



Measuring progress towards the achievement of Wales's well-being goals: A discussion paper

Introduction

The Public Policy Institute for Wales (PPIW) has been asked by the Minister for Natural Resources to provide advice and support to the Welsh Government on the development of 'National Indicators' that will measure the progress of Wales as a whole towards the goals articulated in the Well-Being of Future Generations (Wales) Bill. This work is separate from the National Conversation on 'The Wales We Want' (see thewaleswewant.co.uk for more information on this), although the results of the National Conversation will inform this work.

This paper is a discussion document prepared by the PPIW and designed to initiate this work and the discussions that will take place over the course of the project. It summarises our understanding of the state of the debate in Wales and draws on international evidence to outline some of the issues and questions that will need to be addressed in the development of an appropriate and effective set of National Indicators.

It has been drafted to stimulate discussion at the beginning of this project; it should not therefore be taken as reflecting the firm views of any of those involved. Readers are invited to send any comments to info@ppiw.org.uk.

Background

The Well-Being of Future Generations (Wales) Bill as introduced in July 2014 set out "well-being goals" for Wales (these are subject to amendment¹):-

¹ Amendments tabled by the Welsh Government on 11 February, including a revised set of well-being goals, can be found at:

<http://www.senedd.assembly.wales/documents/s36723/Notice%20of%20Amendments%2011%20February%202015.pdf>

- **A prosperous Wales.** An innovative and productive, low carbon emission, economy that makes more efficient and proportionate use of resources; and which generates wealth and provides employment opportunities for a skilled and well-educated population.
- **A resilient Wales.** A bio-diverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change.
- **A healthier Wales.** A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.
- **A more equal Wales.** A society that enables people to fulfil their potential no matter what their background or circumstances.
- **A Wales of cohesive communities.** Attractive, viable, safe and well-connected communities.
- **A Wales of vibrant culture and thriving Welsh language.** A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

The Bill also requires Welsh Ministers to publish indicators designed to measure “progress towards the achievement of the well-being goals”, referred to here as “National Indicators”. While the goals are set in the Bill (subject to amendment), the National Indicators have not been set and work is now required to develop these. It is envisaged this will fall into four stages:-

- Development by the Welsh Government (assisted by PPIW) of proposals and options;
- Public consultation on these;
- Publication of the National Indicators taking into account the consultation; and
- Publication of First Annual Well-being report, using the National Indicators.

Purpose and use of the National Indicators

The overarching aim of the Bill is to improve the well-being of current and future generations, by improving both policy making and service delivery across the public sector in Wales. In future these will have to be in accordance with the sustainable development principle, and the intention is that they will be more ‘joined-up’, more focussed on the long term, and better aligned with the priorities and concerns of the people of Wales. The National Indicators will be designed to support these aims.

Because the National Indicators will measure progress towards the goals for Wales as opposed to the objectives of particular organisations they will *not* constitute performance targets and should not

be interpreted as defining the immediate objectives of particular policies or programmes.² However, Ministers and public bodies specified in the Bill will be required to set well-being objectives designed to maximise their individual contribution to achieving the well-being goals, and to publish annual reports of the progress they have made towards meeting these objectives. The intention is that these well-being objectives will align with existing objectives or performance measurement frameworks, such as the Programme for Government, as opposed to being in addition to or separate from them. The National Indicators, by specifying how progress towards achieving the goals is understood, are likely to inform the development of these well-being objectives, and any indicators used to measure performance against these objectives. Unlike the Welsh Government's existing Sustainable Development Indicator set, the use of which is voluntary, they have a central, statutory role in policy development.

Given this, they can contribute to more joined-up policy and service delivery in so far as they:

- **clarify** what making progress towards the goals involves
- on this basis provide an **agreed framework** within which public bodies specified in the Bill including the Welsh Government set their objectives
- measure well-being outcomes and drivers which require **co-operation and co-ordination between and within these public bodies** if they are to be achieved.

