



Llywodraeth Cymru
Welsh Government



LLESIANT
CENEDLAETHAU'R DYFODOL
WELL-BEING OF
FUTURE GENERATIONS

Consultation Document

Shaping Wales' Future:

Using National Milestones to measure
our Nation's progress (wave two)

Proposals for setting the second wave of national
milestones for Wales

Date of issue: 21 June 2022

Action required: Responses by 12 September 2022

gov.wales

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Overview**Shaping Wales' Future**

The purpose of this consultation is to seek views on setting the second wave of national milestones for Wales that will assist Ministers in assessing progress towards achieving the seven well-being goals as set out in the Well-being of Future Generations (Wales) Act 2015.

This document sets out the proposed values for eight national milestones.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

The consultation documents can be accessed from the Welsh Government's website <https://gov.wales/consultations>

The first wave of national milestones were laid in the Senedd in December 2021 and can be found here <https://gov.wales/well-being-future-generations-national-indicators-2021>

The Well-being of Future Generations (Wales) Act 2015
<https://www.legislation.gov.uk/anaw/2015/2/contents/enacted>

Welsh Government's webpages on the Well-being of Future Generations (Wales) Act 2015 <https://gov.wales/well-being-of-future-generations-wales>

Senedd Cymru's webpages on the Well-being of Future Generations (Wales) Act 2015 <https://gov.wales/wellbeing-wales>

There is an accompanying blog to this consultation which can be found here : Shaping Wales' Future Blog | National Well-being: Indicators, Milestones, and Trends (gov.wales) <https://shapingwalesfuture.blog.gov.wales/>

Contact details**For further information**

Email: ShapingWalesFuture@gov.wales

How to respond

Submit your response by midnight 12 September 2022 in any of the following ways:

- Complete our **online form**
- Download and complete our **online form** and email to: ShapingWalesFuture@gov.wales

Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
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- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tell us this in writing when you send your response. We will then redact them before publishing.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer

Welsh Government
Cathays Park
Cardiff
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E-mail: data.protectionofficer@gov.wales

Information Commissioner's Office

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Cheshire
SK9 5AF

Telephone: 01625 545 745 or 0303 123 1113

Website: ico.org.uk

UK General Data Protection Regulation (UK GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data. In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation. If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

Further information and related documents

You can view this document in alternative languages (www.gov.wales/alternative-languages). If you need it in a different format, please contact us www.gov.wales/contact-welsh-government.

Key terms

Sustainable Development

Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals.

Well-being goals

The seven well-being goals show the kind of Wales we want to see. Together they provide a shared vision, and describe the economic, social, environmental and cultural well-being outcomes that will make Wales a more sustainable nation.

Sustainable Development Principle

The sustainable development principle means acting in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. This means thinking about the future in what we do. There are five ways of working that make up the sustainable development principle. These are long term, prevention, integration, collaboration and involvement.

Well-being Duty

Certain public bodies in Wales have a legal duty to carry out sustainable development – this is the well-being duty in the Well-being of Future Generations (Wales) Act. In carrying out this duty public bodies must set and publish objectives designed to maximise their contribution to achieving each of the well-being goals, and take all reasonable steps in meeting their objectives.

National Well-being Indicators

To help us know whether progress is being made towards the seven well-being goals we have 50 **national indicators**. The national indicators are designed to represent the desired outcomes for Wales, and its people. These will help demonstrate progress towards the seven well-being goals. They are not performance indicators for an individual organisation or actions by an individual organisation. They provide a more holistic national picture of what is changing.

National Milestones

The **national milestones** are a series of measures against the national indicators that set out our expectations of what the indicators should show in the future. They help us understand whether the national indicators are moving in the right direction and moving us as a nation towards achieving the well-being goals. The first wave of national milestones were laid in December 2021.

Well-being of Wales Report

Each year we publish a report on Wales' progress towards achieving the seven well-being goals. This is called the '**Well-being of Wales Report**'. It uses the 50 national indicators and other data.

SECTION 1

Introduction to Shaping Wales' Future

In Wales we are doing things differently. We have a law in Wales that helps us all work together to improve our environment, our economy, our society and our culture. For people, for our planet. For now, and for our future.

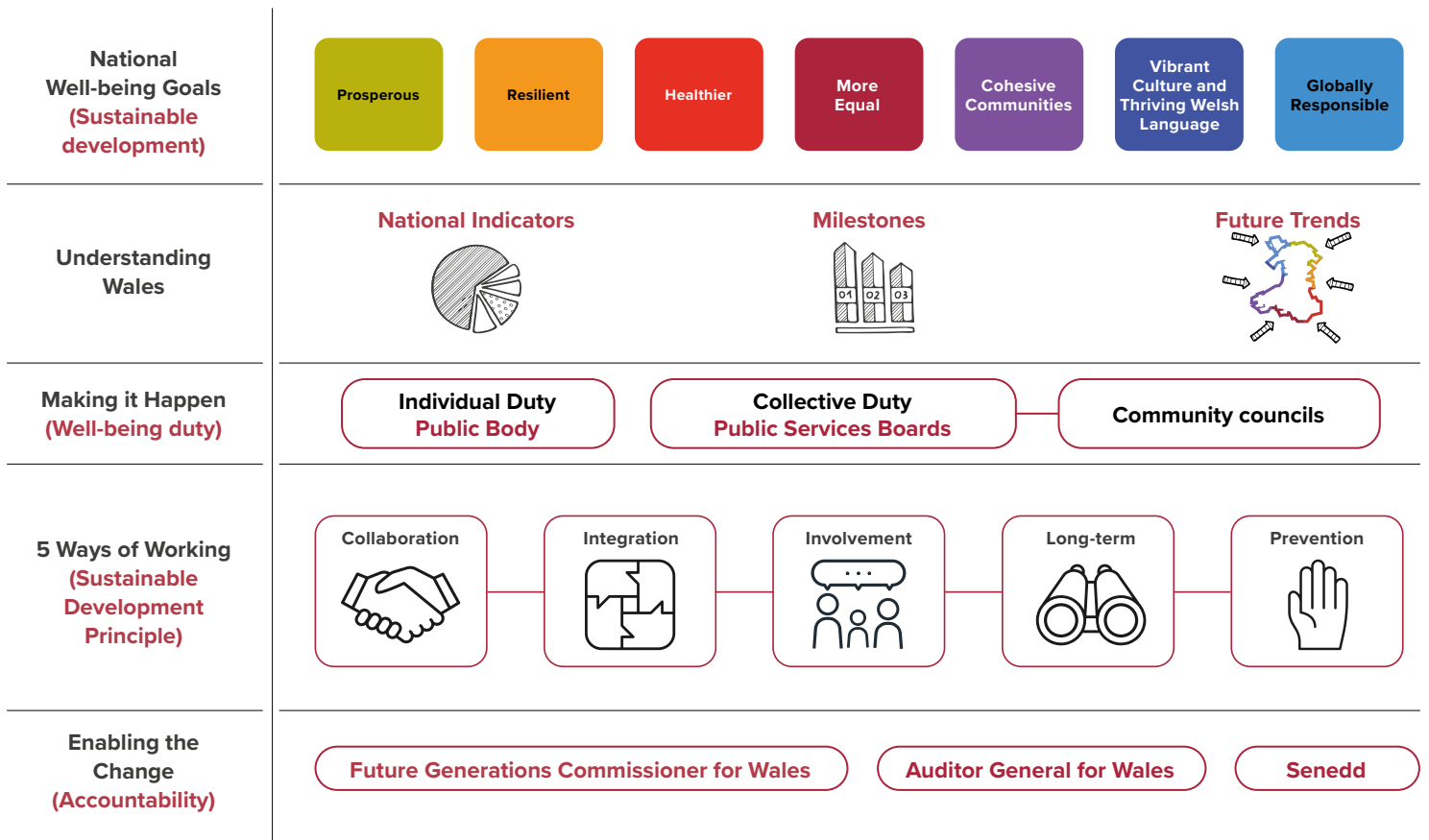
This is called the Well-being of Future Generations (Wales) Act 2015 (from here on referred to as the Act). Wales is the first country in the world to legislate for the well-being of current and future generations in a way that ties in with the **United Nations Sustainable Development Goals**. The Act is designed to facilitate positive outcomes for the people of Wales and our planet, for current and future generations.

