# HARDISTY JONES ASSOCIATES
## Economic Development Advisers

# Markets for an Ageing Society

## Scoping Study

**Final Report v4.0**
**Prepared for Devon County Council and partners**

April 2019

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# Executive Summary

### Objectives

i.   This is a scoping study to investigate the potential for the growth of the Heart of the South West economy as a consequence of an ageing society and healthy ageing. The headline questions posed at the beginning of the project were:

- What are the economic challenges and potential of an older population?
- What are the market opportunities of an older population?

### Economic challenges and potential of an older population

ii.   The global population is ageing, and this is the case in the UK. The Heart of the South West has an older population than nationally, and it is getting older. The working age population of the Heart of the South West (aged 16 to 64) is forecast to remain fairly stable, whilst the population aged 65+ will grow significantly. It is also important to consider the cohort aged 50-64, as they will be the next cohort aged 64+.

iii.   Older people are less economically active than younger people, so an ageing population will mean lower overall levels of economic activity in the Heart of the South West. This will impact on the vitality of the economy.

iv.   With more older people, the health of the older population also becomes an increasingly important issue, as older people tend to have more health and care needs. Helping older people to stay healthy and independent reduces the cost to society, and also presents a significant market opportunity for the provision of goods and services demanded by an older population.

### Market opportunities for the Heart of the South West economy

v.   The Heart of the South West has an opportunity to develop goods and services to serve the local, national and global market opportunities offered by an ageing population. The Heart of the South West has some existing strengths which can be developed further, in areas such as health technology, and with a significant older population it has the local market in which to test and refine new goods and services which can be sold to the domestic and global markets. This will require the application of research, development and innovation to those parts of the Heart of the South West's economy that can serve this market. Key economic growth opportunities lie in:

- Increasing the number of older people in work
- Ensuring the transfer of skills and knowledge from older to younger workers
- Supporting the development of the capacity for the Heart of the South West to act as a test-bed for research, development and innovation related to an ageing society
- Supporting the development of the Heart of the South West to act as a test-bed for research, development and innovation related to an ageing society in rural areas in particular
- Supporting innovation in general technology for an ageing population
- Supporting innovation in health technology and life sciences for an ageing society
- Support innovation the use of digital and communications technologies for an ageing society
- Supporting and encouraging the development of specialist housing for older people
- Increasing the workforce quality and use of technology in the care sector

- Tackling labour and skills shortages in the care sector

vi.     Increasing economic activity amongst older people does not just generate economic benefits, but also helps to contribute to the wellbeing, belonging, social engagement and happiness of those older people in work.

### Strategic approach to capturing the market opportunity

vii.    To develop the Heart of the South West's potential to develop economic activity related to the ageing society will require a number of steps, including:

- Agreement within the Heart of the South West that the ageing society and healthy ageing are strategic priorities for support (e.g. in terms of investment in research, development and innovation)
- Establishment of a leadership and governance structure, which may be through the existing structures to support the Heart of the South West's productivity plan and local industrial strategy
- Alignment with existing strategies to promote economic growth and productivity in the Heart of the South West, such as the productivity plan and local industrial strategy. The ageing society and healthy ageing could form a discrete element within these strategies
- Securing funding to deliver activity to growth these areas

### Actions

viii.   Actions to promote growth related to an ageing society and healthy ageing can be divided into two broad categories: firstly, those related to growth through increased economic activity; and secondly, those related to growth through higher productivity. These categories are not mutually exclusive, and some actions will fall into both.

ix.     Actions to promote economic activity include:

- Encouraging businesses to employ older people
- Supporting older people to access work, through e.g. training and encouraging flexible working practices
- Supporting self-employment amongst the older population
- Potentially targeting support to sectors with known and forecast skills shortages, such as the care sector
- Supporting the transfer of skills and knowledge from older to younger workers, particularly in high productivity sectors

x.      Actions to support increased productivity include:

- Promoting research, development and innovation in the healthcare sector, e.g. building on the work that is already being done to promote growth in the healthcare sector in Plymouth
- Promoting research, development and innovation in the independent living sector, e.g. introducing remote monitoring technology into people's homes
- Promoting research, development and innovation in the care sector, e.g. through the greater use of technology in care

xi.     It is notable that there are significant overlaps between the healthcare, care and independent living.

xii.    Each of these areas needs to be investigated further, to determine the global competitiveness of the Heart of the South West, and the cost and benefit of supporting growth in each area.

# 1    Introduction

## 1.1    Scope of this report

1.1.1    Devon County Council and partners across Heart of the South West Local Enterprise Partnership (LEP) area have commissioned this scoping study to start to consider the economic growth potential of an ageing society, including the opportunity to increase productivity as well as overall economic activity. This could help to inform their response to the Government initiatives and associated funding opportunities to support an ageing society and healthy ageing. This research will help to understand all the economic opportunities across Devon, Plymouth, Somerset and Torbay related to an ageing society and how these can be used to catalyse innovation and productivity growth.

1.1.2    The research will ultimately be in two stages. This first stage will provide the initial scoping of the range of possible business opportunities, and a second stage will be commissioned separately to undertake 'deep dive' assessments of selected opportunities that are identified.

## 1.2    Objectives of the report

1.2.1    The client group has specified a number of questions in the brief for this research. These can be structured around two main themes:

### Theme one: Economic potential and challenges of an older population

- Understanding the opportunities and challenges associated with an older population
- Understanding the key barriers to extending the productive lives of an ageing society

### Theme two: Market opportunities of an older population

- Considering how these can be catalysed into economic and productivity growth
- Identifying the potential areas of national specialisation that could be realised locally
- Identifying how key sectors can be supported to maximise the opportunities of an older population
- Supporting SMEs to diversify and capture new market opportunities

## 1.3    Content of the report

1.3.1    This scoping study helps to address these questions through the following steps:

- **Chapter 2** sets out useful background and contextual information to the study, including the nature of the ageing population, the Heart of the South West economy, and the national and local policy context in which this issue is being considered and developed
- **Chapter 3** looks at the nature of the ageing population in the Heart of the South West, and in particular at economic activity, employment and self-employment in the older population
- **Chapter 4** reviews the global market opportunities of an ageing population
- **Chapter 5** considers what these opportunities could be in the Heart of the South West
- **Chapter 6** sets out the conclusions of the study and identifies possible actions and next steps for the exploration of the economic opportunities of an ageing society

# 2   Background

## 2.1   The ageing population

### Definition of older people

2.1.1    The World Health Organisation (WHO) has defined an older person as *"a person whose age has passed the median life expectancy at birth"* (p.230)[1]. Whilst this is a useful definition, a chronological age is needed to define an older person for the purposes of data analysis. In reports by the WHO and the United Nations (UN), older people are defined as 60 or older for this purpose[1&2].

2.1.2    In the United Kingdom (UK), the Office for National Statistics (ONS) generally considers those aged 65 and over when discussing the ageing population[3]. This is the age at which some people previously qualified for state pension, although this has changed in recent years. The ONS has also examined the 'oldest old' which they define as those aged 85 and over[4], and the 'very old' who are those aged 90 or over[5].

2.1.3    It is also helpful to consider the population aged 50-64 as this cohort is ageing and will become the 65+ cohort in the future.  This period from aged 50 to 64 is often a period of gradual transition from work to retirement and is a time when the characteristics of the older population start to appear (e.g. frailty, increasing dependency, increasing social isolation etc.). It is also worth noting that different socio-economic groups have different responses to ageing, with health, mobility and social interaction often declining at a faster rate amongst less affluent people[3].

### Demographic shift

2.1.4    Population ageing and shifting demographics is a global phenomenon. The most recent UN report on ageing has found that the older population (over 60) is increasing across all regions of the world[2]. This increase in the ageing population, when combined with a decline in fertility, means that the older population as a proportion of the whole is increasing. This demographic shift is happening in all 201 countries examined by the UN in this report.

2.1.5    The UK is no exception to these global trends; experiencing both an increase in the older population, and shifting population demographics. This is being driven by a decrease in fertility rates in combination with increasing life expectancy[3]. Within the older population, the 'oldest old' is set to be the fastest growing subset over the next 20 years[3].

### Characteristics of the older population

2.1.6    The older population is distinct from the working age population in a number of ways. Firstly, the older population is much more likely to be retired. Employment rates fall from just over 85% for those aged 50 to just over 30% for those aged 65[6]. The older population is living longer, but the age at which people retire has not increased in line with increases in life expectancy[6].

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[1] World Health Organisation (2015) World Report on Ageing and Health

[2] United Nations Department of Economic and Social Affairs (2017) World Population Ageing

[3] Office for National Statistics (2018) Living Longer: How our Population is Changing and Why It Matters

[4] Office for National Statistics (2013) Characteristics of Older People: What Does the 2011 Census Tell Us About the Oldest Old Living in England and Wales

[5] Office for National Statistics (2018) Estimates of the Very Old, Including Centenarians, UK 2002 to 2017

[6] Department for Work & Pensions (2017) Fuller Working Lives

2.1.7    The older population also often has either augmented, or a higher level, of demand for particular goods and services (which is discussed in more detail in Chapter 4). The older population is however, not an homogeneous group. The European Union has divided the ageing population into three categories; active, fragile and dependent[7]. These three categories are supported by evidence of a 'u-shaped' pattern of spending in later life. This suggests that spending is high in the first years of active retirement, plateaus in the middle years, and then increases again in later life to pay for care[8]. Depending on the life stage of the older person, and which category they fall into, they will have different demands for goods and services to meet their needs.

**The location of the older population**

2.1.8    The older population is not evenly distributed across the UK, with older people much more likely to live in rural and coastal areas[3]. Of the ten local authorities with the largest proportion of older residents in 2016, five of these were in the South West region[3]. This is a trend that is likely to continue as, whilst all areas of the UK are expected to see similar increases in the number of older residents, rural areas are predicted to experience a negligible increase in the number of residents aged under 65[3].

## 2.2    The Heart of the South West economy

**Total Employment**

2.2.1    Total employment in the Heart of the South West in 2017 was approximately 755,000. Employment has been broadly increasing in the LEP area since 2013. This has been driven by growth in each of the local authority areas, although growth is lower in Plymouth and Torbay than in other parts of the area.
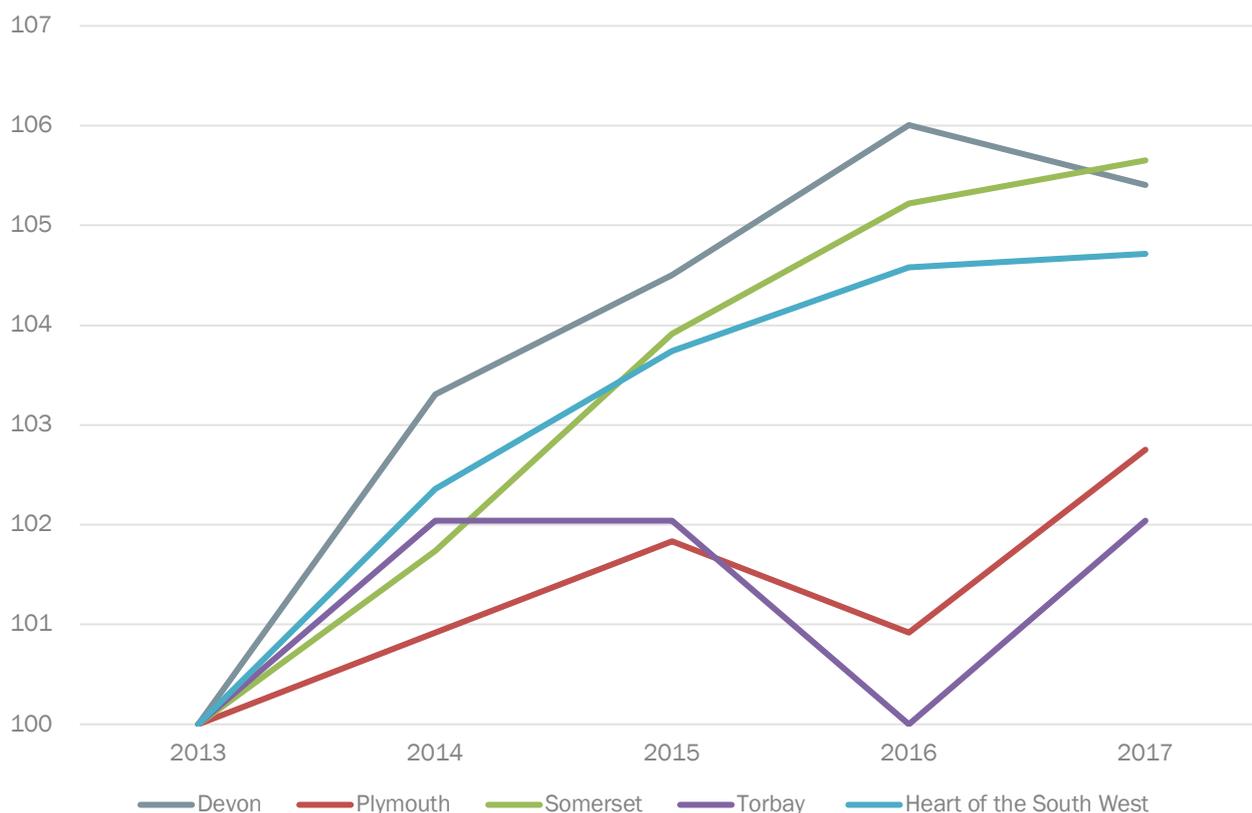
*Figure 2.1: Absolute Number in Employment*

|  | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| Devon | 333,000 | 344,000 | 348,000 | 353,000 | 351,000 |
| Plymouth | 109,000 | 110,000 | 111,000 | 110,000 | 112,000 |
| Somerset | 230,000 | 234,000 | 239,000 | 242,000 | 243,000 |
| Torbay | 49,000 | 50,000 | 50,000 | 49,000 | 50,000 |
| Heart of the South West | 721,000 | 738,000 | 748,000 | 754,000 | 755,000 |

Source: ONS Business Register and Business Survey, 2018

[7] European Commission (2015) Growing the European Silver Economy
[8] Age UK (2014) Financial Resilience in Later Life

*Figure 2.2: Total Employment (Indexed to 2013)*



Source: ONS Business Register and Business Survey, 2018

2.2.1    The largest sectors by absolute numbers in employment across the Heart of the South West are Wholesale & Retail Trade, Repair of Motor Vehicles & Motorcycles, Human Health & Social Work Activities, and Accommodation & Food Services.

### Opportunities in the Heart of the South West

2.2.2    The economy of the Heart of the South West and its growth opportunities are described in some detail in the Strategic Economic Plan, published in 2014[9] (see p.4 onwards). The three core aims of this strategy[10] are to; create the conditions for growth by improving connectivity and skills, improve productivity and increase employment across all sectors, and capitalise on the distinctive assets of the area in order to create high value growth and employment. This is a broad strategy that looks to take a balanced approach to growth, therefore particular places or sectors are not examined in detail.

2.2.3    The Heart of the South West Productivity Strategy[11] is focused on achieving the overall aim of *"doubling the size of the economy over 20 years"* (pg. 1). This will be done by focusing on improving productivity in the area. Businesses in the area will be provided with skilled workers, and the right physical environment to achieve improvements in productivity.

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[9] https://heartofswlep.co.uk/wp-content/uploads/2016/09/SEP-Final-draft-31-03-14-website-1.pdf
[10] Heart of the South West LEP (2014) Strategic Economic Plan 2014-2030
[11] Heart of the South West LEP (2018) Stepping up to the Challenge Productivity Strategy

2.2.4    The focus is on improving productivity across rural and urban areas, capitalising on the six transformational opportunities (Advanced Manufacturing, Marine, Nuclear, Climate and Environmental Science, Healthy Ageing), and providing business support.

2.2.5    The emerging Local Industrial Strategy[12] selects three priority areas for the Heart of the South West. These are: digital futures, high-tech engineering, and clean energy. These priority areas have been selected as they will deliver growth through the supply chain, can provide high value skills and employment, and will provide long-term growth across the region.

## 2.3    Policy context

2.3.1    There are a number of policies and strategies that consider the economic opportunities of an ageing society and how this may be captured in the Heart of the South West. These will help to shape future activity, and are discussed below.

### UK Industrial Strategy

2.3.2    The UK Industrial Strategy acknowledges both the societal challenges and market opportunities presented by the demographic shift, making it the focus of the fourth grand challenge: 'ageing society'. The grand challenge is to "*harness the power of innovation to help meet the needs of an ageing society*" (p.10)[13]. This innovation in age-related goods and service will not only improve the lives of older people, but also; improve UK productivity, and meet the demands of the global ageing population.

2.3.3    When the Industrial Strategy was published, the early areas of focus were to (p.54)[13]:

- Support new products and services for the growing global population of older people, meeting important social needs and realising the business opportunity for the UK. This includes the "Healthy Ageing" Challenge Fund
- Support sectors to adapt to a changing and ageing workforce. Fewer people are entering the labour market. The government also has a "Fuller Working Lives Strategy" which encourages retaining, retraining and recruitment of older people and is aimed at both employers and workers.
- Leverage our health data to improve health outcomes and UK leadership in life sciences. The government wants to develop "regional Digital Innovation Hubs" where people can securely access health data; part of the "from data to early diagnosis and precision medicine" challenge fund
- Support care providers to adapt their business models to changing demands, encouraging new models of care to develop and flourish. Care providers will also be encouraged to access opportunities in the strengthened Growth Hub network

2.3.4    Since the Industrial Strategy was published, this challenge has been framed around the mission to: "*ensure that people can enjoy at least five extra healthy, independent years of life by 2035, while narrowing the gap between the experience of the richest and poorest.*"[14] This is underpinned by the idea that the focus should shift from improving the quantity of life, to improving its quality.

