



**Cynulliad Cenedlaethol Cymru  
The National Assembly for Wales**

**Yr Is-bwyllgor Datblygu Gwledig  
The Rural Development Sub-committee**

**Dydd Iau, 17 Ionawr 2008**

**Thursday, 17 January 2008**

**Cynnwys**  
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal,  
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, an English translation of Welsh speeches is included.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Alun Davies	Llafur (Cadeirydd yr Is-bwyllgor) Labour (Sub-committee Chair)
Mick Bates	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Alun Ffred Jones	Plaid Cymru The Party of Wales
Brynle Williams	Ceidwadwyr Cymreig Welsh Conservatives

**Eraill yn bresennol**  
**Others in attendance**

Lorraine Barrett	Aelod Cynulliad, Llafur Assembly Member, Labour
Kate Chamberlain	Prif Ystadegydd, Llywodraeth Cynulliad Cymru Chief Statistician, Welsh Assembly Government
Dr Steven Marshall	Pennaeth yr Uned Ystadegau Craidd, Llywodraeth Cynulliad Cymru Head of Core Statistics Unit, Welsh Assembly Government

**Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol**  
**Assembly Parliamentary Service officials in attendance**

Joanne Clinton	Dirprwy Glerc Deputy Clerk
Dr Virginia Hawkins	Clerc Clerk

*Dechreuodd y cyfarfod am 9.01 a.m.*  
*The meeting began at 9.01 a.m.*

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau**  
**Introduction, Apologies, Substitutions and Declarations of Interest**

[1] **Alun Davies:** I bring the meeting to order. I need to make the usual housekeeping announcements. In the event of a fire alarm, please leave the room via the marked fire exits. There is no test forecast for today. As you will all know, all mobile phones, pagers and BlackBerrys should be switched off. The National Assembly operates through the medium of both Welsh and English, so please feel free to use both languages. Headphones are provided for the interpretation: the interpretation feed is available on channel 1 and the verbatim is on channel 0. I ask people please not to touch any buttons on the microphones.

9.02 a.m.

**Ymchwiliad i Dlodi ac Amddifadedd yng Nghefn Gwlad Cymru: Sesiwn Dystiolaeth**  
**Inquiry into Poverty and Rural Deprivation in Wales: Evidence Session**

[2] **Alun Davies:** This is our first oral evidence session in our inquiry into poverty and

deprivation in rural Wales. I have great pleasure in welcoming Dr Steven Marshall, the head of Core Statistics Unit, and Kate Chamberlain, chief statistician at the Welsh Assembly Government. I would like to welcome you both to the meeting this morning and I would like to take this opportunity to ask you to introduce your paper.

[3] **Ms Chamberlain:** I will do the introduction to the paper. I will not go through the detail of what is in it. You have obviously invited us here to talk about the Welsh index of multiple deprivation this morning. What I would like to do is to give a little bit of context for that in terms of where the Welsh index sits in terms of its use.

[4] To make a few introductory points, the Welsh index is a means of identifying concentrations of multiple deprivation at small-area level across Wales. What it does allow is for the areas to be ranked from the most deprived to the least deprived. It is suited to uses where the interest is in areas with high concentrations of deprivation and, referring to the remit of this committee, that is, of course, not what you tend to find in rural areas typically. It is possible to look below the overall index however, to look at some of the concentration patterns for different aspects of what we call the domains of deprivation. In many cases, it is possible to look below domain level to see what particular indicators are contributing to these patterns. So, there is a lot of depth that sits below it, in terms of the information that is used.

[5] One of the key points that I would make is that it is a signpost, and an indicator; it is not a one-number answer to almost anything that you might ever want to ask about deprivation. So, it is a particular tool for a particular purpose. Two other points that I would make on that are that it is a relative measure, not an absolute measure—you can see where one area is more deprived than another, but not by how much—and that it also identifies concentrations of people who are classed as deprived. It is important to recognise that not everybody in an area classed as deprived will be deprived, and not all deprived people live in these areas of concentrated deprivation.

[6] One of the things that you may be interested in is what else is available and what other tools exist. Rather than focusing on the overall index, you may wish to examine some of the individual domains and the underlying data sets that sit within them. There is also a wealth of other statistical information that you may be interested in, which is not suitable for inclusion in the index, either because it is not available on a consistent comparable basis for the whole of Wales or because it is not available at a small enough geographical area to be included in the index. So there is a lot of other information out there.

[7] There are two publications that are planned for later this year that your committee might be interested in. We are planning to do something on different sparsity measures and their use, and, at the moment, the planned publication date for that is February. I am not sure when the endpoint for your inquiry is. We are also planning to do a focus on rural Wales. You may be familiar with our focus series, which pulls together a range of data sources at different levels on particular themes or subjects. We expect the rural Wales focus to be published in April.

