

28th March 2025

Dear Chair,

Thank you for your letter of 21st February and your previous invitation to appear in front of the Equality and Social Justice Committee. Let me first apologise for taking longer to reply to your letter than might have been expected.

In that letter you asked:

“Whether you believe targets could be helpful in providing focus and measuring progress in relation to child poverty in Wales”

I should preface my response here by saying that, in the role that I was invited to perform, I understood that the decision not to incorporate targets as part of the Child Poverty Strategy was one that had already been taken as part of the political process in the lead-up to the publication of that strategy. The decision of whether to set child poverty targets is rightly the responsibility of the Minister. The work undertaken by officials and myself in relation to the monitoring framework was essentially operating downstream of the Child Poverty Strategy, as published, and to that extent I have been surprised by the suggestion in some quarters that it might have culminated in the introduction of such targets.

The reasoning put to me for not including targets within the Strategy, in the course of a number of conversations, was (1) that there is no single measure that captures the reality of poverty and thus that a relative income target, on its own, is too simplistic to reflect this reality and (2) that the Welsh Government does not have the primary levers – namely, full powers in relation to social security and taxation policy – that would be required to guarantee significant improvement in relation to (relative income) poverty. The first of these arguments I regard as true, though it is not an argument against targets *per se* but about against sole reliance on one kind of target - namely, a relative income poverty target. We discussed the second argument at the Equality and Social Justice Committee session on 10th February. Again, I regard this argument as being true and its consequences as being far-reaching. The limited powers Welsh Government holds in relation to, especially, social security powers, but also constraints upon and utilisation of taxation powers means that successfully *targeting* substantial reductions in the relative income poverty in Wales would be very challenging for the Welsh Government. Other measures beyond the relative income measure – for example, the material deprivation measure but also, for example, child well-being measures – rely less on tax and spend powers, but they also incorporate factors beyond the direct influence of *any* government, and are influenced significantly by the macro-economy, familial factors, and others. In a sense, then, a desire to ensure that targets, were they to be set, would relate to social outcomes that Welsh Government could, through successful policy intervention, guarantee success against, is not overcome by multidimensionality.

At the session on 10th February, it was suggested to me that I was arguing against (child) poverty targets in a general sense. I was not. Targets can often be helpful in concentrating attention and galvanising action in the cause of tackling (child) poverty. Nonetheless, poverty targets might be thought to be of greatest value when political commitment and/or will is limited but the capacity

to respond in ways to meet the target are present. This is not the circumstance here: the Welsh Government has stated that tackling child poverty is an ‘absolute priority’ but it lacks (or has constrained exercise over) the primary powers that are required to tackle the main measures of child poverty – namely, tax and social security powers. My view is that there is a tendency to acknowledge this point if not always its full significance.

At the session on 10th February, I stressed the importance of delivery in relation to anti-poverty initiatives. It is certainly true that in some cases improvements in the position of certain groups has occurred through deliberate and committed government action absent formal outcome targets. An example of this is the experience of the ‘triple lock’ in relation to State Pension uprating, which has helped to raise the incomes of pensioners across the UK, including in Wales, though the Conservative and Liberal Democrat government who pioneered it did not issue a specific target for pensioner poverty reduction. It is not the case, then, that an outcome target is *necessary* to achieve a material change in a relevant social outcome. But our experience in relation to child poverty is influenced significantly by the experience of the 1997-2010 UK Labour Government, where there were formal targets, and perhaps the weight of the legacy of that government *and its specific approach* is reasonable given its success in relation to child poverty reduction is unmatched in the context of the last 40 years.

The Welsh Government *could* issue a series of child poverty targets, for example in relation to proportion of children in Wales experiencing relative income poverty. But whether those targets were met would very substantially be a function of policy decisions made at Westminster. It is in my view understandable that Welsh Government would feel uncomfortable about this circumstance and I am unpersuaded by the suggestion in some quarters that this should be equated with a lack of ambition on their part.

At the time of the decision to discontinue Communities First, I was uneasy with the emphasis that was being placed on movements in the relative income poverty rate in debates about the merits of that programme. My view at the time was that the relative income poverty rate was too demanding a target to be helpful in evaluating whether the Communities First programme was doing good work and whether it was a good use of public money and that reference to that target was unhelpful for the purpose of considering those questions. That remains my view. A lesson I take from that episode is that, in the current and recent Welsh context, monitoring of social outcomes, while important, should occur alongside scrutiny of policy outputs themselves – e.g. how many families are being supported by Welsh Government initiatives, how effective that support has been, and at what cost it has come at.

