

Distribution Sub-Group (2021) Paper 13 – eFSM data in the settlement

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

eFSM data in the settlement

Summary

1. This paper provides analysis of the eligible for Free School Meals (eFSM) pupil numbers taken from the April 2021 Pupil Level Annual School Census (PLASC).
2. This looks at the eFSM data over time and looks at the financial implications of a series of options of updating the current frozen dataset.

Views sought

3. DSG members are asked to consider whether or not to update to the latest PLASC data.
4. If DSG are inclined to update the dataset, they're asked whether they would like a subsequent paper on exemplifying the impact of including those transitionally protected.

Related Papers

Distribution Sub-Group (2020) Paper 16 – Assessing the Impact of Universal Credit on the 2020 PLASC FSM data

Distribution Sub-Group (2019) Paper 16 – Assessing the impact of universal credit on the PLASC FSM data

Distribution Sub-Group (2019) Paper 15 – Updating the Settlement with 2019 PLASC data

Distribution Sub-Group (2018) Paper 23 – Assessing the impact of universal credit on the PLASC FSM data

Background

5. Eligibility for Free School Meals (eFSM) is used as a proxy of deprivation in the assessment of relative need to spend on teaching and other services in the local government settlement, but is not used as a proxy for the need to spend on school meals.
6. The introduction of universal credit meant that the eligibility criteria for eFSM changed so that all children of families on universal credit would become eFSM until 31 March 2019.
7. Subsequently the Welsh Government introduced a net annualised earnings threshold of £7,400 for Universal Credit claimants wishing to claim free school meals.

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8. The gradual rollout of Universal Credit meant that local authorities did not all start providing the benefit simultaneously, with some starting much earlier than others.
9. As the distribution mechanism of the settlement is dependent on an authority's relative share of an indicator, any situation which enables an authority to unfairly increase their share of an indicator more quickly than another can have large financial bearing on the funding.
10. Previous analysis (DSG 2019 – Paper 16) has shown a relationship between the number of days an authority had been providing universal credit and the change in eFSM pupil numbers i.e. the longer an area provided universal credit the larger their increase in eFSM pupils in that given year.
11. Within the settlement context, this would mean that the distribution of funding would favour those authorities that were able to provide Universal credit for longer. At this point DSG agreed to freeze the eFSM data used in the settlement as a three year average up to 2018.
12. This paper looks at the latest data and provides a series of options for DSG to consider if they wish to unfreeze the eFSM data.

Analysis

13. This paper considers only those eFSM during PLASC, therefore this does not consider those additional pupils which are transitionally protected i.e. where their families' circumstance no longer meets the eligibility criteria but they previously did, so the children are still eligible to receive the free school meals.
14. The PLASC data collection was completed in April 2021. As this was during the Covid-19 pandemic, there might also be other confounding factors affecting the 2021 data during a period where we have seen a large rise in the number of benefits claimants, which may have affected areas at different rates.
15. Table 1 in Annex A shows the change in pupils eFSM since 2016 by age group and local authority. This table also provides the date of universal credit going live in an authority for contextual information.
16. Across Wales there are provisionally 32.2% more pupils eFSM in 2021 than in 2017 (data prior to universal credit) in primary schools, and 40.7% in secondary schools.
17. These ranged significantly between areas, for example in primary school year groups this ranged from a 2.2 decrease in Pembrokeshire to a 73.3% increase in Torfaen. The same authorities also have the lowest and highest increase in the secondary year groups (+2.1% and +78.1%)
18. The relative shares of each dataset by authority, year and pupil year group is shown in Annex a table 2.
19. When comparing the 2021 data with the 3-year average up to 2018 (currently used in the settlement) we see a range of different relative increases, with primary in Caerphilly having the largest relative decrease of 0.9 percentage points and Torfaen seeing the largest relative increase up 0.7 percentage

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points. A similar pattern is seen within the secondary school years dataset with Caerphilly seeing the largest relative decrease of 0.9 percentage points and Cardiff seeing a 1.8 percentage points increase.