[8] I would say that just because something occurs in a rural setting, it does not make it a specifically rural issue. It is important, in looking at the data, to look at how the phenomenon that you are interested in compares across rural and urban settings and to look at what that means in terms of the response to them, because that will place additional demands on the type of data that you want on things such as location and the accessibility of these areas.

[9] Lastly—and this a particular bugbear of mine—it is important, with a lot of statistical information, to be clear about the question that you are asking. A key measure of quality in statistics is whether the data are fit for purpose; you cannot assess that unless you know something about the purpose to which they are going to be put. That, to a large extent, brings

us back to the Welsh index of multiple deprivation. I will pause there and throw it open to the committee for questions.

[10] **Alun Davies:** Thank you. Before I invite Members to comment on your paper and start their questioning, I remind them that, when questioning officials, questions should be about matters of fact or the way that a policy has been applied in practice, rather than about policy decisions or the content or nature of advice of officials to Ministers. With that proviso, Alun, would you like to kick off?

[11] **Alun Ffred Jones:** Before I come to the first question, Ms Chamberlain, may I take you up on the last remark that you made? You said something about the need to know the purpose to which the statistics are to be put before asking questions of them. What did you mean by that?

[12] **Ms Chamberlain:** I think that it relates back to my starting point. In the case of the index, it is there to identify concentrations of multiple deprivation. If that is what you are interested in, it is an appropriate tool, but it looks very much at the spatial dimensions and spatial concentrations of deprivation. The point that I made about the fact that not all deprived people live in deprived areas—the example given in the paper is that 50 per cent of deprived people live outside of the top 30 per cent of the most deprived areas as classified by the index—is important, because if your focus is on deprived individuals, you need to think about identifying and targeting them in a slightly different way. That is where some of the underlying data sets, if you are thinking about income and resource deprivation, come into their own, because you can get quite small-area information on benefit take-up, employment rates and that sort of thing. So, if you are interested in, for example, access to services, then you should focus on location, travel times and where people live in relation to those services. If you are interested in resource deprivation, you should focus on some of those data sets. So, it is about identifying what you want to know and then reviewing the available data to see what they tell you. A tool such as the index can be a very blunt tool.

[13] **Alun Ffred Jones:** Who decided that what we were looking for here was the concentration of deprivation? Was it you or was it a policy decision?

[14] **Ms Chamberlain:** There has been a range of work over a number of years looking at this across all of the administrations. It is a tool for where there is a desire to look at those concentrations that can be used to pull this together.

[15] **Alun Ffred Jones:** I am sorry to labour the point, but are you saying that the main purpose of the multiple index of deprivation is to identify concentrations of deprivation above all else?

[16] **Ms Chamberlain:** Yes.

[17] **Alun Ffred Jones:** Okay, thank you. I will return to the indicators themselves—I think that there are seven in the Welsh index of multiple deprivation list for 2005. I know that you have set that out in the paper, but how do you then decide how much weighting to give to any one of these indicators, or a combination of them?

9.10 a.m.

[18] **Ms Chamberlain:** I will bring in Steve, who directly manages the index and its production, to answer that.

[19] **Dr Marshall:** In referring to indicators, I think that you are referring to the seven domains of deprivation within the index. Within each of those, there are a number of

indicators. The domains are weighted together and are largely based on the work done by the University of Oxford when the index was developed across the UK for all four countries, which was in 2000 in the case of Wales. That is based on a certain amount of judgment, but also research that suggests which are the most important elements in terms of deprivation. As you can see from the weighting scheme, that largely picks up, as the most important elements, the domains that cover poverty, lack of income and lack of employment. The weights cannot be derived in a precise way. As part of the index, we carry out sensitivity analysis around those broad magnitudes that were developed in the initial work carried out by Oxford to test the sensitivity. That work shows that, around those sorts of values, changing the weights has very little impact on the areas that come out in the top 10 per cent. It is quite robust to changes to the weights, which gives us confidence that the measure is picking up the right areas.

[20] We would like some more evidence to help us to check out the weights that we have. As is mentioned in the response to the consultation document published in November, we are planning later on this year to work with the other three UK nations to look at commissioning some research on that. The Department of Communities and Local Government had a small piece of research done last year that looked at this issue, and it came to the conclusion that the weights were broadly correct, although, having reviewed that, we have a slight concern about the approach as it was focused around how much is spent on the various areas, which is not necessarily a good indicator of what the need is. We received some advice from the chief economist on this, and a particular issue with that approach is that spending can follow what it is possible to do, whereas what we are trying to pick out is what the issues are. If spending is not particularly high in an area because it is difficult to tackle, that does not mean that it has a low weight in terms of trying to explain deprivation. So, we decided, across the four countries, to try to commission some research to help to give a little bit more empirical evidence for these weightings.