The Act is about improving the social, economic, environmental and cultural well-being of Wales. The Act provides us with seven well-being goals which aim to build a more equal, prosperous, healthier, resilient and globally responsible Wales

with more cohesive communities and a vibrant culture and Welsh language.

In 2021 the Welsh Government developed its Shaping Wales' Future narrative. This aligned our responsibilities to set national milestones and indicators, and prepare a Future Trends Report so that collectively they can help us move towards the well-being goals.

These pieces of work are guided by the five ways of working that make up the sustainable development principle – thinking about the long term, collaboration, prevention, involvement and integration.



Wales is working towards achieving the well-being goals.

To help us to understand Wales' future we have national well-being **indicators**, and last year we set our first national **milestones** to provide a mechanism for monitoring national progress towards the seven well-being goals. In addition, last year we published a **future trends report** that identified the key social, economic, environmental, and cultural trends that could affect Wales in the future, as well as some of the factors that could influence the direction of those trends.

In 2016, we set 46 national indicators (the indicators) to help us measure progress towards the well-being goals. The indicators are updated throughout the year, as new data becomes available. The annual '**Wellbeing of Wales' report** provides an update on progress made in Wales towards the achievement of the well-being goals, making reference to the national indicators alongside other relevant data, and from this year will also begin to report on milestones where data is available.

In 2019 we consulted on the **initial development of national milestones**, outlining our ambitions for the work, agreeing criteria for setting them and identifying a small-set we would focus our efforts on. Work continued on refining this approach during 2020 and the most challenging period of the Covid pandemic and then in 2021 we consulted on the **first wave on national milestones and changes to the national indicators**.

Based on the outcome of the 2021 consultation we have added 4 more national indicators and laid the first wave of national milestones. The additions to the indicator set included new measures on justice, travel, housing costs and digital inclusion which were all matters that we were told play a larger role in shaping our national well-being than they did before the pandemic.

The **expanded national indicator** set will continue to help us measure progress towards the seven well-being goals and our journey towards becoming a fairer, greener, more successful Wales.

The **first wave of national milestones** will drive collaborative action and act as a key measure of the pace and scale of change needed in a number of key areas. At their heart they are geared towards driving significant progress in tackling poverty and inequality and they reflect our determination to do this.

This consultation is the second part of the development of our national milestones and once delivered will provide us with a set of 17 milestones to measure our progress against the well-being goals.

What happens next?

Following this consultation, we will consider your views and a final set of wave two national milestones will be laid before the Senedd by the end of 2022.

We aim to publish consultation responses alongside the laying of the national milestones.

Section 2

National Milestones

Why are we setting national milestones?

The seven well-being goals for Wales provide a description of an economically, socially and environmentally just Wales. Progress towards these well-being goals relies on actions from everyone in Wales, and in particular those public bodies who have a well-being duty to take action to achieve the well-being goals. We measure the well-being goals through the national indicators, and we believe that setting national milestones against these indicators can help galvanise collective action, as well as helping us to understand progress towards achievement of the well-being goals.

We are setting national milestones this year against the backdrop of the commitment by the Welsh Government to deliver a stronger, fairer and greener Wales.

What is a national milestone?

A national milestone for Wales sets out a measurable shared ambition describing the pace and scale of change required in key areas under the seven well-being goals. They will help us understand and monitor our collective progress and whether we are travelling in the right direction and at the right pace as a nation towards achieving the well-being goals.

The Act states national milestones must be set that “...*the Welsh Ministers consider would assist in measuring whether progress is being made towards the achievement of the well-being goals.*” In doing so Welsh Ministers must specify how we know that a national milestone has been achieved and the time by which it is to be achieved.

National milestones can be a specific target, or a range, or another way of helping us understand whether we are on the right track.

National milestones are not performance targets for any individual organisation, but are collective measures of success for Wales. Contributions can come from the public, private and third sector as well as individuals and communities. Public bodies subject to the Act have a responsibility to take action and make a contribution to the achievement of the goals.

Our ambition is for the national milestones to both become a catalyst for collaborative action and a key measure of the pace and scale of change in a number of key areas.

How did we choose which milestones to set?

The 2019 consultation *How do we assist Welsh Ministers in measuring a nation's progress?* www.gov.wales/sites/default/files/consultations/2019-01/consultation-national-milestones.pdf set out the indicators we proposed setting national milestones against and the criteria used to select these areas.

In July 2019, we published a summary of the responses www.gov.wales/sites/default/files/consultations/2019-07/national-milestones-summary-of-responses.pdf and further work was done on refining the small set of indicators against which national milestones would be set. The COVID-19 pandemic and the climate and nature emergency also had an impact on our thinking, helping to identify a revised small set of sixteen indicators against which to set national milestones.

| National Well-being Indicators | National Milestone | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--|--|---|---|---|---|---|---|---|
| No.5 Percentage of children with 2 or more healthy lifestyle behaviours | To increase the percentage of children with 2 or more healthy behaviours to 94% by 2035 and more than 99% by 2050 | | | • | • | • | | |
| No.8 Percentage of adults with qualifications at the different levels of the National Qualifications Framework | 75% of working age adults in Wales will be qualified to level 3 or higher by 2050 The percentage of working age adults with no qualifications will be 5% or below in every local authority in Wales by 2050 | • | | • | • | | | |
| No.14 The global footprint of Wales | Wales will use only its fair share of the world's resources by 2050 | • | • | | | | | • |
| No.17 Pay difference for gender, disability and ethnicity | An elimination of the pay gap for gender, disability and ethnicity by 2050 | • | | | • | | | |
| No.21 Percentage of people in employment | Eradicate the gap between the employment rate in Wales and the UK by 2050, with a focus on fair work and raising labour market participation of under-represented groups | • | | • | • | | | |
| No.22 Percentage of people in education, employment or training, measured for different age groups | At least 90% of 16-24 year olds will be in education, employment, or training by 2050 | • | | • | • | • | | |
| No.37 Number of people who can speak Welsh | A million Welsh speakers by 2050 | | | | | • | • | • |
| No.41 Emissions of greenhouse gases within Wales | Wales will achieve net-zero greenhouse gas emissions by 2050 | • | • | • | | | | • |

Key

- 1 A prosperous Wales
- 5 A Wales of cohesive communities
- 2 A resilient Wales
- 6 A Wales of vibrant culture and thriving Welsh language
- 3 A healthier Wales
- 7 A globally responsible Wales
- 4 A more equal Wales

