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Beyond eligibility for free school meals (eFSM): A review of the need for and uses of data on learner socio-economic disadvantage

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Beyond eligibility for free school meals (eFSM): A review of the need for and uses of data on learner socio-economic disadvantage

Author(s): Megan Clark, Oliver Allies, Huw Lloyd-Williams, Hilda Bernhardsson, Jakob Abekhon (Wavehill Research)

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government.

For further information, please contact:

Schools Research Branch
Knowledge and Analytical Services
Welsh Government
Cathays Park
Cardiff
CF10 3NQ
Tel: 0300 025 9247
Email: schoolsresearch@gov.wales

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Glossary

ACE

Adverse childhood experiences

ADEW

Association of Directors of Education in Wales

ADRU

Administrative Data Research Unit (Welsh Government body)

ALN

Additional learning needs (prior to implementation in 2021 of the ALNET Act (2018), these were known as Special Educational Needs (SEN))

AWCDS

All-Wales Core Dataset

DWP

Department for Work and Pensions

eFSM

Eligibility for free school meals

EHE

Elective home education

EOTAS

Educated other than at school

FSM

Free school meals

HBAI

Households Below Average Income

ISB

Individual Schools Budget

LAEG

Local Authority Education Grant

LEO

Longitudinal Educational Outcomes dataset

LLWR

Lifetime Learning Wales Record

LSOA

Lower Super Output Area

NEET

Not in education, employment or training

NRPF

No recourse to public funds

NS-SEC

National Statistics Socio-economic Classification

PDG

Pupil Development Grant

PLASC

Pupil Level Annual School Census

SAIL

Secure Anonymised Information Linkage databank

SEG

School Essentials Grant

SED

Socio-economic disadvantage

TP

Transitional protection

TP FSM

Transitionally protected free school meals

UCAS

Universities and Colleges Admissions Service

UPFSM

Universal primary free school meals

VAP

Vulnerability assessment profile

WBFGA

Well-being of Future Generations Act (Wales) 2015

WIMD

Wales Index of Multiple Deprivation

WLGA

Welsh Local Government Association

YEPF

Youth Engagement and Progression Framework

1. Introduction

As part of its commitment to addressing inequality and supporting those who face additional barriers to their education, it is important that the Welsh Government understands and measures the relationship between socio-economic disadvantage (SED) and learners' outcomes. The current and most notable measure is eligibility for free school meals (eFSM).

In recent years, however, there has been some concern that the use of eFSM data is subject to limitations, including underestimating poverty levels and failing to account for the multidimensional nature of SED. In light of this, there have been two notable Welsh Government (WG) reports in the form of the [Review of School Spending in Wales](#) and [Developing a new data and information ecosystem](#) which have recommended that consideration should be given to the ways SED is measured among learners by undertaking a review of the current use of data and exploring the potential for utilising other contextual information to interrogate equality impacts and target of support.

To achieve this, the Welsh Government has commissioned research, and this report presents the findings from the first phase conducted by Wavehill Social and Economic Research.

The core aims of this initial phase of the research are to determine the range of needs that the Welsh Government and other stakeholders have regarding socio-economic disadvantage data on learners, in terms of the purposes for which they use it, and to develop a comprehensive understanding of how they currently use eFSM data. It also seeks to gather perspectives on how to overcome any limitations of eFSM and to explore which other forms of data stakeholders are using or would like access to better meet their needs. The findings from this research will inform further phase(s) of the project.

Background

Socio-economic disadvantage exists throughout Wales and has often been conceived as most closely related to low income. Recent research suggests that almost one-third (31%) of children live in relative income poverty after housing costs are considered, a figure that has fluctuated marginally over the last decade ([Welsh Government, 2025](#)).

There is considerable geographical variation in both the prevalence and severity of SED, but it is found in all locations, from densely populated urban areas to rural localities. In a recent report, the Bevan Foundation noted that “while there is some variation between local areas, nowhere in Wales escapes the reality of unacceptable rates of child poverty” ([Bevan Foundation, 2024](#)).

It is well established across a vast body of evidence that SED is linked to worse educational outcomes in children, including notable differences in rates of progression and levels of attainment (see, e.g., [Mills, 2021](#)). Research has identified an ‘attainment gap’ by parental income level across all stages of education, and in recent years, the COVID-19 pandemic has widened this gap ([Joseph Rowntree Foundation, 2023](#); [Equality and Human Rights Commission, 2023](#)).

SED is also linked to other learner outcomes, with children eligible for FSM disproportionately excluded from school (e.g. [Children's Commissioner for Wales, 2023](#)) and having lower rates of school attendance. There is also evidence that educational outcomes are important predictors of people's life chances, shaping outcomes related to employment, income, health and wellbeing, and criminality (see [Deaton, 2024](#)).

Accurately measuring socio-economic disadvantage and determining who is affected by it is therefore critical to providing support and addressing inequality. This is of considerable interest to the Welsh Government and to other stakeholders who play a role in the delivery of education services and ensuring the [well-being of future generations](#).

A range of data is available to measure SED among learners. However, information on those eligible for free school meals, which serves as a proxy for income at the individual- or household-level, has historically been the primary data source.

Free School Meals

The provision of free school meals (FSM) to eligible children attending maintained schools was established by the Education Act 1996. The [eligibility criteria](#) for FSM are set and reviewed by WG. They were last updated in 2019 and are currently as follows:

- **Income-based Eligibility:** Families receiving certain welfare benefits such as Income Support, Income-Based Jobseeker's Allowance, or Child Tax Credit, and have an income below £16,190.
- **Universal Credit:** Families receiving Universal Credit, provided the household has an annualised net earned income of no more than £7,400.
- **Additional Criteria:** Some additional discretionary criteria may apply, for example, any child who is not automatically entitled due to their parents' immigration status and families with no recourse to public funds (NRPF).

The local authority (LA) where a learner attends school is responsible for assessing eligibility for FSM and providing the meal itself. Parents or carers of eligible learners must apply to register their child as eFSM through their LA. Once they have done so, their LA records their claim. Data on eFSM, therefore, refers to children who are both eligible **and** have registered for FSM.

The exact process for collecting and recording eFSM data is determined by each LA and is often carried out by the benefits department rather than the education department. It can involve a range of management information systems, both automated and manual. The frequency with which LAs review and verify eligibility data varies, which determines how often the most up-to-date data is available to them and to the schools within their area.

Welsh Government gathers eFSM data from schools as part of the Pupil Level Annual School Census (PLASC). The PLASC captures information relating to pupils from nursery through to post-16 (sixth form) provision in maintained schools in Wales on a single day in January each year. Schools submit information to LAs, who then collate it and provide it to

the Welsh Government. This is the main source of publicly available data on eFSM published via [statistical releases](#) on the WG website and also available on [StatsWales](#).

It should be noted that there are now two further routes to means-tested eFSM through which learners can access a free meal at their school (these are discussed in more detail later in the report section):

- Universal Primary Free School Meals (UPFSM), available to all primary school pupils and,
- Transitional Protection (TP), for learners previously accessing Universal Credit.

Between 2003/04 and 2018/19, almost one-fifth of learners in school settings in Wales were eligible for FSM through the means-tested route. The proportions eligible remained relatively stable throughout this period, ranging from 17.0% in 2008/2009 to 19.7% in 2010/2011. However, the Wales average has risen in more recent years to one quarter of all pupils aged 5-15 (23.3%) in 2021/2022 (the most up-to-date trends are discussed further below).

Uses of eFSM data

As previously noted, the use of eFSM data as a proxy is central to the work of the Welsh Government and other key stakeholders across Wales. It has multiple uses, both in supporting broader policy initiatives and in mitigating the impact of disadvantage on learners through the delivery of education services.

The insights that eFSM data provide into socio-economic disadvantage are used to inform general policy initiatives, including meeting statutory requirements and the strategic goals of the Welsh Government and other public bodies. For instance, it plays a role in the [national indicators](#) used to measure progress towards the well-being goals set out in the Well-being of Future Generations Act (Wales) 2015, and in the implementation of equality commitments, including the [Public Sector Equality Duty](#) (PSED) and [Socio-Economic Duty](#).

The primary use of eFSM data is to address educational inequality by delivering education services. In the last few years, the Welsh Government has reinforced its commitment to this challenge by publishing [Our national mission: high standards and aspirations for all](#), which sets objectives such as breaking down barriers and delivering high-quality teaching and leadership to support learners' success.

Providing funding is an essential part of this mission, and eFSM data is the key source of information used by the Welsh Government and related stakeholders to issue a range of grants. The following are some of the major forms in which eFSM data features:

The Pupil Development Grant (PDG) for learners aged 3-15 is the WG's main financial intervention to help schools improve learners' attainment from low-income households.¹ The PDG consists of four funding types: PDG main, Early Years PDG (EYPDG), Education

¹ It should be noted that the Pupil Development Grant has recently been the subject of two reviews conducted by Bangor University and Cardiff Metropolitan University ([Tiesteel et al, 2023](#); [Tiesteel et al, 2024](#)).

Other Than at School PDG (EOTAS PDG) and PDG for Children Looked After (PDG-CLA), all of which are allocated based on the number of learners eligible for free school meals, except for PDG-CLA. The most recent [PDG allocations](#) show that £114.53 m has been distributed to schools, nurseries and other educational settings for the 2024/25 financial year.

eFSM data is also used by local authorities as part of their own individual school budget (ISB) formulae to allocate additional funding to schools with disadvantaged learners. This funding is generally used to reduce pupil-teacher ratios in primary schools and to increase the number of teaching assistants in both primary and secondary schools. The recent [Review of School Spending in Wales](#) examined this and found considerable variation in spending across local authorities with similar levels of disadvantage, which was partly attributed to the different funding formulae used by each authority.

In addition to funding, eFSM data is also used to monitor educational outcomes for learners experiencing disadvantage compared to the general learner population. To this end, the WG regularly undertakes and publishes statistical analyses relating to aspects of education, including:

- [attainment](#)
- [attendance](#)
- [exclusions](#)
- the [education other than at school \(EOTAS\)](#) record.

The Welsh Government also produces and makes available the All-Wales Core Data Set (AWCDS) to support school improvement activity by local authorities and schools. eFSM is included within this, along with information on other aspects of education. Regional Consortia², local authorities and, importantly, schools access analyses of the dataset to monitor disparities in outcomes between non-FSM and FSM pupils, benchmark and compare their outcomes, inform interventions and support, and evaluate their progress towards addressing the impacts of disadvantage. In addition, AWCDS data is used by Estyn to support school inspection work, notably to understand how effectively schools are using the data available to them to evaluate and improve service delivery.

The delivery of learning in the post-16 sector also involves using data on learners' eFSM status when they were of statutory school age. This information provides useful context for the planning, delivery and evaluation of adult and community learning, apprenticeships and higher education. As of August 2024, work related to the promotion, funding and regulation of further and higher education has been transferred from the Welsh Government to a new public body, Medr (formerly known as the Commission for Tertiary Education and Research, or 'CTER'). As part of their work, Medr produces statistics on outcomes in post-16 learning,

² In a [written statement](#) on 31st January 2024, the then Minister for Education and the Welsh Language made clear the intention to move away from the wider regional model to one in which local authorities take back full responsibility for school improvement activity. This reform takes effect from 2025.

including the consistent post-16 performance measures and the Lifelong Learning Wales Record (LLWR).

Data available on eFSM also features in the work of WG partners, such as the [Universities and Colleges Admissions Services \(UCAS\)](#) policy and advocacy organisations, including Children in Wales, the Bevan Foundation and the Child Poverty Action Group. It is also utilised in a range of academic studies, for example, to understand the effect of disadvantage on academic achievement, on participation in higher education, and outcomes related to health and criminal justice. Moreover, it is included via the PLASC record in the Secure Anonymised Information Linkage (SAIL) databank, enabling the linkage of large-scale, routinely collected datasets to understand the population, its characteristics, and the delivery and impact of public services.

The above discussion highlights the major uses of eFSM data by key stakeholders operating within or closely associated with the public sector. However, the full extent and range of its use is not fully understood, and further insights are needed as part of this review.

Strengths and Limitations

There are well-established strengths of eFSM data that make it a valuable proxy measure of disadvantage across the range of purposes for which it is used. This is reflected in both users' views and several reports and academic publications.

It is the only indicator of socio-economic disadvantage currently available at the individual learner level and is based directly on a pupil's household circumstances. It therefore provides unmatched detail and granularity. The eFSM indicator is also clearly defined and well understood, and, as a binary measure, it provides a degree of simplicity in assessing whether learners are eligible. The data is also collected annually, making it reflective of recent circumstances and easily accessible to users.

Despite its benefits, in recent years, it has become increasingly apparent that eFSM data is subject to several notable limitations:

It does not include all learners who meet the eligibility criteria. Parents are required to apply for FSM to be registered as eligible, but many do not. There are several reasons why this is the case, including barriers to application or a lack of awareness of how to apply, stigma associated with poverty, or food preferences that mean learners and their families do not wish to access the food provided (see [Sahota et al., 2013](#)).

The eligibility criteria may not be broad enough to capture all children living in poverty. Several academic studies have explored this across the UK (e.g. [Kounali, 2008](#); [Ilie et al., 2017](#); [Taylor, 2018](#)), and more recently, the Child Poverty Action Group estimated that over half of children living below the poverty line in Wales (70,000) were not eligible for FSM ([CPAG, 2020](#)). A significant issue here is that the income-benefit threshold for eFSM has remained static since April 2019, despite wages increasing over time. This means that fewer families have become eligible, even though inflation and rising costs of living have led to no real-terms improvements in their household incomes.

It does not fully capture the multi-dimensional nature of socio-economic disadvantage. There have been numerous studies in the academic literature that have compared eFSM based on income and other markers of socio-economic disadvantage and have shown that factors such as parental occupation and parental education can be equally, if not more, instrumental in determining learner outcomes (see Appendix A for an overview).

Many of the limitations of eFSM are well known to the Welsh Government and other data users. Indeed, several recent Welsh Government reports have pointed to the need to think beyond reliance on the eFSM indicator alone. For example, the [Review of School Spending](#) in 2020 and research into the [development of a new data and information ecosystem](#) in 2023 highlighted feedback that eFSM, with its singular focus on income, is too narrow an indicator to fully understand and respond to the impacts of socio-economic disadvantage on learners.

Recent Challenges

In recent years, several developments have posed further risks to eFSM data and could potentially compound the limitations discussed above.

Introduction of Universal Credit and Transitional Protection

The introduction of Universal Credit (UC) and Transitional Protection (TP) has affected the collection and recording of eFSM data. UC, introduced in 2013, replaced six legacy benefits, with a phased rollout expected to be completed by 2028.

From 1 April 2019, a £7,400 earned household income threshold for FSM eligibility was established for those receiving UC. However, some households moving over from legacy benefits such as Income Support and Jobseeker's Allowance had different eligibility criteria for FSM, often based on the receipt of specific benefits rather than a strict income threshold. As such, they stood to lose their entitlement even though their income remained the same.

To ensure that learners previously entitled to FSM did not lose their eligibility during the move to UC, a Transitional Protection Order was enacted. In Wales, TP was set to end on 31st December 2023 or the end of the learners' phase of education. While it was extended in England, following an [impact assessment](#), the WG proposed not to follow suit and to phase out TP as originally planned.

There has been anecdotal evidence from LAs suggesting that challenges have been encountered in collecting and recording TP FSM pupils due to confusion and uncertainty within schools, which may have led to errors and inconsistencies in data.

The PLASC school censuses between 2020 and 2022 were also affected by COVID-19, with school closures and limited capacity within local authorities to validate eFSM data. Moreover, the 2021 and 2022 censuses were conducted in April and February, respectively, rather than in January as had been done previously. These impacts may have contributed to a temporary decline in data quality and introduced challenges in comparing eFSM figures over time. Further details can be found in the Chief Statistician's update.

Universal Primary Free School Meals (UPFSM)

In December 2021, the Welsh Government announced that free school meal entitlement would be extended to [all primary school children in local authority-maintained schools](#).

The UPFSM policy was part of the Cooperation Agreement between the Welsh Government and Plaid Cymru. It was introduced in response to rising cost-of-living pressures on families and to the ambition to tackle child poverty and ensure no child goes hungry at school. Evidence shows UPFSM has a positive impact on wider determinants of health and reduces inequalities ([Public Health Wales, 2023](#)).

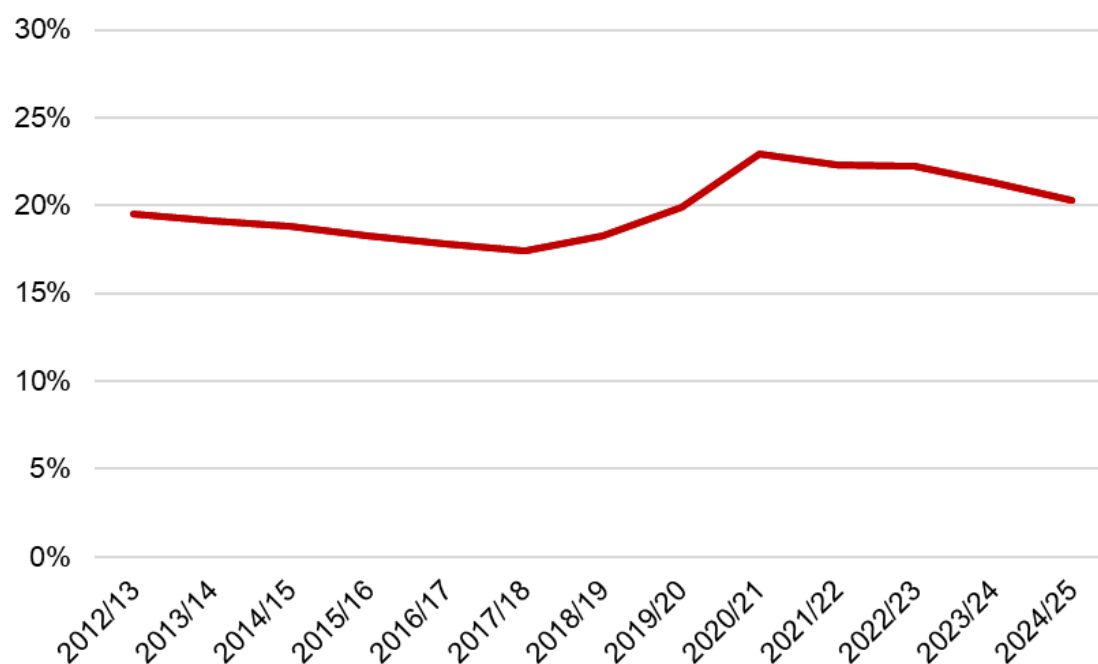
The Welsh Government has invested considerable funding over the last two years to support the UPFSM policy, which was delivered in September 2024.

The introduction of UPFSM has raised concerns that parents will no longer register their primary school children as eligible for FSM if they are not required to do so to receive a free meal. If eFSM registrations were to decline in this way, there is a risk that eFSM data will fail to maintain sufficient coverage and may no longer be relied upon as a robust and representative indicator of socio-economic disadvantage.

To mitigate this, WG has produced guidance for parents/carers, informing them that their school may ask them to continue registering their child as they have done previously. There has also been a communications campaign titled [Get Help with School Costs](#) to emphasise the benefits of doing so, such as receiving school holiday food payments and the School Essentials Grant. This was updated during the summer term 2023 to include messaging on how registration could benefit the learner's school in terms of the level of funding they receive (i.e. PDG).

It is yet to be seen whether parents will continue to register or whether eFSM numbers will be impacted. The graph below examines the trend in learners' eFSM from 2012/13 to the most recent PLASC data at the time of writing (Figure 1). This shows a rise in eligibility in 2020, 2021 and 2022, where the data quality may have been affected by the issues outlined above, followed by a fall between 2023 and 2025 but at a rate still above pre-pandemic levels. The observed impact from this data is therefore unclear, and further data for subsequent years would be necessary to provide a clearer sense of any trends in registrations.

Figure 1: Proportion of pupils aged 5 to 15 eFSM 2012/13 to 2024/25



Source: [StatsWales](https://stats.wales.gov.uk/), percentages calculated by the research team

Data notes: Please note the methodological challenges for eFSM data in 2020, 2021, and 2022 as outlined above.

Due to the range of potential factors that could have influenced changes in eFSM numbers over time, any trends in the data cannot be explained by a single cause. It is possible that the recent developments and challenges relating to TP, reduced capacity during COVID, and the roll-out of UPFSM may have been addressed through validation work and other mitigation measures. However, there remains some uncertainty as to how far this is the case. There are significant concerns about the impacts of the threshold not being raised in line with inflation and the increased cost of living, meaning that the number of those eligible is likely to be reducing despite relative poverty remaining the same. This may prevent officials from accurately understanding overtime trends and limit their ability to measure impact and progress in addressing educational inequality.

Research questions

Having considered the background for this first phase of the eFSM and Beyond project and the need for the research, the following questions have been developed to address its overall aims:

- What range of evidence needs do stakeholders have in terms of the purposes for which they use data on socio-economic disadvantage among learners?
- In what ways are these groups of stakeholders currently using eFSM data?
- What do stakeholders consider to be the strengths and limitations of eFSM data?