[21] **Alun Ffred Jones:** Are there great differences between the indices in England, Wales and Scotland?

[22] **Dr Marshall:** No. They are all broadly similar. The methodologies used are identical, in essence. They were all initially developed by Oxford university. We and Scotland, for the last two updates, which include our update coming up this year, have done the work in-house rather than contracting it out. So, we have moved in slightly different directions, but if you look at the key domains, the indicators within them are, for example, income and the benefits that we choose to represent income or employment deprivation, and the indicators that we have for education and health are very similar.

[23] **Alun Ffred Jones:** I wish to ask you two questions on the domains. Housing has a comparatively low weighting, and yet, traditionally, we have all been told that housing conditions are very closely allied to people's health and wellbeing. I will ally that with another piece of research done by the Wales Rural Observatory, which showed that the worst housing conditions, according to the indices used at the time, were in south-west and north-west Wales, or they were at least comparable with the Valleys communities. Why is housing given such a comparatively low weighting in your index?

[24] **Dr Marshall:** The weighting is decided largely by what we think are the key determinants of housing deprivation, but we do make some adjustment based on the quality of the data.

[25] **Alun Ffred Jones:** You make reference to the quality of the data on housing in the report. What is wrong with those data? I would have thought that housing would be one area on which there are tonnes of data.

[26] **Dr Marshall:** Unfortunately, it is the one area where there is actually very little at the small-area level that we are interested in. The key thing with the index is measuring deprivation at a very small-area level, so it is not just about whether there is a lot of information on a particular topic, but whether it is available at that small-area level as well. Beyond the census, our investigations highlighted no real data sources down at that level or indeed any data available to help us to model things like the housing conditions survey down to a lower level. As a consequence, while we recognise that housing is an important area in a way, and we would like it to be given greater weighting—for instance it was weighted at 10 per cent in the 2000 index—we need to recognise that the quality of the data impacts on how much we should take that domain into account. If the data do not properly reflect the deprivation in that particular domain, we do not want to overly influence the index with data that do not fully reflect the underlying problems.

[27] **Alun Ffred Jones:** To put it crudely, on that point, one figure that came out of the work done by the Wales Rural Observatory concerned central heating in housing and I think that the figures are available on that. Of course, I do not know for what reason it occurred, but many rural areas came out particularly badly in those figures. Were those figures downgraded because they did not suit the purpose of the index? I would have thought that they were fairly robust figures.

[28] **Dr Marshall:** They are robust in the sense that we have data from the census. There is a slight problem in that the data are quite out of date at the moment and, also, the question from the census did not pick up on all availability of heating. The underlying rationale for the index is that we have a range of indicators in each domain because we know that any one will imperfectly capture the underlying deprivation. So, we counteract that by having a number of indicators—anything up to half a dozen or so—that we then combine to better explain the underlying deprivation. The problem that we had in 2005 was that although we were happy with overcrowding and a lack of central heating as reasonable indicators, we only had two indicators compared to around half a dozen in most other domains. First, that meant that we could not apply the standard statistical technique for weighting them—all we could do was essentially average them, with 50 per cent weighting on each—and, secondly, you are not really picking up the range of problems in terms of housing conditions and so on with just those two indicators. Whereas they are sound indicators in themselves, they only explain part of the overall issues to do with housing deprivation.

[29] **Alun Ffred Jones:** I will come back to that later on.

[30] **Mick Bates:** I was interested in what you had to say about that. What is the internal process, for example in the housing division, to gain information in order to set a standard such as the Welsh housing quality standard?

9.20 a.m.

[31] **Dr Marshall:** The process for gathering information has changed substantially over the past few years. Last year or the year before was, I think, the first time that policy areas were producing evidence plans. That has fitted in quite well with the work on this index because further investigation, particularly of the housing area, involving academics has highlighted the paucity of data beyond what we could find previously from the census. Across the index, but particularly focusing on housing, we are now feeding what has come out of our investigations and responses to the consultation into the evidence-based planning process. Therefore, it can be built into what is happening with regard to new research or statistical collections, so that we have the best chance possible of a greater range of data to examine for the future.