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[12]Heart of the South West LEP and Partners (2019) Local Industrial Strategy-The Dynamic Heart: Areas for Future Emphasis
[13] HM Government (2017) Industrial Strategy White Paper
[14]Department for Business, Energy and Industrial Strategy (2018) The Grand Challenge Missions
https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/missions#healthy-lives

### Life Sciences Industrial Strategy

2.3.5    Life sciences is an important part of the healthy ageing agenda. The Life Sciences Industrial Strategy[15] is the industry's own strategy, which pre-dates the UK Industrial Strategy White Paper. This shows how the sector is extremely important to the UK economy, generating jobs and growth across the country. The sector is also highly productive compared to others. This strategy makes recommendations on how to strengthen the Life Sciences sector in the future and increase the pace of economic growth. One of these recommendations is for a Health Advanced Research Programme (HARP) that would provide significant funding for large-scale, high-risk projects that could create new industries in the sector.

2.3.6    'Healthy ageing' is listed as one of four HARP opportunities. Engineering and technology-based solutions can be applied to improving the lives of the older population in areas such as: digital monitoring; aids for mobility; and 'smart' homes. The commercial products and services created could use the NHS and social care systems as a test-bed. There is also a potential opportunity in the area of general ageing. This would look at intervening in the general processes that underlie ageing.

### National Health Service (NHS) Long Term Plan

2.3.7    This plan[16] acknowledges that the ageing population will lead to an unavoidable increase in demand for NHS services. The plan sets out five changes to the NHS service to be implemented in the next five years.  These are:

- Reducing the amount of care delivered in hospitals in favour of community care
- Reducing pressure on emergency departments
- People will be given more control over their health and more person-centered care
- Increase the use of digital technologies in the delivery of primary care
- Integrated care systems will be rolled out across the NHS

2.3.8    The delivery of integrated care systems is central to delivering the changes needed in the NHS. These systems will allow for the emergence of more local ways of working. There is also an increasingly important role for digital technologies across the NHS.

### Heart of the South West Local Industrial Strategy

2.3.9    The Local Industrial Strategy (LIS) for the Heart of the South West is currently being prepared, in partnership with the UK Government. Healthy ageing is a key priority in the UK Industrial Strategy, as discussed above, and may also be reflected in the LIS. If this is addressed in the LIS it will be as a potential driver of higher productivity in the Heart of the South West, e.g. focusing on areas with healthy ageing such as health technology.

### Heart of the South West Productivity Plan

2.3.10   The Heart of the South West LEP is focused on increasing productivity with an ambition to double the size of the economy over the next 20 years[17]. Healthcare has been identified as one of the five 'golden opportunities' to increase productivity in the region. This is centered around the "*expertise and facilities in association genetics, clinical trials and healthcare in Exeter, Plymouth, Torbay and*

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[15] Bell, Sir John (2017) Life Sciences Industrial Strategy
[16] National Health Service (2019) The NHS Long Term Plan
[17] Heart of the South West Partnership (2018) Stepping up to the Challenge: Productivity Strategy

*Devon"* (p.8), combined with the older population of the region. This is seen as providing the basis for a healthcare cluster in the field of healthy ageing.

2.3.11 The field of healthy ageing has the potential to deliver innovation, entrepreneurship, and create goods and services with global demand, in-line with the 'business leadership and ideas' theme of the strategy. Delivering in these areas will address some of the reasons identified by the LEP as contributing to low productivity levels in the past.

### Science and Innovation Audit

2.3.12 The South West England and South East Wales Science and Innovation Audit recognises the significant opportunity the stable ageing population in the Heart of the South West presents to the region. This provides an opportunity to both developing the digital health and life sciences sectors in the area, as well as attracting businesses to the region to use the area as a test-bed to prove new technologies,[18].

2.3.13 The South West England and South East Wales Science and Innovation Audit identifies two strengths in the region relevant to healthy ageing: 'next generation microelectronics' and 'digital living innovation'.

2.3.14 The microelectronics sector is a standalone sector, but also has applications in the fields of healthcare and the Internet-of-Things in areas such as orthotics, wireless monitoring, and sensors. There are concentrations of microelectronics companies in Exeter and Plymouth, and Torbay has an emerging photonics cluster. A new electronics and photonics innovation centre is due to begin construction in Torbay.

### Devon and Somerset Sustainability and Transformation Plans

#### *Devon*

2.3.15 The Devon plan covers the Devon, Plymouth, and Torbay local authority areas. An updated report discusses the priorities for the area over the next three years[19]. These focus on helping people to live better for longer at home through improved health and social care services[20]. The main opportunity to deliver this improved care is through the application of digital technologies. These can be used to improve our ability to prevent illness, as well as improving the delivery of care across multidisciplinary teams. There is also a plan to implement a framework for identifying those who might become ill based on their level of frailty.

#### *Somerset*

2.3.16 Somerset has a number of priorities for the health and care systems in the area[21]. One of these is to focus on prevention, prioritising those illnesses that are most common. Somerset wants to redesign its primary care offering, to reduce pressure on other parts of the healthcare system. This is needed as the population is ageing, and they have more complex needs.

2.3.17 Digital technologies are seen as one of the ways in which the vision for healthcare in Somerset can be delivered. Somerset is already a *"digital global exemplar"* in healthcare and wishes to continue

[18] Department for Business, Energy & Industrial Strategy (2016) South West England and South East Wales Science and Innovation Audit
[19] Devon Sustainability and Transformation Partnership (2018) Devon Sustainability and Transformation Partnership (STP) plan: Two-year Report
[20] Devon Sustainability and Transformation Partnership (2018) Devon Sustainability and Transformation Partnership (STP) plan: Two-year Report
[21] Somerset County Council (2016) Somerset Sustainability and Transformation Plan 2016-2020/21

using technology in its care system (p.28). It is working in areas such as online GP interactions, telehealth and digital applications to help people self-manage long term issues.

### Health and Wellbeing Strategies

#### *Devon*

2.3.18    Priority Three focusses on the older population[22]. Devon wants to work to allow people to live healthier for longer, and there will be a focus on prevention of ill health. This will allow healthcare services to deliver to those with the greatest need and reduce the incidents of multiple morbidities.

#### *Plymouth*

2.3.19    The Plymouth health and wellbeing strategy does not mention the older population specifically[23]. It does suggest it will use the Marmot Review as a framework for decision-making and this does mention the need to work on prevention of ill health.

#### *Somerset*

2.3.20    Priority four of the Somerset strategy looks at supporting the older population to live healthier and independently for longer[24]. The focus is to ensure the healthcare system can cope with growing demand, support those with chronic illnesses, and help people to improve their health.

#### *Torbay*

2.3.21    Priority six looks to enable people the older population to age well[25]. This focuses on providing the older population in Torbay with the community support they need to live happy and purposeful lives. This will be achieved by providing access to technology and transport so they can be involved in the local community.

2.3.22    Torbay will also ensure that older people have access to a variety of high-quality housing. This will include providing technology solutions for those who wish to stay at home, providing more dementia and nursing home places, and building more flexible care accommodation.

### Adult Social Care

#### *Devon*

2.3.23    This document[26] lays out the vision for delivering adult social care in the area over the next five years. The vision is to enable Devon residents to live independent, happy and healthy lives. The four themes for the delivery of this vision are: prevention, empowerment, support at home, and specialist care. For older people in the area this will mean; working to prevent and delay the need for support and increasing social prescribing; increasing the support for older people so they can continue to live in the community; and improving choice and availability of accommodation with care and support.

#### *Somerset*

2.3.24    The strategy for the delivery of adult social care in Somerset[27] will be focused on improving outcomes in six key areas:

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[22] Devon County Council (2016) A Joint Health and Wellbeing Strategy for 2016-2019
[23] Plymouth City Council (undated) Health and Wellbeing Strategy
[24] Somerset County Council (undated) Improving Lives in Somerset Strategy
[25] Torbay Council (2018) Joint Health and Wellbeing Strategy-Draft for Consultation
[26] Devon County Council (2018) Our 5 Year Plan for Adult Social Care
[27] Somerset County Council (undated) Promoting Independence & Person-Centred Approaches in Adult Social Care

- *Prevention and early intervention*
- *Managing demand and capacity*
- *Short term interventions*
- *Long-term care and support*
- *Workforce*
- *Governance and management* (pg.2)

2.3.25    The focus is on reducing the overprescribing, and over reliance, on formal care arrangements and looking at how voluntary, community, and technological solutions can be implemented to support people to live in the community whenever possible.

## 2.4    Policy summary

2.4.1    National policy, set out in the UK Industrial Strategy, is to support economic growth through tackling the needs of an ageing society, and healthy ageing. This means developing products and services; ensuring that there is a suitably skilled workforce; deriving value from big data; and supporting innovation and change in the care sector. This may be reflected in a Local Industrial Strategy for the Heart of the South West. Healthcare is identified as a priority in the Heart of the South West's productivity plan, with a specific focus on genetics, clinical trials and healthcare, and deriving value from having an older population in the area. The Science and Innovation Audit identifies microelectronics and digital living as opportunity areas.  The Sustainability and Transformation Plans discuss the use of digital technologies for both prevention of illness and delivery of care.

# 3   The Older Population in the Heart of the South West

## 3.1   Introduction

3.1.1   In this chapter we consider the nature of the ageing population in the Heart of the South West. We consider the demographics of the area; employment and self-employment; economic activity; and the qualifications of the older population.

## 3.2   Demographics

**Current older population**

3.2.1   The population of the Heart of the South West LEP area was approximately 1.7 million in 2017. Approximately 410,000 (24%) of these residents are aged 65 or over, with 58,600 of these aged 85 or over. When compared with the other LEP areas across the UK, the Heart of the South West has the third largest 65-and-over population as a proportion of the total resident population and the second largest 85-and-over population[28&29].

3.2.2   As with the total population of the Heart of the South West, the older population is not evenly distributed across the LEP area. Devon and Torbay have a larger proportion of residents aged 65 and over than the average, and Plymouth has a lower proportion, which is more in-line with the UK average.

*Figure 3.1: Total Population, including age breakdown (2017)*

|  | Total Population | 65 and Over |  | 85 and over |  |
|---|---|---|---|---|---|
|  |  |  | % of Total |  | % of Total |
| Devon | 787,000 | 197,000 | 25% | 28,000 | 4% |
| Plymouth | 263,000 | 48,000 | 18% | 6,400 | 2% |
| Somerset | 555,000 | 134,000 | 24% | 19,000 | 3% |
| Torbay | 135,000 | 35,000 | 26% | 5,000 | 4% |
| Heart of the South West | 1,741,000 | 414,000 | 24% | 58,600 | 3% |
| UK | 66,040,000 | 11,989,000 | 18% | 1,593,000 | 2% |

Source: ONS Population Estimates, 2018

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[28] This is joint third with Cumbria. Dorset, and Cornwall & Isles of Scilly rank number one and two respectively
[29] Dorset ranks number one

3.2.3    Further detail on the breakdown of the population by age cohort can be seen in the figure below.

*Figure 3.2: Total Population, with detailed age breakdown (2017)*

| | Total Population | Under 16 | % of Total | 16-24 | % of Total | 25-49 | % of Total | 50-64 | % of Total | 65-84 | % of Total | 85 and over | % of Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Devon | 787,000 | 129,000 | 16 | 79,000 | 10 | 218,000 | 28 | 165,000 | 21 | 169,000 | 21 | 28,000 | 4 |
| Plymouth | 263,000 | 47,000 | 18 | 37,000 | 14 | 83,000 | 32 | 47,000 | 18 | 41,000 | 16 | 6,400 | 2 |
| Somerset | 555,000 | 98,000 | 18 | 50,000 | 9 | 156,000 | 28 | 118,000 | 21 | 115,000 | 21 | 19,000 | 3 |
| Torbay | 135,000 | 23,000 | 17 | 12,000 | 9 | 36,000 | 27 | 29,000 | 21 | 30,000 | 22 | 5,000 | 4 |
| HotSW | 1,741,000 | 296,000 | 17 | 178,000 | 10 | 494,000 | 28 | 359,000 | 21 | 355,000 | 20 | 58,600 | 3 |
| UK | 66,040,000 | 12,505,000 | 19 | 7,214,000 | 11 | 21,881,000 | 33 | 12,451,000 | 19 | 10,397,000 | 16 | 1,593,000 | 2 |

Source: ONS Population Estimates, 2018

3.2.4    This figure illustrates that in the Heart of the South West, there is a smaller percentage of the population at all cohorts aged under 49 than nationally; but at aged 50+ all cohorts are larger. This shows that the structure of the population in the Heart of the South West is more concentrated in the cohorts from age 50 onwards, and not just 65+.

**Historic trends**

3.2.5    The total population across the Heart of the South West has been growing steadily, in-line with trend across the UK. The exception is Torbay which saw a decline in population between 2007 and 2013.

3.2.6    The older population has been growing year-on-year for the past ten years in the Heart of the South West. This has happened at a faster rate than for the UK. This growth has been seen across all the local authorities that comprise the Heart of the South West.

3.2.7    The 'oldest old' population has also been growing year-on-year in the Heart of the South West, but this has been at a slower rate than for the UK as a whole. The trend across the local authorities in the Heart of the South West is not as homogenous as for those aged 65 and over. Torbay's 'oldest old' population has returned to 2007 levels following a peak in 2012, whereas Somerset has seen an increase above the rate higher than that seen across the Heart of the South West or the UK.

*Figure 3.3: Change of Population by Age Breakdown (Indexed to 2007)*
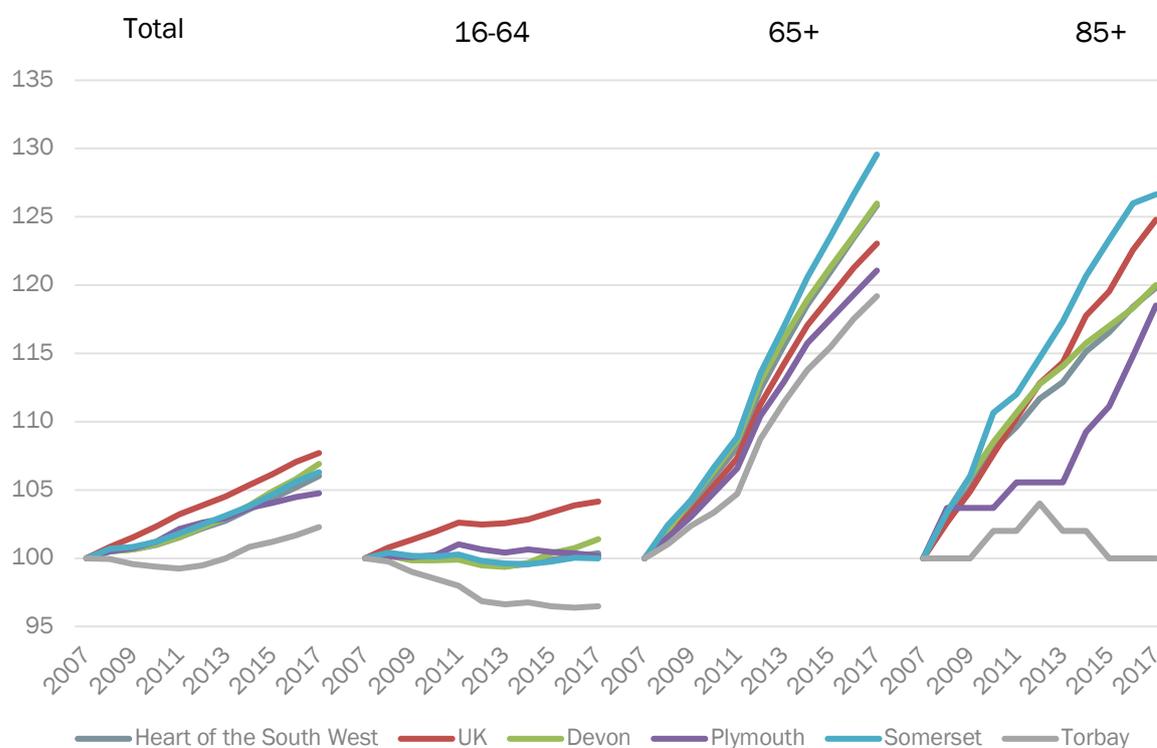


Source: ONS Population Estimates, 2018

3.2.8    The figure below shows the recent change in population by more detailed age cohorts. This shows that the rate of change in all cohorts from birth to 65 is greater in the UK than in the Heart of the South West. The rate of change in the population aged 65 to 84 is greater in the Heart of the South West, but for those aged 85+ the rate of change is greater in the UK.

