



Making life better for older people

An economic case for preventative services and activities



– Context and introduction -

– Benefits for older people -

– Rationale for intervention -

– Policy implications -



What are preventative services?

services that:

- (i) prevent or delay the need for more costly intensive services **or**
- (ii) promote the quality of life of older people and engagement with the community

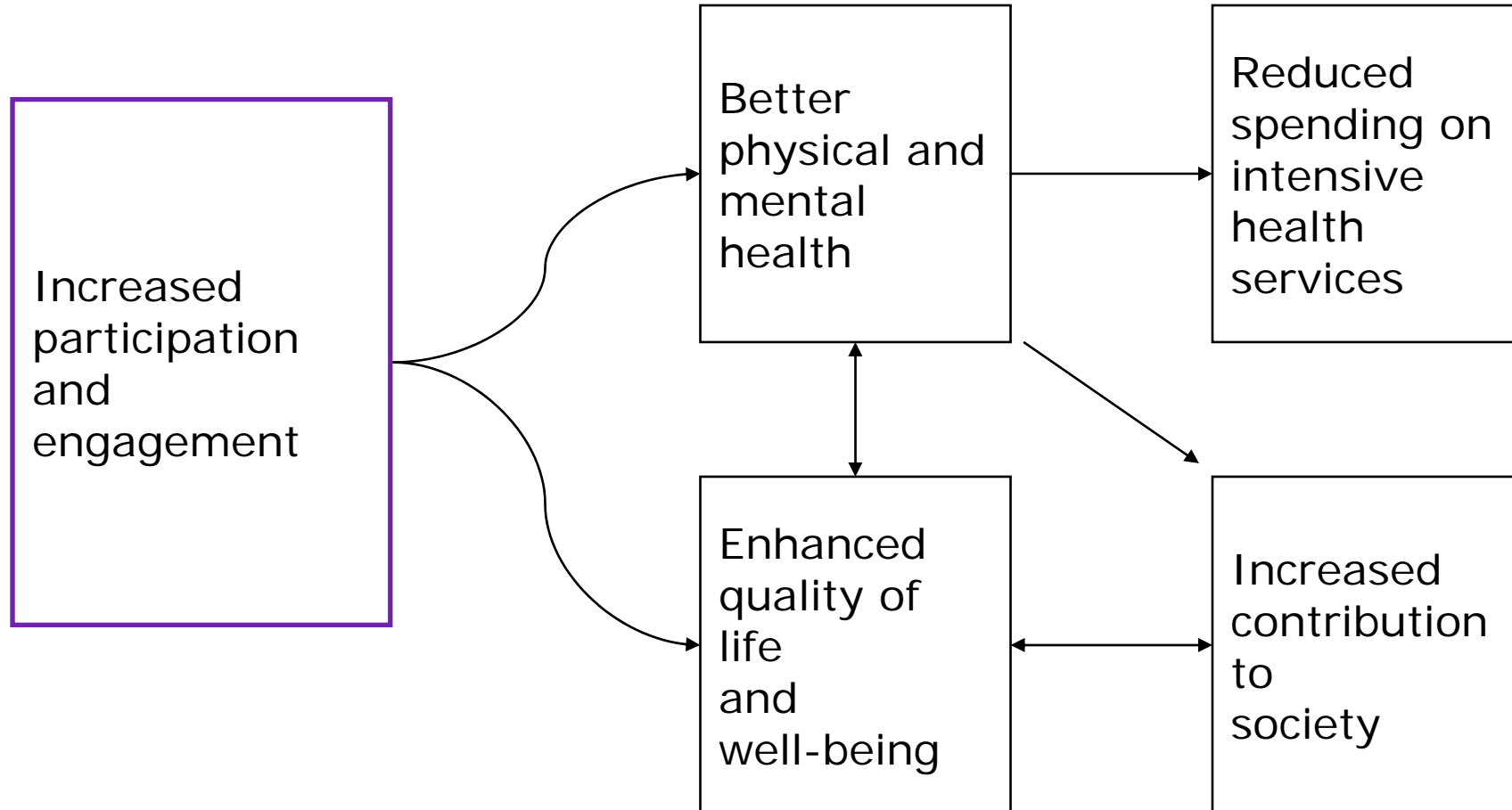
Many cultural and physical activities have these properties too



**What are the benefits
from increasing
preventative services
and activities?**

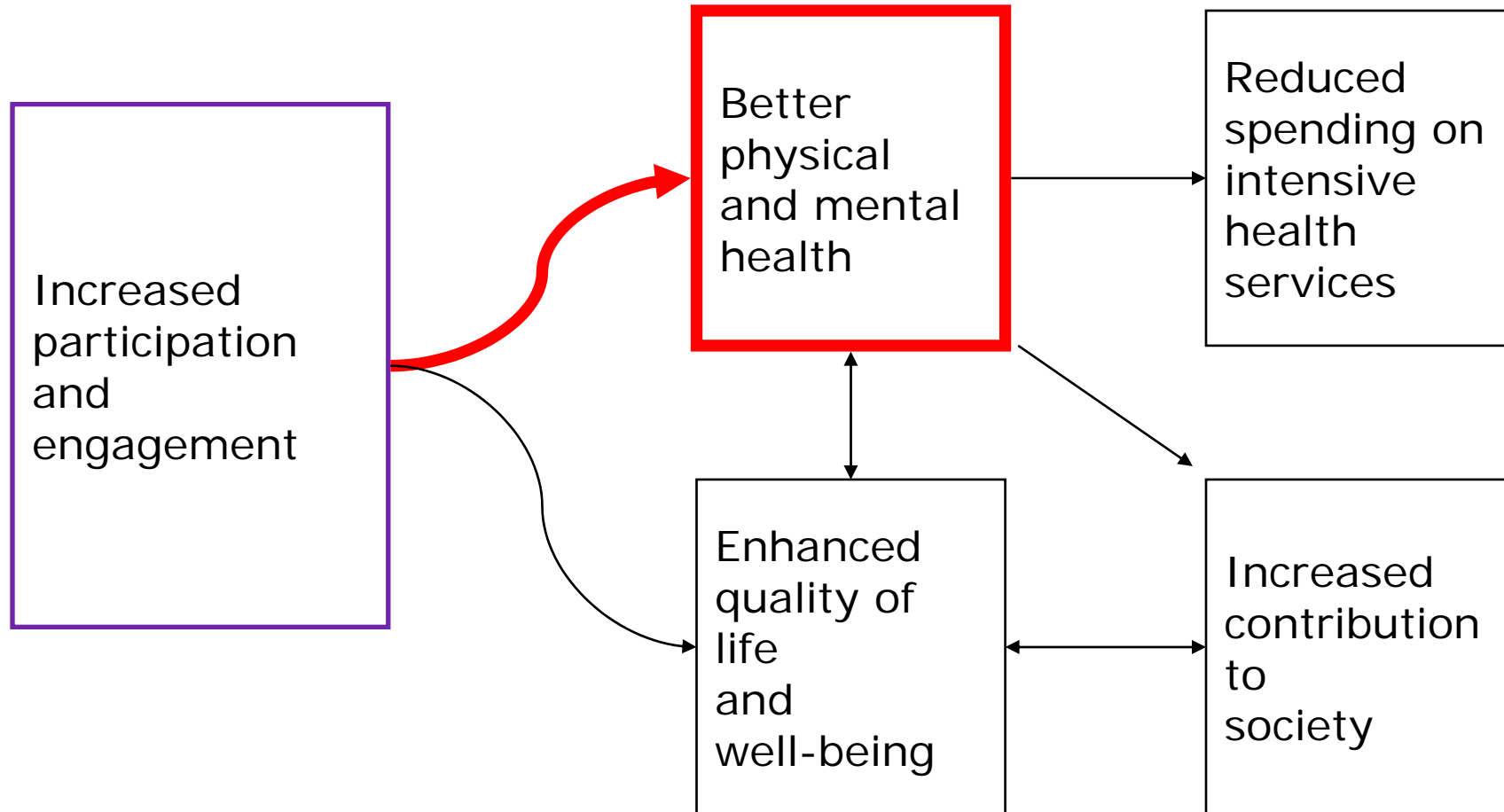


A simple model





They can improve health outcomes





Some 'low level' services have direct health effects

Home adaptations

10% of recipients of *Disabled Facility Grants* were kept out of residential care as a direct result of adaptations¹⁴

