Social Mobility
Commission

State of the Nation 2018-19:
Social Mobility in Great Britain

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Life Chances Act 2010

April 2019

About the Commission

The Social Mobility Commission is an advisory non-departmental public body established under the Life Chances Act 2010 as modified by the Welfare Reform and Work Act 2016. It has a duty to assess progress in improving social mobility in the UK and to promote social mobility in England.

The Commission board comprises:

- Dame Martina Milburn (Chair)
- Alastair da Costa, Chair of Capital City College Group
- Farrah Storr, Editor-in-chief, Elle
- Harvey Matthewson, Aviation Activity Officer at Aerobility and Volunteer
- Jessica Oghenegweke, Project co-ordinator at the Diana Award
- Jody Walker, Senior Vice President at TJX Europe (TK Maxx and Home Sense in the UK)
- Liz Williams, Group Director of Digital Society at BT
- Pippa Dunn, Founder of Broody, helping entrepreneurs and start ups
- Saeed Atcha, Founder and Chief Executive Officer of Xplode Magazine
- Sam Friedman, Associate Professor in Sociology at London School of Economics
- Sammy Wright, Vice Principal of Southmoor Academy, Sunderland
- Sandra Wallace, Joint Managing Director Europe at DLA Piper
- Steven Cooper, Chief Executive Officer C.Hoare & Co

The functions of the Commission include:

- Monitoring progress on improving social mobility.
- Providing published advice to ministers on matters relating to social mobility.
- Undertaking social mobility advocacy.

The Commission is supported by a secretariat comprising: Raj Baig, Brian Corbett, Ali Jaffer, Rachael Millar, Sashareen Morgan, James Murphy Corkhill, Jill Sherman, Lindsay Turner Trammell, Gene Ward.

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Foreword

In this our sixth State of the Nation report we lay bare the stark fact that social mobility has stagnated over the last four years at virtually all stages from birth to work. Being born privileged in Britain means that you are likely to remain privileged. Being born disadvantaged, however, means that you will have to overcome a series of barriers to ensure that you and your children are not stuck in the same trap.

At a time when our country needs to be highly productive and nimble we impede our own progress as a nation if we do not maximise the talent of all our citizens – especially those that start the furthest behind. We fail if we do not make it possible for every individual to have choices about where they go and what they do in life.

This report shows that more needs to be done to support the most vulnerable. Our analysis finds that, too often, well intentioned policies fail to reach those who would benefit most, while cuts to other provisions disproportionately impact the most vulnerable. Whether it is access to 30-hours childcare, the widespread use of unconditional offers into higher education, or cuts to 16-19 funding, these patterns emerge in policies throughout the life stages. The middle class is being supported while the most disadvantaged are left behind.

Starting in the earliest stages of life we find that developmental gaps open up between disadvantaged and affluent children. Our research highlights the closure of hundreds of children's centres and asks the government to revisit its approach to this policy. We call for an extension of 30-hours childcare to more disadvantaged parents. We also note the issues affecting the early years workforce and identify ways we can improve the prospects of those who care and teach our youngest children. Government needs to act to ensure these workers are better paid and have clearer and more elaborated progression prospects.

Schools have long been viewed as the engine for social mobility but we find that gaps between the poorest students and the others are prevalent at all stages in the education system. While the Commission welcomes initiatives such as the Pupil Premium and the investment in 'what works' activity, we are critical of how schools are being held to account. We want to ensure that the inspection framework does not perpetuate cycles of disadvantage and that those delivering educational excellence within the constraints of poverty are supported and their methods championed.

The Commission wants to see an education system where the majority of students can get ahead. This means ensuring that the post-16 education system is appropriately funded so it can deliver the broad balanced education and high quality technical education that is so necessary for many students to progress. We know that the greatest social mobility gains come from qualifications at degree level and above, but we also know that for some of our most disadvantaged students further education is the stepping stone to gain a higher level qualification. It is time to change the assumption that Britain can thrive economically with an education system that only focusses on the 40 per cent of students that study A Levels.

Once in the workplace the inequality continues. The better off are still 80 per cent more likely to make it into professional jobs than those from working class backgrounds. We continue to see that those with the least skills are the least likely to get training. To create an internationally competitive Britain it is crucial that everyone can have effective second chances to gain qualifications and move up. This means access to quality ongoing training that delivers progression. It remains a fact that businesses and government spend

significantly less than the European average on adult training. Apprenticeships, the only form of adult training that is on the rise, are not always targeted at those who could benefit the most. We must do better.

Social mobility is not just about children from council estates becoming CEOs. We want to reduce the social mobility 'Power Gap' where those from better off backgrounds not only earn more money but control the levers that shape our society. Social Mobility is securing the first stable job when your family has experienced generations of worklessness. It is about being able to live where you grew up if you choose and not being held back in life because there is a lack of opportunities in your region. It is having access to better and cheaper transport services that integrate the places left behind with the places forging ahead.

As a new group of Commissioners, we represent a broad range of ages, experiences, opinions and geography. Many of us have personal social mobility experiences: we understand the difficulty of the journey, what it means to be the first person in your family to go to university or the first to secure a well-paid professional job. We are energised to tackle this entrenched problem with new insights.
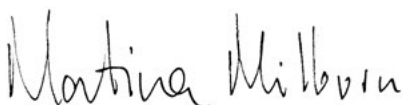
This work is more critical than ever. Research shows that living standards are getting worse for the working class and for young people. If we do not address the soaring costs of housing, the wellbeing of our nation and the rising rates of child poverty, social mobility is predicted to get even worse in future years.

The Commission is therefore calling on school and university chiefs, politicians, councillors, government and employers to take action to ensure that everyone has access to equal opportunities. The recommendations in this report aim to start organisations on that journey. We need to praise what is working – and question what can be improved.

At every stage of the life-cycle we are losing gifted people who could be participating more in our society. We cannot afford for this to continue.

We must act decisively to change it.

This Commission is committed to bringing together partners across political, organisational, structural, and cultural boundaries to make a difference. We seek to create a Great Britain where your background does not determine your future.

Dame Martina Milburn
Chair, Social Mobility Commission

Executive Summary

The Social Mobility Commission's recommendations for each life stage are set out below. They are aimed not only at the government but also at employers and education chiefs, local councils and communities. The new Commission is still in its early stages and the report outlines areas where it intends to carry out further work and to fund new research. In other areas it will continue to monitor the situation and make recommendations at a later stage.

Early years

Children from working class backgrounds still suffer disadvantages compared to their more affluent peers, even from birth. Babies from disadvantaged backgrounds are more likely to be born with low birth weight, which has been shown to lead to worse health in childhood, and worse outcomes in later life through poorer educational attainment and lower wages. Forty-three per cent of pupils eligible for free school meals (FSM) at age five did not achieve a good level of development in 2018 (as measured by the early years foundation stage profile assessment framework), compared to only 26 per cent of non-FSM eligible pupils. The government's 30-hour childcare offer was well intentioned, but at present risks impeding social mobility, as it predominantly benefits better off parents.

- **The government should:**

  - **Extend the eligibility of the 30-hour childcare offer by lowering the lower income limit of eligibility to those earning the equivalent of eight hours per week as a first step towards making it available to more parents.**

  - **Introduce a national marketing campaign to promote the revised 30-hour childcare offer, working with local authorities to specifically target low-income households.**

Pay in childcare jobs is low and there is little prospect of career progression; almost 45 per cent of childcare workers are claiming state benefits or tax credits.[1] There has been a significant and welcome focus on improving the home learning environment through various experiments, trials and innovative projects. However, given the closing of many children's centres and the scaling back of hundreds more, it will be challenging to ensure the hardest to reach parents and families benefit from the significant investment in this space. To support the early years, it is vital that parents and childcare workers are supported.

We recommend that the Department for Education (DfE) should complete its review of children's centres. Following this review, the government should ensure the investment in the home learning environment reaches disadvantaged and vulnerable families.

Schools

Schools are an essential vehicle for improving social mobility. Disadvantaged pupils start schooling behind their peers in terms of attainment, but good schooling can increase their

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1   Bonetti, S., *Early Years Workforce in England,* Education Policy Institute, 2019

chances of getting a well-paid job in the future. In 2018, the Key Stage 1 attainment gap was 18 percentage points in reading and maths, and 20 percentage points in writing. At age 19, the gap in achievement equates to 23 percentage points, with only 16 per cent of those entitled to FSM getting the equivalent of two A Levels, compared with 39 per cent of other pupils.

The size of the Key Stage 4 attainment gap, as measured by Attainment 8, is consistent despite a school's Ofsted rating. More broadly, Ofsted inspection outcomes largely correlate with the socio-economic makeup of a cohort. The Inspectorate will revise its framework in 2019; this opportunity should be used to ensure their new approach is one which can truly support those working in the most disadvantaged areas.

The DFE should reconsider its policy of exempting outstanding schools from inspection which would enable more balanced oversight of schools

Ofsted should use the opportunity given by the formulation of its new inspection regime to improve the accountability regime for schools by:

- **Continuing to provide descriptions of what it has found during school inspections and find an effective approach to move beyond historical use of its four-tier categories of inspection outcomes.**

- **Carefully monitoring the implementation of its new arrangements and report on the impact its new approach is having on schools in more disadvantaged areas.**

- **Identifying education excellence in schools operating within the constraints of poverty, which peer-led school review structures could then explore and champion.**

Ofsted and the DfE should work together and with others on finding ways to publicly acknowledge schools which attempt to genuinely tackle long term educational inequality.

Cuts to budgets and efforts to improve schools in recent years have had unintended consequences for poorer students. Reforms to the curriculum, although well intentioned, were implemented too quickly for some young people, and disadvantaged students lost out disproportionately during the implementation, at Key Stage 2 in particular. Schools have had to face an eight per cent real terms funding cut which has affected their ability to deliver important services.

The government should consider whether Pupil Premium funding is effectively targeted at supporting disadvantaged students and whether differential levels of funding might be more beneficial for those with long-term disadvantage.

Further education and apprenticeships

Twice the number of disadvantaged 16 to 18-year-olds are in further education than in school sixth forms, meaning further education institutions are a key tool for improving social mobility. Funding shortfalls make attracting and retaining further education teachers highly difficult; the average college had 16 vacancies at the start of the 2017/18 school year, creating volatility for students and reducing course choice. All 16-19 education providers are reducing subject choice, careers support and extra-curricular offers due to funding cuts, disproportionately impacting disadvantaged students whose parents cannot supplement the education and support they receive at school or college. Funding per student in the 16-19 age group has fallen 12 per cent since 2011-12 and is now eight per cent lower than for secondary schools (ages 11-15).

The government should increase per student spending in the 16-19 education budget by a significant amount within the upcoming spending review.

After students turn 16, there is no equivalent of the Pupil Premium. There are major questions around whether the funding provisions for disadvantaged 16 to 19-year-old students are reaching the right students, due to methodological problems, and whether institutions can identify which students need support. Additionally, technical education providers are not supported with evidence-based materials to make the most effective use of the limited disadvantaged funding they do receive.

The government should immediately make the following changes to existing disadvantaged funding mechanisms for 16-19 students:

- **Reform how data can be shared automatically across schools into 16-19 institutions, so disadvantaged students are automatically identified by administration officials.**

- **Rapidly update the methodology underpinning the Discretionary Bursary fund to ensure resources are allocated to institutions based on current data.**

The government should introduce a Student Premium for disadvantaged students aged 16-19 that models the Pupil Premium in schools, with a goal of targeting funding and focus on raising attainment for disadvantaged students. At the same time the government should commit to significant 'what works' style research in technical education to help providers make evidence-based decisions with their funding for disadvantaged students.

Apprenticeships could also be a powerful vehicle for social mobility, but the reality is not as clear cut; those from lower socio-economic backgrounds are clustered in lower returning and lower level apprenticeships. However, Level 2 and 3 apprenticeships (equivalent to GCSE and A Level), which are more likely to be taken up by those from disadvantaged backgrounds, decreased by 16 and 38 per cent in 2017/18. In contrast, the number of higher level apprenticeships, which are typically entered by more affluent people, grew by 32 per cent. If this trend continues, it will make it harder for people with low qualifications to get a first step on the career ladder. Progression to higher levels of apprenticeship is also difficult; only 25 per cent of Level 2 apprentices progress to Level 3.

The Commission welcomes the government's announced review of post-16 qualifications and believes additional items should be added to its scope to ensure social mobility is considered in the review.

- **Assess ways to improve progression of disadvantaged students beyond Level 2, including reviewing whether prior qualifications and other course requirements create barriers to entry and progression for disadvantaged students.**

- **Create seamless and clear transitions between technical and academic routes for all students.**

- **Assess the availability of options up to Level 3 across the broad range of provisions, including apprenticeships.**

Higher education

Increasing numbers of students from low income families are entering university by age 19, although their better off peers are still much more likely to do so. However, despite increases in university entry, students eligible for FSM are very unlikely to go to the most selective universities, with only five per cent gaining entrance (compared to 12 per cent of all students). Once at university, disadvantaged students are much more likely to drop out, due to the costs of studying and cultural barriers. The higher education application, admissions and

financial support processes are complex. These processes are at best confusing and at worst damaging for the least advantaged and least supported students in the system.

UCAS, working closely with the Office for Students, universities and others, should develop a system which displays all financial support (bursaries, scholarships and ad hoc funds) available to undergraduates alongside their eligibility criteria which can be accessed in a simple, centrally accessible, user-friendly and digitally-smart format.

This system should allow current and prospective students, and their parents, to be informed of all forms of financial support during the process of researching courses and making applications, as well as during the course of their studies.

Fierce competition between institutions is resulting in too many universities making increasing numbers of unconditional offers. Disadvantaged pupils are proportionally more likely to receive an unconditional offer compared with their peers, which is leading to lower levels of attainment at A Level.

Universities should only make pre-qualification unconditional offers where it is very clearly in the interests of the individual students to do so. In terms of widening access, universities should make more use of contextualised offers.

Furthermore, universities appear to be failing less well-off students. Graduates who had been eligible for FSM were more likely to be unemployed following graduation, and were paid less, with the pay gap rising over time: five years after graduation, students who had been eligible for FSM were paid on average 11.5 per cent less than their peers. This shows that, despite education, class privilege remains entrenched in the workplace.

Working lives

People from working class backgrounds are much more likely to be paid below the voluntary living wage than those from more advantaged backgrounds (27 per cent vs. 17 per cent), showing entrenched social mobility problems within the low paid workforce.

Government departments should lead the way in being model employers by becoming accredited voluntary living wage employers. The government should embed the Living Wage Foundation's recommendations for public procurement systems, including assessing the voluntary living wage as part of the new social value framework for procurement.

