



## Incentive cards and behaviour change in London 6 November 2009

This report by the Young Foundation as part of the London Collaborative was commissioned by Capital Ambition. It considers the opportunities to influence the behaviour of Londoners through a pan-London smart card which is currently subject to a wider feasibility study. Specifically we have explored the theory of behaviour change, the evidence from elsewhere of the success of incentive cards and the appetite amongst policy makers and practitioners in London for developing a behaviour change scheme as part of the proposed London Card.

The evidence for using incentives and incentive cards to change behaviour is both thin and uneven. However, targeted at specific groups, with incentives used at the right time, there is the opportunity to drive more positive choices amongst citizens specifically in the area of active living. We also conclude there is potentially a small more general role for the London Card to promote behaviours by association, branding and discounts.

### 1. Summary

#### Introduction

- 1.1 Capital Ambition commissioned the Young Foundation to consider the opportunities to use the London Card to promote positive behaviours.
- 1.2 This study is not a comprehensive feasibility study of the concept, but rather an examination of the theory of behaviour change in the context of incentive cards and applying it to promoting active living amongst Londoners as an example.
- 1.3 This report draws on desk based research, a synopsis of literature and field trials on financial incentives and a series of face to face interviews and focus groups with London agencies and local authority practitioners.

#### Behaviour change theory

- 1.4 Behaviour change is not new. Public agencies have been trying to change our behaviour for many years through marketing, branding, legislation, taxes and rewards.

- 1.5 There are a number of theoretical frameworks for behaviour change and most classify drivers of human behaviour into different categories. A useful model is to think in terms of three types of driver: internal factors (for example habits and traits), social factors (for example social norms and peer pressure) and external factors (for example finance and access to information).
- 1.6 Individuals that share characteristics (not just demographic such as age group but also levels of motivation or barriers to particular behaviours) are likely to make similar choices in a given circumstance. We can therefore segment the population and look to inform and motivate specific target groups.

#### Incentive cards

- 1.7 Incentive cards can be used to change behaviour – by direct financial reward, attachment to a brand or using data collected through them to target interventions at individual users.
- 1.8 However, changing complex and repeated behaviour is more challenging due to the interplay of a range of factors, such as individual habits, social norms, and environmental constraints – all strong players in the motivations of smokers, those addicted to alcohol or fast food, those living a sedentary life etc.
- 1.9 Evidence suggests that whilst incentives may change behaviours in the short term, it can be more difficult to sustain this change after the incentive period or offer ends.

#### Promoting active living through financial incentives

- 1.10 Financial rewards can incentivise behaviour change amongst citizens as they provide a short term gain (cash) in place of the longer term objective (health).
- 1.11 However, they are most likely to work where simple, one-off behaviours are concerned (e.g. attending an appointment) rather than complex, sustained behaviours (active living).
- 1.12 Financial incentives work differently for different people – the amount, nature, duration and timing (i.e. before or after undertaking an activity) of the incentive is crucial. Segmentation and targeting is therefore essential.
- 1.13 The public and politicians often express reservations about using financial incentives. Some fear it erodes public choice, others that targeting to support the few cannot be justified.

#### Appetite and capacity to deliver financial incentives on the London Card

- 1.14 There are many existing incentive card schemes in London operating over different geographies and for different groups.

- 1.15 Interviewees were very interested in a pan-London Card which builds on a sense of being a Londoner. This could offer discount or rewards.
- 1.16 However, they were much more cautious about tying this to active living. The field is crowded at the moment. Officers were very conscious of duplication, the unclear track record of incentives to change behaviour and the need to define and measure outcomes all the way along to be sure which action motivated an individual's behaviour.
- 1.17 If an active living incentive card was introduced, officers involved in the study said they would like to be able to opt in and out on a borough basis, exploit the data available on individuals to target and promote specific activities and target the groups most in need.
- 1.18 Pan-London agencies expressed a fear that incentive cards would not go far enough and that smart cards which gave users personal data, or linked to chip or web technologies would be a better investment.

### Conclusions

- 1.19 Incentive cards could be used to promote active living through:
- monitoring the completion of a fitness or health goal via a smart card linked to a personal account
  - rewarding the completion of a fitness or health goal with a financial incentive which is redeemed by a card
  - building a brand (similar to Change4Life) which people want to be part of
  - discounting healthy activities where a resident could use a 'flash card'
- 1.20 Developments to existing smart cards by Transport for London (TfL) or the introduction of a pan-London Card through the Greater London Authority (GLA), give the potential to make this a reality

### Recommendations

- 1.21 However, creating cards which offer financial incentives to Londoners is not simple. Targeting and wrap around support for interventions are costly but would make success more likely. The technology is available to do more but ultimately any pilot may fail because individuals simply do not stick with a new behaviour once the incentive is removed.
- 1.22 Capital Ambition pursue opportunities to offer the London Card as a 'flash card' which gives a universal discount for Londoners at culture or sporting events, and is branded with the Olympics or similar, in order to make best use of the smaller opportunities to deliver behaviour change through association with a brand or discounts.
- 1.23 We recommend that Capital Ambition pursue opportunities to use the London Card to store specific data about individuals as the most fruitful use of the London Card in relation to active living.

- 1.24 Capital Ambition should consider if active living is the right behaviour to use an incentive card for. There may be greater merit in considering promoting museum take up through such a card for example, whilst active living is better supported through support groups, mentors or coaching etc.
- 1.25 There is an opportunity to work in partnership with NHS London, pilot a small scheme which offers financial rewards to a small number of people reaching active living targets.
- 1.26 The London public service family could further explore the opportunities to profile and segment the London population in order to target future interventions.
- 1.27 Finally Capital Ambition should consider how web portals (accessed by handheld mobile technology) could offer links to incentives or rewards.

## 2. Introduction

### 2.1 Context

Capital Ambition has established a reputation in the capital for bringing together policy makers from across London's 33 boroughs and the GLA to develop collaborative technologies. Work on the concept of a 'London Card' has been progressing for some time, and a London Card Feasibility Framework Study has been commissioned and is due to report in November 2009.

This small study is designed to sit alongside the feasibility study. It is primarily concerned with how incentives can be used to alter behaviours, and whether a London Card would be an effective tool in programmes to incentivise behaviour change.

Public sector interest in behaviour change has grown rapidly in the recent past. Concepts have been popularised through publications such as *Nudge*<sup>1</sup>, and innovative pilots have attracted publicity. However, the concept is not new. Government, and indeed local government, has long been in the business of influencing resident behaviour to improve local quality of life and reduce burdens on the state, for example through legislation or information campaigns. However our understanding of the factors and motivations that shape behaviour, and of techniques through which to influence behaviour choices, is growing more sophisticated.

Behaviour change has become even more pertinent as the recession deepens and severe cuts in the public purse loom. But the interest also reflects a collective understanding that providing more or better services will not be sufficient to achieve some of the desired outcomes in communities. Recycling, cohesion or reducing obesity, for example, can all be enabled by state encouragement, incentivisation and intervention, but in the end will require individuals to change their own behaviours.

### 2.2 Key questions in study

Our research has focused on four areas:

- Where are incentive schemes, and in particular, card-based schemes, already being used to successfully change behaviour and what can be learnt from this?
- What is the appetite for linking behaviour change incentives into a London Card?
- How feasible would it be to incentivise active living through the London Card?
- How should Capital Ambition move forward?

We have used the example of active living as a type of behaviour change, to illustrate issues and considerations that might arise in deploying the London Card to

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<sup>1</sup> Thaler, R.H. and Sunstein, C.R. (2008) *Nudge: Improving Decisions About Health Wealth And Happiness*, Penguin

incentivise behaviour change. Encouraging active living is both high on the government agenda and of interest to the London council chief executives. NHS London, the London Primary Care Trusts (PCTs), Transport for London (TfL) and councils all have a stake in encouraging healthier behaviour through active living.