[32] **Ms Chamberlain:** Every year, my division also publishes a statistical work

programme. We will take comments from anybody on areas that you consider to be gaps or that require more attention. We are happy to receive any feedback on the content of the statistical work plan if there is a view that other priorities should be considered. Therefore, in addition to our internal consultation mechanisms to inform the plan directly with our policy colleagues, we also try to take views from wider users of the statistical information to ensure that it meet everyone's needs and not just the internal needs of the Welsh Assembly Government.

[33] **Alun Davies:** Thank you. That is very helpful.

[34] **Brynle Williams:** How suitable do you believe the index is for assessing poverty in rural areas of Wales?

[35] **Dr Marshall:** As Kate mentioned, the index has a particular focus. To return briefly to an earlier question, the index across all four countries began in the late 1990s as a response to area renewal policy requirements. Therefore, it was based on trying to identify areas with high concentrations in response to that. As a matter of principle, it does not necessarily work any worse or any better in different parts of Wales. As you can see in the paper, what we have found is that when you look behind the figures the index highlights differences in the distribution of deprivation, which it is important to be aware of.

[36] That is not to say that the index does not work, because, as you can see from the comparison between Cardiff and Anglesey—which have almost identical rates of income deprivation at an authority level—the distributions within them are very different. You can see that Cardiff is polarised; the smaller areas within that area are, largely speaking, very deprived or have very little deprivation. However, in Anglesey, it is much more clustered around the average. Therefore, with regard to taking a crude look at what the index demonstrates—the end ranking—you will find that fewer areas will make their way into the top 10 per cent. However, as Kate mentioned, that does not mean that there are no deprived people in rural Wales. The index helps to highlight the fact that the distribution of deprivation is very different. It is not uniform, but it is much closer to being a uniform distribution across an authority area or in a wider context than you would find in an urban setting. It is not necessarily the case, but those are the sorts of patterns of deprivation that we are seeing in Wales at the moment.

[37] **Ms Chamberlain:** Drawing on some of the analysis done there, there is also a lot here about counting and averaging. Interesting research has been done in the past and is capable of being done again, looking at, for example, benefit take-up by individuals, and the way in which individuals in different age categories move in and out of different benefit systems. Therefore, there is a way to drill down on much of this type of information to answer specific questions. The Local Government Data Unit did some work called 'Claiming Matters' in 2001, I believe, which looked at this at ward level. Therefore, some of the data that underpin the index can be looked at very much in a confidential environment on an individual level to get an understanding of some of those patterns in quite a lot of detail.

[38] **Brynle Williams:** I may be out of my depth here, but many rural people seem to attach a shame to benefits and so on, so they may not collect them. That is an underlying factor that I see regularly in many villages. Does this distort the figures in the index? Is this problem much more serious than the indices show? I see that relatively regularly—there is a pride among rural people, who say, 'We may live in the countryside, but we do not need help'. These people need help, but they are too proud to bend. Is that reflected in the index?

[39] **Dr Marshall:** We recognise the issue, particularly in terms of the income domain, of measuring low income through means-tested benefits. The take-up rates of benefits are an issue in this context, particularly if the take-up rates vary considerably across areas. Take-up



rates are an issue anywhere in Wales, but it is particularly a problem if they vary from area to area. To counteract that, we are trying to develop small-area income estimates that try to measure low income directly, rather than using benefits as a proxy. We are still in the process of assessing the results of that work to see whether it is in a fit state for inclusion in 2008. We should hopefully know sometime next month, in time to do the calculations for 2008.

[40] It may be that, because the work is relatively new, most of the four nations will, again, work together on it. The University of Essex is doing some work on developing that. For 2008, the work may not have progressed enough for us to have confidence in the robustness of those estimates, but we will continue to look at that area, because we would much prefer a more direct measure that does not have these issues of differential benefit take-up rates. That also is subject to changes in the benefit system, which particularly causes problems in having the underlying data available on a consistent basis to help assist in looking at change over time. The index itself is not designed to look at changes—it looks at broad patterns—whereas you can track the underlying data over time to look at changes. Therefore, it is important to have stability in how you measure it.

[41] On what Kate said about tracking individuals through the benefits system, a similar piece of research to the ‘Claiming Matters’ research, which was done a few years ago, is being done on that. I believe that, around May this year, we will have a report on transition through the benefits system. That will focus on different population groups as well as different geographic areas. Therefore, again, that may well allow some examination of differences in terms of how people’s progress in and out of benefits might be different in different geographic locations, and not just whether they are on benefits.

[42] **Alun Ffred Jones:** Wales is divided into 1,896 areas. It is mentioned here that there are roughly 1,500 people in each ward, but have they subdivided that again into a lower level?

9.30 a.m.

[43] **Dr Marshall:** No.

[44] **Alun Ffred Jones:** So, has it been the same geographical area since you started this work?