Re-distribution of AEF

20. Table 3 in Annex A demonstrates the financial impact (AEF) of updating the dataset through different combinations. The four options provided are:
 - a) continue to freeze at the average of 2016, 2017, 2018;
 - b) taking an average of 2019, 2020 and 2021;
 - c) taking an average of 2017, 2018 and 2021;
 - d) taking an average of 2016, of 2017, 2018 and 2021.
21. Option (b) demonstrates large increase to those that were early adopters of Universal credit with Torfaen and Flintshire seeing the largest monetary increase (up £1.4m and £1.1m). Caerphilly and Pembrokeshire see the largest decrease (£1.7m and £896k).
22. Given previous analysis showed the 2019 and 2020 data are largely impacted by the timings of universal credit this option is not recommended.
23. Option (c) replaces the 2016 data with the latest 2021 data. This shows less change to the distribution than the first option, with the change in AEF ranging from a decrease of £1.0m in Caerphilly to a £916k increase in Cardiff.
24. Similar to option (c), option (d) uses the 2021 data but replaces the 3-year average with a 4-year average to attempt to smooth some of the financial implications. AEF ranges from a decrease of £655k in Caerphilly to an increase of £652k in Cardiff.

Conclusion

25. DSG are asked to discuss the dataset and provide their recommendations on whether they would like to unfreeze the dataset for the 2022-23 settlement setting their preferred option.
26. If DSG would like to consider updating this dataset, they are asked to consider whether those transitionally protected should also be included in the calculation.
27. If the group would like to keep the dataset frozen for 2022-23 they're asked whether they would like us to start considering alternative datasets later this year or early in 2022.

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Annex A

Table 1 – Number of pupils eFSM by local authority, year and age group

UC live LA	Reception to Year 6						Year 7 to 11						% difference (2021 - 2017)	
	2016	2017	2018	2019	2020	2021 ^a	2016	2017	2018	2019	2020	2021 ^a	Primary	Secondary
Dec-18 Isle of Anglesey	869	855	805	844	923	1,125	524	489	485	471	520	690	31.6%	41.1%
Dec-18 Gwynedd	1,247	1,216	1,161	1,111	1,187	1,671	692	650	665	669	713	1,004	37.4%	54.5%
Jun-18 Conwy	1,351	1,430	1,313	1,463	1,425	1,844	815	795	766	825	800	1,080	29.0%	35.8%
Apr-18 Denbighshire	1,538	1,471	1,462	1,577	1,779	2,110	939	903	862	990	1,147	1,429	43.4%	58.3%
Apr-17 Flintshire	1,951	1,760	1,955	2,226	2,484	2,753	1,058	1,022	1,084	1,234	1,459	1,731	56.4%	69.4%
Oct-17 Wrexham	1,914	2,012	1,962	2,161	2,328	2,695	864	880	863	955	1,113	1,342	33.9%	52.5%
Oct-18 Powys	998	1,065	1,040	1,052	1,198	1,513	626	632	624	628	779	1,007	42.1%	59.3%
Dec-18 Ceredigion	618	565	592	575	704	787	345	359	359	379	457	462	39.3%	28.7%
Sep-18 Pembrokeshire	1,506	1,601	1,416	1,545	1,530	1,566	881	934	876	846	879	954	-2.2%	2.1%
Dec-18 Carmarthenshire	2,492	2,427	2,338	2,392	2,685	3,199	1,566	1,430	1,393	1,504	1,705	2,030	31.8%	42.0%
Dec-17 Swansea	3,824	3,828	3,829	4,284	4,326	4,635	2,123	2,220	2,206	2,390	2,491	2,791	21.1%	25.7%
Oct-17 Neath Port Talbot	2,591	2,430	2,467	2,766	2,863	3,233	1,622	1,632	1,511	1,605	1,628	1,907	33.0%	16.9%
Jun-18 Bridgend	2,246	2,173	2,226	2,352	2,609	2,877	1,293	1,196	1,201	1,285	1,383	1,655	32.4%	38.4%
Oct-18 Vale of Glamorgan	1,490	1,461	1,478	1,517	1,702	2,083	917	904	819	820	936	1,232	42.6%	36.3%
Nov-18 Rhondda Cynon Taf	4,435	4,449	4,312	4,227	4,762	5,583	2,536	2,512	2,472	2,504	2,819	3,450	25.5%	37.3%
Jun-18 Merthyr Tydfil	1,074	1,009	1,005	1,026	1,061	1,253	598	588	569	575	564	754	24.2%	28.2%
Sep-18 Caerphilly	3,379	3,167	3,051	3,010	3,278	3,686	2,185	2,000	1,958	1,886	2,025	2,388	16.4%	19.4%
Jul-18 Blaenau Gwent	1,486	1,213	1,229	1,255	1,390	1,742	776	639	630	604	698	910	43.6%	42.4%
Jul-17 Torfaen	1,501	1,373	1,538	1,824	2,008	2,379	859	876	948	1,104	1,280	1,560	73.3%	78.1%
Jun-18 Monmouthshire	730	675	697	726	859	1,073	406	383	393	408	468	612	59.0%	59.8%
Nov-17 Newport	2,607	2,568	2,485	2,886	2,774	3,358	1,494	1,445	1,412	1,533	1,671	2,113	30.8%	46.2%
Feb-18 Cardiff	6,366	6,321	5,968	6,338	7,008	8,421	3,377	3,422	3,224	3,541	4,100	5,366	33.2%	56.8%
Wales	46,213	45,069	44,329	47,157	50,883	59,586	26,496	25,911	25,320	26,756	29,635	36,467	32.2%	40.7%