### **2.3 Methods used**

Our research has included:

- Desk based research into UK and international examples of:
  - incentive cards being used successfully to encourage citizen behaviour
  - incentives being used to promote active living (whether they are on a card or not)
- Face to face interviews with key London agencies with a stake in existing cards and the London Card, including:
  - Transport for London
  - Museums and Libraries
  - Greenwich Leisure Limited
  - NHS London
  - Mouchel, lead on the consortium commissioned to deliver a NHS London feasibility study for a pan-London incentive scheme to increase physical activity levels
  - MLA London
  - London Cultural Improvement Programme
  - London Councils
- Telephone interviews with four heads of service in London boroughs, each with responsibility for active living
- Short stakeholder focus groups with 15 stakeholders from across London sharing best practice about behaviour change to test appetite for such a scheme and synergies with existing work.

This combination of desk based research and interviews has allowed us carry out a rapid review of the best practice in the field and test the waters with key stakeholders about a number of possible scenarios that Capital Ambition could take forward.

### 3. Behaviour change theory

#### 3.1 Behaviour change is not new

Public services have been in the business of changing citizens' behaviour for a long time. From smoking cessation media campaigns, to seatbelt legislation and financial penalties for dumping, local authorities, national government and other public agencies have used information messages, incentivisation, legislation and enforcement to promote desired public behaviours. Policy and legislation have tended to work through a combination of awareness-raising, compulsion and enforcement, providing legislative or environmental 'structure' to the decisions people make about their behaviour.

Such policies have tended to rest on an assumption that people's action and decisions are driven by rational decision-making, made on the basis of the information and resources available to them.

More recently, interest in behaviour change has been reinvigorated by insights from social and behavioural sciences, including behavioural economics, which have informed understandings of the relationship between knowledge, attitudes and behaviour. Such insights, popularised by publications such as *Nudge*<sup>2</sup>, draw attention to the role of well-established external influences as well as internal habits or traits which can cause us to make unexpected decisions.

#### 3.2 Factors shaping human behaviour

Models of behaviour change combine a number of theories, for example social norm theory, identity theory and judgement and decision-making theory. Inevitably each has its own stresses. This brief review does not attempt to provide a detailed exploration of these models, but rather to highlight factors that have been identified as shaping human behaviour, and to review the implications of these for behaviour change interventions. A fuller picture of the field can be found in the *Capital Ambition Guide to Behaviour Change*<sup>3</sup>.

Recent work to combine the general principles of behaviour change models (e.g. Vlaev and Dolan's RAM model<sup>4</sup>, West's PRIME model<sup>5</sup>) emphasise three key areas which inform human behaviour as shown in figure one below.

Figure one: Factors influencing human behaviour

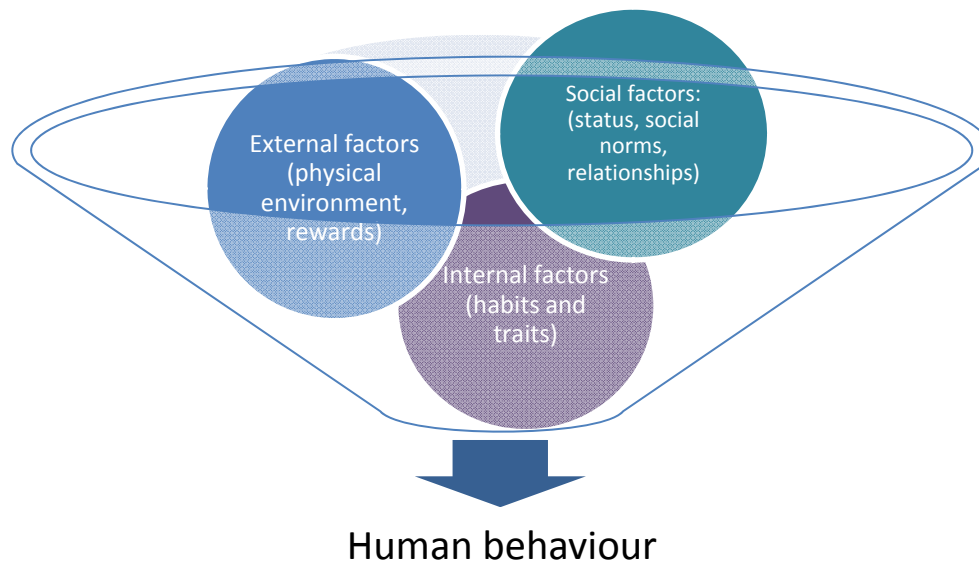
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<sup>2</sup> Thaler, R.H. and Sunstein, C.R. (2008) *Nudge: Improving Decisions About Health, Wealth And Happiness*, Penguin

<sup>3</sup> Capital Ambition (2009) *Capital Ambition Guide to Behaviour Change*, Capital Ambition

<sup>4</sup> Vlaev and Dolan, P (2009) " Changing cognitions to changing the context: a dual-route model of behaviour change", *Working Papers, Imperial College, London, Imperial College Business School*

<sup>5</sup> West. R (2005) "The contribution of psychology to health promotion", discussion paper for NICE



We will take each of these three factors in turn below.

Figure two: Internal, social and external factors used to reinforce or dissuade behaviours

	Could be used to reinforce positive behaviour	Could be used to change negative behaviours
<b>Internal factors</b>		
<i>-habits, traits and personal responses which affect human decision making</i>		
Habits	Reinforce behaviours or make an existing behaviour habitual through reinforcement or reminders	Usurp an existing habit through raising individuals' awareness of their behaviour, for example through education, prompts or naming and shaming
Heuristics (rules of thumb or educated guesses)	Price is often seen as a benchmark for value, so cheaper active living options would help reinforce the message about value	Most of us are loss averse, i.e. a have a tendency for loss to be felt with greater impact than gain
Bias	For example, 'time discounting', or the tendency for people to prefer behaviours that offer more immediate pay-offs or gratification so material incentives could be used to provide short term gratification	Humans usually favour inertia or status quo, so if things can be made part of the routine they are likely to stick to them
Personal capacity		People's choices can be influenced by limitations in their capacity to process all the information relevant to a choice. Interventions might reduce the number of options available, or look to provide tailored and trusted advice.



Self-efficacy and confidence	A sense of our own ability to carry out and maintain a behaviour will influence our preparedness to engage with the behaviour.	People respond better to small, incremental goals, underpinned by overt monitoring and feedback to increase their sense of self-efficacy, above a large and challenging goal (for example used in weight management programmes).
Emotions	Awareness campaigns with simple intuitive messages and emotional appeals can shape behaviour.	
<b>Social factors</b> - <i>social norms, interpersonal relationships and social systems</i>		
Social norms	Behaviour can be influenced by tapping into common social norms that value loyalty, commitment and reciprocity.	Research suggests individuals are more likely to change their behaviour if they publically state a commitment to doing so.
Social proof of how others act	For example people are more likely to litter where there is litter and more likely to be tidy where the area is tidy.	Describing new norms can promote positive behaviour (e.g. most people who stay here reuse their towels to save the environment)
Collective efficacy	Our sense of 'doing things together' mean pledge banks of individual actions build positive behaviours.	People are more likely to change their behaviour where they feel doing so will make a difference: this makes the possible seem probable and prevents any sense of injustice.
<b>External factors</b> - <i>outside influences such as physical environment or rewards</i>		
Wealth	For example fines dissuade us from breaking the rules.	Financial incentives or subsidy can be used to promote choices.
Information	Accessible information decreases personal effort and therefore increases the likelihood of making a positive choice.	
Physical environment	For example an attractive venue will be more appealing to use	Addressing negative elements of the physical environment, such as accessibility, swimming pool temperature, or an unsafe car park can be a simple way to overcome some barriers to behavioural change

The factors which have most influence over simple individual choices (single actions at one point in time, for example attending a medical appointment), are very different to those requiring more challenging choices, sustained over time (for example choosing to stick to a dietary regime over time).