Timescales for setting national milestones

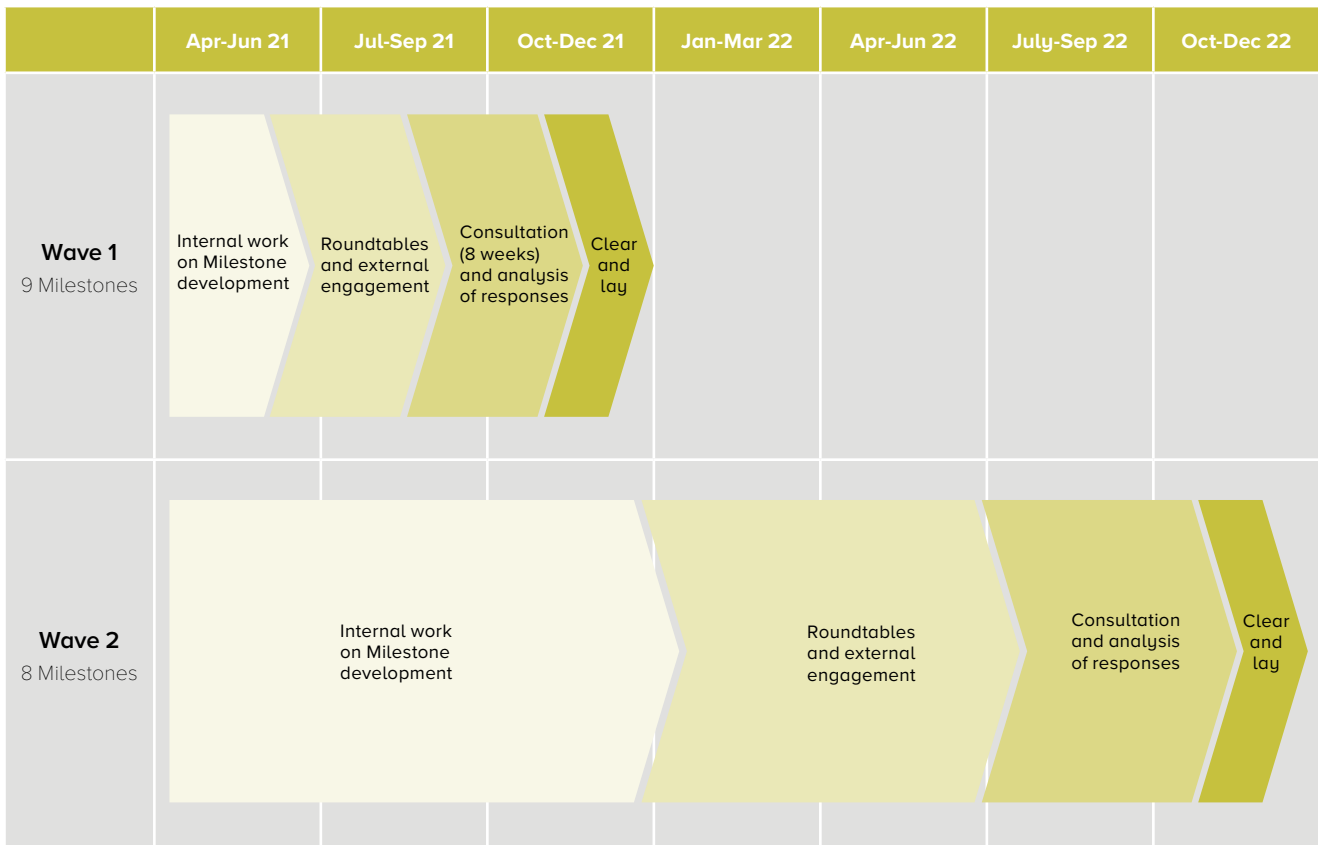
The COVID-19 pandemic disrupted our ability to collect some of the data we use to measure progress towards a number of the indicators. This caused a delay to the planned work on the revision of the indicators and development of national milestones following the initial 2019 consultation.

We therefore decided to take a two wave approach to setting the national milestones.

The first wave of nine national milestones were set in 2021. These were the areas where the supporting data had been less impacted by the COVID-19 pandemic or where we proposed making an existing and widely supported target into a national milestone for Wales.

We are now delivering the second wave of national milestones following work to mitigate the disruption to the supporting data sources and ensure we have robust and well supported national milestones.

Two wave approach to developing national milestones



Wave Two national milestones

We have been working with stakeholders to develop our thinking on draft national milestone values in eight policy areas and these are the areas we are seeking views on in this consultation. Each national milestone will contribute to a number of the well-being goals and, when considered together, will give a good indication of our nation's progress.

This consultation seeks views on draft values for this second wave of national milestones for Wales to be laid before the Senedd before the end of the year. These values have been developed with stakeholders through a number of forums, engagement events and discussions.

| National Well-being Indicators | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--------------------------------|--|---|---|---|---|---|---|---|
| No.2 | Healthy Life Expectancy at birth including the gap between the least and most Deprived | | | • | • | | | |
| No.3 | Percentage of adults who have fewer than two healthy lifestyle behaviours | | | • | • | • | • | |
| No.10 | Gross Disposable Household Income per Head | • | | • | • | | | |
| No.18 | Income poverty relative to the UK median | • | • | • | • | • | • | • |
| No.28 | Percentage of people who volunteer | | | | | • | • | • |
| No.29 | Mean mental well-being score | | | • | • | | | |
| No.33 | Percentage of dwellings with adequate energy performance | • | • | • | | | | • |
| No.44 | Status of biological diversity in Wales | • | • | | | • | • | • |

Proposed values for the second wave of national milestones for Wales

The following pages set out our proposals for the second wave of national milestones and the values that we would like your views on. Questions relating to each proposed national milestone are included in the **online form**.

Milestone 1:

| | | | | | | | | |
|--|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Indicator No.2 - Healthy Life Expectancy at birth including the gap between the least and most Deprived | | | ● | ● | | | | |
| Milestone #1 | To increase the healthy life expectancy of adults and narrow the gap in healthy life expectancy between the least and the most deprived by at least 15% by 2050 | | | | | | | |

Change to method for national indicator

We plan to change the method used for calculating the inequality gap in healthy life expectancy for the national indicator. It was previously calculated using the Slope Index of Inequality (SII), but will now change to the absolute difference between the least and most deprived fifths. Both methods measure the difference between the most and least deprived fifths. The absolute difference method simply subtracts the most deprived fifth from the least deprived fifth for a particular area. The slope index of inequality (SII) is a complex weighted measure that takes into account the other subgroups – deprivation fifths - using a regression model. The Public Health Wales Observatory (PHWO) advises that using the absolute difference method improves the stability of the measure at local level. It is also technically easier to both measure and understand. The Office for National Statistics will continue to publish the SII at national level. One additional change is that the PHWO has historically used the Welsh Health Survey (WHS) to measure healthy life expectancy and its inequality gap. Following the end of the WHS in 2015, this was no longer possible. Instead,

PHWO decided to use the same survey as the Office for National Statistics (ONS), which is the Annual Population Survey (APS).

What does the Data tell us?

The latest Office for National statistics (ONS) data for healthy life expectancy in Wales based on the 2018-20 period puts healthy life expectancy at 61.5 years for males and 62.4 years for females. However, whilst these figures provide an average for healthy life expectancy across the population, there is a gap in healthy life expectancy between the most and least deprived parts of Wales. Using the Welsh Index of Multiple Deprivation, ONS data for 2018-20 reports the absolute gap in healthy life expectancy between the most deprived and the least deprived quintile of Wales at 13.4 years for males and 16.9 years for females.

Why this national milestone?

National indicator no.2 includes two distinct angles:

- the average healthy life expectancy of the whole population;
- the gap in health life expectancy between the least and most deprived.

Healthy life expectancy in Wales has become static with very little change in recent years. Similarly, there has been very little change in the gap in healthy life expectancy between the least and most deprived quintiles.