Many people are barred from applying for jobs because of requirements to hold qualifications. There is insufficient evidence that employers are linking qualifications to performance outcomes. Some employers are reducing barriers to entry and acknowledging that skills can be gained in many settings and not just through traditional qualifications; this approach needs to be more widespread.

When considering what qualifications to require in recruitment, employers should only require those academic and technical qualifications which are actually and demonstrably necessary to perform the advertised job.

Almost all forms of adult education have been in decline since 2010. Those who do receive education or training are more likely to be affluent; 49 per cent of the poorest adults have received no training since leaving school, compared to 20 per cent of the richest. Unless significant investment in adult learning occurs, the rise of automation is predicted to disproportionately impact low skilled workers, whose jobs are at most risk of being automated.

Employers and the government should follow the action plan the Commission has set out in its January 2019 report on adult skills. In particular, the government should equalise adult education funding with EU statistical averages and reduce the underspend of its adult education budget through more flexible funding structures.

Those from the most disadvantaged areas also face a significant gap in employment; London has significantly higher earnings than all other regions, with an 18 percentage point gap between that and the north-east. In fact, it pays to 'move out to move up'. Young people who moved region over a four-year period were 12 percentage points more likely to experience wage progression compared to those who stayed in their region. The DfE's Opportunity Areas policy, which targeted a cross-policy, place-based approach in areas of low social mobility, is a pioneering programme that may offer solutions to local social mobility problems.

The Department for Work and Pensions and the Department for Business, Energy and Industrial Strategy should work collaboratively with the Department for Education on the Opportunity Areas programme, providing concentrated investment in the skills, jobs and infrastructure in these areas of low social mobility and low pay and expanding the reach to more cold spots.

Scotland and Wales

The Commission also has a duty to assess progress in improving social mobility in Scotland and Wales. The Commission welcomes that both Scotland and Wales are giving consideration to improving social mobility by introducing a duty on public bodies to reduce socio-economic disadvantage (Scotland introduced this duty in 2018; Wales is planning to introduce a similar duty in 2019). The Commission also welcomes that both Scotland and Wales are becoming more socially mobile, as a person's occupation is now less determined by the occupation of one's parents.

Chapter 1: Assessment of Social Mobility

Key Findings

- **Occupational mobility:** Those from better-off backgrounds are almost 80 per cent more likely to be in a professional job than their working class peers. This immobility has remained stagnant over the past four years, despite government interventions.

- **The class pay gap:** Due to this gap in access to professional jobs, people from working class backgrounds earn 24 per cent less a year than those from professional backgrounds. Even when those from working class backgrounds are successful in entering professional occupations, they earn on average 17 per cent less than their more privileged colleagues.

- **Migration:** Moving regions is often an enabler of social mobility, however those from working class backgrounds move regions less, and are less likely to move to London, where the most opportunities are.

- **Double disadvantage – class, disability, ethnicity and gender:** Just 21 per cent of people with disabilities from working class backgrounds enter the highest occupations versus 43 per cent of people with disabilities from professional backgrounds. Women and those from ethnic minority backgrounds are more likely to experience downward social mobility than their male or white counterparts.

- **Unemployment and economic inactivity:** People from working class backgrounds still face the highest levels of unemployment, despite overall increases in employment.

Living standards and wellbeing have important indirect impacts on social mobility – they enable people to take more risks and have more options. We have therefore looked at their interactions with social mobility:

- **Living standards:** There are now 500,000 more children in poverty than in 2012. Those from working class backgrounds are less likely to own a home than those from more privileged backgrounds. Young people are less likely to own a home, and typically earn less than those of previous generations. All of these indicate lower living standards which could jeopardise current and future social mobility.

- **Wellbeing:** Individuals from more disadvantaged areas are more likely to suffer from lower levels of wellbeing, showing this is an area that needs more research and attention.

1.1 Introduction

A skilled, talented, diverse workforce is essential to economic success. However, at this critical time for the future of Great Britain, social mobility is stagnant and people from professional and managerial backgrounds[1] continue to enjoy profound advantages in the labour market, compared to those from working class backgrounds. This is limiting Great Britain's talent pool and means many people may not be achieving their potential. Despite numerous initiatives, disadvantaged people remain more likely to be unemployed, find it harder to get a 'good' job, and get paid less than their better-off peers. Inequalities in living standards have continued to minimise options for people from poorer backgrounds, further entrenching poor social mobility.

Social mobility is fundamentally about ensuring that a person's occupation and income are not tied to where they started in life. Yet it is about much more than that. It is about fairness across society and ensuring that people of all backgrounds get equal opportunities and choices in early years, at school, in further education, in universities and at work.

The Commission is seeking to refresh the social mobility conversation by using new data on parental occupation collected by the Office for National Statistics' Labour Force Survey (LFS), Great Britain's largest employment survey. The Commission here seeks for the first time to use it to understand the changes in rates of mobility from 2014 to the present, giving the most up-to-date and robust analysis of social mobility it has ever produced.

The report also focuses on the issue of downward mobility, which is often neglected in policy discussions around social mobility. Yet downward mobility is a key component of a socially mobile society. Put simply, if there are no changes in the numbers of professional jobs, the relative chances that someone from a working class background will experience upward mobility into a professional occupation can only meaningfully increase if there is a matched increase in the relative chances of someone from a professional background moving downwards.

The Commission looks at how class interacts with gender, ethnicity and disability for the first time. Finally, this report explores the interaction between background and region, looking at the prevalence of people from different backgrounds moving region and how this can impact their social mobility prospects.

The following chapters go on to consider what is influencing our current, limited levels of social mobility. From birth through the early years, school years, post-16 education and training, and into our working lives, there are factors that influence our likelihood of experiencing upward social mobility. In 2011, the Coalition Government introduced an annual 'report card' to assess whether policies were improving people's life chances, drawing together seven indicators, starting with babies' birthweight and going all the way through life to success in adulthood. While these indicators were a product of the Coalition Government and so are no longer being used, these indicators are nevertheless still useful. They are set out in Annex A.

Progress against the key indicators for each life cycle stage is covered in each of the following chapters. However, we have also looked at living standards, which affect social mobility throughout the life cycle, and the interaction of wellbeing and social mobility, a new area which the Commission is going to research further. These are covered at the end of this chapter.

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1   Professional and managerial occupations are defined as NS-SEC 1 and 2 occupations – managerial and professional (as per standard reporting). Examples include: CEOs, senior police officers, doctors, journalists, barristers and solicitors

1.2 Social mobility has seen little improvement

There are two ways of measuring social mobility: occupational mobility and income mobility. Occupational mobility looks at the access to different types of occupations available to people depending on the occupation of their parents. In contrast, income mobility looks at the income of individuals compared to the income of their parents. Both are important in terms of understanding the social mobility picture in Great Britain. Social mobility can look at both of these in terms of change over time (absolute social mobility), and in comparison to their peers from other class backgrounds (relative social mobility). In this report, the Commission has mainly looked at occupational mobility in terms of relative social mobility.

Occupational mobility

Over the last few decades, there has been a growth in the proportion of professional jobs and a corresponding decline in the proportion of working class jobs. Today, nearly half of all jobs are professional, while less than a third are working class (see Figure 1.1).

Figure 1.1: Percentage of the labour market by socio-economic classification[2]
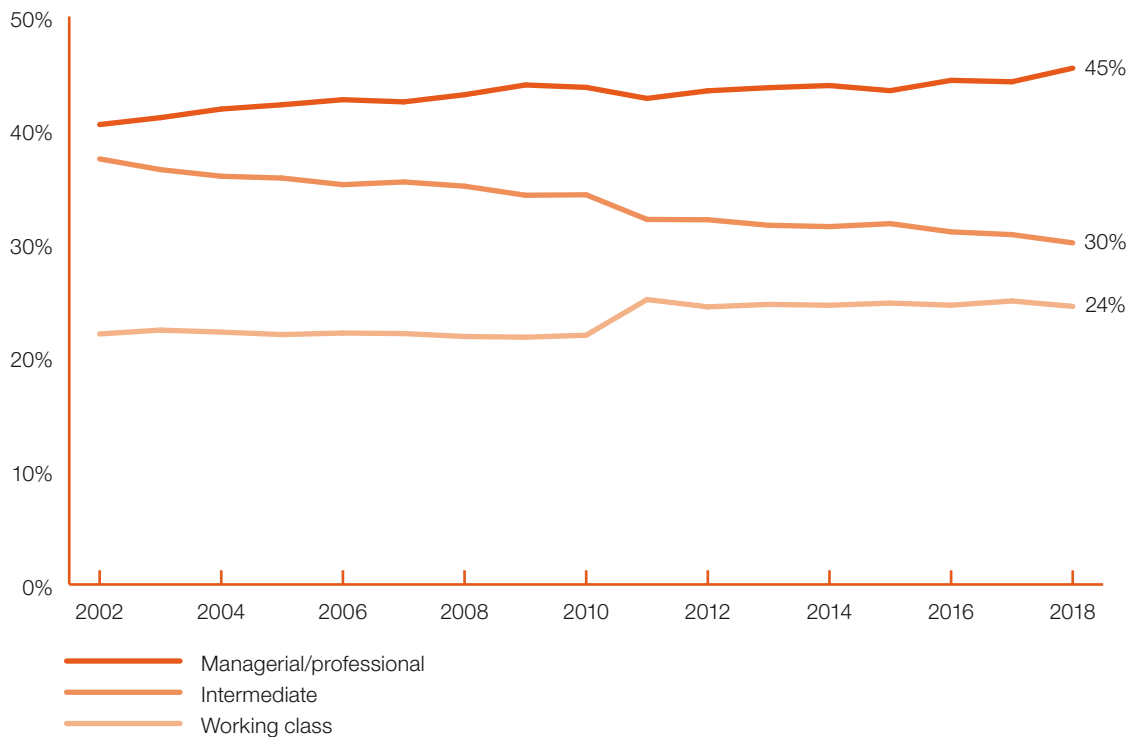
Source: SMC analysis of Labour Market Statistics (ONS)

However, despite the growth in the number of professional jobs, those from professional and intermediate backgrounds continue to get most of these top jobs, squeezing out those from the most disadvantaged backgrounds.

The Commission's analysis of the ONS data shows that those from better-off backgrounds are almost 80 per cent more likely to land a top job than their working class peers; this effect is known as the 'sticky ceiling'. Just 34 per cent of people from working class backgrounds work in professional occupations, compared to 60 per cent of those from professional backgrounds, only slightly up from 32 per cent and 59 per cent respectively in 2014, despite the increased number of jobs available.

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2   In January-March 2011 the occupational classification used in the Labour Force Survey changed from SOC2000 to SOC2010. The NS-SEC classification is partially derived from SOC; as a result there may be some inconsistencies with data before this period.

Figure 1.2: Proportion of people aged 25-60 from different socio-economic backgrounds in professional occupations

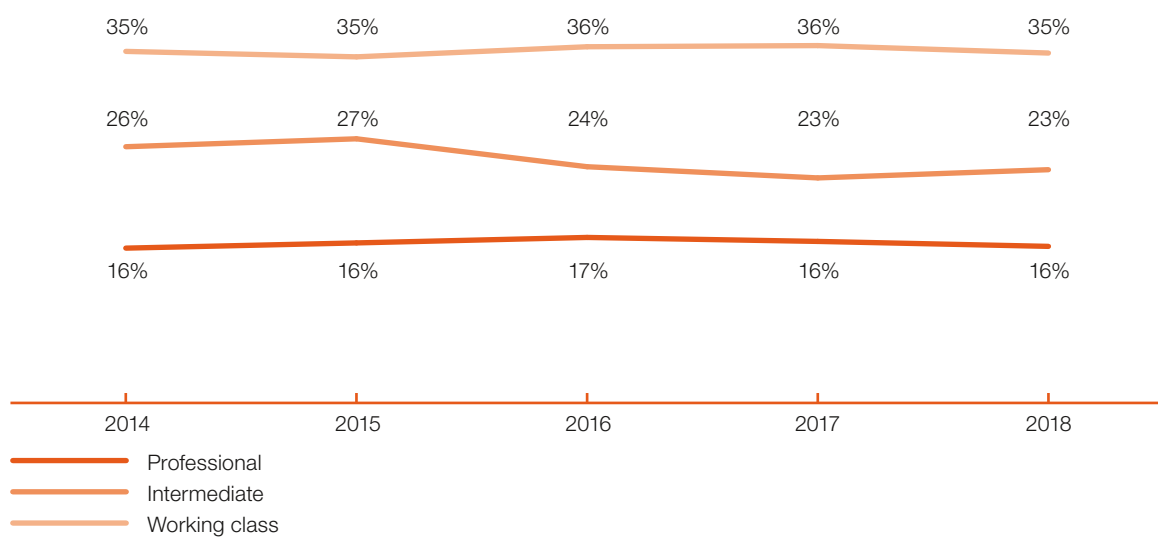|				
59%	59%	59%	59%	60%
41%	41%	43%	44%	44%
32%	32%	33%	33%	34%

2014   2015   2016   2017   2018

— Professional
— Intermediate
— Working class
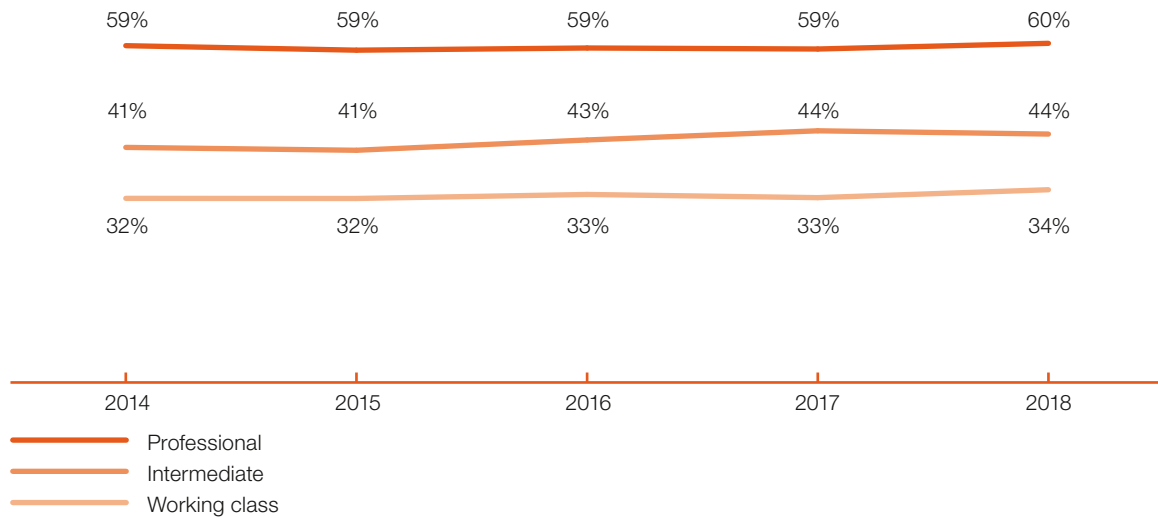
Source: SMC analysis of Labour Force Survey (ONS)

Those from poorer backgrounds are also still more than twice as likely to end up in working class occupations than those from professional backgrounds, with around 35 per cent remaining in the same occupational group as their parents; this effect is known as the 'sticky floor'. In comparison, only 16 per cent of those from professional backgrounds end up in working class jobs. This sticky floor is entrenched, meaning that working class people are still likely to be stuck at the bottom.