*Figure 3.4: Change in Population by Age Breakdown (Indexed to 2007)*
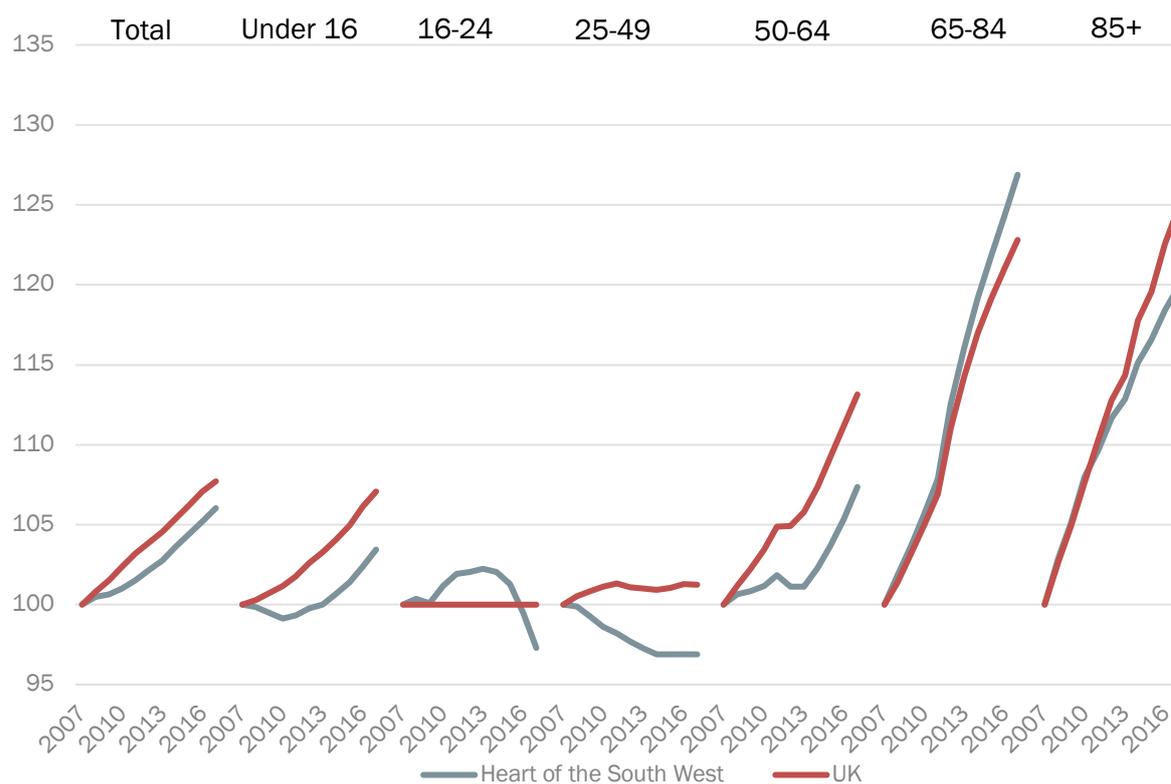
Source: ONS Population Estimates, 2018

### Population projections

3.2.9  The UK has been experiencing a steady increase in the older population since the 1960's, a trend which is set to continue[3]. This future increase will be driven by an increase in the older population, with the working age population projected to remain relatively stable between 2016 and 2066[3]. By 2066, the older population is projected to constitute approximately 26% of the total population, an increase of 8% on 2016 figures[3]. The 'oldest old' subset of the older population is predicted to increase the fastest between 2016 and 2066[5].

3.2.10  Population forecasts are not available for the UK, so forecasts are included for England only. The forecasts for the local authorities reflect the UK-wide picture shown above. The older population is set to increase by approximately 50%, and the 'oldest old' population is set to double.

3.2.11  A more detailed breakdown of population growth forecasts by age cohort can also be seen, which shows that the population of England is forecast to grow at a greater rate than the Heart of the South West except at 85+. Therefore, although the Heart of the South West has an older population, the population of England is expected to start to catch up, except at age 85+.

*Figure 3.5: Population Forecasts (Indexed to 2017 Population Estimate)*
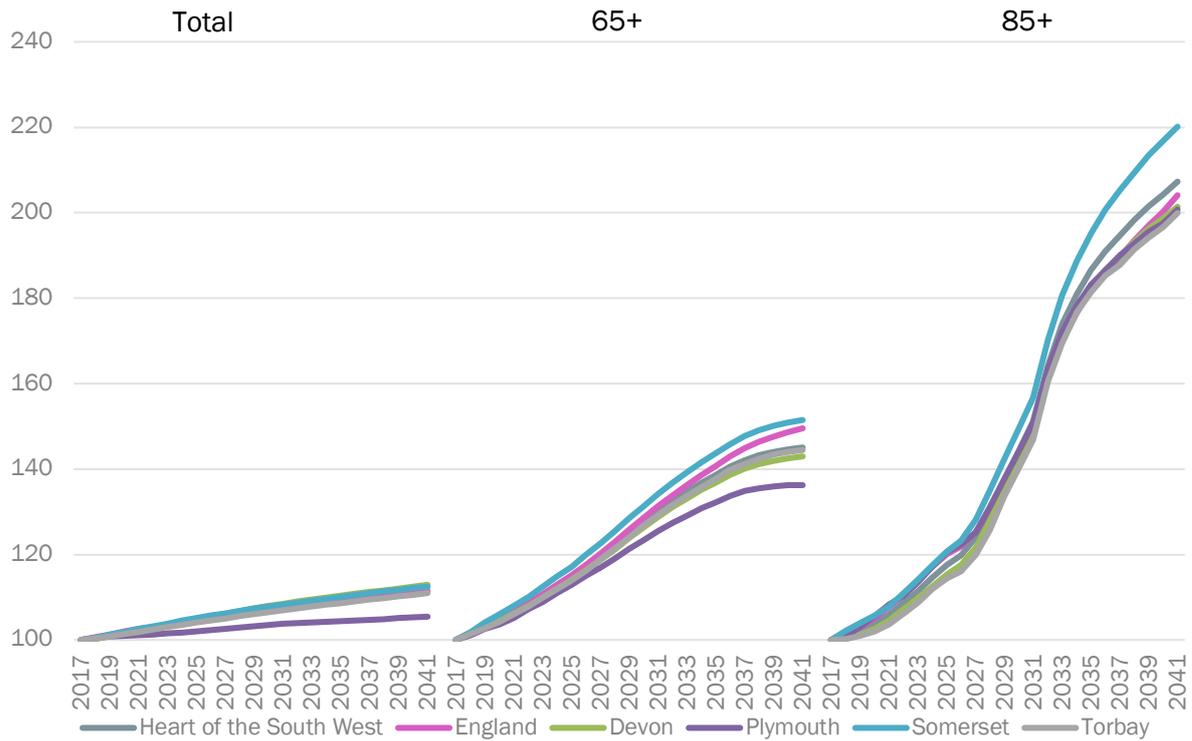


Source: ONS Population Projections, 2016

**Figure 3.6:  Population Forecasts with Age Breakdown (Indexed to 2017 Population Estimates)**
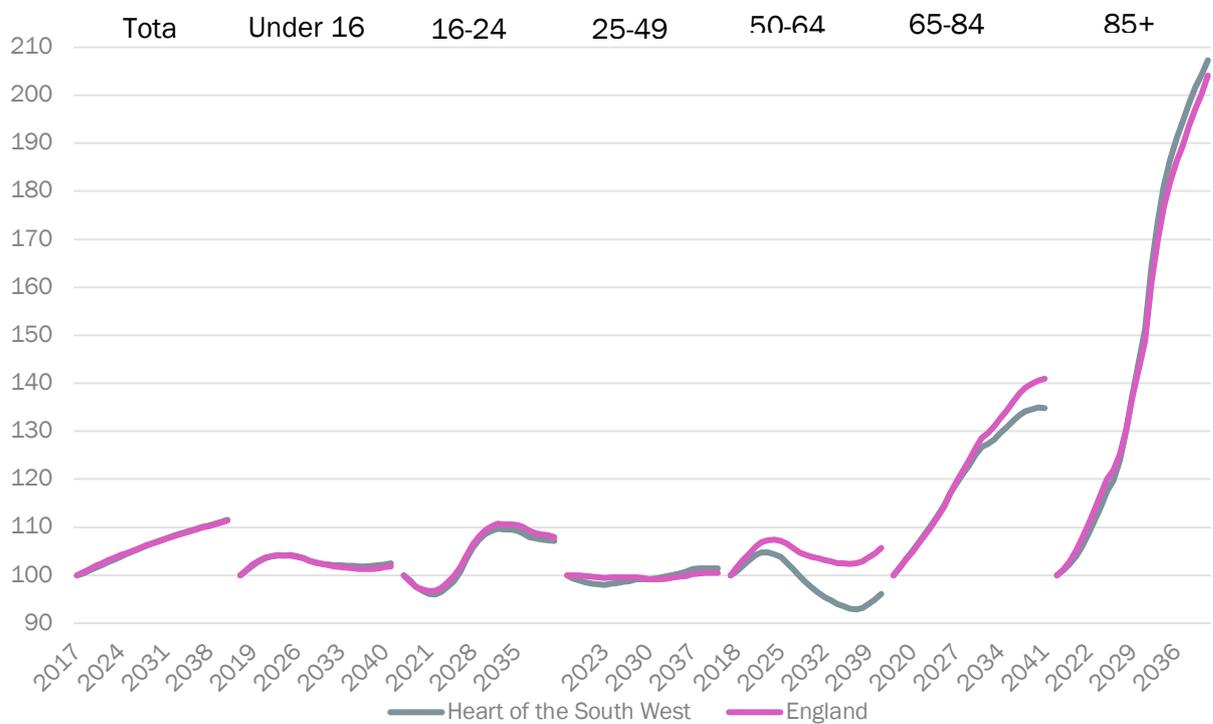


Source: ONS Population Projections, 2016

## 3.3 Economic activity

3.3.1 The economic activity rate of those aged 65 and over in the Heart of the South West has been above the UK average. When looking at the local authority areas it is important to remember that the absolute population figures are significantly larger in Devon and Somerset than the unitary authorities of Plymouth and Torbay.

*Figure 3.7: Economic Activity Rate of 65+*
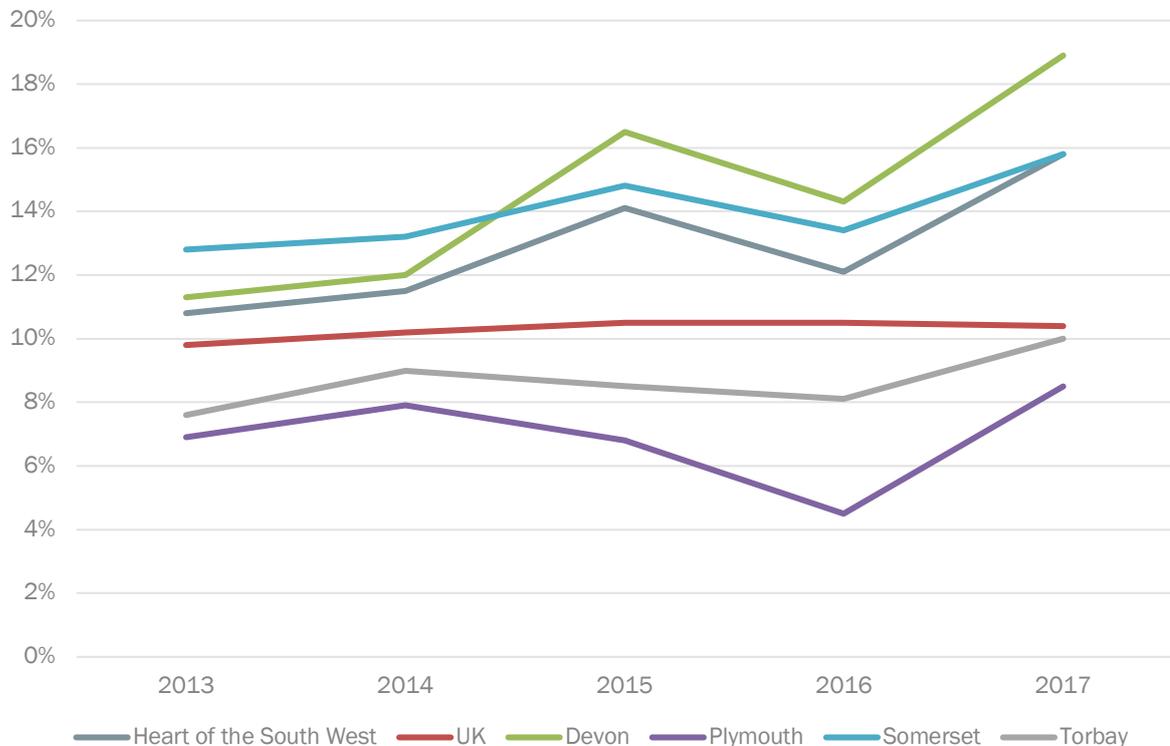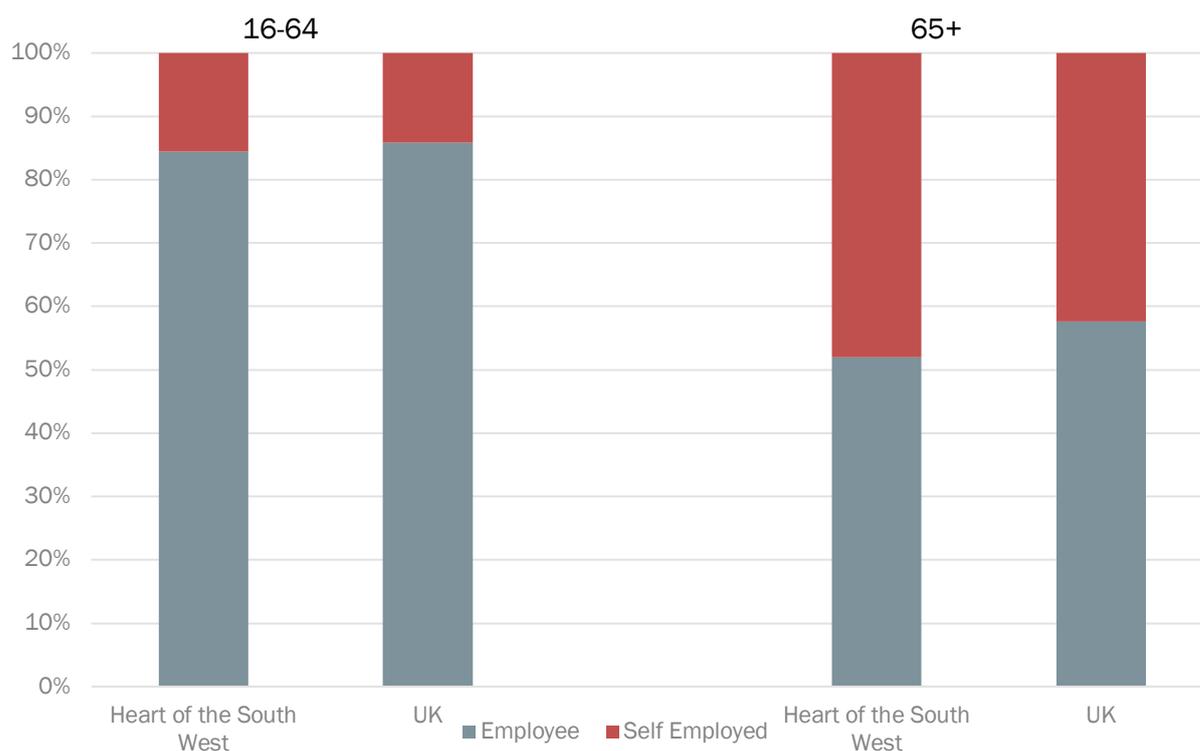


Source: ONS Annual Population Survey, 2018

## 3.4 Employees and self-employment

3.4.1 The level of self-employment as a proportion of those working in the older population is higher than in the working-age population in the UK[30]. The data shows that this trend is also seen in the Heart of the South West, although a time-series of the data would provide further reassurance that this is seen year-on-year[31]. Data for each local authority is available but is not presented here due to concerns regarding the robustness of the data at this level and the snapshot nature of the data as discussed above.

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[30] The ONS definition of the self-employed are those people who regard themselves as self-employed, that is, who in their main employment work on their own account, whether or not they have employees. This is identified by surveys such as the Annual Population Survey and Labour Force Survey

[31] This data is available to purchase from the ONS

*Figure 3.8: Employment and Self-employment of Working-Age and 65+ (2018)\**



Source: Annual Population Survey, 2018

*Note the data for 65+ should be treated with caution due to low numbers of survey responses

Actual numbers rather than percentages can be seen in the figure below.

*Figure 3.9: Employment and Self-employment of Working-Age and 65+ (2018)\**

|  | 16-64 | | 65+ | |
|---|---|---|---|---|
|  | Employment | Self-Employment | Employment | Self-Employment |
| **Heart of the South West** | 658,000 | 129,000 | 24,000 | 27,000 |
| UK | 26,423,000 | 4,350,000 | 649,000 | 477,000 |

Source: Annual Population Survey, 2018

*Note the data for 65+ should be treated with caution due to low numbers of survey responses

## 3.5 Qualifications

3.5.1 Data on the qualifications of older people is available to purchase from the ONS. There are concerns over the robustness of the data due to low numbers of responses. The validity of this data can also be challenged due to the changes in standards over time possibly under-representing the level of qualifications of older people.

## 3.6 Summary

3.6.1 The population of the Heart of the South West is older than that of the UK, and Torbay is the oldest local authority area within this. The population is projected to get older in the future, with a particular growth in the 'oldest old' i.e. those aged 85 and older. The economic activity rate of those

aged 65 and older is higher in the Heart of the South West than in the UK, but is significantly below the economic activity rate for those of working age. For those who are working, more older people are self-employed than amongst those of working age.

