

How do we assist Welsh Ministers in measuring a nation's progress?

Consultation response form

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Responses should be returned by **19 April 2019** to

National Milestones for Wales
Cabinet Office
Welsh Government
Crown Buildings
Cathays Park
Cardiff
CF10 3NQ

or completed electronically and sent to:

e-mail: cabinetoffice@gov.wales

A. Changes to the criteria to select national indicators against which national milestones will be developed

1. Do you propose any changes to the criteria?

Yes	Y
No	

2. If yes, is the proposed change an additional criterion or an improvement to one of the existing criteria? (Please tick one box)

Additional	
Improvement	Y

3. If an improvement, which existing criterion will be improved?

1. A small number so that we can focus our energy

4. Please provide your new or improved criterion.

“A subset of the national well-being indicators appropriate to assess progress **across all of the Well-being Goals set under S8 of the Well-being of Future Generations Act (Wales) 2015 in an integrated way”**

We agree with the statement in Criterion 1 –

“Milestones set using this criterion will contribute towards **integration**, helping us to assess progress towards more than one well-being goal and ensuring the milestones continue the policy journey started at commencement of the Act.”

We also agree with Milestone three which discusses this from a **prevention** perspective,

We disagree with the criterion 1 being “a small number to focus our energy on”, if this means that they don’t deliver the integrated collective assessment across the goals.

We feel that the indicators proposed in the consultation to set milestones for, may not achieve the integrated assessment across all of the goals. The proposed set of milestones appear predominantly socio-economic focused with only a couple about the natural environment (and these are still in development). We are unclear how this set of Indicators will show the changes, and therefore milestones needed, across society, the economy and policy, to achieve the shared vision for Wales as described by the goals. It would, we feel, be better to not be constrained by a small number, but make sure they do fully reflect across all the goals in a way that is meaningful to their integrated nature.

For example, how do those currently picked fully reflect the role of natural resources and their resilient ecosystems, as the foundation blocks for a healthy functioning society, economy and therefore the well-being of Wales? To do this more effectively with the indicators we have available to us (recognising that 43 and 44 need more development), we feel more milestones relating to natural resources are needed. We have recommended some additional milestones with reasons. We have made suggestions about others too.

As an example, how do the indicators chosen in the consultation show a shift to a low carbon economy with a relevantly skilled workforce that uses resources efficiently? If we think about the change we want to see in an integrated way, it may help pick the indicators and or drive changes to ensure the indicators meet the needs of Wales. It may therefore be better to start from what we expect the key milestones to be around each goal and see what indicators would help show that?

For example: What are the changes we would expect to see in 2- 5, 10- 20 – 30 years in education to deliver a prosperous Wales? Are our skills programmes/education etc. generating people who can work in low carbon economies, understand the role and value of ecosystems and using resources sustainably, whilst delivering goods for society? What would we need to see in education programmes in 2-5 years to ensure this happens and then what would we need to see in 5- 10 years – e.g. 2-5 yrs all education programmes incorporating natural resource/ecosystem/sustainability and systems thinking; 5- 10 years relevantly skilled workforce in place and an economy that has shifted to low carbon products/systems, and in 20 years significantly reduced carbon emissions across Wales or a zero carbon products in a circular economy.

The current education indicators appear to be about numbers getting a qualification (not the relevance of the skills they've acquired) – what we need is a workforce ready and skilled to work in the low carbon economy, ensuring resilient ecosystems, and healthy population. The education and training sectors need to change to support this. Which indicators identify that? We need to identify indicators that can show multi-benefit outcomes.

The broad multi benefit indicators like soil, air quality etc. haven't been picked as milestone indicators. Soil carbon/organic matter content (the no.1 soil health/function indicator) is a fundamental measure, cross cutting and outcome focussed (e.g. decarbonisation), supporting most of the UN Sustainable Development Goals and therefore also the WFG Act Goals. (See detail in section on additional indicators).

We also question the second criteria (see section 6 for our detailed comments) - **choosing National Milestones (capable of being significantly influenced by our Government)**. There are some big issues which Wales needs to be aware of and consider in its strategies/plans/policies. These are being excluded from the current list because of this criterion and although outside significant WG influence, they could usefully have milestones that would trigger changes in policy within WG's remit. These would include for example indicator 4 on air pollution, 9

on GVA and 12 on renewable energy equipment. We don't think criterion (2) should be around 'only those things influenceable by WG'.

