

## ***Distribution Sub-Group (2023) Paper 10 – Eligible for Free School Meals (eFSM) data within the settlement***

***This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.***

### **Eligible for Free School Meals (eFSM) data within the settlement**

#### **Summary**

1. This paper provides analysis of the eligible for Free School Meals (eFSM) pupil numbers taken from the [January 2023 Pupil Level Annual School Census](#) (PLASC).
2. This paper investigates the financial impacts of: continuing to use a rolling 4-year average of eFSM data (as agreed by DSG for the 2022-23 and 2023-24 Settlements), a 3-year average (as agreed by DSG for the 2019-20 Settlement) or the latest single year data.

#### **Views sought**

3. DSG members are asked to consider the analysis and options discussed throughout the paper.

#### **Related Papers**

4. Distribution Sub-Group (2022) Paper 09 – Eligible for Free School Meals (eFSM) within the settlement.
5. Distribution Sub-Group (2021) Paper 14 – eFSM on the settlement
6. Distribution Sub-Group (2020) Paper 16 – Assessing the impact of universal credit on the 2020 PLASC FSM data
7. Distribution Sub-Group (2019) Paper 16 – Assessing the impact of universal credit on the PLASC FSM data
8. Distribution Sub-Group (2018) Paper 11 - Free School Meals indicator analysis

#### **Background**

9. Eligibility for Free School Meals (eFSM) is used as a proxy of deprivation in the assessment of relative need to spend on teaching and other services in the local government settlement but is not used as a proxy for the need to spend on school meals.

#### **Universal Free School Meals**

10. PLASC 2023 is the first collection since the roll out of universal free school meals in primary schools (UPFSM). The PLASC guidance makes it clear that learners who are **only** eligible for FSM under the universal free school meals policy should **not** be recorded as eFSM. To assist data accuracy, a second validation window was opened this year for LAs to review, check and amend their PLASC data and all LAs have signed off their data to confirm its accuracy.
11. Officials have worked with Local Authorities to ensure parents/guardians are aware of the benefits of continuing to apply for FSM despite the universal roll out of free school meals to primary pupils.

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### Universal Credit

12. The introduction of universal credit meant that the eligibility criteria for eFSM changed so that all children of families on universal credit would become eFSM until 31 March 2019.
13. Subsequently the Welsh Government introduced a net annualised earnings threshold of £7,400 for Universal Credit claimants wishing to claim free school meals.
14. The gradual rollout of Universal Credit meant that local authorities did not all start providing the benefit simultaneously, with some starting much earlier than others.
15. At the same time, a programme of transitional protection was introduced for families. Transitional protection ensures that the changes to the free school meals eligibility criteria cause the minimum amount of disruption.
16. As the distribution mechanism of the settlement is dependent on an authority's relative share of an indicator, any situation which enables an authority to unfairly increase their share of an indicator more quickly than another can have large financial bearing on the funding.
17. Previous analysis (DSG 2019 – Paper 16) showed a relationship between the number of days an authority had been providing universal credit and the change in eFSM pupil numbers i.e. the longer an area provided universal credit the larger their increase in eFSM pupils in that given year.
18. Within the settlement context, this would mean that the distribution of funding would favour those authorities that were able to provide universal credit for longer. At this point DSG agreed to freeze the eFSM data used in the settlement.
19. Following the 2021 eFSM data, DSG agreed to use a 4-year average (DSG 2021 – Paper 14) in the 2022-23 settlement to smooth out the financial impact of COVID- 19 and the rollout out of universal credit. The recommendation was to update the eFSM dataset in the settlement to an average of 2016, 2017, 2018 and 2021 and to exclude those transitionally protected (TP).
20. This approach was continued for the 2023-24 settlement where DSG agreed a 4-year average of 2017, 2018, 2021 and 2022 data (DSG 2022 - Paper 09).
21. This paper considers the impact of continuing to use the 4-year average approach (including the latest (2023) data) It also presents the impact of reverting to a 3-year average (2021,2022 and 2023) and using 2023 data only.