# 4 Market Opportunities of an Ageing Population

## 4.1 Introduction

4.1.1 This chapter sets out the discussion around some of the global market opportunities presented by an ageing population. This includes: increasing economic activity; health; care; housing; delivery of public services; urban design; tourism; leisure; financial services; and consumer goods.

## 4.2 Economic opportunities

4.2.1 The changing population demographics of the UK means that the performance of entire economy will be *"increasingly tied to the productivity and success of its ageing workforce"* [32] (p.6). Encouraging the older population to remain in work for longer will help to avoid future labour shortages and retain valuable skills in the workplace[6]. Working longer has also been shown to be beneficial to health and wellbeing[6].

4.2.2 The older population can also drive demand for goods and services. Merrill Lynch estimated that the silver economy[33] was worth $7 trillion per annum, and Euromonitor estimated that the spending power of 'baby boomers' would be $12 trillion by 2020[7]. In the UK, BIS (the former Department for Business, Innovation and Skills) suggested that the over 50's accounted for 40% of consumer spending[34]. In the Heart of the South West, Regeneris stated that in 2010 older people provided *"net economic benefits of around £1.7 billion across the HotSW area, once exchequer costs have been accounted for"*[35,36](p.17). This was calculated based on exchequer and non-exchequer costs and contributions. Non-exchequer contributions from the older population include: spending on goods and services (including multiplier effects); social care and childcare; volunteering; and gifts and donations to family and non-family. This figure on the net economic benefit to the Heart of the South West area does not help to identify particular market areas that serve the older population.

4.2.3 As the population demographic shifts, there will be a fundamental change in our society. Ageing in a world where most of the population is older is inherently different to ageing in one where the majority is young[32]. As the populations ages, there will be an increase in the number of people in poor health. This will increase demand for health and social care services. However, it could also increase the need for changes in housing provision, and the connectivity and character of towns and cities[32]. The change in the role of families could also present a societal challenge. Currently, many families are providing some care to older family members[13]. As families are becoming more diverse, and more 'vertical'[37], this could impact on how care is delivered to both children and older family members[32].

4.2.4 In developed countries, it has been found that people's financial circumstances are not likely to change during the course of their lives[1]. This means that people who are wealthy during their working life are likely to remain so in retirement, and vice versa. This coupled with the fact that

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[32] Government Office for Science (2016) Future of an Ageing Population
[33] This is generally accepted to mean those aged 50+
[34] Department for Business, Innovation and Skills (2011) Economic Opportunities and Challenges of Ageing
[35] Regeneris Consulting (2012) Ageing in the Heart of the South West Economy
[36] N.b. This is not compared to other age groups or pro-rated, so it is not clear whether this figure represents a positive or negative impact
[37] Where multiple generations are alive at the same time

most young people are at risk of not saving enough for retirement, could lead to significant challenges for future generations with wider societal and economic impacts[38].

## 4.3   Economic activity

4.3.1   The skills and experience of older workers[39] are widely recognised[40]. A survey by the Department for Work & Pensions (DWP) showed that over 75% of employers thought that the experience of people aged 50+ was their main benefit to the business. As the population ages, employers will need to draw on the skills of the older population in order to maintain a healthy labour supply. Some businesses have recognised the value of retaining these skills and experience within the business by setting up networks of 'alumni' to provide mentoring and training to staff, or cover for absences at short notice.

4.3.2   Older workers often value flexibility in work, with evidence suggesting they have a higher demand for flexible working arrangements than young people[41]. Analysis has suggested that if older people change jobs it is strongly associated with a decrease in the number of hours worked. Evidence also suggests that the majority of work done by those aged 65+ is either part-time or self-employed.

4.3.3   There are a number of areas of skills shortage in the UK economy, and encouraging older people into work could be targeted on those sectors which are experiencing problems[42]. Sectors facing recruitment shortages include Business Services and Construction. The occupation group facing the greatest shortages was Skilled Trades (such as chefs, electricians and vehicle technicians). Skills gaps in the existing workforce are of greatest concern in Hotels & Restaurants, Manufacturing, Financial Services and Primary Industries & Utilities. Skills gaps by occupation were greatest in 'labour intensive roles' (such as Elementary Occupations and Machine Operatives) and 'service intensive occupations (including Caring, Leisure & Other Services, and Sales & Customer Service staff).

4.3.4   Future skills demand in the UK has been identified in education, healthcare and wider public sector occupations, 'consistent with population ageing and a greater appetite for lifelong learning.'[43] There will also be 'buoyant demand' for workers in professional occupations such as creative, digital, design, engineering, architectural and green occupations.

4.3.5   The ageing of the population and level of retirement could affect the workforce in key sectors in the Heart of the South West, such as engineering, marine and energy. There is scope to ensure that the skills and experience of older workers are not lost to sectors such as aerospace and engineering, which are very important to the economy and productivity of the Heart of the South West. Initiatives to help workers to remain in employment for longer and transfer their skills and knowledge to younger workers will help to tackle any risk to productivity faced in these sectors.

### Market opportunities

4.3.6   Given the change in the state pension age, the growth in the older population, and the low levels of growth in the working-age population, there is significant potential for, and benefit from, increasing economic activity rates in the older population (which in this case covers all people aged

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38 Financial Conduct Authority (2016) Ageing Population and Financial Services
39 Older people are generally defined in this report as aged 50+
40 Department for Work & Pensions (2017) Fuller Working Lives: A Partnership Approach
41 Department for Work & Pensions (2017) Fuller Working Lives: Evidence Base
42 Department for Education and IFF Research (2018) Employer Skill Survey 2017
43 Bakhshi, H; Downing, J; Osborne, M; Schneider, P (2017) The Future of Skills: Employment in 2030

50+). This is based on a reasonably stable labour demand profile in the future, and does not factor in the potential of significant shocks such as the rise of automation, or changes to UK immigration policy. As well as contributing to productivity and GVA in the Heart of the South West, increased economic activity in the older population can also help to promote health and wellbeing through keeping people active (where work is a choice). Working practices will need to be sufficiently flexible to accommodate older people and ensure that they are able to be economically active in a way which suits them.

**Case studies**

*B&Q*

4.3.7    B&Q has been involved in actively recruiting workers aged 50+ since the early 1990s. The company has no default retirement age and offers flexible retirement option[44]. All employees in a permanent role are entitled to request flexible working regardless of age or length of service, and over 62% of employees work flexibly. All customer advisors are offered training, and given a choice over how and when to learn. Stores are encouraged to have 'diversity champions' and each store conducts a disability audit.

*Barclays*

4.3.8    One of the five pillars of the company's diversity and inclusion strategy is related to the older workforce, and has led to the creation of the 'Multigenerational Programme'[45]. Barclays was the first UK company to open both its foundation and higher apprenticeship programmes to people aged 24+, and there is no upper age limit[46]. The 'Silver Eagles' programme recruited retired staff to provide role models for younger staff, and work with customers as part of the 'Digital Eagles'[47] programme.

4.3.9    The bank also offers a return-to-work programme for those who wish to return to Barclays after a career break, and offers flexible working arrangements including job sharing, and the ability to work from home. As the 'Multigenerational Programme' is part of a company strategy it ensures that progress against targets is measured.

*Small and Medium Enterprises*

4.3.10    These businesses are marginally more likely to employ older workers, but can struggle to offer the flexible work arrangements that are often necessary to attract and retain older people[48].

4.3.11    A construction consultancy firm requires employees that have a wealth of experience on-site[49]. This company employs multiple people aged 60+ and provides flexible working arrangements, including home-working if appropriate. Training and development opportunities are provided to all employees regardless of age. Employees also often have musculoskeletal issues due to their history as on-site workers.

## 4.4    Health

4.4.1    The increase in life expectancy amongst the older population is not accompanied by an equal increase in the healthy life expectancy rate[32]. This means that as life expectancy is increasing, so

[44] Institute of Health Equity (2014) Increasing Employment Opportunities and Retention for Older People
[45] https://www.bitc.org.uk/resources-training/impact-stories/barclays-barclays-multigenerational-programme
[46] https://joinus.barclays/eme/apprenticeships/
[47] This is a programme that offers practical support to older people to help them develop their digital skills
[48] Smeaton and Parry (2018) Becoming an Age-Friendly Employer-Evidence Report
[49] Federation of Small Businesses (2019) Small Business, Big Heart: Bringing Communities Together

is the amount of time spent in poor health. The number of people with complex medical conditions and multiple morbidities[50] is also set to increase. The proportion of those aged 65+ with four or more diseases is projected to double by 2035[51].

4.4.2    With the pressures on the healthcare system set to increase, there are calls for a shift towards a more holistic, person-centric approach to health[52]. In-line with this call from industry, and in support of the mission of the ageing society grand challenge, the government has published a vision for the future of healthcare based around prevention[51]. Prevention of illness is important, not only for the individual, but it will also help boost the economy and reduce pressure on the National Health Service (NHS) in the long-run[51].

4.4.3    Prevention focuses on reducing the incidence of illness by looking the whole person in the areas of [51]:

- Healthy lifestyles: encouraging people to make healthy choices such as reducing smoking and alcohol use, and regularly exercising
- Improving housing: poor quality housing can lead to health problems and falls are a risk, especially for older people
- Work: improving both the general level of work and job security can lead to improved mental and physical health
- Social connections: these are important for mental health, and loneliness can exacerbate other illnesses

4.4.4    This approach to healthcare will require buy-in from all sections of society and a shift in attitudes[51]. Within this approach to healthcare, technology will play an important role. Predictive prevention will allow people to make use of their personal data combined with digital technologies to obtain personalised advice on the prevention of ill-health. This response to the challenge of an ageing society means that healthy ageing is an issue that affects all ages and not just those who are now older.

4.4.5    Building on the idea of prevention is the emerging field of precision medicine. This is where healthcare is targeted to a specific patient type[53]. This involves the use of biomarkers, artificial intelligence (AI) and health care applications (apps) to tailor the treatment pathway of individuals[53]. Advances in genomics, improvements in AI algorithms and big data, and improvements in the accuracy and interpretation of patient generated data will help precision medicine become a reality.

4.4.6    There are many specific areas of medicine that have started to gain interest in recent years beyond those discussed above. These include robotics, genomics, 3D printing, and gene editing. There is also ongoing development of advanced therapeutics including gene therapies, stem cells and tissue engineering. Advances in any or all these fields is not guaranteed but could help to contribute to the wider visions for the future of healthcare.

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[50] This means a single individual suffering more than one chronic illness
[51] Department of Health & Social Care (2018) Prevention is Better than Cure
[52] Ashby and Beech (2016) Addressing the Healthcare Needs of an Ageing Population: The Need for an Integrated Solution
[53] Love-Koh *et al.* (2018) The Future of Precision Medicine: Potential Impacts for Health Technology Assessment

4.4.7    The Department for Health and Social Care has set out its vision for the future of healthcare[54]. This is based around four priority areas[54]:

- Infrastructure: The digital records of patients will be compatible across IT systems of hospitals, GPs and care providers to allow for joined-up care
- Digital services: Improvements and rollout of services to meet people's needs
- Innovation: Delays bringing innovations into the NHS will be reduced and source software will be made available to allow private business to design compatible digital technologies
- Skills and Culture: Digital, leadership and change management skills alongside an open culture will embrace advances for improved outcomes for staff and patients

**Market Opportunities**

4.4.8    The opportunities in the health market are around any developments that improve the healthy life expectancy of the older population. These are likely to be in areas such as the application of big data, and artificial intelligence to medicine. There is the potential to export many of the advances made in the field of medicine as it is primarily a global marketplace. However, there could be issues around approval processes in other countries.

**Case Studies**

*Gene Therapy*

4.4.9    Age-related macular degeneration (AMD) is the most common cause of blindness amongst the older population, and the more advanced form has no proven effective treatment to-date[55]. The advanced form of AMD can lead to a debilitating loss of sight, sufferers can lose the ability to read, write, and complete everyday household tasks. Research states that those affected with advanced AMD report a decrease in their quality of life similar to that of a someone who has suffered a stroke.

4.4.10   Gyroscope Therapeutics, a company based in Hertfordshire, has just successfully started a trial in the use of gene therapy for the treatment of advanced AMD. If this therapy can be used to halt the progression of this disease people will be able to live independently for longer.

*Big Data and Artificial Intelligence*

4.4.11   The use of big data and artificial intelligence in medicine is an emerging field. In medicine, there is a need to overcome the issue of privacy legislation in order to access sufficiently large datasets that could be used to train artificial intelligence programmes.

4.4.12   Projects such as the 100,000 Genomes Project are actively building up databases of medical data to be exploited for medical research[56]. The development of integrated health and social care computer systems across many NHS Trusts[57] will also generate a large amount of health-related data. Such datasets could provide an opportunity for researchers to investigate a number of disease processes and treatments, and electronic health records can be used to monitor patient outcomes.

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[54] Department of Health and Social Care (2018) The Future of Healthcare: Our Vision for Digital, Data and Technology in Health and Care https://www.gov.uk/government/publications/the-future-of-healthcare-our-vision-for-digital-data-and-technology-in-health-and-care/the-future-of-healthcare-our-vision-for-digital-data-and-technology-in-health-and-care#our-priorities
[55] http://gyroscopetx.com
[56] https://www.genomicsengland.co.uk/about-genomics-england/the-100000-genomes-project/
[57] Examples include the Somerset Integrated Digital Electronic Record, discussed later in this report

4.4.13    An early example of the application of artificial intelligence in human health is in the field of radiography. One programme developed in the United States could outperform radiologists in diagnosing pneumonia from a radiograph[58]. Pneumonia disproportionately affects older people, and almost all deaths from the disease in the UK in 2012 were among those aged 65+[59]. Further work is being conducted to improve the artificial intelligence programme which can currently match or outperform radiologists in the recognizing 11 of 14 pathologies.

## 4.5    Care

4.5.1    The care needs of older people are inextricably linked to their health needs. Long-term health conditions are causing significant pressure on the NHS and are not being well managed[51]. Improvements in care would greatly help to reduce pressure on the NHS and improve the quality of life of those affected[51]. As with the treatment of health conditions, transition to a whole person assessment of care will benefit patients[51]. This will require further integration of health and care services to ensure that a streamlined service is delivered to patients.

4.5.2    Telecare advances could see older people cared for remotely in their homes. This would be particularly beneficial to people living in rural areas that are difficult to access. This is not yet judged to be cost effective, but advances in the technologies will likely make it cheaper and improve uptake in the future[32]. The use of technologies such as GPS tracking and alarms designed for the care of people with dementia will likely prove popular[32]. Currently many older people are reluctant to engage with telecare and other assistive technologies due to fears over privacy, choice, control and reduced social interactions[32].

4.5.3    Demand for care home places are likely to increase as people are living longer but without improvements in health. Those aged 85+ comprise the majority of care home residents and are the fastest growing subset of the older population[60]. A report on the care home market found a number of potential issues with current provision. This includes the fact that more than half of care home places are in homes that were not purpose built[60]. Most care homes were first opened between 20 and 30 years ago and it is unclear how much reinvestment has taken place to maintain these to modern standards[60]. Whilst demand for good quality care home places is likely to increase, there has been a shift away from the use of care homes towards caring for people in their own homes[60].

### Market Opportunities

4.5.4    The market opportunities in care are in two main areas; care for older people at home, and care in specialist housing such as care homes. The application of digital technologies to the care for people in their homes has significant potential and will likely be large market in the future. It is important to note that there is a clear societal preference for care to be delivered face-to-face where possible, as social interaction is an important aspect of this. Providing additional care homes places in modern, purpose-built accommodation that can provide acute, short-term care is also an opportunity. There is potential to export some of the advances made in this area, this may be limited by the different care models in different countries.

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[58] https://med.stanford.edu/news/all-news/2018/11/ai-outperformed-radiologists-in-screening-x-rays-for-certain-diseases.html
[59] https://statistics.blf.org.uk/pneumonia
[60] Competitions and Markets Authority (2017) Care Homes Market Study

4.5.5 The introduction of greater technology into the care sector will mean the need for greater workforce skills and qualifications to be able to make effective use of the technology. The care sector has traditionally been a low-skilled sector, so this is a significant challenge.

**Case Studies**

*WCS Care and Cera*

4.5.6 WCS Care is a care home provider that has installed acoustic monitoring systems in residents' bedrooms[54]. These monitors allow staff to detect if a resident may benefit from more care at night, and conversely prevents unnecessarily disturbing residents while they are asleep. The system has reduced the number of falls during the night, and improved overall night time care.

4.5.7 Cera provides care for clients in their own homes.[54] The company is developing an artificial intelligence chatbot that assists carers in making decisions about care by making recommendations to the carer. The company has an ambition to expand this to technology to assist in spotting the early symptoms of illness.

*Smartline*

4.5.8 This is a research project working with Coastline Housing, a housing association based in Cornwall. Environmental sensors have been installed in approximately 300 homes to gather data on air quality, humidity, temperature, water usage, the amount of energy used to heat the house, and how air moves around in the house. Monthly health and wellbeing surveys are also sent to participants. The sensors will gather data for two years, producing a database which can be accessed by local businesses.

4.5.9 This is discussed further in section 5.5.3 below.

## 4.6 Housing

4.6.1 With the drive to try and care for people in their own homes the issues encountered by older people within their own homes will need to be addressed. In 2016, it was estimated that the poor-quality housing of older people cost the NHS approximately £620 million. Falls are a major issue for the older population, and 75% of deaths from falls are from falls that happened at home[61].