[45] **Dr Marshall:** No. The first index in 2000, in common with the other UK indices, was based on electoral wards, of which there were around 860 at the time. The problem with using electoral wards is that they vary massively in size from more than 20,000 to fewer than 1,000 people, which means that you do not really know what is happening in them, particularly the larger ones. You can get huge variations in pockets of deprivation within those. Furthermore, in applying all the statistical techniques, they work much better if you compare similar units rather than have units that vary.

[46] **Alun Ffred Jones:** So, how do you choose the current areas?

[47] **Dr Marshall:** The areas that we used in 2005 were based on the work that the Office for National Statistics did following the 2001 census to define a set of statistical geographies that would be more consistent in size and more homogenous, in that the lower building block—the upper areas of around 400 people—was built up based on looking at the previous census to try to get areas that were not too dissimilar. The three or four areas that we use are built up from those, again, to try to make them as sensible on the ground as possible, although there are clearly issues with that, because it is defined as a statistical geography rather than a consistent approach.

[48] **Alun Ffred Jones:** Are the figures available for all those areas? Are they in the

public domain?

[49] **Dr Marshall:** What do you mean by ‘figures’?

[50] **Alun Ffred Jones:** The statistics.

[51] **Dr Marshall:** It depends on whether figures are available for the small areas or not.

[52] **Alun Ffred Jones:** You must have a league table, so are they all laid out from one to 1,896?

[53] **Dr Marshall:** Yes, they are in the index and in the underlying data. Since the census, where small area information is available, that has been the geography that has been produced. However, as Kate mentioned, certain data sets are available only at a local authority level or even at a Wales level. Where small-area data are available, those are now the standard building block for the presentation of data. Within the index, we have data for all of them, and the index ranks those 1,896 areas from the most deprived to the least deprived.

[54] **Lorraine Barrett:** I was getting a bit frustrated then, because I wanted to jump in and talk about lower super output areas. Many people think that my constituency is quite affluent, but there is quite a high level of deprivation. One area that missed out in the first round of Communities First, because it was hidden poverty or deprivation within a bigger area, has now come out under the LSOAs, and I think that there are quite a few such areas. I think that there are around 1,000 households within each lower super output area.

[55] Could you give us some advice on how the index could be used in the inquiry? I was listening to the conversation when Alun Ffred raised the areas and how they were identified, and I can tell you that, if you Google ‘LSOA’, you will find quite a few sites that list those areas. So, how can we use this index for this inquiry? Thinking about rural areas, should we look at rurality right across Wales, or should we identify a smaller area and concentrate on that, to see how deprivation has an impact there? It is difficult, without going into policy areas, to get at what I really mean, but I would like some advice from you about the best way to use this index. You said that it should be used for concentrations, and I wonder whether rural Wales is too big for us to look at it as a whole, or do you think that we should concentrate on one area to see whether the information from that could be replicated in other areas? Does that make sense?

[56] **Dr Marshall:** On using the index itself, in the first instance, it will highlight concentrations of poverty or deprivation in rural areas, but, as I mentioned, the extent is generally smaller. As Kate suggested, it is then a case of looking at the individual domains to see how they might vary. For instance, certain issues might be more concentrated in rural areas than in others. Fundamentally, it is about making use of the data that have been brought together in the 30 to 40 indicators that underlie the index. These are available for each and every super output area, and that amounts to a wealth of data for looking at the issue—not in an overall sense, but in the sense of looking at individual domains to see what issues there are.

[57] The important thing in looking at rural deprivation is to recognise that it is not a special kind of deprivation. Broadly speaking, deprivation issues arise across Wales, but they vary in their extent, so certain areas have more of certain types of deprivation than others. There is also a variation in distribution, as you can see from the example of income deprivation in Cardiff and Anglesey. At a local authority level, the problems are quite similar, but the distribution within each local authority area is very different, and therefore you are likely to need a different approach to tackling each problem.

[58] Another thing to bear in mind is that it is important to put everything in context. It is

quite difficult to look at one small area in isolation, because the index is a measure of relative deprivation. However, when you analyse any data, you tend to look at it in that way, because we do not generally have an absolute line below which you are deprived, and above which you are not. So, in this particular case of rurality, it is important to understand what one particular area looks like in the wider Welsh context, or compared with other areas, so whether they are similar or different.

[59] **Alun Davies:** Kate, would you like to come in on that before I bring in Brynle?