### **Analysis**

#### Data

22. Table 1 in Annex A shows the change in eFSM pupils (excluding TP) since 2017 by school phase (primary or secondary) and local authority.
23. Across Wales there are almost 20% more eFSM primary pupils in 2023 than in 2017 (data prior to universal credit) and almost 38% more eFSM secondary pupils.
24. Changes in eFSM numbers have ranged significantly between areas. For example, in primary school year groups, changes ranged from a 8.62% decrease in Pembrokeshire to a 46.02% increase in Ceredigion. In secondary school year groups the eFSM numbers

## ***Distribution Sub-Group (2022) Paper 12 – eFSM on the settlement***

increased in all authorities, ranging from a 7.17% increase in Pembrokeshire to a 90.25% increase in Ceredigion.

25. The eFSM data (excluding TP) by authority and school phase for 2023 and 2022 is shown in Table 2 alongside the % change between the two years.
26. Overall, the number of primary eFSM pupils has **decreased** by 6.22% since 2022 and the number of secondary eFSM pupils has **decreased** by 2.22%. However, the changes have ranged significantly across areas and not all have seen a decrease. The largest % increase in primary eFSM pupils (4.92%) was in Caerphilly and Swansea had the largest % increase in secondary eFSM pupils (9.13%). The largest % decrease in both primary eFSM was in Flintshire (29.68%) and it also had the largest decrease in secondary eFSM (32.28%).
27. The 4-year average number of e-FSM pupils (excluding TP) by authority and school phase is shown in Table 3 as well as the difference in relative share.
28. When comparing the revised 4-year average (including 2023) against the 4-year average used in the 2023-24 settlement, we see a range of changes in relative shares. For example, in primary school year groups it ranges from a decrease of 0.36 percentage points (pp) in Rhonda Cynon Taf to an increase of 0.27pp in Cardiff. In Secondary school year groups, it ranges from a decrease of 0.3pp in Rhonda Cynon Taf to an increase of 0.7pp in Cardiff.
29. Table 4 shows the change in relative shares between the 4-year average eFSM pupil data (i.e. 2022, 2021, 2018 and 2017 - used in the 2023-24 Settlement) and the 3-year average data - based on 2021,2022 and 2023 data.
30. Using a 3-year average results in a wider range of relative share changes (compared to the revised 4-year average – Table 3). The range for primary eFSM pupils increases from -0.36 to 0.27 pp to -0.60 to 0.55 pp and the range for secondary eFSM pupils increases from -0.3 to 0.7 pp to -0.26 to 1.26 pp.

### Re-distribution of AEF

31. Table 5 in Annex A shows the financial impact (AEF) of updating the dataset through different combinations. The three options provided are:
  - a) Continue to take a 4-year average but update to include 2023 data;
  - b) take a 3-year average of 2021, 2022 and 2023 data; and
  - c) use the latest (2023) single year data.

### **Conclusion:**

32. The exemplifications are based on the isolated effect of the FSM data on the 2023-24 Settlement. Other than the change to the FSM data, the exemplifications do not account for any other changes in data that will be made for the 2024-25 Settlement, or the impact of transfers in and out.
33. DSG members are asked to consider and discuss the analysis included in this paper and provide their opinions on the suggested option for the FSM data for the 2024-25 settlement.