Figure 1.3: Proportion of people aged 25-60 from different socio-economic backgrounds in working class occupations

35%	35%	36%	36%	35%
26%	27%	24%	23%	23%
16%	16%	17%	16%	16%

2014   2015   2016   2017   2018

— Professional
— Intermediate
— Working class

Source: SMC analysis of Labour Force Survey (ONS)

Regional analysis

The regional clustering of the growth in managerial and professional jobs does little to help social mobility. Figure 1.4 shows that 45 per cent of the increase in managerial and professional jobs in Great Britain has been in London and the south-east alone, over double the number of jobs created in Yorkshire and the Humber, the north-east and north-west combined. This is exacerbating the dominating effect that London and the south-east have, with the north losing out to the south.

Figure 1.4: Growth in all jobs and professional jobs since 2012 by region
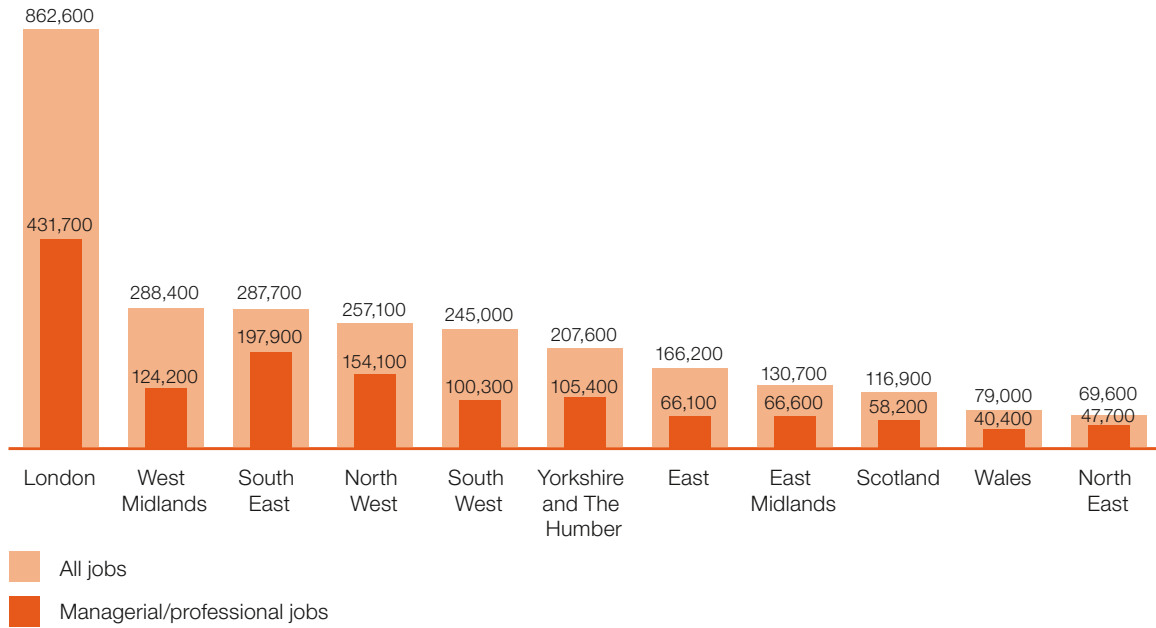
Source: SMC analysis of Nomis (ONS)

London hosts a disproportionate volume of professional jobs. Yet, people's ability to take advantage of these jobs is determined by whether they can move to the capital. Previously, the Commission has been unable to identify who moves region and to what extent this can impact on labour market outcomes. However, the Office for National Statistics has, for the first time this year, collected information on the area that individuals live in at the age of 14. Together with information on where people currently work and the occupation of individuals' parents, this has allowed us to produce analysis on the demographics of those individuals that move.

Figure 1.5 shows that people from professional backgrounds are 70 per cent more likely to move region than those from working class backgrounds (38 per cent in comparison to 22 per cent) and three times more likely to move to London (11 per cent in comparison to four per cent). Given that the largest proportion of new professional jobs are created in London, and that the capital contains a disproportionate number of the country's overall proportion of professional jobs, these findings have clear implications for social mobility. Put simply, it is those from privileged backgrounds who are much more likely, and able, to move and take advantage of London's lucrative job opportunities.

Figure 1.5: Percentage of people aged 25-60 that moved away from their childhood region within Great Britain by socio-economic background
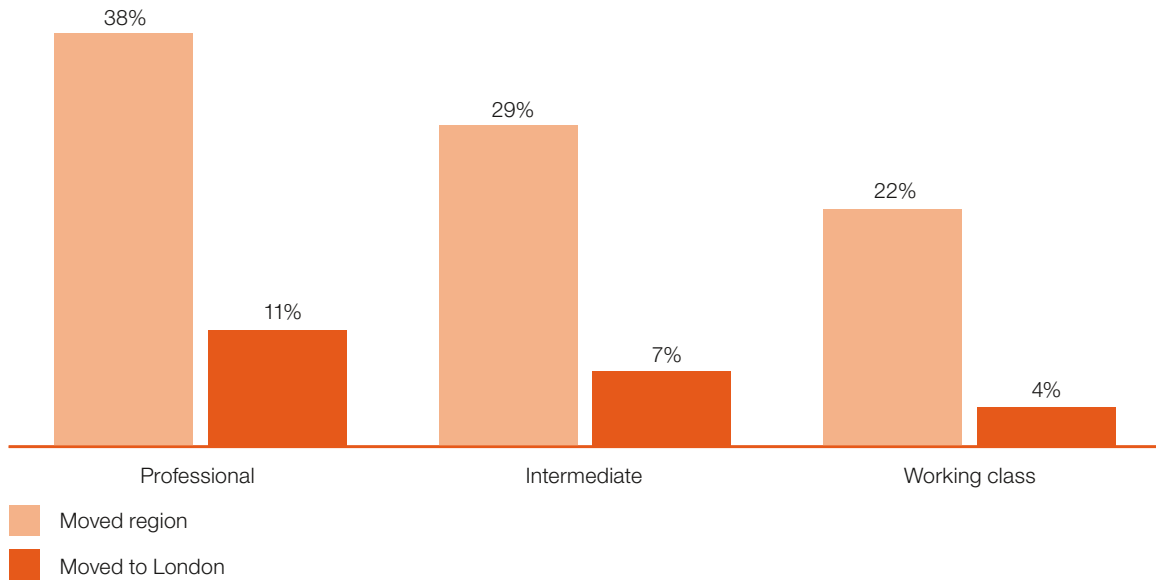
Source: SMC analysis of Labour Force Survey (ONS)

Moving to London can be an important step in getting into professional jobs. Over three quarters of people that move to London are in professional occupations, in comparison to just under half of people that do not move.[3] Similarly, individuals that move to any region are more likely to be in professional occupations than those that stay.

Figure 1.6: Percentage of people aged 25-60 that are in professional occupations for those that moved to London and those that did not

Source: SMC analysis of Labour Force Survey (ONS)

This effect – of the privileged moving at higher rates than others – holds in every single region, with the exception of London (where working class people are as likely to move region).

3   For those where region of origin and destination is known

Figure 1.7: Percentage of people aged 25-60 that moved away from their childhood region by socio-economic background

*Except London, the only region where working class people are more likely to move away than professional people.

Professional background*

Working class background*

Source: SMC analysis of Labour Force Survey (ONS)

Taken together, this suggests that being able to move regions is a key enabler of accessing 'top' jobs. Given that people from professional backgrounds are far more likely to move, this is a key inhibitor of social mobility. Clearly, moving out is too often necessary to move up.

Income mobility

Income mobility is an important measure of a country's social mobility. However, the Commission's estimates are limited by the information available in the ONS' Labour Force Survey.[4] Despite data limitations with this approach, income mobility is important enough to understanding social mobility that the Commission has attempted to estimate it for illustrative purposes. This analysis is a useful guide but should not be compared directly with similar attempts to measure it.

Income mobility is typically measured on a scale from 0 to 1, with 0 meaning parents' income has no effect on the child's income as an adult, and 1 meaning adult income is entirely determined by parental income. A country with good social mobility would have a low-income mobility measure. While this estimate is not directly comparable, for a reference point, Scandinavian countries have an income mobility measure of around 0.2, meaning parents' income has around a 20 per cent impact on their child's future earnings. The Commission has estimated Great Britain's income mobility measure to be around double that: 0.4.

This suggests that almost 40 per cent of inequalities in earnings are passed through the generations, meaning people from lower income backgrounds are likely to also go on to have lower incomes as adults. It pays to be privileged.[5]

However, there are large differences in income inequality passed through generations depending on gender and education; women are less mobile than men in terms of income

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4   Intergenerational earnings mobility cannot be directly estimated using the Labour Force Survey as no questions were asked about parental earnings at age 14. However, parental earnings have been imputed using the parental occupation at age 14 variable by taking an average of pooled occupational earnings from a select sample of years from the 1990s' Labour Force Survey data series

5   This is similar to the methodology used for previous analysis of income mobility using the Labour Force Survey (Friedman, S. and Laurisen, D. and MacMillan, L., Social Mobility, the Class Pay Gap and Intergenerational Worklessness: New Insights from the Labour Force Survey, 2017) and is broadly consistent with its findings: that 45 per cent of earnings inequalities were passed through the generations

mobility. The most equitable group are people who are degree educated – they only have about 20 per cent of earnings inequality passed through the generations. Thus, degree outcomes are an important leveller of income inequality.

Figure 1.8: Intergenerational earnings mobility for 29-36 year olds (the percentage of individual's parent's earnings that are passed through generations)

	Earnings not passed through generations	Earnings inequality passed through generations
Overall	62%	38%
Men	71%	29%
Women	58%	42%
Degree educated	80%	20%

■ Earnings not passed through generations
■ Earnings inequality passed through generations
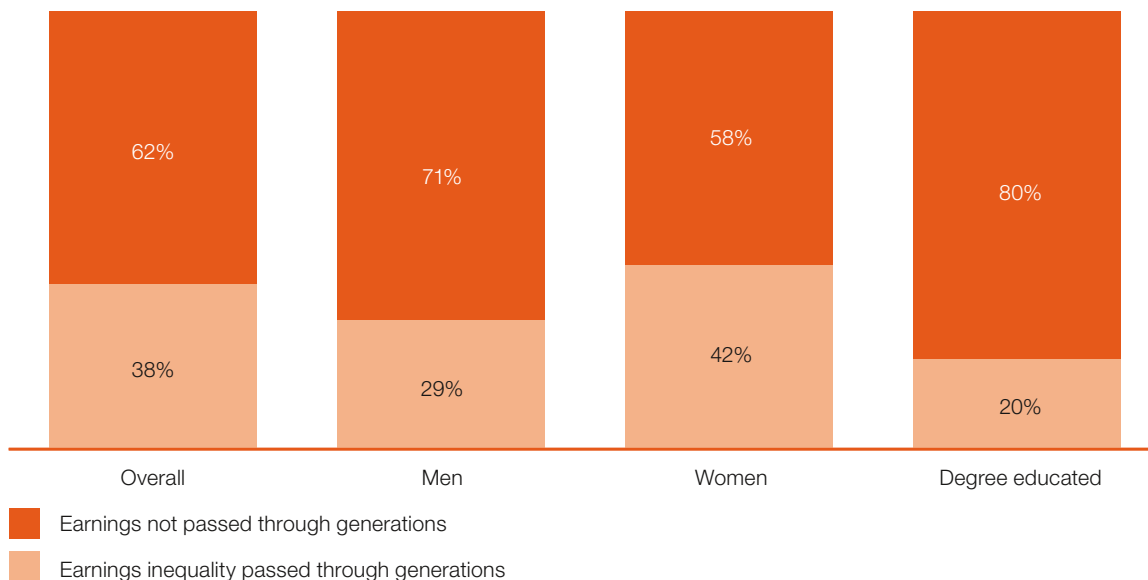
Source: SMC analysis of Labour Force Survey (ONS)

The Commission is committed to establishing a more robust empirical base to analyse income mobility. It is therefore commissioning research using newly linked administrative data to enhance this work. Findings are expected in early 2020.

1.3 The class pay gap

As people from different backgrounds tend to experience profoundly different occupational destinations (see Figures 1.2 and 1.3), this therefore translates into significant earnings inequalities. In the labour force as a whole, for example, those from working class backgrounds earn 24 per cent less (£8,000 a year) than those from professional backgrounds, and this gap has been stagnant since 2014 (when data is first available).