Falls prevention

Various interventions (including the use of protective slippers) by a local Healthy Communities Collaborative reduced falls in pilot areas by 32% in the first year, and 37% in the second

Warm Front

The *Warm Front* scheme aims to reduce fuel poverty in vulnerable households in England by improving the energy efficiency of their homes. The scheme reduced the chances of excess winter deaths by 10% for recipients. There were also beneficial effects on mental health and subjective wellbeing



Activity and social engagement are protective for health

“Inactivity and isolation accelerate physical and psychological declines, creating a negative spiral towards premature, preventable ill health and dependency”

HoL Select Committee on Science & Technology¹

Building social networks

Research in California found that individuals with more social ties had lower mortality rates over a nine year period.⁵

Analysis of the Australian Longitudinal Study of Aging found that after controlling for a range of demographic, health, and lifestyle variables, greater networks with friends were protective against mortality in the 10 year follow up period.⁶

This link was found to be independent of variations in initial health and socio-economic levels, suggesting that the correlation was not caused by healthier people developing stronger networks

Physical activity

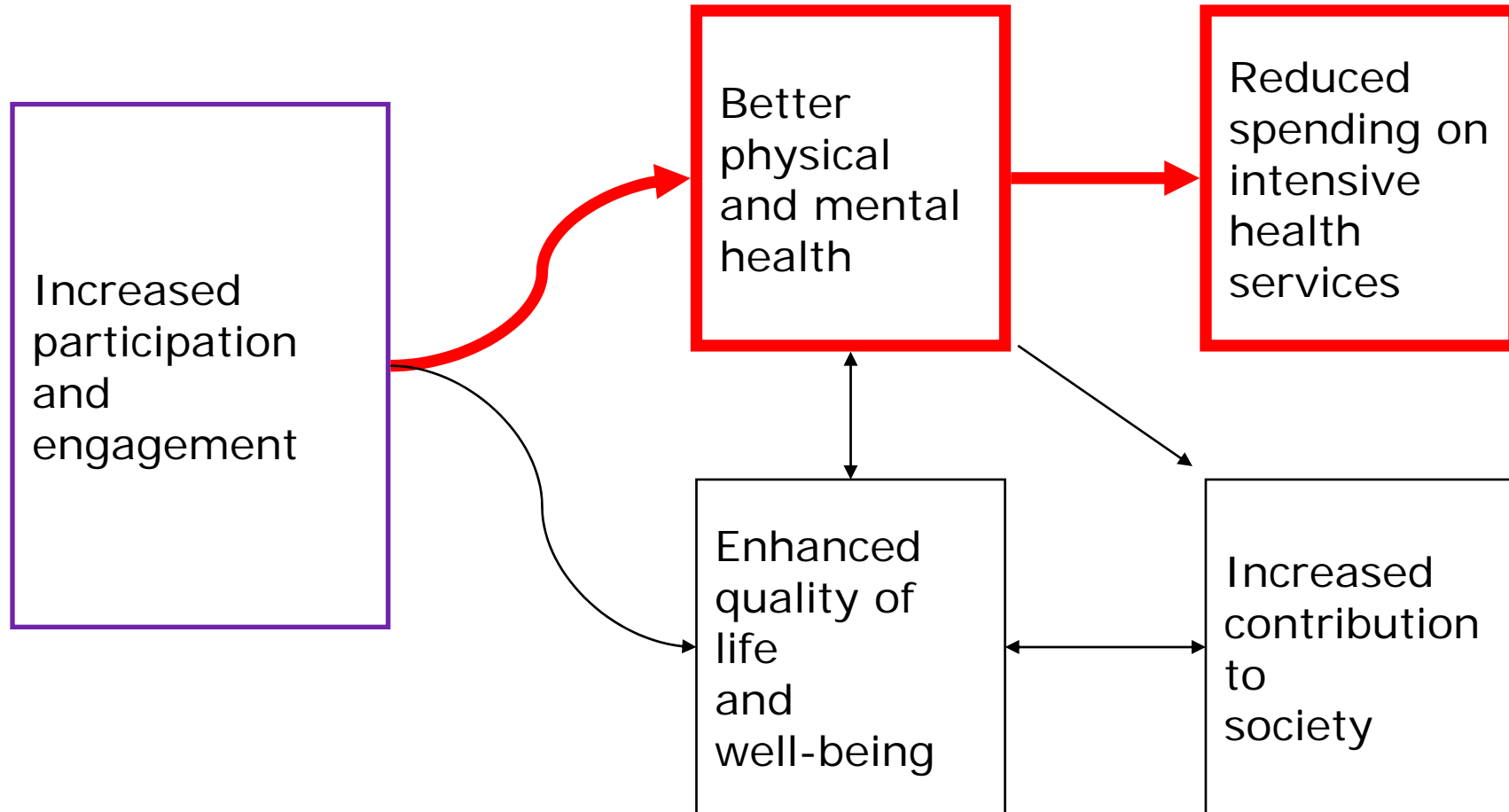
Physical activity – and particularly training to improve strength, balance and coordination – has been found to be highly effective in reducing the incidence of falls.³

Lost fitness can be regained with regular activity even in extreme old age.¹

40% of the over-50s are sedentary. They don't exercise enough to benefit their health.²



...leading to reduced expenditure





Preventing accidents saves money

- Home accidents, particularly falls, burns and scalds in the over 65's age group cost the health service around £3bn a year and increase dependence on council and other services
- Replicating the success of the Healthy Communities Collaboratives across the country could save almost £500m

- Providing low-level services such as home help or adaptations to help older people remain in their homes can help keep them in their own homes for as long as possible
- Reducing age-specific dependency rates by 1% per year would reduce public expenditure by £940m per year by 2031
- Reducing the rate of institutionalisation by 1% a year could save £3.8bn²⁶
- 10% of recipients of Disabled Facility Grant were kept out of residential care as a direct result of adaptations¹⁴



Economic appraisals in POPPs applications suggest cost savings are possible

Partnerships for Older People Projects (POPPs) grants aim to encourage councils in England to devise innovative approaches with their NHS, local government, voluntary and community sector partners to establishing sustainable arrangements for supporting older people in active and healthy living.

POPPs project, Manchester

There are three parts to the Manchester bid:

1. The Gateway will represent a virtual one-stop shop on information and advice about services and opportunities. It will be high profile and marketed professionally

2. A Business Development Team will deliver appropriate training and foster buddying schemes to strengthen the voluntary provider sector.

3. A citywide network of services will be established under integrated governance arrangements. The network will bring services together within a single framework to transform commissioning, funding and delivery.

For an annual cost of £1.5m, Manchester City Council forecast the following potential benefits:

Supporting older people to live at home:
Estimated benefit of £3.1m per year

Preventing the need for higher intensity care:
Forecast benefit of £1.4m per year

Reducing avoidable, emergency admissions and bed days:
Forecast benefit of £11k per year

The net present value of benefits minus costs: £25m over 10 years (base case scenario)



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Partnerships for Older People Projects (POPPs) grants aim to encourage councils in England to devise innovative approaches with their NHS, local government, voluntary and community sector partners to establishing sustainable arrangements for supporting older people in active and healthy living.

POPPs Project, Bradford

1. Community Involvement Networks will equip users and carers with skills and resources to manage care needs and enable services to better understand how to meet needs of people marginalised within current mental health services.

2. Managed Care Networks will consolidate specialist and mainstream services, establishing structures and processes to support the expansion of community staff and develop mechanisms for user/carer involvement in service development.

3. Mental Health Enablement will equip Care Network practitioners with knowledge and skills to deliver integrated person centred support. A network of peer educators will be created, as will a peer education course and resource pack to support quality mental health education. Dedicated enablement teams will provide intensive support for people at home as part of the Care Network.