[60] **Ms Chamberlain:** I just wanted to add to that. In thinking about using the index as a starting point, because there may be other data that are not suitable for inclusion in the index, it is possible that some of the domain titles might help you to start thinking about working through the different aspects of deprivation, and deciding whether the index shows the full picture, or whether other data could supplement the index. In one of the papers that I looked at, deprivation was split into three different categories. The first was the resource deprivation angle, which is reasonably consistent across rural or urban areas, and it is the question of whether you have enough money. The second was opportunity deprivation, which is possibly more relevant to a rural context and refers to people's access to a range of facilities, such as health, recreation, or whatever. The third was mobility deprivation, which is also an issue in a rural context, and relates to transport costs and access. So, it might be worthwhile thinking through some of those, and focusing on the individual domain and the type of deprivation that you are interested in to use other data sets.

9.40 a.m.

[61] I saw a good paper, published in 2002 by the South West Public Health Observatory, which focused on rural deprivation and service need specifically in relation to health. It will help you to get to grips with some of the issues if you use some of this as a starting point and then take it further using the type of information and evidence that you can gather.

[62] **Brynle Williams:** I can see where Lorraine is coming from, but I am just looking at what we have here, in paper 1.

[63] 'Over half live in the most deprived 30%, but that still means that around a half of the income deprived in Wales are more sparsely spread over the remaining 70% of Wales.'

[64] We may be able to use a pilot project, but the biggest problem will be in the rural areas, which make up that 70 per cent. That is where we want to drill down. You answered most of my questions in your last statement, so thank you very much.

[65] **Dr Marshall:** It may be worth adding to what Kate said. To build on what was said about deprivation being different in its extent and distribution and so forth, its consequences can also be different, because of the interactions. While income deprivation may not be very different in extent, for instance in parts of rural Wales compared with other parts of Wales, apart from having a different distribution, the consequences can be quite different, because of issues like accessibility. That is important in looking at the issue. We have to think about the consequences of the setting as well as what the underlying indicator is telling you is the extent of the issue.

[66] **Mick Bates:** I really think that we are making progress on understanding where we need to travel to both with our inquiry and with our scrutiny as regards how we can improve the situation. Kate, you mentioned other sources, such as the study in the south west on access to health services, which could be extremely relevant to us. Are there other sources of evidence on deprivation that you think we should look at for our piece of scrutiny?

[67] **Ms Chamberlain:** I am sure that the answer to that would be ‘Undoubtedly’, but I have not done a thorough literature search to inform the discussion this morning. However, it is certainly a piece of work that could be done.

[68] **Mick Bates:** You mentioned, for example, the study on health in the south west. In your three areas, opportunity and access are particularly relevant. In looking at our health domain, is there any recognition of the delivery of a service in travel terms, that is, of people’s need to travel to access or deliver a particular service?

[69] **Dr Marshall:** That has been discussed, but the health domain is there to pick up the underlying health issues. When you are looking at the access to the services and how treatment is delivered, and so on, that is part of how you consider the answer to the problems that might be highlighted by things like the index. If the index, or any other analysis of health data, highlights a health problem, it goes back to what I was saying about the context. In looking at how that health issue interacts with issues around access to service delivery and things like that, it is another step. The index does not tell you everything about deprivation, not even in the sense that it is aimed at looking at concentrations; it highlights where the issues are. Other analyses looking at the other areas are important in understanding where that issue comes from, as well as how it could be dealt with.

[70] **Mick Bates:** To pursue that point, we are talking about access to services, so we are talking about the delivery of a particular service in, let us say, the health domain. Have you any statistics that show the cost of delivering a particular service in Cardiff, say, or in Anglesey? Do you have that level of statistic about the cost of delivering a service?

[71] **Dr Marshall:** My knowledge of the health area in detail is not that great, but I have previous experience of looking at local government finance and at the derivation of the formula. That is one angle that is looking at the cost of the service, as well as the delivery in terms of the size of the client base and how far they are distributed and so forth.

[72] So, information does exist on costs, and that can be brought together with the size of the client base—that is, how many people you are actually dealing with in terms of whatever service it is—as well as issues of where those clients are located. I am not aware of work on that particular point, but data do exist to look at that sort of issue.

[73] **Mick Bates:** I asked you earlier about the integration and use of the statistics gathered in all departments. For example, the Townsend report mentioned delivery of health in rural areas. There is a different model in Scotland, and I asked Kate about other sources of information. In your work, it appears to me that you do not look at other models to see whether the model that you are using to collect your data is the best one.

[74] **Dr Marshall:** We work very closely with the other UK nations in terms of the index of deprivation, in terms of the data that we use, how we get access to those data, and what other potential data sources there are. A lot of work was done around the time that the current methodology was devised in the late 1990s with regard to looking at different approaches, and we have a lot of information on our website under the ‘Frequently Asked Questions’ section looking at the different sorts of approaches, similar to the kind of Townsend approach, and contrasting that with why the index works as it does in terms of its underlying statistical methodology.