They can contribute to a greater focus on the longer term in so far as they include indicators that help **predict the well-being of future generations**.³ They can contribute to better alignment with public priorities and concerns in so far as they **reflect public priorities and concerns**.

These contributions will be reinforced by the requirement that they are published in an annual well-being report by the Welsh Government, to be laid before the National Assembly for Wales. In addition, the statutory Future Generations Commissioner for Wales will have to take this report – and thus the indicators - into account when preparing his or her 'Future Generations Report (as

² This distinction between national goals and organisational objectives is critically important if complexity and confusion is to be avoided. The Results Based Accountability™ (RBA) framework makes a distinction between well-being outcomes as the 'ends' which we collectively seek, and the 'means' which are in part the programmes and schemes that public, third sector and other partners may implement in that context. No single organisation can deliver a well-being outcome and RBA suggests that because of this it makes no sense to set targets for well-being outcomes. What is required however is collective ownership of clear goals and metrics, ambition for change and improvement, and a shared plan to make progress.

³ The National Indicators will not themselves be predictions but can inform predictions, for example in the Future Trends Report.

specified in section 21 of the Bill and not to be confused with the 'Future Trends Report') on how Ministers and other public bodies should better safeguard the interests of future generations and look to the long term.

These are ambitious aims. International experience and research has shown how challenging it is to design indicators to work in the way intended. There is a real risk that the National Indicators become 'just another indicator set', contributing to the surfeit of frameworks that the Williams report⁴ identified and criticised. However, this can be avoided if (a) they are well-designed, in other words measure the right things and measure them in the right way and (b) the process for using them is well-designed.

This paper is about the development, as opposed to the use, of the indicators. It sets out some thoughts on what 'well-designed' means when describing indicators, covering both measuring the right things and measuring them in the right way; in doing so it touches on the kind of development process that is needed to deliver this. At this stage there is no discussion of what the indicators themselves might be. Readers are invited to contribute their thoughts on what 'well-designed' means, and any comments and additions to the principles set out below that will guide the development of indicators.

Measuring the right things

In a broad sense, what the indicator set should measure is determined by the well-being goals as described in the Bill and quoted above. However, as can be seen, these goals are multi-faceted and many of the facets are open to interpretation in different ways (for example, what does fulfilling potential mean in practice? What is an attractive community?) Thus the selection of indicators will involve **choices**. In addition, because any manageable set will contain a limited number of indicators, there will be a need for **prioritisation**. Thirdly, directly aligning the indicators with individual goals (or facets of goals) could encourage a tickbox / siloed way of thinking, and one of the principal aims of the Bill is to discourage this. Siloed thinking often leading to *unsustainable* development. Thus ideally many of the indicators will measure progress towards more than one goal, and this will require **analysis** of the links between different goals⁵.

⁴ The Williams report ('Commission on Public Service Governance and Delivery' January 2014) drew attention to the way proliferation of indicators damages rather than enhances performance.

⁵ For example, indicators on health inequalities could measure progress towards 'A healthier Wales' and 'A more equal Wales'

All this means a process is needed for defining precisely what the indicators should measure. This process must not be arbitrary: it should involve the application of agreed principles and criteria. We summarise our current thinking on these in table 1, with some amplifications in the foot notes. The challenge will lie in developing a set which follows all these principles.

Table 1

Principle	Comments
1) The indicators should measure outcomes .	As stated in the Bill. ⁶ However see principle 8.
2) These outcomes should resonate with and matter to the public, and the choice must take account of the pilot National Conversation and the formal Consultation during 2015.	Many of the choices to be made are not technical or based on analysis but will reflect values. These choices must be reached through a process of public debate ⁷ .
3) There should be a limited number : no more than seven headline indicators and 30 indicators at a second tier.	This relates to and flows from principle 2, as only a very small number of indicators can get noticed by the public. ⁸
4) The indicators should form a coherent set , which can be justified by a rationale and framed by a narrative about what progress means for Wales.	Not every interest can be represented in the set, so the selection must be defensible. The set has to help the public hold public bodies to

⁶ Indicators “must be expressed as a value or characteristic that can be measured quantitatively or qualitatively against a particular outcome.” Outcomes are typically defined in terms of impacts and are contrasted with inputs and outputs; for example less congestion is an outcome from a new road (output) which results from increased investment in roadbuilding (input).