We therefore suggest **the criterion for 1, potentially combined with 3**, should be:

A subset of the national well-being indicators appropriate to assess progress across all of the Well-being Goals set under S8 of the Well-being of Future Generations Act (Wales) 2015 in an integrated way. This allows for picking those most relevant and isn't constrained by needing to be a small number.

5. Please tell us why this new or improved criterion will fit with the other criteria and best support development of a small set of national milestones that will assist Ministers in assessing progress for the whole of Wales towards the seven well-being goals.

As presently drafted there is the danger that the indicators chosen to have milestones become, in effect, targets rather than indicators, whilst other indicators of the Well-being goals may be ignored.

The indicators need to have longevity outside of political cycles to ensure any shorttermism in respect of milestones related to political cycles, is prevented.

The criterion proposed is more likely to ensure we pick indicators that can have milestones set that reflect across the whole set of well-being goals and therefore endure political cycles.

6. Do you propose removing any of the existing criterion?

Yes	Y
No	

If yes, which criterion do you wish to see removed and why?

Criterion No 2 – only those things WG have influence on.

This is a limiting criterion if Wales really wants to understand where and how its policies and actions can drive the changes we need to see to deliver the Goals.

We suggest a criterion that reflects not only those areas which WG have influence on, but also those things not directly in WG control but where policy levers in Wales can have a contribution, and also those areas where WG have influence on those decisions made outside of Wales.

B. Changes to the small set of national indicators against which national milestones will be developed

7. Do you propose any changes to the small set of national indicators against which we propose to set national milestones?

Yes	Y
No	

8. Do you propose to remove or add national indicators from the small set against which we propose to set national milestones? (Please tick one box)

Remove	
Add	Y

9. If you are proposing an additional national indicator against which a milestone should be set, which national indicator do you propose adding?

17 of the 46 National indicators can be associated with the Environment Act requirement for Sustainable Management of Natural Resources (SMNR). Some are closely related, such as the **status of biological diversity** and some are more tangentially related (4 in total), such as the **% of adults who have fewer than two healthy lifestyle behaviours** (which include “meet physical activity guidelines”, and such behaviours depend in part upon access to green space).

Of the reduced set of proposed “milestones” only 4 correspond to the SMNR related indicators and of the 4, 2 are tangential. This means that of the total WFG indicators 39% are related to SMNR, but of the milestones only 27% are related (whilst 45% of the indicators excluded from the milestones relate to SMNR). The highest incidence of SMNR related indicators that are excluded from the milestones relate to “Prosperous & Secure” (80%) and the lowest to “Ambitious & Learning” (0%), with “United & Connected” (64%) and “Healthy & Active” (63%).

We therefore suggest adding at least 4 indicators to those selected and have suggested some others for consideration.

Indicator 4. Air pollution.

Indicator 45. The status of surface water quality as this is an indicator where WG policy (and NRW delivery) can have an influence. It also has milestones currently set that could be used and added to.

Indicator 13. Concentration of Carbon and organic material in soils, which is a cross cutting indicator linked to health, food production, etc.

Indicator 15. Amount of waste generated but not recycled per person. This is a key indicator of progress toward a circular economy and the transition to a low resource use economy.

Further consideration and development of:

Indicator 43. Areas of healthy ecosystems in Wales

Indicator 44. Status of Biological Diversity in Wales

With some other potentials:

9 GVA and - 12 renewable energy equipment,

11. Percentage of businesses which are innovation-active might be useful if linked to the education and skills to ensure we have entrepreneurial/innovative workforce – needs to be sustainable innovation – i.e. low carbon, resource efficient, supporting a health and cohesive community.

33. Percentage of homes with adequate energy performance

42. Emissions of greenhouse gases attributable to the consumption of global goods and services in Wales.

If you have answered the question above, please now consider which national indicators can be removed from having milestones, to keep a small set or to reduce the set further.

The addition of a minimum of four indicators to the milestones will still deliver a sub-set of national indicators that are less than half the total number of indicators. The consultation document doesn't explain the merit of having 15 milestones out of a total of 46 national indicators, so there is no real basis to judge why 15 should be preferred to 19, although the assumption is extensively used to frame the consultation.