The fact that there continues to be a link between an individual's socio-economic status and their healthy life expectancy is an affront to social justice. The Welsh Government is committed to taking action on inequality and the updated Programme for Government contains a well-being objective to move to eliminate inequality in all its forms.

In considering the proposed national milestone, we considered whether the milestone should focus on one specific angle of the national indicator or whether it should focus on both simultaneously. Following feedback from a stakeholder roundtable event organised in conjunction with the Wales Centre for Public Policy (WCPP), we concluded that the milestone should cover both angles. We chose this approach to ensure we focus on tackling health inequalities in closing the gap between the least and most deprived, but also to ensure we avoid it being possible to achieve the milestone through 'levelling down' the least deprived areas.

We want to raise the population's healthy life expectancy by as much as possible over the course of the milestone up to 2050. We know this will be a challenge and that whilst the Welsh Government and its partners can have a real impact on increasing healthy life expectancy and closing the gap, there is a limit to the impact we can hope to have as some of the factors

impacting healthy life expectancy sit with the UK Government. Alongside these considerations, we also face challenges because of uncertainty around the impact COVID-19 and other as yet unknown, major shocks to society, could have on healthy life expectancy data.

At our stakeholder roundtable event with the WCPP, we considered the impact the Welsh Government and its partners could make to healthy life expectancy and the gap in Wales considering the levers we have and the impact of COVID-19. Using this evidence, we concluded we should aim to raise the healthy life expectancy of everybody, but to keep our focus on tackling inequalities (based on expert opinion voiced at the stakeholder roundtable event), we concluded we should aim to close the gap in healthy life expectancy between the least and most deprived by at least 15% by 2050.

Milestone 2:

| | | | | | | | | | |
|---|--|--|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Indicator No.3 - Percentage of adults who have fewer than two healthy lifestyle behaviours | | | | | • | • | • | • | |
| Milestone #2 | To increase the percentage of adults with two or more healthy lifestyle behaviours to more than 97% by 2050. | | | | | | | | |

What does the Data tell us?

The 'healthy lifestyle behaviours' for adults are: not smoking, not drinking above weekly guidelines, eating five or more portions of fruit and vegetables the previous day, being physically active for at least 150 minutes in the previous week, and maintaining a healthy weight/body mass index.

The latest data available (from January-March 2021) in the National Survey for Wales showed 93% of adults have two or more healthy lifestyle behaviours.

Disaggregating the data by healthy lifestyle behaviour:

- 86% of adults reported that they do not currently smoke;
- 83% of adults reported that they do not drink more than the weekly guidelines (that is, average weekly alcohol consumption above 14 units);
- 31% of adults reported that they ate five or more portions of fruit and vegetables the previous day;
- 51% of adults reported that they had been active for at least 150 minutes in the previous week;
- 37% of adults reported a healthy weight/body mass index.

The National Survey 2020-21 was adapted due to the coronavirus pandemic (with telephone interviews replacing face-to-face interviews and some changes to content), due to this, results for health-related lifestyle should not be compared with results from previous years.

Why this national milestone?

A fundamental purpose of the Act is to safeguard the health and well-being of the people of Wales. Our vision set out in A Healthier Wales is that everyone in Wales should have longer, healthier and happier lives and we know that ensuring people have two or more healthy lifestyle behaviours can contribute to making this a reality.

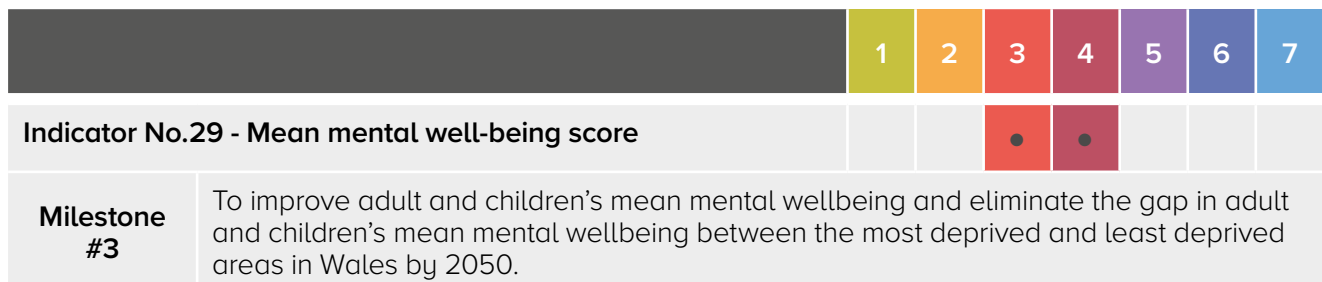
This milestone will sit alongside the milestone adopted during the 'wave one' consultation which concerned national indicator no.5 on children with two or more healthy lifestyle behaviours.

We explored options for this milestone in a stakeholder roundtable event hosted in conjunction with the Wales Centre for Public Policy (WCPP). At the session, we understood some stakeholders' concerns about adopting the same approach for the indicator on adults' healthy lifestyle behaviours as we did for children. These concerns included the wide variety in uptake and relative impact of each of the individual healthy lifestyle behaviours, that this approach doesn't explicitly target those in the most deprived areas and that the milestone would begin from a relatively high baseline. We have carefully considered stakeholders' views.

As intended when the national indicator was adopted, we believe that the milestone should provide a rounded picture of health and that the greatest health benefit arises in targeting those with zero/one healthy lifestyle behaviour. We also know that the prevalence of those with zero/one healthy lifestyle behaviour is higher in the most deprived quintiles. As such, we know that adopting an approach for adults which is similar to the approach taken for children’s healthy lifestyle behaviours for national indicator no.5 will mean our action is inevitably focussed on those in the most deprived quintiles.

We have considered the relative scope for the Welsh Government and partners to encourage/ drive higher uptake of healthy lifestyle behaviours amongst adults when compared with children. We consider that the scope and opportunities to influence the uptake of healthy lifestyle behaviours for adults is lower than for children and consequently, we propose the milestone should aim to increase the percentage of adults with healthy lifestyle behaviours to more than 97% by 2050.

Milestone 3:



Change to method for national indicator

National Indicator 29, mean mental well-being score for people is currently underpinned by two data sets;

- the mean mental well-being score according to the Warwick-Edinburgh Mental Well-being Scale (WEMWBS) for adults aged 16 and over, collected from the National Survey for Wales and
- for children (aged 10-15) the mean score using a Strengths and Difficulties Questionnaire (SDQ), collected from the Understanding Society Survey.

These two data sets are not comparable, as they measure different things. The SDQ is a behavioural screening questionnaire for children’s mental health and WEMWBS measures how a person is feeling. The SDQ data set also has a much smaller sample size compared to the WEMWBS data.

The School Health Research Network (SHRN) launched in 2019 and contains a short version of the Warwick-Edinburgh Mental Well-being Scale (SWEMWBS) for 11-16 year olds. This is a more robust data set than the SDQ and measures mental well-being, we therefore propose changing the children’s data source for National Indicator 29 and the milestone to the SWEMWBS collected via the SHRN survey.

What does the Data tell us?

Mean mental well-being is presented as a number on a scale between 14 and 70 for adults and 7 and 35 for children; the higher the score the better the mental well-being.

The most recent WEMWBS and SWEMWBS data for Wales shows the mean mental well-being score is lower for those living in the most deprived quintiles. No data is available for 2020/21 as the WEMWBS question was not included in the National Survey due to COVID-19.

| WEMWBS SCORE | | | |
|--------------|-----------------|------------------------|-------------------------|
| | Population mean | Most deprived quintile | Least deprived quintile |
| 2016/17 | 50.9 | 49.3 | 52.2 |
| 2018/19 | 51.4 | 49.5 | 52.8 |

Why this national milestone?

