

Welsh Government

Consultation response: Future Generations Act indicators. “How do you measure a nation’s progress?”



About Citizens Advice Cymru

Citizens Advice is an independent charity covering England and Wales, operating as Citizens Advice Cymru in Wales with offices in Cardiff and Rhyl. There are 19 local Citizens Advice in Wales, all of whom are members of Citizens Advice Cymru, delivering services from over 375 locations.

The twin aims of the Citizens Advice service are:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people’s lives.

The advice provided by the Citizens Advice service is free, independent, quality assured, confidential and impartial, and available to everyone regardless of race, gender, disability, sexual orientation, religion, age or nationality.

The Citizens Advice Service now has responsibilities for consumer representation in Wales as a result of the UK Government’s changes to the consumer landscape¹. Since 1st April 2014 this includes statutory functions and responsibilities to represent post and energy consumers.

Introduction

Citizens Advice Cymru is pleased to respond to the draft National Indicators on the Well-being of Future Generations (Wales) Act. We welcome the scale of the Welsh Government’s ambition in reframing policy design and decisions made today around the needs of those who will feel their effect in future.

Summary of response

We do not underestimate the real complexity involved in developing a set of indicators to measure whether Wales is achieving this ambition. The draft indicators represent a promising start, covering many areas of longstanding concern to us and our clients.

¹ On 1st April 2013 responsibility for consumer representation was transferred from Consumer Focus to the Citizens Advice Service (including Citizens Advice Cymru) following the UK Government’s review of the consumer landscape. From 1st April 2014 this includes statutory functions and responsibilities to represent post and energy consumers

However we feel some key areas are noticeably absent, these are:

- over-indebtedness
- financial capability
- fuel poverty
- transport

We are therefore recommending **additional indicators on indebtedness and fuel poverty**, as well as amendments to the existing indicators which will ensure these issues are not overlooked within the Future Generations Act reporting.

We also have significant concerns regarding the quality of some of the data sources identified, and the way those data sets will be used. In this area, we would suggest **the indicators are some way from where they need to be**.

We believe there are serious risks in the approach as currently set out:

- painting a more positive (or indeed negative) picture than may objectively be the case, by relying too heavily on subjective measures
- measuring a single element of a headline indicator, and inappropriately using that as a proxy for the entire objective
- 'hitting the target but missing the point': by creating incentives for public bodies prioritise spending to improve the single data point being measured by the indicator - to the detriment of other equally important outcomes

Citizens Advice's role in achieving the well-being goals

Impact of independent, quality assured advice

Benefits and debt-related problems are the main issues our clients come to us for help with. Since 2011-12 benefits-related problems have dominated. They currently account for 39% of all issues we see. Between April and September 2015 almost 26,500 people were helped with over 79,300 benefits-related problems.

Debt remains the second biggest problem area accounting for 29% of all problems. Over 13,800 people were helped with more than 58,655 debt problems between April and September 2015.

Research into the impact of Citizens Advice across England and Wales shows that 2 out of 3 clients say their problems were solved by getting advice, and that 78% of clients say that we helped solve their problems through our advice.

The research also demonstrates that we deliver outcomes for clients which directly relate to the draft indicators. For example:

- 4 in 5 clients felt less stressed, depressed or anxious (indicator 22)
- 1 in 2 clients had more control over their finances (indicator 13)
- 1 in 4 clients had a more secure housing situation (indicator 24)
- nearly 1 in 2 clients felt their physical health had improved (links to indicators 2 and 3)
- 1 in 5 clients had better relationships with other people (links to indicator 21), and;
- nearly 1 in 5 clients find it easier to do their job or find a job (indicators 8 and 9).

We believe therefore that the provision of independent, quality assured advice will therefore remain a crucial component of delivering positive change on many of the indicators. We also consistently raise people's incomes, often significantly and on an ongoing basis. In instances where we have helped people challenge, for example, unfair dismissal and receive a payout or ultimately keep their job, we are preventing issues like potential poverty and combating discrimination, all of which contributes to the future generations goals.