Strikingly, even when people from working class backgrounds are successful in entering professional occupations, they still earn significantly less (see Figure 1.9). Those whose parents were in a working class occupation are paid an average of 17 per cent less than their colleagues whose parents had professional jobs.[6]

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6   This is consistent with earlier analysis of the class pay gap in the LFS from 2014-2016 (Friedman, S. and Laurison, D., *The Class Ceiling: Why it Pays to be Privileged*, 2019)

Figure 1.9: Median salary of individuals in full time professional occupations by parental occupations in 2018
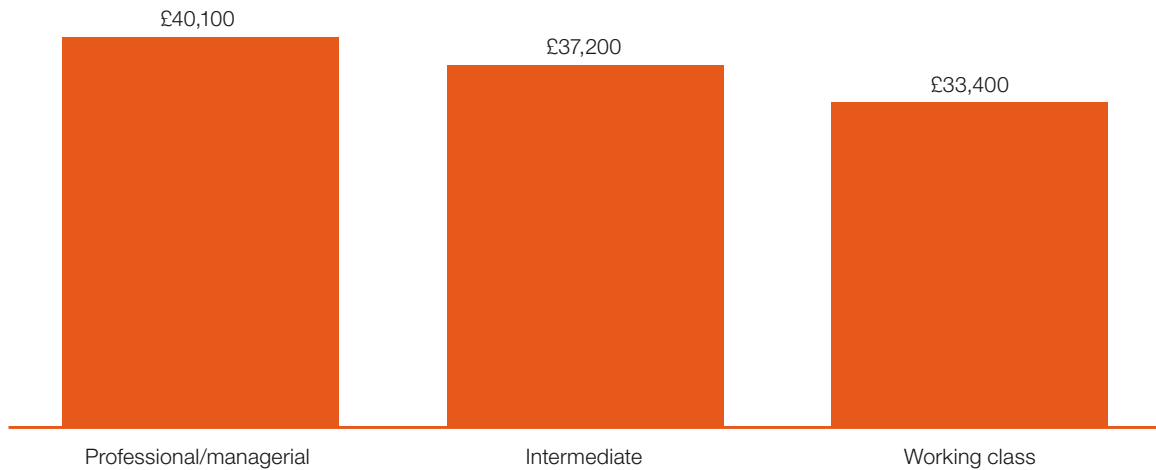
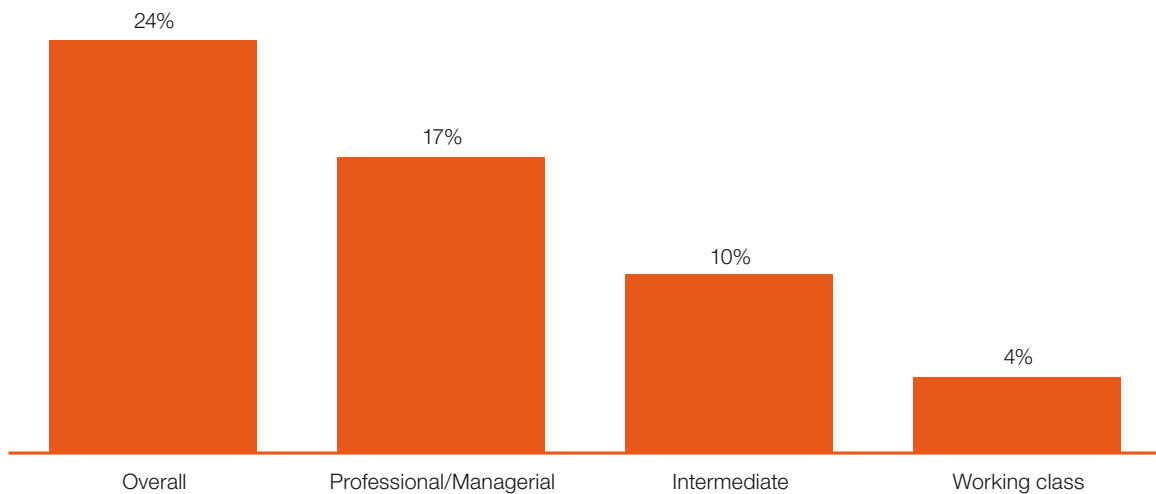Source: SMC analysis of Labour Force Survey (ONS)

Significantly, though, this class pay gap is not just confined to those in professional occupations. People from privileged backgrounds get paid more than their working class peers, regardless of what occupation they end up in. This gap is clearly largest in professional occupations.

Figure 1.10: Class pay gap in each occupational group[7]

Source: SMC analysis of Labour Force Survey (ONS)

1.4 Double disadvantage – class, gender, ethnicity and disability

The Commission has also explored, for the first time, the interaction between class, gender, ethnicity and disability in terms of employment and pay in Great Britain. This intersectional lens is important in deepening our understanding of social mobility.

The dominance of background factors on future outcomes is further compounded when we look at the interaction with gender, ethnicity and disability. Figure 1.11 illustrates the inequalities in outcome and access for all these groups. The disparity is greater for those from working class backgrounds, compared to people from professional backgrounds, but

7   The class pay gap here refers to the full-time median pay gap for those aged 25-60 from working class backgrounds and professional backgrounds

all groups face challenges, particularly disabled people. These challenges are even greater for those from all groups who come from a working class background. Women, people with disabilities and minority ethnic groups from working class backgrounds generally experience multiple disadvantages in occupational outcomes.

Figure 1.11: Percentage of people in professional occupations by demographic in 2018

Professional/managerial, 60%

Working class, 34%

People without disabilities, 47%

People with disabilities, 27%

Men, 46%

Women, 42%

White, 44%

Ethnic minority, 39%

| Class | Disability status | Gender | Ethnicity |
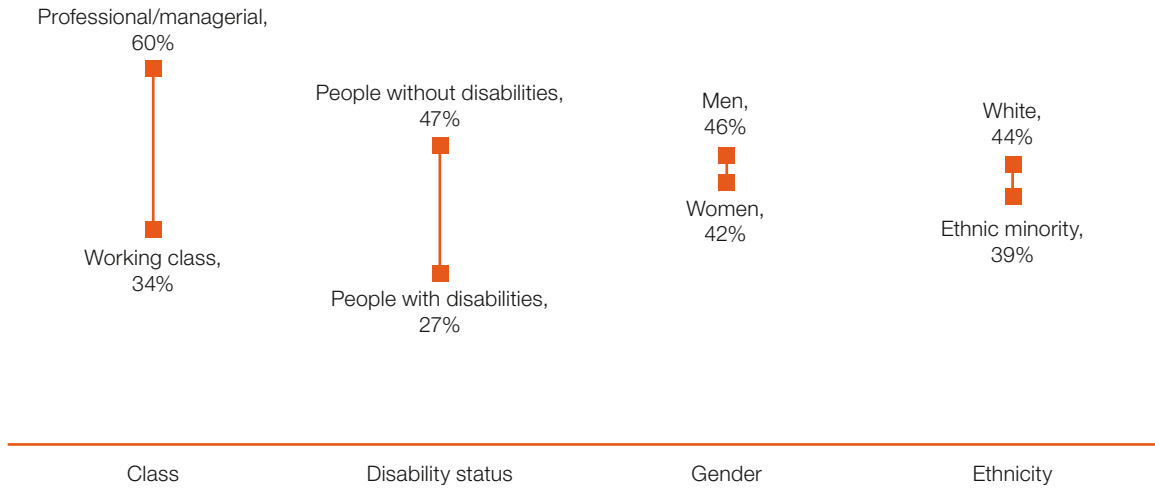
Source: SMC analysis of Labour Force Survey (ONS)

Gender

As shown in Figure 1.12, men from all backgrounds are more likely to enter professional occupations than women from the same background, meaning working class women face both a class and gender penalty. More advantaged women face the biggest disadvantage against their male peers; they are seven percentage points less likely to end up in a professional occupation.

Figure 1.12: Percentage of people from different backgrounds in each occupational group by gender in 2018

	Men from a professional/ managerial background	Women from a professional/ managerial background	Men from a working class background	Women from a working class background
Not working	3%	7%	7%	12%
Working class occupation	17%	15%	39%	31%
Intermediate occupation	17%	22%	19%	24%
Professional/managerial occupation	63%	56%	35%	33%

- Professional/managerial occupation
- Intermediate occupation
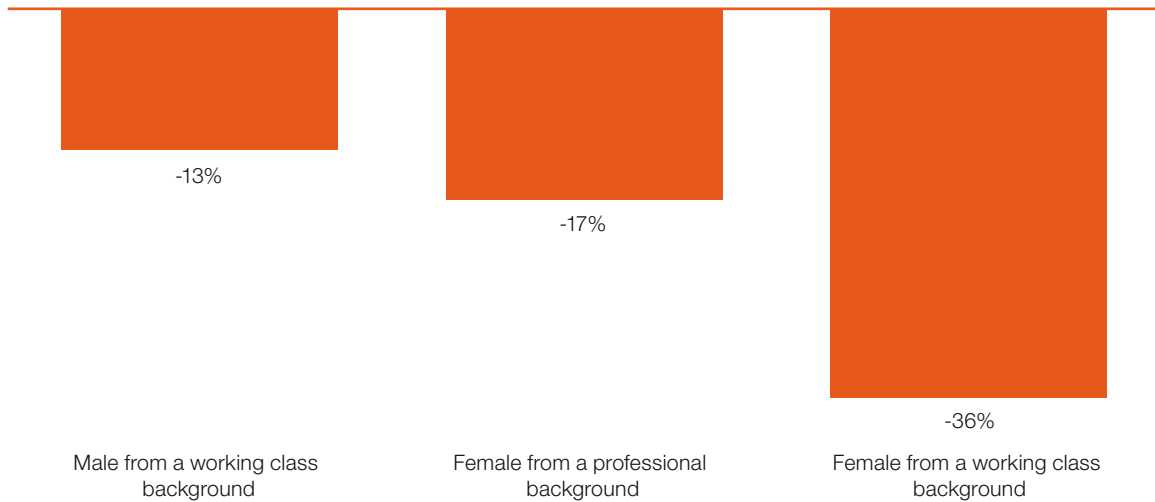- Working class occupation
- Not working

Source: SMC analysis of Labour Force Survey (ONS)

This gap in occupations translates into significant earnings differences. Women from working class backgrounds are paid nearly 40 per cent less than men from more advantaged backgrounds.

However, even when looking within professional jobs alone women still fare poorly – even when disadvantaged women make it into more advantaged professions, they still face significant pay disparities. Women from a working class background in professional jobs earn 36 per cent less than men (£16,000) from a professional background in professional jobs. This compares to a gap of 17 per cent between professional women and men, and a gap of 13 per cent between men from a working class background and a professional background.

Figure 1.13: Pay difference within professional occupations in comparison to males from a professional background in 2018

Male from a working class background	Female from a professional background	Female from a working class background
-13%	-17%	-36%

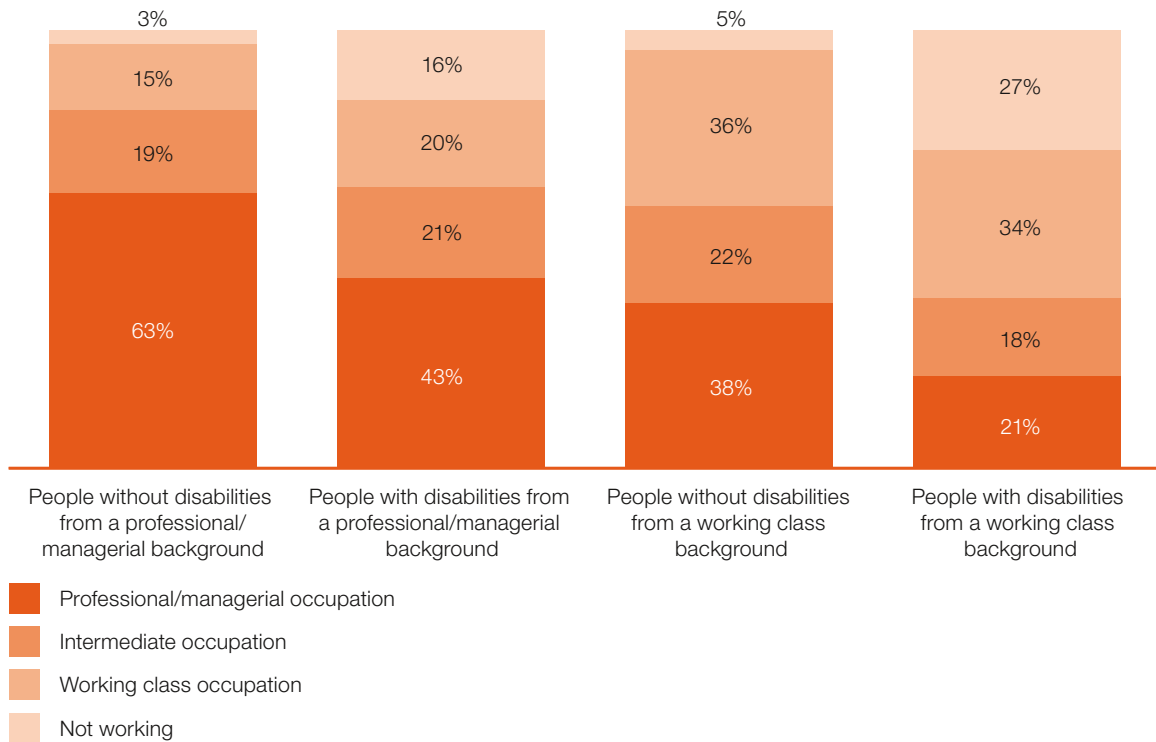Source: SMC analysis of Labour Force Survey (ONS)

Disability

People with disabilities face particularly acute challenges: just 21 per cent of people with disabilities from working class backgrounds enter into higher paid occupations, compared to 43 per cent of people with disabilities from professional backgrounds. Figure 1.14 shows that poorer people with disabilities are around three times less likely to be in 'top' jobs than non-disabled people from privileged backgrounds.

However, individuals with disabilities from more privileged backgrounds still face a huge disadvantage. They are 30 per cent less likely to enter professional occupations in comparison to their non-disabled peers.

Rates of people not working are much higher for people with disabilities from a working class background. Twenty-eight per cent are not working, compared to 16 per cent of disabled people from a professional background.

Figure 1.14: Percentage of people from different backgrounds in each occupational group by disability status in 2018

	People without disabilities from a professional/ managerial background	People with disabilities from a professional/managerial background	People without disabilities from a working class background	People with disabilities from a working class background
Not working	3%	16%	5%	27%
Working class occupation	15%	20%	36%	34%
Intermediate occupation	19%	21%	22%	18%
Professional/managerial occupation	63%	43%	38%	21%

Legend:
- Professional/managerial occupation
- Intermediate occupation
- Working class occupation
- Not working

Source: SMC analysis of Labour Force Survey (ONS)

Ethnicity

Interestingly, the picture is slightly more positive when we consider ethnicity. White and ethnic minority individuals from working class backgrounds are equally likely to end up in professional occupations (34 per cent).