4.6.2 Simple adaptations to homes can mitigate many of the risk factors for falls and can delay the need to enter residential care by up to four years[51&61]. This can involve: the installation of grab-rails, stair-rails or step-free access, widening of doorways, and conversion of downstairs rooms to bedrooms or bathrooms[61]. Aside from these basic adaptations, the Internet-of-Things can be applied to the homes of older people in many ways[62]. Sensors can be used to monitor for falls, and health parameters can be monitored remotely. For those with cognitive dysfunction; automated reminder systems can be used for medications, and assistive technologies can be used to remind people how to perform basic tasks[62].

4.6.3 Most houses in England were designed for families, but 35% of households are occupied by older people either co-habiting or living alone[32]. With the rapidly growing older population, this could exacerbate the housing shortage due to under-occupancy of houses[32]. Most of the current housing stock is not currently suitable for older occupants with limited mobility as it lacks accessibility

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[61] House of Commons (2018) Housing for Older People
[62] Majumder, J *et al*. (2017) Smart Homes for Elderly Healthcare-Recent Advances and Research Challenges

features[51]. Building homes that can be easily adapted to the needs of older people will be important to allow people to remain in their own homes[32].

4.6.4     One of the main issues for older people who choose to stay at home is maintenance of the property[61]. This leads to an increase in the need for services, in particular handypersons who can maintain a healthy and safe environment for older people to live in[61]. Aside from basic maintenance services, more hi-tech services such as robotic voice assistants (e.g. Alexa) have been trialed in the homes of older people in Hampshire. This service allows family members to be involved in care, and survey results from older people suggesting a decrease in the feeling of isolation[54]. Inter-generational living has also been trialed in Europe and the UK[63]. This can benefit the older people living there both through creating a community culture and also with the younger people helping with basic care tasks[32].

### Market Opportunities

4.6.5     There are market opportunities both in the new homes market, and in the adaptation of the current housing stock. The design and construction of new homes that are 'future-proof' and can adapt to people's needs as they age could prove popular. There are also opportunities in the market for retrofitting existing homes to suit the needs of their older occupants. This could take the form of basic adaptations, or the installation of digital technologies, or both. Innovative approaches to current housing models could prove a disruptive force in the housing market and address many of the overall issues in the current marketplace. These advances are likely to primarily serve the domestic market.  Local authorities may need to review and revise their planning and housing policies to ensure they are flexible enough to accommodate these changes.

4.6.6     Market process are very high for the private provision of specialist housing for older people; and there is a need for greater non-market provision of specialist housing e.g. through social housing providers.

### Case Studies

#### *New Ground*

4.6.7     New Ground is a senior co-housing community located in High Barnet, London[64]. Residents are all women aged 50+ with current residents aged between 50 and 85. There are 25 flats in total; 17 are owner occupied, and eight are socially rented. There are shared spaces including a kitchen area, launderette, garden, and guest bedroom. The building has been designed to be user friendly, with input from residents. There is an external network of people who are members of the group who can potentially be admitted to the community when a space arises.

4.6.8     There are not many examples of co-housing schemes in the UK, and this project took approximately 20 years to complete. This has been blamed on the planning system, legal issues, and competition for development sites.

#### *Midland Heart*

4.6.9     Midland Heart is a housing association working across the Midlands[65]. They operate a waiting list for affordable housing which can be filtered to reveal the demand from those aged 55+. The association shares this data with other housing providers in the area to provide evidence of unmet demand for housing among the older population. In written evidence to the House of Commons,

63 This is where younger and older people co-habitat or live in a housing block together
64https://cohousing.org.uk/case-study/new-ground-older-womens-cohousing-community-owch-high-barnet/
65 Midlands Heart (2017) Written Evidence Submitted by Midland Heart [HOP 026]

Midlands Heart noted the work undertaken by Birmingham City Council and Worcestershire County Council to identify the need for additional housing with care in their areas within their housing needs assessments.

*Somerset Independence Plus*

4.6.10　Somerset Independence Plus[66] provides advice on making improvements and adaptations to people's homes in order that they can continue to live in them. It can also offer some financial assistance for home improvements for people with disabilities.

## 4.7　Delivery of public services

4.7.1　The older population is more likely than other age groups to use public services[67]. Beyond healthcare and housing, older people may also engage with the benefits system, public transport, and leisure services[67]. Overall, the public services available to the older population should be better advertised and explained to the older population[67]. A range of methods for accessing public services should be made available to ensure that no section of the older population is being excluded[67]. This could for example be providing alternatives to online services for those not computer literate, or providing large print and braille forms for those with visual impairments[67].

4.7.2　Most people rely on a car for transportation regardless of age[32]. However, loss of access to a car for older people can be extremely damaging[32]. Access to suitable public transport, in particular buses, can help older people maintain their independence and avoid them losing vital social connections[32]. This can be a particular issue in rural areas where those without a car report restricted participation in the community[32]. A 2014 report suggested that for every £1 spent on bus passes for older and disabled people £2.87 of benefit was generated, half of which was to the pass holder[68].

### Market Opportunities

4.7.3　There is an opportunity for the private sector to provide products and services that improve the experience of older people when interacting with public services, in particular in the areas of accessibility. These innovations would then be purchased by the public sector to improve their accessibility. There is also the opportunity for the private sector to replace the public service provision with an improved offering. Examples of this could include community transport initiatives or other transport services. Dependent on the nature of the new products or services there is the potential to export these to the global market.

## 4.8　Urban design

4.8.1　Connectivity and access to the community is important to older people for a number of reasons. Reduction in the feelings isolation and the ability to access the community are known to improve; health, activity levels and quality of life[32].

4.8.2　Consultation with older people has, and will continue to, reveal what is important to them. Older people encounter issues with the lack of public toilets, seating, accessible bus stops, suitable pavements and space for community activities[32]. Many design features of the urban environment need careful consideration: features designed to help certain groups within the older population

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66 http://www.swpshp.org/article/2448/Somerset-Independence-Plus
67 House of Commons Committee of Public Accounts (2004) Improving Public Services for Older People
68 Local Government Association (undated) Ageing: The Silver Lining

can negatively impact others. For example, tactile pavements can help those with sight impairment but can be a hazard to those that struggle to walk[32].

### Market Opportunities

4.8.3   There is an opportunity for those who can design and deliver carefully designed urban areas that consider the needs of the older population without negatively impacting on any other group of people. There is also an opportunity to deliver products and services to older people that improve their experience of interacting with the urban environment. There is the opportunity to export any of these advances to the global marketplace.

4.8.4   The re-design and re-development of the physical environment is more challenging in rural areas, where development schemes tend to be smaller.

4.8.5   Under the Devon sustainability and transformation plan, there is a priority to deliver integrated models of care, with delivery in people's homes and in the community rather than in hospitals[69]. Community health and wellbeing hubs have been established[70], and more of these could be integrated into the urban environment in the future.

### Case Studies

#### *Chester*

4.8.6   Chester was the first British city to win the European Access City Award. The city has provided wheelchair access to the 'Rows'[71], and the city has nine accessible toilets with adjustable height sinks and changing benches, a toilet designed for assisted use and a hoist.

#### *De Hogeweyk*

4.8.7   This is a dementia care facility that is modelled on a village[72]. Accommodation is on the outer edge, while the central area has a number of communal facilities including; shops, cafes, a theatre, and a pub. The area is secure for residents so they can move around safely. A key principle is the delivery of care within 'normal' society.

## 4.9   Tourism

4.9.1   Within the European Union those aged 65+ make up the largest share of tourism trips[73]. Within the UK tourist population in 2012, those aged 65+ made up just under 20%. This is the third largest proportion in the EU[73].

4.9.2   In the UK in 2014, those aged 55+ accounted for approximately one-third of all tourist trips, and one-third of tourist spending (they comprised 36% of the population)[74]. The average annual growth rate in tourism by those aged 55+ between 2008 and 2014 was 2%. This is above the average annual growth rate across all age groups[74]. This age group was found to take longer trips than average, therefore spending slightly more than average per trip[74]. In-line with the general population most trips are taken in the South West, accounting for 22% of all trips which is higher

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[69] Devon Sustainability and Transformation Partnership (2017) Shaping Future Care: A sustainability and transformation plan for Devon

[70] http://www.devonstp.org.uk/budleigh-health-wellbeing-hub-welcomes-visitors/

[71] These are a second row of shops on the first floor

[72] https://hogeweyk.dementiavillage.com/en/

[73] Eurostat (2016) Tourism Trends and Ageing https://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_trends_and_ageing

[74] Visit England (undated) The 55+ Age Group and Domestic Tourism

than any other region in England. Visitor attractions, historical and heritage attractions, and outdoor activities prove the most popular trip activities for those 55+[74].

4.9.3 Domestic tourism is seen as a good fit with the older population, in particular, turning visits to friends or relatives into holidays is a growing trend in tourism[75]. As people live longer and there are more 'vertical' families, this is likely to increase as there are more reasons for family visits[75]. Health tourism, such as spa holidays, is seen as attractive to health-conscious older people, and activity breaks are likely to attract the more active older population[75].

**Market Opportunities**

4.9.4 A tourism offer that combines a number of different products that area attractive to older people will provide an opportunity to attract the older population to an area. Older people are likely to engage in domestic tourism so this offer will be primarily for the UK population.

**Case Study**

*Northern Ireland Tourist Board*

4.9.5 Northern Ireland Tourist Board has looked at the impact of an ageing population on their tourism industry[76]. They suggest that as the 'baby boomer' generation is retiring they will drive the tourism market. As this generation is often well travelled already, tourism will need to focus on authentic experiences. Tourist accommodation will need to be high quality as this generation has already had a 'rough and ready' experience when they were younger. Accommodation should also ensure it is accessible as possible, as older people are more likely to have some form of impairment. The tourism offer in Northern Ireland should build upon their cultural and outdoor assets (such as historical areas and golf courses) and provide unique experiences to visitors.

## 4.10 Leisure

4.10.1 A study in the United States in 2017 showed that retirement was positively related to increased participation in leisure activities[77]. However, within this it was shown that single retirees are less likely to engage in leisure activities than couples[77].

4.10.2 In the UK, a study suggested that the increase in consumption of leisure activities typically associated with early retirement is a myth[78]. This study suggested that, with the exception of a small group of people who were wealthy before retirement, leisure spending decreases in retirement. In particular, after the age of 70, leisure spending declines significantly[78].

4.10.3 Health status does appear to have an impact on leisure activities and so, if we can improve the long-term health of the older population then leisure spending may increase.

**Market Opportunities**

4.10.4 It is not clear that there is a large market opportunity specifically for older people in the area of leisure.

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[75] Visit England (2013) Domestic Leisure Tourism Trends for the Next Decade
[76] Northern Ireland Tourist Board (undated) The Ageing Visitor Opportunity
[77] Lee *et al*. (2018) Life Transitions and Leisure Activity Engagement in Later Life: Findings from the Consumption and Activities Mail Survey
[78] Brancati *et al*. (2015) Understanding Retirement Journeys: Expectations vs Reality

## 4.11 Financial services

4.11.1 Ensuring that financial services work for the older population is important as this population increases. The areas of retail banking and borrowing have been highlighted by the Financial Conduct Authority as important issues for older customers[79].

4.11.2 In the area of retail banking older customers can face a number of barriers to interacting with services as the sector changes. Age-related changes such as reduced mobility and visual impairments can mean that older people have difficulty accessing services[79]. Branch closures can mean that older people can no longer access a bank in person, and visual impairments mean that use of digital facilities can prove difficult[34].

4.11.3 Housing equity is an important part of financial wealth for the older population[79]. This means that the desire for home equity release is likely to increase. A number of those aged 55+ have interest-only mortgages that are reaching maturity[79]. The interest in mortgage products is therefore also likely to increase in the older population. Age limits for mortgages have been increasing in recent years[79]. However, there is still some confusion in the mortgage market and issues to overcome around lending to older people[79].

### Market Opportunities

4.11.4 As with access to public services, there are opportunities to provide services that help older people interact with the retail banking system. Innovative financial products that are easy to understand and provide borrowing facilities to the older population will be needed in the future. Ideas such as these could be rolled out to other countries, but could face barriers to entry due to the different legislative regimes of other countries.

### Case Studies

#### *Retail banking*

4.11.5 There have been a number of initiatives in banks and building societies to improve the service delivered to older customers[79]. These range from simple solutions such as: providing an area with easy grip pens and magnifying glasses to staff training to notice when an older customer may be having difficulty and not understanding what is being discussed. One bank is working to allow fingerprint and iris scanning technologies to be used to log in to its banking app so that people with physical and cognitive difficulties can still access their accounts.

#### *Financial Products*

4.11.6 The Financial Conduct Authority has recently changed the rules around lifetime mortgages which is aimed at providing these products to customers that have high levels of housing equity[79]. The industry is also looking at the possibility of introducing retirement interest-only mortgages[80], and is consulting on this.

4.11.7 The Financial Conduct Authority has also expanded the advice unit of its 'innovate' project to cover the mortgage sector, firms looking to provide guidance rather than regulated advice, and firms not looking to seek authorisation[81].

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[79] Financial Conduct Authority (2017) Ageing Population and Financial Services
[80] Including interest-only mortgages where the capital is repaid when the customers dies or moves to long-term care
[81] https://www.fca.org.uk/firms/fca-innovate

## 4.12  Consumer Goods

4.12.1   One of the most important factors when considering the needs of the older population is inclusive design. Inclusive design does not mean making a product that will work for everyone regardless of health status[82]. It involves looking at user needs and incorporating this into the design of the product rather than forcing them to try and use existing products that do not adequately meet their needs[83].

4.12.2   Inclusive design for older people will take account of the issues that they can experience when interacting with consumer goods. This can include impairments to vision, hearing, mobility or cognitive function[83]. Suggests for how this can be addressed in the mobile phone market include; improved illumination and large print, no high frequency audio, large keys and easy to hold phones, and simple user interfaces[83].

### Market Opportunities

4.12.3   There are numerous market opportunities in the realm of consumer goods. Designing goods that do not exclude older users will make them more attractive to a larger segment of the market. There is also the opportunity for advisors on inclusive design to assist companies in making their product accessible to the growing older population. The global market for goods means that successful products could be exported to other countries.

### Case Studies

#### *Oxo*

4.12.4   Oxo has worked with older people, and people with arthritis to understand how they interact with kitchen utensils[84]. From this research, Oxo has developed its 'good grips' range, all designed with ergonomic and easy to use handles. The company also consulted with able-bodied younger people to ensure that the new design ideas were relevant to the mainstream market. Products in the range that include additional features are: a jug where the amount of liquid can be measured from above using a scale of red on white background that is easier to visualise; and a salad spinner that works be depressing a single large button making it easy to use with little effort. This range has had annual sales growth of over 30%.

#### *BT*

4.12.5   The BT Freestyle 700 series has been developed in conjunction with consumer consultation on inclusive design. The research established seven criteria for the phone's design: easy to dial; easy to read; easy to hear; easy to hear phone ringing; easy to understand; easy to answer and end calls; and easy to see who is calling. The range of phones have seen a 20% increase in sales since their launch.

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[82] Vass (2009) Inclusive Design: The Challenge of an Ageing Population

[83] Pattison and Stedmon (2006) Inclusive Design and Human Factors: Designing Mobile Phones for Older Users

[84] http://www.inclusivedesign.no/product-graphic/oxo-good-grips-article29-265.html

## 4.13  Summary of market opportunities

| Area | Global market opportunities of an older population |
|---|---|
| Economic activity | Potential to increase economic activity rates amongst those aged 50+<br>This also helps tackle inactivity and health issues |
| Health | Prevention of ill health in older will help to reduce costs to society<br>Precision medicine<br>Application of big data and artificial intelligence to medicine<br>Improvement of access to digital records in the healthcare system |
| Care | Telecare/remote care, particularly in rural areas<br>Remote monitoring of older people<br>Assistive digital technologies in the home<br>Provision of residential care, particularly for the 'oldest old' |
| Housing | Adaptation of older people's homes<br>Introduction of digital technologies into the home<br>Build of specialist housing for older people<br>Property maintenance |
| Delivery of public services | Improving access to services for older people<br>Alternative provision of travel services |
| Urban design | Designing the urban environment to suit older people, whilst avoiding negative impact on other groups |
| Tourism | Delivering a tourism offer to older people |
| Leisure | Limited market opportunities specifically for older people |
| Financial services | Introduction of technology to enable people to interact with financial services<br>Innovative financial products to release equity |
| Consumer goods | Inclusive design to meet the needs of older people |

# 5    Opportunities in the Heart of the South West

## 5.1    Introduction

5.1.1    The previous chapter shows that the Heart of the South West has an older population than the national average. It has a very high quality coastal and rural landscape, but this means that there are many older people living in less accessible areas. As well as ageing population, many older people are attracted to retire to the Heart of the South West, which is accelerating the ageing of the population. An older population typically has more health issues, which creates more demand for health and care services. Promoting healthy ageing is important, to help people to maintain their quality of life, and also to save costs to the public sector in terms of saved costs in health and care systems.

5.1.2    These factors present a number of challenges and opportunities for the area. The high proportion of older residents mean a concentration of older people who need specialist goods and services. The more dispersed older population means that providers need to be innovative in finding ways to deliver support and services. Given these challenges and opportunities the Heart of the South West is already a test-bed for new approaches to providing support, goods and services to an older population, and keeping the older population healthy.