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**Annex A**

**Table 1 - Number of pupils eFSM by local authority, year and primary or secondary**

	Total Primary Pupils eligible for FSM					Total Secondary Pupils eligible for FSM					Total Primary eFSM 2023 vs 2017	Total Secondary eFSM 2023 vs 2017
	2017	2018	2021	2022	2023	2017	2018	2021	2022	2023		
Isle of Anglesey	855	805	920	866	851	489	485	600	537	526	-0.47%	7.57%
Gwynedd	1,216	1,161	1,274	1,288	1,308	650	665	775	833	903	7.57%	38.92%
Conwy	1,430	1,313	1,796	1,678	1,572	795	766	1,048	1,069	1,066	9.93%	34.09%
Denbighshire	1,471	1,462	1,863	1,769	1,741	903	862	1,223	1,188	1,272	18.35%	40.86%
Flintshire	1,760	1,955	2,716	2,773	1,950	1,022	1,084	1,696	1,858	1,221	10.80%	19.47%
Wrexham	2,012	1,962	2,663	2,555	2,452	880	863	1,289	1,354	1,389	21.87%	57.84%
Powys	1,065	1,040	1,483	1,625	1,397	632	624	956	1,057	855	31.17%	35.28%
Ceredigion	565	592	787	830	825	359	359	462	629	683	46.02%	90.25%
Pembrokeshire	1,601	1,416	1,556	1,589	1,463	934	876	928	1,024	1,001	-8.62%	7.17%
Carmarthenshire	2,427	2,338	3,157	3,395	2,688	1,430	1,393	2,011	2,232	1,830	10.75%	27.97%
Swansea	3,828	3,829	4,613	4,538	4,649	2,220	2,206	2,750	2,772	3,025	21.45%	36.26%
Neath Port Talbot	2,430	2,467	3,209	3,188	3,151	1,632	1,511	1,809	1,924	1,991	29.67%	22.00%
Bridgend	2,173	2,226	2,814	3,006	2,997	1,196	1,201	1,572	1,761	1,886	37.92%	57.69%
The Vale of Glamorgan	1,461	1,478	2,037	1,984	1,979	904	819	1,193	1,243	1,319	35.46%	45.91%
Rhondda Cynon Taff	4,449	4,312	5,468	4,548	4,504	2,512	2,472	3,337	2,842	3,005	1.24%	19.63%
Merthyr Tydfil	1,009	1,005	1,253	1,282	1,303	588	569	718	691	751	29.14%	27.72%
Caerphilly	3,167	3,051	3,654	3,843	4,032	2,000	1,958	2,361	2,578	2,679	27.31%	33.95%
Blaenau Gwent	1,213	1,229	1,700	1,742	1,254	639	630	842	945	718	3.38%	12.36%
Torfaen	1,373	1,538	2,366	2,056	1,730	876	948	1,537	1,465	1,171	26.00%	33.68%
Monmouthshire	675	697	1,073	1,097	875	383	393	612	646	571	29.63%	49.09%
Newport	2,568	2,485	3,309	3,270	3,159	1,445	1,412	2,051	2,090	2,113	23.01%	46.23%
Cardiff	6,321	5,968	8,245	8,730	8,186	3,422	3,224	5,224	5,809	5,762	29.50%	68.38%
<b>Wales</b>	<b>45,069</b>	<b>44,329</b>	<b>57,956</b>	<b>57,652</b>	<b>54,066</b>	<b>25,911</b>	<b>25,320</b>	<b>34,994</b>	<b>36,547</b>	<b>35,737</b>	<b>19.96%</b>	<b>37.92%</b>

**Distribution Sub-Group (2022) Paper 12 – eFSM on the settlement**

**Table 2 - Number of pupils eFSM for 2023 and 2022, by local authority and primary or secondary**

	Total Primary Pupils eligible for FSM		Total Secondary Pupils eligible for FSM		Total Primary eFSM 2023 vs 2022	Total Secondary eFSM 2023 vs 2022
	2022	2023	2022	2023		
Isle of Anglesey	866	851	537	526	-1.73%	-2.05%
Gwynedd	1,288	1,308	833	903	1.55%	8.40%
Conwy	1,678	1,572	1,069	1,066	-6.32%	-0.28%
Denbighshire	1,769	1,741	1,188	1,272	-1.58%	7.07%
Flintshire	2,773	1,950	1,858	1,221	-29.68%	-34.28%
Wrexham	2,555	2,452	1,354	1,389	-4.03%	2.58%
Powys	1,625	1,397	1,057	855	-14.03%	-19.11%
Ceredigion	830	825	629	683	-0.60%	8.59%
Pembrokeshire	1,589	1,463	1,024	1,001	-7.93%	-2.25%
Carmarthenshire	3,395	2,688	2,232	1,830	-20.82%	-18.01%
Swansea	4,538	4,649	2,772	3,025	2.45%	9.13%
Neath Port Talbot	3,188	3,151	1,924	1,991	-1.16%	3.48%
Bridgend	3,006	2,997	1,761	1,886	-0.30%	7.10%
The Vale of Glamorgan	1,984	1,979	1,243	1,319	-0.25%	6.11%
Rhondda Cynon Taff	4,548	4,504	2,842	3,005	-0.97%	5.74%
Merthyr Tydfil	1,282	1,303	691	751	1.64%	8.68%
Caerphilly	3,843	4,032	2,578	2,679	4.92%	3.92%
Blaenau Gwent	1,742	1,254	945	718	-28.01%	-24.02%
Torfaen	2,056	1,730	1,465	1,171	-15.86%	-20.07%
Monmouthshire	1,097	875	646	571	-20.24%	-11.61%
Newport	3,270	3,159	2,090	2,113	-3.39%	1.10%
Cardiff	8,730	8,186	5,809	5,762	-6.23%	-0.81%
<b>Wales</b>	<b>57,652</b>	<b>54,066</b>	<b>36,547</b>	<b>35,737</b>	<b>-6.22%</b>	<b>-2.22%</b>