### 3.3 What can be learnt from behaviour change theories?

The range of factors described above illustrate how complex and multi-faceted the drivers of behaviour are. Successful approaches are likely to involve a number of interventions, addressing both internal and external factors. For example, once an intervention to change behaviour is proposed we need to consider:

- personal habits, biases and personal responses that may be shaping an individual's thought processes and decision-making (internal factors)
- the choice environment around them which may reduce the effort associated with a behaviour(external factors)
- the effect of social identity or values (social factors).

Specifically though we are interested in what mechanisms and timeframes might be required to secure a shift in behaviour. For example, can material or financial incentives be used to influence and change citizen behaviour? We discuss the evidence for this in section five.

The literature does however suggest that individuals from similar population groups, or living similar lifestyles, are likely to make similar (and therefore predictable) choices. As such population segmentation can be a useful technique to determine which interventions are most likely to encourage individuals to change their behaviour. We discuss this further in section four.

#### **Key lessons from this section**

- Behaviour change is not new. Public agencies have been trying to change our behaviour for many years through marketing, branding, legislation, taxes and rewards.
- There are many theoretical frameworks for behaviour change, but drivers of human behaviour fall into three categories. These are internal factors (habits and traits), social factors (social norms and peer pressure) and external factors (finance and access to information).
- Individuals from a particular group are likely to make similar choices in a given circumstance. We can therefore segment the population and look to inform and motivate positive choices amongst these people through behaviour change techniques.

## 4. Incentive cards

### 4.1 Using cards

Incentive cards are widely used in everyday life, be it an NUS discount card, a Westminster resident card, a Nectar card etc. Each works in a different way. Incentive cards can simply be 'flashed' to gain a discount, but the London Card will hold data about the individual. We have therefore focused here on the more complex uses of a card (and more specifically the data on it) to incentivise behaviour.

### 4.2 How can a card be used to incentivise behaviour change?

A card could be used as a tool in behaviour change interventions in a range of ways:

*a. Branding*

Cards, in association with wider brand, can be a tool in creating a social grouping that might provide individual card-holders with a sense of collective efficacy, or through identification with a strong brand, positive emotional association with desired behaviours. For example, a card branded with the Fairtrade or Olympics logo or coloured as per the Change4Life brand might encourage people to feel part of a group of people who always buy Fairtrade or who are active.

*b. Financial discounts*

Cards can be used to give users discounts on services. Here we are not talking about 'flash cards' where no record is made, but rather an electronic and personalised version of a stamp book – e.g. Café Nero. When users access a service a specified number of times they are rewarded with discounted or free access to another service. In the case of Café Nero this would be another coffee, but for active living it could amount to 'come to the gym four times and we'll give you a free swim'.

*c. Financial rewards*

A card with personal information stored on it could offer direct financial incentives, or other in-kind material incentives, as a reward for shifts in behaviour.

A material incentive like cashback or vouchers for undertaking an activity, can overcome the effects of 'time discounting', offering an immediate reward for a behaviour whose benefits might otherwise only be felt in the future. This is particularly true for health – eating well and taking regular exercise may not provide an immediate sense of wellbeing but will over time.

Cards which offer these sort of rewards have been used in Dundee and Birmingham to promote healthy living (see section five).

*d. Collecting detailed personal information*

A card which captures details of the users activities in a range of circumstances could be very useful for behaviour change interventions. For example, Sutton's 'walk to school scheme' where users 'touch in and out' at

the start and end of each journey gives the authority a lot of data on who is walking and when. This can then be used to target information, promotions or advice to the user in order to encourage them to change their patterns of behaviour. It is this sort of approach which is at the heart of the success of Tesco Clubcard, where details of the user's shopping habits are used to tailor promotional material and offers sent to them.

e. *To give user knowledge*

Cards could be used as a route through which users of services, activities or facilities might gain knowledge about and be prompted to do more or use other facilities they hadn't thought of. For example, when you use your Tesco card you are often sent promotions about related services. The same could be true for the London Card with residents using it in a museum sent information about local leisure services.

## **4.2 Examples of incentive card schemes**

### *4.2.1 Going for Gold reward scheme, Newport<sup>6</sup>*

Going for Gold is an open access, free scheme. Participants are issued with a Going for Gold Card. Participants present the card at local leisure centres and clubs when they exercise to be entered into prize draws which are held each quarter. If members use their card once a week they are entered into a bronze prize draw, twice a week, the silver prize draw, and three or more times, a gold prize draw. Prizes so far have included things like mountain bikes, spa weekends, a years' free gym membership, vouchers for high street stores and theatre tickets. Each quarter one gold prize, five silver prizes and up to 1000 bronze prizes are given out.

### *4.2.2 Points for Life, Manchester<sup>7</sup>*

The Points4Life scheme aims to encourage behaviour change to improve health and wellbeing through a loyalty card programme, which will be launched with the public in early spring 2010. Members of the public are awarded with points4life when they make choices that are positive for their health and well-being, such as purchasing fruit and vegetables and exercise. Points are collected on a card, and can be redeemed against a range of selected 'healthy' goods and services.

Many City Council and NHS Manchester activities will earn points, and as the scheme develops it is anticipated that increasing numbers of private sector retailers and other partners will join the scheme. Rewards on offer will range from free swimming pool access and use of sports centres to sports equipment from a catalogue of goods. Activity incorporated in the scheme will include unstructured physical exercise, measured through remote readers and community based physical activity activators using points4life as a motivational tool.

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<sup>6</sup><http://www.newport.gov.uk/dc/index.cfm?fuseaction=leisure.homepage&contentid=cont104972> , last accessed on 05.11.09

<sup>7</sup> [http://www.points4lifeofjeu.co.uk/manchester\\_nhs.php](http://www.points4lifeofjeu.co.uk/manchester_nhs.php) , last accessed on 05.11.09

The scheme has Department of Health support and is a formal sub-brand of the Change4Life social marketing campaign. The intention is that points4life will be sustainable over the long term due to private sector contribution into the system.

Initial market research has been undertaken to assess how a scheme would be received by residents, and work is currently underway to put in place the appropriate loyalty platform to run the programme and to recruit a management company to run the scheme.

#### 4.2.3 *Cultuurkaart, Holland*<sup>8</sup>

The Cultuurkaart was launched in 2008 in Holland. Over a million 12-18 year olds have the card which gives young people 15euros to spend on cultural activities. The digital, personalised card can also be 'flushed' to receive discounts at participating institutions.

A magazine, a web forum and material for schools were also launched at the same time to extend the ability of the card to influence behaviour. Young people have been encouraged and supported to get involved in campaigns, make local connections and vote on how to use other funds. This has helped promote a longer lasting engagement with the arts and other cultural activities in Holland, rather than just offering discounted one time access to museums.

#### 4.2.3 *Carnet Jove, Barcelona*<sup>9</sup>

Though we have steered away from 'flash cards' which offer a discount without gathering any data on the user, it is worth mentioning the Carnet Jove. The Carnet Jove youth card is a service that has been offered by the Generalitat of Catalonia since 1986 with the aim of contributing towards improving the quality of life of young Catalan people, through offering and promoting services, proposals and advantages in various areas, in particular culture and international mobility.

Barcelona's youth discount card for 14-29s has been a great success. Marketed as a discount card with 6,000 outlets in much the same way as an NUS card in the UK, it also gathers data on users which is then used to send promotions for specific events. In particular Barcelona has had some success in improving the number of young people coming to museums. The card also promotes messages about solidarity with Europe, international travel and sustainability as part of the brand.

#### 4.2.4 *Web portal, Newham and Greenwich*

Though not a card, this example is worth mentioning as it utilises other technologies to incentivise behaviours by users. TfL and the London Borough's of Newham and Greenwich work in partnership to deliver a web portal that can be accessed on smart

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<sup>8</sup>[http://create2009.europa.eu/fileadmin/Content/Downloads/PDF/Projects/National\\_projects/NL\\_CULTURE\\_CARD.pdf](http://create2009.europa.eu/fileadmin/Content/Downloads/PDF/Projects/National_projects/NL_CULTURE_CARD.pdf) Accessed on 30.09.09

<sup>9</sup><http://www.tujuca.com/choosenodelang.tjc?id=194&lang=en&print=true> Accessed on 30.09.09

phones (phones with a data download connection) with information about the borough and local transport links. Access to information is a proven way to encourage a change in behaviour but the web portal can also be used to offer citizens discounts, competitions and incentives to make different choices locally, for example not dropping litter or using public transport.