- What evidence, if any, do these stakeholders have in terms of the impact of the roll-out of Universal Primary Free School Meals (UPFSM) on the registration of eligible learners? What might be the potential future implications?
- In what ways can eFSM data be improved?
- What additional forms of data and other indicators of socio-economic disadvantage among learners are stakeholders using alongside eFSM?
- What forms of data do stakeholders feel are required, if at all, to overcome limitations of eFSM data and to improve measurement of socio-economic disadvantage in a way that best meets their needs?
- What barriers and implications do stakeholders feel would be involved in adopting other approaches to measuring socio-economic disadvantage?

The following sections of the report seek to answer these questions:

- Section 2 sets out the methodology for the first phase of the eFSM and Beyond project, including the methods and data sources used, the approach to analysing the collected data, and the research's limitations.
- Section 3 summarises the need for data on socio-economic disadvantage for each stakeholder group in terms of the range of purposes for which it is used.
- Section 4 establishes the current use of eFSM data by stakeholders.
- Section 5 sets out the main strengths and limitations of eFSM data.
- Section 6 explores perceptions of the impact of introducing UPFSM and the potential implications for their use of eFSM data.
- Section 7 considers the activities stakeholders are currently undertaking or believe could improve eFSM data, and provides solutions to its limitations.
- Section 8 outlines the other forms of socio-economic data used by stakeholders, focusing on both area-based and individual-based measures.
- Section 9 summarises stakeholders' perspectives on the socio-economic disadvantage data they require to most effectively meet their needs/purposes, considers the potential barriers and implications of alternative approaches, and explores how these could be best facilitated.
- Section 10 sets out the key findings and next steps.

2. Methodology

The methods for this research involved two major components of primary data collection: a pro forma exercise and qualitative research through interviews. These methods, and the target respondents for each, were chosen to reflect the practicalities of engaging with stakeholders and the extent to which the Welsh Government is aware of their use of eFSM data.

Proforma

For the purpose of this research, a proforma refers to a type of survey that was produced in Microsoft Excel. It included a series of closed- and open-ended questions that allowed respondents to provide more detailed responses. These questions sought to gather information on how stakeholders are using eFSM data, the perceived limitations of eFSM data, the impact of UPFSM, the other sources of data on SED they used, and their views on data required in future.

Two main types of proforma were designed and distributed by the Welsh Government's Knowledge and Analytical Services (KAS) between March and April 2024 to groups known to make significant use of eFSM data, namely WG policy and analytical teams and local authorities.

This was achieved via internal channels within WG, but for LAs, the research team was aware of considerable complexity and variation in their organisational structure and division of departmental responsibilities. A decision was therefore made to begin by sending the proforma to the Association of Directors of Education in Wales (ADEW) finance leads in each LA, with instructions to share the request with other relevant individuals in their organisations and to coordinate responses.

Once WG collected completed proformas, they were shared with Wavehill for analysis. Overall, 33 proforma responses were received, including 13 responses from Welsh Government officials and 19 different local authorities, meaning nearly all of Wales' 22 LAs provided some input. A further response was received from the Welsh Local Government Association (WGLA). Table 1 below sets out the number of responses by stakeholder.

Table 1: Proforma responses

Stakeholder	Proforma Response
Welsh Government	13
Local Authority	19
Welsh Local Government Association	1
Total	33

The proforma responses were collated into a single dataset for analysis in Excel. All closed-response questions were analysed quantitatively, whilst open-text responses were coded qualitatively. The qualitative coding approach was two-fold: open-text responses designed to elicit basic information, such as a respondent's job title or the name of a funding stream, were coded descriptively to label or categorise the data; more in-depth responses were coded thematically.

Proforma respondents were also invited to participate in follow-up interviews.

Interviews

To gain an in-depth understanding of stakeholders' perspectives on the research questions, online interviews were conducted primarily between May and August 2024, with additional interviews conducted to address data gaps in the months that followed. The interviews sought either to explore emerging findings from the proforma analysis in greater depth or to gather insights from a wider group of stakeholders not included in the proforma exercise.

An iterative approach was used to sample research interviewees. Initially, this involved only those who responded to the proformas, but later expanded to include others, either suggested by existing interviewees or by the Welsh Government.

In total, 39 interviews were conducted with 55 participants, as some interviews involved more than one representative. Table 2 below sets out the number of interviews and participants by stakeholder type.

Table 2: Interview participants by stakeholder type

Stakeholder type	Number of interviews	Number of interview participants
Welsh Government	14	17
Regional Consortia	1	1
Local Authority	13	20
Schools	6	6
Other Education Stakeholders	5	11
Total	39	55

Source: Wavehill Interview Data (2024)

The overall contribution to the research from Welsh Government policy teams is set out in Table 3 below, with 13 responses to the proforma and 17 interview participants. This demonstrates the relative completeness of the sample and insights gathered.

Table 3: Responses to proformas and interviews across Welsh Government policy and analysis teams

Policy and analysis team	Proforma Response(s)	Number of interview participants
Administrative Data Research Unit (ADRU)	Yes	2
Community Focused Schools	Yes	2
Curriculum and Assessment	Yes	1
Food in Schools	Yes	2
Local Government Finance	Yes	3
Post-16 Education Statistics	Yes	1
Revenue Funding for Schools	Yes	1
School Improvement and Information	Yes	_3
School Statistics	Yes	1
Tackling Barriers to Attainment	Yes	2
Tackling Poverty	Yes	1
Youth Engagement	Yes	1

Source: Welsh Government Proformas (2024) and Wavehill Interview Data (2024)

There was also strong overall engagement from local authorities, with the vast majority contributing in some capacity to the research. This is particularly valuable, given local authorities' autonomy to make decisions on education funding and service provision, and the likelihood of variation in practices from one authority to the next.

The LA sample comprised officials from different departments and job roles, reflecting the varying governance models across authorities. Table 4 below sets out the respondent type across both proformas and interviews, grouped based on the job roles of respondents⁴. This shows that over half of the LA proformas (11 out of 19) were completed by a member of staff whose job role involved finance and budget management, while respondents working in data or information management made up the greatest proportion of those who participated in interviews (5 out of 12).

³The School Improvement and Information team has been heavily involved in the coordination of this research project throughout and ensuring that it is responding to the information and data needs across Education. Semi-structured interviews were therefore not necessary as for other research participants.

⁴ The respondent types were grouped based on broad categories suggested by Wavehill.

Table 4: Proforma respondents and interview participants from local authorities

	Education leadership and strategic management	Finance and Budget Management	Data and Information Management	Operations and Support Services	Total
Proforma	5	11	2	1	19
Interview participants	3	2	5	2	12

Source: Welsh Government Proforma and Wavehill Interview Data (2024)

In addition to engagement with the Welsh Government and local authorities, a good level of engagement was achieved with other educational stakeholders, including the Children's Commissioner (one interviewee), Careers Wales (two interviewees), Estyn (four interviewees), UCAS (three interviewees) and Qualifications Wales (one interviewee). Interviews were also conducted with six school leaders, sought through Estyn's Head Teacher Reference group. This demonstrates the extent of interview coverage across compulsory and post-compulsory education, as well as the wider stakeholders involved in the delivery of education services in Wales.

Interviews were semi-structured, and interviewees were provided with a discussion guide in advance to allow them time to prepare. Once all interviews were completed, the data were coded and analysed thematically to identify common themes or topics raised.

In addition to these formal methods of data collection, other written contributions to the research have been made via correspondence with stakeholders where a full interview would not be proportionate to their use of eFSM data, or where information on specific queries was required.

Limitations

There are several limitations to this research, mainly related to the sample.

Whilst all LAs were invited to contribute to the research and the response rate was high, some were unable to complete a proforma (N=3) or participate in an interview (N=10), meaning the findings are not inclusive of all local authorities in Wales.

The sample of participants from LAs who contributed included a range of departments and job roles. However, the recruitment process was challenging, and across the participating authorities, there may be an imbalance in favour of some departments/job sectors that use the data compared to others. In addition, no single LA put forward a set of respondents who represented all possible data users within their organisation, and those who did take part were often unable to provide information on how other departments/job sectors used the data. These issues mean that there can be no certainty that all uses and views have been covered.

The fieldwork and data collection took place between March and August 2024. At that time, UPFSM had been mostly rolled out but not fully. Some changes may have occurred since then, including LAs' efforts to address eFSM claim rates that may have been affected by the policy.

Whilst it is known that organisations outside the primary and secondary education sector, such as further and higher education institutions, use socio-economic data on learners, it was beyond the scope of this study to include these bodies.

Finally, this research dealt with a complex subject matter. The stakeholder participants provided detailed information on the different ways they use eFSM, reflecting on its benefits and limitations and explaining their use of other data where applicable. However, some participants were unable to provide comprehensive, detailed information about the specific types of data they require to best meet their needs. As such, some insights into future stakeholder needs have been inferred based on data collected as a whole.

The findings of this report should be read with these limitations in mind and be seen as providing a good indication rather than a definitive picture of the situation across Wales. A cautious approach has been taken where presenting information collected through proformas and discussing the prevalence of uses raised in interviews.

3. Findings

3.1. Need for data on learner socio-economic disadvantage

This section provides an overview of the range of evidence needs that the Welsh Government and other stakeholder groups have for data on SED among learners, by the purpose for which it is used.

Understanding the nature, location, and prevalence of SED amongst learners is critical for supporting a variety of activity and education interventions. Still, the range of needs or purposes for which stakeholders require data on socio-economic disadvantage can be categorised into several broad areas:

- Informing and developing policy
- Calculating and distributing funding
- Providing targeted support
- Statistics and monitoring of outcomes
- School Improvement
- Managing catering

The section sets out, in turn, findings for stakeholders, including policy teams within Welsh Government, local authorities, public bodies, and schools.

Welsh Government

Information on socio-economic disadvantage plays a critical role in delivering the Welsh Government's policy commitments, such as the National Mission and various services, including those in local government, education, finance, and poverty. The evidence needs or purposes for use among Welsh Government officials reflect the categories outlined above, but the exact uses differ across policy and analytical teams. The needs of officials working on policy development in different areas are presented in no particular order below:

- **Tackling Poverty** officials monitor the impact of interventions designed to mitigate poverty's effects on educational attainment. Data on socio-economic disadvantage amongst learners help inform and develop policy and provide insight into designing, delivering, and measuring the relative success of policy interventions targeted at mitigating the potential impacts of disadvantage.
- **Youth Engagement** officials need to identify young people at risk of or becoming not in education, employment or training (NEET) or who are at risk of youth homelessness, to provide appropriate, targeted support to those at risk.
- **Tackling Barriers to Attainment** officials have a remit to reduce the impact of poverty on children's educational outcomes in low-income households. They require evidence of learners' socio-economic disadvantage to calculate and distribute funding to local authorities, schools, and families to address this.

- **Community Focused Schools (CFS)** officials also work to tackle the impact of poverty on attainment via [CFS approaches](#), including using evidence on socio-economic disadvantage to calculate and distribute funding, provide targeted resources and support, and monitor outcomes at the school level as part of efforts to assess the implementation of the policy.⁵
- **Local Government Finance** officials require data on socio-economic disadvantage amongst learners to calculate and distribute core funding to local authorities in a way that reflects the socio-economic profile of their learners. This ensures the amount of funding provided is reflective of need and is distributed equitably.
- **Revenue Funding for Schools** officials require evidence on socio-economic disadvantage to calculate and distribute a range of education funding grants.
- **Food in Schools** officials need to understand the scale of learners' demand for food in schools to calculate and distribute funding for the universal provision of free school meals. In addition, they are responsible for eFSM policy, including monitoring the take-up and impact of meal provision.
- **Curriculum and Assessment** officials support the development and implementation of the Curriculum for Wales, including assessment arrangements. There is a need for evidence on socio-economic disadvantage to monitor learner outcomes and how these vary based on disadvantage as a means of assessing implementation of the new Curriculum.
- **School Improvement and Information** officials oversee the use of data within the school system and therefore, need to ensure appropriate data is accessible to those with evidence needs. The division is also responsible for producing reporting tools (AWCDS and My Local School) to support school improvement and self-evaluation and to uphold data transparency. It also produces guidance that sets expectations around data use in the school system.
- **School Statistics** officials develop research and statistics relating to learners in maintained settings, including collecting and publishing PLASC data and national statistics. Their evidence needs are to ensure appropriate data availability to generate robust statistics on the numbers of learners experiencing socio-economic disadvantage and to generate information on their educational outcomes to inform the work of WG and wider partners.
- **Post-16 Education Statistics** officials also develop research and statistics for learners in maintained settings, but for those beyond compulsory school age. Their need is to inform the tracking and monitoring of post-16 outcomes⁶.

⁵ [Community Focused Schools](#)

⁶ Note that as of 1st August 2024, Post-16 Education Statistics is managed by Medr, the new body for Tertiary Education in Wales. The data collection for this research was conducted before this date, and findings related to Post-16 Education Statistics are therefore considered as part of Welsh Government.

- **Administrative Data Research Unit (ADRU)** officials need statistics on socio-economic disadvantage to make this data available for researchers through the Secure Anonymised Information Linkage (SAIL) Databank, and to use administrative data for research to inform policy development and debate.

Local authorities

Local authorities play an important role in the education system and have a legal duty to provide adequate school places and to ensure every child achieves their full potential. Their role also includes providing local leadership, overseeing and delivering services to young people, families, and schools, and allocating funding for schools within their area. There are various purposes for which local authorities require access to data on socio-economic disadvantage among learners:

- Informing and developing policy, using data to inform local corporate plans and strategy development, as well as specific policies such as attendance and how to support schools with these issues. It is also used for forecasting budgets in relation to funding.
- Calculating and distributing funding, where data is used to ensure that different forms of funding are provided to schools and families in a way that is equitable and reflective of need. Each LA decides on the exact formulae for calculating funding allocations to schools for distribution in consultation with their school forums, but the number of learners from a deprived background is the main element.
- Statistical purposes and monitoring outcomes, where data is required to track school-level and individual-level outcomes such as attendance or attainment and to benchmark them against other local authority areas.
- School improvement, where data is used to identify learners and support interventions. This helps the local authority understand how its schools are meeting the needs of disadvantaged learners.

In addition, the **Welsh Local Government Association (WLGA)**, as a representative body for all local councils in Wales, has an evidence need for this data to provide support and resources for local authorities, including for research or to assist in the design and implementation of food programmes.

Schools

Schools require data to provide contextual information for their school improvement activities, identifying the range of barriers faced by individual learners and ensuring their needs are met. More specifically, it involves:

- Monitoring school-level or individual outcomes for disadvantaged learners and identifying priority areas for improvement planning.

- To benchmark outcomes against other similar schools known as ‘families’ as identified within the AWCDS, to enable a contextualised understanding and sharing of practice with schools facing similar levels of challenge.
- To identify learners who are more vulnerable to the impact of disadvantage and may require additional financial or non-financial support, i.e. academic or pastoral, to aid their progression in overcoming any barriers to their learning, and to inform the design and delivery of interventions.

Public bodies

There is a range of other public bodies and organisations that provide public services in Wales related to the delivery of education to children and young people. The evidence needs of a selection of these stakeholders are addressed below.

- **Estyn**, the school inspectorate in Wales, requires data to provide context for inspection work. In [guidance](#) relating to the inspection process, they outline how data used for monitoring learner outcomes can aid the assessment of how effectively schools, PRUs, and local government education services are reducing the impact of poverty on educational attainment, attendance, and the well-being of pupils. They also use the data to inform their thematic reviews, which then feed into policy development.
- **Qualifications Wales** regulates qualifications in Wales. They need evidence on learners' socio-economic disadvantage to monitor outcomes and inform the development and evaluation of qualifications.
- **Children’s Commissioner for Wales** safeguards and supports the rights of children and young people. They need data as part of their policy and advocacy work, holding the Welsh Government to account in relation to the rights (United Nations Convention on the Rights of the Child) and welfare of children.
- **Careers Wales** provides an independent and impartial careers information, advice and guidance service. They need to understand socio-economic disadvantage amongst learners to identify those who may require additional support as part of schools' careers support services.

Other stakeholders

Universities and Colleges Admissions Service (UCAS) manages applications for university and higher education courses and uses the data as part of its role in tertiary education. This includes influencing the targeting of additional support, such as advice and guidance through the Fair Access Programme or outreach work with schools and colleges. The data also provides a means to measure progress in widening participation. The table below summarises stakeholders' uses of data on socio-economic disadvantage among learners, grouped by the broad categories identified in this research.

Table 5: Stakeholders' needs and purposes for using data on socio-economic disadvantage among learners

	Informing and developing policy	Calculating and distributing funding	Providing targeted support	Statistics and monitoring outcomes	School Improvement	Managing Catering
Welsh Government	✓	✓	✓	✓	✓	
Local Authorities	✓	✓	✓	✓	✓	✓
Schools			✓	✓	✓	✓
Estyn				✓	✓	
Qualifications Wales				✓		
Children's Commissioner for Wales	✓					
Careers Wales			✓	✓		
UCAS			✓	✓		

3.2. Current use of eFSM data

This section outlines how stakeholders are currently using eFSM data to meet the range of evidence needs and purposes outlined above. It discusses how they are using the data and what this entails.

The initial proforma issued to stakeholders provided only four categories of need or purposes for use through which respondents could discuss their use of eFSM data.

Table 6 below sets out proforma responses. The majority of both WG and local authority representatives reference using the data to inform and develop policy. Less than half of Welsh Government respondents reported using data for the calculation and distribution of funding, compared to all local authorities. Beyond this, the data is most widely used by all stakeholder groups for statistics and monitoring of outcomes, with 9 of the 13 Welsh Government respondents and all 19 local authority respondents giving this answer.

Table 6: A count of purposes for which stakeholder groups use eFSM data

	Welsh Government (n=13)	Local authorities (n=19)	Welsh Local Government Association (n=1)
Informing and developing policy	8	13	1
Calculating and distributing funding	6	19	1
Statistics and monitoring of outcomes	9	19	1
Managing catering in schools	N/A	17	N/A
Other	1	1	1
Total	13	19	1

Source: Proforma respondents

Providing targeted support and school improvement was not included in the proforma. Based on interviews, however, it was evident that the stakeholder group widely used eFSM data for these purposes.

The section now considers each category of need or purpose for use in turn.

Informing and developing policy

The research found that many stakeholders used eFSM data to inform and develop a range of policies, some more general in nature and others specifically related to education and socio-economic disadvantage.

At the national policy level, eFSM data is used in [national indicators](#) to assess progress towards achieving the seven well-being goals of the Well-being of Future Generations Act (WBFG). National Indicator 7 tracks average educational achievement, including the gap between those eligible and those not eligible for FSM. This informs progress towards the well-being goals of a prosperous Wales, a more equal Wales, and a Wales of vibrant culture and thriving Welsh language. eFSM data also informs local authorities' own WBFG assessments, as required for all public bodies in Wales.

Proforma respondents and interviewees also highlighted the use of eFSM data to inform broad strategic plans for child poverty within the Welsh Government and across local authorities.

“It’s used mainly in relation to poverty and specifically child poverty...[and]... is used several times a year in preparation for the poverty sub-group meetings and for any deep dives looking at poverty in specific areas. There is one at the moment looking at a selection of school areas, so eFSM will appear in that.”

Local authority proforma

In terms of education, eFSM data informs the development and monitoring of a range of Welsh Government policies and programmes designed to improve outcomes for children, for low-income families, and to contribute to the objectives of the [National Mission: high](#)

[standards and aspirations for all](#). eFSM data has, for example, been used to monitor and refine the School Essentials Grant (SEG) and the Pupil Development Grant (PDG).

Data on eFSM has influenced policy relating to Community Focused Schools by informing decisions on the provision of support and has been used to determine the investment associated with the [Winter of Wellbeing](#) and changes to the allocation of [Family Engagement Officers](#). It has also fed into different aspects of the Food in Schools policy.

Moreover, the data is used to assess whether grants and programmes are meeting the needs of learners from low-income families. For instance, eFSM is used as a proxy when reviewing the take-up of Food in School policies to determine if they are supporting target groups. The Curriculum and Assessment Division in the Welsh Government also ensures that any policy or support for curriculum or assessment is tested in schools and settings with high proportions of learners eFSM.

During interviews with stakeholders, examples were given of how eFSM data informs wider decision-making in the education sector. For instance, Qualifications Wales routinely uses eFSM data as part of equality impact assessments when considering [qualifications reform](#) (for example, the proposed design for new GCSEs and related qualifications) to assess the potential impacts associated with socio-economic disadvantage and how the reforms could improve the well-being of future generations and support and promote children's rights.

Similarly, the Children's Commissioner for Wales often uses the data as part of their work to hold the Welsh Government to account for the decisions they make and how these affect children's rights. eFSM is predominantly used as a source of contextual information for the Children's Commissioner (for example, through its [research](#) on child poverty). It was suggested that other third-sector stakeholders, such as the Bevan Foundation and NESTA, also use eFSM data as part of their policy and advocacy work on child poverty.

Calculating and distributing funding

Both the Welsh Government and local authorities use eFSM data to assess budget requirements for implementing policies that address educational inequality. This trend data is also useful for making the business case for introducing, enhancing or maintaining a certain policy or programme.