Financial capability and resilience

The value of improving people's financial capability has been proven during independent evaluations of the initiatives run by local Citizens Advice. Over the last decade evaluations have shown how these programmes have consistently helped to improve people's confidence and skills in money management². A range of wider social benefits were also identified which have clear links to the indicators and well-being goals. These include lower levels of stress (indicator 22), ability to plan for employment (indicators 7 and 8), ability to maintain a tenancy or mortgage (indicator 24), increased confidence as a consumer (indicator 13) and the ability to support friends and family (well-being goal 2)³.

We would therefore argue that investing in financial capability programmes should be a key driver of progress under the Future Generations Act, as well as bringing real financial returns to individual households and the local economy, with the multiplier effect of increased demand for goods and services.

Ensuring people across Wales have access to appropriate, timely, quality assured, independent advice and information, as well as proactive financial

² 'From small change to lasting change: Financial Skills for Life 2002-2012', Citizens Advice & Prudential (May 2012)

³ Ibid

education will ensure advice services remain able to make the vital contribution to people's well-being, and to progress on the indicators.

Recommendation: Despite the clear link to achieving the Future Generations Act well-being objectives, we do not propose a specific headline indicator on access to advice, or on financial capability - recognising that this would not be in-keeping with section 2 of the consultation document.

However, given that the indicators will clearly inform decision making on spending at a local authority level, we recommend that the role of independent advice services should be explicitly recognised within the indicators document as a whole, and any associated guidance.

Question 1: Do you agree or disagree that the proposed set of indicators, as a whole, fully assess whether progress is being made in achieving all the well-being goals?

We disagree. We believe that the sources noted under some of the indicators are too narrow, and **cannot reasonably serve as a proxy for the headline objective being monitored.**

We are also concerned that an over-reliance on subjective measures of well-being **risks painting a more positive picture than is objectively the case.** We therefore recommend that **more diverse data sets** should be used, to paint a more holistic picture, and better inform decision making.

We also feel that the **currently available housing data sources are inadequate**, and therefore recommend the Welsh Government **invests in a more comprehensive housing condition survey** for Wales. This would bring additional benefits beyond simply informing the Future Generation (FG) indicators.

Analyse more diverse data sources

14 of the 40 draft indicators cite the National Survey for Wales as the main or only source of data to underpin the indicator. The Survey's strengths are its large sample size of around 14,000 respondents per year, the breadth of areas it covers, and the fact it includes subjective questions on respondents' perception of their situation - illustrating 'soft outcomes' is clearly of value.

However we do not feel the National Survey is adequate as the only data source for such important monitoring, especially if it is to drive fiscal decision making.

We support the use of subjective data sets to measure soft outcomes, but would encourage the Welsh Government to analyse them alongside objective, quantitative measures of hard outcomes. This helps avoid situations where respondents 'don't know what they don't know', or there is a 'poverty of expectation'. This risks reaching a more positive conclusion than may objectively be the case. This in turn makes responses less useful in informing future decisions on spending and policy making.

Another weakness of the National Survey is that it does not take adequate account of the views of vulnerable people, for instance people who are in supported accommodation, sleeping rough, or in residential care. Given the emphasis the indicators place on homelessness, loneliness, and ability to participate - it would be remiss to exclude vulnerable individuals from the main source for the indicators.

Examples

On indicator 15: we believe it is quite right to measure people's subjective satisfaction with the area in which they live. However if the indicators are to inform spending decisions, then they should also monitor the availability of key facilities or services in each local authority area. For example public toilets are 'nice to have' for most of the population, but of vital importance to people with particular needs.

Additionally, on indicator 17 regarding local decision making, we would recommend complementing the subjective measures of the National Survey with objective measures like voter turnout, responses to consultations, or numbers of petitions submitted to the National Assembly for Wales. We would also prefer to see a measure that also captures whether people feel any involvement has had an impact. This avoids tick box measures such as '40 people attended our consultation event', where the risk is that little note has been taken of people's input.

This approach also allows tracking of any conflicting findings between data sources, such as if the survey reflects a higher satisfaction with involvement in decision making than is borne out by actual participation.

Limitations of existing data

The National Survey, ONS, and DWP data cited a number of times as sources were not specifically designed to evidence progress on these indicators. So simply reproducing these data as a proxy measure for the headline well-being indicators risks reaching misleading conclusions.