The addition of a further four national well-being indicators also offsets the under-representation of stocks of biotic and abiotic natural resources and the flows that arise from them (which yield both benefits and intrinsic values to people and the economy), in the milestones. Their current lack is surprising given the recognition by the Welsh Assembly and by the Welsh Government of the key dependence of all seven Well-being goals upon natural resources and the dependence of sustainable economic growth upon the transition to a low resource use economy. This omission also does not fit well with using the Well-being of Future Generations (Act) Wales 2015 to discharge the sustainable development duty under S79 of the Government of Wales Act (2006), since sustainable development implies the adoption of a systems approach to grapple with inherently complex strategic issues that require solutions to wicked problems.

10. If you are proposing removing national indicators that we currently propose to set milestones against, which ones do you propose removing?

Further to the discussion in section 4 above, you may wish to consider removal of some of the socio-economic indicators, if reduced numbers are required, where these are measuring outputs not integrated outcomes.

Some examples might include

Indicators 7/8 education attainment – use 1 of the two, or something different to demonstrate school leavers/workforce skilled for need now and in the future – for a low carbon resource efficient economy.

Indicator 21, as 22 also covers employment stats

11. Please provide an explanation for your proposed changes and the contribution they make to a small, balanced set of milestones.

All the proposed additional Indicators for developing milestones contribute to the Welsh Government (WG) Well-being objective “Drive sustainable growth and combat climate change”. They also contribute to at least one, and often more, of the following WG Well-being objectives:

- Build healthier communities and better environment
- Equip everybody with the right skills in a changing world
- Build resilient communities, culture and language
- Deliver modern and connected infrastructure
- Promote and protect Wales’ place in the world

We welcome and support the identification of biodiversity as an indicator to develop milestones for. However, the absence of metrics for soil, air and water – the three essential ‘environmental media’ – is inconsistent with the Sustainable Development agenda. The environment underpins well-being, the economy, society and culture, it should no longer be merely seen as a constraint, or something our economic activities impact upon.

Reasons for the additional indicators proposed above:

Indicator 4. Levels of nitrogen dioxide (NO₂) pollution in the air

Air pollution has become an increasing focus of public attention with a recognition of poor air quality as a cause of death. Public Health Wales describes air quality in Wales as an urgent public health issue, second only to smoking. It is estimated that poor air quality contributes to around 2,000 deaths per year (representing 6% of mortality in Wales). The adverse effects of airborne pollution disproportionately affect those living in deprived areas.

The Welsh Government announced its intention to formulate a Clean Air Plan for Wales. Hannah Blythyn, Minister for the Environment, stated:

“Poor air quality is often considered to be just an environmental issue, but it also has a significant impact on our natural resources and economy. We must tackle air quality from all possible angles.” Subsequently in November 2018 the Welsh Government published a plan to tackle illegal roadside NO₂ concentrations and confirmed that the Clean Air Plan would be published during the course of 2019.

Indicator 45. Percentage of surface water bodies, and groundwater bodies, achieving good or high overall status.

Water is an essential component of our life in Wales and should be a milestone to measures our nation’s progress. We drink it, it is used by industry and manufacturing (including farming, fishing and forestry) and it supports a vast and varied ecosystem from source to sea. The quality and quantity of water is vital for well-being.

Indicator 13. Concentration of Carbon and organic material in soil

Soil constitutes a key natural resource. It is being lost both by geomorphological processes that have been accelerated by agricultural practices and by declining biophysical condition, again often exacerbated by agricultural practices. New

techniques, such as low tillage systems, have the potential to arrest and reverse these pressures.