"[eFSM data] is really important in terms of ... knowing the degree to which further resourcing is required, changes in the way that the funding is administered or the guidance...around that funding to make sure that we're not having unintended consequences."

Welsh Government interview

There are two forms of funding for which the data is used to calculate and distribute: hypothecated funding, which is dedicated to a specific purpose, and unhypothecated funding, in which the recipient can allocate the funds as they see fit. It should be noted that the following sections focus only on aspects pertinent to, or reliant on, data from the eFSM indicator, rather than a full review of all education and school funding.

Hypothecated funding

The Welsh Government and local authorities use several funding streams to support the implementation of specific policies or to target additional resources.

The Local Authority Education Grant (LAEG) is a combined grant awarded to local authorities, which then delegates most of the funding to schools and other learning settings. This grant combines previous pre-16 education grant funding into four funding elements, three of which use eFSM as part of the allocation formula⁷.

The three strands that use eFSM are:

- Equity funding, which supports equity in education policy, with outcomes to support policy objectives including those related to socio-economic disadvantage, and minority ethnic and Traveller/Gypsy Roma Traveller learners, and other policy areas such as care-experienced children, home-educated learners, and Community Focused Schools.
- Reform consists of funding that will support education reform initiatives. It supports outcomes for Curriculum for Wales, additional learning needs (ALN), the whole-school approach to emotional and mental wellbeing and professional learning and leadership.
- Cymraeg 2050, which supports schools, settings, and local authorities in achieving the Cymraeg 2050 objectives related to the Welsh Language.

As part of the Equity strand, the PDG is given directly to local authorities by the Welsh Government and distributed to schools and educational settings. This grant is key to implementing the Welsh Government's National Mission relating to high standards and aspirations for all and is designed to reduce the barriers that children and young people from low-income households often face to achieving their potential.

The amount of main PDG, EYPDG, and EOTAS PDG funding given to local authorities, schools and settings is based on the number of:

- children and young people aged 5 to 15 in a school or alternative setting (e.g., a pupil referral unit) who are eFSM based on the latest school census (PLASC) data, and
- children aged 3 to 4 in a school or non-maintained settings, such as nurseries, who are eFSM based on the latest school census (PLASC) data.

As outlined above, the equity strand of the LAEG from the Welsh Government also provides funding to local authorities to support the Community Focused Schools policy for schools to appoint a Community Focused Schools Manager, with equal funding allocation across local

⁷ The fourth strand of LAEG funding not allocated on the basis of eFSM relates to School Standards. It merges the Education Improvement Grant (EIG) funding, the Recruit Recover and Raise Standard (RRRS) funding and the Early Education (non-maintained settings) funding. This combined funding package provides support to schools, settings, and local authorities.

authorities. Three proforma respondents referenced this as an aspect of funding distributed based on eFSM data.

Two local authorities also noted that this funding provides additional capacity for Family Engagement Officers and Education Welfare Officers in schools, with 50% of the funding weighted by the proportion of pupils with eFSM.

The Reform strand of the LAEG is split into 13 different allocation areas with varying methodologies of distribution, four of which include an eFSM factor:

- Curriculum Reform, allocated to local authorities to decide how it will be distributed to schools and settings.
- School-led professional learning to enable schools and settings to engage in enquiry, research and pedagogy.
- Literacy and numeracy capacity, which supports schools and PRUs in their work, ensuring learner progression across the curriculum in mandatory cross-curricular skills.
- Curriculum support, where a base allocation is provided to each local authority and the remainder is allocated on pupil and school numbers, including an eFSM factor. This funding supports local authorities, schools and PRUs to ensure a flexible programme of targeted interventions to support curriculum reform.

For the delivery of the Cymraeg 2050 strategy, there are four allocation areas, one of which includes an eFSM factor related to Welsh professional learning. The purpose of Welsh professional learning funding is to enable local authorities to provide support for English-medium schools to improve the teaching of Welsh.

Aside from the Local Authority Education Grant, there are a range of separate additional funding streams that support the Welsh Government's ambitions around educational inequality, including funding for local authorities, schools and families:

The Welsh Government provides the Universal Primary Free School Meals (UPFSM) grant to local authorities to support the delivery of UPFSM. Data informs these grant allocations on eFSM pupils, including those who were previously eligible and are now transitionally protected. By identifying the total number of eligible pupils, the number of ineligible pupils can be calculated, which helps estimate likely demand and determine the scale of UPFSM funding.

Local authorities also provided details on how eFSM is used to allocate food to secondary schools. For example, two local authorities noted providing funding for schools' holiday enrichment programmes and breakfast clubs. One of these local authorities also discussed the provision of funding for 'Food and Fun', a school-based education programme that provides food and nutrition education, physical activity, enrichment sessions and healthy meals to children during the school summer holidays. It is funded by the Welsh Government but administered by the Welsh Local Government Association (WLGA), which directs the funding and works in partnership with local authorities to deliver it where required. Schools

that meet the minimum threshold of 16% eFSM pupils are eligible to access this funding to deliver the Food and Fun programme.

The School Essentials Grant (SEG) is designed to support low-income families in covering the costs of the school day, including school uniforms, equipment, sports kits, and extracurricular activity kits. Twelve local authorities (nearly two-thirds of proforma respondents) noted that they used eFSM data in the distribution of the SEG. This funding is allocated from the Welsh Government to local authorities, who then distribute it directly to eligible families, who receive £125 per eligible learner, and £200 for learners entering Year 7.

While there is no official requirement to do so, one local authority noted using eFSM data to inform the rollout of the Flying Start scheme, and to identify new areas to target for the extension of the scheme within the local authority. The scheme is a geographically targeted funding programme that uses income benefit data as a proxy indicator for poverty to target areas with the highest proportions of children aged 0-3 living in income benefit households.

One local authority noted using eFSM to allocate funding for free peripatetic music provision for pupils from low-income households within the local authority, whilst several noted that eFSM data is used by schools when considering subsidising learners for school trips or other extra-curricular activities.

Unhypothecated funding

The Local Government Settlement set by the Welsh Government provides the majority of funding for local authorities and in 2023/24 accounted for 60% of what they receive⁸. Often termed as 'The Settlement', it is unhypothecated, allowing each local authority to decide how to allocate its available resources to the various services it provides, including education, and within that, how much funding to give to schools.

Most elements of the settlement are distributed using the indicators of population, population sparsity, and disadvantage. eFSM is used as the proxy for socio-economic disadvantage for certain aspects of the settlement, namely in the assessment of the relative need to allocate funding for teaching and other services. For primary and nursery pupils, 8.7% of the budget is assigned based on the proportion of primary school pupils eligible for FSM, and 9.3% for secondary schools.

Using funding from the Local Government Settlement and other sources, local authorities then set the individual budget for each school they maintain, known as the Individual Schools Budget (ISB), by apportioning it according to their own locally determined formula⁹. According to school funding regulations, 70% of ISB funding must be distributed based on pupil numbers, with discretion to distribute the remaining 30% based on a range of factors, including deprivation.

School funding regulations state that a local authority must, in determining budget shares for both primary and secondary schools that it maintains, take into account, within its

⁸ Other funding sources for local authorities include through taxes and other specific grants.

⁹ These formulae are set within the parameters of the [School Funding \(Wales\) Regulations 2010](#)

formula, a factor or factors based on the incidence of social deprivation among pupils registered at all such schools. Variation in how eFSM data was used within the ISB was evident across local authority proformas. Table 7 below shows that of the 19 local authorities who responded to the proformas, 15 confirmed that eFSM is used as part of their ISB formula in some regard; however, five of these did not specify how the data is used.

Among the ten local authorities that specified the role of eFSM, eight used it as the sole criterion for weighting ISB funding to account for socio-economic deprivation,¹⁰ while four used it to inform the distribution of ALN funding. Others suggested that they use eFSM data in the ISB to inform the distribution of funding for FSM and clothing allowances, but these are excluded from the formula as outlined by WG, and may reflect a misunderstanding on the part of the local authority. It should be noted that these figures are based on what was reported by local authorities in free-text responses to the proforma, but in reality, the number of local authorities using eFSM data in the ways stated may be higher.

Table 7: Use of eFSM data within the ISB formula (coded responses)

ISB sub-formula	No. local authorities
Deprivation	8
ALN	4
Free School Meals	5
Clothing	1

Source: Local authority proforma (n=10)

Please note that this was coded from free-text responses; therefore, there may be further uses not indicated by stakeholders.

Local authorities provided information on the range of formulae they use to allocate the ISB for the purposes presented above, examples of which included:

- In a demand-led way, where the volume of funds is dictated directly by the specific number of pupils eligible for FSM;
- Threshold approaches where schools with an eFSM proportion over a certain eFSM proportion receive an uplift in funding in addition to the core ISB allocation; and,
- Weighted approaches, where funding is allocated proportionately based on eFSM rates or bandings of eFSM rates in school populations.

¹⁰ Two of these local authorities referred to “social needs” to indicate to socio-economic deprivation.

Providing targeted support

Stakeholders reported using eFSM to identify young people who may need targeted support beyond what is provided in school settings. In the main, this relates to young people who are at risk of becoming NEET or homeless.

There is evidence that childhood poverty can increase both the risk of NEET and the risk of youth homelessness¹¹. eFSM is therefore included in the [early identification guidance](#) for local authorities as part of the Youth Engagement and Progression Framework (YEPF), which is a systematic mechanism to identify and respond to young people at risk of becoming NEET, who are NEET and/or who are at risk of homelessness. The early identification guidance, therefore, focuses on prevention and putting appropriate support in place for young people who are at risk of living in poverty throughout their lives.¹²

“It [eFSM] is useful as part of an overall understanding of what's going on in a young person's life...if you put eFSM and children's services involvement and exclusion from school, you've got a pretty potent cocktail then for getting kids onto a not very good pathway. eFSM is quite an important indicator for risk of homelessness.”

Welsh Government interview

Local authorities' use of eFSM data as a proxy for deprivation in the early identification of young people at risk of NEET was evident in pro forma responses, with LAs noting the extent to which eFSM contributes to pupil-level vulnerability assessment profiles (VAPs). As an indicator of socio-economic disadvantage, eFSM is typically used alongside other supplementary indicators to identify those at risk of disengaging or becoming homeless, alongside the primary indicators associated with attainment, attendance and behaviour. Collectively, the basket of indicators, including eFSM, yields a composite score to determine the level of risk of NEET. Four local authorities confirmed this was the case:

“It is used alongside WIMD as a deprivation measure on our pupil level Vulnerability Assessment Profiles (VAP). We tend to use FSM6¹³ rather than just current year entitlement, as so many pupils change FSM status regularly.”

Local authority Proforma

In addition to these, local authorities also referred to the use of eFSM to measure deprivation in relation to developing childcare provision, specifically in targeting the Childcare Offer¹⁴ and Flying Start childcare.

¹¹ [Preventing Youth Homelessness: What Works](#) Centre Point, 2016.

¹² Strengthening the YEPF is a Programme for Government commitment.

¹³ FSM6 refers to pupils who have been eligible for free school meals at any point in the past six years.

¹⁴ This provides 30 hours a week of childcare for eligible parents of 3-4 year olds, for up to 48 weeks a year.

Statistics and monitoring outcomes

Welsh Government and national statistics

The Welsh Government collects pupil data annually from every school through the PLASC. PLASC data is made publicly available on [StatsWales](#) each summer, where information on the number and proportion of pupils eligible for free school meals by school, local authority, region, and year can be downloaded. Some legacy data, which is no longer updated, also includes breakdowns by gender, key stage, and school year.

The Welsh Government often uses eFSM data when undertaking and publishing statistical analyses that explore the relationships between SED and attendance¹⁵, academic achievement¹⁶, and examination results,¹⁷ as well as supporting more ad hoc analyses. Statistical analysis comparing different learner outcomes by eFSM status and other characteristics is reported to ministers and senior leaders and used to inform the policy process.

The Welsh Government also include eFSM data in its production of the All-Wales Core Data Set (AWCDS), which provides analyses and contextual information for schools and local authorities (the use of this data by other stakeholders is addressed below). It is also used as part of publicly available information accessible via [My Local School](#), which provides school-level analyses for parents and families to support public understanding and transparency of school data.

The Welsh Government also recently completed a [consultation exercise](#) on using data in the school system and on learner indicators for 14-16 year olds to help inform and support individual learners' progression. It has subsequently confirmed the direction for future data use to support learning and improvement, with a focus on contextualisation and on identifying and supporting individual needs. eFSM is expected to continue to serve as a proxy SED measure within this approach.

Every three years, eFSM data contribute to the Programme for International Student Assessment (PISA), which assesses the knowledge and skills in mathematics, reading and science of a sample of 15-year-old learners in education systems across the world. PISA enables the monitoring of outcomes over time and comparison across countries and is an important aspect of school improvement. eFSM is the data used as a proxy for socio-economic disadvantage in Wales in this analysis (see [Ingram et al., 2023](#) for the most recent).¹⁸

The Administrative Data Research Unit (ADRU) within the Welsh Government makes microdata available to accredited researchers via the SAIL (Secure Anonymised Information Linkage) Databank. Within SAIL, the data can then be linked to other datasets. A substantial proportion of the data provided to SAIL relates to education and has historically included

¹⁵ For example, [Attendance of pupils in maintained schools: 4 September 2023 to 19 January 2024](#).

¹⁶ For example, [Academic achievement of pupils at Key Stage 3: September 2022 to August 2023](#).

¹⁷ For example, [Examination results: September 2022 to August 2023](#).

¹⁸ Wales will also participate in the additional international assessment tools [TIMSS and PIRLS](#) from 2027. More detail can be found in [Written Statement: Participation in PIRLS and TIMSS | GOV.WALES](#).

eFSM data. Academic researchers accessing education data in SAIL have used eFSM data as a proxy for socio-economic disadvantage in several studies¹⁹.

Beyond compulsory education, eFSM data is also important for the production of statistics relating to post-16 learners, including the further and higher education sector, apprenticeships, the adult learning sector and some aspects of sixth-form provision in schools. As of August 2024, work related to the promotion, funding and regulation of further and higher education, including the production of post-16 statistics, is delivered through the new public body, Medr (formally CTER).

Outcomes for post-16 learners are captured using the [Consistent Performance Measures for Post-16 Learning](#), which covers general and vocational education in sixth forms and colleges. It looks at progression across all the qualifications a learner took at this level, as well as grade outcomes. Two types of proxy indicators for disadvantage are used:

- Data from the 2019 Welsh Index of Multiple Deprivation (WIMD) is used to ascertain the socio-economic deprivation of the area where a learner lives.
- A measure of ‘ever’ eFSM, i.e., whether a learner was eligible for FSM at any point during their time in secondary education, provides individual-level data.

A key aspect of Medr’s work in producing statistics on post-16 learners is the production of a matched education dataset, linking PLASC, which contains eFSM data, with the Welsh Examinations Database, education other than at school (EOTAS), the Census, and the post-16 data collection in sixth forms. This is then linked to the Lifelong Learning Wales Record (LLWR), the administrative data source that enables the tracking of learners through the education system, and supports the planning, funding, monitoring and quality assurance of post-16 policy, provision and official statistics.

The UK Government also uses LLWR as part of the Longitudinal Educational Outcomes (LEO) data. As the [privacy notice for the LLWR](#) sets out:

“This involves education records being linked to employment, earnings and benefits records held by the Department for Work and Pensions and HMRC, in order to identify and analyse the destinations of learners into further learning and/or employment once they have left learning. The Welsh Government will analyse this linked data for statistical and research purposes. This will include using it to assess the effectiveness of policy in the area of education and training, for example, looking at how many people with particular qualifications go on to get specific jobs, comparing outcomes for people who go to different education or training providers or seeing whether particular schemes have achieved what they were supposed to achieve.”

In addition to uses relating to further education, the Welsh Government have recently investigated the suitability of FSM history as a contextual indicator for predicting outcomes associated with apprenticeships and adult learning. Existing research found that whilst

¹⁹For example, [Huxley and Davies, 2023](#); [Huxley and Davies, 2024](#); and [Bandyopadhyay et al, 2021](#).

eligibility for FSM during secondary school is a meaningful predictor of apprenticeship outcomes, it is not a suitable measure for other adult learning outcomes at present, due to the low proportion of older learners for whom data are available ([Welsh Government, 2023](#)).

“We have also explored the possibility of developing eFSM measures for the adult learning sector, but this is not currently feasible due to a poor match rate between adult learner records and their PLASC records due to the older age profile of learners in the adult learning sector.”

Welsh Government interview

Finally, Qualifications Wales also collects data from qualifications awarding bodies and publishes official statistics on various aspects of the qualification system to assess patterns and trends in enrolment and achievement.

“It's used for supporting review and reform processes for secondary data analysis. Understanding who's taking what qualifications, what the results look like, how that varies across centres....”

Qualifications Wales interview

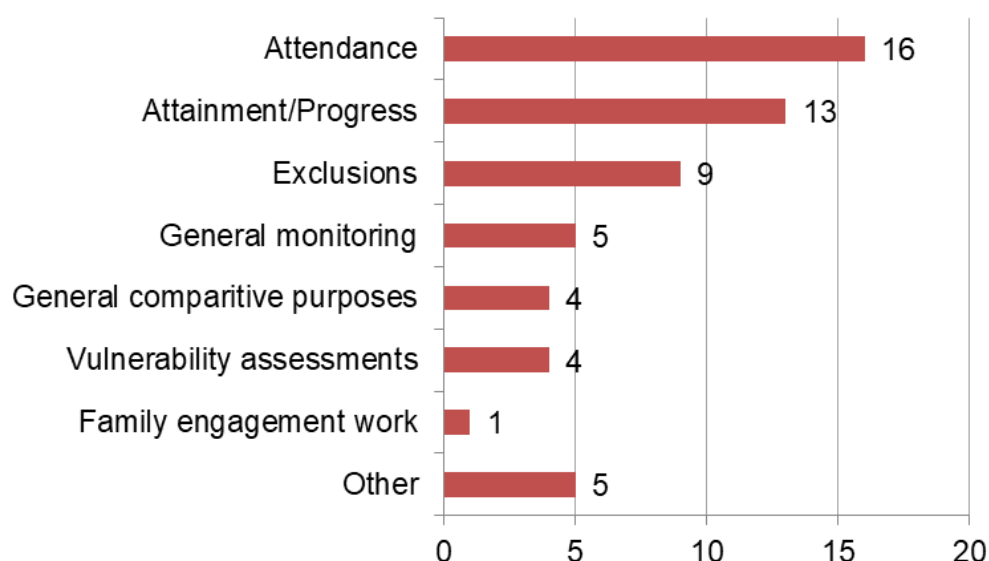
School Improvement

Local authorities and schools also use eFSM data as a key aspect of their different school improvement activities. The purposes for which the data is used in this sense can be broadly grouped under the following areas:

- Monitoring and benchmarking outcomes, including evaluation;
- Identifying learners vulnerable to the impact of disadvantage; and,
- Designing and delivering local and school-level interventions.

In the first instance, data on eFSM is used by these stakeholders for monitoring educational outcomes. Amongst the 19 local authorities that contributed to this research, 18 use eFSM data in this way. As set out in Figure 2, most of these local authorities (16/19; 89%) use eFSM data to monitor attendance, nearly three-quarters use it to monitor attainment or progression (13/19; 72%) and half use eFSM when monitoring exclusions (9; 50%). Four local authorities used eFSM data to compare their educational outcomes with other local authorities and national averages, and to benchmark them by considering how the rank of their authority relates to their eFSM rank. Other responses noted include supporting the take-up of grants, targeting additional support, and monitoring referrals to other services.

Figure 2: Uses of eFSM data for statistics and monitoring by local authorities



Source: Local authority proforma (n=19)

Schools also use eFSM data as a key indicator for monitoring the relative progress of individual pupils. Interviews with teachers provided examples of how the data is used in practice within these settings, both for this purpose and when analysing wider survey data to understand variation in pupil attitudes.

“We analyse data on Maths, oracy, Welsh, etc. Those in poverty consistently perform lower than those not on FSM”.

School interview

“Comparing eFSM data with Pupil Attitude to School and Self (PASS) data to understand what, if any, variation there may be due to socio-economic disadvantage”.

School interview

As noted above, the Welsh Government produces and makes available a range of data to support school improvement through the AWCDS. This dataset includes statistical breakdowns that enable local authorities, schools (and, until recently, regional consortia²⁰), to explore educational outcomes across several key contextual and demographic metrics, of which eFSM/non-eFSM is one.

One key function of the AWCDS is that it groups schools into ‘families’ based on similarities, including the level of eFSM and the proportion of pupils using WIMD who live in an area classed as the 20% most deprived wards. Local authorities and school leaders can then access this information to compare their outcomes with those of other schools facing similar types and levels of challenge. This information may then be used to highlight where

²⁰ See [written statement](#).

improvement is needed and facilitate the sharing of practice. A local authority lead explained:

“We have all our school reports [on learner outcomes] broken down by both gender and eFSM versus non-FSM. We monitor that closely, and we report that internally, we would [also] feed that back to schools. School Improvement officers would then monitor those gaps, as well as the actual raw performance”.

Local authority interview

Schools also noted how they make use of the AWCDs family groups data in these ways.