Benefits from the project include:

Reduction in hospital admissions due to:

Fractures
Infections
Pneumonias
Collapse

Reduction in care packages

Prevention of care home placements

The net present value of benefits minus costs: £1.5m over 8 years
(base case scenario)



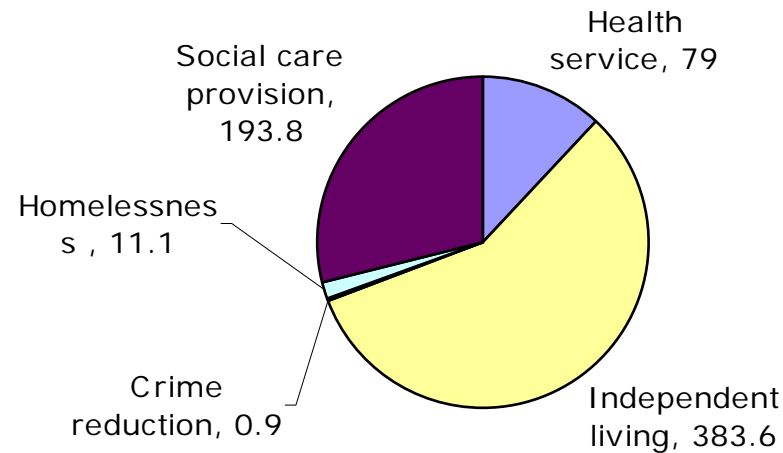
Supporting People has shown preventative services can work

Research identified £668m of benefits from Supporting People expenditure on older people of £308m.³⁰

This represents £2.20 of benefits for every £1 spent

This does not include benefits from improvements in health or quality of life, participation in the community or the reduced burden on carers

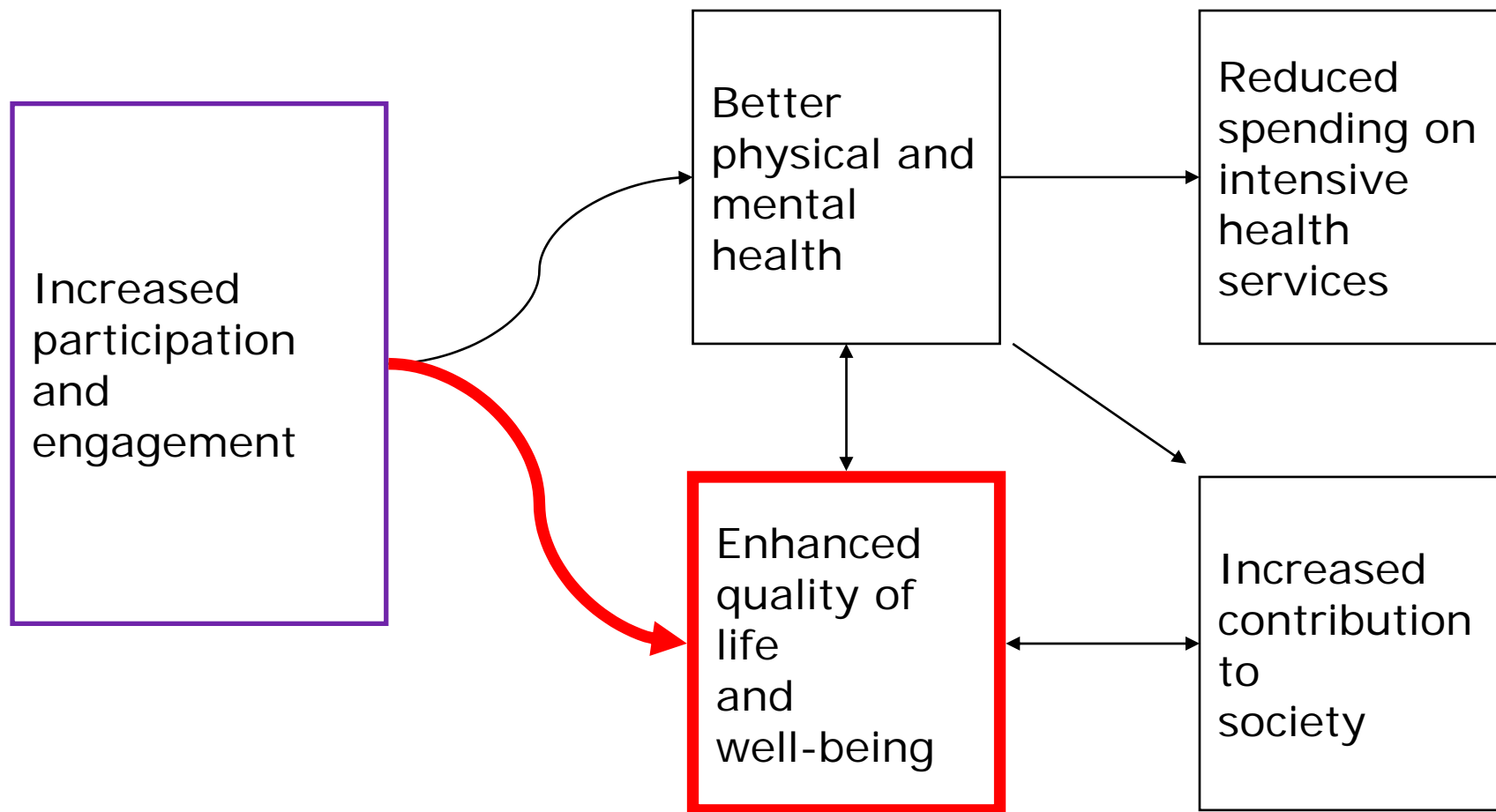
Benefits from the Supporting People program (£m)



Supporting People is a working partnership of local government, service users and support agencies, delivering high quality and strategically planned housing-related services which complement existing care services.



Improving well-being and the quality of life





Key drivers of quality of life in older people⁷

- Expectations in life
- A sense of optimism
- Good health and physical functioning
- Engagement in social activities and a sense of being supported
- Living in a community with good community facilities and services
- Feeling safe
- Retaining a sense of control and independence

Some findings from the emerging research on wellbeing may be relevant



Office of the
Deputy Prime Minister
Creating sustainable communities

Social engagement

Robert Puttnam found a **significant association between social engagement and happiness**. Monthly club meetings, church attendance, volunteering and entertaining each have the happiness equivalents of a *doubling* of income.⁸

Maintaining independence

Keeping a well-maintained house is central to many older people's sense of well-being and of being part of society, as well as to their confidence about coping at home.¹⁵

Having a role

The effects of unemployment on happiness are as big the effect of marriage break-up.²³

Physical activity

According to a report by the Chief Medical Officer, physical activity is associated with reduced risk of developing depressive symptoms and can be effective in treating depression and enhancing mood.¹³