**Distribution Sub-Group (2022) Paper 12 – eFSM on the settlement**

**Table 3 - Number of pupils (4 Year Average) eFSM by local authority, year and primary or secondary**

	2018,2021,2022,2023 average		2017,2018,2021,2022 average		Percentage Point difference in relative share	
	Total Primary Pupils eligible for FSM	Total Secondary Pupils eligible for FSM	Total Primary Pupils eligible for FSM	Total Secondary Pupils eligible for FSM	Total Primary Pupils eFSM	Total Secondary Pupils eFSM
Isle of Anglesey	861	537	862	528	-0.07	-0.10
Gwynedd	1,258	794	1,235	731	-0.06	0.01
Conwy	1,590	987	1,554	920	-0.06	-0.02
Denbighshire	1,709	1,136	1,641	1,044	-0.01	0.03
Flintshire	2,349	1,465	2,301	1,415	-0.10	-0.19
Wrexham	2,408	1,224	2,298	1,097	0.02	0.12
Powys	1,386	873	1,303	817	0.05	-0.03
Ceredigion	759	533	694	452	0.06	0.14
Pembrokeshire	1,506	957	1,541	941	-0.19	-0.18
Carmarthenshire	2,895	1,867	2,829	1,767	-0.11	-0.12
Swansea	4,407	2,688	4,202	2,487	0.04	0.01
Neath Port Talbot	3,004	1,809	2,824	1,719	0.11	-0.14
Bridgend	2,761	1,605	2,555	1,433	0.18	0.17
The Vale of Glamorgan	1,870	1,144	1,740	1,040	0.10	0.06
Rhondda Cynon Taff	4,708	2,914	4,694	2,791	-0.36	-0.30
Merthyr Tydfil	1,211	682	1,137	642	0.04	-0.03
Caerphilly	3,645	2,394	3,429	2,224	0.12	-0.02
Blaenau Gwent	1,481	784	1,471	764	-0.10	-0.12
Torfaen	1,923	1,280	1,833	1,207	0.02	-0.07
Monmouthshire	936	556	886	509	0.02	0.02
Newport	3,056	1,917	2,908	1,750	0.04	0.08
Cardiff	7,782	5,005	7,316	4,420	0.27	0.70
<b>Wales</b>	<b>53,501</b>	<b>33,150</b>	<b>51,252</b>	<b>30,693</b>	<b>0.00</b>	<b>0.00</b>