However, white individuals from privileged backgrounds are slightly more likely to end up in professional roles than privileged ethnic minority individuals (60 per cent versus 56 per cent), meaning privileged ethnic minority individuals are more likely to experience downward social mobility (are more likely to end up with lower incomes or in lower skilled jobs than their parents) than their white counterparts.
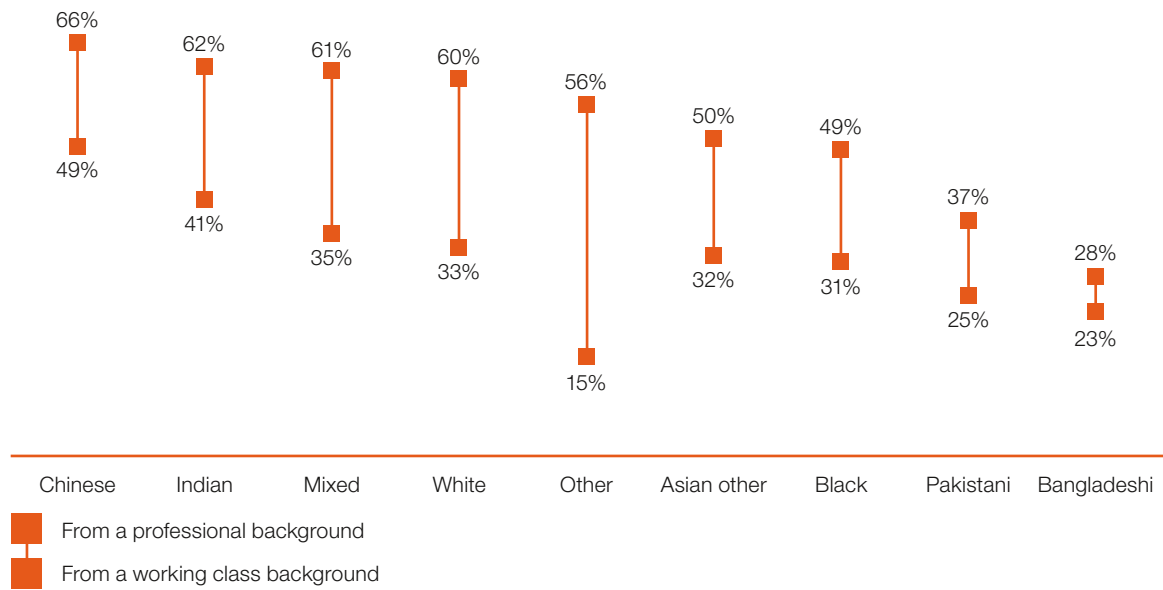
Figure 1.15: Percentage of white and ethnic minority individuals from different backgrounds in different occupations in 2018
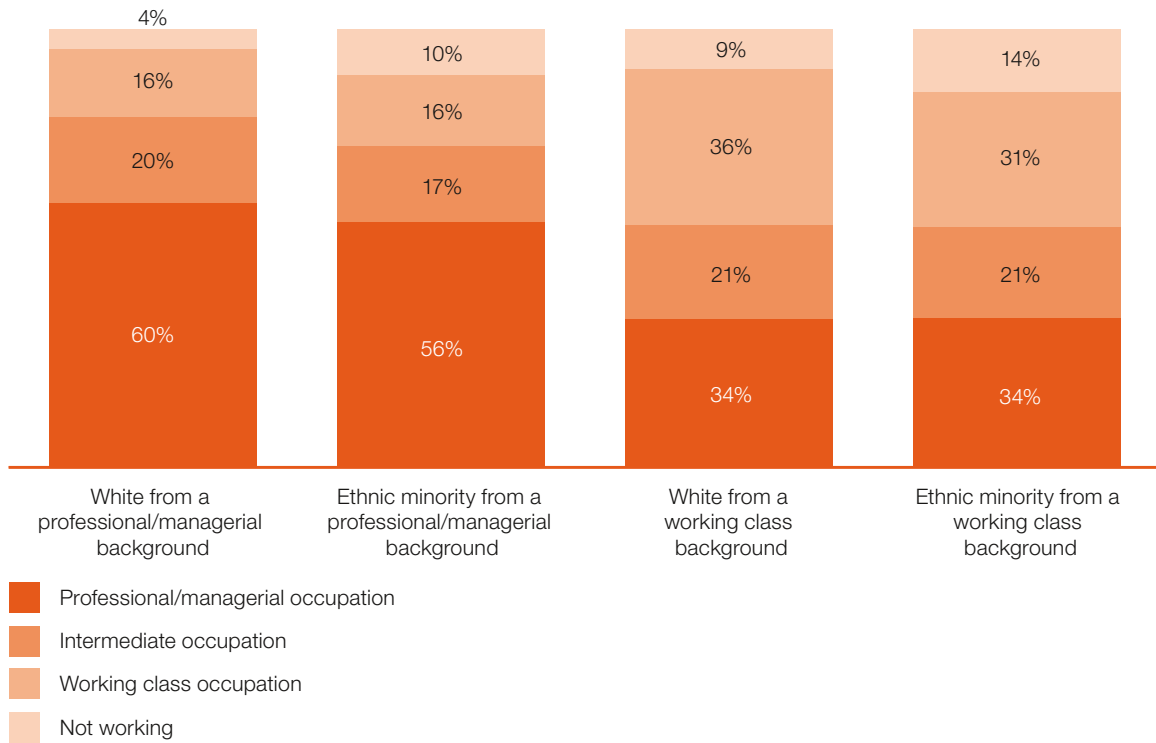
Source: SMC analysis of Labour Force Survey (ONS)

When we break this down into more specific ethnic groups, however, a more complex picture emerges. Figure 1.16 shows the difference between the proportion of people who are in professional occupations from working class backgrounds and the proportion who are from professional backgrounds, broken down by ethnicity. Only 35 per cent of working class, mixed race people were in a professional job, compared to 61 per cent of mixed race people from a professional background, a gap of 26 percentage points.

Figure 1.16: Percentage of people from different backgrounds in professional occupations by ethnicity (2014-18[8])

| | Chinese | Indian | Mixed | White | Other | Asian other | Black | Pakistani | Bangladeshi |

- From a professional background
- From a working class background

Source: SMC analysis of Labour Force Survey (ONS)

While there is a wide gap in access to 'top' jobs for white people from different class backgrounds, it is comparable to that for mixed race people. People from working class Chinese backgrounds do better than people from professional Pakistani and Bangladeshi backgrounds, suggesting that class is not as much of a barrier for Chinese people as it is for other ethnic groups. Clearly, there are huge barriers for people from Pakistani and Bangladeshi backgrounds in the labour market.

Overall, ethnic minorities also face a double disadvantage in earnings: people from professional and ethnic minority backgrounds earn 11 per cent less than white professionals, while ethnic minorities from working class backgrounds earn 25 per cent less than individuals from white professional backgrounds.

1.5 Unemployment and economic inactivity

Unemployment has fallen over the last four years, and it has fallen fastest for those from working class backgrounds, from 6.4 per cent to 4.5 per cent (see Figure 1.17). However, individuals whose parents were in working class roles are still more likely to be unemployed than those whose parents were in professional roles.

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8   Sample sizes are too small to produce one year estimates for each demographic and class together. Therefore, 2014-2018 results have been pooled together to provide more accurate estimates of access to professional occupations for each demographic

Figure 1.17: Unemployment rate for 16-64 year olds by socio-economic background
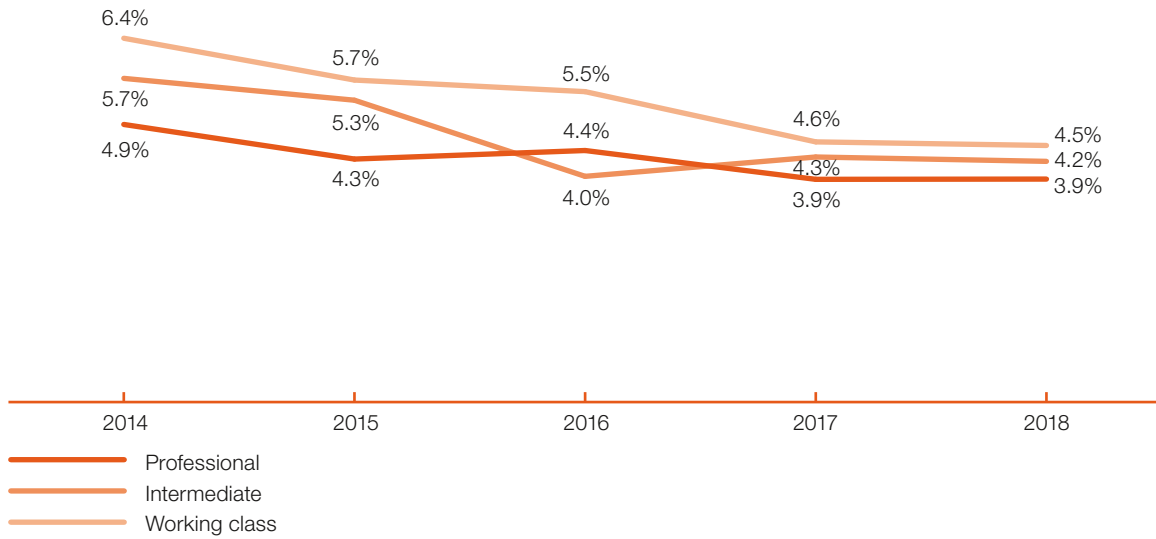
Source: SMC analysis of Labour Force Survey (ONS)

Furthermore, those with parents from working class backgrounds are 22 per cent more likely to be economically inactive (neither in employment nor unemployed, including: studying, looking after family, or on long-term sick leave) than those from professional backgrounds; 22 per cent of 16-64 year olds from working class backgrounds were economically inactive in 2018 compared to 18 per cent from professional backgrounds. These proportions have seen little change over the past four years.

Figure 1.18: Economic inactivity rate for 16-64 year olds by socio-economic background
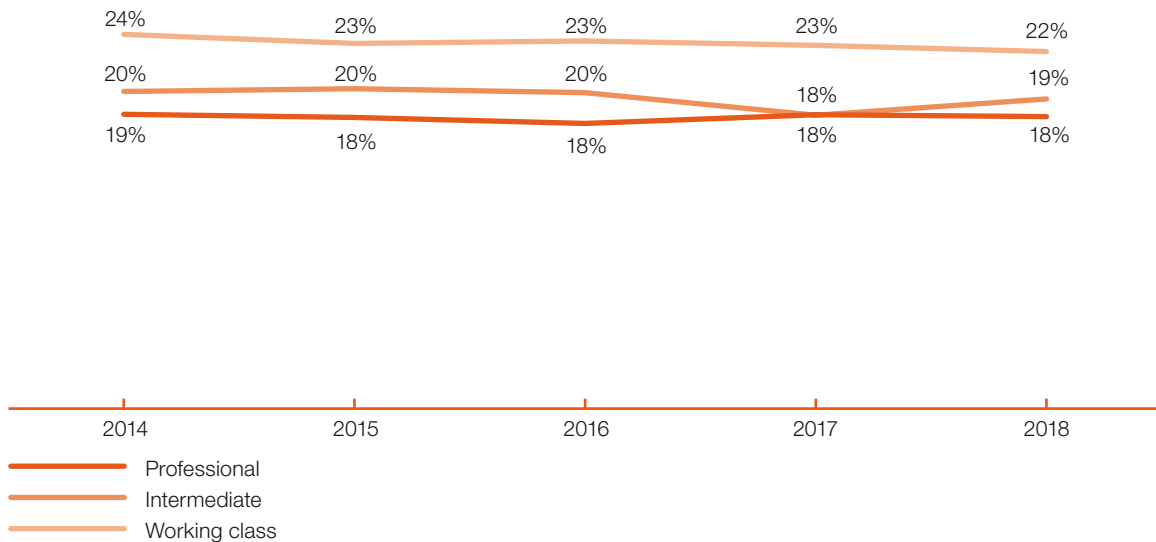
Source: SMC analysis of Labour Force Survey (ONS)

1.6 Rising living standards mainly benefit the middle classes

Moving on to consider what drives poor social mobility across all groups and what can impact future social mobility, the Commission has considered a range of indicators for living standards. Living standards drive social mobility because those with higher living standards typically have more choices in life, and are more able to take risks. Whether in education, work, housing or childcare options, the better a person's living standards, the more options they are likely to have and the higher the level of risk they are willing to take. For example,

higher living standards will make a person more likely to pursue higher level education, thereby improving their chances of getting a better job in future. The Commission has assessed living standards using three key indicators:
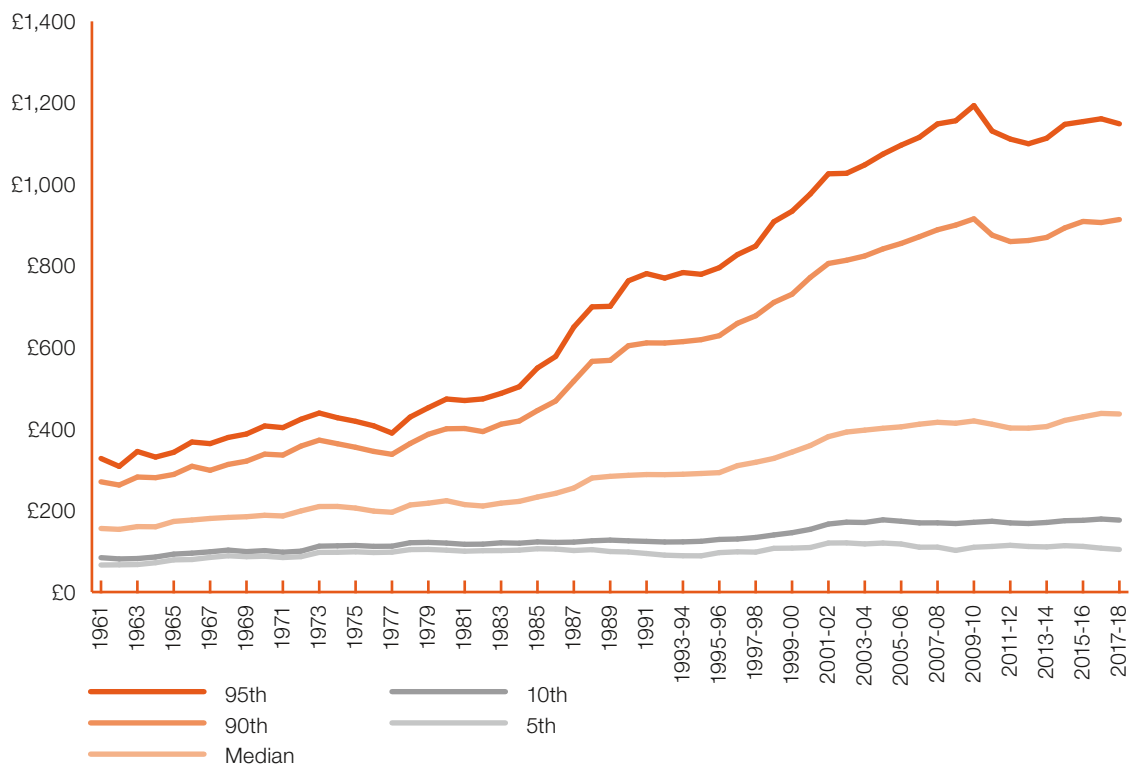
- Real weekly household incomes.

- Rates of child poverty.

- Rates of home ownership.

Great Britain is doing poorly by all these indicators, with increasing inequality in household incomes over the past few decades, increased numbers of children in relative poverty since 2012, and falling rates of home ownership since the early 1990s.

