

## ***Distribution Sub-Group (2022) Paper 09 – Eligible for Free School Meals (eFSM) data within the settlement***

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

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

#### **Summary**

1. This paper provides analysis of the eligible for Free School Meals (eFSM) pupil numbers taken from the [February 2022 Pupil Level Annual School Census \(PLASC\)](#).
2. This paper provides analysis following the decision made in Distribution Sub-Group (2021) Paper 14 - eFSM on the settlement. DSG has previously recommended to update the eFSM dataset in the settlement to an average of 2016, 2017, 2018 and 2021 data and to exclude those transitionally protected.

#### **Views sought**

3. DSG members are asked to consider the updated analysis that now averages the years 2017, 2018, 2021 and 2022.

#### **Related Papers**

*Distribution Sub-Group (2021) Paper 14 - eFSM on the settlement*

*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*

#### **Background**

4. 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.
5. 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.
6. Subsequently the Welsh Government introduced a net annualised earnings threshold of £7,400 for Universal Credit claimants wishing to claim free school meals.
7. 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.

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8. At the same time, a programme of transitional protection was introduced for families. Transitional protection ensures that the changes to the free school meals eligibility criteria cause the minimum amount of disruption.
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. Following the 2021 eFSM data DSG agreed to use a 4-year average (DSG 2021 – Paper 14) in the 2022-23 settlement to smooth out the financial impact of COVID-19 and the rollout out of universal credit. The recommendation was to update the eFSM dataset in the settlement to an average of 2016, 2017, 2018 and 2021 and to exclude those transitionally protected.
13. This paper considers the impact through using the continued 4-year average approach agreed by DSG to include 2022 data.
14. The PLASC data collection was completed in February 2022, rather than the usual time period of January. Due to the level of Coronavirus (COVID-19) cases in January 2022 the census date was delayed to 15 February 2022.

### **Analysis**

#### **Data**

15. This section looks at the continuation of the agreed 4 year average eFSM data over time, then draws comparisons between the previous settlement.
16. Table 1 in Annex A shows the change in pupils eFSM since 2017 by primary and secondary and local authority.
17. Across Wales there are 27.9% more pupils eFSM in 2022 than in 2017 (data prior to universal credit) in primary schools, and 41.3% in secondary schools.
18. These ranged significantly between areas, for example in primary school year groups this ranged from a -0.5% decrease in Pembrokeshire to a 62.5% increase in Monmouthshire. In secondary school year groups this ranged from a 8.0% increase in Isle of Anglesey to a 84.3% increase in Flintshire.
19. The 4-year average number of pupils by authority and primary or secondary is shown in table 2 Annex A as well as the difference in relative share.

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20. When comparing the 2021 data with the 4-year average up to 2016 (currently used in the 2022-23 settlement) against the 2022 data with the 4-year average up to 2017 we see a range of relative share changes. For example, in primary school year groups this ranged from a decrease of 0.48% in Rhonda Cynon Taf to an increase of 0.38% in Cardiff. In Secondary school year groups this ranged from a decrease of 0.17% in Rhonda Cynon Taf to an increase of 0.76% in Cardiff.

### **Re-distribution of AEF**

21. Table 3 in Annex A demonstrates the financial impact (AEF) of updating the dataset with the latest 4-year average eFSM. The latest 4-year average will include the years 2017, 2018, 2021 and 2022 data.
22. The 2022 data 4-year average shows that the largest monetary decreases can be seen in Rhonda Cynon Taf (£1.0m) and Caerphilly (£0.4m). The largest monetary increases can be seen in Cardiff (1.3m).

### **Conclusion**

23. 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 stating their preferred option.

