%	19.3%	52.1%
Other Services	5.2%	5.1%	5.5%

Can you explain what the term 'economically inactive' means ?

The Office for National Statistics describes economically inactive people as those not in work, who do not meet the internationally agreed definition of unemployment.

They are aged 16 or over, do not have a job and have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks.



Did You Know?

A random selection of demographic, labour market and age and employment statistics that caught our eye over the last month:

The average age of civil servants in the UK rose from 38 to 44 between 1997 and 2009.

As at March 2009, 31% of civil servants were aged 50 years and over but the largest proportion (33%) were aged 40 and 49 years.

(Source: Civil Service Statistics, ONS)

In 2008, 45% of self-employed men working full-time in Great Britain belonged to a personal pension scheme, compared with 64% in 1998/99.

(Economic and Labour Market Review, ONS, June 2010)

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ESF News

Readership Survey

June is the first anniversary of 50+ Matters e-newsletter and we would like to ask for your feedback about the e-letter.

Your responses about readership and use of 50+ Matters e-newsletter and your views and suggestions about content would be welcome.

You can access the readership survey on the ESF section of the TAEN website: http://www.surveymonkey.com/s/50PlusMatters_readership_survey

Thank you for your help.

50+ Matters Seminar: Newcastle, 6th July

The next in TAEN's series of *50+ Matters: Working Effectively with Older Workers* seminars is taking place at Jobcentre Plus, Broadacre House in Newcastle on 6th July.

The session is primarily aimed at Jobcentre Plus Personal Advisers and for frontline advisers in ESF provider organisations that are delivering on behalf of Jobcentre Plus.

We will also be hearing about the experiences of Age Concern North Tyneside's 'Back on Board' project in working with local older jobseekers.

In addition, delegates will also have the opportunity to see and comment on the new 50+ Good Practice Guide which is being launched on 1st July. (see item below)

To book a place please go to: www.taen.org.uk/esf or call Hana Konopaskova at TAEN on 020 7843 1590.

50+ Good Practice Guide Launch: 1st July

TAEN is launching the web-based **50+ Works: A Good Practice Guide for Advisers working with 50+ Jobseekers** at a series of workshops being held at the Welfare to Work conference in Liverpool on Thursday 1st July. It will also be featured in several workshops at the Association of Learning Providers' Conference in London on 14th July.

The **50+ Works** Guide is aimed primarily at 'generalist' frontline employment support advisers in the DWP's prime welfare-to-work contractors and their sub-contractors.

Researched, developed, written and designed with the assistance of its target audience, the **50+ Works** Guide contains useful information on a range of subjects. It also has features a Useful Links section.

A series of dissemination events are planned around the regions in the Autumn – more details in the next edition of 50+ Matters.



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