⁷ The transformative potential of indicator sets is more difficult to realise if they are developed through a purely top down process – a conclusion of the BRAINPOoL project (Whitby, Alastair, March 2014, The BRAINPOoL Project: Beyond GDP – From Measurement to Politics and Policy. A collaborative programme funded by the European Union’s Seventh Programme for research, technological development and demonstration under grant agreement No. 283024).

⁸ The indicator set must communicate with the general public if it is to get political and thus policy traction. A standard idea in cognitive psychology is that most people can only hold seven pieces of information in their head at a time. The UK well-being wheel has 42 indicators and, partly for this reason, it has achieved very little public recognition. On the other hand, it would be very challenging to create a set of say six indicators for the six goals that fully captured the breadth of the goals. Hence the proposal for two tiers. Ideally the headline set would represent the larger set, in the sense that changes at the lower level could be expected to result in changes at the higher level. This does not mean the headlines would have to be composites – just that a causal relation would be inferred between the respective outcomes.

	account; this requires a narrative reflecting what matters to them. ⁹
5) The outcomes need to be ones where significant progress can be achieved over the long term and where milestones can be measured over a 5-15 year period.	If progress is to be measured there has to be the possibility of change within a reasonable period, but this need not be too short – the results of some successful interventions only show up in statistics over the long term and the aim is to strengthen focus on the long term. ¹⁰
6) In principle the outcomes need to be sensitive to decisions made in Wales (although not just by public bodies) – and to the extent that decisions made elsewhere are critical this needs to be made clear.	If the National Indicators are to influence objective setting, they have to be of outcomes public bodies can influence. But some outcomes important to the public will be mainly driven by decisions made outside Wales.
7) Where possible the outcomes should not have a 1:1 relationship to goals, but reflect progress on two or more goals ; however, the set as a whole needs to support all the goals in a balanced way.	This reflects the systemic nature of many of the issues and the consequent need for un-siloed working – and also the need to measure progress with relatively few indicators
8) A significant proportion of the outcomes should help us predict the well-being of future generations , not <i>just</i> how the past was – so they are not <i>just</i> outcomes.	Indicators are not predictions but can help predict. This may not be straightforward: extrapolating trends and relying on milestones is not always enough. ¹¹
9) The outcomes should be about the population of Wales as a whole ¹² – although inequality measures require disaggregated data and could focus on minorities.	Given their role, National Indicators do not <i>need</i> to be broken down by area – except

⁹ The BRAINPOoL project (see note 3) argued that if indicators are to achieve political traction, the selection of outcomes needs to shape and reflect a compelling narrative, one which both explains how the world works and sets out how things must change to improve people's lives.

¹⁰ The Bill requires Ministers to specify the period of time to which indicators relate

¹¹ While in some cases year on year trends may represent suitable milestones (i.e. be sufficient for predicting future well-being), in other cases, particularly those where short term changes are invisible, or where long term investment is required, year on year trends can be misleading. Then it may be necessary to choose outcomes which the evidence suggests are also drivers, for example levels of investment, or educational attainment.

¹² As opposed to performance or the achievement of objectives by individual public bodies.

	where they involve comparisons. Other indicator sets will provide area information ¹³ .
10) Decisions on outcomes must not be driven by existing indicator sets; however these – and work in progress (including on the UN Sustainable Development Goals) – are useful input for the development process.	The National Indicator set may help rationalise specific public body performance indicator sets, perhaps through ‘contribution analysis’. ¹⁴ It should be designed with this in mind.