5.1.3    In this chapter we explore some of the opportunities for the Heart of the South West within the context of the global opportunities identified in Chapter 4, and look at how these can help to address the region's challenges. We look at:

- Increasing economic activity amongst the older population
- The Heart of the South West as a test bed for innovation and developing healthcare technology related to an ageing society and healthy ageing
- Helping older people to stay in their own homes and communities
- Leisure
- Other areas of opportunity

5.1.4    These opportunities are not discrete, and there is significant overlap between them, as discussed below. A number of the activities already underway in the Heart of the South West are discussed in more detail in Appendix 1.

## 5.2    Increasing economic activity

5.2.1    The older population (aged 65+) has lower levels of economic activity than the working age population (aged 16 to 64), as discussed in Chapter 3. However, a number of consultees to this study have recognised the potential for older people to be more economically active. Many older people are already acting as (often unpaid) carers, frequently for family members, but increasing economic activity could also mean volunteering and working. Older people often have skills and experience which they can draw on; and they can help to train, support and mentor younger workers.

5.2.2    Enabling older people to work or volunteer may mean that employers and voluntary organisations need to be flexible about hours worked/volunteered; and they may also need to ensure that they have suitable accommodation and equipment to enable older people to participate.

5.2.3    In general, and in the Heart of the South West, the older population is growing and forecast to grow more, whereas the working-age population is forecast to remain fairly stable; so engaging older people in work and volunteering could help to maintain levels of economic activity in the regional economy. This is particularly important to sectors facing a skills shortage, such as the care sector.

5.2.4    The government launched the Fuller Working Lives Strategy in 2017 acknowledging the need for the older population to remain engaged in the labour market[6]. The ambition is "*to support individuals aged 50 years and over to* remain in and return to the labour market and tackle the barriers to doing so" (p.42). The government has already taken steps to reform the state pension system, and introduce 'older claimant champions' to all Job Centre Plus regions. The strategy is a partnership between government and business and so, is not prescriptive. However, suggestions to businesses are made in three main areas: retention; retraining; and the recruitment of older people. Recommendations across these areas focus on the fact that, with the right support and a shift in focus and attitude, older people can easily continue to contribute to the labour market. This will be particularly important in sectors which have high productivity but are facing recruitment challenges, such as aerospace and engineering.

5.2.5    Based on historic rates of economic activity amongst the working age and older populations, the number of economically active people as a proportion of the resident population in the Heart of the South West is set to decline. This is driven by the lower economic activity rates of the older population combined with the increasing number of older residents.

*Figure 5.1: Projected Change in Economically Active Residents*
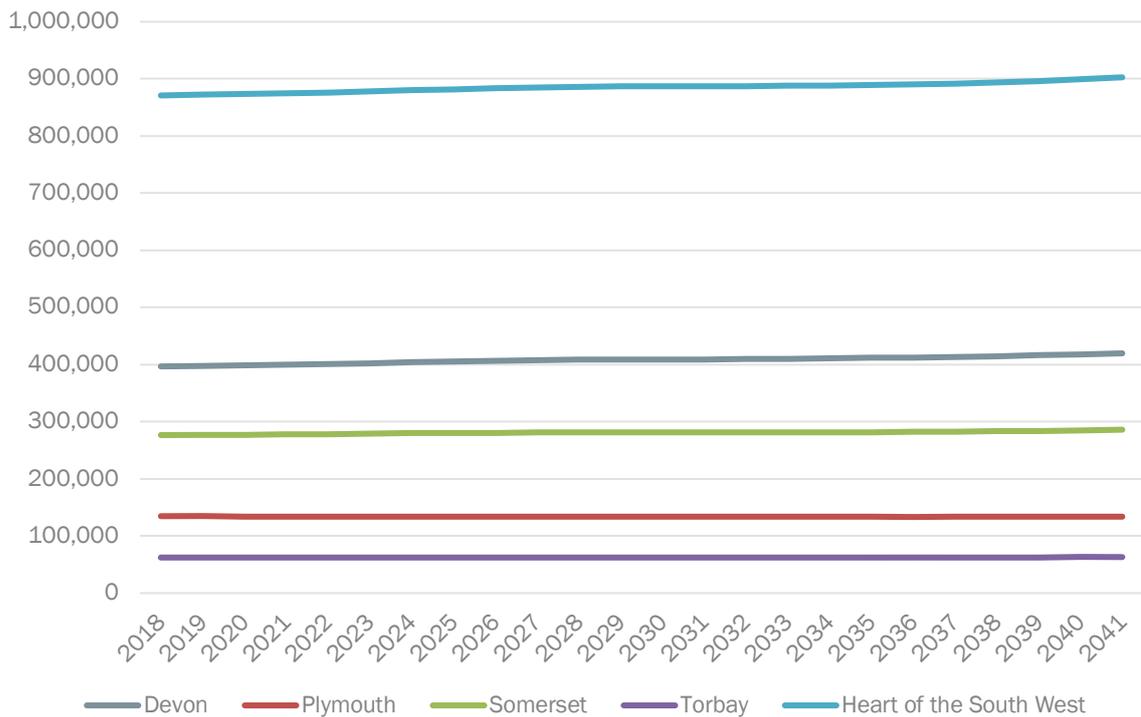


Source: HJA Modelling

*Figure 5.2: Total Economically Active as a Percentage of all Residents*
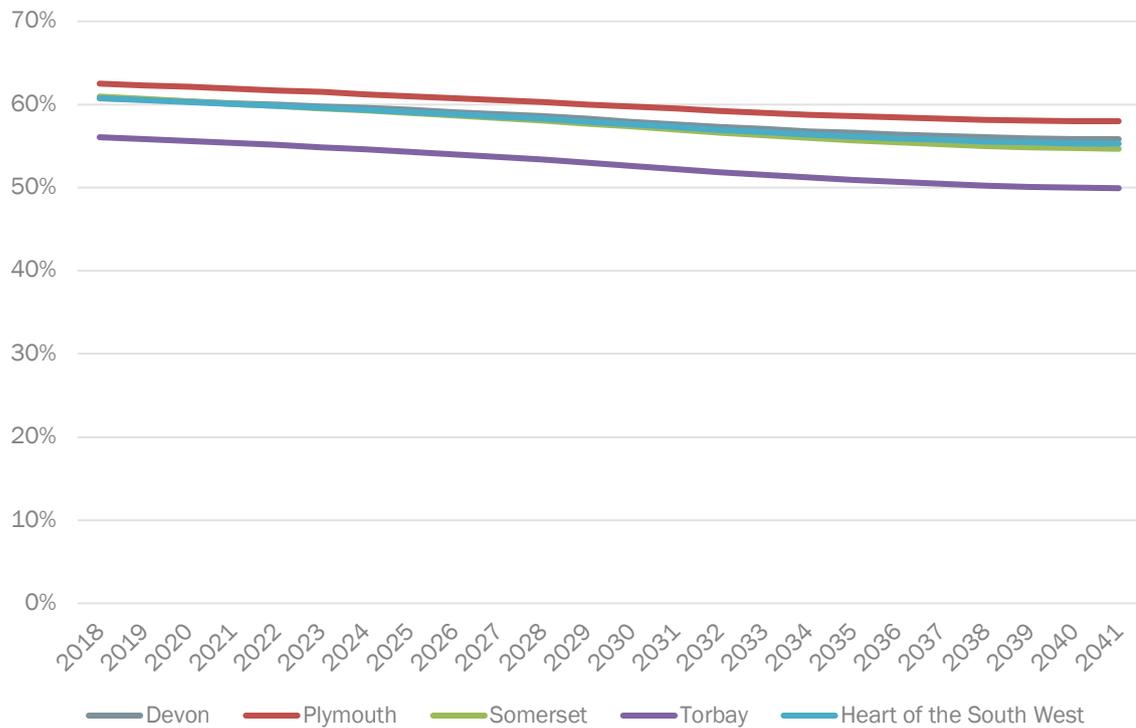


Source: HJA Modelling

5.2.6 However, increasing the economic activity rate of those aged 50-64 by 5% (i.e. from 74% to 79%, compared to 88% for those aged between 25 and 50) and of those aged 65+ by 10% (i.e. from 13% to 23%) would allow for an increase in this percentage in the short term, and maintain the current proportion without any intervention by 2041[85].

### Concerns about displacement

5.2.7 Given the current skills shortages in the economy and forecast future skills shortages (see paragraphs 4.3.3 and 4.3.4 of this report), there is little concern that more employment of older people will lead to younger people being displaced from employment opportunities. To avoid this potential scenario, there should be a twofold focus on:

- Encouraging and enabling (e.g. through training) older people to work in areas where there are skills shortages, such as care
- Supporting education and training in the younger population, to enable them to access employment in higher quality jobs with higher skills requirements

### Actions to support increased economic activity

5.2.8 Actions to support older people to continue to work include:

- Education of employers about the benefits of older workers
- Enabling flexible working, part-time working, job-sharing and working from home
- Encouraging and supporting self-employment
- Training and support to help older people to work in lower stress occupations, and training in digital skills

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[85] Further information on this modelling can be found at Appendix One

- Initiatives to build the confidence and motivation of older people to work

5.2.9    There is already some initial activity in place to support the engagement of older people in work. The University of Exeter is delivering a programme on **Lifelong Inclusive Growth in Cornwall and the Isles of Scilly** (LINCoS). This is aimed at supporting growth in SMEs in the e-health and e-wellbeing sectors in Cornwall, looking at how businesses can improve the recruitment, retention and workplace opportunities for older, disabled and chronically ill people. As findings emerge from this study, they can help to shape the thinking on increasing economic activity amongst the older population in the Heart of the South West.

*Figure 5.3: Projected Change Economically Active Residents if Economic Activity Rates are Increased*
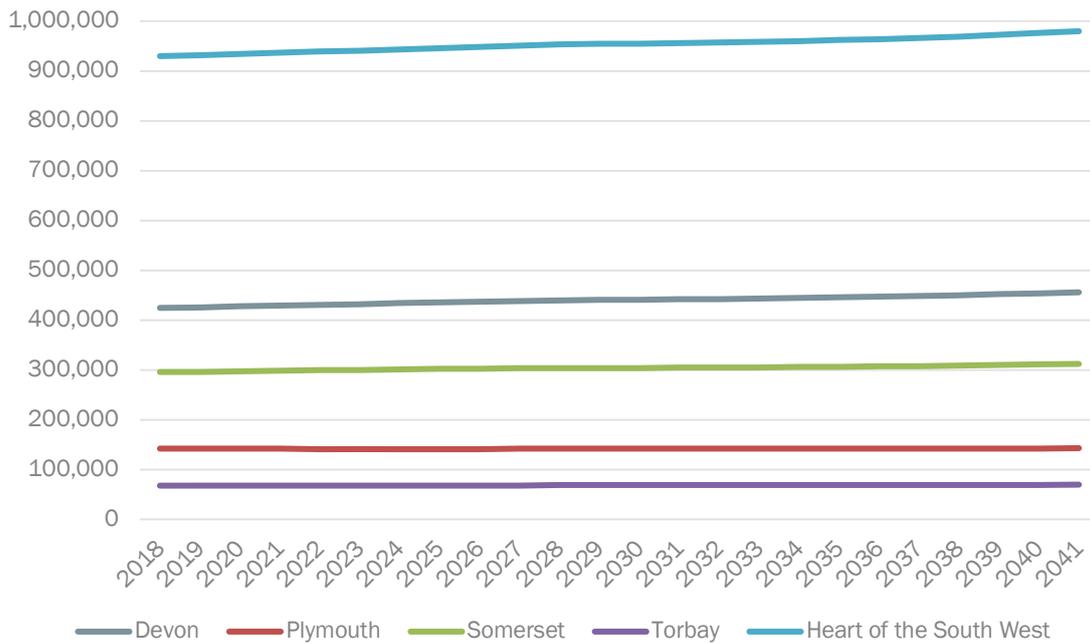


Source: HJA Modelling

*Figure 5.4: Total Economically Active as a Percentage of All Residents if Economic Activity Rates are Increased*
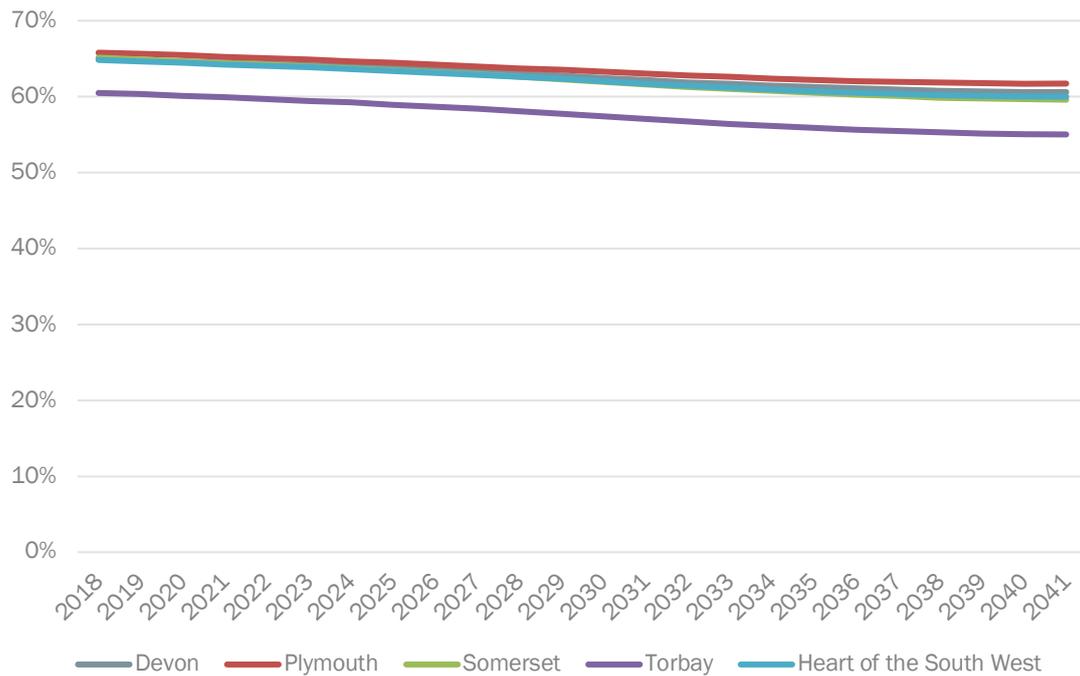


Source: HJA Modelling

## 5.3 Test-bed for innovation and developing healthcare technology and subsequent delivery

5.3.1 Given the large older population in the Heart of the South West and some of the activity already being undertaken (discussed below and in Appendix 1), the Heart of the South West presents a good opportunity for testing innovation in goods and services related to an ageing society. In particular, the Heart of the South West has extensive rural and coastal areas, so presents a good opportunity to test innovation in these areas, where population density is lower, and accessibility is often more difficult, so the challenges are different to those faced in an urban area. If a cluster of activity can be built up around testing and innovation, then the LEP and partners can work need to work to capture the eventual production, manufacturing and service delivery that follows from this, rather than this taking place elsewhere.

5.3.2 According to UK Research & Innovation: *"Innovation is the application of knowledge or ideas for the development of products, services or processes."*[86] Innovation is a broad concept, and Innovate UK, part of UK Research & Innovation, helps to: *"drive productivity and economic growth by supporting businesses to develop and realise the potential of new ideas, including those from the UK's world-class research base."*[87]

5.3.3 Market opportunities identified in section 4.3 of this report include actions to prevent poor health (which are also discussed in more detail below), predictive prevention, and advanced therapies. Of particular interest is the application of big data and artificial intelligence to medicine. The Heart of

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[86] https://www.ukri.org/innovation/
[87] https://www.gov.uk/government/organisations/innovate-uk/about

the South West has expertise in big data, so there is an opportunity to apply this to the area of health.

5.3.4 Activities already in place to support innovation related to an ageing society in the Heart of the South West (discussed in more detail in Appendix 1) include:

- The **Innovation in Healthy Ageing** programme being led by Devon County Council. It is intended to support innovation projects related to an ageing society in Devon, Plymouth and Torbay, in the sectors of Pharmaceuticals, Medical Technology, Medical Bio-Technology, and Healthcare Services. The projects which have been supported so far are not in the more technical of these sectors, with projects in dementia reminiscence, physical activity for older people, and the use of IT for patients in GP's surgeries
- The **PROTECT** study at the University of Exeter is studying brain health in older people, looking at ways to reduce dementia and mental health issues later in life
- The **Smartline** programme at the University of Exeter to look at introducing digital technologies into homes and communities, which is discussed in section 5.4 below
- The **Transform Ageing** project delivered by the Design Council, which is a 'pioneering programme taking a community and design led approach to improve people's experience of ageing'. It is intended that Transform Ageing will demonstrate that combining social entrepreneurship and community action with world class design practice can drive positive change, responding to the challenge of the ageing society
- The **Somerset Integrated Digital Electronic Record** (SIDER) project is intended to link up all of the main clinical and social care IT systems used in Somerset to improve and support direct care to patients, which will include older people.