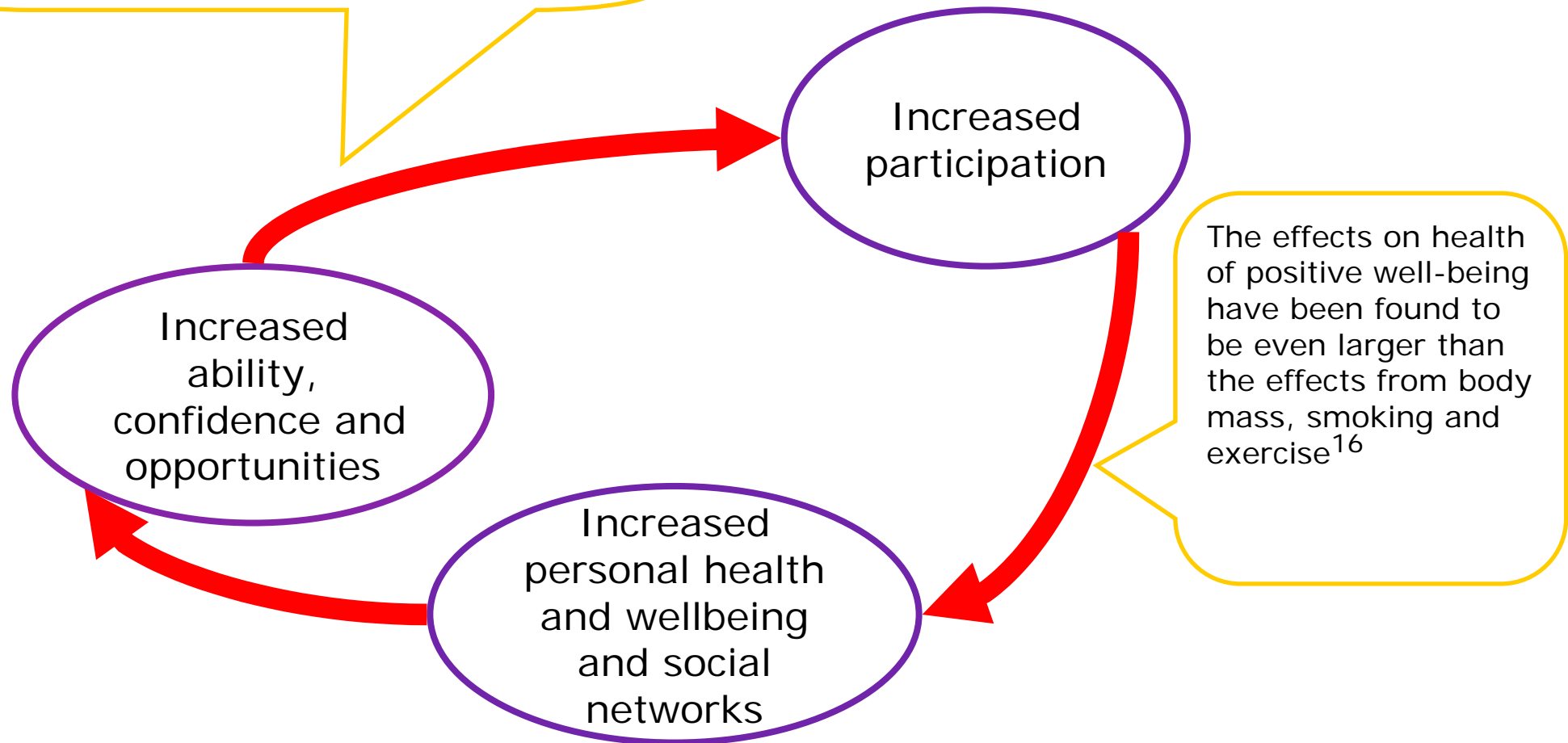
Civil engagement

A comparison of happiness in Swiss cantons found a significant difference in happiness between cantons with more frequent referenda.



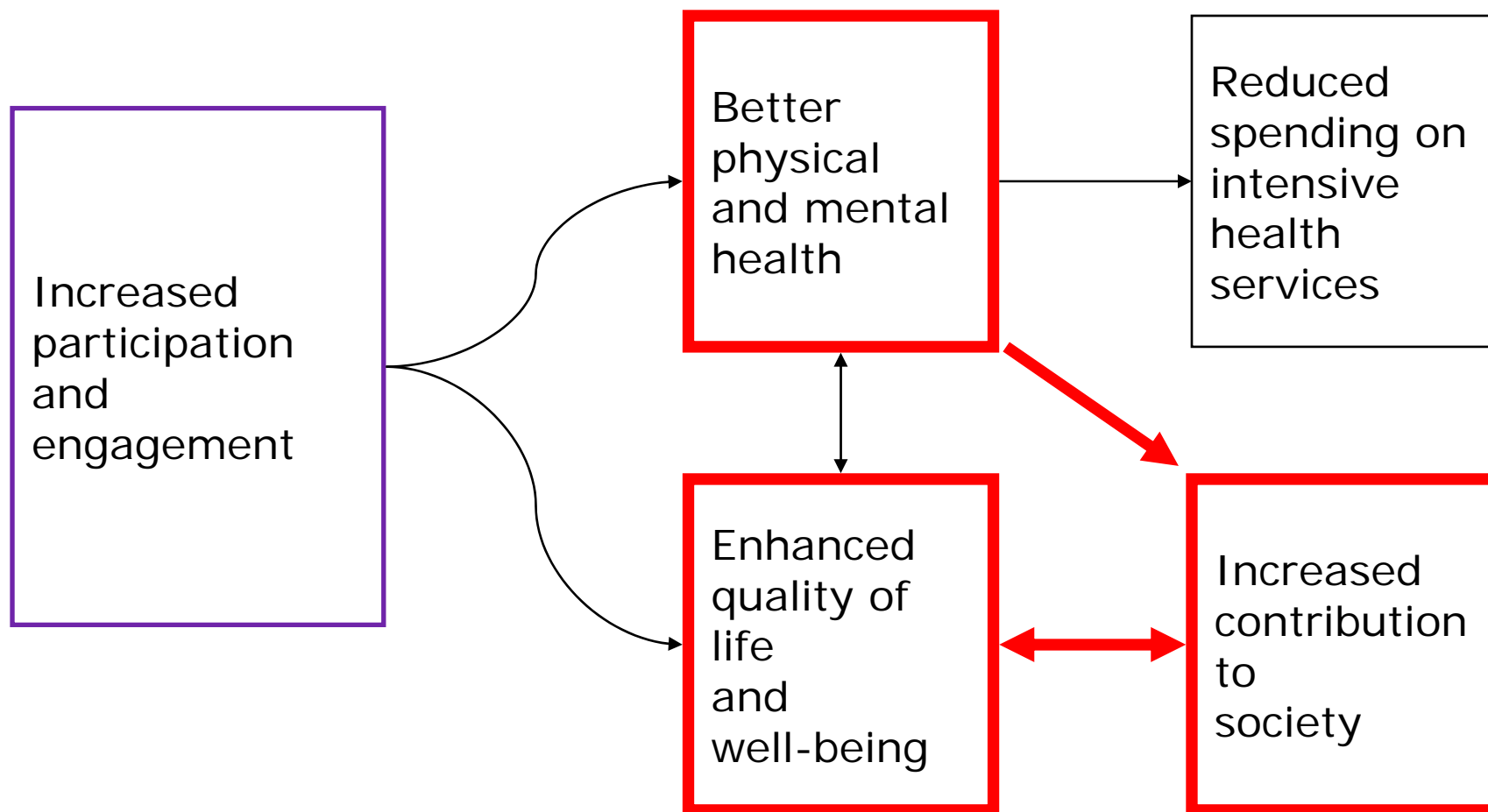
Better health and participation can become self-reinforcing

Analysis of the English Longitudinal Study of Ageing shows those with better self-reported health participate more





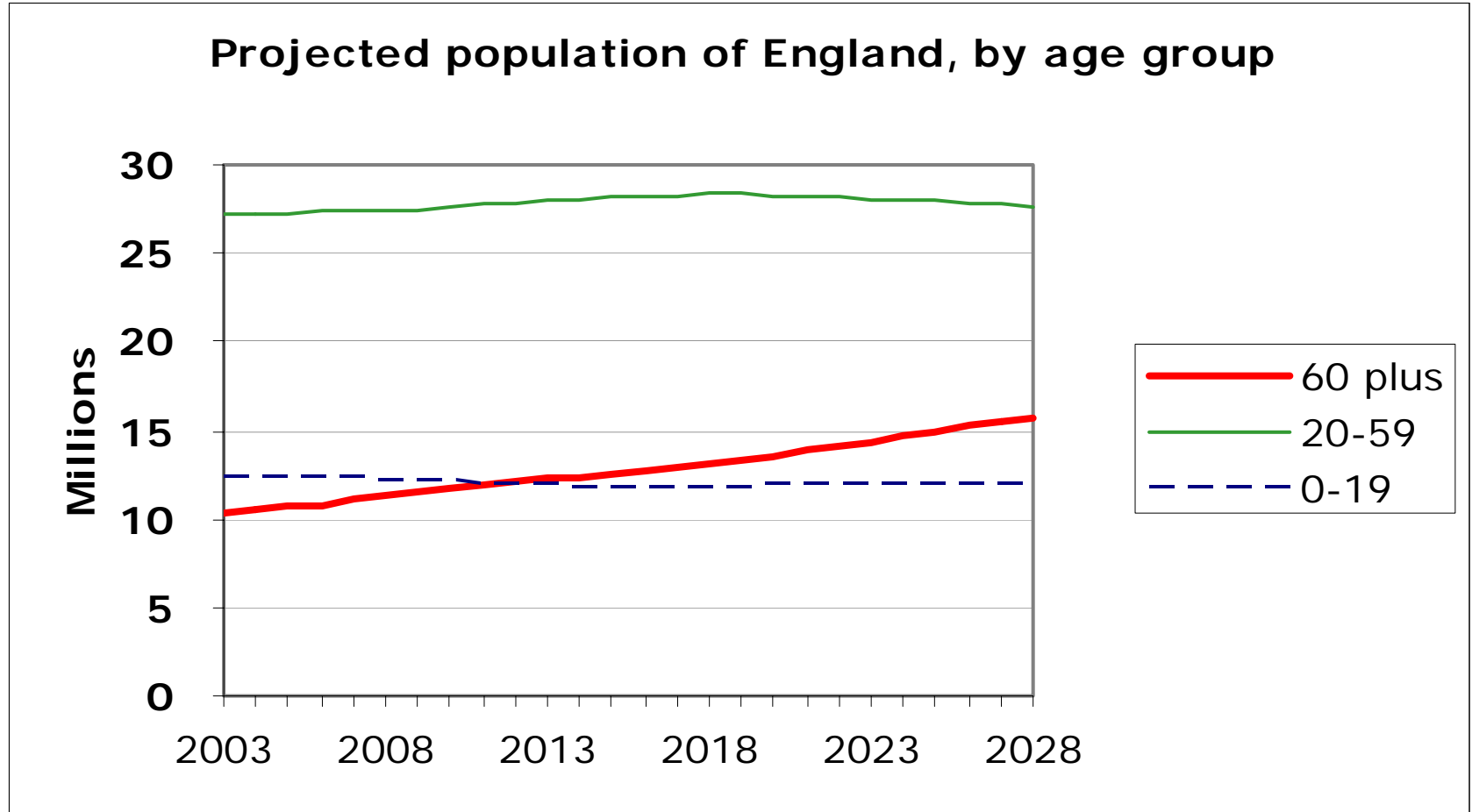
Healthier, more engaged older people can make a bigger contribution to society