#### 4.3 What are the challenges of using incentive cards?

a. *Behaviour is complex*

As we discussed in section three, human behaviour is influenced by a host of factors. Public attitudes, societal trends, individual beliefs, motivations and contextual barriers underpin all of our behaviours. In particular, addiction rather than just habit makes behaviour change in the context of health much more complex. Practitioners need to ensure they have a strong understanding of what is driving current behaviours in designing interventions to shift them.

We know that rational persuasion has relatively little impact on entrenched habits if they involve addiction, for example an addiction to cigarettes or an addiction to eating fast food. Here the lessons from commercial marketing are of only limited use. After all, Tesco are only aiming for marginal shifts in choices, not for users to stop smoking after 20 years<sup>10</sup>.

b. *Incentives on their own rarely work*

Evidence from a variety of schemes suggests that incentives in themselves may change behaviour for a short time, but are unlikely to create lasting change when the incentive runs out. In a commercial context we know that whilst a Nectar card or Clubcard can create short term brand loyalty through incentives including discounts and cashback, when a consumer moves locations their primary motivation in behaviour is convenience. So they will start shopping at the nearest supermarket.

Active living pilots in Birmingham suggest that encouragement and support are as important in changing behaviours as financial incentives and reminders. The experience of dieting clubs is that peer pressure and public target setting have the greatest influence on behaviour change. Arguably the most successful example of behaviour change in recent years has come from the ban on smoking in public places which has led to a dramatic reduction in smoker numbers in the UK. Here regulation was the primary driver, leading to societal pressures, and thousands have been assisted to quit with support from the NHS. Incentives though have not played a role.

c. *Segmentation is key*

The best results will be seen where users have been segmented into groups in order to tailor promotions or incentives, reflecting their own willingness and ability to act. However, few authorities have this sort of data on users. TfL

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<sup>10</sup> Mulgan, G. (2009) Young Foundation working paper, unpublished

and Sport England are good examples of those who do use such a system, but this capacity to manage and interrogate data would need to go hand in hand with any London Card.

*d. State interventions are not always welcomed*

Though the state has long been in the business of encouraging citizen's to make positive choices, there is some unease in certain sectors with the recent surge in behaviour change and the language of coercion. Information provision is often seen as the best form of intervention for the state to take in changing behaviour. Others would say regulation (for example, making chocolate bars smaller which would reduce the calorie intake of those wanting a snack, but not impinge on other's ability to buy two<sup>11</sup>).

There is some discomfort amongst practitioners and policy makers alike with both the concept of wanting to change behaviour, the hosting of detailed information about user's habits on a public services database and the concept of giving financial rewards for behaviours which individuals should be choosing themselves. We discuss each of these in more detail in section six.

*e. Incentives are most effective at transition points*

Significant events or transition points in people's lives present important opportunities for intervention, as at these points people often review their own behaviour. For example, becoming a parent often encourages people to stop smoking, entering or leaving the workforce can lead to a change in physical activity levels and targeting alcohol and smoking reduction incentives towards those leaving A&E has been shown to be effective.

*f. Practicalities of making a scheme work in the public sector*

The practicalities of making a scheme work in the public sector were discussed with interviewees as part of the study, and are explored in greater depth below. The London Collaborative behaviour change workstream has found that practitioners can find it hard to make the case for investment in behaviour change initiatives, because the evidence base for such schemes is limited. In investing in a scheme, organisations will be required to take risks, and accept that the outcome of the intervention may be difficult to predict.

The experience of London boroughs has also been that engaging the community involved in designing any intervention, and obtaining strategic buy-in in delivering it, are key components of successful schemes.

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<sup>11</sup> Mulgan, G. (2009) Young Foundation working paper, unpublished

**Key lessons from this section**

- Incentive cards can be used to change behaviour – by direct financial reward, attachment to a brand or using the data behind them to target interventions to individual users.
- However, changing behaviours associated with active living is complex as addiction and environment are such strong player in the motivations of smokers, those addicted to alcohol or fast food, those living a sedentary life etc.
- Evidence suggests that whilst incentives may change behaviours in the short term, it can be more difficult to sustain this change after the incentive period or offer ends.



## 5. Promoting active living through financial incentives

Having considered the uses of cards to change behaviour, this section focuses on how an incentive card could be used to promote active living. Specifically we discuss existing examples, and the pros and cons of using financial incentives stored on a pan-London card to inform resident behaviour.

### 5.1 How effective are behaviour change interventions at promoting active living?

Few people find it easy to change long standing patterns of behaviour even if we know they are no good for us. Many who smoke, drink to excess or eat too much are well aware that they shouldn't. It is estimated that around the world that smoking, physical inactivity and a poor diet significantly contribute to 50 per cent of deaths worldwide<sup>12</sup>. The costs to the public purse of dealing with illness and disease that is a consequence of these three is enormous. The NHS spends more than £4 billion annually on treating obesity and related illnesses<sup>13</sup>.

Changing behaviours to promote active living is therefore crucial, but local authorities, the PCT or Department of Health have little control in this area. Where the public sector has tried to change behaviour the evidence base is thin. There are good examples (some listed below) with interesting stories of success to tell. There is good empirical data too for some interventions - the National Institute for Clinical Excellence (NICE) for example have shown that smoking cessation schemes do work<sup>14</sup>. However, the recent Department of Health review of 'cost effectiveness of public health interventions', shows that little is known about exactly what works<sup>15</sup>. This field therefore, is far from simple.

### 5.2 How can financial incentives be used to promote active living?

Disincentives, in the form of taxes or penalties are known to affect behaviour, but the effect of positive financial incentives is less clear. In theory, they work for two reasons<sup>16</sup>:

- provide an immediate reward for behaviours that usually provide health gains in the longer term<sup>17</sup>
- capitalise on the tendency for many of us to pursue smaller immediate rewards instead of rewards that are distant but more highly valued<sup>18</sup>.

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<sup>12</sup> Mulgan, G. (2009) Young Foundation working paper, unpublished

<sup>13</sup> <http://www.nhsweightlosstrial.com/index.html>, last accessed on 15.10.09

<sup>14</sup> National Institute for Clinical Excellence (2002) *Guidance on the use of NRT and bupropion for smoking cessation*, National Institute for Clinical Excellence

<sup>15</sup> Department of Health (2008) *Prioritising investments in public health*, Health England

<sup>16</sup> Marteau, T.M. Ashcroft, R.E., Oliver, A.(2009) "Using financial incentives to achieve healthy behaviour", *BMJ* 338:b1415

<sup>17</sup> Domjan, M., and Burkhard, (2003) *The principles of learning and behaviour*, Belmont, CA, USA, Thomson Brooks/ Cole Publishing Co

<sup>18</sup> Berns, G.S., Laibson, D., Loewenstein, G. (2007) "Intertemporal choice—toward an integrative framework", *Trends in Cognitive Sciences*, Vol 11, Issue 11, 482-488

Financial incentives have been trialled extensively in the health sector. Reviews of evidence from pilots and trials suggest that incentives can be effective in securing changes in behaviour but only where interventions are simple - i.e. requiring single actions at a point in time. For example, incentivising attendance at appointments, uptake of free mammograms, adherence to treatment for tuberculosis, and increased consumption of fruit juice among pregnant women have all proved a success. The evidence for this is particularly strong in relation to interventions in low income populations.