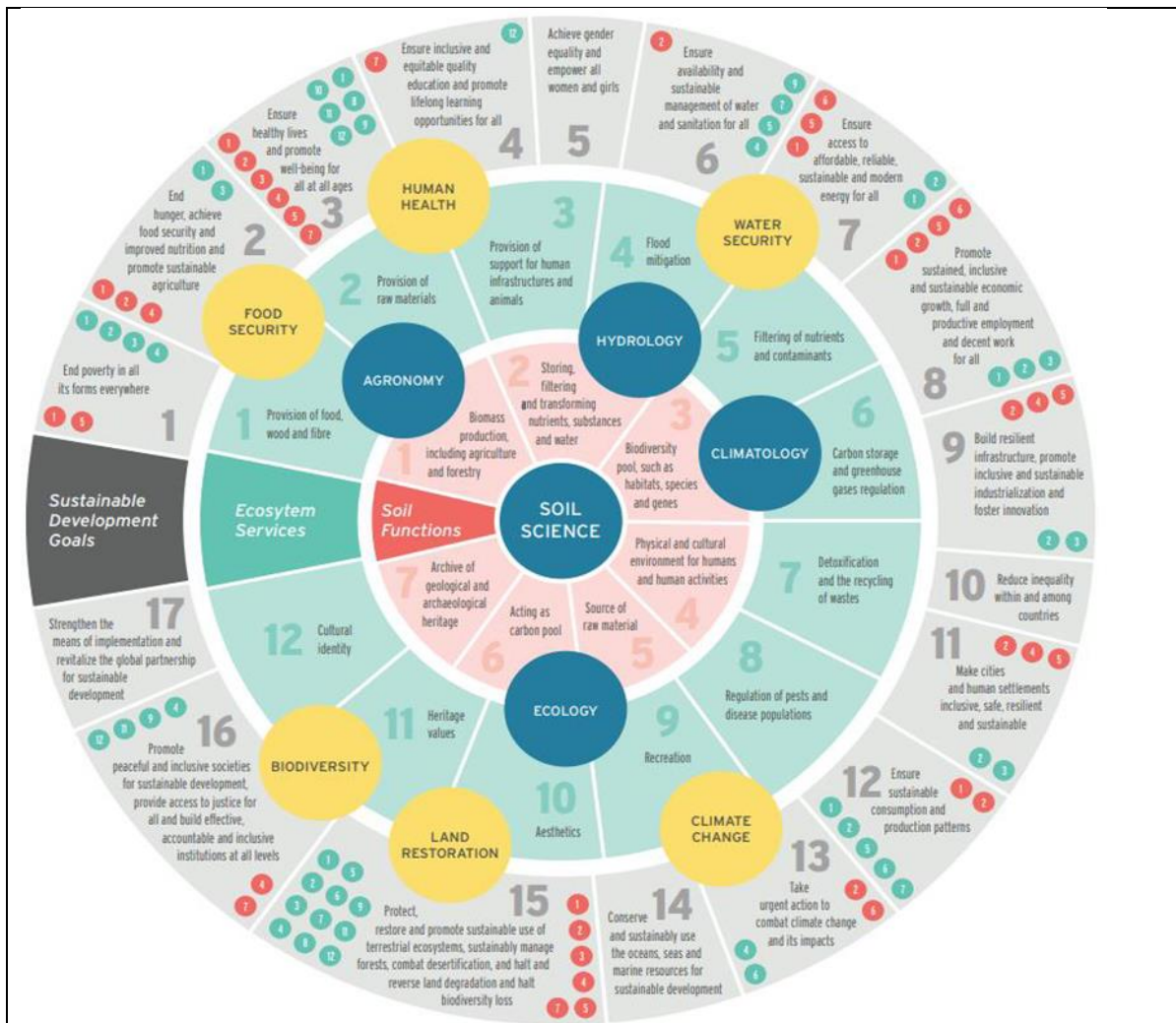
Soil provides a far larger reservoir of carbon (required to mitigate anthropogenic climate change) than the vegetation, including trees, that grow on the soil. The ONS estimates that there were 4,266MtC of biocarbon in the UK in 2007, of which 94% (4,019 MtC) was contained in soil stocks and 6% (247 MtC) in vegetation, and that between 1998 and 2007 this stock fell by 0.5% due wholly to a decline in soil biocarbon (biocarbon in vegetation rose by 0.5% of the same period due to an expansion in tree cover).

There is growing recognition that, along with air and water quality, soil quality is a key issue underpinning the resilience of both social and economic systems.

“The Sustainable Soils Alliance (<https://sustainablesoils.org/about-soils>) put the argument in the following terms: “Most of us take soils for granted. We believe that because it has always been there to meet our needs – as a source of nourishment for our food, foundations for our buildings and storage for our water and carbon - then it will always be, in limitless quality and supply. And yet our soils are in crisis. Their health is declining to the extent that we are now just one generation away from a soil system that is unable to meet the needs of the people that depend upon it. This has come about despite the vast and expanding number of organisations from science, agriculture, industry and civil society working to understand and improve soil quality... We urgently need to find solutions or risk reaching a point of no return.”

Soil carbon/organic matter content (the no.1 soil health/function indicator) is a fundamental measure. It is a cross cutting and outcome focussed (e.g. decarbonisation) SMNR variable, supporting most of the UN Sustainable Development Goals. To help illustrate the point see below a couple of figures from a recent EC publication on the SDG's.