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**Annex A**

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

	Total pupils primary eligible FSM				Total pupils secondary eligible FSM				Total pupils primary eligible FSM	Total pupils secondary eligible FSM
	2022	2021	2018	2017	2022	2021	2018	2017	2022 vs 2017	2022 vs 2017
Isle of Anglesey	866	920	805	855	540	600	489	500	1.3%	8.0%
Gwynedd	1,288	1,274	1,161	1,216	837	778	672	660	5.9%	26.8%
Conwy	1,678	1,796	1,313	1,430	1,081	1,069	778	816	17.3%	32.5%
Denbighshire	1,769	1,863	1,463	1,472	1,225	1,260	918	929	20.2%	31.9%
Flintshire	2,793	2,728	1,967	1,771	1,911	1,757	1,098	1,037	57.7%	84.3%
Wrexham	2,556	2,664	1,962	2,012	1,389	1,316	884	893	27.0%	55.5%
Powys	1,626	1,483	1,040	1,065	1,069	965	633	640	52.7%	67.0%
Ceredigion	830	787	592	565	631	465	363	362	46.9%	74.3%
Pembrokeshire	1,593	1,558	1,416	1,601	1,066	983	885	943	-0.5%	13.0%
Carmarthenshire	3,409	3,160	2,345	2,431	2,268	2,048	1,414	1,446	40.2%	56.8%
Swansea	4,549	4,619	3,848	3,839	2,822	2,795	2,257	2,270	18.5%	24.3%
Neath Port Talbot	3,188	3,209	2,467	2,430	1,925	1,812	1,512	1,633	31.2%	17.9%
Bridgend	3,008	2,815	2,227	2,175	1,786	1,591	1,222	1,205	38.3%	48.2%
The Vale of Glamorgan	1,984	2,037	1,478	1,462	1,244	1,233	879	948	35.7%	31.2%
Rhondda, Cynon, Taff	4,569	5,485	4,333	4,466	2,893	3,395	2,528	2,559	2.3%	13.1%
Merthyr Tydfil	1,289	1,256	1,007	1,009	730	741	588	599	27.8%	21.9%
Caerphilly	3,847	3,662	3,054	3,171	2,635	2,420	1,987	2,013	21.3%	30.9%
Blaenau Gwent	1,744	1,701	1,229	1,221	958	854	632	659	42.8%	45.4%
Torfaen	2,057	2,368	1,538	1,373	1,468	1,542	950	876	49.8%	67.6%
Monmouthshire	1,097	1,073	697	675	657	623	405	384	62.5%	71.1%
Newport	3,271	3,309	2,494	2,577	2,122	2,090	1,434	1,464	26.9%	44.9%
Cardiff	8,734	8,246	5,971	6,321	5,895	5,285	3,327	3,462	38.2%	70.3%
<b>Wales</b>	<b>57,745</b>	<b>58,013</b>	<b>44,406</b>	<b>45,137</b>	<b>37,152</b>	<b>35,622</b>	<b>25,708</b>	<b>26,298</b>	<b>27.9%</b>	<b>41.3%</b>

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

**Table 2 - Number of pupils (4 Year Average) eFSM by local authority, year and primary or secondary**

	2017, 2018, 2021, 2022 AVERAGE		2016, 2017, 2018, 2021 AVERAGE		Difference in relative share %	
	Total pupils primary eligible FSM	Total pupils secondary eligible FSM	Total pupils primary eligible FSM	Total pupils secondary eligible FSM	Total pupils primary eligible FSM	Total pupils secondary eligible FSM
Isle of Anglesey	862	532	862	531	-0.10%	-0.06%
Gwynedd	1,235	737	1,225	705	-0.12%	-0.02%
Conwy	1,554	936	1,473	876	-0.01%	0.02%
Denbighshire	1,642	1,083	1,584	1,020	-0.07%	0.01%
Flintshire	2,315	1,451	2,108	1,253	0.16%	0.24%
Wrexham	2,299	1,121	2,138	994	0.07%	0.13%
Powys	1,304	827	1,147	719	0.17%	0.13%
Ceredigion	694	455	641	387	0.03%	0.09%
Pembrokeshire	1,542	969	1,521	924	-0.13%	-0.02%
Carmarthenshire	2,836	1,794	2,607	1,622	0.15%	0.15%
Swansea	4,214	2,536	4,035	2,382	-0.12%	0.03%
Neath Port Talbot	2,824	1,721	2,674	1,648	-0.02%	-0.05%
Bridgend	2,556	1,451	2,367	1,333	0.10%	0.08%
The Vale of Glamorgan	1,740	1,076	1,617	1,005	0.05%	0.02%
Rhondda,Cynon,Taff	4,713	2,844	4,683	2,769	-0.48%	-0.17%
Merthyr Tydfil	1,140	665	1,087	636	-0.02%	-0.02%
Caerphilly	3,434	2,264	3,317	2,161	-0.15%	-0.05%
Blaenau Gwent	1,474	776	1,410	736	-0.04%	-0.01%
Torfaen	1,834	1,209	1,695	1,057	0.08%	0.17%
Monmouthshire	886	517	794	455	0.09%	0.07%
Newport	2,913	1,778	2,747	1,626	0.01%	0.11%
Cardiff	7,318	4,492	6,727	3,872	0.38%	0.76%
<b>Wales</b>	<b>51,329</b>	<b>31,234</b>	<b>48,459</b>	<b>28,711</b>	<b>5.9%</b>	<b>8.8%</b>