“Why you believe the multi-indicator framework approach adopted by the Welsh Government is the most effective method of measuring progress against the strategy, in light of research in the field of reducing child poverty.”

This is addressed at point 3.3 of my Independent Review, which explains that:

‘The advantages of a social outcomes-based framework approach are, in my view, (i) that child wellbeing is genuinely multidimensional and that a multidimensional approach can better capture this reality than any single indicator (Hick, 2014b); (ii) that it represents an improvement over exclusive reliance on, especially, a relative income indicator, which is most obviously

sensitive to tax and transfer policies that are not, in the main, within the remit of Welsh Government powers. One disadvantage is that there is potential distance between the activities of Welsh Government and these outcomes because they have a variety of influences and determinants besides Welsh Government activities. A focus on such outcomes, as opposed to monitoring progress based on policy outputs, thus involves a certain degree of risk. One such risk is that deterioration in performance on these outcomes may lead to unwarranted and unjustified criticism of Welsh Government, since this may be the result of wider socio-economic trends and not any failure in Welsh Government initiatives. It may also mean that Welsh Government initiatives can 'succeed' against individual programme objectives, but this may not be perceptible because the outcomes are capturing a broader and more global whole. To this extent, triangulation via the monitoring of policy outputs (and lived experience), as is proposed, will be important in order to provide a rounded assessment of both children's circumstances and the performance of Welsh Government initiatives.'

"Why key indicators such as the child poverty rate by housing tenure, the proportion of children in poverty who sit A-levels or go to university; and tooth aged 7 were omitted from the set of measures included in the framework."

In general terms, the value of a multi-indicator framework is that it goes some way to capturing the richness of the circumstances of children's lives, but it is important that it remains manageable in scope. At the session on 10th February we discussed the trade-off between realism and complexity. These specific suggestions are interesting and in discussion with other parties I have heard others mentioned too. The risk is that in including too many items, one risks prioritising nothing, as well as potentially resulting in duplication (point 4.1.4 of my Independent Review). In discussions with officials, I would at times have advocated moderation when faced with suggestions to include a significant number of additional items. There is sometimes a temptation when working with multidimensional frameworks to imagine that by adding just one more measure the perfect framework might be arrived at. While I am in favour of multidimensional frameworks along the lines of the principles I outlined in Section 4 of my Independent Review, I am also of the view that the addition of measures at the margin involves trade-offs and that demands for ever-increasing numbers of measures should be scrutinised carefully given this adds greater complexity to the framework as a whole.

In terms of these specific suggestions, housing costs feature in the measure of income poverty itself as income is measured on an After Housing Cost basis. To the extent that housing costs rise and drive growing numbers of families into poverty, this will show up in the main income measures included in the framework. In discussions with officials, a desire was expressed that disaggregation of the main measures would focus on groups with protected characteristics and they pointed to the text of the Child Poverty Strategy in supporting this position. It would be possible to disaggregate the income-based measures by housing tenure, though, if this were added to the framework, I might ask why this disaggregation had been included but others had not. The proportion sitting A-levels or attending university has some overlap with the measure that is included based on National Indicator 22: 'Percentage of people aged 16 to 24 in education, employment or training'. The outcomes considered here are broader than education alone, but this is probably desirable (and more consistent with an ability to interpret the measures in normative terms for children and young people themselves, as per point 4.1.1. of my review) given

that it is not the case that attending university provides the only valuable route for young people on leaving school. The tooth decay indicator is not something we discussed and is interesting. My initial response would be that if it is a consequence of material poverty then it may duplicate or already show up in the income and/or material deprivation measure, and that some scrutiny would be required in relation to whether it meets the relevant reporting requirements in terms of the robustness of the data (but it may).

“Why the national indicator for the percentage of children with two or more healthy lifestyle behaviours was not included as one of the relevant indicators in the framework.”

I believe the reasoning was that it did not relate directly to the contents of the Child Poverty Strategy. This reflects the hybrid nature of the framework, which is largely intending to capture child outcomes but is also tasked with monitoring progress against the Child Poverty Strategy itself.

I hope that these responses are helpful to your Committee and its work.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rod Hick', written in a cursive style.

Prof. Rod Hick
Cardiff University