However the evidence for using financial incentives to influence complex behaviours - i.e those requiring effort over a sustained period such as smoking, obesity, and drug misuse – are far less clear cut. While there is some evidence that schemes involving incentives can affect complex behaviours over the short-term, evidence also suggests changes are not sustained beyond the period of the incentive, for example in relation to weight-loss and smoking cessation schemes<sup>19</sup>. Commentators have suggested that incentives may need to be sustained until a ‘tipping’ point has been reached, where the behaviour has continued long-enough to be habit-changing. The success of a recent smoking-cessation programme in the US supports this supposition, wherein a total incentive of \$750 was released incrementally, tied to completion of a smoking-cessation programme, and continued abstinence at 6 and 12 months. The use of incentives delivered significantly higher sustained quitting at one year and at 18 months<sup>20</sup>.

Similar outcomes have been experienced in the field of physical activity. A trial exercise project in Newcastle found that of a range of interventions to promote the uptake of physical activity among socioeconomically disadvantaged middle-aged adults, the most intensive, which involved motivational interviews and a financial incentive, found some success at six months, but that this was not sustained to a one-year follow up<sup>21</sup>.

### **5.3 Existing successful active living financial incentive schemes**

A recent British Medical Journal review points to some excellent examples of financial incentives for health, summarised in the table below. We have also selected a number of case studies where a card has been used with financial incentives (as per the proposal for the London Card) to discuss in more depth in this section.

Figure three: Current incentive schemes aimed at changing health related behaviours (reproduced from BMJ)<sup>22</sup>

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<sup>19</sup> Marteau, T.M. Ashcroft, R.E., Oliver, A.(2009) “Using financial incentives to achieve healthy behaviour”, *BMJ*, 338:b1415

<sup>20</sup> Gillis, B. et al, (2009) “Rationale, design and methods of the HEALTHY study nutrition intervention component”, *International Journal of Obesity* 33, S29–S36

<sup>21</sup> Marteau, T.M. Ashcroft, R.E., Oliver, A.(2009) “Using financial incentives to achieve healthy behaviour”, *BMJ*, 338:b1415

<sup>22</sup> Reproduced without permission from Marteau, T.M. Ashcroft, R.E., Oliver, A.(2009) “Using financial incentives to achieve healthy behaviour”, *BMJ*, 338:b1415

Target	Population	Incentive
Smoking cessation	Pregnant women, Essex	£20 food vouchers for one week cessation; £40 after four weeks; £40 at one year
	Children, Brighton and Hove	£15 in vouchers for 28 days cessation
Managing chronic conditions	Diabetic employees, US	\$200-\$600 towards healthcare costs for treatment adherence
	Psychotic patients, east London	£5-£15 per injection
Avoiding sexually transmitted diseases	Men and women aged 15-30, Tanzania	\$45 for regular negative laboratory tests for sexually transmitted diseases
Weight loss	Overweight residents, Varallo, Italy	\$67 for achieving target weight; \$268 and \$670 if maintained for 5 and 12 months, respectively
	Overweight residents, Kent	£70-£425 for reaching personal weight loss targets
Child development	Households in the PROGRESA programme, Mexico	Financial incentives to families for engaging in behaviours to improve health and educational attainments
Healthy eating	School pupils, East Ayrshire	Points earned by eating healthy school meals which are exchanged for farm animals, medical supplies, and classroom equipment for Save the Children projects abroad

### 5.3.1 *Quit4u, Dundee*<sup>23</sup>

Quit4u is a smoking cessation scheme which targets smokers in disadvantaged areas of Dundee. In addition to support and advice, quitters are offered £12.50 a week loaded on to an electronic card. The card can be used to buy food and groceries in local Asda stores, and will be credited for a maximum of 12 weeks where participants can demonstrate they have stayed smoke free. Participants are required to visit a local pharmacy once a week to blow into a machine that records their carbon monoxide levels.

Early data suggests the use of incentives is delivering improved performance for the scheme. Of 474 people registering with Quit4U in the first twenty weeks of the scheme, 212 hit the milestone of staying smoke-free for one month. This compares well to performance across Dundee in 2007, over the entirety of which year, 220 people hit the one month smoke-free target. Scottish national statistics for last year show that across Tayside, an average 29 per cent of people were smoke free one

<sup>23</sup> <http://www.eveningtelegraph.co.uk/output/2009/08/10/story13591976t0.shtm> , last accessed on 30.09.09

month after setting a quit date, where among those who have registered for Quit4U this currently stands at 45 per cent of participants.

The scheme commenced at the end of March. At 20 weeks 38 people had completed the three-month scheme successfully, however it is still too early in the scheme to establish how enduring the impact of the incentive has been.

The scheme is a partnership between NHS Tayside, the Scottish Government, Dundee City Council, NHS Health Scotland, Community Pharmacies, Asda and GPs and local grocery stores.

### *5.3.2 Healthy Incentives, Birmingham<sup>24</sup>*

Healthy Incentives is a social enterprise based on the model of offering rewards for healthy behaviour. Its pilot in Birmingham is currently underway with three cohorts of 200 participants each. These include people with long-term medical conditions, those at moderate or high risk of cardio-vascular disease and pregnant smokers. The pilot programme is four months in so it is difficult to draw strong conclusions. However two themes are emerging.

Firstly that some participants need the incentive to attend the first visit or signing up to the scheme, whereas others need the reward to motivate completion. This varies according to medical condition and affluence. And secondly that participants not only value the financial incentive (which is monitored and collected via a personal smart card) but also the contact with a professional or support group. In some circumstances the latter is far more important to motivation than finance.

### *5.3.3 Loyalty cards, Minnesota<sup>25</sup>*

The state of Minnesota gives out gift cards for local stores as an incentive for following the advice of their doctors by eating more healthily, taking exercise, stopping smoking etc. Publicly insured patients receive \$20 gift cards for following an agreed regime. The health budget panel have invested approximately \$1 million into incentives for diabetics who control their blood sugar and smokers who quit.

The local governor last year also established the QCare program, which offers bonuses to health plans and providers that score well on treating costly chronic conditions like diabetes and heart disease.

### *5.3.4 Get, Smarter Travel Pilot Project, Wimbledon<sup>26</sup>*

TfL worked with two schools to promote active travel, ensure pupils arrive on time, and reduce crowding on buses by encouraging walking to school from Wimbledon Town Centre and Raynes Park station. Pupils were given swipe cards to be used at

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<sup>24</sup><http://launchpad.youngfoundation.org/node/244>, last accessed 05.11.09

<sup>25</sup>[http://www.redorbit.com/news/health/884456/gift\\_cards\\_proposed\\_as\\_health\\_incentive/index.html](http://www.redorbit.com/news/health/884456/gift_cards_proposed_as_health_incentive/index.html), last accessed on 30.09.09

<sup>26</sup>[http://www.thisislocalondon.co.uk/news/4510925.Free\\_breakfasts\\_and\\_cinema\\_vouchers\\_to\\_get\\_kids\\_walking\\_to\\_school/](http://www.thisislocalondon.co.uk/news/4510925.Free_breakfasts_and_cinema_vouchers_to_get_kids_walking_to_school/), amongst others, last accessed on 05.11.09

the beginning and end of the walk, and given vouchers to reward them for walking to school rather than using the bus. Investment was also made in improving student common rooms in the school.

The scheme has achieved its objectives, and seen reductions in the peak of demand (with 50 per cent less incidents of students 'unable to board' crowded buses), and better spread of the peak of demand. The success of the programme was attributed to strong engagement with pupils, who designed improvements to their common rooms and influenced the incentive selected. The incentive used in the early days of the scheme, cinema tickets, was reconsidered when the scheme has less impact than anticipated. Significant improvements in outcomes were seen when the incentive was altered to Topshop vouchers.

#### *5.2.5 Active steps, Sutton<sup>27</sup>*

Delivered by NHS Sutton and Merton, Active Steps is a free support programme intended to motivate Sutton residents to increase their physical activity levels by walking or cycling for short journeys. Participants are both opportunistic and signposted by health professionals.