For example, looking at indicator 23 on quality of housing, the proposal is to use a data set which would largely only reflect experiences of private rented sector tenants, and which only covers one aspect of 'housing quality'. We explore this in more detail under Question 8, but it illustrates the limitations of using a single pre-existing data source.

Recommendation: Citizens Advice Cymru recommends that the Welsh Government take stock of existing, and more diverse data sources which could be analysed alongside the currently proposed sources to produce aggregated reports for each indicator. We would emphasise that we are not calling for the creation of large numbers of new data sets to support every indicator.

Produce comprehensive data on housing conditions

The data sets currently available on housing tend to be derived from reactive reporting of problems by members of the public, national survey data which is subjective and not in-depth, or on modelling and projection. Whilst all of this is useful, it can be distortive of the true picture, and does not provide a sound basis for targeting action on an all-Wales basis if we do not know with sufficient certainty where interventions are needed.

Citizens Advice Cymru has previously called for a regularly updated, comprehensive housing conditions survey which considers the state of all dwellings in Wales and which can cover the range of housing issues, such as hazards, damp, energy efficiency, and adaptation for disability.

This is more informative for the linked benefits of good housing, such as improved physical and mental health. It also helps track the negative impact poor quality housing can have on our nation, such as those noted in Shelter England's report into health and poor living conditions⁴, or Public Health Wales' report looking at asthma⁵.

Recommendation: Develop a comprehensive Housing Conditions Survey for Wales, undertaken on a rolling basis, which properly assesses the state of housing stock in individual properties. This resource could inform a more holistic indicator on housing, which will be more useful to Welsh public bodies in informing decisions on making the most of their limited resources to improve housing stock, and improve living conditions for people in Wales.

⁴ Shelter: People living in bad housing – numbers and health impacts (2013)

⁵ Public Health Wales Poor housing conditions and asthma (2013)

Question 2: Are there any indicators proposed that you think can be improved?

Indicator 12: 'People living in poverty' and Indicator 13: 'People able to afford everyday goods and services'

Citizens Advice Cymru strongly support the emphasis on poverty and affordability within these two indicators, and we are considering them together as we believe that they represent two sides of the same coin. There may be a case for combining them into a holistic indicator on poverty, if there is a strong desire to keep the number of indicators to a minimum.

What is of more concern to us is that the **evidence for any indicator(s) on poverty should be designed to give a holistic picture**. We do not feel the evidence base currently proposed will achieve this. A narrow data set may not adequately inform decision making, or could risk incentivising spend which 'hits the target but misses the point'.

Capturing hard and soft measures of poverty

Relative income poverty is important, but there is a risk that simply reproducing DWP data on the number of households below average incomes for indicator 12 will only tell one part of the story. Citizens Advice, and a range of our partner organisations involved in the tackling poverty agenda, have argued consistently that poverty is not solely about incomes, but should be thought of in terms of cost of living, lived experience, and material deprivation - which then cuts across other indicators, e.g. 13, 25, and 27 where affordability can be an issue.

The Welsh Government's own Tackling Poverty Action Plan reflects this more holistic understanding of poverty, but the indicator as currently set out risks reverting back to a narrow definition of poverty. We do therefore support making use of National Survey data for indicator 13, to give a more subjective picture of material deprivation, but not as the only source. It should be analysed alongside concrete data on everyday essential household costs.

Recommendation: The Welsh Government should analyse objective measures of household costs alongside data on incomes and subjective well-being data to give a more rounded picture of poverty in Wales.

This could use existing data on:

- mortgage and rent costs - using sources such as the [annual Private Sector Rents](#) and [Council for Mortgage Lenders](#)

- levels of fuel poverty - based on current modelling, and analysis of income trends alongside our proposed new Housing Conditions Survey for Wales
- subjective reporting on affordability of household debt repayments
- cost of the RPI and CPI 'basket of goods'
- trends in the cost of energy and water bills
- trends in levels of council tax
- other more 'discretionary' everyday bills; e.g. mobile phone, broadband, tv licence

Recommendation: In order to maintain an accurate picture of the extent of financial exclusion in Wales, on-going nationally representative consumer research will be needed to help track progress. For example, awareness and usage of different financial products, as well as skills and confidence levels when dealing with money matters. This could, again, form part of the National Survey for Wales. This recommendation is covered more substantively in our response to the Welsh Government's revised financial inclusion strategy.