Interviews with school improvement leads in local authorities highlighted the role of eFSM data in supporting schools with their self-evaluation process, in particular, moving from a narrower focus on outcome data to gauge school performance to a more holistic understanding of school effectiveness and learner progression.

“We work with school leaders on developing a deeper understanding of what works for our free school meal pupils in terms of what we've identified through self-evaluation and aspects of their own learning, whether it's issues around teaching, cross curricular skills, literacy, numeracy and around attitudes to learning...it's being aware of the impact poverty has on that, on children's ability to make progress in those areas, rather than coldly analysing your data”.

Local authority interview

“Self-evaluation in a school initially would have been around data analysis and performance [but] evaluation ...now centres around whether a school that knows itself well, can identify what it does well, in terms of the progress children make and how teachers [can] support that, , and then plan for the improvement of those things and demonstrate that they can bring about those improvements”.

Local authority interview

There were mixed responses from local authorities regarding the extent to which eFSM data is used to inform school-level support targeting. Some interviewees highlighted that it informs conversations about school improvement, but that it is ultimately not the basis for decision-making. It should be noted that school improvement leads were cautious about relying on eFSM data and instead focused on understanding the needs of their local school leaders and learners.

“Broadly speaking, we don't use [eFSM] as a comparator. What do the school improvement team do with that information? Not a huge amount actually. We look at what's in front of us, which is children and young people. We're not judging a book by its cover, but seeing what they're good at, and we act accordingly”.

Local authority interview

“We don't use the FSM indicator to differentiate the support a school gets; we differentiate on the level of need. If there is a high level of eFSM pupils, we might

discuss that school in terms of its provision for vulnerable learners. We may be signposting them for additional support with additional needs, whether it be a behavioural need or something like that, but in terms of school improvement outlook we don't use it in that way to inform the overall level of support".

Local authority interview

Nevertheless, responses to local authority proformas highlighted how eFSM data and the AWCDs are used to inform the development and design of targeted support interventions and additional resources for learners in schools. This includes decisions relating to an enhanced level of support for learners or families via referrals, such as through a family engagement officer.

"When the Welsh Government allocate funding for family engagement officers and community-focused school managers, we decide on schools that would best benefit from that additional intervention based on a combination of FSM numbers, but also WIMD".

Local authority interview

Data on eFSM is also used to target support through a range of aspects of school life. Local authority proformas highlighted how schools in their area use the data to identify and recruit disadvantaged learners to pupil voice forums such as school councils and to ensure they are represented across ability groups. One local authority proforma respondent noted how eFSM data also informed the focus of lesson observations, where consideration is given to the progress of such learners:

"I think pupil voice, as well as voice on school councils. Proportional representation is a big thing; conventionally, eFSM learners aren't particularly well represented in school clubs, on school teams. But it's been the deliberate targeting of those learners to encourage them to participate in to make their school lives as rich as possible".

Local authority interview

For school leaders providing targeted support for individual learners, one interviewee noted using data on eFSM status to provide subsidies and remove some of the financial barriers for learners to attend school trips.

"For residential trips, FSM...[learners]...get subsidised to incentivise them to attend. That tends to encourage registration, but not wholly".

School interview

In addition, interviewees gave examples where data on the eFSM status of individual pupils were used to determine and provide support to learners as needs emerged, for example, to buy additional equipment to facilitate learning.

"We ensure that no child is disadvantaged in any aspect of their school life because they're [eligible for] free school meals. So, if, for example, we were doing a construction course where children are expected to have special boots, we'll buy

them, we don't have any expectation that children would have to provide them for themselves, so it's that equity of provision”.

School interview

Some local authorities and schools also noted involvement in the Raising Attainment of Disadvantaged Youngsters (RADY) programme, which focuses on identifying SED learners in schools and ensuring they receive the necessary support to achieve in line with their non-disadvantaged peers. School improvement leads explained the range of ways in which the principles of RADY were applied in practice, and how eFSM data contribute to support allocation. In one local authority, eFSM was used to allocate support to individual learners, whilst in another, the number or proportion of eFSM learners at a school level was used as a criterion to determine which schools would get support.

“[The principles of RADY are about] identifying learners that are vulnerable for whatever reason. The primary indicator then would be whether the [individual] learners are eFSM or not. But it's just getting to know the needs of the learners, putting those needs in the family context, and doing what you can really to support at an individual level”.

Local authority interview

In addition to stakeholder uses of eFSM outlined above, Estyn, the education and training inspectorate in Wales, uses eFSM data primarily in three ways for the purpose of improving schools across Wales:

- To provide information on the socio-economic context of each school to inform inspections by taking into account the impact of poverty on pupil achievement.
- To monitor outcomes for disadvantaged pupils, particularly at the end of Key Stage 4, and to assess how effectively schools are serving pupils from low-income households.
- To provide a benchmark of outcomes in a school plotted against eFSM rates, allowing Estyn to compare schools fairly based on their socio-economic context.

Managing catering

The provision of FSM is the primary purpose via which data on pupils' eligibility is collected. However, the data is also used by local authorities to manage school catering, most of which is provided by 'in-house' catering services, while others use private contractors²¹. It informs a range of decision-making related to both the demand and supply of food provision.

“It is crucial in planning both capital and revenue budgets for catering services to ensure that the annual budget provision for free school meals is sufficient”.

²¹ [Healthy Eating in Schools](#), Welsh Local Government Association.

For catering services managed by the local authority, eFSM data helps determine the size of catering provisions in individual schools and informs the number of catering staff needed. This ensures that schools are appropriately resourced, based on the number of eligible pupils.

For those who do not manage in-house services, local authorities use eFSM data to allocate funding to schools through service-level agreements. These schools can then purchase catering services from independent providers.

Local authorities also often monitor the uptake of free school meals among eFSM pupils to gauge actual demand compared with eligibility. This includes reviewing overall meal uptake data for paid, eFSM, and UPFSM meals to manage catering service operations. This was noted to support decision-making regarding menu offerings, meal quantities, and the adequacy of the food supply.

3.3. Strengths and limitations of eFSM data

This section builds on insights from the wider literature by exploring stakeholders' views on the strengths and limitations of the eFSM data as a proxy for disadvantage, in relation to their needs and uses of the data. It also considers its future viability.

Strengths

Individual-level

Importantly, eFSM is the only proxy for SED available at the individual learner level that directly reflects a pupil's household circumstances in the form of income.

Stakeholders perceived that the granularity of eFSM data reflected individuals' circumstances at lower levels of geography than other, more area-based measures.

"It [eFSM indicator] helps us pinpoint individuals and [geographical] pockets of deprivation".

Local authority interview

"So the main benefit for us has been just the fact that it's a learner-level measure. Our go-to deprivation measure has always been an area based ...but that's the deprivation of the area, not the deprivation of the individual in the data. So at least the FSM as a measure is some kind of proxy for that individual-level kind of socioeconomic disadvantage picture".

Welsh Government Interview

Moreover, due to parent choice and the range of school types in certain areas, stakeholders noted that the demographic characteristics of the roll of pupils within a school may not reflect the immediate geographical area within which the school is located, and, as such, this further underlined the importance of having access to individual or household level data.

For the Welsh Government and local authorities, especially, the ability of data to relate directly to children's circumstances makes it particularly useful for producing and delivering policies and projects relating to the education system and schools. That said, some interviewees noted that not all policies require individual-level data on socio-economic disadvantage, and that area-based information may be sufficient in some cases.

Feedback from Welsh Government proformas suggested that learner-level data is useful for targeting funding where budgets are limited by ensuring it is allocated in a way that closely meets the needs within the learner population:

“Individual learner level data enables us to target limited resources to...schools/settings providing education to them”.

Welsh Government proforma

When there is a desire to provide targeted support for learners, eFSM must be used as an individual-level measure, for example, for early intervention in relation to the Youth Engagement and Progression Framework (YEPF) or vulnerability assessment profiles (VAPs). Furthermore, amongst local authorities, it was noted that an indicator at such a granular level helps pinpoint individuals and pockets of deprivation in otherwise affluent areas.

“It's important to ensure that we have a very good grasp on the challenge affecting some of our most vulnerable learners. It's also ensuring that the right provision is available to the children that need them in the right areas of the authority”.

Local authority interview

Learner-level data is also imperative for stakeholders involved in compiling statistics and monitoring various educational outcomes for disadvantaged learners.

It enables multifactor analysis of a range of variables that may correlate with, or require monitoring alongside learner outcomes, including information on absences, exclusions, social care, and demographic variables. Learner-level data is also required for data linkage—for example, to monitor outcomes for individual learners by schools or local authorities—through the matched education dataset for post-16 statistics or the Longitudinal Education Outcomes (LEO) dataset.

“[An advantage is]...it is pupil level, enabling more analysis to take place, and multifactor analysis. It enables us to link across multiple datasets”.

Welsh Government proforma

In addition, learner-level data is also important for activities relating to school improvement, where Estyn uses data on learner outcomes to inform the extent to which schools are meeting the needs of children from low-income families.

Understanding and awareness

eFSM is clearly defined and well understood, and is used extensively across all countries of the United Kingdom, with wide recognition and strong understanding amongst public bodies, schools and the public.

Local authorities highlighted that, as an established concept, eFSM was particularly valuable across their work with a range of audiences, whether supporting parents during the FSM application process, allocating grants to schools and settings, or managing school catering. Having a single, consistent indicator across their portfolio of work to address educational inequality helped reduce complexity.

“It's very easy to explain to a wide audience in terms of what it means and why it's being used”.

Local authority interview

“It's the go-to marker. It's an important one as it's understood by everybody...from a counsellor level, school level, parent level”.

Local authority interview

Accessibility

eFSM data is publicly available on a school level, albeit rounded to avoid data disclosure, and accessible to users. One local authority suggested that a key benefit of eFSM is that local authorities are the ‘data owners’ (as they gather the data), which is good for data sharing between departments and with external stakeholders. This also means they typically have a good understanding of the data's comprehensiveness, which can inform how it is used.

“We like the fact, we were the owners of the data, whereas for health data or DWP data, it becomes a challenge accessing it. When it's ours, we can check it and review it and see the full process and see where the gaps are”.

Local authority interview

Frequency

eFSM data is frequently collected annually by the Welsh Government through PLASC. Schools and Local Authorities take steps to check that records are up to date:

“It is reported directly to WG and [has a] relatively timely acquisition in comparison to externally sourced/linked data”.

Welsh Government proforma

Given the long timescales involved in developing and monitoring national-level policy interventions, an annual frequency of data is useful and sufficient.

For the Welsh Government, having this data on an annual basis informs the calculation of funding and grant allocations, with this frequency deemed adequate for their needs. eFSM collected on this basis is particularly useful for demand-led grants, such as the School Essentials Grant, where a learner who becomes eligible within a school year can apply to access it at any point in the same year.

It should be noted that whilst annual data was thought appropriate for some grants, some issues arise with there being a time lag of over a year due to the timing of PLASC and the allocation of funding at the start of the academic year in September, e.g. the allocation of the PDG is based on data collected 18 months previously.

Local authorities, in conjunction with schools, can update eFSM data more frequently than the annual PLASC exercise. Their representatives typically stated that they review and verify eligibility data monthly, though the frequency varies from one local authority to the next. One local authority noted that, since learners can move in and out of eligibility frequently due to variations in income, there is an opportunity for more frequent updates to ensure the data accurately reflects the numbers eligible and learner circumstances.

More frequent updates also allow Vulnerability Assessment Profile assessments to be kept up to date, and for support to be targeted to young people whenever their situations change.

Stability over time

The criteria for eligibility and the approach to data collection have also remained relatively stable over the years, which, in theory, means that eFSM rates are comparable over time (see below for a discussion of the effects of changes in incomes and other factors on the comparability of eFSM data).

For both the Welsh Government and local authorities, these trends enable more effective financial planning, the allocation of budgets and resources, and the provision of robust statistics over time.

In addition, Qualifications Wales maintains that having a stable indicator with comprehensive coverage across state schools is valuable for analysing statistical relationships over time to inform qualifications or curriculum reform. This includes understanding who is taking which qualifications, what the results look like, and how these vary across Wales. The information then forms part of equality impact assessments, which are linked to long-term decision-making.

“It's been around for a while, so there's data over a period of time you can understand. You can therefore look at trends...[and]... can see fairly stable statistical relationships over time”.

Qualifications Wales interview

It should be noted, however, that the value stakeholders place on stability is measured year-on-year rather than monthly. Moreover, challenges in data collection due to the COVID-19 pandemic mean that there were some inconsistencies in how the data was captured and

managed, and alongside issues relating to fiscal drag and the changing cohort of eligible learners, may limit the robustness of longitudinal analysis over the recent period.

Consistent methodology

The gathering of eFSM data is also broadly consistent with the approach taken in other UK nations, allowing for general comparisons with England and, to a limited extent, with Scotland and Northern Ireland. Having a consistent approach to eFSM England and Wales enables comparisons of the relative prevalence of eFSM. It is also useful for benchmarking relative educational attainment with other nations, for example, through its use in PISA. However, it should be noted that some stakeholders were cautious about making such comparisons.

“It [Wales] does match what's happening in England, but I don't believe that's necessarily a great benchmark. In Scotland and in Northern Ireland, the threshold is far, far higher, and that matches the measurement of median and relative poverty”.

Welsh Government interview

For local authorities that border England, interviewees noted the value of comparative analysis of learner outcomes with neighbouring authorities in England, or because some of their pupils reside in England. The eligibility criteria and associated income thresholds, however, do vary between the four nations of the UK, so some caution should be exercised (for more, see [CPAG, 2022](#)).

Reflecting on the overall strengths of eFSM data, it is clear that it meets many of the range of needs and purposes of stakeholder groups and is thought to provide fit-for-purpose evidence for understanding disadvantage.

Limitations

Despite the clear benefits outlined above, eFSM data is also subject to several limitations, some of which were touched on earlier in the report. Stakeholders participating in this research reflected on and provided feedback on the implications of using the data to meet their evidence needs.

Technical challenges in collecting and recording eFSM data

There are several challenges associated with the collection and recording of eFSM data, which may have impacted the robustness and accuracy of the data.

It is up to each local authority to establish approaches for collecting and maintaining eFSM data. Ensuring data accuracy, therefore, depends on local authorities implementing processes to check or validate data and to ensure that school-held data is up to date.

This process involves the department responsible for recording the registration of data, providing schools in their jurisdiction with details of their eligible learners. It is then the schools' responsibility to update their systems accordingly.

There is variation as to the frequency with which local authorities undertake these validation checks for families no longer eligible for FSM, due to, for example, changes in benefits eligibility or an increase in income above the eligibility threshold. For some, it is prompted by periodic grant allocations and for others, it is completed monthly. Some local authorities, however, said they only complete this exercise annually as part of the PLASC return. Not only does this introduce a time lag, but the inconsistency across local authorities may also introduce variation in accuracy.

“At a given point, they might stop becoming eligible, but the check to determine whether they're ineligible or not may not be done that timely, so there might be a time lag”.

Local authority interview

Whilst some local authorities automated this process, overall, there was considerable reliance on manual input at several stages. This is usually required when learners move school to a new authority and a new application is made. Not only is this a considerable resource burden for all stakeholders, but it also introduces the potential for manual error.

“We have to manually input the FSM entitlement onto our management information system because there is no interface between the benefits system and the education monitoring information system”.

Local authority interview

“We have 14 borders [with other local authority areas], there's a misunderstanding at the secondary level where they use a different monitoring information system with different permissions. If a learner is awarded [eFSM status] in [another] county, they have to reapply here, so often we'll override it [manually] on the system”.

Local authority interview

The greatest challenge in collecting eFSM data, however, relates to the multiple routes through which a learner is eligible for free school meals and to the accurate recording of these data. In particular, Transitional Protection (TP) status, which was introduced in 2019, has presented two key challenges:

First, several stakeholders reported confusion as to how TP FSM was recorded in schools, where eFSM and TP FSM were sometimes combined in error. They speculated that this was due to a misunderstanding of what TP is, and why it's there, as well as a lack of communication between local authority benefits teams and schools when a young person has moved from eFSM status to TP status. This led to large variations between individual schools and local authorities in the balance between eFSM and TP FSM learners, potentially resulting in anomalies in previous PLASC returns and implications for trend comparisons. Further details can be found in [the Chief Statistician's](#) update.

“Transitional protection status, including the removal of [it], is often confusing for schools and services when considering eligibility”.

“There has been mass confusion in relation to transitional protection and parents/carers do not understand the difference between all categories and the[ir] differing implications”.

Secondly, many schools were finding that pupils who were TP FSM were being charged for school meals. To address this, some schools adjusted eligibility data manually to ensure families were not being charged in error, and the numbers on eFSM/TP FSM were revised to be accurate on the day each year when the PLASC was undertaken. This workaround presented a considerable burden on those affected schools and also introduced an opportunity for further risks to accuracy associated with human error in manual inputting:

“If a child was TP and no longer FSM, [the cashless till provider] would charge children. The workaround was [the school] kept them on the SIMs system as FSM so they would not be charged. Then we adjusted it [numbers eFSM] through a manual process on PLASC day so it was accurate. So we were reporting to our government that we had the right amount, but then for the rest of the year, when we're doing our own internal reporting, we were massively out basically”.

Whilst not currently affecting the eFSM indicator, there is also considerable risk to accuracy associated with reliance on the Eligibility Checking System (ECS), an online portal managed by the Department for Work and Pensions that allows local authorities to check data held and establish eligibility. Were there to be a divergence in FSM eligibility criteria between the Welsh Government and the UK Government, this would affect the current process for recording and collecting eFSM data in Wales, which relies on the ECS.

“It's owned by DfE and we pay to get access. It works because our threshold is the same as them, but if they increase their threshold, then there's a concern that it would still work [for Wales]”.

It should be noted that [new eligibility criteria](#) for eFSM in England will take effect in September 2026, expanding to include all households receiving Universal Credit. It is currently unclear how, if at all, this will affect Wales' use of the ECS.

Non-inclusion of eligible learners

In addition to the accuracy issues discussed above, another key limitation of eFSM as an indicator is the extent to which it includes all learners who meet the eligibility criteria. Parents are required to apply for FSM via their local authority, but there is widespread recognition that not all eligible parents do so.

“Unless people want to claim it, then the children won't appear to have [eFSM status]. It's the self-selection aspect, so [some]children are slipping through the net”.

There are several reasons why parents might not register their child as eligible for FSM, as suggested both by the literature and elaborated on by stakeholders:

- Parents may not be aware that they are eligible or know how to register their child as an eFSM. Stakeholders noted this may be the case for parents who are most in need of support. Some local authorities mentioned introducing various measures or campaigns to promote applications. Whilst this may build awareness, it may also result in variation across local authorities in the ratios of registered (for FSM) to eligible (for FSM) learners.
- Stakeholders highlighted a range of barriers in the registration process, including literacy or language barriers, concerns around the detail required in the forms being perceived as intrusive, and potential mistrust of authority. Local authorities noted that digital literacy and inequality are barriers faced by some families, with one highlighting additional support required for families in Gypsy, Roma and Traveller communities. Equally, eFSM status is not maintained if a child moves to a school in a different LA, and in these instances, parents must reapply.

“The process is just so hard to apply to, there are so many documents needed, and they have literacy barriers, digital barriers, they’re time poor”.

School interview

“We go out to our parents and support them to apply because...we have a number of our parents who can't read or write, so they can't actually access the funds, and they would prefer to avoid applying than having to admit that”.

School interview

- eFSM is intrinsically linked with food choice in schools. Therefore, if a parent or carer, or their child, does not wish to eat the food on offer at school due to preference, religious reasons, or otherwise, they may not feel the need to register their child as eFSM.

“The difficulty is then they go to secondary school and maybe at that point... they don't necessarily want to sit down and have a nutritious meal”.

Local authority interview

- There may also be a potential desire among parents, carers, and learners themselves to avoid the stigma sometimes associated with poverty. This stigma may be perceived differently across areas and communities in Wales. It can often intersect with existing inequalities related to class, disability, race and ethnicity, gender, sexuality or citizenship status. Equally, research from Bangor University found that ‘proud parents from rural areas [in Wales] were reluctant to register for free school meals’ ([Ap Gruffudd et al., 2017](#)).

“We are aware of stigma attached to applying for the eligibility or inaccessibility of the application process to some, therefore not capturing a section of society likely extremely vulnerable to the impact of poverty”.

Welsh Government proforma

“We know that many schools have...learners who are living in poverty but would not be eligible for FSM or believe it to be culturally inappropriate to claim the support it provides”.

Welsh Government proforma

“Also, rural poverty, I think it doesn't reflect that in rural areas, quite often, those families are very proud and they would not apply for that”.

Estyn interview

Moreover, eFSM only counts learners of compulsory school age who attend schools that are subject to the PLASC and those pupils receiving Education Other than at School (EOTAS). This excludes learners in elective home education (EHE) and children missing from education. It is estimated that approximately 6.4% of children (27,000) were not captured in PLASC or EOTAS data in 2021, a significant proportion of whom would meet the eligibility criteria ([Welsh Government, 2024](#)). While these learners fall outside of the range of uses of the data, they are an important group and need to be taken into account in the wider goal of tackling SED.