[75] **Mick Bates:** To return to this issue of delivering a service, I am not clear whether you have those data or not.

[76] **Ms Chamberlain:** The specific data?

[77] **Mick Bates:** Specific to health, let us say.

[78] **Ms Chamberlain:** On the costs of delivering the service?

[79] **Mick Bates:** Yes, or any particular part of it—to any clinic, to a GP's surgery, what it costs for a district nurse to operate in Cardiff or in Anglesey.

[80] **Ms Chamberlain:** Off the top of my head, and without going back to look into it, I would not know what level of detail we have for some of those costs. I would need to go back to the NHS resources directorate. It is something that I could come back to you on, but I cannot answer it here.

[81] **Mick Bates:** For us, that is a very significant issue, because we are looking at rural deprivation. There are many difficulties in defining 'rurality', but unless we have the data to show us the cost of delivery of services, which to me is a crucial factor, it is difficult for us to scrutinise how effective policies are.

[82] **Ms Chamberlain:** I know that there is information on the cost of delivering services, but at what level of detail I could not answer now. I know that research has been done by Pion Economics, often in looking at how services are delivered in different settings and what it costs to inform some of the resource exercises. That is something that I do not carry at the front of my head, though; I would need to come back to you on that.

[83] **Mick Bates:** I can accept that; that is fine.

[84] **Alun Davies:** Would it possible for you to provide us with a short note on that following this session?

[85] **Ms Chamberlain:** I am sure that that would be possible.

[86] **Alun Davies:** Thank you.

[87] **Lorraine Barrett:** May I come in on this point? The same applies, obviously, across the board for all public services. One thinks of schools—there has been an ongoing argument for years about the school formula and why there are such differences in what schools get. Some schools have to bus their pupils in from much further afield than an inner city area would. That would be a huge piece of work, but it may be available somewhere.

[88] **Ms Chamberlain:** It may be something that we can just look at, in terms of what the current state of play is, and then feed back to you on that.

[89] **Brynle Williams:** It has a major bearing on what we are trying to do here. I appreciate that it is something that you do not carry in the front of your head, but if we could have the figures, they will open up the whole thing.

[90] **Ms Chamberlain:** It is certainly something that I can look at to find out what figures exist. The only other thing that I would add to our discussion is that, sometimes, the type of issues that you are interested in, in terms of access to services and so on, are not necessarily published in that way now. However, depending on the question, it is capable of getting them. I am thinking, for example, of some of the work that has been done around drive times for particular public services to inform the index. There may be other services for which the location of the service and the location of addresses could be calculated. Just because it is not published, it does not mean that, in terms of access, there is no readily mappable information that could be presented in the format that may be useful.

9.50 a.m.

[91] **Mick Bates:** To follow that up in terms of statistics and evidence, how many years' evidence do you need to see how things change? We have a census every 10 years, but I am interested in seeing when you think that you can have a real conclusion on the evidence that you have gathered about the impact of using your statistics on deprivation. If you start off with an area and you say, 'This is in the top 100 deprived wards', and the Government then takes action on that, when can you say statistically, 'This place has really moved from being a very deprived area, for whatever reason, to becoming more prosperous'?

[92] **Ms Chamberlain:** Steve can disagree with me on this afterwards if he wishes, and you probably will not like the answer, because my answer would be, 'It depends'.

[93] **Mick Bates:** Really?

[94] **Ms Chamberlain:** Yes. If you are interested in the impact that you have had on health deprivation, health outcomes for individuals in that area will often take an awful long time to show any shift—it does not change year to year. If you are interested in other areas, the impact of what is happening may come through sooner.

[95] **Mick Bates:** Can you be more precise?

[96] **Ms Chamberlain:** I would hate to be more precise. [*Laughter.*]

[97] **Mick Bates:** What about your domains, with all the experience that you have of gathering these statistics?

[98] **Ms Chamberlain:** Steve? [*Laughter.*]

[99] **Dr Marshall:** I do not disagree with what Kate said, because it depends on two things: one is that some things change slower or quicker than others, but it also depends on how you measure it. If we use a survey to measure, it is an estimate, so you probably need a longer period before you can be confident, statistically, that the change that you are seeing is real. Trying to put timings on it is quite difficult, other than in a broad sense. In health, you are probably looking at 10 years or so before you can really see if an impact is coming through. On income or employment—particularly employment—you would expect to see something much sooner than that, probably in around three to five years. Education is probably somewhere in-between. You cannot say that you will know whether things are happening or not after two years, but it will give you a broad sense of the kind of ballpark periods that you would be looking at in terms of the different areas.