Indicator 30: 'Energy Efficiency of Buildings'

Citizens Advice Cymru welcome the inclusion of this indicator but we believe there needs to be:

- different objectives for new buildings and existing buildings,
- better data sources for this indicator
- consideration of the energy efficiency of transport infrastructure as well as buildings

Old vs new build

Firstly, we would recommend looking separately at the EPC ratings of newbuild properties and existing properties, and setting a higher target EPC indicator for new properties.

Wales has historically poor housing stock, and significant investment has been made in installing energy efficiency measures in properties to improve their EPC ratings (known as 'retrofitting'). However, retrofit can be expensive, and presents challenges in terms of consumer engagement - as people can be sceptical that the benefits outweigh the inconvenience and risk. Installing measures also ceases to be cost effective for very hard to treat properties. What this means is that there is a certain section of Wales' existing housing stock which is unlikely to ever achieve the highest EPC rating.

By contrast, new properties built to Passivhaus or similar standards can be extremely energy efficient, and have a low carbon footprint throughout their life.

We should therefore be more ambitious in our goals for new build than for existing properties.

Monitoring the proportion of new build properties which meet the highest energy efficiency standards will indicate whether we are heading in the right direction in terms of Wales' built infrastructure. Alongside this it will still be important to track progress made in addressing legacy issues with energy efficiency via retrofit (though we recognise that the intention of the FG indicators is not to monitor the delivery of current or future Welsh Government policies).

Ultimately, these are two separate areas of progress, which should not be conflated.

Quality and availability of EPC data

The consultation appears somewhat equivocal on whether the 'Energy Performance Certificate (EPC) admin data' cited should in fact be the source, given that it includes the caveat 'unless more appropriate data sources are developed in future'. We would welcome some clarification about what the Welsh Government considers a more appropriate source might look like, and whether it is considering investing developing such a source. We would strongly argue there is a need for a better source, and would refer back to our recommendation for a Housing Conditions Survey for Wales under Question 1 as such an alternative.

EPC is, in itself, a fair measure of a property's energy efficiency, but not as accurate as actual energy bill information. However EPC data in Wales is more likely to be available for the majority of private rented and social housing sectors than for owner occupied domestic properties, or commercial buildings - unless they have changed ownership in the recent past. It would be beneficial for the Welsh Government to invest in a more comprehensive set of EPC data (or any equivalent from the proposed Housing Conditions Survey) which covers the whole of Wales, rather than relying on patchy information held by local authorities, which may only cover certain segments of the housing market.

Transport infrastructure and energy efficiency

Part of the stated intention of this indicator is to monitor the 'resource efficiency of infrastructure' - under the 'Globally Responsible Wales' wellbeing goal which take account of carbon emissions. It is worth noting that buildings are not the only part of Wales' infrastructure which contributes to climate change, our transport infrastructure is a notable omission from this indicator.

We would therefore urge the Welsh Government to include energy efficiency of transport infrastructure within the indicators. We have previously [responded to the consultations on the draft Energy Efficiency Strategy for Wales](#), and noted in our response the importance of infrastructure for electric vehicles. This is not just a key component of decarbonising transport, but also plays a vital role in energy storage and therefore in moving to a cleaner energy generation mix. The omission of transport from this indicator is therefore a significant concern.

We would support an additional, wider indicator on sustainable, integrated transport, which appears a notable omission from the list. We anticipate that organisations with an interest in transport will make the substantive case for such an indicator, but we are very familiar with issues around access to integrated public transport for people in poverty, and those at risk of social isolation in accessing facilities and services that protect their well-being. The 2011 Census data shows that 23% of all households in Wales live without access to a car or a van. In order to ensure that all citizens in Wales have full access to opportunities to engage in employment, cultural and social activities it is essential that suitable public transport is available.

Recommendation: A metric on the energy efficiency of Wales' transport infrastructure should be included either within indicator 30, or within a new indicator on transport.