A key implication of this limitation is its effect on the fair and equitable distribution of both hypothecated and unhypothecated funding. Where funding allocated based on eFSM is demand-led (i.e. the volume of the budget is determined by the number of learners eligible), not being recorded as eFSM will lead to an under-allocation of funding at the national level through the PDG and also at the local level through the ISB relative to the actual numbers of pupils who are disadvantaged and the true scale of need.

Underestimation of learners in poverty

A related limitation, well documented in the academic literature, is that eFSM is not an effective way to capture all children living in income poverty and therefore underestimates the number of socio-economically disadvantaged learners.

Income poverty itself can be defined in a range of ways. The most common approach is to measure relative poverty, which counts households with an income below 60% of the average (median) income after housing costs. There is, however, a discrepancy between the proportion of pupils receiving eFSM across Wales (22.9%, 2023/24 three-year average) and the proportion of children living in relative poverty (29% in 2023) (see [Stats Wales](#) and [Welsh Government, 2024](#)).

Local authorities and schools also commonly suggested that the eligibility criteria are not broad enough to measure all learners living in poverty, and, as a result, eFSM data are not perceived to be a completely reliable proxy for SED. One local authority noted a sudden

decrease in eFSM rates in their area, alongside an increase in relative poverty and greater take-up of support services, suggesting that the eFSM indicator is not an accurate reflection of the living experience of their residents.

“Our eFSM figures [rates] have gone down, they're now in line with 2019 figures [rates]. But what we know is that actually the circumstance of our families have been dramatically impacted over the past five years...so our figures should have gone up”.

Local authority interview

Table 8 below shows the five local authorities with the highest proportion of children living in low-income households, alongside their rankings for the proportion of learners eFSM (where 1 is the highest proportion eFSM and 23 is the lowest). This suggests a complex distribution of how eFSM registrations compare with low income across local authorities. The local authorities with the third, fourth and fifth highest rates of children living in low-income households rank in the lowest half of local authorities in terms of eFSM.

Table 8: Comparison of the local authorities with the highest proportion of children living in low income households in 2023 with eFSM rank

Local authority	% children living in relatively low-income families	eFSM rank
Blaenau Gwent	28.1	1
Merthyr Tydfil	25.5	8
Newport	23.8	12
Isle of Anglesey	24.3	19
Ceredigion	25.4	21

Source: PLASC, Welsh Government and DWP (2023)

Many stakeholders highlighted that a binary, threshold-based measure is susceptible to these problems. Several local authority stakeholders suggested that many working families may be struggling just above the eligibility threshold, living in debt or housing insecurity, but are not eligible for targeted support for those on the lowest incomes. This is concerning, where numbers in in-work poverty have been rising in recent decades ([Bourquin et al., 2019](#)):

“We know that there'll be families where both parents are working so they don't meet the threshold to get benefits, but it doesn't mean that they've got cash...[eFSM is] not capturing the working poor”.

Local authority interview

“It's also a crude measure because it's only got two categories, and of course, there'll be classification error in there as well. So you don't get that information about the gradients of economic [or income-based] disadvantage as socio-economic status changes in a more continuous way in the population”.

Several other stakeholders, including WLGA and Estyn, also echoed this concern.

This has been compounded by the fact that the income threshold for eFSM, established in 2019 following a public consultation, has not increased since then. Had it increased with inflation, it would have risen from its current £7,400 to around £9,500 as of April 2025.²² Stakeholders suggested that the value of the threshold as a qualifying condition of eFSM has been eroded by the increases in the National Living Wage and the minimum earnings requirements for Universal Credit. This means fewer families may be eligible, despite inflation and cost-of-living pressures that mean, in real terms, household incomes have not improved, and they remain in relative poverty. Stakeholders reflected on this and noted issues for families whose incomes sit on the boundary of the income threshold:

“It's acknowledged that the income threshold for FSM is low and therefore does not capture many families in receipt of benefits or working parents still living in relative poverty”.

Welsh Local Government Association proforma

“We have to be really mindful that someone might not be on eFSM, but the impact of that low income continues, and £7,400 is so low as a threshold. But the reality is, if they have a little bit extra, they may have lost other benefits”.

Local authority interview

Welsh Government representatives highlighted concerns that the current eFSM cohort is greatly reduced compared with the eFSM cohort that would have existed had the legacy benefit system continued. The eligibility threshold kept pace with broader economic developments, with one noting that “the lack of [accounting for] inflation means you're dealing with an ever-decreasing cohort of free school meals”.

If the data does not reflect the true scale of socio-economic disadvantage, it poses a fundamental question for all stakeholders involved in achieving the goal of addressing educational inequality. The fact that the data will now capture different groups of learners also presents a challenge for those who use it to monitor outcomes and ensure learners have the support they need.

“In terms of policy development, equity considerations and monitoring of outcomes, there is the potential that the FSM policy is no longer supporting the exact group of learners that it was originally intended to support. When comparing eFSM versus non-eFSM learners, there is potential for the differential in these groups to be skewed as the non-eFSM group of learners will now include learners that historically would have been included in the eFSM cohort”.

Welsh Government proforma

²² This has been calculated using the [Bank of England Inflation Calculator](#).

Another related issue associated with a low binary threshold highlighted by stakeholders is the challenges associated with the fact that eFSM only represents ‘a snapshot of circumstances’ at any given time. There may be considerable household income variation within a single year, influenced by seasonal employment patterns, insecure employment, zero-hours contracts, and overtime hours. One local authority suggested that their eFSM eligibility figures consistently dropped by around a quarter in January, which may be attributable to large local employers offering seasonal work or overtime during the Christmas period, contributing to higher pay packets in January. This is particularly concerning, as PLASC data is based on eligibility status in January, so the annual eFSM figures may not accurately reflect SED year-round.

“We often have pupils who will come off free school meals in December or January time because their parents have had seasonal work. That has a big impact on our free school meal numbers because those pupils will then go back on to free school meals later in the year. It’s such a sort of transient population in terms of how that how they are measured”.

Local authority interview

“Eligibility for free school meals varies in a six-week period, so a child can be eligible for free school meals in one half term and then mum and dad get a bonus because they’ve done some overtime, and then they can be out. It can fluctuate a lot in a school setting, depending on what the local economy is like”.

Local authority interview

Where resourcing of support is based on learners' eFSM status, one local authority suggested that children moving on and off the eFSM register from one season or week to the next can make long-term intervention and the ongoing provision of that support more difficult:

“Comparing it in a similar way to being a looked-after child, where the school receives funding and then when they’re fostered, it drops off a cliff. That child could have had the worst four years ever of their life growing up, and they’re going to have some very, very severe issues because of that and to say that the support isn’t there anymore, it’s the same with free school meals, it limits the long-term view”.

Local authority interview

Where budgets for funding such as PDG are fixed in advance and allocated proportionately using the eFSM data record in PLASC, any variation in numbers can have negative implications, since the funding provided might not adequately reflect or meet the level of learner need at other points in the calendar year. Moreover, fluctuations in eFSM numbers are more likely in some local economies than others due to different labour market conditions, particularly in those with large employers such as Amazon, which may be affected by seasonal demand. This introduces the risk that some local authorities, and by extension their schools, may be disadvantaged in funding allocations compared to other areas of Wales.

For the purposes of monitoring learners' outcomes, stakeholders noted that the transience of the eFSM cohort of learners means that caution should be exercised when interpreting this data, in recognition of the different experiences of these learners compared to those who have been living in persistent poverty.

“There may be pupils who have been FSM all their school life, whereas you've got pupils who may have just been FSM for the month that PLASC was run, and then you're comparing their performance on the same basis, which isn't necessarily the case”.

Local authority interview

At this point, it is worth noting that while there is recognition of the limitations of eFSM data regarding the underestimation of disadvantaged learners, some local authorities acknowledged that it remained the most effective source of data for meeting their needs. This, however, is largely due to a perceived absence of alternative options:

“It's still useful because I don't know what else we'd use, in your mind, you know, there are another 10% on top of that who are also experienced deprivation or low-income families. It's a barometer”.

Local authority interview

“I'm being cynical here, but it's the best we've got. And there's just not enough money to change it within local authorities”.

Local authority interview

Multi-dimensional nature of SED

A further major limitation is that eFSM, as an income-based measure, does not fully capture the multi-dimensional nature of socio-economic disadvantage. Numerous studies in the academic literature have explored the relationship between eFSM and other markers of socio-economic disadvantage, such as access to services, insecure housing, and parental qualifications and occupation and have shown that they can be equally, if not more, instrumental in producing inequalities in educational outcomes. Moreover, Welsh Government-funded research on the [Review of School Spending](#) and research into the [development of a new data and information ecosystem](#) identified that the focus on income is too narrow and recommended the use of additional contextual data.

“There are many other reasons why a family may be at a socio-economic disadvantage that are not seen by FSM indicators, e.g., housing”.

Welsh Government proforma

“Just because somebody earns a lot of money, it doesn't mean they're not in deprivation in lots of ways. It does miss some of the other social levels”.

Local authority interview

“Admittedly, it's a bit of a blunt instrument, insofar as it doesn't capture all young people who are disadvantaged, because eFSM [only] depends on families being in receipt of certain benefits”.

Welsh Government proforma

“There are lots of different ways that people are living in poverty. We've only ever used our eFSM figures as one indication, but [eFSM is] not a valid indicator of the lived experience of our families now”.

Local authority interview

In particular, schools across the sample noted the wider social factors that may influence learners' ability to engage with and thrive in their education. They reflected that eFSM rates do not account for the living situations of their learners and families.

“[The eFSM figures are] not representative. Staff live in the community and know it's not representing where they live, and it's the main tool being used but doesn't show the right context...we don't think it reflects the true situation in line with Indices of Multiple Deprivation (IMD) etc...[we have some of the] lowest FSM but [one of the] highest [rates of] IMD. We were identified as one of the poorest towns in the UK, but isn't reflected in eFSM”.

School interview

The wider literature highlights that the specific dynamics of disadvantage in rural areas are not fully captured in income-related measures. Transport, access to services, and patterns of housing challenges can be exacerbated by the often hidden nature of rural poverty, which means simple measures can only go so far in identifying those in need ([Wales Centre for Public Policy](#) [then Public Policy Institute for Wales], 2016). Interviews with local authorities on school improvement highlighted that the eFSM indicator is perceived as not meaningfully capturing disadvantage in these parts of the country.

“[eFSM] seems to work well in a city context, although of less use in rural areas”.

Local authority proforma

“It's probably a better indicator in an urban area, and it's not the same indicator where we're looking at rurality. Also, we've probably got the other prohibitive element around being next to the sea. It's not like we've got counties all around us who have access to services. So there are probably nuances around deprivation which are not picked up by that indicator”.

Local authority interview

One stakeholder noted the need to consider how socio-economic disadvantage is often compounded by other less commonly recognised factors that can lead to inequality of outcome. At the same time, another suggested the data is ‘insufficient to represent the intersectionality of socio-economic disadvantage’. This echoes the findings of a previous research report for the Welsh Government based on a review of available evidence, which

discusses the range of factors involved in the 'attainment gap' and show it is not only those associated with SED that are relevant, but also health inequalities, and adverse childhood experiences (ACEs) and race and SEN ([Mills, 2021](#)).

One local authority interviewee noted that oversimplification resulting from overlooking other factors may lead to comparisons of families who do not necessarily have similar experiences or situations and may have different support needs.

The risk of oversimplification associated with eFSM has also raised concerns among other stakeholders, who are cautious about over-relying on eFSM as an SED indicator. Interviewees spoke of how eFSM had been used not only as a proxy for disadvantage but also as a definitive measure of disadvantage itself. Overreliance on proxies such as eFSM in isolation from other indicators of SED, without scrutiny of potential bias or limitations, may lead to misrepresentation of socio-economic disadvantage.

"If you're not careful to constantly think about what the FSM means, you can potentially mislead yourself about what the meaning of it is. [From my perspective] it's a direct measure of educational disadvantage, and it's not a measure of who is vulnerable and who is not vulnerable...If you're not conscious about what a measure means and what the limitations of it are, you can lead to some very unfortunate side effects [on] the way people use it".

Qualification Wales interview

This supports the findings of research on developing a new data and information ecosystem that highlighted the inherent measurement risk of any summary indicator, recommending "stakeholders be cautious about attaching too much significance to any single indicator, consider them in their proper context, and ensure they are a sufficiently close proxy to the thing they are trying to understand."

One implication of this overreliance on eFSM, given its weaknesses in accounting for other relevant aspects of disadvantage, is that funding or other provision may unintentionally target an insufficient number, or even the wrong individuals, who are most in need of the support.

A further implication relates to the unintended behaviour this may create in relation to school improvement activity. Interviews with school improvement leads in local authorities highlighted how treating eFSM as a definitive measure of disadvantage rather than a proxy for income may lead stakeholders to focus on improving data performance rather than learner outcomes and progression.

"I think an important message for me is that the FSM measures a proxy of disadvantage, and often it's interpreted too literally. Unfortunately, we do see bad practice around it, which can force unintended behaviours as well in schools where they think, this group of pupils, now we've got to make their data shoot up".

Local authority interview

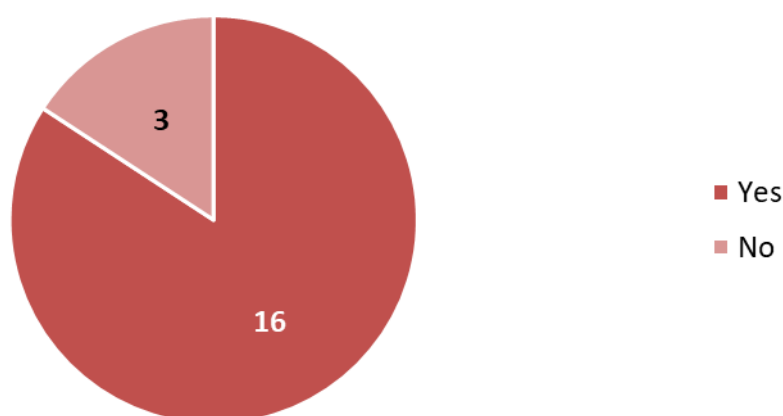
3.4. Universal primary free school meals (UPFSM)

While the previous section looked at stakeholder views on the limitations of eFSM, this section of the report provides a more specific focus on perceptions of whether the roll-out of Universal Primary Free School Meals (UPFSM) is impacting eFSM registration and the availability of eFSM data, as well as any implications.

Perception of the Impact of UPFSM

Among the 19 local authorities that responded to the proforma, 16 said they had observed an impact from the roll-out of UPFSM on eFSM registrations. When asked for further details on the impact, 10 suggested they had received fewer applications from parents than expected, which they attributed to the introduction of UPFSM.

Figure 3: Perceived impact of the roll-out of UPFSM on eFSM registrations



Source: Local authority proforma (n=19)

Some local authorities highlighted concerns around UPFSM, prompting delays in applications because a free meal is being provided to all primary school pupils regardless of eligibility, and therefore does not incentivise parents to apply. There was also some concern that, because their children have received a free meal in primary school regardless of status, some parents may not feel the need to apply when their child enters secondary school or will only apply when they are required to do so for grant eligibility, such as the SEG.

“Sometimes parents are only applying when they find they need to be eFSM to get entitlement to the School Essentials Grant for school uniform and equipment”.

Local authority proforma

Local authorities presented various evidence relating to the impact of UPFSM on eFSM figures. One local authority cited anecdotal examples of siblings from the same household accessing FSM through different means despite both being in primary school (one through eFSM, the other via UPFSM), illustrating inconsistencies that will lead to undercounting.

Moreover, several respondents highlighted that their figures had decreased significantly in a way that did not accurately reflect trends in deprivation in their area.

“When completing [PLASC], we have noticed that parents who have more than one child may have one child who is noted in our benefits system [as eFSM]; however, the other sibling is not [eFSM] as the correct paperwork has not been completed, as a child is receiving free school meals through UPFSM”.

Local authority proforma

“We have worked with our benefits Team, who have identified a number of families who are entitled but who are not applying. [and] we believe the reason they are not applying is because of UPFSM. Our eFSM has reduced significantly from 2019, which suggests that our levels of social deprivation have also gone down, but we know from other indicators of deprivation that this is not the case”.

Local authority proforma

One respondent suggested that the eFSM figures for local authorities that had fully rolled out UPFSM may have seen their figures decrease more rapidly than those of other local authorities that were yet to fully roll out UPFSM. However, this was anecdotal and not corroborated by local authorities who responded to the proforma. Another local authority noted a greater perceived impact on eFSM registrations for learners in early years provision who had received UPFSM in earlier phases of the roll-out than in years 3-6 or secondary school, where the policy does not apply.

“[I] believe [LA] FSM numbers have decreased more rapidly than other LAs, due to UPFSM having being rolled out to all primary pupils already, compared with others who are simply aiming for it to be rolled out fully by September 24”.

Local authority proforma

“It is potentially still too early to confirm with any certainty the impact on eFSM registrations from the roll-out of UPFSM; however, the data we are beginning to observe suggests this is having a negative impact... the number of new eFSM registrations during the year have reduced significantly considering the January PLASC data...the reduction is smaller in secondary (no UPFSM) and Years 3 -6 (later rolling out UPFSM) than Nursery to Year 2, which has had UPFSM for longer”.

Local authority proforma

Whilst there were concerns that UPFSM was having an impact, several other factors raised by respondents may also have influenced eFSM figures.

There is significant concern among local authorities regarding the impact of the guidance linked to Transitional Protection. As noted above, local authorities spoke of increased confusion amongst families and carers resulting from Transitional Protection.

“There has been mass confusion in relation to Transitional Protection and universal free school meals, parents/carers do not understand the difference between all categories and the differing implications”.

Local authority proforma

“With UPFSM, FSM eligible and FSM transitionally protected, it is very confusing for schools and for many within the LA. With pupils from 1/1/24 not now being transitionally protected, this adds to the confusion”.

Local authority proforma

Many local authorities also attributed greater uncertainty in eFSM figures to confusion about how data on learners eligible for FSM via TP were collected and recorded.

“The impact of the guidance linked to transitional protection (TP) is potentially having a bigger impact than the roll out of UPFSM in terms of funding to families, schools and LA [due to changes in numbers registered]”.

Local authority proforma

Other confounding factors raised by participants include the following:

- No update or revision of the eligibility criteria since 2019, despite considerable changes in labour market conditions and the National Living Wage, which may have led to a reduction in the number of eligible learners.
- Changes in attitudes and stigma following the Covid-19 pandemic (and specifically national support programmes such as the furlough scheme) may have helped normalise accepting government support, thereby potentially increasing the number of parents applying.
- The potential impacts of school or local authority campaigns to promote take-up of the SEG and registration as an eFSM may result in differing trends across local authorities, depending on the timing and success of the campaigns.

“We've got some local authorities who are really good at getting people to apply. We've got other local authorities where they're not so good, and on paper, then it looks like the deprivation is shifting [or increasing] and it's nothing to do with deprivation”.

Regional Consortia interview

It should be noted that no local authority stated that they had conducted any formal research to investigate the potential impact of the roll-out of UPFSM or how this relates to other potential confounding factors. Therefore, any reduction in eFSM registrations cannot be confidently attributed directly to this policy change.

Among Welsh Government stakeholders, the sentiment was one of cautious concern, with many reflecting on the concerns raised by other stakeholders and on the limited evidence of

the impact in official figures. As shown in Section 1 of the report, there was a marginal overall decline in the rate of eFSM from 23.3% in 2021/22 to 20.3% in 2025.

Implications

There were concerns from the Welsh Government about the long-term implications of UPFSM for tracking learner outcomes, particularly for monitoring the Child Poverty Strategy.

“The thing that worries us the most is that ability to report on the attainment gap...We can [report] on the secondary school, the GCSE national indicator, because it still exists. But I believe we were looking at the primary school one, and we simply couldn't use it because it doesn't exist anymore”.

Welsh Government interview

There were no other immediate implications noted by the Welsh Government, with some officials not anticipating any implications for their use of eFSM data since they worked predominantly outside the primary education sector. For example, neither those working in post-16 statistics within Welsh Government nor Qualifications Wales used data relating to eFSM for primary-aged pupils. Equally, Qualifications Wales suggested that issues relating to TP had a greater impact on their work, as they affected both primary and secondary settings.

For local authorities, there were mixed perspectives on the implications of the impact of UPFSM on their use of eFSM data. Some local authorities suggested it had not impacted their use of the data, partly because they thought it was too soon to identify the impact or that they felt that it remained the best source of data.

“At the moment, there are no implications [of UPFSM] for the local authority's current use of eFSM data as it remains the most reliable data set for identifying socio-economic disadvantage amongst learners”.

Local authority proforma

However, some felt that the potential impacts of UPFSM's rollout had been linked to other issues, undermining its use, particularly in the context of SED.

“We believe eFSM will no longer be an accurate representation of socio-economic disadvantage by virtue of losing cases to UPFSM and due to earnings thresholds not moving with the times”.

Local authority proforma

Several local authorities suggested it had impacted their confidence in the data as a valid and reliable proxy. One local authority noted that this applied to their use of the data for monitoring learner outcomes, while another reported that the unreliability of the data would impact how it could be used for the purposes of school improvement and monitoring learner outcomes.

“It makes one question the validity of analysing data such as attendance, exclusions and attainment by FSM/non-FSM pupils”.