By 2018, over 25% of the population
will be aged 60+

Source: Government Actuary Department





...they can make a huge contribution to society

By remaining in work

Many older people would rather remain in work.

39% of people aged 60-69 agreed that "the idea of retirement doesn't make sense to me"¹⁷

By playing a full role in family life..

Over 65's contribute around 850million hours of informal care.

Increasing this by 10% would be valued at £400m at minimum wage rates.

..And civic life

Volunteering amongst those aged 65-74 is higher than amongst any other age group.

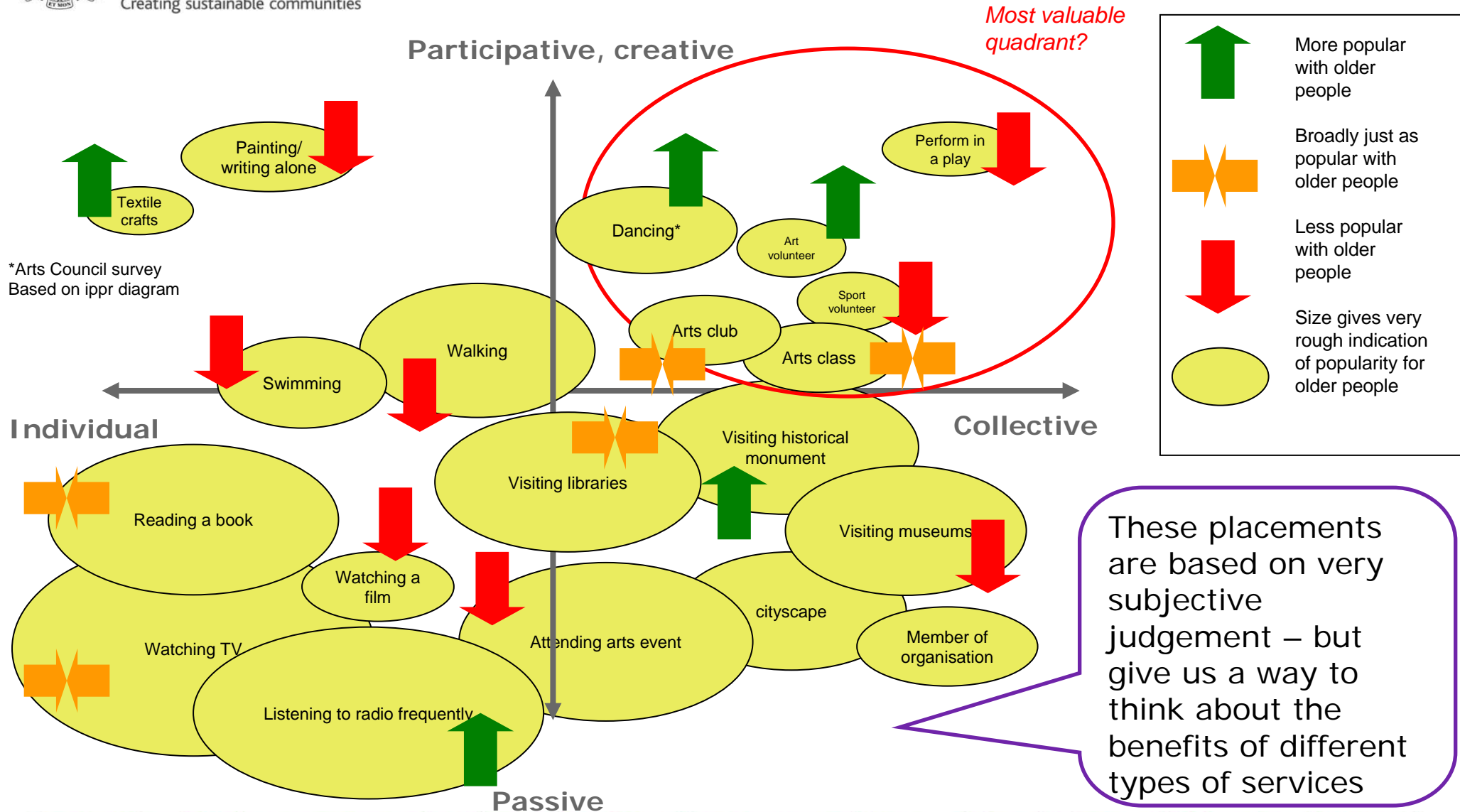
Increasing over-65s volunteer hours by 10% would be worth over £500m (valuing volunteering hours at the minimum wage)



**Are some activities and
services more
beneficial than others?**



More participative and collective services and activities are likely to have the biggest benefits



- More popular with older people
- Broadly just as popular with older people
- Less popular with older people
- Size gives very rough indication of popularity for older people

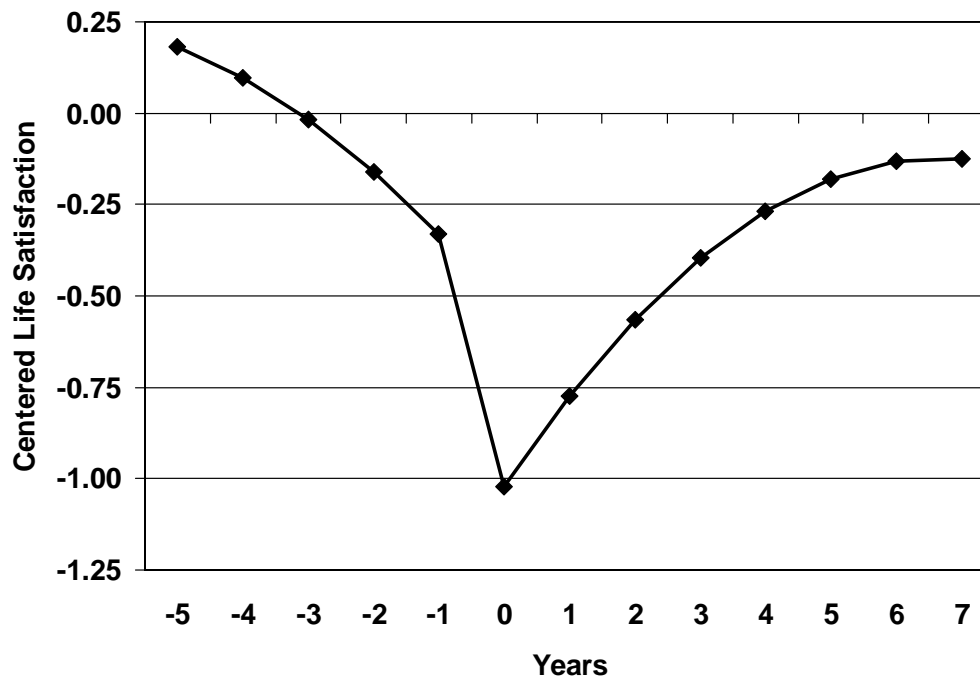
These placements are based on very subjective judgement – but give us a way to think about the benefits of different types of services



And those targeted at particular times in life can be more effective

Major life events can cause cycles of decline in later life – could government intervention be targeted at these points? Do we have enough intelligence about older people?