5.3.5 The **South West Academic Health Science Network** (SWAHSN) is part of a national network of organisations set up by NHS England to identify, adopt and disseminate innovative healthcare. It has two initiatives that are of particular interest to this project. These are:

- The **Innovation Exchange** which provides innovation support to businesses in health and care, and which has helped 150 businesses in the current financial year
- The SWAHSN and the University of Plymouth have jointly run events such as the '**Connecting for Innovation**: Living a Long and Healthy Life' event in January 2019 which discussed entrepreneurship and enterprise in the arena of healthy ageing
- The **Digital Health Accelerator** for the South West which provides intensive support to companies with digital innovations in areas such as: digital devices for urine testing; health and care videos, distributed digitally; technology for maternity care; social prescribing; and pre-procedure assessment programmes

5.3.6 There are plans in place to develop a number of other activities, including:

- The University of Exeter is developing a bid for Industrial Strategy Challenge Funds for the development of a **Digital Hub** which engages around 100,000 participants aged 50 and over who can test goods and services
- A bid for funding for the **Healthy Ageing in Rural Europe** (HAIRE) programme has been submitted by the University of Exeter and oversea partners. If successful, this will develop and test systems foe the support of older people in rural communities
- The University of Plymouth is involved in a bid to the UK Research & Innovation Strength in Places Fund for the **South West Innovation in Technology in Care and Health** (SWITCH) project.

This will involve: working with users to define their needs; developing technologies; and testing, monitoring and measuring the outcomes and benefits in the areas of: robotics and sensors; health Informatics; computing and app development; rapid prototyping and visualisation (including VR, AR); and simulation and computational modelling

- The University of Plymouth is working with overseas partners to bid for funds for the **Age Independently** project which aims at keeping the ageing population independent for longer at their own home/chosen home through a strategy combining house adaptations with the development of a real local ecosystem for ageing population

### E-health

5.3.7 In addition to the above, the University of Plymouth is involved in the **E-health Productivity and Innovation in Cornwall & Isles of Scilly** (EPIC) project. Whilst outside the Heart of the South West, this project involves a local stakeholder, and is relevant to the challenges faced in the Heart of the South West. This project is looking at the use of digital technologies to help improve health and wellbeing, including apps, programs, digital communications technology, sensors, and trackers.

5.3.8 EPIC is about maximising innovation networks, sharing expertise and experience from Plymouth University and its partner organisations, and providing sector specific hands-on business support.

### Regional approach

5.3.9 There is a need for a joined-up regional approach to supporting innovation and development of healthcare technology goods and services. Specific parts of the Heart of the South West can focus on their particular strengths in innovation and development e.g. healthcare focused in Plymouth, digital and IT solutions associated with the University of Exeter etc.

5.3.10 This needs to be set out in a strategy, with buy-in from all key regional stakeholders.

### Capturing the implementation and delivery phase

5.3.11 As mentioned above, significant benefit to the Heart of the South West can be realised from capturing the manufacturing and service delivery that follows on from the innovation and development of new goods and services. This needs to be written into economic growth strategies, and resource dedicated to this e.g. appointment of account managers to work with those undertaking innovation and development, to identify their future needs for manufacturing and service delivery; working to ensure that a suitable labour force is available; and encouraging the delivery of suitable sites and premises.

## 5.4 Potential for a health and life sciences cluster

5.4.1 Work undertaken for the Heart of the South West LEP looks at the concentration of economic activity in the target sectors[88]. One of the sectors that it considers is Medical, Health & Life Sciences[89]. The work shows that the sector directly employs more than 4,000 Full Time Equivalent (FTE) people, with GVA of £344 million per annum. When supply chain and indirect impacts are

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[88] Adriana Curca, Plymouth City Council (2019) HotSW Analysis of Industrial Opportunities
[89] Manufacture of basic pharmaceutical products (21.10); Manufacture of pharmaceutical preparations (21.12); Manufacture of irradiation, electromedical and electrotherapeutical equipment (26.60); Manufacture of optical instruments and photographic equipment (26.70); Manufacture of magnetic and optical media (26.80); Manufacture of medical and dental instruments and supplies (32.50); Research and experimental development on biotechnology (72.11); Other research and experimental development on natural sciences and engineering (72.19)

added, employment rises to more than 6,000 FTEs and GVA to over £450 million per annum. However, the Location Quotient (LQ) for the GVA and FTE employment in the sector are below 1.0 i.e. the sector is less concentrated than it is nationally.

**Potential growth in health and life-sciences sector in Plymouth**

5.4.2    Work has been commissioned by Plymouth University, Plymouth City Council and Plymouth Science Park to investigate the potential for the development of a health and life sciences cluster in Plymouth. The report suggests that health and life sciences employ more than 20,000 people in the Plymouth Travel-to-Work Area and nearly 90,000 people in Devon and Cornwall, which includes those employed in public health and care. Plymouth University has strengths in clinical medicine research, biomedical engineering, pharmacology, psychology, psychiatry, neuroscience, dentistry, nursing and pharmacy. The work concludes that there are the 'basic ingredients' of a life sciences cluster in place, but this is not yet established, and is not nationally significant. The work identifies strengths, weakness, opportunities and threats associated with the life sciences sector. There is, however, potential to support the development of a cluster further.

5.4.3    One of the strengths of the Plymouth area for the development of this cluster is the older population and the geographically distributed nature of this population in a largely rural area; which means that models of healthcare developed and tested here can be replicated elsewhere. The work claims that there is potential for links to other existing local clusters such as marine and nuclear. The work identifies that Plymouth has a number of businesses in the health, medical and life sciences sector, but as mentioned above, the concentration of the sector in the Heart of the South West is below the national average.

5.4.4    A vision and objectives for the development of the health and life sciences sector has been set out in the work. Potential areas of action that have been identified include: the use of mobile technology in health care to support an older population; public health awareness, including early diagnosis and preventative care; attraction of new health and life sciences businesses to Plymouth; business support along with Plymouth Science Park; strengthening the university assets; raising the profile of Plymouth as a location for health and life sciences; and development partnerships across the sector.

**Healthcare and marine**

5.4.5    A particular opportunity for the Heart of the South West is the exploitation of the local strength of both the healthcare and marine sectors. Areas such as antimicrobial medicine and hyperbaric medicine draw on expertise from both of these specialisms, and the Heart of the South West is one of the few places that has strengths in both. When these strengths are brought together with specialisms such as additive manufacturing and augmented reality, then there is an opportunity to develop a globally competitive cluster of activity in the Heart of the South West.

**Plymouth Science Park**

5.4.6    Plymouth Science Park has a concentration of healthcare activity, with 19 businesses in this sector. Its location adjacent to Derriford Hospital and the medical and dental faculties of the University of Plymouth, along with the specialist marine facilities means that there are significant opportunities for collaboration between businesses, researchers and healthcare professionals in this location.

**Health and life sciences in Somerset**

5.4.7    All of the examples of innovation in the health and life sciences sectors, discussed above, are in Plymouth, Devon and Torbay rather than in Somerset.

5.4.8   The Somerset Community Foundation, UnLtd (a social entrepreneurship organisation which is promoting Solutions for an Ageing Society as one of three areas of national focus), and SWAHSN are promoting the **Solutions for an Ageing Society** programme. This is intended to support entrepreneurs with innovative ideas to implement via 'try it'', 'do it' and 'grow it' funding awards.

## 5.5   Helping older people to stay in their own homes and communities

5.5.1   Supporting older people to remain in their own homes rather than having to go into the health and residential care systems presents a market opportunity for the Heart of the South West, and will also generate savings in the public cost of these systems. This means keeping older people independent for as long as possible.  Care needs are linked to people's health.

5.5.2   Section 4.5 of this report identifies the potential for the greater use of IT enabled technology to monitor and care for people in their own homes, enabling them to stay out of the residential care system. However, section 4.6 also shows that simple technologies, and commercially available technologies from the Internet-of-Things can help older people to remain in their own homes for longer.

5.5.3   A number of the projects and initiatives mentioned in section 5.3 of this report, above, are relevant to this area. Of particular interest, the European Centre of Environment and Human Health at the University of Exeter is conducting research into the links between the environment and human health and is running a number of programmes that relate to older people's homes and communities. **Smartline** is a project currently being delivered by the University, in partnership with Coastline, Volunteer Cornwall, and Cornwall Council. This is looking at the introduction of digital technology to support individuals in their homes, and communities, including environmental monitoring technologies. The outputs from this research will be used to design future systems for managing homes, and also helping to demonstrate the need for specialist goods and services that enable older people to remain in their own homes.

### Specialist housing

5.5.4   Whilst there is a benefit from older people remaining in their own homes, section 4.6 identifies that many older people remain in their family homes and under-occupy the space. The development of specialist accommodation which is more suitable for older people will enable them to live in the most appropriate housing. This can take the form of:

* Market provided age-exclusive housing i.e. with a minimum age for occupation
* Housing with support i.e. a warden for part of the day and/or an emergency alarm system
* Housing with care i.e. 24 hour a day staff on site

5.5.5   One estimate of future demand for specialist housing, produced by Public Health England[90], suggests that between 4,000 and 5,000 specialist homes for older people are needed in the South West (note, not the Heart of the South West) between 2105 and 2020, so this is equivalent to up to 1,000 specialist homes per year. The number of care home places needed in the region is projected to increase by 25,000 between 2014 and 2030.

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[90] Public Health England Housing Learning & Improvement Network (2015) Putting Older People First: our Vision for the Next Five Years

5.5.6    This level of demand will drive growth in the residential construction sector. The sector is under-represented in the Heart of the South West compared to the UK (i.e. an employment location quotient of 0.88), so there is potential for growth in the sector.

## 5.6  Care

5.6.1    Much of the opportunity for driving up productivity in the adult care sector is covered in the sections of this chapter above on innovation, healthcare and housing. It is worth noting that there are some initiatives that are focused on the care sector, including the **Creative Innovation & Growth Programme** (CIAG) which supports Adult Social Care businesses and organisations in Devon. It aims to increase efficiency in the adult social care sector across Devon by supporting the market to: grow; develop; and diversify through three elements of grant funds, business support, and leadership development.

5.6.2    The adult social care sector provided approximately 50,300 jobs in the Heart of the South West in 2017[91]. Approximately 36,300 of these jobs were in direct care. Within the Heart of the South West, Plymouth has a notably high vacancy rate in the care sector of 11% (this is the joint highest of any local authority in the South West). Workforce forecasts based on population projections for those aged 65+ suggest that the sector in the whole of the South West will create between 75,000 and 120,000 additional jobs by 2035[92].  If there is an acceleration in the use of technology and automation in the provision of care then the future demand for workers might be lower, but this is an area of great uncertainty[93].

5.6.3    Employment in the care of the older population is difficult to identify, as the Standard Industrial Classification (SIC) code system combines care for older people with care for those with disabilities. However, in lieu of a more accurate dataset, the following figure shows employment in care in the Heart of the South West.

*Employment in Care 2013-2017*

|  | 2013 | 2014 | 2015 | 2016 | 2017 | Location Quotient 2017 |
|---|---|---|---|---|---|---|
| Devon | 9,500 | 10,000 | 9,500 | 9,500 | 8,500 | 1.32 |
| Plymouth | 2,250 | 3,000 | 3,000 | 2,750 | 2,500 | 1.22 |
| Somerset | 5,500 | 6,000 | 6,000 | 5,500 | 5,000 | 1.12 |
| Torbay | 1,400 | 1,600 | 1,500 | 1,400 | 1,150 | 1.25 |
| Heart of the South West | 19,000 | 22,000 | 20,000 | 19,000 | 17,000 | 1.23 |

Source: ONS Business Register and Employment Survey, 2018

5.6.4    The figure above shows that employment in care for older people has been declining across the Heart of the South West. Despite this, the area has a concentration of employment in this sector, indicated by a high Location Quotient.

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[91] Source: https://www.skillsforcare.org.uk/NMDS-SC-intelligence/Workforce-intelligence/publications/Local-authority-area-summary-reports.aspx
[92] Skills for Care (2018) The Adult Social Care Sector and Workforce in the South West
[93] Bakhshi, H; Downing, J; Osborne, M; Schneider, P (2017) The Future of Skills: Employment in 2030

5.6.5   Research has been carried out into the adult social care market in Devon[94], and this has identified that: there is an ever-increasing demand for adult care services; there is support for growth and innovation in the adult social care sector; and there are gaps in, for example, training provision, recruitment into the sector, leadership and management skills, compliance with quality standards, and understanding market trends. Recommendations for future support in the adult care sector include: provision of business support; support to providers to prevent business failure; workforce development; promotion of the sector; and training.

## 5.7   Leisure

5.7.1   Section 4.10 of this report found that the leisure market for older people forms part of a larger market for a wide range of leisure opportunities. However, there are a number of programmes in place to encourage older people to become more active, through leisure pursuits, as part of initiatives to improve health and wellbeing. Examples of these include:

- Walking for Health, part of a national initiative to encourage adults to exercise
- Active Devon, which encourages people to become more active
- Connecting Actively with Nature, which encourages people to become more active

5.7.2   Whilst these initiatives are important in terms of healthy ageing, which can indirectly support higher productivity (e.g. through keeping people healthy enough to work), they make little direct contribution to higher productivity in the Heart of the South West.

## 5.8   Other areas of opportunity

5.8.1   A number of other areas of potential opportunity were set out in Chapter 4. However, in the research for this scoping study we have not found any evidence of specific activity or opportunity for the Heart of the South West in the areas of:

- Delivery of public services, although there are a large number of community transport initiatives in place that often serve older people in areas where public transport services are insufficient
- Urban design, which is partly covered in section 0 on specialist housing, above
- Tourism, which is a significant sector in the Heart of the South West. In areas such as Torbay there is a strong tourist sector which already serves the older population
- Financial services, where there is a market for financial services for older people, but this is not an area of focus in the Heart of the South West
- Consumer goods, where again there is a distinctive market for goods that meet the needs of older people, but no particular specialism in the Heart of the South West

5.8.2   This does not mean that there are not opportunities for the Heart of the South West economy in these areas; but if there is interest in these areas then there will need to be more research into stakeholders that are interested in leading and developing activity in these areas, and how this can be taken forward.

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[94] Transform Research Consultancy Limited (2015) The Adult Social Care Sector in Devon

## 5.9    Summary of findings

| Area | Activity and opportunities in the Heart of the South West |
|---|---|
| Economic activity | Potential to increase the numbers of economically active by increasing economic activity rates in the older population<br>Learnings from the Lifelong Inclusive Growth in Cornwall and the Isles of Scilly (LINCoS) programme |
| Health | Opportunity to build on 'big data' strength in the Heart of the South West<br>Innovation in Healthy Ageing project being run by the University of Plymouth<br>PROTECT study into brain health at the University of Exeter<br>Smartline programme to introduce digital technologies into homes<br>Transform Ageing project to introduce social enterprise and design to the ageing society<br>Somerset Integrated Digital Electronic Record (SIDER) to link up health service IT systems<br>South West Academic Health Science Network<br>Innovation Exchange which supports businesses in health and care<br>Connecting for Innovation event on 'living a long and healthy life'<br>Digital Health Accelerator providing intensive support to businesses<br>Plans for:<br>• Digital Hub to test goods and services for older people<br>• Healthy Ageing in Rural Europe, supporting older people in rural areas<br>• South West Innovation in Technology in Care and Health to look at the introduction of technology into health care<br>• Age Independently project to help people to stay in their own homes<br><br>Learnings from E-health Productivity and Innovation in Cornwall & Isles of Scilly (EPIC)<br>Potential for the development of a life sciences cluster in and around Plymouth<br>Solutions for an Ageing Society, supporting entrepreneurship and innovation for an ageing society |
| Care | Use of IT to help monitor and care for people in their own homes<br>Introduction of simple technologies to help people to remain in their own homes<br>Smartline programme to introduce digital technologies into homes<br>Creative Innovation and Growth programme to support the development of businesses in the adult social care sector |
| Housing | Development of specialist housing for older people |
| Delivery of public services | No significant activity in the Heart of the South West |
| Urban design | No significant activity in the Heart of the South West |
| Tourism | This is an important sector in the Heart of the South West and already serves the older population, particularly in areas such as Torbay |

| Area | Activity and opportunities in the Heart of the South West |
|---|---|
| Leisure | Opportunities to increase active leisure opportunities for older people |
| Financial services | No significant activity in the Heart of the South West |
| Consumer goods | No significant activity in the Heart of the South West |

# 6    Conclusions, Actions and Next Steps

6.1.1    In this final chapter we discuss the answers to the key questions that were posed at the beginning of this research. We then look at the actions and next steps that can be taken to develop these further.

## 6.2    Theme one: Economic potential and challenges of an older population

6.2.1    Ageing is identified as a national challenge and opportunity, featuring strongly in the UK Industrial Strategy White Paper. The Heart of the South West has an older population than the UK, and it is getting older, so considering the challenges and the economic opportunities is key to the future of the regional economy. An ageing population could lead to fewer working age residents, which in-turn will affect levels of economic activity if there is no change in economic activity rates for the older population. However, having an older population presents an opportunity to trial and develop approaches, goods and services for an older population, which can then be exported nationally and globally.