Local authority proforma

“If we do see a drop in application rates for free school meals, that is going to have an impact on the reliability of their data in terms of how we can use it for [measuring] performance, but at this point, it is difficult to say”.

Local authority interview

“I think at the moment there's a mixed economy in terms of its usefulness, but even at a secondary level where UPFSM isn't in effect, it has limited local use when you're looking at mapping from the primary to the secondary sector, any attainment versus deprivation and things like that”.

Local authority interview

The greatest concern for local authorities of a reduction in numbers due to UPFSM, or indeed other confounding factors, is the potential impact it could have on different forms of LA and school funding. This was expected to manifest through a potential misallocation of funds to schools and local authorities, as well as families not receiving funding to which they are entitled.

“The reduction in our eFSM figures has had a dramatic impact on the funding that [schools have] received this year, which will have a huge impact on the services they'll be able to provide young people, particularly around well-being support”.

Local authority interview

“If long-term UPFSM has a negative impact on eFSM registrations, this would reduce the reliability of this data set and would negatively impact funding that schools and the [local authority] receive from grant and [the local government settlement]. The impact will be variable from school to school and local authority to local authority”.

Local authority proforma

In summary, the majority of LAs reported that they perceive there to have been a reduction in numbers due to the roll-out of UPFSM and provided several reasons in support of this view. However, they also suggested that any potential impacts cannot be divorced from other confounding factors, and that official figures have yet to show any notable change in the overall eFSM registration rate. There are some indications that it has affected user confidence with concerns about its accuracy and the potential long-term implications on funding and services to learners. It is too soon to know whether it has reduced the viability of eFSM as a proxy for socio-economic disadvantage, and further research may be required.

3.5. Ongoing improvements and solutions

This section considers the activities that stakeholders are currently undertaking to improve eFSM data by providing solutions to and mitigate the impact of the limitations discussed in the previous sections of the report.

Addressing technical challenges in collecting and recording data

As outlined earlier, one of the major issues relating to the challenges in the collection of data has been the degree of confusion around the recording of transitional protection and eFSM status. To address challenges associated with this, the Welsh Government introduced additional steps within the PLASC return process. This includes allowing local authorities more time to gather and verify their data before submission and developing additional validations to the data return to flag any potential anomalies or outliers for additional scrutiny automatically.

“There’s a six-month window to get it right, with lots of checks and balances. It’s an iterative process. We always take [local authority] feedback as to what more can we do as a government to make sure the data is accurate”.

Welsh Government interview

A further approach to overcome the implications of mis-recording data involves ‘smoothing’ the data using multi-year averages. Officials in the Welsh Government have adopted the approach to inform the Local Government Settlement.

Addressing the non-inclusion of all eligible learners

The previous sections of the report identified how various stakeholders had raised concerns regarding the non-inclusion of learners who are eligible for FSM. Those who participated in the research provided insight into how the eFSM indicator could be improved to address this issue, which stakeholders reflected may have been exacerbated by the roll-out of UPFSM.

Several stakeholders within the Welsh Government and local authorities discussed the potential to access benefits data directly from the Department for Work and Pensions (DWP). If they were to do so, they would have data on all learners eligible for eFSM, not just those whose parents have applied for eFSM status, and would bypass issues with reliance on manual input in the collecting and recording process. It was recognised that this might require legislative change to give the Welsh Government the powers to put the process in place, and that discussion is needed about how this could be achieved.

“[Direct information from] the benefits system is the key to unlocking a more accurate picture. We need to open conversations on where there are barriers [to accessing the data] and those need to be broken down”.

Local authority interview

“It’s a more robust system if we could match pupils to parental income and benefits, so we could apply to whatever threshold we would want to get for Wales. That would take a lot of risk out of the system and make us less dependent on England”.

Welsh Government interview

Accessing DWP data would enable local authorities to engage in an ‘auto-enrolment’ approach, avoiding the challenges associated with parental applications. A form of auto-enrolment is in the process of being piloted in some areas in England using Council Tax Support claim information ([Local Government Association 2025](#)). Local authorities use the parents’ name, National Insurance number and date of birth to check whether they qualify for eFSM using the online Eligibility Checking System. The approach ensures local authorities meet their requirements under the General Data Protection Regulations, but also avoids the challenges associated with parental application. This eligibility data is then shared with schools to ensure families get the services they need. It is used as part of the Schools Census data return, so schools can access funding that more accurately reflects their true eFSM population.

The current reliance on parental applications was identified as a key driver of learner non-inclusion in interviews with local authorities and the Welsh Government. If this approach were to be retained, then resources to support the promotion of eFSM applications amongst parents and stronger, clearer guidance on the value of registering their children may go a long way to mitigate this effect. However, the stakeholders did not consider this to be much of a long-term solution.

Addressing the underestimation of poverty

This report has highlighted issues with the way eFSM, as a simple binary measure with an arguably low eligibility threshold that has not been updated for some years, can lead to underestimation of the rates of learners living in poverty.

Stakeholders identified several ways to improve and address this problem: data not capturing significant numbers of learners in need, and fluctuations that can occur as families move in and out of eligibility. Access to DWP benefits data was again identified by both the Welsh Government, local authorities and schools as a more comprehensive approach, although this would require significant analytical work and effort to determine exactly how it might be utilised on a national and/or local level:

“Having access to individual data from DWP and HMRC and linking that data to PLASC might allow us to have a wider definition of social disadvantage”.

Welsh Government proforma

“I think something that could measure working tax credits to look at very low-income homes [where the occupants] are in low-paid work...How do we capture those children living in poverty? Because at the moment, they’re ignored”.

School interview

One notable solution to address this limitation would be to increase the Universal Credit income threshold for FSM eligibility, introduced in 2019, so that it aligns with wider economic developments and wage inflation. This would ensure that learners who still live in relative poverty do not become ineligible despite no improvement in household income. The UK government has recently announced that it is extending eligibility in England, which may address this problem. It is, however, not expected that increased coverage will result in greater support in the form of funding²³.

A further approach identified by stakeholders related to adapting the eFSM measure so that it does not relate to a single point in time. It would instead be composed of composite variables, such as Ever 6 eFSM, in which learners who are eligible for free school meals retain their status for 6 years even if they lose eligibility. This approach accounts for the long-term poverty and transition in and out of eligibility for those families on the income threshold:

“We have had some conversations about using measures like ever FSM or always eFSM as alternatives to using currently eFSM”.

Qualifications Wales interview

Several stakeholders provided examples of how they tested the effectiveness of composite or additional variables using eFSM data. For example, statisticians in WG found that using ‘ever’ and ‘never’ eFSM were better predictors of outcomes relating to further education (than eFSM status in year 11 only).

To address concerns about potential inaccuracies in data capture, the Welsh Government, in the most recent Local Government Settlement formula, used four-year average eFSM data and included those eligible for Transitional Protection, whereas previously it used only a three-year average of means-tested eFSM learners. The Welsh Government also uses three-year averages in some circumstances for statistical purposes, such as in AWCDS or My Local School data, while Estyn also uses three-year smoothed data, intended not only to mitigate the impact of issues with the data during COVID-19 but also to provide a more consistent picture for schools. However, it should be noted that stakeholders highlighted that three-year averages are not always suitable in all cases, for example, when linking the data at pupil level to look at attainment gaps, an average can mask sudden and concerning changes in gaps.

Further suggestions related to the process of gathering eFSM, including a desire for continuous or more frequent capturing of national-level eFSM that would enable an average over the course of a year, rather than a single snapshot on PLASC day. This might help address concerns about income seasonality in different areas and would also be valuable for the timely allocation of grants.

“Data collection needs to be live [regularly collected and averaged] data. Getting it once a year is a non-starter”.

²³ [Over half a million more children to get free school meals | GOV.UK](#)

In addition, several school leaders suggested that where there is decreasing confidence in eFSM data and a lack of more sophisticated data available, schools are increasingly reliant on practitioner judgment in targeting those most in need. There was a general recognition that schools typically know their local catchment and families well, and that teachers are highly experienced in identifying poverty amongst their learners. However, this was only effective at addressing limitations to the data on a school level, specifically in identifying learners and providing them with targeted support.

“We look at our cohort and we use the ‘intel’ that our staff have of the families we work with. [eFSM] can't be a one-stop shop. There's wider information that we have to use as a school to have a more holistic view of our situation”.

School interview

Mitigating the perceived impacts of UPFSM

Where stakeholders reported impacts arising from the roll-out of UPFSM, several approaches were identified to mitigate the perceived effects. As discussed earlier in the report, the Welsh Government has produced guidance informing parents that their school may ask them to continue to register their child as eligible and has developed a communication campaign ‘Get Help with School Costs’ to encourage them to check eligibility as a means of accessing grant support such as PDG and SEG.

In addition to this, several local authorities and school representatives spoke of investing in awareness-raising activities, encouraging families to register and apply for FSM status through social media promotion, developing template letters for schools to distribute to families, and directly engaging with families to help boost applications for free school meals:

“The benefits team are contacting families when they know that they are entitled and explaining to them, “you might not see a benefit in your pocket, but it will bring more money to the school [through the] Pupil Development Grant. You are also entitled to apply for support with school uniform and school equipment”.

Local authority interview

“...encouraging all parents, at transition days, parents evenings etc [but] especially at transition. Making it clear that UC doesn't make them eligible, so then explaining the process to them. Will speak with local authorities to make sure we have the most up-to-date ways of applying and get them to come to school to help them. We recognise their dignity and give them options in the community to engage [with applying for eFSM], not just at school”.

School interview

The charity and research agency NESTA have also been delivering a project alongside Cardiff, Caerphilly and Torfaen LAs to test approaches to encourage FSM take-up following the final rollout of the universal provision ([Beloe and Bone, 2023](#)).

Stakeholders remain positive, but to an extent uncertain, about the degree of success these actions are having, partly because they are limited in the benchmarks they can draw upon to assess the proportion of their learners who actually meet the criteria for FSM eligibility.

3.6. Stakeholders' use of other forms of socio-economic data

The improvements and solutions that stakeholders are either putting in place or suggesting regarding eFSM data offer a range of useful options, but they may only go so far in addressing the limitations identified in this report. Stakeholders were therefore also asked what other data, if any, they drew on to enhance their understanding of SED. The responses indicated they were drawing on a mix of area-based and individual- and household-based indicators.

The most common reason for this was to address limitations in eFSM's inability to capture the multidimensional nature of socio-economic disadvantage and to provide greater contextual information than income alone. Most stakeholders felt this, but schools were particularly cautious about relying on eFSM data in isolation, suggesting it should be one aspect of a suite of approaches.

Area-based measures

Welsh Index of Multiple Deprivation (WIMD)

Amongst stakeholders who identified alternative area-based measures, the Welsh Index of Multiple Deprivation (WIMD) was most commonly cited. Last updated in 2019, the WIMD ranks small areas (Lower Super Output Areas or LSOAs) according to their relative levels of multiple deprivation. For the 2019 WIMD, there were 1,909 LSOAs²⁴ in Wales with, on average, a resident population of 1,600.

The index is a relative measure that ranks areas from least to most deprived. It does not measure the level of deprivation within an area but rather whether an area is more or less deprived relative to other areas. This data is publicly available on [StatsWales](https://stats.wales.gov.uk/).

A WIMD ranking is derived from eight different types or domains of deprivation, and the index is constructed from a weighted sum of the deprivation score for each. The weights reflect the perceived importance of the domain as an aspect of deprivation, and the quality of the indicators available for that domain. The domain categories and associated weights for WIMD 2019 are shown below.

²⁴ The number of LSOAs has increased to 1917 as a result of amendments to Output Area geographies as a result of the 2021 Census.

Table 9: Relative importance of individual domains in the WIMD 2019 rankings

Domain	WIMD 2019 domain weight
Income	22%
Employment	22%
Health	15%
Education	14%
Access to Services	10%
Housing	7%
Community Safety	5%
Physical Environment	5%

Where stakeholders cited the use of WIMD, both overall ranking and specific domains are used. The relative weighting for the income domain illustrates the perceived importance and quality of the associated indicators that underpin the rankings for that domain. It is calculated from the following elements, with data sourced from DWP and HMRC:

- Income-related benefit claimants²⁵
- Tax credit recipients²⁶
- Persons in receipt of asylum support
- People on Universal Credit

Stakeholders said they utilise WIMD either in addition to or independently of eFSM, as they felt it offered a more comprehensive set of SED indicators and provided greater contextual information to meet their different needs.

WIMD is used by the Welsh Government for a range of purposes, including:

- To inform policy delivery, such as mapping the take-up of UPFSM against WIMD data or informing the targeting of policy interventions.
- For statistics and monitoring of outcomes as one of several factors in grouping schools into families as part of the AWCDs.
- For statistics and monitoring of outcomes, though it is included in the LLWR and other associated post-16 education statistics.

One interviewee within the Welsh Government noted conversations around place-based approaches to poverty in anticipation of the next available WIMD data.

“We're having more and more conversations around [WIMD] that've opened up some really interesting conversations about how we support localities rather than

²⁵ This includes the number of people claiming benefits encompassing Income Support, Jobseeker's Allowance, Pension Credit, and Income Based Employment and Support Allowance.

²⁶ The number of children and adults within families that are in receipt of Working Tax Credits and Child Tax Credits with an income which is less than 60% of the median income for Wales (Before Housing Costs).

[specifically targeting] schools and families, how we actually address poverty... as a place-based approach. It's a broader picture and not dependent on people applying for eFSM".

Welsh Government Interview

Local authorities also see benefits in using WIMD data to assess socio-economic disadvantage, as it provides greater contextual information. In total, nine local authorities noted in proforma data that they used WIMD data within their organisation. These uses included:

- Informing and developing policy (2 local authorities)
- Calculating and distributing funding (3 local authorities)
- Statistics and monitoring outcomes (7 local authorities)

When asked to expand on the uses of WIMD, local authorities identified how they use the evidence base to compare levels of deprivation in their area with those of other local authorities, either on a composite basis across the seven indicators or by individual indicator. The points of comparison at a ward or LSOA level are used to inform the design of policy interventions and support the delivery of services.

WIMD is a key mechanism for calculating and distributing funding associated with the deprivation funding element of the schools' formula allocation via the Individual Schools Budgets (ISB) and also plays a role in relation to the distribution of funding for additional learning needs (ALN). Some LAs use it as a deprivation measure alongside FSM6 on the Vulnerability Assessment Profiles (VAP).

Local authorities also spoke of how WIMD provides them and the schools within their local authority area with statistical evidence on the wider picture of deprivation among pupils rather than relying on income alone. It is used for contextualising the monitoring of attendance and attainment (especially Key Stage 4 exam results) and is useful for school improvement leads.

Indeed, in relation to school improvement, WIMD is thought by local authorities to provide a more accurate overall reflection of deprivation, preferred to eFSM data, that can be used to better inform the kind of support required. This was thought to be the case, particularly in more rural local authorities, especially by school improvement leads:

"WIMD is just more descriptive. Where you have seven measures rather than one [on income] we break that [experience of socio-economic disadvantage] up more...[and] it informs the type of support we would need to give".

Local authority interview

"WIMD is probably better for us [when it comes to school improvement and support]...it's the consideration of coastal and rural poverty for when you're looking in a wider sense at the things around funding, like sparsity".

Amongst schools, WIMD is used to identify neighbourhoods of deprivation within school catchment areas. This can be used as a complementary indicator to eFSM for identifying deprivation amongst families, particularly where families are not eligible nor claiming eFSM and are therefore 'missing' from the data.

"We use postcodes that link to the Welsh index of multiple deprivation....in terms of just trying to get a more accurate way of finding poverty by using WIMD. We know that we're using a nationally used measure of disadvantage".

School interview

Other stakeholders also reported using WIMD to provide additional information than is captured by eFSM. Qualifications Wales values the additional context it provides on other factors relevant to disadvantage, but also that it offers a gradient not currently captured by eFSM as a binary eligible/non-eligible measure.

"...the advantage of that [WIMD] is that you get more of that gradient, that socio-economic gradient because the area has a score and you can split that distribution up into deciles or whatever you want and look at how [exam] results vary across deciles or some other quantile [of your choosing]".

Qualifications Wales interview

It is therefore evident that WIMD data is being used to address some of the data needs outlined in this report regarding socio-economic disadvantage. The primary reason stakeholders use it, instead of or alongside eFSM, is that the multiple domains covered by WIMD and the various indicators that inform the ranking provide additional contextual information on a range of factors relevant to disadvantage. They also value its ability to compare geographical areas and to provide insights into gradients of deprivation.

Some stakeholders noted other benefits of WIMD as a data source, mainly relating to the view that it is easily accessible with consistent coverage across Wales.

Some drawbacks with WIMD were also mentioned. One concern across local authorities and schools is that it is becoming increasingly outdated. As outlined earlier, however, there are plans to update WIMD with the expectation that this will be published in late 2025.

An additional issue when using WIMD is the difficulty of aligning school catchment areas with the LSOA ward-level data, as these do not strictly follow the same administrative boundaries. Equally, not all learners attend a school within their catchment, which means that the average WIMD score of a school's catchment does not necessarily reflect the experience of SED amongst their learners. Some stakeholders suggested that catchment data is not automatically available and that calculating it at the national level would be challenging.

“We have looked into using WIMD as an alternative, but the Super Lower Output Areas are very small and would have to be mapped against catchment areas of all 1,457 schools in the country”.

Welsh Local Government Association proforma

Local authorities also noted challenges with WIMD, as it does not offer data at a sufficiently granular level for some requirements and cannot be used to monitor outcomes at the individual level. Equally, as an area-based indicator, it cannot identify small pockets of deprivation within more affluent LSOAs or pinpoint vulnerable learners.

“It's not a pupil-level indicator, so it's difficult to use in terms of performance and attendance.”

Local authority interview

“It doesn't give us enough information to it because it's based on [area]. I don't think that's a reflection of deprivation because you could have a real mix...in that [area]”.

Local authority interview

Census

Stakeholders also referenced census indicators as a mechanism for informing the assessment of levels of SED at a local level for the Welsh Government. As above, the benefit of this data is the additional contextual information it provides across a variety of indicators, which could collectively be a better representation of actual levels of poverty and disadvantage amongst children and young people. In addition, as a population-level survey, the Census captures information on the entire population of Wales beyond just learners.

Census data is being used as an area-based measure by the Welsh Government as part of testing the approach for the Local Government Settlement formula. This includes different indicators, comprised of National Statistics Socio-economic classification (NS-SEC), qualification levels, household composition for those with dependent children, household deprivation²⁷ and ethnicity.

“We are working on the education formula and the social services formula and we are aiming to change or use different datasets and change the proportion associated with each of those datasets to see which ones have the best correlation relationship [with deprivation]. As part of this, we use 9 different census indicators”.

Welsh Government interview

Collected every 10 years, the main limitation of census data is its infrequency. There is also a considerable time lag (typically of around two years) between the collation of Census data

²⁷ Household deprivation includes those households where if, in the education dimension, no one has at least level 2 education and no one aged 16 to 18 years is a full-time student. A household is classified as deprived in the employment dimension if any member, not a full-time student, is either unemployed or economically inactive due to long-term sickness or disability. There are also health and housing dimensions. Data is publicly available on the number of deprivation dimensions per household rather than the nature of those dimension.

and the publication of the statistics, due to its complexity and the scale of resources involved in the data collection and analysis. Therefore, whilst the data provided is both detailed and granular, it can quickly become dated.

Department for Work and Pensions Data (DWP)

Within the Welsh Government, DWP data are used to inform testing of approaches for the Local Government Settlement funding, including information on income support, jobseeker's allowance, and claimants of pension credit or Universal Credit (not in employment).

In addition, DWP [Households Below Average Income \(HBAI\)](#) statistics were used to inform work on tackling poverty as the headline indicator of poverty levels. This data is collected at the household level, although it is non-disclosive —meaning it cannot be linked to an individual — and must be rounded to the nearest 100,000 people. Whilst it was not suggested that this offers benefits over eFSM in the proforma, it has been used as part of national poverty reporting across Wales, beyond learners alone.

One local authority noted using housing benefit data to provide further verification of which households might meet the criteria for eFSM. The provision of a list of pupils potentially eligible for free meals who are not currently claiming may aid more targeted interventions and awareness raising activity, promoting applications for free school meals. However, it should be noted that DWP data is not available on a household level since it must be rounded (as above) and requires significant effort from LA to access.

Acorn or CACI Data

Two local authorities mentioned using Acorn data to measure the distribution of socio-economic deprivation. Acorn draws on a combination of Census 2021 and housing data (property type, number of rooms, tenure, house price) to segment the population by Category (7 segments), Group (22 segments) and Type (65 segments). The analysis is available at a postcode level, covering up to 80 households, and is therefore more geographically targeted than WIMD's LSOAs.

“[It is used to compare the local authority]'s level of deprivation to other LAs based on a number of indicators including employment, education and housing”.

Local authority proforma

Proforma respondents did not provide much information about the relative utility of this dataset, although they indicated, within their responses, that, as a commercial dataset, there were some negatives in the inherent costs involved in its usage.