**Distribution Sub-Group (2022) Paper 12 – eFSM on the settlement**

**Table 4 - Number of pupils (3 Year Average) eFSM by local authority and primary or secondary**

	3-year average (2021,2022,2023)		2022 4-year average (used in 2023-24 Settlement)		Percentage Point difference in relative share	
	Total Primary Pupils eligible for FSM	Total Secondary Pupils eligible for FSM	Total Primary Pupils eligible for FSM	Total Secondary Pupils eligible for FSM	Total Primary Pupils eFSM	Total Secondary Pupils eFSM
Isle of Anglesey	879	554	862	528	-0.13	-0.17
Gwynedd	1,290	837	1,235	731	-0.13	-0.04
Conwy	1,682	1,061	1,554	920	-0.06	-0.03
Denbighshire	1,791	1,228	1,641	1,044	-0.04	0.03
Flintshire	2,480	1,592	2,301	1,415	-0.10	-0.16
Wrexham	2,557	1,344	2,298	1,097	0.04	0.18
Powys	1,502	956	1,303	817	0.11	0.01
Ceredigion	814	591	694	452	0.09	0.18
Pembrokeshire	1,536	984	1,541	941	-0.29	-0.31
Carmarthenshire	3,080	2,024	2,829	1,767	-0.07	-0.10
Swansea	4,600	2,849	4,202	2,487	-0.07	-0.13
Neath Port Talbot	3,183	1,908	2,824	1,719	0.12	-0.26
Bridgend	2,939	1,740	2,555	1,433	0.21	0.20
The Vale of Glamorgan	2,000	1,252	1,740	1,040	0.14	0.11
Rhondda Cynon Taff	4,840	3,061	4,694	2,791	-0.60	-0.53
Merthyr Tydfil	1,279	720	1,137	642	0.04	-0.08
Caerphilly	3,843	2,539	3,429	2,224	0.10	-0.14
Blaenau Gwent	1,565	835	1,471	764	-0.10	-0.15
Torfaen	2,051	1,391	1,833	1,207	0.05	-0.04
Monmouthshire	1,015	610	886	509	0.07	0.05
Newport	3,246	2,085	2,908	1,750	0.07	0.13
Cardiff	8,387	5,598	7,316	4,420	0.55	1.26
<b>Wales</b>	<b>56,559</b>	<b>35,759</b>	<b>51,252</b>	<b>30,693</b>	<b>0.00</b>	<b>0.00</b>

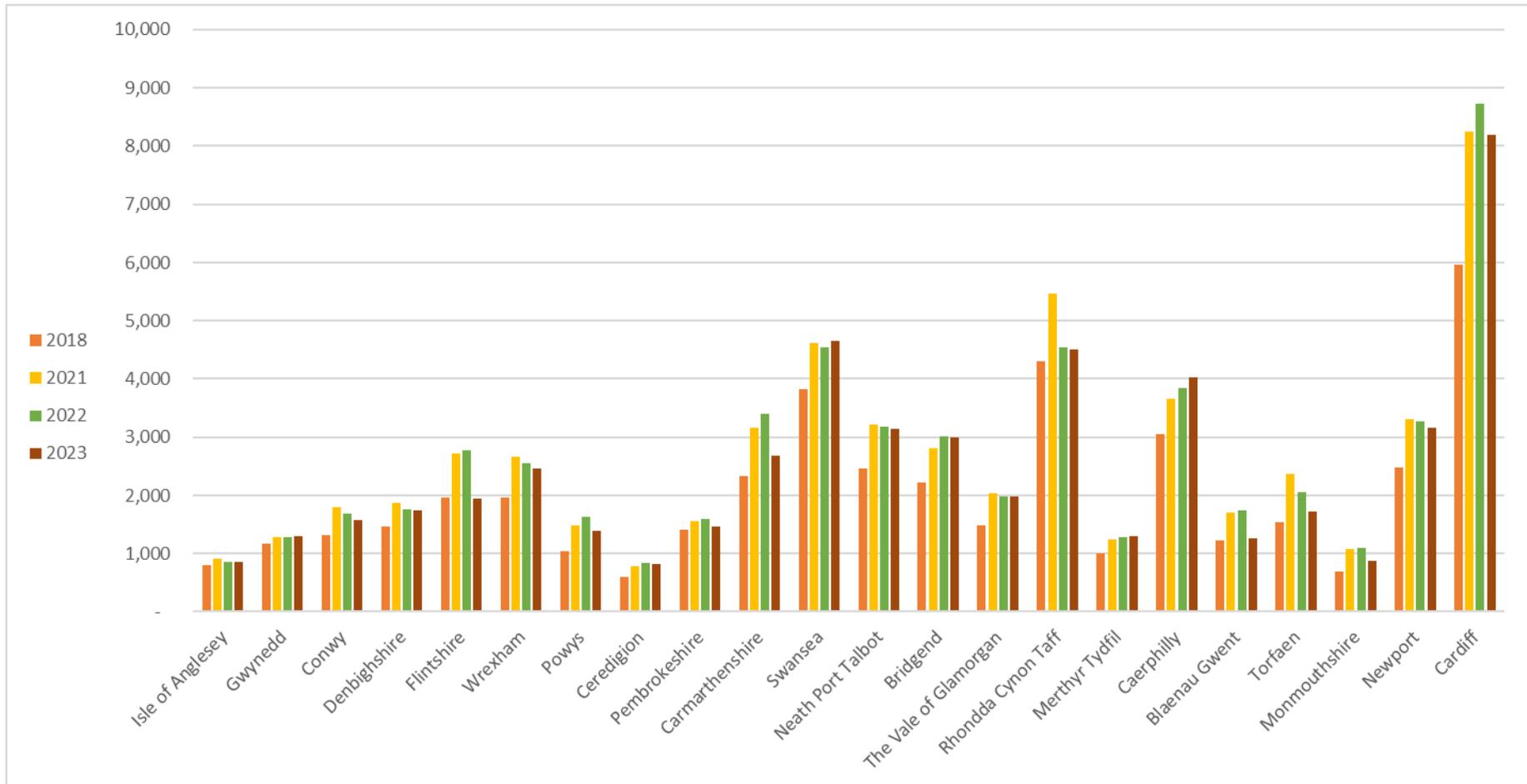
**Distribution Sub-Group (2022) Paper 12 – eFSM on the settlement**