^a 2021 data are still provisional.

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Table 2 - Relative share of the number of pupils eFSM, by local authority, year and age group¹

	Reception to Year 6						Year 7 to 11						% difference (2021 - 3-year average to 2018)	
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	Primary	Secondary
Isle of Anglesey	1.9%	1.9%	1.8%	1.8%	1.8%	1.9%	2.0%	1.9%	1.9%	1.8%	1.8%	1.9%	0.0%	0.0%
Gwynedd	2.7%	2.7%	2.6%	2.4%	2.3%	2.8%	2.6%	2.5%	2.6%	2.5%	2.4%	2.8%	0.1%	0.2%
Conwy	2.9%	3.2%	3.0%	3.1%	2.8%	3.1%	3.1%	3.1%	3.0%	3.1%	2.7%	3.0%	0.1%	-0.1%
Denbighshire	3.3%	3.3%	3.3%	3.3%	3.5%	3.5%	3.5%	3.5%	3.4%	3.7%	3.9%	3.9%	0.2%	0.4%
Flintshire	4.2%	3.9%	4.4%	4.7%	4.9%	4.6%	4.0%	3.9%	4.3%	4.6%	4.9%	4.7%	0.4%	0.7%
Wrexham	4.1%	4.5%	4.4%	4.6%	4.6%	4.5%	3.3%	3.4%	3.4%	3.6%	3.8%	3.7%	0.2%	0.3%
Powys	2.2%	2.4%	2.3%	2.2%	2.4%	2.5%	2.4%	2.4%	2.5%	2.3%	2.6%	2.8%	0.3%	0.3%
Ceredigion	1.3%	1.3%	1.3%	1.2%	1.4%	1.3%	1.3%	1.4%	1.4%	1.4%	1.5%	1.3%	0.0%	-0.1%
Pembrokeshire	3.3%	3.6%	3.2%	3.3%	3.0%	2.6%	3.3%	3.6%	3.5%	3.2%	3.0%	2.6%	-0.7%	-0.8%
Carmarthenshire	5.4%	5.4%	5.3%	5.1%	5.3%	5.4%	5.9%	5.5%	5.5%	5.6%	5.8%	5.6%	0.0%	-0.1%
Swansea	8.3%	8.5%	8.6%	9.1%	8.5%	7.8%	8.0%	8.6%	8.7%	8.9%	8.4%	7.7%	-0.7%	-0.8%
Neath Port Talbot	5.6%	5.4%	5.6%	5.9%	5.6%	5.4%	6.1%	6.3%	6.0%	6.0%	5.5%	5.2%	-0.1%	-0.9%
Bridgend	4.9%	4.8%	5.0%	5.0%	5.1%	4.8%	4.9%	4.6%	4.7%	4.8%	4.7%	4.5%	-0.1%	-0.2%
Vale of Glamorgan	3.2%	3.2%	3.3%	3.2%	3.3%	3.5%	3.5%	3.5%	3.2%	3.1%	3.2%	3.4%	0.2%	0.0%
Rhondda Cynon Taf	9.6%	9.9%	9.7%	9.0%	9.4%	9.4%	9.6%	9.7%	9.8%	9.4%	9.5%	9.5%	-0.4%	-0.2%
Merthyr Tydfil	2.3%	2.2%	2.3%	2.2%	2.1%	2.1%	2.3%	2.3%	2.2%	2.1%	1.9%	2.1%	-0.2%	-0.2%
Caerphilly	7.3%	7.0%	6.9%	6.4%	6.4%	6.2%	8.2%	7.7%	7.7%	7.0%	6.8%	6.5%	-0.9%	-1.4%
Blaenau Gwent	3.2%	2.7%	2.8%	2.7%	2.7%	2.9%	2.9%	2.5%	2.5%	2.3%	2.4%	2.5%	0.0%	-0.1%
Torfaen	3.2%	3.0%	3.5%	3.9%	3.9%	4.0%	3.2%	3.4%	3.7%	4.1%	4.3%	4.3%	0.7%	0.8%
Monmouthshire	1.6%	1.5%	1.6%	1.5%	1.7%	1.8%	1.5%	1.5%	1.6%	1.5%	1.6%	1.7%	0.3%	0.2%
Newport	5.6%	5.7%	5.6%	6.1%	5.5%	5.6%	5.6%	5.6%	5.6%	5.7%	5.6%	5.8%	0.0%	0.2%
Cardiff	13.8%	14.0%	13.5%	13.4%	13.8%	14.1%	12.7%	13.2%	12.7%	13.2%	13.8%	14.7%	0.4%	1.8%