The data to support this milestone is collected regularly via the National Survey for Wales and the Schools Health Research Network and is expected to continue to be available.

In considering possible values for the milestone, there are a number of factors to consider. Firstly, whilst there is some evidence to suggest WEMWBS and SWEMWBS scores can be indicative of mild and clinical depression, there is no consensus of what 'good' mental well-being looks like at population level. Secondly, we know external factors beyond our control over the course of the milestone will affect well-being (e.g. the current war in Ukraine and cost of living crisis).

Furthermore, it is also uncertain how long the effects of the COVID-19 pandemic will continue to impact mental well-being. As a result, calculating and assigning a specific and deliverable value to the milestone for 2050 is difficult.

With this in mind and aligning to our commitment to reduce health inequalities the proposed milestone has no mean mental well-being score to aim for, but rather the ambition to eliminate the gap in mean mental well-being between the most and least deprived quintiles of Wales, currently approximately 3 points and also improve the mean mental well-being score of the whole population.

Milestone 4:

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Indicator No.10 - Gross Disposable Household Income per Head | | ● | | ● | ● | | | |
| Milestone #4 | Improve GDHI per head in Wales by 2035 and commit to setting a stretching growth target for 2050. | | | | | | | |

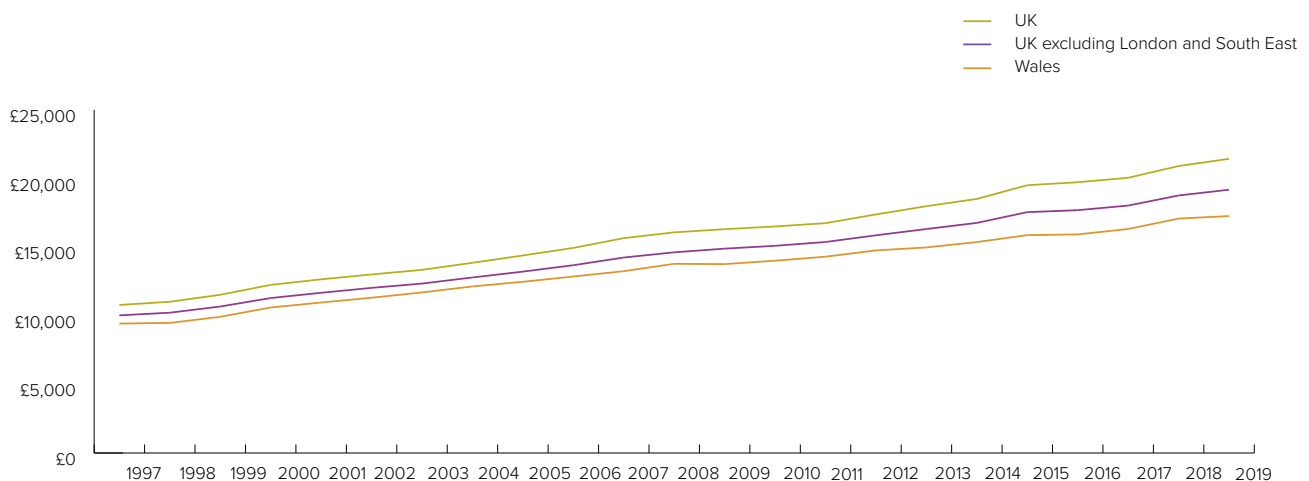
What does the Data tell us?

Gross Disposable Household Income (GDHI) is the amount of money that households have available for spending or saving after income distribution measures (for example taxes, social contributions, property ownership, etc) have taken effect. Total GDHI measures the sum of all money available to households in a given area while GDHI per head is calculated by dividing total GDHI by the number of residents in that area. It can either be expressed in pounds or indexed to the UK (UK=100).

GDHI is arguably a better measure of living standards for households than Gross Value Added (GVA) per head as it takes into account the money available for spending, unlike GVA, which measures the value of production, or the income generated by individuals or corporations in the production of goods and services in an area.

Wales' GDHI per head in 2019 was £17,263 which is the second lowest of the 12 UK countries and English regions. This figure is 80.5% of the UK GDHI figure for the same time period¹.

Chart 1: GDHI per head (£), 1997-2019

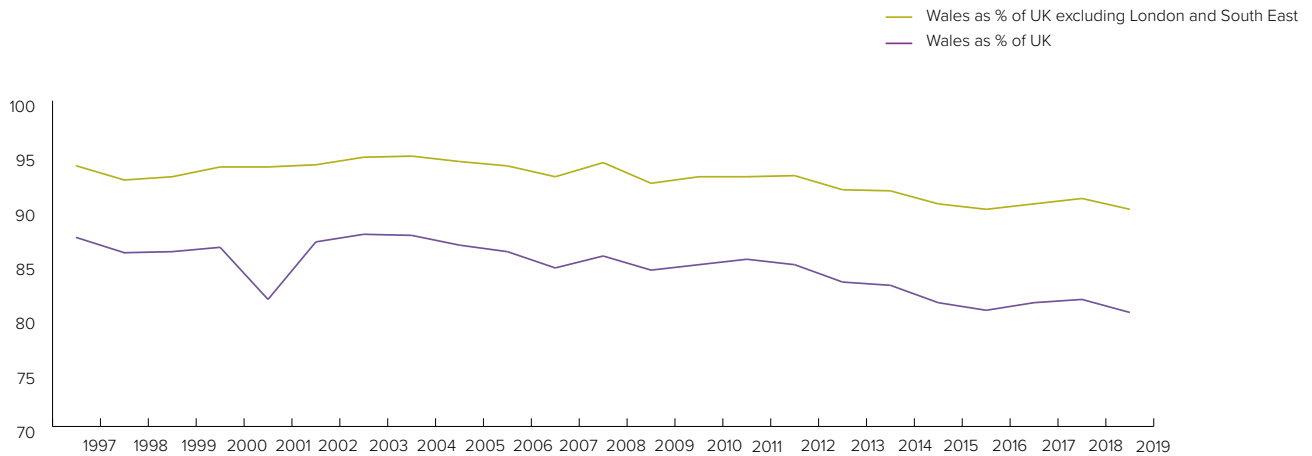


¹ Note: as the UK GDHI per head figure is heavily influenced by London and the South East of England, an alternative benchmark area for comparing Welsh performance is the UK excluding London and the South East

There has been a general worsening of Wales' GDHI per head figure, relative to the UK as a whole, over the course of the available time series between 1997-2019; the gap has increased from 12.6 percentage points (pp) to 19.5 pp.

To note - there have been delays with the publication of data by ONS (2020 data anticipated to be available in September 2022) so setting any specific value-based milestone now would need to be based on pre-COVID data.

Chart 2: Wales GDHI per head as a proportion of UK and UK excluding London & South East, 1997-2019



Source: Regional Accounts; ONS

Challenges

There are a number of challenges in setting a national milestone on GDHI at this time including the current cost of living crisis, high inflation and a low growth outlook for 2024 from the Bank of England's Monetary Policy Committee (0.25%, down from 1%)².

As at May 2022, UK inflation is at a 40 year high, with the poorest now being hit hardest by rising prices because they have to spend far more of their household budgets on gas and electricity.

Around three-quarters of the increase in the April 2022 annual rate came from utility bills.

There is the potential for further short-term spikes in oil and commodity prices to impact the economy and we know lower income households are most at risk of seeing further decline in real terms in 2022/23. At the end of the UK Parliament's current scheduled term, incomes are expected to be 2% lower than at the beginning making this the worst UK Parliament on record for living standards according to the Resolution Foundation.