Real weekly household income

Over the last few decades, there has been increasing inequality in living standards. Incomes have generally been rising faster for households at the top of the income distribution than at the bottom (after housing costs). While the top 10 per cent of households have seen their income double in real terms in the last 30 years, the poorest five per cent of households have seen their income remain unchanged in real terms.[9]

Figure 1.19: Real weekly household income (after housing costs) for selected percentiles

Rates of child poverty

Child poverty has an important influence on social mobility, as children living in poverty can often have worse health, worse educational outcomes and start school developmentally

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9   Institute for Fiscal Studies, *Living standards, poverty and inequality in the UK,* www.ifs.org.uk/tools_and_resources/incomes_in_uk

behind their more advantaged counterparts. This disadvantage becomes entrenched with gaps widening right through schooling years and into labour market outcomes.

Currently, a higher proportion of children are in poverty than working-age adults or pensioners. This percentage has increased slightly in recent years and is forecast to rise further. There are now 500,000 more children in relative poverty than there were in 2012. However, previous declines in the proportion of pensioners in poverty, partly due to increased pension benefits, shows that government policy can be utilised to effect change. Nevertheless, the Institute for Fiscal Studies and the Resolution Foundation projects relative child poverty to increase in future years, potentially hitting record levels.[10]

Figure 1.20: Percentage of children in households earning below 60 per cent of contemporary median income (after housing costs) in the United Kingdom
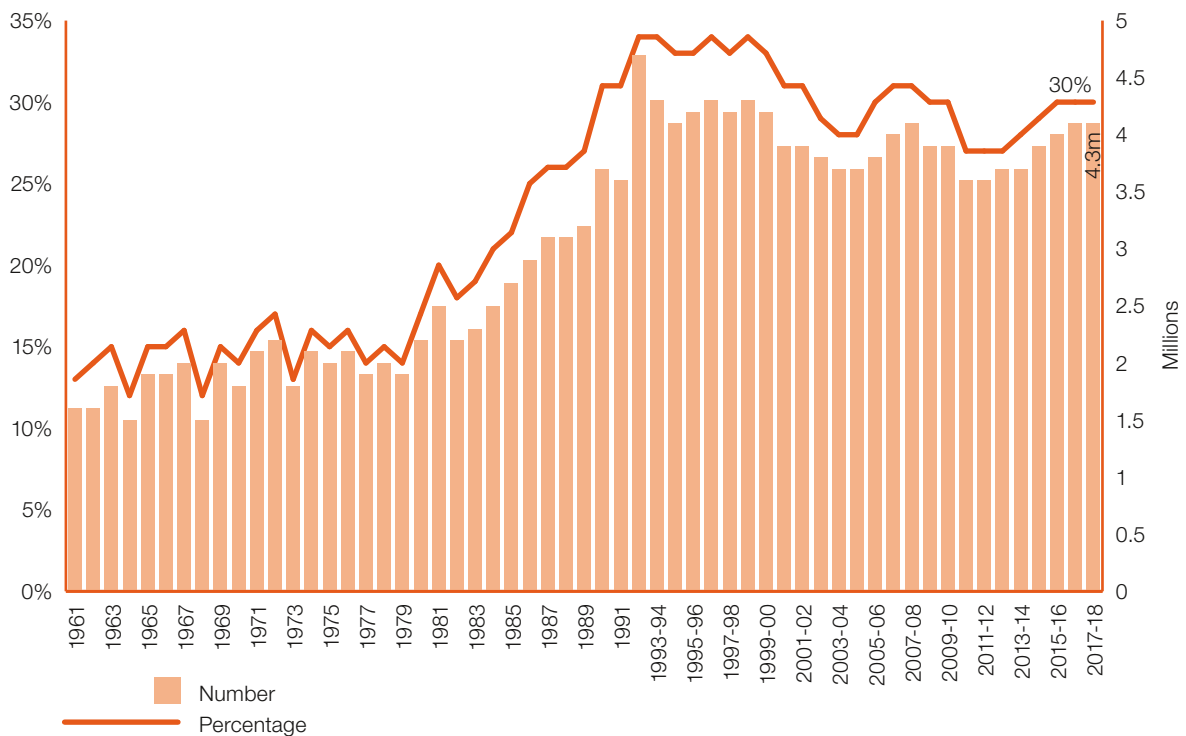
Source: Institute for Fiscal Studies, *Living standards, poverty and inequality in the UK*, www.ifs.org.uk/tools_and_resources/incomes_in_uk

Rates of home ownership

Those from working class backgrounds are also far less likely to own a home. Thirty-seven per cent of those from working class backgrounds were renting a home in 2018, compared with 27 per cent of those from professional backgrounds.

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10   Institute for Fiscal Studies, *Living standards, poverty and inequality in the UK: 2017–18 to 2021–22,* https://www.ifs.org.uk/uploads/publications/comms/R136.pdf and Resolution Foundation, *The Living Standards Outlook 2019*, https://www.resolutionfoundation.org/app/uploads/2019/02/Living-Standards-Outlook-2019.pdf

Figure 1.21: Percentage of people aged 25-60 that rent by socio-economic background from 2014 to 2018
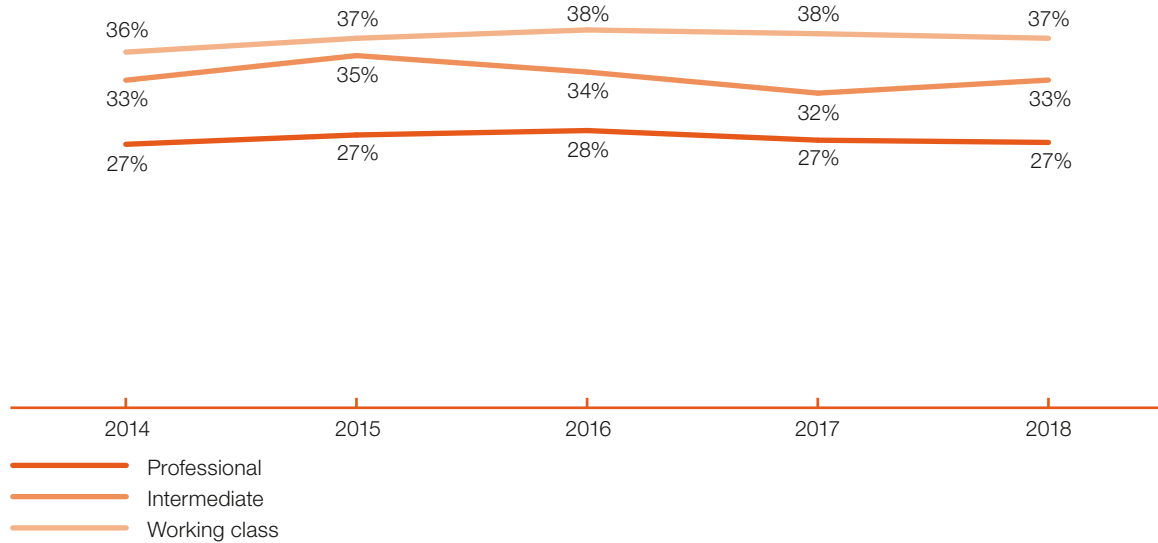
Source: SMC analysis of Labour Force Survey (ONS)

Home ownership rates have been in decline for all age groups since the early 1990s, except for the over 55s, with the youngest age groups the least likely to own a home. Further, young people who are able to enter the housing market are relying increasingly on the 'bank of mum and dad'. Almost half (49 per cent) of first time buyers in 2018 relied on a financial gift, loan, or inherited wealth from family to get on the property ladder.[11] This could be damaging working class people's current social mobility, as they lack the ability to accumulate wealth and get onto the property ladder. It could also damage Great Britain's future social mobility rates, as more privileged young people go on to inherit houses through intergenerational transfers and inherited wealth.

1.7 Wellbeing and social mobility

For the first time, the Commission is considering the interaction between wellbeing and social mobility. This interaction appears to be circular; social mobility can help alleviate inequalities in wellbeing, but low levels of wellbeing can hold people back from achieving their full potential, thereby reducing social mobility. The extent of these interactions is currently unclear.

While there are no national figures on wellbeing by social background, Figure 1.18 shows that people who live in more deprived areas typically have lower life satisfaction scores, are less likely to think that the things they do are worthwhile, less likely to feel happy yesterday, and are more likely to be anxious.

Furthermore, the proportion of unemployed individuals with low levels of wellbeing is double the rate of those with high wellbeing (eight per cent versus four per cent), while over 40 per cent of individuals with poor wellbeing are long-term sick or disabled (over ten times the national level).[12]

The Commission will be exploring these links in more detail in the upcoming year, considering the multiple interactions between mental health, social mobility and deprivation.

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11 Ministry for Housing, Communities, and Local Government, *English Housing Survey Headline Report 2017-18*
12 Office for National Statistics, *Understanding well-being inequalities: Who has the poorest personal well-being?*, 2018, www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/understandingwellbeinginequalitieswhohasthepoorestpersonalwellbeing/previousReleases

Figure 1.22: Average wellbeing between the most and the least deprived areas in 2016-17 (by English Indices of Multiple Deprivation decile) out of a scale of 10
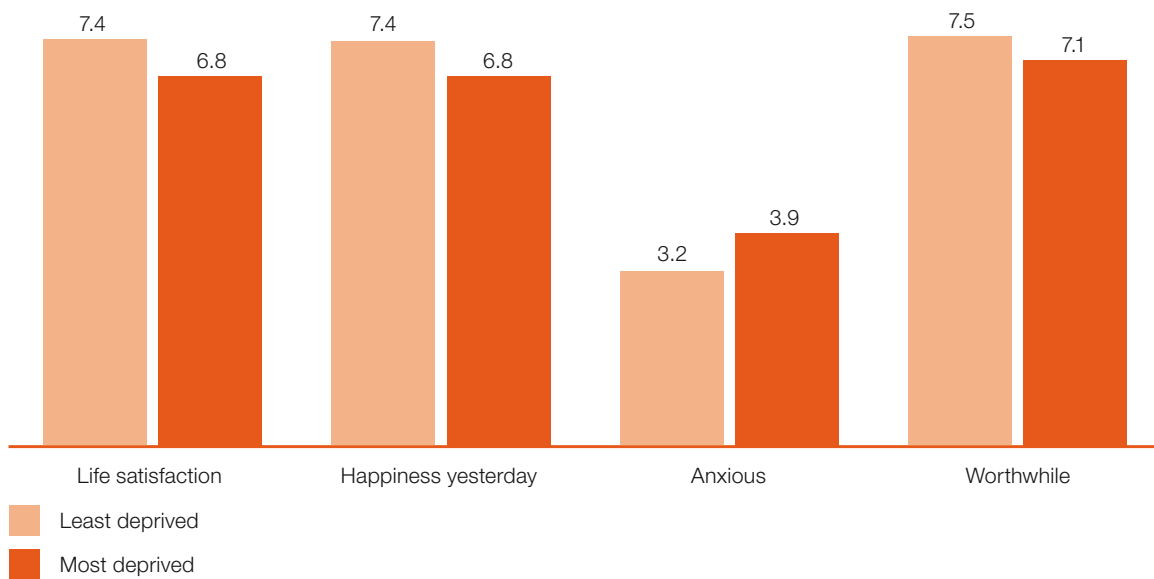
Source: SMC analysis of Community Life Survey (DCMS)

1.8 Conclusion

The new data has helped the Commission present a more detailed and timely picture of social mobility in Great Britain than it has ever done previously.

Despite government interventions, there are still persistent gaps in access to professional jobs. People from working class backgrounds are 80 per cent less likely to get into professional jobs. Even when they do, class plays an important role in pay; within professional occupations, those from working class backgrounds earn 17 per cent less than people from professional backgrounds. Ultimately, class plays an outsized role in a person's ability to move up the income and jobs ladder, and there has been no measurable improvement in recent years.

Moving regions is an enabler of social mobility. However, people from working class backgrounds are less likely to move regions to access professional jobs. Those who are financially able to move to London – where most professional jobs are based – are more likely to be able to get into a professional occupation. People from working class backgrounds also face lower living standards and lower levels of wellbeing, which reduces their ability to get ahead, for example by limiting their opportunities to undertake additional education.

Across every measure of social mobility – income mobility, occupational mobility and standards of living – there are persistent gaps in access that link to class. The data shows that, too often, a person's background distinctly predicts their future.

The rest of this report is broken into life stages. It takes stock of social mobility at each stage, analysing what has changed and making recommendations to improve policy.

Chapter 2: Early Years (ages 0-5)

Key Findings

- Gaps between advantaged and less advantaged children open up before birth and persist throughout life. By age five, 57 per cent of children entitled to free school meals (FSM) reach a good level of development, compared to 74 per cent of their more advantaged peers.

- The early years workforce faces a skills gap, is poorly paid, and has poor career progression; more must be done to recruit and retain high quality early years workers.

- The government's 30-hour childcare offer was well-intentioned, but risks damaging social mobility.

- There has been a significant and welcome focus on improving the home learning environment through various experiments, trials and innovative projects.

- However, given the closing of hundreds of children's centres and the scaling back of hundreds more, it will be challenging to ensure the hardest to reach parents and families benefit from the significant investment in this space.

Recommendations

- The government should:

  - extend the eligibility of the 30-hour childcare offer by lowering the lower income limit of eligibility to those earning the equivalent of eight hours per week, as a first step towards making it available to more parents;

  - introduce a national marketing campaign to promote the revised 30-hour childcare offer, working with local authorities to specifically target low-income households.

- The Department for Education (DfE) should complete its review of children's centres as soon as is practicable. Following this review, the government should, by working closely with local authorities, ensure the investment in the home learning environment reaches disadvantaged and vulnerable families.

2.1 Introduction

There are increasing efforts across government, and across society more widely, to redress the socio-economic divide as early as possible. Children at the age of five from the most advantaged groups are a year ahead in vocabulary compared to those from the most disadvantaged backgrounds.[1] There is also an increasing recognition that such efforts should be evidence-based. This chapter notes that there are a range of factors which can influence social, emotional and intellectual development before the age of five.

In December 2017, the DfE recognised the importance of early years education and social mobility by devoting one of the four 'key ambitions' in its social mobility plan, '*Unlocking Talent, Fulfilling Potential*' to the early years.[2] Specifically, the aim was to close the word gap between children from more and less advantaged backgrounds.[3] This was a welcome ambition as it explicitly focused on working with the most disadvantaged children. The plan remains important in terms of shaping the department's agenda, and social mobility features high in the priority areas of the early years team. However, the new driving ambition, as stated by DfE, is to halve the current number of children (from 28 per cent to 14 per cent) finishing reception year without the early communication and reading skills they need by 2028.[4] It is imperative that in its implementation, disadvantaged children remain at the front and centre of policy initiatives.

This chapter explores:

- The scale of the early years challenge

- Problems facing the early years workforce

- The government's funded 30-hour childcare offer

- The focus on the home learning environment

- Key developments on the horizon in the early years space

2.2 The scale of the challenge

This section sets out the scale of the early years challenge, particularly considering key indicators of inequality: birthweight, development at age five and early literacy scores.