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

**Table 3 - Exemplification to show the impact of updating eFSM (4-year average) pupil numbers only on the 2022-23 AEF**

	<b>2022-23 AEF</b>	<b>eFSM 2022 Exemplification</b>	<b>Difference (£000s)</b>	<b>%</b>
Isle of Anglesey	114,551	114,303	-248	-0.2%
Gwynedd	213,214	212,989	-225	-0.1%
Conwy	183,311	183,246	-65	0.0%
Denbighshire	173,640	173,482	-158	-0.1%
Flintshire	232,179	232,622	443	0.2%
Wrexham	207,064	207,258	194	0.1%
Powys	210,261	210,589	328	0.2%
Ceredigion	119,421	119,556	135	0.1%
Pembrokeshire	196,257	195,999	-258	-0.1%
Carmarthenshire	311,603	311,853	250	0.1%
Swansea	386,592	386,295	-297	-0.1%
Neath Port Talbot	258,073	257,837	-235	-0.1%
Bridgend	232,368	232,476	108	0.0%
The Vale Of Glamorgan	186,015	186,021	6	0.0%
Rhondda Cynon Taf	441,441	440,398	-1,043	-0.2%
Merthyr Tydfil	110,617	110,511	-106	-0.1%
Caerphilly	317,459	317,024	-434	-0.1%
Blaenau Gwent	130,797	130,680	-117	-0.1%
Torfaen	160,120	160,382	262	0.2%
Monmouthshire	112,278	112,441	164	0.1%
Newport	265,617	265,652	35	0.0%
Cardiff	544,726	545,988	1,262	0.2%
<b>Total Unitary Authorities</b>	<b>5,107,603</b>	<b>5,107,603</b>		

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**Table 4 - Exemplification to show the difference between updating the 4 year average against 2022 pupil numbers only on the 2022-23 AEF**

	2022-23 AEF	4 Year Average eFSM 2017 to 2022	eFSM 2022 Exemplification	Difference		Difference	
				(£000s)	%	(£000s)	%
Isle of Anglesey	114,551	114,303	113,868	-248	-0.2%	-683	-0.6%
Gwynedd	213,214	212,989	212,694	-225	-0.1%	-521	-0.2%
Conwy	183,311	183,246	183,029	-65	0.0%	-282	-0.2%
Denbighshire	173,640	173,482	173,172	-158	-0.1%	-469	-0.3%
Flintshire	232,179	232,622	233,454	443	0.2%	1,276	0.5%
Wrexham	207,064	207,258	207,341	194	0.1%	277	0.1%
Powys	210,261	210,589	211,110	328	0.2%	849	0.4%
Ceredigion	119,421	119,556	119,879	135	0.1%	458	0.4%
Pembrokeshire	196,257	195,999	195,507	-258	-0.1%	-750	-0.4%
Carmarthenshire	311,603	311,853	312,613	250	0.1%	1,010	0.3%
Swansea	386,592	386,295	385,433	-297	-0.1%	-1,159	-0.3%
Neath Port Talbot	258,073	257,837	257,547	-235	-0.1%	-525	-0.2%
Bridgend	232,368	232,476	232,883	108	0.0%	515	0.2%
The Vale Of Glamorgan	186,015	186,021	185,981	6	0.0%	-34	0.0%
Rhondda Cynon Taf	441,441	440,398	437,747	-1,043	-0.2%	-3,694	-0.8%
Merthyr Tydfil	110,617	110,511	110,369	-106	-0.1%	-249	-0.2%
Caerphilly	317,459	317,024	316,846	-434	-0.1%	-613	-0.2%
Blaenau Gwent	130,797	130,680	130,933	-117	-0.1%	137	0.1%
Torfaen	160,120	160,382	160,446	262	0.2%	326	0.2%
Monmouthshire	112,278	112,441	112,740	164	0.1%	463	0.4%
Newport	265,617	265,652	265,658	35	0.0%	41	0.0%
Cardiff	544,726	545,988	548,353	1,262	0.2%	3,627	0.7%
<b>Total Unitary Authorities</b>	<b>5,107,603</b>	<b>5,107,603</b>	<b>5,107,603</b>				