Launched in September 2008, the scheme takes a patient-centred approach to changing behaviour, using motivational interviewing techniques whose success has been evidenced in addictive behaviours. The interview strengthens individuals' intrinsic motivation to change their behaviour. Conducted with specially trained NHS Active Steps Advisors, interviews explore how residents feel about active travel, remove barriers to walking and cycling, and create personalised goals. Service users are given free step-counters, walking and cycle maps and access to free cycle training to encourage them to initiate and maintain increased physical activity levels.

Service users are then supported in their increased physical activity for 12 weeks by motivational texts, postcards and contact with their active steps advisor, should they require any extra motivation or advice. They then re-visits their active steps advisor to discuss progress and re -set goals.

The scheme highlights the challenges in evaluating behaviour change schemes, in that initial attempts to employ an academic and very rigorous evaluation, using a control group and travel diaries, failed, as participants would not engage. However results through lighter touch evaluation find 97 per cent of services users report being more physically active, and 60 per cent report a permanent change to the way they travel.

#### *5.3.6 Relevant examples which are not based on cards*

- *Pounds for Pounds, Kent<sup>28</sup>*

The Pounds for Pounds scheme initially sought 300 men and women, including 40 nurses who were signed up to lose weight as 'an example'.

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<sup>27</sup> <http://www.sutton.gov.uk/index.aspx?articleid=5495> , last accessed 30.10.09

<sup>28</sup> [http://www.weighttwins.com/project\\_history.aspx](http://www.weighttwins.com/project_history.aspx) , last accessed on 30.09.09

Individuals set personal slimming targets depending on their weight and height. They sign up to a six-month or 13-month programme, and have up to half of the programme to reach a target weight. Participants check in for monthly weigh-ins at their GP surgery or health clinic. Participants are required to maintain it for the remaining time, with payments between £70 to £425 for reaching personal weight loss targets and a further bonus payment if weight loss is sustained six months later.

- *Choosing Health, Stoke on Trent*<sup>29</sup>  
Choosing Health is a pedometer-based programme that encourages people to increase the number of steps they take each day in order to lose weight and lower their BMI . It was developed by Humana for NHS Stoke on Trent to help combat the region's high rates of obesity and growing incidence of preventable disease. Last year's 12-month pilot involved 360 'at risk' NHS patients with a BMI of 25 or over. Results were extremely positive, with 71 per cent of participants reducing their BMI by an average of two points, which equates to an average weight loss of 12.4 pounds per person.

### **5.3 Challenges of using incentives**

As we have already discussed, financial incentives are a complex subject. There are a number of challenges to consider before they could be successfully applied to a card such as the London Card.

#### *a. Cost*

Financial incentives of course cost money. The Department of Health and NHS have a strong record over the last five years of investing in preventative measures. Some local authorities and local partnerships do so. However, as the public purse contracts, justifying spend on incentives both to the public and the politicians will become more challenging.

Additionally, when discussing increasing the number of users of council health facilities, for example, conversation often strays into the opportunities to compensate for revenue loss (i.e. make up for the cost of providing the reward / incentive) or even income generation through increased footfall. This can complicate the story. Our analysis of the case studies suggests that financial incentives on a card will never increase short term income generation.

#### *b. Timing*

As the example from Birmingham's Healthy Incentives Card shows, financial rewards work best at different times. Smokers were given the financial reward to come to the support group, whereas diabetics were given the reward at the end of a 12 week process.

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<sup>29</sup> [http://www.communityhealthsupport.org/p\\_16.php](http://www.communityhealthsupport.org/p_16.php) , last accessed on 30.09.09

Data from elsewhere also suggests that people from low income families are more likely to respond to financial incentives than the middle classes<sup>30</sup>. The amount and timing of the financial incentive therefore needs to be tailored to both the individual and the health outcome the public service is trying to promote. This may be challenging to achieve through the London Card.

*c. Gains are not sustainable*

Evidence suggests that when financial rewards are removed, behaviour does not always continue<sup>31</sup>. There could even be the potential to encourage negative behaviour. For example, if a citizen stopped taking treatment to receive payment for taking it again, or started unhealthy behaviours in the knowledge there may be a reward later.

*d. Segmentation and targeting*

We have talked already about the need to segment the population and target incentives at specific groups or even individuals, in order to achieve the best results. However, this is both a challenge for the current capacity within London's public services (we do not have data stored on individuals aligned between agencies and may not wish to for the London Card) and a political decision to target resources towards the few.

*e. Efficacy of financial incentives*

The majority of financial incentives offered for active living, offered on a card, that we have found are delivered in combination with other services. Be it support groups, regular text messages to remind you of your goal, mentors, coaches, websites with advice, online discussion forums etc. These additional services are often as important, or more so, than the financial incentive itself but each have a cost and delivery implication.

*f. Public opinion*

Public attitudes can construe the use of incentives as a form of bribery and coercion, especially for low income groups. Also the use of an incentive can be seen as undermining patients' autonomy and personal responsibility, failing to respect the decision they have reached. There are political questions to ask too about the ideology of encouraging behaviours, but not preventing others and about personal versus state responsibility.

<b>Key lessons from this section</b>
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<sup>30</sup> Marteau, T.M. Ashcroft, R.E., Oliver, A.(2009) "Using financial incentives to achieve healthy behaviour", *BMJ*;338:b1415

<sup>31</sup> Marteau, T.M. Ashcroft, R.E., Oliver, A.(2009) "Using financial incentives to achieve healthy behaviour", *BMJ*;338:b1415

- Financial rewards can incentivise behaviour change amongst citizens as they provide a short term gain (cash) in place of the longer term objective (health).
- However, they are most likely to work where simple behaviours are concerned (e.g. attending an appointment) rather than complex behaviours (smoking cessation).
- Financial incentives work differently for different people – the amount and timing (i.e. before or after undertaking an activity) of the incentive is crucial – and are far less of a motivator for others. Segmentation and targeting is therefore essential.
- The public and politicians are often unsupportive of such an approach. Some fear it erodes public choice, others that coercion should be avoided, others that targeting support to the few (over a universal service) can not be justified.



## 6. Appetite and capacity to deliver financial incentives on the London Card

### 6.1 Appetite to explore behaviour change in London

Interviews for this project and inputs into the London Collaborative behaviour change workstream have uncovered a wide range of behaviour change work underway within boroughs, in council services and in partnerships with other local service deliverers, such as leisure providers, PCTs and TfL. A recent series of London Collaborative events on *tough times*, looking at borough responses to the impact of the recession, also found behaviour change a recurring theme of discussion. It often arose in exploration of alternative approaches to achieving outcomes, a salient forum given the anticipated context of reduced resources.

The renewed fervour for behaviour change comes from practitioners and policy makers interested in:

- understanding of techniques through which to influence behaviour
- introducing greater rigour in applying learning from behaviour change theories and pilots
- monitoring and evaluating initiatives.

At the same time the increasing levels of knowledge we hold about influencing behaviours are not evenly applied across London's public sector, and the learning from a small number of trailblazing boroughs is unevenly shared and understood.

We spoke to more than 30 people for this commission, either through interviews or short focus groups. Those involved indicated a strong desire for continuing to address behaviour change, on the understanding that for services to achieve certain improvements in resident quality of life, their active engagement is required. Officers also understood the development of a more nuanced understanding of public behaviours, and a more tailored approach to work with target populations, as being at the core of this work.

### 6.2 Appetite for incentive cards

There are a large number of card schemes operating in London boroughs. Many of these are aimed at local people, and provide variable rates and access to a range of local services and offers. We do not go into these here as this is the subject of a wider feasibility study. A number of boroughs have also used cards in a targeted fashion to influence behaviour change, for example Sutton's Smart Travel scheme. This experience frames London's warm welcome for an incentive card schemes.