Inequality begins to emerge before birth. Babies born with low birth weight have worse health in childhood and worse outcomes later in life – relatively poor maternal diet among low socio-economic groups leads to disparities in health outcomes depending on socio-economic group.[5] There is a persistent 'low birth weight gap'. This is to say, babies born into less advantaged groups are more likely to have low birth weight compared with those from more advantaged groups.[6]

1   Sutton Trust, *Low income and early cognitive development in the U.K,* 2010
2   DfE, *Unlocking Talent, Fulfilling Potential: A plan for improving social mobility through education*, 2017
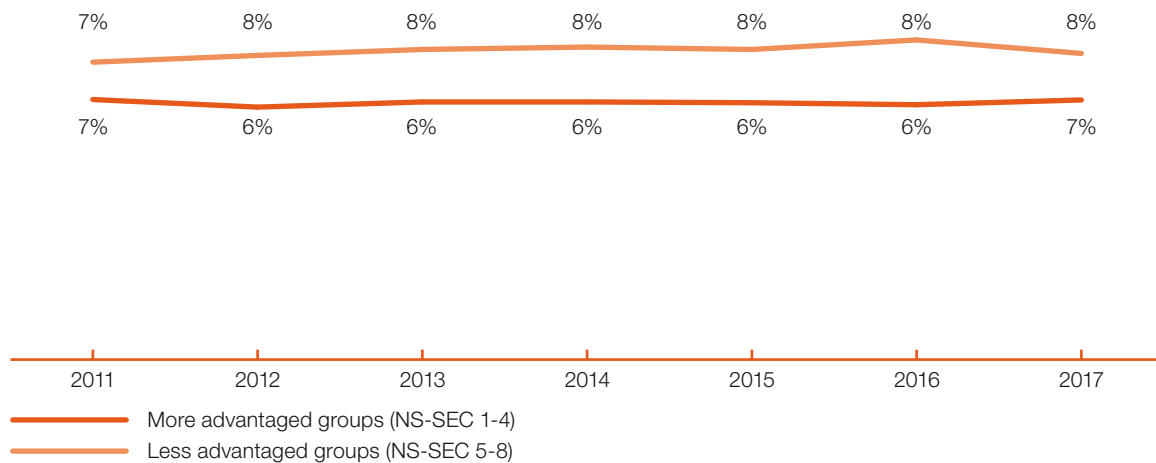3   Ibid.
4   Speech by Damian Hinds, Secretary of State for Education, 1 August 2018, https://www.gov.uk/government/news/multimillion-investment-in-early-years-education-and-boost-social-mobility
5   Kramer, M.S., et al. *Socio-economic disparities in pregnancy outcome: why do the poor fare so poorly?,* 2001
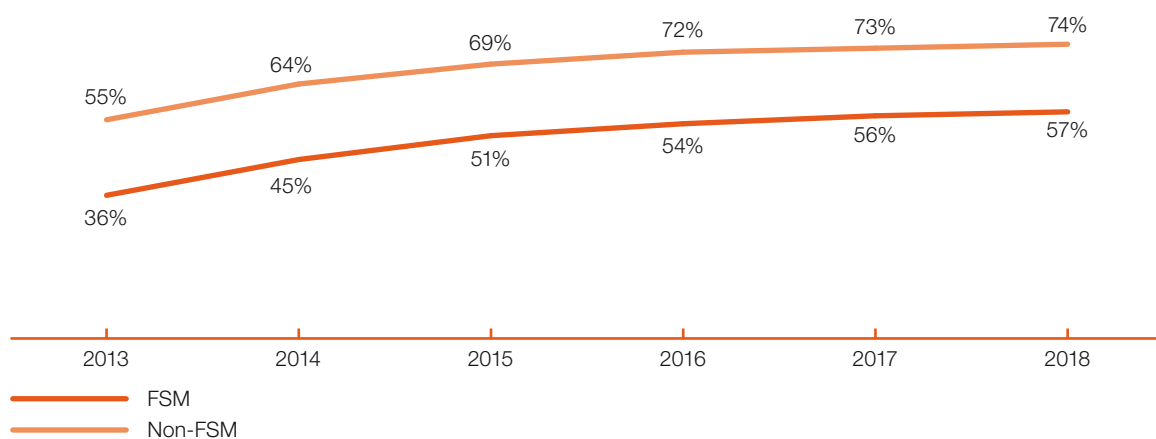6   See Figure 2.1

Figure 2.1: Gap between the percentage of babies born with low birth weight from less advantaged groups and more advantaged groups

	7%	8%	8%	8%	8%	8%	8%
	7%	6%	6%	6%	6%	6%	7%

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |

— More advantaged groups (NS-SEC 1-4)
— Less advantaged groups (NS-SEC 5-8)

Source: ONS, *Birth by parent's characteristics*, https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/datasets/birthsbyparentscharacteristics

Children's progress against expected levels at the end of the year in which they reach age five is measured by the Early Years Foundation Stage Profile (EYFSP). Since 2013, there have been incremental reductions in the gap in development between children from disadvantaged backgrounds and the average by age five.[7]

Figure 2.2: Percentage of children achieving a good level of development at age 5

	55%	64%	69%	72%	73%	74%
	36%	45%	51%	54%	56%	57%

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |

— FSM
— Non-FSM

Source: DfE, *Early years foundation stage profile results*, 2018. https://www.gov.uk/government/collections/statistics-early-years-foundation-stage-profile

In 2018, 43 per cent of children entitled to FSM did not reach a good level of development at age five, compared with just 26 per cent of their more advantaged peers.

The picture is also stark when analysed by the index of income deprivation affecting children decile index (IDACI). There is an almost direct correlation between decile of deprivation by parental income and a child's level of development at age five.

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7   DfE, *Early years foundation stage profile statistics*, 2018

Figure 2.3: Percentage of children achieving a good level of development at age 5 by decile of deprivation

Source: DfE, *Early years foundation stage profile results*, 2018. https://www.gov.uk/government/collections/statistics-early-years-foundation-stage-profile

There is a significant gap between the development of the poorest pupils in different areas of the country. For example, 71 per cent of children entitled to free school meals reach the expected level of development in Newham, whereas this number is just 43 per cent in West Berkshire and Windsor and Maidenhead.[8]

Figure 2.4: Percentage of poorest children reaching at least the expected level development at age 5 (best and worst areas).
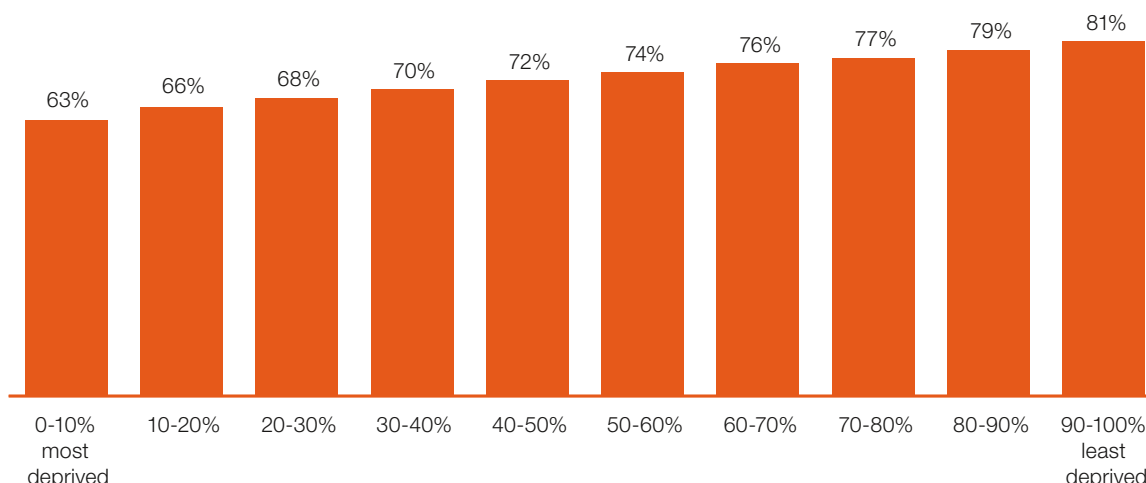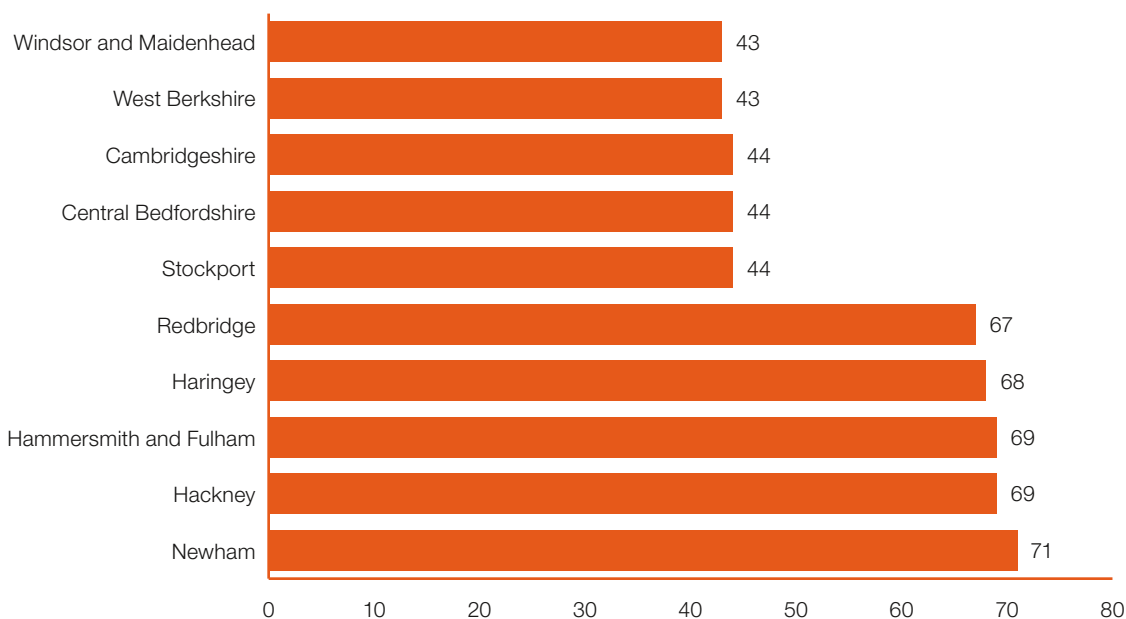

Source: DfE, *Early years foundation stage profile results*, 2018. https://www.gov.uk/government/collections/statistics-early-years-foundation-stage-profile

When it comes to literacy development for disadvantaged children, the United Kingdom performs less well than with comparable countries such as Canada and Australia, although better than the United States.[9] Figure 2.5 below shows the difference in early literacy test scores across the four countries with the difference shown between the highest income quintile (Q1) and the lowest (Q5).

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8   DfE, *Early years foundation stage profile results: 2017 to 2018*, 2018
9   Bradbury, B., Waldfogel, J., Washbrook, L., *Income-related gaps in early child cognitive development: why are they larger in the United States than in the United Kingdom, Australia and Canada?,* 2018

Figure 2.5: Gaps in early literacy scores for developed countries, based on income quintile
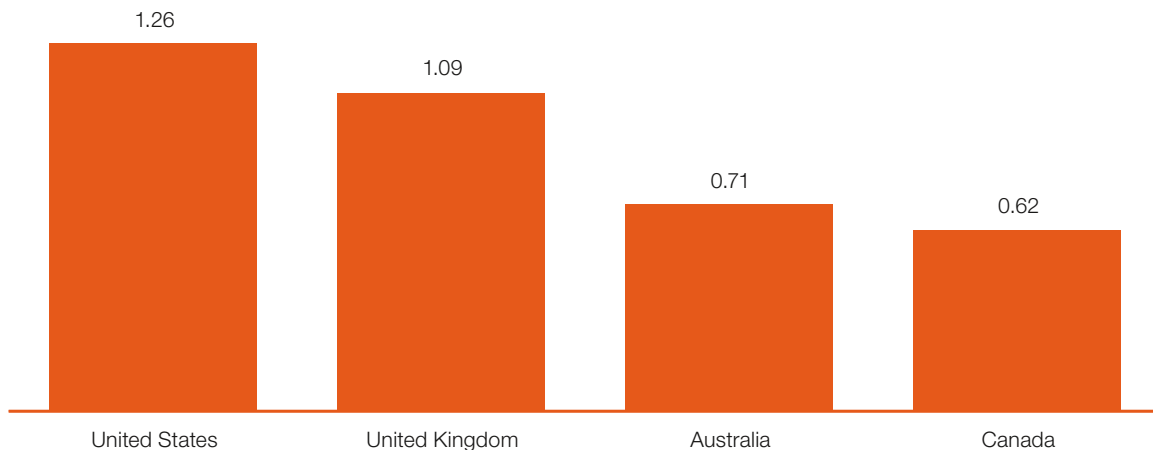
Source: Bradbury, B., Waldfogel, J., Washbrook, L., *Income-related gaps in early child cognitive development: why are they larger in the United States than in the United Kingdom, Australia and Canada?*, 2018

Children from poorer backgrounds start their lives with a disadvantage. They have lower birth weights, are less likely to meet the expected levels of development and have a more limited vocabulary than children from richer backgrounds. They then struggle to catch up for the rest of their lives, as evidenced by persistent gaps through the rest of the life course. The key areas that the Commission has identified as critical to addressing these challenges – recruitment and retention in the early years workforce, childcare, and the home learning environment – are discussed in the rest of this chapter.

In the context of the discussion below, it is important to note that the DfE is giving more strategic importance to social mobility in the shaping of its early years policy and there are signs that there is increasing joined-up thinking across government to tackle this problem. For example, the DfE has recently partnered with Public Health England to ensure there is adequate training and guidance for health visitors targeted to areas of greatest need.[10]

2.3 The early years workforce

There are three strategic problems affecting the early years workforce. Firstly, there is a shortage of staff across the whole system, secondly, the staff recruited often have fewer skills and qualifications, and thirdly, when high-quality, well-qualified practitioners do join the workforce, it can be a challenge to retain them, with turnover estimated at approximately 17 per cent.[11] These workforce problems are further reinforced by the relatively poor reputation of working in the sector. A child's first significant exposure to formal education is likely to be with an early years' professional – pre-school children who receive childcare spend an average of 18 hours per week receiving formal childcare. This means the quality of the people educating them really matters.[12]

This chapter considers the three key driving factors for these issues: a complex and uncertain qualifications picture, poor pay, and poor career progression for those who work in the early years workforce.