Existing data on the following could underpin such an indicator:

- use of public vs private transport
- energy performance of vehicles
- fuel types used by vehicles
- availability of infrastructure to support the use of electric vehicles
- rail links between different parts of Wales
- use of air travel

Question 3: Are there any indicators proposed that you think should be excluded?

All of the indicators in the document relate to areas which are clearly important, and relevant to the headline well-being objectives. There is no indicator therefore which we feel should be omitted on lack of merit.

We do however recognise the desire to keep the total number of indicators manageable, and, given that we have proposed additional indicators above, we suggest that the following indicators could potentially be merged or combined:

- Indicators 12 and 13: 'People living in poverty' and 'People able to afford every day goods and services' (as detailed above).
- Indicators 16 and 17: 'A sense of community' and 'People involved in local decision making'
- Indicator 39, 'Active global citizens' could be combined with either indicator 18 on volunteering, or indicator 40 on international responsibilities.

Question 4: Are there any indicators proposed that you think should be included?

We are proposing two additional indicators, on over-indebtedness and fuel poverty.

Over-indebtedness

Debt is currently the second biggest advice area for which clients seek help from the Citizens Advice service in Wales. During 2014-15 we helped more than 29,700 clients with over 125,200 debt-related problems, a rise of 19% compared to 2013-14. During the first six months of this financial year (up to the end of September 2015) we have helped over 13,800 people with more than 58,655 debt problems, a slight drop (-2%) compared to the same period in 2014.

A 2014 YouGov survey undertaken on behalf of Citizens Advice Cymru and Shelter Cymru⁶ found only around a third of adults in Wales (36%) are keeping up with all their bills and credit commitments without any difficulty - this dropped to just 1 in 4 (26%) of those from social grade C2DE. Over a fifth (22%) said they were keeping up with payments but it was a constant struggle or had fallen behind with some payments. A recent survey undertaken by the Money Advice Service also found 1 in 5 people in Wales are 'over-indebted'⁷.

The nature of debt problems being presented to local Citizens Advice has also changed over the last few years. Issues relating to consumer credit still remain high however increasing numbers of clients are coming to us regarding arrears on essential household bills, such as a 51% increase in council tax arrears.

⁶ YouGov on-line survey. Total sample size was 1,003 adults. Fieldwork was undertaken between 23rd - 26th July 2014. The figures have been weighted and are representative of all Welsh adults (aged 18+).

⁷ Defined as 'feeling debt is a heavy burden or missing three or more payments on bills or credit commitments'. Money Advice Service *Financial Capability Survey for Wales* (2015)

However financially capable a person may be, problem debts will impact on their resilience, and have a detrimental impact on many of the other indicators including health and well-being. Over-indebtedness can also be a symptom of wider issues such as irresponsible lending practices, fluctuations in the cost of living, inadequate incomes, and unaffordable rents or utility costs. Most of the indicators linked to resilience are mainly around environmental concerns, whereas we would hope to see financial resilience more explicitly measured.

Recommendation: Citizens Advice Cymru recommend including an additional indicator on over-indebtedness. This could be monitored through the National Survey for Wales, using a similar methodology to the Money Advice Service's *Financial Capability Survey for Wales* (2015) mentioned above. This survey asked questions around perceived manageability of debts, and the number of bills and credit commitments on which the respondent had fallen into arrears to assess individuals' over-indebtedness.

This evidence should then inform targeted action to help people avoid or manage debts, the need for debt advice, identify patterns of predatory lending, and also ensure that over-borrowing is not masking wider problems people may be struggling with. We have evidence of cost savings to the public purse, and better interventions with greater outcomes for people and families where local Citizens Advice have worked closely with social services, community mental health and hospital discharge teams. For example, Ceredigion Citizens Advice were funded short term to stabilise the crisis debt/ budgeting/ housing/ employment problem. The social work team did a cost benefit analysis of this approach: how much social worker time it saved, and care proceedings it averted. This illustrates that poverty can be both a driver and a symptom of a range of social 'problems'.

Fuel Poverty

As joint coordinators of the Fuel Poverty Coalition Cymru, we would like to reiterate concerns expressed in the coalition's manifesto [Ending Wales' Cold Homes Crisis](#) regarding the quality of monitoring of fuel poverty in Wales. The omission of fuel poverty from this high profile new set of indicators risks making this situation worse.