Impact of widowhood on well-being²⁴



1/4 of widows and widowers develop clinical depression or anxiety in the year following bereavement¹⁸

Other life events such as experiencing a crime or suffering an illness can also initiate cycles of decline.



But we should recognise that one size doesn't fit all

- Older people are as diverse as group as any other age group, with different interests and backgrounds
- Though some activities may be more beneficial than others, in general we expect that individuals will be the best judges of their own welfare – and will benefit from maintaining control and independence

This insight underpins the move towards Direct Payments. By giving money in place of social care services people have greater choice and control over their lives, and are able to make their own decisions about how care is delivered

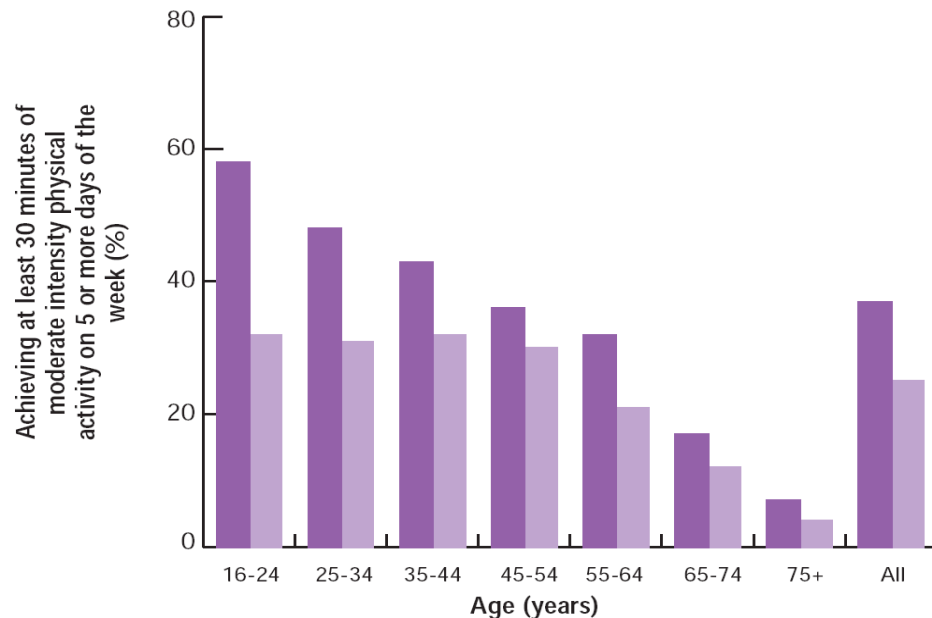


**Is there a problem?
Isn't it an inevitable
part of ageing?**

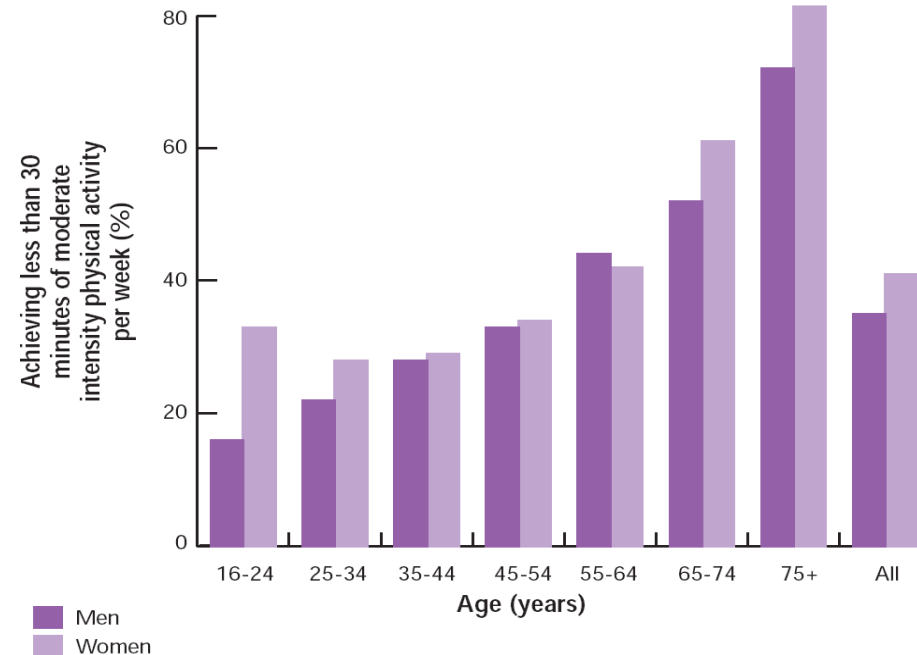


In England, physical activity declines from teenage years onwards

Prevalence of *activity* among adults
(by sex and age, England, 1998)



Prevalence of *inactivity* among adults
(by sex and age, England, 1998)



Source: *Health Survey for England 1998* in Department for health (2005) At Least Five Times A Week

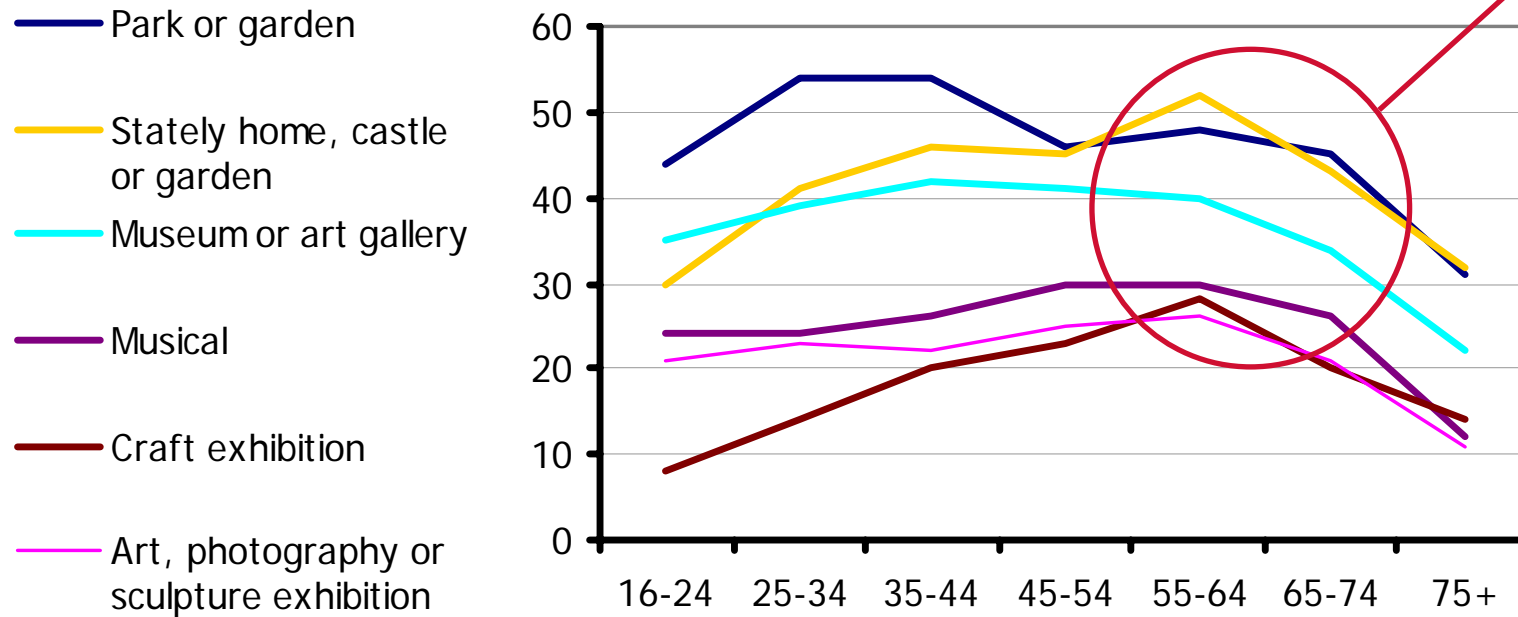
People in older age groups generally spend time on more sedate activities compared with those aged under 65.

local and regional government • housing • planning • fire • regeneration • social exclusion • neighbourhood renewal



...whilst attendance at cultural events falls around retirement age

Percentage attending arts or cultural events in the last 12 months, by age (2003)