**Understanding the opportunities and challenges associated with an older population**

6.2.2    Significant opportunities for the Heart of the South West include:

- Potential to increase the economic activity rate amongst older people, helping to tackle the challenge to economic activity posed by a relatively smaller working-age population
- The potential for this to help to address skills shortages (which may be exacerbated by Brexit and the decline in EU workers in the UK), particularly in sectors such as care
- Supporting older workers to transfer their skills and knowledge to younger workers, helping to avoid a drop-off in productivity if these skills are lost
- The potential for older workers to share the skills and experience that they have developed with younger workers
- More people working (relative to a forecast decline) will help to increase the GVA and output of the Heart of the South West economy
- If productivity is measured as GVA per resident, then this will increase productivity in the Heart of the South West. However, it is unlikely to increase GVA per worker or per hour worked
- Potentially some specific growth opportunities in ageing-related sectors, and these are discussed in the next section

6.2.3    The key challenges to the Heart of the South West as a consequence of an older population are:

- Fewer people (or a smaller percentage of the population) is of working age
- The state pension age is increasing, so people are needing to work longer, often in poorer health
- Currently lower levels of economic activity amongst older people, which could lead to fewer people working as the population gets older
- An older population will mean more ill-health, and greater demand for health and care service
- There are already skills shortages in the local economy; and these may well get worse due to Brexit and the (relative) decline in the working age population

6.2.4    Many of the opportunities listed above help to tackle the challenges that are listed here.

6.2.5    Some older people want to work, and many are having to work for longer due to the rising state pension age. Working for longer has the positive impacts of keeping older people active and connected, as well as helping to supplement their income. Keeping older people active and connected help to reduce poor health

6.2.6    Older people don't necessarily want to work in the same style or even vocation as they have done during the core of their working life, so their contribution to the economy needs to be carefully considered. Older people want flexibility in work hours and methods of work; less physical labour; and often less responsibility and stress in their work. There may be a demand for some training to help older people to work, but this is unlikely to be significant if people want easier and less stressful jobs as suggested above.

6.2.7    Self-employment is attractive and more prevalent amongst older people because of the flexibility that it allows. Therefore, support for older people to become self-employed could help to increase economic activity rates.

**Conclusion**

6.2.8    The highest priority is to increase economic activity amongst older people. On the surface this may not drive up productivity measured by GVA per worker or per hour worked; only GVA per resident. However, the employment of older people can help to address some of the current and future skills shortages facing the Heart of the South West, and this will enable younger people to acquire the education and training needed to move into higher-skilled, higher-productivity roles. Therefore, greater economic activity amongst older people will help to deliver higher productivity in the Heart of the South West, albeit indirectly.

## 6.3    Theme two: Market opportunities of an older population

6.3.1    The global market opportunities considered in this report are:

- Increased demand for healthcare, with the potential to use technology to deliver this more efficiently and effectively
- Increased demand for care services, which could also be addressed, in part, through increasing the use of technology
- Demand for adaptations to housing to enable older people to live independently for longer
- Demand for specialist housing that enables older people to live independently for longer
- Potential to deliver public services that better meet the needs of an older population
- Urban design which makes places more accessible and attractive to an older population
- Tourism which meets the needs of older people, including their specialist care needs
- Leisure services, related to health and interaction
- Financial services that better meet the needs of older people
- Specialist consumer goods, which may include goods that enable people to live independently for longer, as mentioned above

**Identifying the potential areas of national specialisation that could be realised locally**

6.3.2    The above list sets out the global opportunities associated with an ageing population. The research undertaken in this report has identified a number of areas of particular interest to the Heart of the South West:

- Encouraging older people to consider work or self-employment; and provide them with the training and support that they need to do this. This intervention should happen from age 50 onwards rather than at 65, to enable preparation and a gradual transition to self-employment
- Supporting SMEs to help them to employ older people, aged 50+
- Providing business start-up support, enabling older people to move into self-employment, from age 50+
- Supporting innovation in the development of goods and services for older people, including the development of technologies that can help older people to live independently for longer
- In particular, supporting innovation in healthcare
- Exploring the potential for the development of a health and life sciences cluster in the Heart of the South West, based around cross-sectoral (or horizontal) strengths
- Providing support and services to help older people to live independently in their homes and communities for longer
- Delivery of specialist housing for those who need more support
- Delivering care services to people in their own homes and in specialist accommodation
- Supporting the delivery of leisure services, which will increase health, with an indirect effect on economic growth

6.3.3    Increasing economic activity amongst older people does not just generate economic benefits, but also helps to contribute to the wellbeing, belonging, social engagement and happiness of those older people in work. These ultimately have additional economic benefits through reduced costs to the health and care systems.

**Identifying how key sectors can be supported to maximise the opportunities**

6.3.4    There are a number of key steps needed to develop the economic opportunities in the Heart of the South West related to an ageing society and healthy ageing. These are:

- Making a commitment to supporting economic growth related to an ageing society
- Establishing a governance structure to steer this process
- Developing a strategic framework to set objectives, and direct future resources and activity

6.3.5    Activities could include:

- Market research to identify UK and global market opportunities for Heart of the South West businesses
- This will include detailed research into the current strengths of the business base in the Heart of the South West, based on ONS data and primary research and consultation with businesses
- Business support, including innovation support and management support
- Targeted training to increase suitable skills in the workforce, including amongst the older population
- Cluster development support, including networking and knowledge transfer

6.3.6    Identifying and securing funding for these activities will be critical. Lead stakeholders will need to be delivered for each of these actions.

## 6.4    Realising economic benefit from an ageing society

6.4.1    The main areas of economic growth related to an ageing society are summarised in the figure below, which considers their contribution to overall economic growth and to increased productivity.

***Figure 6.1: Potential activities and their contribution to economic growth and productivity***

| Activity | Increased Economic Output | Productivity |
|---|---|---|
| Increase number of older people in work (from age 50+) | More people in work will lead to increased economic output in the Heart of the South West; and will help to maintain economic activity on sectors that are suffering from skills shortages | Unlikely to increase productivity measured as output per worker or hour worked; but will increase output per resident (which is not a good measure of productivity, but is sometimes used by Government) |
| Supporting the transfer of skills and knowledge from older to younger workers, particularly in sectors such as aerospace and engineering | Maintaining the skills base within the workforce will help to maintain economic output in sectors which are at risk of losing older workers as they retire | It is particularly important to ensure that there is effective transfer of skills and knowledge to younger workers in high productivity sectors such as aerospace and engineering |
| Support the development of capacity for the Heart of the South West to act as a test-bed for research, development and innovation related to an ageing society | This should lead to some additional economic output in the short-term, but will this will be significantly greater over the longer-term if the innovation and development leads to new economic activity in the Heart of the South West | The research, development and innovation activity is likely to be high productivity activity. Any new economic activity that results from this could also help to drive up productivity in the Heart of the South West |
| Support the development for the Heart of the South West to act as a test-bed for research, development and innovation related to an ageing society in rural areas | As above, research, development and innovation could lead to some increased economic activity in the short-term, and the potential for greater economic activity in the long-term | As above, this is likely to lead to higher productivity activity in the Heart of the South West |
| Support innovation in general technology for an ageing population | There is a significant market for technology for an ageing population, so this is likely to lead to more economic activity, including export sales | This may lead to greater productivity, depending on the technologies developed and the way they are manufactured |
| Support innovation in health technology and life sciences for an ageing society | The global market for health technology and life sciences for an ageing society is significant, so if this can be developed in the Heart of the South West then it will help to increase economic output | Health technology and life sciences are high productivity sectors, so increased activity in these sectors will help to drive up productivity in the Heart of the South West |

| Activity | Increased Economic Output | Productivity |
|---|---|---|
| Support innovation the use of digital and communications technologies for an ageing society | There are a number of important uses of digital and communications technologies including remote health monitoring and remote care | These are sophisticated technologies, and are produced by high-productivity sectors. Growth in these sectors will help to drive up productivity in the Heart of the South West |
| Supporting and encouraging the development of specialist housing for older people | More housebuilding will lead to an increase in overall economic activity | It is the technologies within homes that are more likely to drive up productivity than the construction of the homes themselves |
| Increasing the workforce quality and use of technology in the care sector | The increasing older population in the Heart of the South West will drive an increased demand for care workers, contributing to overall economic growth | The introduction of new technologies will help to drive up productivity in what has traditionally been a relatively low productivity sector, so this will help to drive up overall productivity |
| Tackling labour and skills shortages in the care sector | Meeting the demand of workers will help to increase economic activity in the Heart of the South West | If new technology is introduced into the care sector (as discussed above) then productivity could increase, but the traditional model has generated relatively low levels of productivity, so more activity does not necessarily mean higher productivity |

## 6.5   Governance and strategy

6.5.1   To develop the Heart of the South West's potential to develop economic activity related to the ageing society will require a number of steps, including:

- Agreement within the Heart of the South West that the ageing society and healthy ageing are strategic priorities for support (e.g. in terms of investment in research, development and innovation), and that they should be developed in a joined-up way
- Establishment of a leadership and governance structure, which may be through a sub-group of the existing structures to support the Heart of the South West's Productivity Plan and Local Industrial Strategy
- Putting together a coordinated delivery plan for action on the ageing society and healthy ageing. This could be a delivery plan that sits within the Heart of the South West's Productivity Plan. It may ultimately become part of the Local Industrial Strategy
- Securing funding to deliver activity to growth these areas

6.5.2    Whilst not intended as a template for a strategy, the areas of potential activity related to ageing society and healthy ageing are summarised in the figure below, which is based on work undertaken by Devon County Council. The County Council's original diagram shows an inter-connected spectrum of levels and types of intervention to support an ageing society and healthy ageing. In the version below, the key market opportunities have been put into this structure to show the high level of connectivity.

*Figure 6.2: Spectrum of Potential Opportunities*

**Resilience & Wellness**
- Increased economic activity in older population (esp. self-employment) helps with wellness; and also helps to address skills shortages
- Engage older workers in sharing skills and experience with younger workers

**Prevention**
- Increased economic activity in older population (esp. self-employment) helps with wellness; and also helps to address skills shortages

**Social Prescribing**
- Increased economic activity in older population (esp. self-employment) helps with wellness; and also helps to address skills shortages

**Edge of Care**
- Economically active older people could work in care sector
- Development and implementation of digital and communications technology to enable peopple to remain in own homes, especially in rural and coastal areas
- Construction of specialist housing to enable older people to remain in own homes

**Social Care**
- Economically active older people could work in care sector
- HotSW as test-bed for innovation in care esp. in rural and coastal areas, and subsequent production
- Address general need for improved workforce quality and technology in care sector
- Tackling skills shortages in the care sector

**Health Care**
- HotSW as test-bed for innovation in health technology, esp. in rural and coastal areas, and subsequent production

## 6.6 Next Steps

6.6.1 In this section we set out the actions to capture the economic opportunities to the Heart of the South West of an older population, and consider what can be done to develop these further.

*Figure 6.3: Next Steps*

| Activity | Actions and next steps |
| --- | --- |
| Increase number of older people in work | Encourage businesses to employ older people, following the examples set by B&Q and Barclays which have specifically targeted older workers<br><br>Further work to include:<br><br>• Consultations with business support organisations (e.g. Growth Hub) into current activities to support employment of older people, and what more they can do to facilitate this<br>• Identify sectors at risk of losing skills and experience as older workers retire, and help to formulate a response to this<br>• Apply learnings from the Lifelong Inclusive Growth in Cornwall and the Isles of Scilly (LINCoS) programme |
| Support the development of capacity for the Heart of the South West to act as a **test-bed for research, development and innovation** related to an ageing society, with subsequent manufacturing and service delivery | • Support the Digital Hub project being developed by the University of Exeter, to enable testing of goods and services for an older population<br>• Work with group of stakeholders (e.g. steering group for this scoping study) to consider how the application of big data can be applied in research, development and innovation in the Heart of the South West. This could involve further research into the potential for the use of big data to tackle ageing society challenges<br>• Undertake a detailed mapping of the location of businesses in key sectors such as healthcare, digital and manufacturing, and their supply chains, and their relative concentrations compared to the national average will help to identify areas of existing strength in the business base, and areas that can be developed further<br>• Undertake detailed consultations with businesses (in the form of interviews or workshops) can help to understand the challenges and opportunities better and complement the data collection mentioned above<br>• Undertake primary research (e.g. survey, workshop, focus groups) to identify the challenges of an ageing workforce in the Heart of the South West, particularly in the key sectors. This will need to look at sectors where high levels of retirement are forecast, and subsequent skills shortages |

| Activity | Actions and next steps |
|---|---|
| | • Steering group to develop a strategy and actions to capture the benefits from being an innovation test-bed, by encouraging subsequent investment in manufacturing and delivery |
| Support the development for the Heart of the South West to act as a test-bed for research, development and innovation related to an **ageing society in rural areas** | • Support the development of the Healthy Ageing in Rural Europe project, and implement learnings in the Heart of the South West |
| Support **innovation in general technology** for an ageing population | • Support the development of the Innovation in Healthy Ageing project currently being run by the University of Plymouth, and disseminate good practice learned from this<br>• Disseminate learnings from the Transform Ageing project<br>• Support the development of South West Innovation in Technology in Care and Health project<br>• Commission more detailed research into the market potential for simple technologies (such as those developed by Oxo) as well as more sophisticated technologies in areas such as biotechnology and medical science |
| Support innovation in **health technology and life sciences** for an ageing society | • Support further research into the development of the Plymouth/Heart of the South West Life Sciences cluster, including more primary research to understand what the genuine strengths and opportunities of the Heart of the South West are<br>• In particular, consider how this can be aligned with other specialisms in the Heart of the South West economy (such as the marine sector) to develop globally competitive niche specialisms e.g. in antimicrobial medicine and hyperbaric medicine<br>• Support the SWAHSN's Innovation Exchange and Digital Health Accelerator, and deliver more of this innovation activity<br>• Identify funding opportunities for research and innovation in areas related to an ageing society and publicise these to businesses in the Heart of the South West.<br>• Encourage collaboration between businesses (in complementary sectors) in the Heart of the South West to bid for research and innovation funds e.g. bringing together businesses from the Heart of the South West's areas of strength including information healthcare, technology and marine |

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| Activity | Actions and next steps |
|---|---|
| | • Help SMEs to bid for research and innovation funds |
| Support innovation the use of **digital and communications technologies** for an ageing society | • Roll out good practice from the Smartline project which is looking at the introduction of digital technologies into homes and communities<br>• Investigate how the actions under the Somerset Integrated Digital Electronic Record project can be carried out in the rest of the Heart of the South West<br>• Consider how the outcomes of the EPIC e-health project can be applied in the Heart of the South West |
| Supporting and encouraging the development of **specialist housing** for older people | • Work with the construction sector to evidence the demand for specialist accommodation for older people, and enable its delivery<br>• Work with the planning authorities in the Heart of the South West to identify the demand for specialist housing for older people in housing needs assessments, and then enable its delivery through inclusion in Local Plans |
| Increasing the workforce quality and use of technology in the **care sector** | • Support the development of the Age Independently project seeking to help people to remain in their own homes<br>• Support the Creative Innovation and Growth programme to enhance development of the care sector |
| Tackling **labour and skills shortages** in the care sector | • Undertake research to see how older people who want to work can help to tackle some of the skills shortages in the care sector, in particular through initiatives such as the encouragement of micro-care providers in Somerset |

## 6.7  Funding opportunities

6.7.1   There are a number of potential sources of funds that could be sought to support efforts to develop economic activity relating to an ageing population. Key sources of potential funds are:

- BEIS Industrial Strategy Challenge Fund
- UK Research & Innovation
- National Institute for Health Research
- Other Government funds which may be available, e.g. Shared Prosperity Funds

### Industrial Strategy Challenge Fund

6.7.2   This is a part of the government's commitment to increase funding in research and development by £4.7 billion over four years. Challenges are selected in areas where: the UK already has world-leading research alongside a business base that begin to use this to innovate, or where the global market for innovations in the area is large and sustainable.

6.7.3    Currently 15 'challenges' have been announced, three of which are related to the theme of an ageing society:

- **From data to early diagnosis and precision medicine.** Up to £210 million will be made available and is aimed at creating new products and services from the large amount of health data in the UK
- **Healthy ageing.** Up to £98 million has been identified for research and innovation that supports people as they age, and their carers. Funding is for:
    - programme of research into behavioural science and design for an ageing population.
    - Collaborative R&D for early-stage innovations focused on digital healthcare and older adults
    - Three demonstrator projects to trial how innovations can be scaled
- **Leading-edge healthcare.** Up to £181 million will be invested to accelerate the development and patient access to new medicines and treatments. This includes new digital health products and technologies

### UKRI Strength in Places Fund

6.7.4    This is a new competitive funding scheme, led by UK Research and Innovation, that takes a place-based approach to research and innovation funding, to support significant regional growth. The high-level aims are; to enhance collaboration across universities, regional R&D facilities and business and, to support R&D strengths that will lead to the development of business clusters. One of the objectives of the fund is to fund activities that contribute significantly to regional economic growth relative to the best performing national region.

### Department of Health and Social Care

6.7.5    The National Institute for Health Research was established to create a 'health research system in which the NHS supported outstanding individuals, working in world-class facilities, conducting leading-edge research focused on the needs of patients and the public.'[95]

6.7.6    Current calls for research include areas such as: 'improving the outcomes of health and social care for frail people and their carers'; precision medicine; and digital technologies to improve health and care.

### Shared Prosperity Funds

6.7.7    The UK Shared Prosperity Fund is designed to replace European Union Structural Funds once we leave the EU[96]. The funds will be targeted at raising productivity and reducing inequality, particularly in those areas furthest behind. The funding is to be used to improve productivity in-line with the opportunities and challenges identified in Local Industrial Strategies.

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[95] https://www.nihr.ac.uk/about-us/who-we-are/
[96] More information at: https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-07-24/HCWS927