[100] **Ms Chamberlain:** The other caution to note is that just because something is happening it does not mean that you can attribute a cause to it.

[101] **Mick Bates:** I accept that.

[102] **Alun Ffred Jones:** I have two quick questions. In the proposed new weighting in the new index for 2008, income deprivation will be 25 per cent. Are you aware of any evidence on the geographical dispersion of low income households in Wales? Is that available to you?

[103] **Dr Marshall:** Not as yet; that is why we are having this research done. The only measure in terms of low income households, which is one of the key ways of looking at poverty, in particular, is currently only available at a Wales level. We do not have any breakdown below that. As part of this work, we will be looking at whether we can come up with model estimates down to the super upper areas for use in the index—that is the ideal—

but if that proves not to be possible for the update, which is due later this year, we need to look at whether we can robustly model local authority estimates, so that we have at least some idea of broad geographic distribution of low income households. So, hopefully before the middle of this year, if that is possible, we will have figures on that and will be able to publish them from that research.

[104] **Alun Ffred Jones:** I do not know how fair this question is, but do you expect the proposed indicators for 2008 to produce different patterns of concentrated deprivation for rural areas compared with those for 2005?

[105] **Dr Marshall:** Not having seen the results, all I can talk about is how the index generally works and, as I mentioned, it is fairly robust in terms of the weighting and the bringing in of new indicators. As I mentioned, we are trying to get around half a dozen indicators of broadly the same thing to ensure that the underlying issue is captured for a particular domain. Given that we have not fundamentally changed the methodology and that we are not aware of any fundamental shifts in terms of the lack of employment or income and that health changes very slowly, we would expect the index to look very similar, at a broad pattern level, to the previous index, because it has only been three years. To see big shifts in patterns of where high concentrations are, you need a fairly long time period. That is not to say that an individual area may not move within the index from being highly deprived to not quite so deprived or vice versa. There should not really be, in terms of the methodology, big shifts in the overall pattern unless there have been some really big changes out in the real world.

[106] **Alun Davies:** If Members are content, I would like to leave it there. Thank you for your time this morning and for the briefing and answers to the questions; we very much appreciate it.

9.57 a.m.

**Ymchwiliad i Dlodi ac Amddifadedd yng Nghefn Gwlad Cymru: Galw am  
Dystiolaeth Ysgrifenedig  
Inquiry into Poverty and Deprivation in Rural Wales: Call for Written Evidence**

[107] **Alun Davies:** The call for evidence has been circulated to Members. Do Members have any comments on it?

[108] **Lorraine Barrett:** On the list of consultees, do you want comments on the letter?

[109] **Alun Davies:** I was asking for general comments, and we can take comments on any part of it, including the consultees.

[110] **Lorraine Barrett:** I cannot see any reference to a representative group for transport, which should take in things like buses, trains and taxis, in the list of consultees. Perhaps the clerk could consider that and see whether we could find a body for that.

[111] **Alun Davies:** We can take that on board. Are Members content with the questions and deadlines for written submissions and the rest of the list of potential consultees? If there are no comments, I will assume that you are content.

[112] **Mick Bates:** On other sources of information—and research organisations are down here—the evidence that Kate gave this morning mentioned a report in the south-west. Do we need to get a scoping study of other sources of information, particularly about the delivery of services, so that we can ask them for a response? I do not know how much work that would

involve, but it seems to me that we are going to need information on service delivery.

[113] **Alun Davies:** That is a good point. I can discuss that with the clerking team and report back to the committee.

[114] **Lorraine Barrett:** There is a concentration in the questions on poverty rather than deprivation; for example, there are questions on poverty problems and anti-poverty activities and so on. Should it be 'poverty and/or deprivation'? It could be that you are not in poverty but are deprived of certain services. Is that being too fussy?

[115] **Alun Davies:** I do not think that it is too fussy, because those are two sides of the same coin and they mean slightly different things. So, I will ask the clerk to include 'deprivation' where we have 'poverty' through the document. Is that fair?

[116] **Lorraine Barrett:** Yes.

[117] **Alun Davies:** Are there any other comments on the content of the paper, the deadlines or the list of consultees? I see that there are not, so I see that there is assent.

10.00 a.m.

### **Cynnig Trefniadol Procedural Motion**

[118] **Alun Davies:** I propose that

*the sub-committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi), to allow it to deliberate the content and recommendations of two draft reports.*

[119] Are we all agreed? I see that we are.

*Derbyniwyd y cynnig.*

*Motion carried.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 10.00 a.m.  
The public part of the meeting ended at 10.00 a.m.*