Measuring the right way

Once it is clear what should be measured, indicators have to be selected or designed that measure these things and communicate the results effectively. As with deciding what to measure, this involves following a set of principles, and our current thinking on these is set out in table 2. They concern effective communication, accuracy, balance and feasibility.

Table 2

Principle	Comments
<i>Effective communication</i>	
1) What the indicator measures should be capable of being summed up briefly in a way that will be immediately grasped by the public.	This does not require an understanding of how the indicator is constructed, which can be complex even while what it measures is simple. Inflation rate is a good example of this.
2) The indicator should allow comparisons to be made over time. Thus comparisons should remain valid even as policies or data collection methods change, there should be secure	Entitlement to free school meals is an example of an indicator that fails this test since the rules for who qualifies can change.

¹³ Of course if disaggregated data are available, then they should be provided with the main indicator data.

¹⁴ As practiced in Scotland. This can help organisations identify their contributions to changes in the outcomes and “show that they are working towards the well-being goals” as per the Policy Intent Statement

sources of data, and the value of the indicator should be capable of change over time.	
3) Ideally the indicator should allow comparisons with other places and so should be internationally recognised. ¹⁵	However the availability of international statistics cannot drive national priorities - Welsh language use cannot be compared internationally.
4) The significance of any changes should be immediately obvious.	It must not be arguable that changes are just random fluctuations (as with say average temperatures); it must also be agreed which direction is good and which bad.
5) All audiences need to believe that the indicator really does measure the outcome effectively and reliably, and the indicator should be understood in the same way by different groups.	For example, if GCSE results are used as an indicator of educational attainment, public, teachers and relevant officials need to believe that these results really do reflect attainment.
6) Indicators must provide up-to-date information and with sufficient frequency to allow judgements about progress and to stimulate appropriate action.	Because the set should be communicable as a whole, ideally it will contain indicators of a similar frequency and timeliness – but this may not be achievable
7) Indicators must be selected and designed to avoid encouraging actions that improve the indicator at the expense of wider outcomes.	Examples include waiting time targets which can distort hospital priorities, or exam league tables which encourage ‘teaching to the test’.
<i>Accuracy</i>	
8) Where survey data are used, it should be shown that respondents give consistent answers to the questions on different occasions.	In general, potential measurement errors should be noted.
9) The indicators should not be based on sample sizes that statisticians judge too small	It is often for this reason that indicators cannot be disaggregated by locality.

¹⁵ For example, it will be useful to take note of indicators developed to measure progress of the UN Sustainable Development Goals.

to justify conclusions about the outcome measured.	
10) The intention is that National Indicator datasets will be 'National Statistics.' Thus where possible indicators should use existing National Statistics, or at least have been tested and found adequate for research purposes.	National Statistics are those certified as compliant with the Code of Practice for Official Statistics by the UK Statistics Authority.
<i>Balance</i>	
11) The set as a whole should contain subjective as well as objective indicators.	Subjective outcomes – for example 'fear of crime' – are often as important as objective ones.
12) The set as a whole can contain indicators based on qualitative as well as quantitative data	This is as permitted by the Bill. It is not clear at this stage what these indicators would be.
<i>Feasibility</i>	
13) It is preferable for the data and ideally the indicator itself to already exist for cost reasons but this is not essential.	If the cost and any burden on respondents can be justified, new data can be gathered, or existing data can be gathered more frequently or quickly.

Discussion points

Readers are invited to contribute their thoughts on what constitutes 'well-designed' indicators, and to give any comments on the principles set out above. We would particularly interested in views on the following questions:

- Are the principles set out in tables 1 and 2 the right ones?
- Have we missed anything out?
- Do they need refining in any way?

If you would like to comment, please send your views to info@piw.org.uk.