Indicator 43. Area of healthy ecosystems in Wales. Whilst this could also be considered for inclusion as part of the suite of milestones, further work is still required in developing the methodology for it. We would welcome working with you on developing Indicator 43 further. It could potentially include non-semi-natural habitats, because these are critically important for biodiversity and have associated high values for the attributes of resilience, as well as for delivering key ecosystem services to people and economy.

Indicator 44. Status of Biological Diversity in Wales. We welcome the inclusion of this indicator as a key one to consider for the potential suite of milestones because of its significance in a Welsh, UK and international context. We recognise Indicator 44 is extremely complex and is still being considered and developed. We would like to understand how this work is progressing and be involved in its development along with any subsequent work on a potential milestone for it.

Indicator 15. Amount of waste generated but not recycled per person

This is a key indicator of progress toward a circular economy and the transition to a low resource use economy.

Preventing waste arising is the most sustainable use of our resources and is the most preferred option of the waste hierarchy. Moving towards a circular economy will help to keep resources in service for as long as possible, maximising their value when in use and then, when no longer useful to society, ensuring that those resources are captured for re-use and recycling, and recovery or reintegration into ecosystems. Ensuring unavoidable waste is prepared for reuse or recycled retains natural resources, reducing the demand for virgin material. Improving the management of waste as a resource will reduce greenhouse gas emissions. This will also help to deliver well-being benefits, including environmental benefits, health benefits and the avoidance of detrimental environmental local impacts.

There are considerable amounts of recyclable material still present within the residual waste stream. Therefore, there are still significant opportunities to reduce, reuse, recycle, and recover waste across Wales so it is important to include this indicator as a milestone.

Others to consider that are multi-beneficial:

Indicator 33. Percentage of homes with adequate energy performance

The Natural Resource Policy (2017) identifies “increasing renewable energy and resource efficiency” as one of three key objectives for Welsh Government. The UK housing stock in general, and the Welsh stock in particular, is older and less energy efficient than domestic dwellings elsewhere in Europe. Schemes such as Nest and Arbed aim to take a “whole house approach” and have been designed to retrospectively improve performance. Building regulations have been tightened to improve the performance of new dwellings. The economic activity stimulated by these programmes also makes indirect contributions to Well-being through employment opportunities and skills enhancement.

We also make a suggestion around **Indicator 11 (the number of firms that are innovation ready), and 42 (emissions of greenhouse gases attributable to the consumption of global goods and services in Wales)**. These indicators are linked, and the rationale would be that we are not going to achieve the transition to a low resource use (including low carbon) economy without significant innovation by firms (Innovation for sustainable development). It is not enough for us to reduce resource use (including carbon) within Wales, if we simply substitute resource use within Wales for embodied resource use in the goods and services we import. Indicator 11 is a necessary, but not sufficient, condition for the innovation that we need and 42 addresses the “ghost acres” issue associated with simply displacing resource use and carbon emissions elsewhere around the globe.

Indicator 42. Emissions of greenhouse gases attributed to the consumption of global goods and services in Wales

The ONS has calculated both Domestic Material Consumption and the more telling Raw Material Consumption figures for the UK. Raw Material Consumption adjusts both imports and exports for the raw materials embedded in such flows. The trends in both seem to be similar, but the level of RMC exceeds that of DMC, illustrating the importance of accounting for the embedded raw materials in a globalised world where much production has been transferred to overseas sites. Both DMC and RMC are measured in terms of mass, and data are available on both a cum and ex energy basis. There is an argument that energy should be considered separately since there are established carbon accounting metrics that better deal with it.

Indicator 11. Percentage of businesses which are innovation-active.

The definition of innovation-active enterprises is provided by Eurostat as any of the following activities during the survey period:

1. The introduction of a new or significantly improved product (good or service) or process;
2. Engagement in innovation projects not yet complete, scaled back, or abandoned;
3. New and significantly improved forms of organisation, business structures or practices, and marketing concepts or strategies;
4. Investment activities in areas such as internal research and development, training, acquisition of external knowledge or machinery and equipment linked to innovation activities.

Innovation is a necessary, but not sufficient, condition for the transition to a low resource use economy and the introduction of new business models to facilitate a circular economy which will be a key element of such a transition.

Indicators 10, 18 and 21 are heavily influenced by decisions made by the UK Government and wider economic conditions. The national milestones need to be capable of being influenced significantly by our devolved government and therefore for these indicators it will not be appropriate to base our national milestone on an absolute “point” target. Instead we suggest a more appropriate approach would be to use some of the other methods described on page 13.