In addition, the impact of the UK Government's Trade and Continuity Agreement with the EU is predicted to hit the UK economy with businesses struggling to trade in EU countries or facing huge costs increases and staff shortages. Latest research³ also suggests that Brexit has added 6% to Britain's food bills.

Why this national milestone?

We are setting out Wales' Economic Mission following the pandemic and have set out a vision of what makes Wales an attractive place to live, study, work and invest, including the quality of life in an inclusive, open and green nation.

We have published a [plan for Employability and Skills](#) which provides a strong employability and skills offer that is a crucial part of our collective task to make Wales an attractive prospect for more people and business.

We also set the following linked national milestones as part of the first wave in 2021:

- 75% of working age adults in Wales will be qualified to Level 3 or higher by 2050
- the percentage of working age adults with no qualifications will be 5% or below in every local authority in Wales by 2050
- at least 90% of 16 to 24 year olds will be in education, employment, or training by 2050
- eradicate the gap between the employment rate in Wales and the UK by 2050, with a focus on fair work and raising labour market participation of under-represented groups
- an elimination of the pay gap for gender, disability and ethnicity by 2050.

The Welsh Government is also stepping up work to encourage and raise awareness of the benefits of fair work, decent working conditions and job quality, championing best practice and the positive role of trade unions. We are also strengthening our Economic Contract so inclusive growth, fair work, decarbonisation and improved mental health at work are at the heart of everything we do, targeting business support and investment to those who set clear commitments to improving business practices.

We also continue to seek to influence reserved employment rights, duties and protections that will have an impact on workers and workplaces in Wales. However, we are aware that a number of the significant influences on GDHI such as taxes, benefits, pension provision and the measures to control inflation⁴ such as interest rates remain outside the direct control of the Welsh Government.

2 <https://www.bankofengland.co.uk/monetary-policy-report/2022/may-2022>

3 https://ukandeu.ac.uk/wp-content/uploads/2022/04/UKICE-Supply-Chains-Report_Final.pdf

4 GDHI does not account for inflation and therefore measures such as the Consumer Price Index would need to be considered alongside the measure to assess the progression of incomes in 'real terms.'

We will focus our efforts on areas that the Welsh Government has influence over, such as the ‘social wage’, the provision of affordable childcare, free school meals, concessionary fares etc. all of which will have an influence over disposable income levels.

We want to set a clear ambition to grow GDHI in Wales in the medium term whilst also committing to setting a specific longer term value target which will be based on more up to date and robust, post pandemic data. We want our long-term target for Wales to be as meaningful and ambitious as possible and we feel this approach will support that approach.

Milestone 5:

| | | | | | | | | |
|--|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Indicator No.18 - Income poverty relative to the UK median | | ● | ● | ● | ● | ● | ● | ● |
| Milestone #5 | Reduce the poverty gap between people in Wales with certain key and protected characteristics (which mean they are most likely to be in poverty) and those without those characteristics by 2035. Commit to setting a stretching target for 2050. | | | | | | | |

What does the Data tell us?

We define a person to be living in relative income poverty if they live in a household where the total household income from all sources is less than 60% of the average UK household income (as given by the median), after housing costs.

Official data on relative income poverty comes from the **Households Below Average Income** (HBAI) dataset produced by the Department of Work and Pensions (DWP). Data collection and responses were affected by the pandemic which had implications for the quality of the data and how it is presented. As a result, latest reliable data for Wales are for the period ending March 2020.

Between 2017-18 and 2019-20, 23% of all people in Wales were living in relative income poverty. The percentage of people living in relative income poverty has been relatively stable in Wales for over 15 years.

However inequalities exist for groups with certain key and protected characteristics who have higher rates of relative income poverty. For example, **further disaggregated data** from the HBAI dataset show that, according to the latest reliable estimates:

- In Wales, 31% of children were living in relative income poverty.
- Children who lived in households where there were three or more children were nearly twice as likely to live in relative income poverty (at 46%), compared with those who lived in households with two children.
- Children who lived in households where the youngest child was aged 0 to 4 were more likely to live in relative income poverty (at 33%) than households with children aged 5 and above.
- Lone parent households were the family type most likely to be in relative income poverty, at 46%.

- 29% of people whose head of household comes from a non-white ethnic group were living in relative income poverty, compared to 24% of those whose head of household comes from a white ethnic group.
- 38% of children who lived in a family where there was someone with a disability were in relative income poverty compared with 26% of those in families where no-one was disabled.
- 31% of working-age adults who lived in a family where there was someone with a disability were in relative income poverty compared with 18% of those in families where no-one was disabled.

These figures are based on results from the Family Resources Survey (FRS) which has historically had a small annual sample of around 850 households in Wales. This has meant a high degree of uncertainty around estimates for smaller population sub-groups. However, the issued sample for Wales will increase significantly from the 2022-23 survey year. As the increases accrue over the next few years this should lead to richer Wales-level datasets becoming available, allowing more breakdowns of estimates by household and protected characteristics. This should enable more accurate assessment of inequalities between sub-groups.

Why this national milestone?

This milestone will help us measure our progress as a nation in achieving a 'More Equal Wales'. This is reinforced by a range of legislation which places a statutory duty on the Welsh Government and public bodies in Wales to take action to tackle poverty and inequality:

The [Children and Families \(Wales\) Measure 2010](#) provides the legislative framework for tackling child poverty in Wales. It places a duty on Welsh Ministers and named public bodies in Wales to publish a Child Poverty Strategy which identifies objectives for tackling child poverty and sets out the actions they will take to achieve those objectives.

In practice, many public bodies include their child poverty objectives in documents such as corporate plans and well-being plans. Others, including the Welsh Government, have a Child Poverty Strategy.

The [Public Sector Equality Duty in Wales](#) is regulated by the Equality and Human Rights Commission and applies to the Welsh Government and named public bodies in Wales. It seeks to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity between people who share a relevant protected characteristic and those who do not and foster good relations between people who share a protected characteristic and those who do not. The Welsh Government's commitment to tackling poverty and inequality is outlined in its [Strategic Equality Plan 2020-2024](#).

Further, in 2021, the Welsh Government commenced the [Socio-economic Duty](#) which highlights its commitment to safeguarding equality and human rights. The duty applies to the Welsh Government and named public bodies in Wales and aims to deliver better outcomes for those experiencing socio-economic disadvantage. The Duty puts tackling inequality at the heart of decision-making by requiring public bodies to make better decisions, ones which place consideration of inequality of outcome which arises from socio-economic disadvantage at their heart.

Challenges

Similarly to the proposed GDHI national milestone the Welsh Government does not hold the primary policy and fiscal levers that would enable us to deliver the change needed to bring about a significant reduction in levels of poverty in Wales. Powers over the tax and welfare system sit firmly with the UK Government.

The UK Government's programme of tax and welfare reforms has had a detrimental impact on poverty levels for those affected. Analysis of the changes has shown that, overall, the negative impact of these changes on household income had the largest impact on people on the lowest incomes, with many being financially worse off.

We also know that external factors, such as our exit from the EU, the impact of the pandemic and the cost-of-living crisis, have had a damaging impact on people's ability to manage financially.

For these reasons, we are not suggesting setting a point-to-point poverty target for bringing about a reduction in the overall poverty figure for Wales. Rather, we are proposing we develop an ambitious but still realistic alternative approach, where our focus is on those aspects of poverty that Welsh Government and public bodies across Wales can directly influence and which we feel would be more achievable.