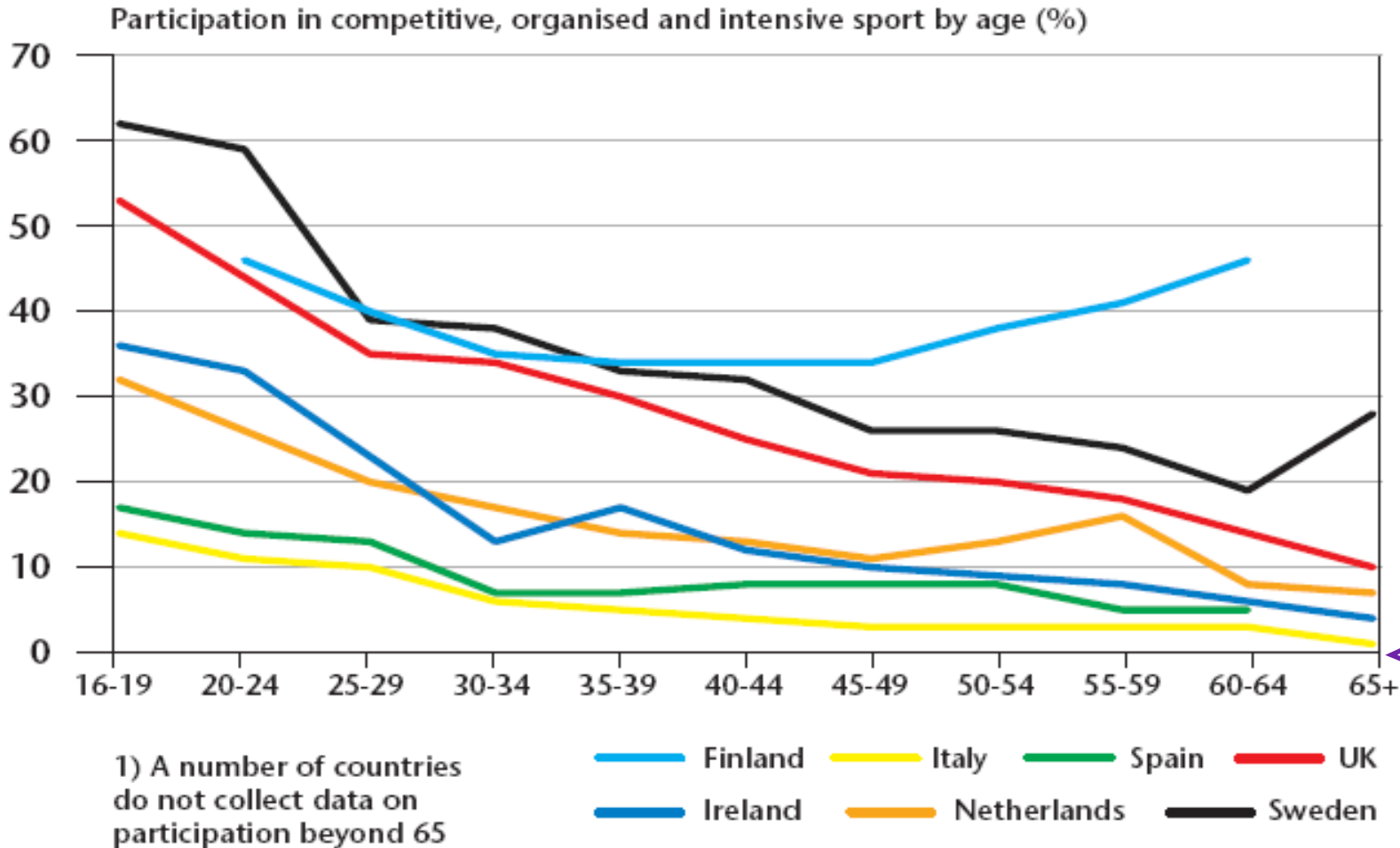


Arts in England 2003: attendance, participation and attitudes, Fenn, Bridgwood, Dust, Hutton, Jobson, Skinner (2004)



But participation doesn't fall in all countries

Source: Compass 1999 in DCMS/ Strategy Unit (2002) Game Plan



Participation may tail off more dramatically after 75



**Engagement and participation are
good for health and well-being.**

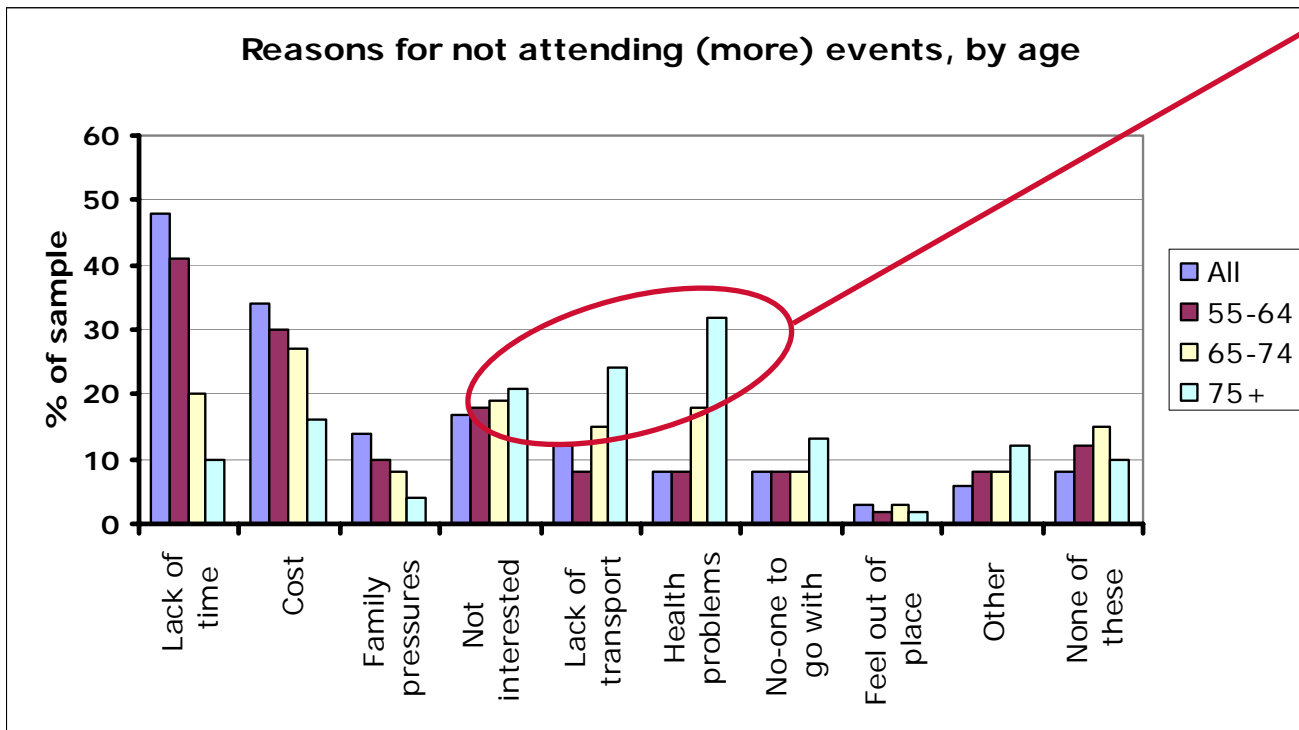
So why is there not greater take up?



**What do older people
say the barriers are?**



Poor health and lack of transport seem to be the biggest obstacles to attendance



As people age, **poor health and lack of transport** become increasingly significant barriers to attending arts events.

Cost becomes less important but remains one of the main factors.

Providing transport could be key in enabling access to services and activities.

Could money for transport be included in direct payments or could activities be brought to older people (like health visitors)?

Results²⁷ apply only for arts events and not other activities.

91% of single pensioners and 53% of pensioner couples do not own a car.

Public transport remains a vital lifeline for many. But, particularly in rural areas, it can be infrequent, inaccessible and expensive



Is it about money?



- Many older people have limited access to financial resources – around 20% of pensioners have incomes below 60% of the average wage²⁰
- Older people report cost as a significant barrier to accessing cultural goods and services
- There may be a rationale for intervening to reduce inequalities in quality of life and access to services

Pensioners are no more likely to be poor than the rest of the population

Many services are relatively inexpensive

How can we older people to access these services themselves?