**Table 5 - Exemplification to show the impact of updating the FSM data on the 2023-24 AEF**

Unitary Authority	Settlement 2023-24	2023 PLASC eFSM	3 year average 2021, 2022 & 2023	4 year average 2018, 2021, 2022 & 2023	Difference Value			Difference %		
					2023 PLASC eFSM	3 year average 2021, 2022 & 2023	4 year average 2018, 2021, 2022 &	2023 PLASC eFSM	3 year average 2021, 2022 & 2023	4 year average 2018, 2021, 2022 &
Angelsey	123,665	123,312	123,367	123,500	-353	-298	-165	-0.29%	-0.24%	-0.13%
Gwynedd	228,036	228,218	227,871	228,007	182	-164	-29	0.08%	-0.07%	-0.01%
Conwy	198,598	198,445	198,506	198,514	-153	-92	-84	-0.08%	-0.05%	-0.04%
Denbighshire	188,024	188,140	187,952	187,978	116	-72	-45	0.06%	-0.04%	-0.02%
Flintshire	251,995	249,722	251,655	251,629	-2,273	-340	-366	-0.90%	-0.13%	-0.15%
Wrexham	224,836	225,198	225,053	224,964	361	217	127	0.16%	0.10%	0.06%
Powys	228,665	228,461	228,823	228,709	-203	159	45	-0.09%	0.07%	0.02%
Ceredigion	129,198	129,852	129,495	129,425	654	297	227	0.51%	0.23%	0.18%
Pembrokeshire	212,675	212,029	211,992	212,241	-646	-683	-434	-0.30%	-0.32%	-0.20%
Carmarthenshire	338,410	337,147	338,236	338,164	-1,263	-175	-246	-0.37%	-0.05%	-0.07%
Swansea	418,282	419,078	418,042	418,305	796	-240	23	0.19%	-0.06%	0.01%
Neath Port Talbot	276,696	277,136	276,669	276,774	440	-27	78	0.16%	-0.01%	0.03%
Bridgend	250,182	251,466	250,652	250,587	1,284	470	405	0.51%	0.19%	0.16%
Vale of Glamorgan	202,797	203,356	203,022	202,923	559	225	126	0.28%	0.11%	0.06%
Rhondda Cynon Taff	471,317	469,634	470,050	470,560	-1,683	-1,268	-758	-0.36%	-0.27%	-0.16%
Merthyr	118,614	118,807	118,547	118,593	192	-67	-22	0.16%	-0.06%	-0.02%
Caerphilly	339,960	341,099	339,935	340,077	1,139	-25	116	0.34%	-0.01%	0.03%
Blaenau Gwent	139,730	138,616	139,461	139,491	-1,115	-270	-239	-0.80%	-0.19%	-0.17%
Torfaen	172,405	171,381	172,486	172,420	-1,025	80	15	-0.59%	0.05%	0.01%
Monmouthshire	122,675	122,492	122,804	122,721	-182	129	46	-0.15%	0.11%	0.04%
Newport	289,522	289,936	289,733	289,653	414	211	131	0.14%	0.07%	0.05%
Cardiff	593,605	596,364	595,537	594,653	2,759	1,932	1,048	0.46%	0.33%	0.18%
<b>Total Unitary Authorities</b>	<b>5,519,889</b>	<b>5,519,889</b>	<b>5,519,889</b>	<b>5,519,889</b>						