We propose the milestone should outline a clear ambition to reduce the poverty gap in the medium term, between people in Wales with certain key and protected characteristics (which mean they are most likely to be in poverty) and people without those characteristics. The milestone should also commit to setting a specific longer term value target for reducing that gap, based on the latest data and aligned to our cross government and cross-public body approach to tackling poverty.

Milestone 6:

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| Indicator No.28 - Percentage of people who volunteer | | | | | | ● | ● | ● |
| Milestone #6 | Increase the percentage of people who volunteer by 10% by 2050, demonstrating Wales's status as a volunteering nation | | | | | | | |

What does the Data tell us?

The National Survey for Wales involves interviews with around 12,000 randomly selected adults a year, across Wales. The survey covers a wide range of issues, asking about people's experiences and views. Prior to March 2020 the survey was based on face-to-face interviews, since then respondents take part over the phone with some additional questions asked online.

Since 2016-17 the question on volunteering has been asked every 2 years. Respondents are asked what types of clubs or organisations, if any, they are currently giving their time to for free. People may volunteer at more than one place. Volunteers are then asked how many hours in total they have spent volunteering at these clubs and organisations during the previous four weeks.

The national indicator captures the proportion of people who say they are currently volunteering but does not reflect the extent of that volunteering either in time or by place. Results have remained constant with no significant difference between years despite some small variation in the point estimates. In 2016-17 and 2017-18, 28% of people volunteered; in 2019-20, 26%; and in the 2021-22 online survey 29%.

National indicator

Stakeholders involved in work to devise the milestone proposed in this consultation have, in the course of that work, scrutinised the wording and technical description of the Indicator itself. They have expressed concerns that, in its current form, the Indicator does not allow for a true and fully comprehensive measurement of volunteering in Wales.

In particular, the National indicator should more clearly reflect the societal and/or environmental benefits of their actions: the holistic value to Wales of volunteering, and the current mapping of the indicator (shown in the table above) is changed to illustrate the contribution of volunteering across all seven of the National Well-being Goals, as opposed to just the three shown at present (A Wales of Cohesive Communities, A Wales of Vibrant Culture and Thriving Welsh Language and A Globally Responsible Wales).

Adding that the indicator should include coverage of volunteering by people under the age of 16, a group that is currently excluded by the present description.

Although there is no immediate schedule in place for changes to be made to the indicator, or to its mapping to the seven well-being Goals, we are keen to know if respondents agree that its current description, and its mapping to the Goals, need to be reviewed. It should be noted that any change to the national indicator set requires formal consultation.

In developing the current national milestone, we will ensure that we take into account the potential for a future update to the indicator and will future proof any milestone as much as possible.

Why this national milestone?

In developing a proposal for a national milestone value, we were constrained by the baseline data currently in place; thus two options for demonstrating an increase in volunteering were considered:

1. Increase the percentage of people who volunteer.
2. Increase the number of hours people volunteer.

We recognise using “number of hours” as a metric has many benefits for policy making (particularly around data comparison for different groups and because of the advantages it also offers as a proxy measure of the societal and environmental benefit delivered, i.e., the object of volunteer action).

However, we are also aware that the current data collection around volunteering hours is insufficient for our needs and would therefore be at risk of not capturing a significant amount of volunteering activity. We recognise the importance of setting a milestone that is based on existing data and robust data collection process (e.g. National Survey data) whilst accounting for the impact of single year anomalies (e.g. hitting a target accidentally because of an emergency event).

Consequently, we feel that using a “percentage of people who volunteer” figure would currently be the most appropriate approach to setting our long-term ambition and target.

Our intention is for the data collection to evolve over time and lead to more accurately capture the hours data as well, providing a more complete picture of progress on volunteering in Wales.

This improvement in data collection alongside the potential revision and broadening of the national indicator is likely to mean we will update the currently proposed milestone at some point in the future.

We do, however, feel that using the “percentage of people who volunteer” would allow the diversity of volunteering to be adequately captured and, subject to annual “smoothing” of the data (to provide a fair representation covering any atypical “spikes” in activity, such as in response to the recent pandemic) would be the most sensible transitional approach. By collecting and reporting on two overlapping streams of data (e.g., measuring percentage and, eventually, hours), we can transition to a fully appropriate measurement following a re-definition of the indicator.

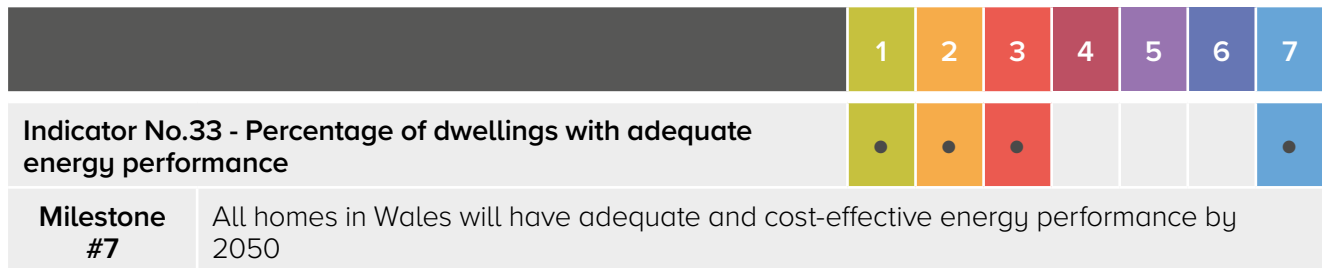
We are working to refine and finalise the model/ criteria for setting a baseline and process for future data collection, but initial analysis of the National Survey data shows that the current percentage of people who volunteer is reasonably stable at or around 27% and a 10% increase on this 27% by 2050 to 30% would represent an ambitious but realistic target, and ensure Wales is amongst the leading countries in the world as a nation of volunteers.

In countries where volunteering appears to be happening successfully, such as New Zealand and Canada, there seems to be a natural ceiling to levels of volunteering, highlighting the need to be realistic when setting milestone targets if you are starting from an already high baseline of activity.

As part of delivering this national milestone we will work with the Volunteering Cross Sectorial Leadership Group (VCSLG) and other stakeholders to determine how best to monitor and report on progress at regular intervals and how we can most effectively use supporting contextual data to capture the end benefits of volunteering and the patterns of volunteering action in Wales. (e.g. intergenerational, sectoral, socio economic, etc.)

Any national milestone will be designed to show Wales in an international context using international comparators wherever possible, and appropriate, and will be embedded in any new Welsh Government Volunteering policy that is developed.

Milestone 7:



What does the Data tell us?

The latest all Wales assessment of the energy efficiency of homes was carried out as part of the Welsh Housing Conditions Survey 2017-18: [Welsh Housing Conditions Survey \(energy efficiency of dwellings\): April 2017 to March 2018 | GOV.WALES](#). At that time 80% of homes were estimated to have an EPC of band D or higher.

In April 2022 we published modelled estimates for fuel poverty in Wales: [Fuel poverty modelled estimates for Wales \(headline results\): as at October 2021 | GOV.WALES](#). In October 2021:

- 14% of households were estimated to be living in fuel poverty, equivalent to households.
- 3% of households were estimated to be living in severe fuel poverty; and
- 11% of households were estimated to be at risk of fuel poverty

Work is ongoing to establish a data stream to provide both estimates of the energy efficiency of Welsh homes and Fuel Poverty on a regular basis.

Why this national milestone?

In order to support the people of Wales in managing the costs of heating their homes, and to deliver on the Welsh Government's legal commitment to meeting its net zero targets, it is important that we change and improve the way people use energy in their homes.