In principle, we should allocate resources where they provide the greatest benefit

When preventative services provide a benefit by reducing future expenditure by more than they cost to provide, funding should be provided under the 'invest to save' principle.

Where there are benefits for society from older people's engagement beyond those for individuals, financial support is justified and may help encourage take up

Support could take the form of direct subsidies to individuals, grants to groups or incentives to firms to offer services to older people – particularly the most excluded

Funding should be provided on the basis of clear evidence and research should continue to investigate which preventative services provide real benefits. Pilot projects like Partnerships for Older People Projects²⁵ should help provide evidence.



**Can government and
institutions do things
better?**

Some government spending could be better allocated to preventative services

- Government expenditure on crisis interventions for older people is significant (47% of NHS budget)
- When preventative services reduce these expenditures by more than they cost to provide, services should be supported under the 'invest to save' principle.
- Funding should be provided on the basis of clear evidence and research should continue to investigate which preventative services provide real benefits. Pilot projects like Partnerships for Older People Projects²⁵ should help provide evidence.



There are many ways to improve services for older people

Improving access

Eligibility procedures, bureaucracy and disconnection between different agencies can make it difficult for older people to access services

Better intelligence about local older people

- Councils should develop clear understanding of the make up of the local population of older people - ethnicity, household type, housing status and income level – and a clear picture of likely future trends
 - Councils should share information with their partners to inform community provision and activity
- Recommendations of the Audit Commission (2004)

Mainstream services designed for older people

Engagement with older people should be deliberate, comprehensive, and a matter of course.

Special efforts should be made to include older people whose voices are seldom heard.

Older people should be supported to participate fully, for example, by offering or training sessions.¹⁹

Aligned incentives for co-operation

The incentives facing the key agencies/individuals in the delivery chain must be aligned

More integrated service models

DWP's **Link-Age Plus** programme will pilot integrated networks of services in four areas. The outcomes of these pilots will inform future policy²⁷



**What are the barriers
that stop people
choosing participation
for themselves?**



Transport seems to be a big issue

Public transport remains a vital lifeline for many. But, particularly in rural areas, it can be infrequent, inaccessible and expensive

91% of single pensioners and 53% of pensioner couples do not own a car and depend on public transport.

Nearly half of all households without a car are pensioner households.²⁹

Almost a quarter of people over 75 stated it as the primary reason for not attending more cultural events.

Could money for transport be included in direct payments or could activities be brought to older people (like health visitors)?



And there are barriers to accessing and processing information

Individuals use information to assess the costs and benefits of different actions and will act to maximise their utility. A competitive market will produce the efficient outcome – but this requires complete and perfect information...

By definition, socially excluded older people have poor social networks and will face particularly big barriers to accessing information

- awareness about existence and availability of services
- language problems for non-English minorities
- lack of contact points for service providers
- uncertainty about whether a service will be beneficial
- reduced cognitive abilities
- distrust of unknown private suppliers

Having access to help from reputable organisations is important to older people's sense of security and safety²¹

Some relatively simple ideas could be effective

- A telephone number which older people can ring for advice across the range of services – or a directory of older people's services
- Wider advertising of available services – and particularly of their benefits
- Where distrust is an issue, 'approved trader' schemes which could improve the security (and the perception of security) of vulnerable groups

Others might need more resources

- When services or activities are complex, or individuals lack cognitive skills, they may need advice to help them make the decisions right for them
- Use of outreach workers to reach the most excluded
- Better joining up between different services and agencies

...but behavioural science suggests it can be hard to change habits

Orthodox economic theory assumes that people act to maximise their welfare based on their own, fixed, preferences. Behavioural science suggests that behaviour is more complex.²² In particular:

- People are influenced by social norms and the actions of others – particularly those seen as ‘experts’
- Habits can be hard to change – particularly when there are barriers to overcome
- People are motivated by the ‘right thing to do’ – do they perceive that asking for help is not the right thing?
- People are bad at processing information and tend to rely on rules of thumb. They tend to undervalue far-off events. Institutional ‘defaults’ can be very effective – people are much less likely to opt out rather than choose not to opt in



There are some possible responses to these challenges...

➤ People are particularly influenced by those seen as experts

Can we use role models to persuade older people – who do they trust?

➤ Habits can be hard to change

Joined-up services, advice and easy-to-access services could all help reduce the barriers to change. Need to 'freeze' people in good habits

➤ People are motivated by the 'right thing to do'

Are older people reluctant to be "a burden"? Do we need to work harder to persuade them to carry on participating in society and in activities?

➤ People are bad at processing information

Should we highlight the positive short-term effects of participation and services – on wellbeing rather than long-term health effects.
Can we use 'institutional defaults' to persuade less people to 'opt out' of participation?



And some evidence of what works

A *systematic review* of interventions to boost physical activity has shown that some approaches can be highly successful³¹

Changing behaviour through building social networks that provide supportive relationships for behavioural change. Typically involved setting up a buddy system and making a contract with others to achieve specified levels of activity, or setting up activity groups.

Time spent on physical activity: **+44.2%**
Frequency of physical activity: **+19.6%**

Programme tailored to individuals' readiness for change, specific interests and preferences. Participants were taught behavioural skills to help them to incorporate physical activity into daily routines

Time spent on activity: **+ 35.4%**
Energy expenditure: **+64.3%**

New and/or improved access to places for physical activity combined with informational outreach activities

Energy expenditure: **+ 8.2%**
Frequency of physical activity: **+ 48.4%**

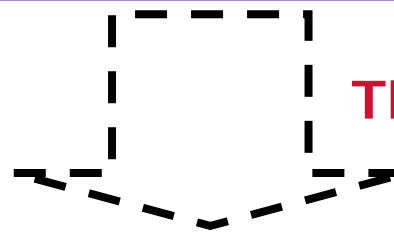
local and regional government

Median scores from a number of studies

neighbourhood renewal



- Increasing participation and the provision of preventative services can drive big quality of life benefits for older people
- And there are also benefits for wider society

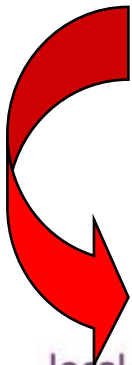


The role for government

- (1) Provide services that reduce future expenditure
- (2) Enable all older people to access preventative and participative services themselves
- (3) Reduce inequalities in the quality of life

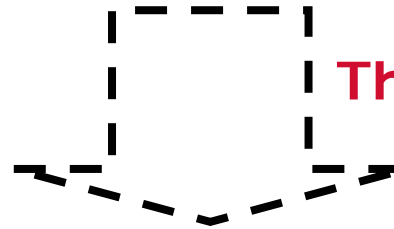
The biggest gains may come from playing an enabling role

local and regional government • housing • planning • fire • regeneration • social exclusion • neighbourhood renewal





- Delivering preventative services can drive big improvements in the quality of life for older people
- So can participation and activity
- And there are also benefits for society



The role for government

- (1) Support for services with large external benefits
- (2) Enable all older people to access preventative services themselves
- (3) Encourage older people to lead more active and participative lives
- (4) Challenge perceptions of what older people can do

The biggest gains may come from playing an enabling role rather than direct provision of services



**Reducing
future
expenditure**

- Support for services that reduce expenditure on crisis interventions
- Encourage the take-up of services and activities that provide benefits to society as well as to older people – this could be through incentives to individuals or to groups
- Help older people to work for as long as they want to –
- and help them to make a contribution in retirement through volunteering or involvement in civic institutions
- Support further research on which services offer the greatest social benefits



**Reducing
inequalities in
quality of life**

- Develop better intelligence about older people in local areas – this will help us to reach the most excluded –
- And might enable better targeting of services at crucial times in people's lives
- This might involve sharing information between services or developing integrated service networks such as Link-Age Plus
- Support access to services and activities to the poorest – but still maximise choice for individuals to enable individuals to stay in control
- Make sure older people in all areas can access services and activities



Enabling older people

- Ensure older people know what services and activities are available...and their benefits
- Provide advice and advocacy to get people started in new pursuits
- Use role models, champions and trusted people to drive participation and take-up
- Challenge perceptions of what older people can do and what quality of life they should expect
- Support local community and voluntary organisations that get older people participating
- Ensure that transport enables older people to access services
- Make existing services more accessible for older people
- Further research into the key barriers preventing participation



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- 6 *Effect of social networks on 10 year survival in very old Australians: the Australian longitudinal study of aging*
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