¹ 2021 data are still provisional.

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Table 3 - Exemplification to show the impact of updating eFSM pupil numbers only on the 2021-22 AEF^{1, 2}

UC live	LA	2021-22 Settlement (a)	2019, 2020, 2021 (b)	2017, 2018, 2021 (c)	2016, 2017, 2018, 2021 (d)	(b) - (a)	(c) - (a)	(d) - (a)
Dec-18	Isle of Anglesey	104,825	104,691	104,800	104,821	-135	-25	-4
Dec-18	Gwynedd	194,793	194,611	194,882	194,876	-182	88	83
Jun-18	Conwy	166,906	166,750	166,914	166,898	-156	8	-8
Apr-18	Denbighshire	158,632	159,134	158,881	158,838	503	249	206
Apr-17	Flintshire	206,778	207,906	207,160	207,089	1,128	382	311
Oct-17	Wrexham	188,856	189,361	189,142	189,007	505	286	151
Oct-18	Powys	191,897	192,153	192,180	192,071	256	283	174
Dec-18	Ceredigion	109,658	109,677	109,625	109,631	19	-33	-27
Sep-18	Pembrokeshire	179,387	178,491	178,858	178,933	-896	-529	-454
Dec-18	Carmarthenshire	284,820	284,730	284,732	284,810	-91	-88	-11
Dec-17	Swansea	352,642	352,395	352,213	352,194	-246	-429	-448
Oct-17	Neath Port Talbot	236,680	236,269	236,288	236,402	-411	-392	-278
Jun-18	Bridgend	212,192	212,192	212,070	212,115	1	-121	-77
Oct-18	The Vale of Glamorgan	168,316	168,262	168,406	168,382	-55	90	66
Nov-18	Rhondda Cynon Taf	404,375	403,668	404,214	404,194	-707	-161	-181
Jun-18	Merthyr Tydfil	101,476	101,124	101,323	101,371	-352	-153	-105
Sep-18	Caerphilly	292,367	290,619	291,344	291,713	-1,749	-1,023	-655
Jul-18	Blaenau Gwent	120,361	120,005	120,119	120,318	-356	-242	-43
Jul-17	Torfaen	146,340	147,750	147,005	146,804	1,410	664	464
Jun-18	Monmouthshire	101,483	101,708	101,645	101,614	225	162	131
Nov-17	Newport	240,796	240,993	240,866	240,848	196	69	52
Feb-18	Cardiff	487,913	489,006	488,829	488,565	1,093	916	652
Wales		4,651,494	4,651,494	4,651,494	4,651,494			

¹ Note that the 6 missing schools have been proxies at their 2020 values.

² The data for 2021 is still provisional