Below we have broken down the main themes of discussion from our interviews and focus groups with officers:

#### *a. Interest in behaviour change and incentive cards*

Overall public sector stakeholders involved in the research felt that incentivisation could be a productive route through which to influence behaviours, and that a card could be a useful tool in delivering a behaviour change scheme. However they cautioned that evaluating the effectiveness of

any scheme is challenging because there are so many influences on one person's behaviour.

b. *Fears about impact*

Light-touch evaluations by London boroughs and interviewees own anecdotal evidence led many to conclude that incentives can increase take up of services. For example, free swimming for under 16s has led to increased use among target groups, and subsidised classes tend to work at full capacity. There was also some awareness of the wider evidence base discussed above about how the impact of incentives in programmes such as smoking cessation or weight loss.

However there was also some concern about the long-term impact of incentives, and whether behaviour changes would outlast the incentive. Talking about Sutton's six week gym membership deal, one participant noted that *"once the novelty wears off they stop coming"*. Interviewees were also aware that the evidence base for incentive schemes does not provide simple answers. For example the value and nature of the incentive and its interaction with other factors will be key variables.

c. *Segmentation and targeting*

Practitioners stressed that the success of an incentive card scheme would be dependent on effective segmenting, and identifying an incentive which has resonance with the target population.

*"We already disproportionately reward the engaged"*  
*Officer, London borough*

There was particular appetite for using incentives to target groups normally difficult to engage, such as younger people in deprived areas and older people. However this was paralleled with concern that targeting may not be welcomed politically, as it is seen to spotlight diminishing resources on a small number of residents. One focus group participant noted *"we already disproportionately reward the engaged"*.

Some participants emphasised the importance of incentives being embedded in schemes that understood an individual's behaviour holistically, and took into account the range of influences and motivating factors. In this context they stressed the importance of ensuring other appropriate elements were in place. These might include referral from a trusted professional, gaining membership or a feeling of being a member of a community, simplified access, or good customer service. Focus group participants noted that cards work best when combined with human contact and support.

d. *Working on a pan-London basis*

Interviewees noted that although the bureaucracy of working on a pan-London basis would be complicated to navigate, there would be appetite for a card which identifies residents as 'Londoners'. Building this brand, and also allowing access to services in other boroughs through the card, would play well with both politicians and the public. However, several pan-London

agencies were more cautious. All of the bodies we spoke to were keen to get round the table and discuss options for both a pan-London card and incentive cards. But many felt they'd had their fingers burnt in the past – promoting schemes to boroughs only to have them ultimately support an individual card, or working together only to have funding halted. Interviewees also raised cultural barriers to pan-London work, one saying “*there is a sense of ‘my logo’, ‘my great idea’ from all partners*”, including in this PCTs, councils, TfL and the third sector, together with a concern that protective attitudes would be exacerbated by a recession environment.

The most successful approach was generally deemed to be a scalable scheme, allowing areas to opt in or otherwise. A focus group suggested a critical mass of boroughs would be needed for a scheme to be delivered pan-London, however stakeholders had varying views about the value and issues associated with taking a cross-borough approach to delivering an incentives scheme. Interviewees identified that there would need to be a strategic lead for a cross-borough scheme, and it was anticipated that there would be issues to manage around who had ownership, with a need to balance coordination and clear vision, with the flexibility which would provide for strong ownership, targeting, and community partnership at a local level.

While some respondents discussed how an effective incentives initiative would start small in its aspirations and application of incentives, others noted the appeal of identifying the “*killer behaviour change*” which would hook people into using the card, get individuals using the technology and boroughs signing up.

e. *Sustainability*

A number of interviewees raised concerns about the sustainability of a scheme involving material or financial incentives, especially in the current context of public spending reductions. It was considered that it would be difficult to establish an effective funding model for an incentive

scheme that crossed borough borders. There were also concerns that preventative work is not currently being delivered on the basis of a rigorous understanding of what works, and that an incentivisation scheme not join this category. Practitioners were concerned that any behaviour change programme based around an incentive card have a clear focus on the outcomes to be achieved. One interviewee stated that “*boroughs have started from the view that they want a card – what can I fill it with? We need to think (about it) the other way round. What service do I want to provide – would this be better done be a card?*”.

*“Boroughs have started from the view that they want a card – what can I fill it with? We need to think (about it) the other way round. What service do I want to provide – would this be better done be a card?”*

*Officer, pan-London agency*

f. *Technological capacity*

Participants were interested in the technical capabilities of a card, which would influence the techniques that can be used to incentivise behaviour. For example a phone-chip based technology would allow for data to be viewed through the phone, reminders and prompts sent. Such a device may be used by TfL when the Oyster contract comes to an end, but is also in use elsewhere in the capital. Other boroughs like Greenwich and Newham are using web portals, accessed by smart phones, to display user and generic information. It is worth exploring further whether there is room to use these technologies over a card.

There was some interest in how the technologies on a new card might enhance an incentives scheme, particularly through offering users access to their own behavioural data online, for example so they can track their own progress. The ability of the technology to allow for payment and voucher transactions will also be a factor. The momentum of an incentive scheme could also be limited in the short-term by the speed of distribution of the technology, card readers etc.

g. *Offering personalised information*

Access to a smartcard was also seen by participants to offer benefits in terms of the information about patterns of public behaviour that could be gathered and analysed. This could feed into more sophisticated segmenting and targeting of future initiatives and marketing. Broad social marketing data is currently available through the Promoting Physical Activity toolkit<sup>32</sup>, and Department for Culture Media and Sport are conducting Culture and Sport Evidence Review<sup>33</sup> to look at modelling scenarios that can be applied to certain population segments. However, the latter is based on regions and the majority of data available to councils is headcount information about use of classes and facilities. Neither of these provide any more qualitative data about behaviour patterns.

*"[Targeting promotions to individuals] reduces the myth of the faceless authority"*

*Officer, London borough*

Concerns were raised about data protection considerations around the sharing and use of such information, and some interviewees suggested that the capacity and skills of staff to make good use of such information could also be an issue. However others noted that making effective and extensive use of such data was the "*direction of travel*" and felt comfortable with the idea, noting that it "*reduces the myth of the faceless authority*" if residents receive personalised and targeted information.

h. *Ethics and ideology*

<sup>32</sup> <http://www.promotingactivitytoolkit.com/>, last accessed on 05.11.09

<sup>33</sup> <http://www.culture.gov.uk/case/>, last accessed on 05.11.09

Stakeholders did identify some ethical issues about incentivising, around rewarding bad behaviour, and of the state adopting a paternalistic role. Those who were concerned felt that in-kind rewards would be more acceptable in these terms than vouchers or direct financial payments. However other respondents noted that the use of incentives and subsidy is already widespread, and would not be controversial. Ethical issues also arose in discussion of the value of engaging with the private sector in delivering incentive schemes. It was considered that there could be less ethical issues and controversy in linking up to local retail schemes (such as the Camden Wedge Card<sup>34</sup>, or Crouch End Card<sup>35</sup>) than in tapping into major private schemes such as Boots cards or Nectar.

### **6.3 Appetite to work on active living**

Active living was seen as an appropriate field for behaviour change initiatives, due to the potential positive impact on health outcomes and broader quality of life. Boroughs are already delivering a wide range of schemes involving some form of incentivisation to increase physical activity levels. PCTs work with local authorities and other deliverers on clinical referral schemes, as well as funding preventative activity schemes at lower levels of risk. Local authorities also subsidise activity provision for target groups, for example subsidised activity classes targeted at older people, and subsidised gym membership for those on benefits. A number of boroughs are also targeting particular neighbourhoods or communities through provision of tailored activities and promotion.

A number of issues about practical delivery of an active living incentivisation scheme were raised, echoing general issues identified above:

*a. Delivering across boundaries*

Practitioners stressed the challenge of delivering across local authority boundaries where councils have their own priorities, and it isn't always appropriate to pool resources for schemes. Some noted that the impact of enabling residents to access facilities across borough boundaries is difficult to anticipate, and that it is likely to be less critical among target groups, who were less likely to be moving widely outside of the borough.