12. Do you agree with the rationale for this, or have you any other views on how we should approach areas not entirely within devolved competence?

A number of possible approaches are discussed on page 13 of the consultation. Perhaps the closest to the approach we would recommend is the commentary to be provided by the Future Generations Commissioner, since ideally these milestones should be set in the context of a narrative.

Indicator 10 is very closely related to indicator 9, over which the Welsh Government has considerably more influence. Welsh Government economic policy recognises four foundation sectors, namely Tourism, Food, Retail and Care, and three national thematic sectors, namely tradable services, high value manufacturing and “enablers” such as digital, energy efficiency and renewables.

The national thematic sectors are desirable, not only because they address the transition to a low resource use economy, but also because firms involved in such sectors tend to be close to, rather than distant from the production possibility frontier of the economy. So, it could be argued that productivity (output per person per hour) lies at the heart of Welsh Government policy, not just in terms of the national thematic sectors but also in terms of the need to raise it in the foundation sectors. Improving productivity overall could be greatly helped by addressing the long tail of firms with lagging output per person per hour.

The narrative around indicator 18, which is based upon the DWP approach to measuring households beneath average [in this case median rather than mean] income (HBAI), could flesh out the considerations advanced on page 13, in particular the distribution of household income in Wales versus the distribution in other parts of the UK and overall. The UK has a very wide range in household income, just as it has a wide dispersion in GVA per head and national wealth per head.

The narrative around indicator 21 could be very rich given the importance of flows between the varied International Labour Organisation (ILO) categories defining participation and non-participation in the labour market. Employment will not just fluctuate in line with the business cycle, but the proportion of people who want work but are not looking for a job, or the proportion of people self-employed with a “portfolio” of jobs who would prefer the security of a salary. The labour market is one aspect of the economic system that demonstrates hysteresis. The use of narrative would also counteract the undesirable outcome of the milestones being seen as targets.

C. Changes to the existing 46 national indicators

13. Do you propose any changes to the existing 46 national indicators?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

14. What type of change are you proposing to the existing 46 national indicators?

(Please tick one box)

Removal of or change to an existing indicator	x
New	

15. If you are proposing a change to an existing indicator/s or proposing a new indicator, please provide the version you propose.

The text of the consultation refers to considering amendments following a report from the fair work commission. We suggest this consideration extends to the indicators of SMNR being prepared in SoNaRR2. There is expected to be some overlap with the National indicators and they may have potential to provide new indicators that could be added, swapped, or used to add context to any narrative.

Indicator 13 - Percentage of dwellings with adequate energy performance and percentage of dwellings with good or better energy performance

Indicator 37 – Number of people who can speak Welsh, when, what circumstances and how often they speak the language: -

	Daily	Weekly	Monthly or less
At school/college			
At home/family			
At work			
Socially with friends			

Future development of:

Indicator 43. In its current form could be updated to include non-semi-natural habitats because these are critically important for biodiversity and also have associated high values for resilience attributes as well as for key ecosystem services delivery.

Indicator 44. We recognise Indicator 44 is extremely complex and is still being considered. We would like to understand how this work is progressing and be involved in its development along with any subsequent work on a potential milestone for it.

Whilst milestones for these could potentially be couched in simple terms, e.g. ‘no loss of...’ or perhaps even ‘x% increase in ... over y years’, behind this apparent simplicity there are some difficult considerations, as any milestone needs to reflect the level of change that its indicator is capable of reliably detecting, therefore we would wish to work with you on their further development and inclusion as milestones.

16. If you have proposed a new indicator, please now consider which national indicators can be removed, to keep a small set or reduce the set further.

No new – changes to only. n/a

17. If you are proposing removal of an existing national indicator, please identify that indicator.

N/A

18. Please tell us why your proposed change to the existing 46 national indicators will support us in measuring progress towards achieving the well-being goals.

The proposed new form for indicator 13 is more comprehensive and ambitious.

Welsh language indicator 37.

The change will help in measuring progress and understand what situations the language is used, where support/resources need to be focussed to help achieve the target set by Welsh Government and become a truly bilingual country for the future.

Indicator 43 ‘Area of healthy ecosystems in Wales’ and Indicator 44 ‘Status of Biological Diversity in Wales’

As you are aware, both indicators are still in development and whilst we believe these would be very valuable as part of the suite of milestones, we acknowledge that further work is still required in developing the methodology behind them. We would however like to be involved in any further discussions on developing appropriate milestones for these.

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 tick here