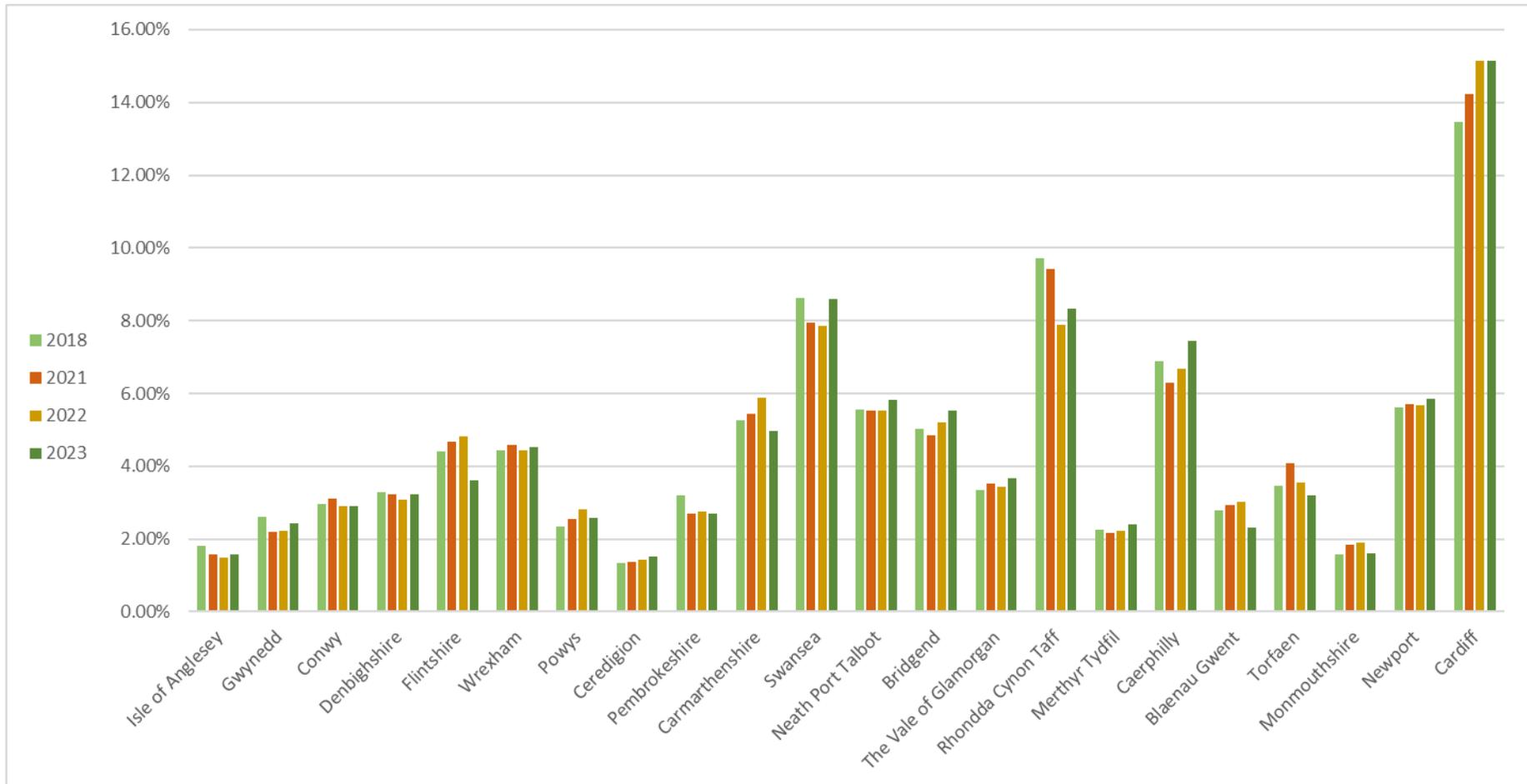
*Distribution Sub-Group (2022) Paper 12 – eFSM on the settlement*