It is vital that the Welsh Government takes action on Climate Change. In the last six years, we have laid the legislative foundations for a cleaner, fairer, stronger Wales, including through the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. Wales has consistently followed the science, starting in 2016 with a target for an 80% reduction in our emissions by 2050. In 2019 we accepted the Climate Change Committee's recommendation to increase our ambition to 95% shortly after the Senedd became the first Parliament in the world to declare a climate emergency in 2019. In March 2021 the Senedd agreed to set a legally binding net zero target.

In 2019, Welsh homes accounted for 10% of Welsh emissions. Practically all emissions (95%) from Welsh homes are emissions of carbon dioxide. This is generated by the way energy is being used in Welsh homes. In order to meet the challenge presented by the Climate Change emergency, we need to change the way we access and use energy to become more energy efficient, including by making changes to our homes to make them more energy efficient. In making those changes, it is important that we ensure that people living in Welsh homes still have access to affordable and efficient energy supplies. This will mean that we meet our climate change targets in a way that does not have a negative cost or efficiency impact on Welsh residents.

We have already set several programmes of work in train that will help us to meet this milestone. The current Warm Homes Programme provides energy advice to households in Wales and adopts a fabric first approach in providing energy efficient measures to eligible households who

are struggling with the cost of high energy bills, making homes warmer, more comfortable and more affordable to heat. Launched in 2009-10, more than £394m has been invested to improve home energy efficiency benefitting more than 67,100 homes. In addition, more than 160,000 households have received free and impartial advice on how to improve their domestic energy efficiency and reduce fuel bills. We are considering how to tackle fuel poverty and decarbonise our homes following the consultation on the next iteration of the Warm Homes Programme, which ended on 1 April, to inform the next iteration of the Programme, expected to start spring 2023.

The Welsh Development Quality Requirements 2021, "Creating Beautiful Homes and Places", will significantly improve energy efficiency in social homes and reduce carbon emissions by requiring higher fabric standards and moving away from the use of fossil fuels for heating and hot water in all new build social homes.

The Optimised Retrofit Programme has already provided £70m of funding to support the decarbonisation of new social homes in Wales, trialling the most appropriate, efficient and cost-effective routes to decarbonise Wales' diverse housing stock, and understanding the cultural and behaviour change needed to embed residential decarbonisation across Welsh society. Lessons learned from this programme will be used to inform interventions across the different housing tenures, and Welsh Ministers have committed a further £150m over the next three years to achieve this.

This milestone balances the need to make changes to Welsh homes in order to tackle the Climate Change emergency, with protecting Welsh residents from huge increases in costs to their energy bills. The programmes of work already in place will support delivery of this milestone, while recognising that, in such a rapidly changing area, where new technologies and ways of providing energy are emerging, it would not be appropriate to make longer-term commitments on specific routes to delivery.

Milestone 8:

| | | | | | | | | |
|--|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Indicator No.44 – Status of biological diversity in Wales | | ● | ● | | | ● | ● | ● |
| Milestone #8 | To reverse the decline in biodiversity with an improvement in the status of species and ecosystems by 2030 and their clear recovery by 2050 | | | | | | | |

What does the Data tell us?

The indicator measures trends in Welsh priority species as set out in section 7 of the Environment (Wales) Act 2016. Section 7 is a list of the living organisms of principal importance for the purpose of maintaining and enhancing biodiversity in Wales.

The indicator has been produced based on trends from updated National Recording Scheme and Society (NSS) [datasets](#). This combines annual estimates into a single indicator of change in the distribution of priority (section 7) species over time.

In the long-term period (1970-2016), the index of distribution change for section 7 priority species in Wales had declined to 87% of its baseline value in 1970. This is considered a statistically significant decrease and the indicator is therefore assessed as decreasing. Over this long-term period, 16% of species showed a strong or weak increase and 34% showed a strong or weak decline.

Over the short-term period (2011-2016), the value of the indicator increased from 85 to 87 and was assessed as stable. Between 2011 and 2016, 35% of species showed a strong or weak increase and 19% showed a strong or weak decline.

Why this national milestone?

This milestone relates directly to the way we consider biodiversity and ecosystems in Wales, and how we have reported on and driven action as part of our legislative framework and the ecosystem approach we have developed.

The [Welsh Minister's Nature Recovery Action Plan](#) sets out our ambition to 'reverse the decline in biodiversity, for its intrinsic value, and to ensure lasting benefits to society'.

A commitment for there to be an improvement in the status of species and ecosystems by 2030 will align this milestone to the UN Global Biodiversity Framework reporting period in 2030; and will be an important checkpoint to track the trajectory to recovery by 2050.

Section 3

Consultation questions

Section A – National Milestones

Question 1

- a) Do you agree with the proposed national milestone for indicator No.2 - Healthy Life Expectancy at birth including the gap between the least and most Deprived?
- b) If yes, but you would like some changes, what would you change about the proposed national milestone?
- c) If no, please provide evidence for what a more suitable national milestone for Wales would be.

Question 2

- a) Do you agree with the proposed national milestone for indicator No.3 - Percentage of adults who have fewer than two healthy lifestyle behaviours?
- b) If yes, but you would like some changes, what would you change about the proposed national milestone?
- c) If no, please provide evidence for what a more suitable national milestone for Wales would be.

Question 3

- a) Do you agree with the proposed national milestone for indicator No.29 - Mean mental well-being score?
- b) If yes, but you would like some changes, what would you change about the proposed national milestone?

- c) If no, please provide evidence for what a more suitable national milestone for Wales would be.

Question 4

- a) Do you agree with the proposed national milestone for indicator No.10 - Gross Disposable Household Income per Head?
- b) If yes, but you would like some changes, what would you change about the proposed national milestone?
- c) If no, please provide evidence for what a more suitable national milestone for Wales would be.

Question 5

- a) Do you agree with the proposed national milestone for indicator No. 18 - Income poverty relative to the UK median?
- b) If yes, but you would like some changes, what would you change about the proposed national milestone?
- c) If no, please provide evidence for what a more suitable national milestone for Wales would be.

Question 6

- a) Do you agree with the proposed national milestone for indicator No. 28 - Percentage of people who volunteer?
- b) If yes, but you would like some changes, what would you change about the proposed national milestone?
- c) If no, please provide evidence for what a more suitable national milestone for Wales would be.

Question 7

- a) Do you agree with the proposed national milestone for indicator No. 33 - Percentage of dwellings with adequate energy performance?
- b) If yes, but you would like some changes, what would you change about the proposed national milestone?
- c) If no, please provide evidence for what a more suitable national milestone for Wales would be.

Question 8

- a) Do you agree with the proposed national milestone for indicator No. 44 – Status of biological diversity in Wales?
- b) If yes, but you would like some changes, what would you change about the proposed national milestone?
- c) If no, please provide evidence for what a more suitable national milestone for Wales would be.

Question 9

- a) How do you think we should communicate with the people and communities of Wales on the national milestones?

Question 10

- a) We are keen to gather evidence on the potential impacts and opportunities of achieving all the national milestones, and in particular, any dependencies between them. For example, there could be unintended consequences of making progress towards achieving a national milestone on another national milestone, or opportunities to deliver wider benefits between national milestones. Please use this space to provide evidence of these connections and interdependencies.

Question 11

The Welsh Government would like your views on the effects these proposals would have on the Welsh language, specifically on:

- opportunities for people to use Welsh, and
 - on treating the Welsh language no less favourably than English.
- a) What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated? .

Question 12

- a) Please also explain how you believe the proposals could be formulated or changed so as to have:
 - positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and
 - no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language?