Flying Start

Flying Start is a key Welsh Government policy intervention that supports families with children under 4 in disadvantaged areas of Wales. The selection of Flying Start areas was informed by supplementing WIMD data with eFSM data, the number of children with ALN, the number of children eligible for school uniform grants, the number of referrals to social services and the number of households eligible for council tax reduction schemes ([Welsh](#)

[Government, 2024](#)). This illustrates how eFSM can be used as part of a composite of indicators to give a better all-round view of SED, in this case to inform policy intervention. However, this was noted to sometimes create a 'postcode lottery' when offering support.

“We also are aware of interventions in the Early Years sector (e.g. Flying Start) that are based on WIMD areas, which, while a helpful proxy, presents its own problems given the propensity to create a postcode lottery”.

Welsh Government proforma

Individual or household-based measures

In addition to the various area-based measures discussed above, stakeholders referred to a suite of individual- or household-based measures. Household tenure, for example, is used by the Welsh Government as a relevant factor in tackling barriers to attainment. They suggested that some schools and third-sector partners monitor household tenure, as families in rented accommodation have presented to schools as being in poverty and needing support.

Some local authorities who engaged with the research reported using additional data to compensate for several limitations of eFSM, particularly the stigma surrounding applying for eFSM, and using these data to inform the targeting of support better. Where schools hosted a food bank, local authorities could analyse usage to inform them of potential need. At the same time, some schools also referenced using requests for free school uniforms and anecdotal insights from the community.

“We are now not really using eFSM as an indicator of poverty. We're using other things like the increase in the use of food banks...that are giving us a much better indication of the need”.

Local authority interview

Other data on learner behaviour are also used in school improvement to allocate targeted support to learners, such as the number of home addresses and exclusions. The number of in-year school moves, in particular, was identified as a proxy for socio-economic disadvantage by two school improvement leads:

“If there are a number of school moves, three times in the first 5 years of their schooling, it suggests the family might be transient in their housing situation [and that there is] a level of family disruption [which implies SED]”.

Local authority interview

One school noted that they had developed a bespoke, individual-level composite metric to identify risk and better identify learners who may need additional support. This measure triangulated a range of variables already available to schools, such as eFSM, WIMD, and Flying Start postcodes, and looked after children, in addition to learner outcomes such as behaviour and attendance, to better reflect the complex nature of SED rather than relying purely on one income proxy.

“When we're looking at target setting for those children [and] intervening, we'd look at their cognitive ability, but next to that we look at their risk measure [drawing on the suite of indicators outlined above] and we build in our interventions around that. It has been remarkable, and it has been one of the things that we've done that has had more direct impact on children from an indirect measure than anything else”.

School interview

Indeed, using a combination of indicators was considered a more accurate way of identifying vulnerable learners than relying solely on eFSM in the context of UPFSM.

“eFSM on its own, especially in primary, doesn't mean much now, because it's pure luck if they've applied for it, whereas looking at a bit of everything...at least gives you a better understanding...where the disadvantaged kids are these days”.

Local authority interview

This section has shown that different stakeholders involved in the delivery of education are utilising other available data sources to meet their varying needs. A common theme that runs throughout is that they do so to address limitations in eFSM as a singular, imperfect measure of low income and to provide greater contextual information on socio-economic disadvantage among learners and the factors that lead to inequality in educational outcomes.

3.7. Stakeholder requirements and other considerations

This section draws on insights from the previous sections of the report. It summarises stakeholders' perspectives on their requirements for socio-economic disadvantage data, either to overcome limitations of eFSM or to improve the overall measurement of SED to meet their needs. It also considers the potential barriers and implications of any alternative approaches and how any change could be facilitated.

Stakeholder Requirements

Some Welsh Government officials noted that they had no strong perspectives on revisions to eFSM or the introduction of new SED data, particularly since their immediate use does not directly impact individuals or a local area, for example, when it is not tied to funding, such as in the monitoring of outcomes.

Similarly, while there was wide recognition amongst local authority representatives of the limitations of eFSM, few had plans to access further data beyond their current use of eFSM or other SED measures outlined in earlier sections.

Instead, local authority responses predominantly focused on maintaining and improving their current approaches to measuring socio-economic disadvantage.

“It's about just monopolising on the systems [a composite of indicators including eFSM used by the local authority] that we've already got and making sure they are robust and that no young people are falling through the cracks”.

Indeed, amongst stakeholders who do use other data on socio-economic disadvantage, there is a general familiarity with these sources, and they have defined approaches and techniques to make the best of what is available. The majority of those engaged through the research utilising existing data were more focused on pragmatic uses of what was available to them than on wider speculation about what other forms of information and intelligence might be useful.

There was also a feeling among some stakeholders that, since eFSM is widely used and has been embedded in many of their approaches to measuring socio-economic disadvantage for a long time, the extent of reliance on it and other currently available data means that many were unaware and/or unable to articulate their specific data requirements.

“On a personal level, I'm not aware of anything additional that would be useful”.

Local authority interview

“In some ways, it's a difficult question to answer because we will use whatever the default measure is...whatever that indicator looks like, that's the one we'll use for that analysis. So in some ways, it doesn't matter what the indicator is”.

Welsh Government interview

However, the overall analysis of information gathered via proformas and interviews did provide some insight into the kinds of data and their specific characteristics that stakeholders feel would be most valuable or appropriate to respond to and meet their varied needs.

This has been mapped out for each stakeholder in tables included in the technical annex accompanying this report. The reader should consult these tables for a fuller understanding of stakeholder needs, but should also note that, since they have been compiled using evidence collected only from those who participated in the research, they do not provide a definitive picture. Included below are summaries of these tables.

Welsh Government

Technical annex Table 1 presents findings for the Welsh Government.

There is general agreement on the importance of understandability to support public engagement and confidence in the policy process, as well as transparency in the distribution of funding. This is also important for ensuring that Welsh Government teams and relevant stakeholders can analyse and use data effectively.

For most purposes, timely, regularly updated data is important for Welsh Government officials to ensure it reflects levels of disadvantage and corresponds to the frequency with which it is required for analysis or funding calculations. There is also a view that stability and comparability are important, particularly for tracking cohorts of learners, especially when evaluating the success and impact of national initiatives.

Data granularity involves two components: the first is the data subject, which refers to whom or what information has been recorded about. WG officials across all purposes indicated that their preference is for this to be the individual learner, since it is from this that the most accurate determination of the level and distribution of socio-economic disadvantage can be made. The second component of granularity relates to the geographical level at which data is aggregated. Here, there is some level of variation depending on the usage of that data within the Welsh Government:

- Informing and developing policy; essential at the national level
- Calculating and distributing funding; essential at the school catchment level
- Statistics and monitoring outcomes; essential at the school/individual level

In addition, access to the information at the individual learner level is crucial for the accuracy of any activity involving data linkage, whether via ADRU or other organisations. There was recognition, for example, that as the post-16 education statistics function transitions to becoming part of Medr, they must continue to have access to individual learner-level data to enable their work in developing the matched education dataset, producing the LLWR and any further analysis, monitoring outcomes for post-16 learners.

Across all purposes, WG officials place great importance on income-based data from proxies such as eFSM. There is also evidence that some are accessing and/or desiring more direct measures of income, such as benefits data from DWP and HBAI, to address the limitations of eFSM, which do not include all eligible people and underestimates poverty levels due to being a simplistic, binary measure tied to specific thresholds. In addition, officials primarily responsible for funding expressed a desire for more information on parent/carer income over a longer period of time, rather than at a single point in time, to enable an understanding of persistent poverty.

It is clear from their reflections on limitations of eFSM and from commonalities in their use of other forms of data that there is an appetite for more supplementary contextual information to help WG officials better understand socio-economic disadvantage. This includes the various factors that impact learning and should be addressed to respond to learner needs. Notably, this is evident in how WG officials draw on WIMD and Census data, with a few seeking to explore composites composed of various forms of information. One noted:

“We do a lot of work trying to extrapolate what kind of levels of relative poverty in an area are, but then that's dependent on calculations around salary and housing costs, and it gets very complex very, very quickly. So some kind of [composite] indicator of the relative poverty levels [taking into account different aspects SED] in an area would be more useful”.

Welsh Government interview

The extent to which WG officials emphasise having other contextual information varies, with those involved in policy development, calculating and distributing some forms of funding (e.g., Local Government Settlement), and statistics and monitoring reporting the greatest

interest. Notably, their views on other aspects of disadvantage suggest that both individual and area-level geographies are required.

Though it is not included in the table, construct validity refers to how accurately data capture the phenomena they purport to measure (in this case, how accurately the indicator reflects socio-economic disadvantage amongst learners). This is regarded as either very important or important regardless of the purpose for which the data is used.

Local authorities

Technical annex Table 2 presents findings for local authorities.

Across many of the purposes for which they use data, local authorities do not always regard the understandability of data as an especially important characteristic. This occurs because it is often used internally within organisations. However, there is some recognition of the need for it and the additional transparency it brings in public involvement, and to ensure data is analysed, used, and communicated properly.

Except in a minority of instances, such as informing and developing policy which typically operates on 2-5 year cycles, timeliness is regarded as a very important/important characteristic. Generally, local authority representatives indicated that it should be made available annually at a minimum. However, there is a more consistent desire amongst local authorities than WG officials for data to be made available more regularly, often as frequently as termly or even monthly. This reflects the extent to which the remit of local authority representatives, notably through school improvement, involves responsibility for identifying learners in need and for responding with the delivery of support.

There are mixed views around stability and comparability, with this considered less important for most local authorities' purposes. They are, however, regarded as important for work that involves monitoring learners' progress and benchmarking outcomes against other authorities and schools within their localities.

Local authority representatives across all purposes indicated that their preference is for data granularity at the individual learner level, since it is from this that the most accurate determination of the level and distribution of socio-economic disadvantage can be achieved. However, the geographical level of aggregation required varies across the purposes for which the data is required, as follows:

- Informing and developing policy; local authority essential, LSOA desirable
- Calculating and distributing funding; school catchment essential
- Providing targeted support; school catchment essential
- Statistics and monitoring outcomes; individual level

For those leads working in school improvement, data provided at both the school catchment and the level of individual learners is essential.

As with WG, local authorities place high importance on access to income data via proxies, such as eFSM. There is also evidence that some local authority representatives desire measures of income taken more directly, using DWP and HBAI benefits data, which is felt to

address some of the limitations outlined earlier in the report and provide a more accurate reflection of the levels of learners experiencing relative poverty.

Some spoke of the importance of a more ‘tiered’ approach around income to document gradients or scales of disadvantage in a similar manner to WIMD, but that uses actual levels rather than ranking relative to other locations. This was raised with a particular view to providing information on the working poor and is believed to aid in informing and shaping policy, as well as the targeting and tailoring of support to learners in schools.

“I suppose one of our concerns would be not necessarily those people who are eligible for FSM, but those who are the working poor and how we could measure that in some way”.

Local authority interview

Other participants across different aspects of local authority functions also indicated that they require more information on income over the longer term than at a point in time, so they can better grasp those learners and the number who live in deep or persistent poverty and may be regarded as having the greatest need.

It is clear from reflections on the limitations of eFSM data and from their use of other forms of data or indicators already available to them that there is an appetite for more supplementary contextual information to help local authorities better understand socio-economic disadvantage. This is most evident in their use of WIMD, but also in the way local authorities variously draw on data on housing (ACORN/CACI), NS-SEC, household qualifications, and health, etc., in some cases, through composites. It is used to examine factors affecting school and learner outcomes and to target support to learners in ways that account for different needs, including those specific to rurality.

Construct validity, where data accurately capture what it purports to measure, is regarded as important or very important, regardless of the purpose for which it is used.

Schools

Technical annex Table 3 presents findings for schools.

For the overarching purpose of monitoring and benchmarking learner outcomes, school representatives consider the understandability of data to be important, ensuring it can be analysed and used properly, especially as this informs other aspects of school improvement, particularly those involving vulnerable learners.

Schools view timeliness of data as important for monitoring and benchmarking, noting the need for it to be up to date and to align with the timing of outcome data (e.g., school assessments and GCSEs). It is also considered necessary when identifying vulnerable learners and delivering support, to ensure that the data used most accurately reflect current needs.

Schools feel that data should be made available at least annually, but, unlike other stakeholder groups, there is greater emphasis on accessing it on a termly or monthly basis to increase the responsiveness of support to learners.

Having data that is stable and comparable is seen as important for ongoing monitoring or tracking of learner progress, meaningful benchmarking across schools, and supporting evaluation.

Regarding granularity, school representatives agree that the data subject should ideally be the individual learner/household, since it provides the most accurate determination of rates and distribution of socio-economic disadvantage among pupils. Similarly, there is agreement across purposes that it is essential for data collected in this way to be available at the school catchment and learner level.

In much the same way as other key stakeholders, schools place great importance on income-based data as a traditional measure of poverty. This can be through proxies such as eFSM, but there is also recognition of the value of access to household income and benefits data from the DWP and the HBAI.

Indeed, most schools also spoke of the potential value of this data, including the prevalence of working tax credits, or more details on Universal Credit. Part of the rationale for this is to look at low-income homes that are not picked up in the eFSM record, but who also could be seen as experiencing disadvantage:

“I think something that could measure working tax credits to look at very low-income homes who are in low-paid work, who are choosing child tax credits rather than free school meals for their children. How do we capture those children living in poverty?”

School interview

Interviews with schools also highlighted the importance of having data that enables an understanding of long-term and persistent poverty as part of their school improvement work in providing support to learners, pointing to the higher level of need these pupils will have.

“Going forward, a child coming from a family that has never left poverty in three generations is going to be more impacted than one [whose] parents have lost their job short term. If we knew that ingrained poverty, they would be the children that you would intervene with more so they would be the ones out of that FSM group who needed the most”.

School interview

Based on discussions with school representatives and insights into their use of other available data or indicators, it is clear they have an interest in additional contextual information to improve their overall understanding of disadvantage and the factors impacting learners. WIMD as an area-based measure is again valued for its multiple indicators and its use in constructing the AWCDS. While it is also used for more focused work in identifying and supporting vulnerable learners, schools are also seeking a range of other information,

some of which pertains to individual learners, including housing tenure, foodbank use, requests for uniforms, school moves, and anecdotal evidence.

In some instances, as discussed earlier in the report, schools have developed bespoke composite measures comprising all available data, which underscores a desire to access information that reflects the complex nature of socio-economic disadvantage.

Once more, construct validity, as evidenced by data that accurately capture what it purports to measure, is regarded as a requirement for all school purposes.

Other stakeholders

Technical annex Table 4 also presents findings for the remaining stakeholders. Given the number and range of stakeholders involved, there is considerable variation in the required characteristics. Again, it is notable that these users place importance on income data, which in some instances is necessary to be more robust than that currently on offer. They also demonstrate an interest in information available on other aspects of socio-economic disadvantage.

Barriers and implications of alternative or supplementary approaches

When considering any change to the use of data on socio-economic disadvantage, whether involving improvements to the eFSM proxy or other alternative or supplementary measures, stakeholders raise practical challenges that should be taken into account.

Some stakeholders who place a lot of value on eFSM were aware that there would be challenges in finding an alternative or supplementary measure that was capable of providing the level of information required:

“We should not underestimate the challenge of finding a replacement for FSM that gives us data at the same level of detail and at the same frequency”.

Welsh Government proforma

Across all stakeholder groups, there were concerns about the resource implications of adopting other measures and indicators, as this could place further responsibilities on them to collect or process data. However, it should be noted that stakeholders largely reflected on these based on the speculation that an alternative approach would replace, rather than supplement, eFSM.

“There is a fine balance between what we need and what schools are resourced to provide, they are not data collectors for the Welsh Government, they are educators of children”.

Welsh Government interview

“Time and resources would be the biggest barrier that we would have in terms of any changes because we do have limited and reducing resources [to collect and validate data]”.

Relatedly, if suitable alternative measures were found, some stakeholders were cautious about proposals to introduce them, citing the lack of data analysis skills among users across the education system.

“The education system is not great at analysing data and if we got given more data, I think we'd struggle... So I think introducing other data sources [we] would have to be really, really careful about it and it makes me a bit nervous”.

Local authority interview

These concerns influenced the nature of responses from some stakeholders who, as touched upon earlier in the section, sought refinement to the existing measures and indicators they were already using rather than wholesale change:

“I think it's just about building on what we've already got rather than introducing new systems and having the capacity to do that”.

Local authority interview

Another key barrier noted by stakeholders relates to data ownership. As touched on earlier in the report, having ownership of the data means that local authorities understand the limitations and context of its collection, which facilitates its effective use. It also enables them to use it as frequently as they need for their various purposes. There is a risk that these advantages could be lost if their relationship to the data were to change.

Any change to eFSM or the use of alternative measures was also said to risk introducing discontinuity to the longitudinal monitoring of learner outcomes, unless changes can be applied retrospectively, which would present challenges for stakeholders using trends in eFSM to inform their work.

Stakeholders also warned that any lack of coherence or multiple revisions to an alternative approach may undermine confidence, and Welsh Government officials considered stakeholder consensus a considerable barrier. Where there is no buy-in from stakeholders and data users regarding the usefulness of a measure, there is concern that the data will not be widely used or will be used inconsistently.

“As a secondary user, it's about having something that we're confident in, that is accepted by the key stakeholders that have an interest in gathering and utilising it”.

Welsh Government interview

Beyond this, the limits of devolved power were noted by both the Welsh Government and local authorities as a barrier to improving and utilising other measures. This included general concerns about the Welsh Government's ability to set its agenda and manage its processes without aligning with the UK Government by default. It also stemmed from barriers to developing data-sharing agreements with the Department for Work and Pensions and from a lack of legislative powers to introduce the legislation to facilitate this.

Together, these challenges may limit access to benefits data, which has been cited by various stakeholders in earlier sections of the report as a key mechanism for increasing eFSM accuracy by enabling auto-enrolment.

Facilitating an alternative or supplementary approach

Stakeholders were asked what steps they feel would be needed to support any transition to an alternative or supplementary way of measuring socio-economic disadvantage, particularly to overcome barriers and avoid implications.

It was highlighted that time and research would be needed to test and demonstrate the suitability of alternative measures or approaches. This would ensure they are fit for purpose and that stakeholders can use them in a fully informed manner, with knowledge of their limitations.

“We have to be solid on our evidence base, and it has to be something for which we have consistent data available, that’s been validated and is transparent. It’s use of public funds and it’s going out via local authorities, so [local authorities] have to feel confident that it’s all being done in a consistent manner”.

Welsh Government interview

“[We would want to] test the reliability of whatever information we would propose to use and how that would look for whatever we plan to use it [for]”.

Local authority Interview

In addition, stakeholders look to the Welsh Government to provide the resources required to facilitate any changes, including guidance, training and leadership. This highlights the important role of the Welsh Government in the ongoing engagement and consultation process with stakeholders to determine what data might be available to them for their needs. This is crucial, considering the progress made by this research and its limitations in terms of participant feedback and consensus.

Stakeholders also highlighted that there is a continuing need to engage with stakeholders throughout any such process to help navigate potential complications in its implementation, particularly given concerns about available resources and capacity to effectively utilise additional evidence on SED.

“I think it’s really, really important that there are people on the ground that have that opportunity to work with the Welsh Government. I do think it’s important that the Welsh Government is going to be talking to head teachers, is going to be talking to families [and] talking to other people, not just in education and local authorities but also to benefits teams”.

Local authority interview

“... we need to understand it ourselves. If we don’t understand it, then we can’t convey it to families”.

Stakeholders also flagged the need for resources to support those operating outside the public sector, recommending early engagement with providers of management information systems, for example. It was recognised that software development associated with the collation and analysis of data that would inform measurement of disadvantage required clear guidance and a long lead-in time, with any data migration process introducing a range of complexities that would need to be managed by local authorities.

“We would just need time to make sure the systems can handle it. If [the systems providers] can’t handle a Welsh Government change like Transitional Protection, then it shows you have to give the software providers time to adapt”.

Local authority interview

Coherence and consistency in approach were also important for stakeholders, especially those involved in budgetary planning and the allocation of grant funding. One stakeholder in the Welsh Government highlighted that, were any revision to be made, they would advocate for a single uniform shift rather than multiple revisions or a phased approach. This was because of the perception of ‘winners and losers’ amongst funding recipients, due to the variability in each proxy measure or approach.

“We don’t make big revisions to the [funding] very frequently if we can help it, because there’s always that sense from [recipients] that there are winners and losers”.

Welsh Government interview

As noted above, this is also needed to ensure user confidence in the data and stakeholder buy-in towards whatever direction or approach is taken.

Current projects

Within the Welsh Government, several interviewees highlighted ongoing work or research aligned with the use of eFSM data and the measurement of socio-economic disadvantage. Whilst these participants made limited, conclusive suggestions as to what data and its specific characteristics are required for this work, it is important to note that much of it would make use of or rely on any revised approach to data on socio-economic disadvantage and should be considered as part of future phases of research.

- An internal review of the PDG, looking at alternative ways to calculate and allocate the grant that would capture a broader population of pupils experiencing disadvantage and avoid the limitations of eFSM.
- Work is being undertaken as a result of a review of local government funding formulae, including testing the correlation of a range of measures to understand their usefulness as a proxy for socio-economic disadvantage in the context of fair funding distribution. The work appears to be of considerable scale, in the hope that, by being so, it will avoid further revisions in the near future.