Some suggested that rather than looking at a pan-London active living scheme boroughs would be better placed linking the council's provision on active living into the much wider offer provided in the borough through partners in the private and community sectors. The offer from these centres can appeal to different types of users, for example smaller and more intimate venues than borough leisure centres, and proposed that an incentive initiative that opened up to more providers within a borough was more clearly of benefit than looking cross-borough.

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<sup>34</sup> <http://www.wedgcard.co.uk/>, last accessed on 05.11.09

<sup>35</sup> [http://www.thecrouchendproject.co.uk/cms/index.php?option=com\\_content&task=section&id=8&Itemid=75](http://www.thecrouchendproject.co.uk/cms/index.php?option=com_content&task=section&id=8&Itemid=75), last accessed on 05.11.09

b. *Funding incentives*

The likely future pressures on funding will be felt particularly within leisure and cultural services, raising concerns about identifying funding for incentive schemes. However, spending on health may not decline and so there could be avenues to find revenue for such schemes through NHS London or the PCTs

One interviewee suggested that the most valuable work that could be done to increase physical activity would be to address governance, financing and commissioning issues to maximise the impact of current activity. They argued that demonstrable commitment from PCTs to physical activity work and to partnership work with local authorities in this area needs to be prioritised before attention is turned to the development of a large-scale incentive programme.

c. *Targeting groups most in need*

One Physical Activity Manager relayed that his experience of card systems was that they tended to be picked up by those who are already active. He emphasised that to have impact, a card will need to be closely linked to the work of professionals and community based providers who were in direct and regular contact with target groups, for effective promotion of opportunities.

d. *Using incentives to increase take up by older people*

Many local authorities already provide a strong physical activity offer for older people, building on free swimming with a range of subsidised activity classes or gym memberships, as well as transport subsidy. Practitioners suggested that there were a range of elements to getting the offer right for groups of older people, which were likely to be more influential in securing sustained behaviour change than incentives. These included making sure that people feel supported in the physical activity, tackling social exclusion, for example through buddying systems or links to community groups, and making sure the environment feel safe and welcoming. Feedback on activities targeted at older people tends to focus on how nice the instructor is, locations and times of activities and what the activity is, rather than cost.

Practitioners also pointed out that older people who are currently physically inactive are less likely to feel the benefits of pan-London connectivity as they are more likely to stay in their local area than travel further afield.

Practitioners suggested that any intervention with this group should be carefully targeted in order to reach beyond the already active group, and should be tailored to the individual, starting with small lifestyle changes and building up. The category of older people is also a broad one, and approaches to target those pre retirement, or pre 65 might be very different to those appropriate for older groups

e. *Making space in a crowded field*

Alongside Change4Life and individual borough schemes NHS London are also showing strong interest in this agenda. They have recently commissioned a feasibility study for incentivising active living, aligned to wider Department of Health interest in behaviour change and the national approach to tackling obesity, healthy eating and increasing physical activity. The intention is to tap into the anticipated 'festive effect' of the Olympic Games, and to contribute to Go London strategy aims to deliver a sustained and significant shift in physical activity behaviour in London. The commissioned study will review current work in this field, come up with a concept for a potential scheme, including an understanding of costs, feasibility and next steps, including wider communications and stakeholder engagement. The study's definition of incentivisation is broad, looking beyond individual material reward to community reward, and to a sense of membership, and capturing the desire to fit into a momentous event. Any potential scheme is likely to be strong on community engagement, and could involve a number of strands targeting different segments. A consortium led by Mouchel are carrying out the study which has clear links with our findings above.

**Key lessons from this section**

- There are many existing incentive card schemes in London operating over different geographies and for different groups.
- Officers were very interested in a pan-London Card which builds on the sense of being a Londoner. This could offer discount or rewards.
- However, they were much more cautious about tying this to active living. The field is crowded at the moment. Officers were very conscious of duplication, the unclear track record of incentives to change behaviour and the need to define and measure outcomes all the way along to be sure which action motivated an individual's behaviour.
- If an active living incentive card was introduced officer would like to be able to opt in and out on a borough basis, exploit the data available on individuals to target and promote specific activities and target the groups most in need.
- Pan-London agencies expressed a fear that incentive cards would not go far enough and that smart cards linked to a personal account which give users personal data, or linked to chip or web technologies, would be a better investment.

## 7. Recommendations and conclusions

### 7.1 The case for incentives built into the London Card

The various theories of behaviour change suggest that our own habits and traits, the social norms around us and the external pressures put on us, all influence our behaviour in complex ways. Though the influence of public agencies is limited there are many ways for the state to inform and encourage behaviours. Specifically we have shown that incentive cards could be used to promote active living through:

- **monitoring** the completion of a fitness or health goal via a smart card
- **rewarding** the completion of a fitness or health goal with a financial incentive which is redeemed by a card
- **building a brand** (similar to change4life) which people want to be part of
- **discounting** healthy activities where a resident could use a 'flash card'.

Existing developments of smart cards by TfL or the London Card through the GLA, give the potential to make this a reality. Furthermore, amongst London agencies such as GLA, TfL, Primary Care Trust and others there is a good appetite to explore this further. Boroughs too are eager, though the each comes with a multiplicity of agendas.

However, creating cards which offer financial incentives to Londoners is not simple. The following are key concerns:

- **targeting** - schemes which offer financial incentive cards to specific users or groups of users (for example smokers) have a higher success rate at modifying behaviour than those which offer universal discounts to all. However, this is harder to administer and segmenting populations to receive specific benefits can be politically fraught.
- **longevity** - offering financial incentives may change behaviour in the short term, but there is limited evidence to suggest users do not revert back to old pattern of behaviour once the incentive disappears.
- **wrap around support** - financial incentive cards have been used very effectively to change behaviour when done in combination with other support such as advice clinics, support groups, mentors or text message reminders. These additional services have a cost implication.
- **technology** - incentive cards themselves may become outdated relatively quickly. The field is moving to increasingly sophisticated smart cards as well as web portals and data stored on chips which could live inside mobile technology.

### 7.2 Using incentives to motivate active living

Throughout this paper we have considered the options for using incentive cards to motivate active living amongst Londoners. Active living is of key concern to all public agencies. The proposed London Card would have the ability to store complex data about users, and there is enthusiasm from all to exploit its technology.

Our evidence suggests that financial incentives work for some people but not others. Whilst they might encourage more families from deprived backgrounds to go



swimming, or women to join a diet club, they are unlikely to motivate the more affluent or the elderly (who see regular contact as more motivating). The timing of the incentive (whether to begin the process of change or to reward completion) also motivates different groups. There may be little appetite, or few resources, for this at a pan-London level.

There are merits in considering a pan-London card which would act as an incentive card to promote active living. The technologies exist and there is an appetite to work on this from NHS London and local agencies. However, we would see an incentive card as part of a raft of other activities designed to promote active living. We would suggest there is not enough compelling evidence to make such a card the centre of a scheme to promote active living.

### **7.3 Recommendations**

We therefore recommend that Capital Ambition:

- continues to investigate the practicalities of using the London Card to incentivise or reward behaviour
- pursue opportunities to offer the London Card as a 'flash card' which gives a universal discount for Londoners at culture or sporting events, and is branded with the Olympics or similar, in order to make best use of the smaller opportunities to deliver behaviour change through association with a brand or discounts
- pursue opportunities to use the London Card to store specific data about individuals as the most fruitful use of the London Card in relation to active living
- consider if active living is the right behaviour to use an incentive card for. There may be greater merit in considering promoting museum take up through such a card for example, whilst active living better supported through support groups, mentors or coaching etc.
- work in partnership with NHS London, pilot a small scheme which offers financial rewards to a small number of people reaching active living targets
- further explore the opportunities to profile and segment the London population in order to target future interventions
- consider how web portals (accessed by handheld mobile technology) could offer links to incentives or rewards.

## 8. Further information

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The Capital Ambition Guide to Behaviour Change, authored by the Young Foundation, is available now to download at:  
[www.londoncouncils.gov.uk/capitalambition](http://www.londoncouncils.gov.uk/capitalambition)

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Young Foundation*