**Chart 1 - Primary eFSM numbers by LA 2018, 2021, 2022 & 2023**

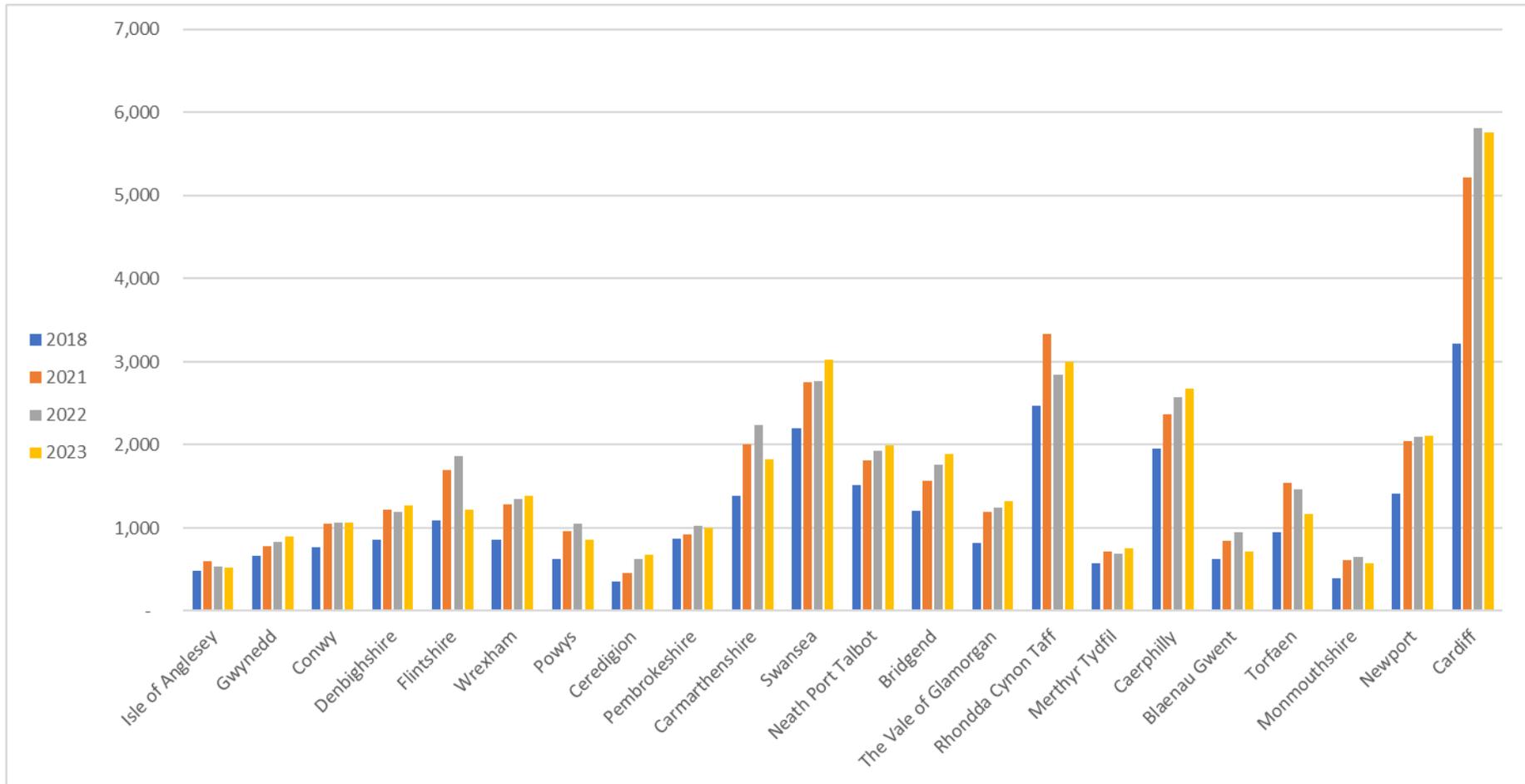


*Distribution Sub-Group (2022) Paper 12 – eFSM on the settlement*

**Chart 2 - Primary eFSM LA proportion of Wales total 2018, 2021, 2022 & 2023**



**Chart 3 - Secondary eFSM numbers by LA 2018, 2021, 2022 & 2023**



*Distribution Sub-Group (2022) Paper 12 – eFSM on the settlement*

**Chart 4 - Secondary eFSM LA proportion of Wales total 2018, 2021, 2022 & 2023**