“We are working on the education formula and the social services formula, and we are aiming to change or use a different data set and change the proportion associated with each of those data sets to see which ones has the best correlation relationship...We don't make big revisions to the formula very frequently if we can help it”.

Welsh Government stakeholder

- The development of approaches to monitoring the new Curriculum for Wales and the way in which it meets the needs of learners from low-income households.
- Work related to the [Welsh Benefits Charter](#) and the potential streamlining of the benefits system. The intention is to improve the data capture process and ensure that individuals are required to provide information only once, which might be used for multiple purposes. Phase one of this work considers how Free School Meals data, the Council Tax Reduction Scheme, and the Schools Essentials Grant might be shared more effectively.

“So it's moving from a benefit culture to a rights and entitlement culture. So it's your right to be supported. It's your right to know about what [data] we've got”.

Welsh Government interview

4. Key findings and next steps

The purpose of this research was to undertake the initial phase of the eFSM and Beyond project, which seeks to review the use of data on socio-economic disadvantage among learners. It responds to the recommendations of previous Welsh Government reports.

The research was exploratory in nature. It aimed to provide a comprehensive understanding of the range of needs that the Welsh Government and other key stakeholder groups have regarding data on socio-economic disadvantage among learners, in terms of the purposes for which it is used, and to document how they are currently using information on eFSM in response to these. It gathered perspectives on the limitations and challenges surrounding the use of eFSM data as a proxy for disadvantage, and on the ways in which these are being addressed and could be addressed to improve the data available. Moreover, it considered other data sources stakeholders are using and sought their views on what they require to most effectively meet their needs in the future.

The need for data on socio-economic disadvantage

Stakeholders have a range of needs regarding the purposes for which they use data on socio-economic disadvantage among learners, in their common goal of addressing educational inequality. This evidence can be categorised as follows:

- **For informing and developing policy** across the Welsh Government and local authorities, for forecasting budgets, and for wider poverty monitoring activity.
- **For calculating and distributing funding** provided to local authorities, schools, and families in a way that is equitable and reflective of need.
- **For providing targeted support** to those learners who are most in need.
- **For statistics and monitoring of outcomes**, such as attendance and attainment, at the national, local, school, and individual levels.
- **For school improvement**, including as a means to identify learners with additional needs and to design and implement targeted support interventions
- **For managing catering**, both in terms of modelling meal demand levels and the associated resources to be allocated to catering.

Current use of eFSM data

The stakeholder respondent groups provided details on how they use eFSM data. This showed that the data is widely used to inform the development and implementation of a range of policies at national and local levels. This includes contributing to broader national milestones and Wellbeing of Future Generations Act (WBFGA) assessments, but primarily for strategic and financial planning within government and local authorities to address educational inequality and improve outcomes for learners.

This research has confirmed the scale of hypothecated and unhypothecated funding allocated based on eFSM data from the Welsh Government and local authorities via the Local Authority Education Grant (LAEG), including the Pupil Development Grant and the Local Government Settlement. It also highlighted the extent and the variability of its use within LA formulae for the Individual Schools Budget (ISB) when distributing funding to schools.

Local authorities also provided details on the extent to which it is used to provide targeted support to vulnerable learners. This includes Vulnerability Assessment Profiles (VAPs) to identify learners within the Youth Engagement and Progression Framework (YEPF).

The Welsh Government's use of eFSM is an important part of the production of statistics examining the relationship between socio-economic disadvantage and outcomes, including attendance and attainment. The data is also used to produce the All-Wales Core Data Set (AWCDS) and publicly accessible tools such as My Local School.

The eFSM data, available at the individual learner or household level, is also important for ADRU's work coordinating data linkage via the SAIL databank, and for those working in post-16 statistics through MEDR to track outcomes over the longer term.

School improvement activities undertaken by local authorities and schools use eFSM data to monitor school or individual-level outcomes for disadvantaged learners and to benchmark these outcomes using AWCDS with similar schools. This enables priority planning and evaluation. It is also used by schools alongside other data to identify learners vulnerable to the impact of SED and to inform the design and delivery of interventions, such as providing dedicated funding or additional resources to support their learning or inclusion in school life.

In addition, the data is used for practical purposes relating to catering, informing budgeting and resource allocation to understand and meet demand for food in schools, and informing a range of work delivered through arms-length bodies, including the Children's Commissioner for Wales, Careers Wales, Estyn, and Qualifications Wales, relating to their own specific functions.

It is expected that several users of eFSM data will exist beyond the stakeholders who contributed to this research, and respondents' awareness of its use outside the public education system was generally limited. These include:

- Other public sector bodies such as Public Health Wales and Sports Wales;
- Third-sector organisations such as Children in Wales, the Bevan Foundation, Child Poverty Action Group, Urdd Cymru; and
- Private-sector stakeholders, such as providers of education management information systems and cashless till providers.

Strengths of eFSM data

The benefits of eFSM as an indicator are well established, and stakeholders clearly recognise the value of the data as an individual-level measure that provides insight into learners' home circumstances. This makes eFSM data crucial for informing policy, statistics, and monitoring learners' outcomes over time; identifying learners to provide targeted support; and as part of the process for managing catering in schools. It is also important for the work of public bodies such as Qualifications Wales in assessing the impact of qualifications reform, Careers Wales in targeting careers support to learners, UCAS as part of their work improving access to Higher Education, and for the schools inspectorate Estyn in ensuring schools meet the needs of their disadvantaged learners.

It is a clearly defined and well-understood concept, making it valuable for local authorities working with a range of audiences, including simplifying the FSM application process for parents and allocating different grants to schools and other learning settings.

Another strength of eFSM is the frequency at which it is collected and made available. It is publicly available annually through PLASC and, for local authorities, more frequently depending on their respective processes and approaches. Relatedly, a key benefit of eFSM is that local authorities are the 'data owners' (as they gather the data), which provides benefits for data sharing between departments and with external stakeholders.

The criteria for eligibility and the data collection approach have also remained relatively stable over the years, which, in theory, means that trend-based analysis of the prevalence of eFSM can be undertaken. Equally, the approach in Wales aligns broadly with other UK nations, particularly England, enabling comparisons across borders. However, variations in eligibility criteria and thresholds mean comparisons should be made with caution.

Limitations of eFSM data

The research provided further insight into the limitations of eFSM. It highlighted several technical challenges in the data collection and recording process that may have compromised its accuracy. This largely relates to the variability in approach across local authorities and the potential for error in the manual handling of data, and has been compounded further by recent challenges relating to Transitional Protection.

Stakeholders also acknowledged well-established limitations of eFSM data. They suggested that the data may underestimate the number of learners eligible for free school meals, and recognised that there are a variety of reasons why a parent may not register their child, such as issues with the application process, stigma, or meal preference.

Furthermore, eFSM is not perceived by stakeholders to accurately reflect the number of learners living in poverty. This is thought to be due to it being a threshold measure with low eligibility criteria. Indeed, the fact that the criteria have not changed since 2019, while the national living wage and minimum earnings requirements for Universal Credit (UC) have increased, means that fewer families are likely to be eligible. This is despite inflation and cost-of-living pressures, meaning that, in real terms, their incomes have not improved and they remain in relative poverty. There are also concerns around fluctuations in families'

income, meaning access to support may change considerably throughout the year and may affect those living in some areas more than others.

These limitations affect the accuracy with which the data can reflect the scale and nature of income-related socio-economic disadvantage and their ability to serve as a meaningful and reliable proxy. This presents a particular challenge for calculating and distributing funding for demand-led fixed budgets, with the potential to misjudge the level of need, misallocate funds, and affect the targeting of support for learners.

Stakeholders reflected on how the data, which reflects only income, does not capture the multidimensional nature of socio-economic disadvantage and overlooks other factors relevant to learner experience and may be more instrumental in producing inequalities in educational outcomes. This includes indicators associated with housing type and tenure, parental qualifications and occupations, and access to services, etc., but also how these intersect with other factors such as race and ALN status.

It was suggested that relying on data that does not consider these factors may risk misrepresenting the nature and prevalence of disadvantage and directing support either erroneously to or to an insufficient number of learners. Moreover, it does not enable stakeholders to understand and respond to a range of different needs fully.

The extent to which these limitations affect stakeholders' use of eFSM data varies, with the biggest implication being reduced user confidence in the data. Some local authorities acknowledge the problems but continue to use the data as the best available.

Universal Primary Free School Meals

This research found that local authorities perceived that the introduction of UPFSM had indeed impacted eFSM registrations, with 16 of 19 authorities who engaged with the research reporting this. Of these authorities, 10 suggested they had received fewer applications from parents than expected, which they attribute to the introduction of UPFSM. They presented several reasons to support their view.

Whilst the concerns about the impact of under-reporting of eFSM due to UPFSM are valid, the perceived reduction in eFSM due to the UPFSM rollout cannot be disentangled from several other confounding factors. For some local authorities, challenges stemming from confusion about how Transitional Protection status is recorded appear to have had a greater temporary impact on data reliability than UPFSM. Moreover, official figures have not yet shown a notable reduction in registrations.

Given this uncertainty, there were mixed views among stakeholders regarding the implications of UPFSM and its potential effect on registrations, which may reflect ongoing uncertainty about its impact. Some suggested it has not made much difference and has not affected their use of the data, while others spoke of it further undermining their confidence in the data and reflected on the issues it might cause, especially for funding.

Improvements and solutions

The research also explored stakeholder views on activities undertaken to address the limitations and recent challenges surrounding eFSM data. This included efforts ranging from improving validation processes and raising awareness around policy changes, to enhancing what is currently available by using averages rather than point-in-time figures, adopting Ever-6 FSM, or increasing the frequency of eFSM data capture, from which a more accurate understanding of numbers eligible over a time period would be possible.

A key approach several stakeholders suggested to overcome the limitations of eFSM is the potential for directly accessing benefits data from the Department for Work and Pensions. This would enable users to determine which learners are eFSM-eligible and would open the door to adopting an auto-enrolment process (also piloted in locations in England). This would reduce reliance on parental applications and the burden of data collection and validation for local authorities, and improve the reliability of the data.

A further solution to addressing eFSM's inability to capture all learners living in poverty fully may be to increase the UC income threshold introduced in 2019 so it keeps pace with rising wages. This would ensure an increasing number of learners do not become ineligible despite there being no real-terms improvement in their household income.

Whilst some stakeholders expressed little confidence in the viability of eFSM going forward, most were reluctant advocates of its continued use, provided there is a clear recognition of its limitations, that it is used appropriately in light of these, and that improvements could be made to increase its reliability.

Usage of other SED data

These improvements and solutions are useful, but they cannot fully meet stakeholders' needs regarding data on socio-economic disadvantage. This appears to influence the decision of many who participated in the research to draw on other forms of data, both at the area-based and individual/household levels. The most common reason for this was to provide greater contextual information, allowing them to gain a better understanding of the multiple dimensions of disadvantage beyond income.

The most notable and widely used form of SED data by stakeholders is the Welsh Index of Multiple Deprivation (WIMD), which is adopted either in addition to or independently of eFSM. It is used across all groups of stakeholders, including WG, LAs, schools and others, in relation to their purposes, but it involves different approaches and motivations. There are, however, concerns that limits its utility, including that the data is increasingly outdated (an update is due in November 2025), and the fact that it is an area-based measure with limited level of granularity.

Stakeholders also deploy a range of other household- or individual-level indicators, including Census data, Acorn/CACI data, and DWP data. In some instances, users are actively testing correlations between these data and eFSM, such as for the Local Government Settlement. In a school improvement context, data on various aspects of SED from different sources are used, sometimes in bespoke composite measures to allocate

targeted support to learners. However, for school improvement leads and many schools, practitioner judgment remained the decisive factor in identifying vulnerable learners.

Stakeholder requirements

Given the extent of the limitations and challenges surrounding eFSM, and in response to recommendations from previous reports, the research sought stakeholder views on which supplementary or alternative data sources would improve the measurement of disadvantage and what they require to fulfil their purposes and meet their needs.

The stakeholders as a whole had no strong perspectives on this and were unable to provide comprehensive feedback on specific forms of additional data they would like to access beyond what is currently available to them. Rather than speculate on other forms of information that might be useful, their focus was on maintaining and improving the data they have with defined approaches and techniques to make the best of what is available.

However, an overall analysis of information gathered via proformas and interviews, relating to the research questions as a whole, did provide some insight into the kinds of data and their characteristics that different groups of stakeholders find most appealing, whether eFSM in its current or revised form or something else. This has been mapped to a series of tables provided in the accompanying technical annex to this report.

At a minimum, there is an expectation that data will be of high quality, have been validated to minimise errors, and involve transparency in their collection methods and limitations. It should also be readily available and accessible for those stakeholders who wish to use it.

Based on the purposes for which stakeholders use data on disadvantage, the following other characteristics were identified as important to consider more closely. There is variation both within and across stakeholder groups in terms of the extent to which they place importance on these, and also their exact requirements in each:

- Understandability
- Timeliness
- Frequency
- Stability
- Comparability
- Granularity

The research also explored stakeholder views on data relating to aspects and dimensions of socio-economic disadvantage, in line with the recommendations of previous reports. All stakeholders, across the purposes for which they use data, felt it was important to continue accessing income information. They place high value on the eFSM proxy, particularly given its potential for improvements and enhancements, including direct access to data on benefits from the DWP and HBAI. There is also a desire among some in WG, LAs, schools, and other stakeholders for income data available in tiers or gradients to enable an understanding of different levels of poverty, including that experienced by the working poor and/or over the longer term, to provide insights into deep or persistent poverty.

Through their reflections on the limitations of eFSM and their discussion of their use of other data, it is apparent that stakeholders working across the education system are interested in contextual information on socio-economic disadvantage beyond income alone. The reason is to provide a better understanding of the factors influencing educational outcomes and the varied nature of learner needs so that support can be delivered most effectively.

There was hesitancy amongst stakeholders towards the introduction of any alternative or supplementary data, along with several noted barriers and implications. The limits of devolved power and WG's ability to set its agenda and manage its own processes were raised, especially regarding improvements to the eFSM proxy. In particular, there is awareness of potential obstacles to developing data-sharing agreements with the UK Government's DWP, which could restrict access to benefit data.

The most notable concern for stakeholders is the potential burden associated with any change to the collection and recording processes for local authorities and schools. There was also unease around ownership and availability of data and the ability of stakeholders to analyse it as effectively as what they currently use, as well as risks associated with a lack of coherence and consistency in approach that may undermine user confidence.

In addition, a key challenge in overcoming the limitations of eFSM is the complexity of the solution that may be required due to the volume of data, the number of users, and the range of purposes for which they use the data. Moreover, since the collection and use of eFSM span a wide range of policy areas, including but not limited to education, poverty, equality, welfare, and local government, the implications of any changes in approach could be vast.

To facilitate any change in data use, whether adjustments to what they currently use or additional information to supplement it, stakeholders spoke of the need to dedicate time and resources to testing and demonstrating its appropriateness. They also call for the provision of resources, including guidance, training, and leadership, going forward, as well as further engagement with stakeholders to ensure any changes meet the needs.

Next steps

While some stakeholders remain broadly satisfied with the use of eFSM data, there is clear recognition of its limitations and the challenges that affect its use. The evidence provided suggests that there are notable issues with transitional protection and the roll-out of UPFSM, even if the exact impact on data accuracy and registrations has not been determined. Further consideration could be given to understanding the current and future implications of this, including the different validation and mitigation measures that have been put in place. Similarly, attention needs to be given to understanding the impact of the static earning threshold for eligibility in light of inflationary pressures, and the implications it has for the representativeness of the data over time and its use for monitoring and intervention.

The research provided information on a range of ongoing and recommended solutions to address the shortcomings of eFSM data and ensure it is effectively meeting stakeholder needs. Additional focus could be placed on exploring the different options discussed, such

as enhancements, including ever-6 eFSM, seeking direct access to benefits data, or taking steps in line with recent developments in England to expand eligibility.

Stakeholders were generally unable to provide comprehensive, detailed feedback on other specific forms of socio-economic data they would like access to, to help meet their needs and purposes. However, the findings suggest that many require data with a variety of characteristics, and there is interest in more contextual information that provides insights into aspects of disadvantage beyond income. The findings mapped out in the technical annex can be used to inform the next phases of research. Further phases of research could involve an assessment of how effective different indicators and measures of socio-economic disadvantage, whether existing and currently available or developed in a more bespoke fashion via data linking, are in meeting the stakeholder data requirements and needs outlined in this report.

Notably, stakeholders suggested they would benefit from guidance and involvement in further work that could lead to changes, both to ensure their needs are met and to minimise potential impacts. In view of this, in undertaking the next stages of research and in forming any subsequent policy, consideration should be given to engaging with and consulting these stakeholder groups. Given the varied requirements and the potential expectations of stakeholders that could emerge as part of this process, consideration will also be needed for how their data needs can be accommodated within the scope of the resources available to deliver any change.

Finally, several substantive projects and policy developments are underway that may be affected by further research; as such, this research and any decisions that might stem from it should take this into account to minimise possible disruption.

Annex

Kounali (2008) [The probity of free school meals as a proxy measure for disadvantage](#)

Location: UK

In light of concerns about the eFSM measure, this early article sought to provide an empirical assessment of its appropriateness. Overall, it found that eFSM underestimates the proportion of children who consistently remain below the income thresholds implied by the FSM eligibility criteria by approximately 60%. The researchers conclude that this makes it an unreliable and coarse index of economic disadvantage, which, in turn, leads to biased estimates of the effect of poverty on academic attainment. It is suggested that more fine-grained indicators of poverty, combining FSM eligibility with other indicators such as WTCs, are needed to assess the effect of socio-economic circumstances on academic progress more reliably.

Gorad (2013). [Who is eligible for free school meals? Characterising free school meals as a measure of disadvantage in England](#)

Location: England

This paper uses a national dataset of all pupils (PLASC) for 2007. It examines the relationship between different indicators of pupil background and attainment to help decide how useful FSM remains compared with its suggested alternatives, how to handle the crucial question of missing data, and to describe more fully than previously the national picture of who is eligible for free school meals.

The results show that, while the distinction between take-up and eligibility has been eroded, eFSM is a useful and clear stratifying variable for pupil attainment patterns in school, linked to school type, school mobility, living in care, special needs, first language, and minority ethnic group.

The pupils missing FSM values fall into two groups, based largely on their type of school and how long they have been there. One group attends fee-paying schools and is most similar to non-FSM pupils elsewhere, and could be aggregated with them in future analyses that do not want to omit them. The remaining missing FSM pupils form a deprived and perhaps super-deprived group. These should not be omitted, nor assumed to be like non-FSM pupils, as currently happens in official school performance figures in England, which disadvantages schools with very deprived intakes.

If these issues related to missing data are resolved and other limitations are accepted, FSM remains a better indicator of low socio-economic status than the current alternatives discussed in the paper.

Hobbes and Vignoles (2013). [Is children's free school meal 'eligibility' a good proxy for family income?](#)

Location: England

This article examines the relationship between children's FSM 'eligibility' and equivalent net household income in a nationally representative survey of England (the Family Resources Survey). It finds that children 'eligible' for FSM are much more likely than other children to be in the lowest income households. However, only around one-quarter to one-half of them were in the lowest income households in 2004/5.

Ilie et al (2017). [Revisiting free school meal eligibility as a proxy for pupil socio-economic deprivation](#)

Location: England

This article summarises the uses of eFSM data and the debate around the problems it entails. Its main aim is to consider whether it is an adequate proxy for pupils' socio-economic disadvantage in an educational context, and to do so by comparing it with other measures of SED in the Longitudinal Study of Young People in England and matched administrative data. It is found that eFSM correlates and overlaps with these measures, including individual-level household characteristics (e.g. income, parental qualification, occupation, employment, etc) and neighbourhood level proxies (e.g. IDACI and proportion in top occupational classes); however, it does not identify all children living in what would be deemed deprived households. Some individual-level measures that aren't exclusively income-related were found to be better predictors of educational attainment, though the effect is quite marginal. Importantly, they also estimated a model that included multiple measures and found that their combined explanatory power was greater in accounting for variance in outcomes.

Taylor (2018). [The Reliability of Free School Meal Eligibility as a Measure of Socio-Economic Disadvantage: Evidence from the Millennium Cohort Study in Wales](#)

Location: Wales

This study by a Welsh academic again summarises the uses of the eFSM data and several of the main advantages and disadvantages. The paper assesses the reliability of the eFSM measure in three ways by linking the Millennium Cohort Study (MCS) and education-based administrative data from the National Pupil Database (NPD). First, it finds that eFSM does not capture all children living in income poverty, with only around 50% of such children recorded as eligible. Second, it explores the relationship between eFSM and other socio-economic characteristics and finds that the measure excludes some notable groups. Third, it examines the relationship between eFSM and educational outcomes at ages 7 and 11, compared with other measures of socio-economic disadvantage, and reveals complex results. At age 7, there was no significant relationship between being eFSM or other similar income-related measures, such as household income and occupational group and attainment, and other factors, such as the educational levels of parents, appeared to be more important. At age 11, the relationship between eFSM/similar income measures and attainment is stronger and more important than that with parental educational level. The authors do, however, conclude that the findings still demonstrate that being eFSM does not

account for all the variation in outcomes among other children with specific socio-economic disadvantages.