Current fuel poverty figures in Wales are based on projections from 2008 *Living in Wales* survey data, rather than direct monitoring of fuel poverty levels, or robust housing stock data. Fuel poverty is actually a useful proxy for other wellbeing indicators, such as energy efficiency of buildings, health, affordability of everyday goods, and of course relative poverty itself. It is also an important

factor in many of our clients' financial problems, and an area we are keen to see future Welsh Governments continue to take action on.

The coalition has also called for a new fuel poverty target to replace the one set for its eradication by 2018. As the previous target seems unlikely to be met, a new target should be routed in delivery, and seek to drive and inform spending decisions. It would therefore make sense for this target to reside alongside the well-being indicators, so that it is not overlooked in spending decisions driven by Future Generations Act reporting.

Recommendation: Citizens Advice Cymru recommend that levels of fuel poverty be included as an indicator. The source for this indicator should ideally be a new data set based partly on the Housing Conditions Survey we have proposed under Question 1, as well as information on energy prices, national survey data, and local monitoring of fuel poverty levels across housing tenures.

We would be happy to work with the Welsh Government in developing this.

Question 8: Do you agree with the proposal to measure homes free from hazards as an indicator of housing quality (indicator 23)?

We disagree. We do not support the current reporting mechanism for this as we believe it will not effectively measure the quality of housing in Wales.

This indicator relies on the Annual Housing Hazards and Licenses data which is unlikely to reflect the true picture of the state of housing conditions in Wales, as collection of this data is driven by reporting by the public. Owner occupiers are unlikely to have reported hazards in their own properties to their local authority. Similarly, those living in social housing will report issues to their landlord rather than the local authority. Social housing is also subject to the Welsh Housing Quality Standards which are monitored and reported against.

Private rented sector properties are the only ones likely to be identified by this method as a result of renters reporting issues with their properties. We know hazards are under-reported, and that environmental health services have been heavily reduced in Wales as a result of the 'salami sliced' approach to cuts to local government under austerity (as noted in a recent [Wales Audit Office report](#)). Citizens Advice believe this data may therefore lead to conclusions which underestimate the extent of hazardous properties.

The United Nations has emphasised that 'the right to adequate housing should not be interpreted narrowly', and accordingly produced information on the freedoms and entitlements this right contains⁸. We do not want to see Wales adopting too narrow a definition, based on this single data source.

Recommendation: We suggest that our recommendation under Question 1 regarding the need for routine housing conditions survey in Wales would provide a more robust data source for this indicator. However, we see no reason Housing Hazard data should not be included as one part of a more holistic data.

Question 9: Do you think that Indicator 24 should measure households deemed to be homeless rather than those prevented from being made homeless?

We are concerned that 'levels of homelessness' will be measured too narrowly. It is unclear from information provided how the measurement will adjust for double counting of individual households, as now local authorities are measuring outcomes one household may have a number of outcomes.

The exclusion of rough sleepers, and others who might have been deemed 'intentionally homeless' such as young people with family disputes who are sleeping on friends' sofas, will mean that the measurement does not present the true level of homelessness in Wales.

Rough sleepers are less likely to present to, or seek support from, local authority housing option services and those that do are more likely to be deemed 'intentionally homeless' and therefore ineligible for certain types of support. Therefore, despite being amongst the most vulnerable homeless people, they are not 'in the system' and therefore will not be counted under the proposed measure.

We also believe the data measurement will fail to capture the successes of the prevention agenda, as it would not monitor people successfully saved from homelessness. As an indicator of resilience, it may therefore underplay the risk of homelessness that households are facing.

Recommendation: The Welsh Government should reconsider the data sources for this indicator to include the rough sleeper count, and those presenting as homeless and seeking help - rather than those who have qualified for help. The

⁸ UN: The Right to Adequate Housing
http://www.ohchr.org/Documents/Publications/FS21_rev_1_Housing_en.pdf

source should also take into consideration the prevention work undertaken as a result of the Housing Act (Wales) 2014.

For further information or any queries please contact:

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