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10   DfE, *Early Outcomes Fund: Guidance*, 2018
11   Ceeda, *About Early Years: The independent sector research programme – Early Years Sector Skills Survey*, 2019
12   DfE, *Childcare and Early Years Survey of Parents in England*, 2018

Qualifications

The majority of evidence suggests that well qualified staff are likely to have a greater positive impact on children than those who are less qualified.[13] Successive governments have tried to attract graduates, but the number has remained stubbornly low, particularly in the private, voluntary and independent sector, with the majority of graduates in the workforce working in reception classes in schools, compared to only nine per cent of childminders with a relevant degree.[14] However, insisting on any form of qualification, including Level 2 (the equivalent level to a GCSE), further reduces the available pool of people from which to recruit, in turn presenting government with a conundrum of how to balance the need for volume and driving up quality at the same time. The government has struggled with this issue for some time.[15] The DfE's 2017 early years workforce strategy offered a promising opportunity to shift the dial on these issues, but the shelving of one of its key aspects – the plan to conduct a feasibility study on encouraging more graduates to work in early years in disadvantaged areas – has somewhat taken the wind out of the sails of its progress.[16]

Figure 2.6: Proportion of staff qualified to at least Level 6 in early years childcare
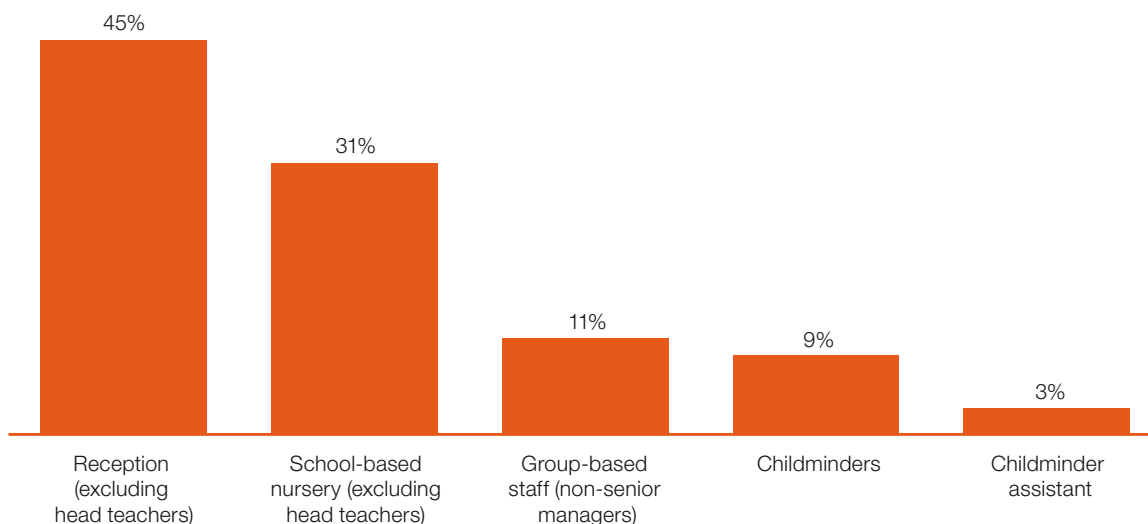
Source: DfE, Guidance: Check early years qualifications, 2019. https://www.gov.uk/guidance/early-years-qualifications-finder

The qualifications framework for the early years workforce is complicated further by the myriad of available options. For qualifications which started before September 2014, there were 76 different options for early years qualifications at Level 2, 149 at Level 3, 55 at Level 4, 22 at Level 5, 50 at Level 6 and five at Level 7. The Department made huge strides by simplifying the picture in 2014, but there are still 25 approved early years qualifications at Level 3, four at Level 4, eight at Level 5 and eight at Level 6.[17] New criteria for Level 2 qualifications will reduce the number of accepted qualifications from September 2019, although the number of qualifications is confusing for both those entering the profession and for employers.[18]

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13 Nutbrown, C., *Foundations for Quality: The independent review of early education and childcare qualifications*, 2012
14 DfE, *Childcare and Early Years Providers Survey: 2018,* 2018
15 In April 2017, the government had to revise the requirement to allow Level 2 Functional Skills qualifications in English and maths to be sufficient for eligibility to undertake a Level 3 early years qualification (as opposed to imposing the GCSE requirement)
16 Letter from Nadhim Zahawi MP, Minister of State for Children and Families to Chair of Education Select Committee on Life Chances Inquiry, 18 July 2018
17 DfE, *Guidance: Check early years qualifications,* 2019
18 Middlesex University, *Early Years Teacher and Early Years Educator: a scoping study of the impact, experiences and associated issues of recent early years qualifications and training in England*, 2017

Continuous professional development

The government has pledged £20 million through its professional development fund to finance continuous professional development partnerships for local authorities operating in areas of greatest need. Given the importance of a high-quality workforce and the need to attempt to raise the quality in collaborative and supportive ways, the Commission welcomes money targeted at professional development activity in disadvantaged areas.

Pay

Pay in the early years workforce is, on average, low and reducing.[19] While pay is low in general, it can range considerably from, on average, £8.30 for staff working in group-based providers, to £14.40 for nursery staff in school-based providers, to £15.10 for reception staff.[20] The sector has seen a reduction of nearly five per cent in real terms since 2013. This deters new recruits, and makes life hard for those who do choose to pursue this career. More than 55 per cent of early years settings report a skills gap in their staff, as compared with 13 per cent across all sectors of the economy.[21] And almost 45 per cent of childcare workers are claiming state benefits or tax credits.[22]

Low pay further embeds inequality; those working in private or school nurseries will have different and incomparable pay arrangements to those working in small playgroups, for instance. In and of itself, this creates significant variability in the quality of staff, nature of provision, and in turn, its quality.

Career progression

The progression routes for those starting in the early years workforce are not entirely clear. This is linked to and exacerbated by the issue of its reputation. The profession is seen as being predominantly for women, which contributes to a lack of diversity in the workforce and reinforces unhelpful stereotypes. More concerningly, the profession is viewed by some as a place for those who simply 'look after' children, and by others as not providing as significant a challenge as teaching in schools. Neither of these perceptions are helpful, and both diminish the reputation of the sector.

The DfE has begun to address this by stating, mapping and promoting the various opportunities available to those joining the early years workforce which includes 'regional, national or even international management opportunities, specialist roles…and opportunities for budding entrepreneurs'.[23, 24] This could be further expanded and promoted, in a vein similar to its Early Career Framework for teachers. For the profession to attract ambitious people, it is important to provide clarity, detail and inspiration on career progression for those planning to join the workforce.

Ultimately, all those working with children play a role in nurture. When it comes to young children, this involves some formal education, physical care, developing communication and language abilities, honing dexterity, enhancing the capacity for self-regulation and developing skills of reflection. The job is multifaceted and challenging. A complex qualifications system which is simpler than it was but still complex, meagre pay, unclear progression routes and an unwarranted reputation are all contributing to the workforce problem.

The Commission is particularly interested in the problems facing the early years workforce and is commissioning further research on the early years workforce and its impact on outcomes for children.

19   Ceeda, op. cit., 2019
20   Education Policy Institute, *The Early Years Workforce: A fragmented picture,* 2018
21   Ceeda, op. cit., 2019
22   Education Policy Institute, *Early Years Workforce in England,* 2019
23   DfE, *Early Years Workforce Strategy,* 2017
24   Cache et al., *Early Years: career progression map,* https://www.cache.org.uk/media/1417/dfe-career-pathway-map-v17.pdf

2.4 30-hour childcare offer

Social mobility conversations are sometimes controversial because they tend to prioritise those from the most socio-economically challenging backgrounds, over those from low to middle-incomes. The 30-hour childcare offer was one of the most significant policy initiatives in the last 50 years in the early years area. However, it is one which pulls precisely at such a tension.

The policy allows three and four-year-old children of working parents to enjoy 15 hours funded childcare in addition to the original 15 hours offered universally with the intention of encouraging parents, particularly mothers, to get back into work.

Working parents are defined as those who earn or expect to earn the equivalent of working 16 hours per week at the national minimum wage, which equates to approximately £6,500 per year. The upper income limit of eligibility is £100,000 per person.

Several on modest incomes have reported that the policy has been transformative in helping them with work.[25] However, only half of families on incomes below £20,000 using the offer feel they have benefitted from it in terms of disposable income (Figure 2.7), compared to 85 per cent of families with incomes above £45,000.

Figure 2.7: Percentage of families using the 30-hour offer that feel it has resulted in them having more money to spend

Source: DfE, *Evaluation of the first year of the national rollout of 30 hours free childcare*, 2018. https://www.gov.uk/government/publications/30-hours-free-childcare-final-evaluation-of-the-national-rollout

Separately, a lack of awareness is also an issue – nearly 90 per cent of families earning more than £45,000 are aware of the offer, but this drops to 67 per cent for those on more modest incomes, as demonstrated in Figure 2.8 below. Some families who are eligible are simply unaware of their eligibility.

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25   DfE, *Evaluation of the first year of the national rollout of 30 hours free childcare,* 2018

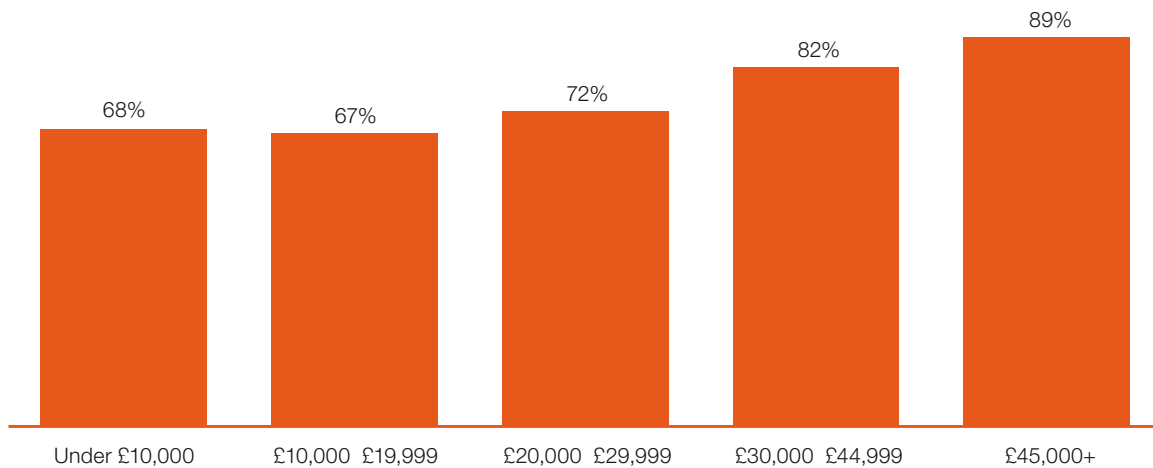## Figure 2.8: Awareness of 30 hour offer by family annual income

Source: DfE, *Evaluation of the first year of the national rollout of 30 hours free childcare*, 2018. https://www.gov.uk/government/publications/30-hours-free-childcare-final-evaluation-of-the-national-rollout

However, those in the most challenging of situations who are unemployed and those who work the equivalent of 16 hours or less per week are not eligible for the 30-hour offer. The Commission believes that aside from the work incentive, the 15 additional hours may also be very significant for the development of children and therefore, there is a clear social mobility case for extending the offer to more families.[26]

The most disadvantaged children in the system who stand to gain from additional professional contact time are losing out because they are either not eligible for the additional support, or their parents are not aware that they are. More professional childcare is welcome but as the policy is evaluated, it is important that the most disadvantaged are not excluded.[27]

The problem is compounded by the fact that the government funding received to cover the 30-hour places does not fully cover the entire cost to providers, and this means settings which are less financially robust are more likely to struggle or to pass on the costs of 'extras' to parents.[28] Independent and private providers, often being smaller, are most challenged by the 30-hour offer. Some institutions offering early years education are more financially stretched than they were before, others are stretched to the point of closure, and in others there is more stress on the availability of places for disadvantaged two-year-olds.[29, 30, 31]

The government should:

- Extend the eligibility of the 30-hour childcare offer by lowering the lower income limit of eligibility to those earning the equivalent of eight hours per week as a first step towards making it available to more parents.

- Introduce a national marketing campaign to promote the revised 30-hour childcare offer, working with local authorities to specifically target low-income households.

26   Garcia, JL., et. al. *The long-term benefits of quality early childcare for disadvantaged mothers and their children,* 2017
27   All-Party Parliamentary Group on Social Mobility, *Closing the Regional Attainment Gap,* 2019
28   Fullfact.org, Are parents paying for free nursery places?, 2018. https://fullfact.org/education/parents-paying-free-nursery-places/
29   Pre-School Learning Alliance, *Pre-School Learning Alliance survey of providers*, 2018
30   From September 2013, the two-year-old entitlement for free early education was introduced in England which provides 15 hours of free childcare per week for two-year-olds from disadvantaged households. This significantly expanded the pre-existing provision of publicly funded childcare for disadvantaged households with young children. See House of Commons, Education Committee, *Tackling Disadvantage in the Early Years: Ninth report of session 2017-2019,* 2019.
31   Early Intervention Foundation, *An Initial Assessment of the 2-year-old free childcare entitlement: Drivers of take-up and impact on early years outcomes,* 2018. https://www.eif.org.uk/files/pdf/initial-assessment-of-the-2-year-old-free-childcare-offer-entitlement.pdf

2.5 The home learning environment

The home learning environment includes the physical characteristics of the home and also the quality of the implicit and explicit learning support received by children from caregivers.[32] The quality of the home learning environment has been recognised to be the most significant factor in terms of outcomes at age five. Indeed, the range and quality of activities which parents undertake with pre-school children is more strongly associated with children's social and intellectual development as compared with either parental education or occupation.[33] In order for children to progress, parents need to engage them in activities which 'engage and stretch' the child's mind.[34] Therefore what happens in the home makes a huge difference in terms of the development of children. In many cases, children's centres or family hubs offer a range of integrated services which can support parents to do just this, and assist with the wider aspects of parenting. These may include information surgeries, toddler drop-ins, soft play sessions or formal parenting classes.

Learning at home is also heavily influenced by parents' use of words and gestures around their children. Movement of the hands or head when having a conversation makes a difference – researchers have found that this strongly correlates with later language ability in their children and that disadvantaged parents are less likely to use gestures, perhaps due to lack of confidence or stress.[35] At the age of 14 months, children from higher socio-economic status (SES) families are gesturing more than their lower SES peers, and this gesture use is related to later vocabulary skill.[36] Further, the early SES differences in child gesture can be explained by the quantity and quality of parent gesture. Thus, by 14 months of age, children are already socialised to gesture more or less during parent-child interactions and this early non-verbal communication sets them on a higher or lower trajectory in their vocabulary growth across early childhood.[37]

In 2018, the DfE announced various schemes and funds to support the home learning environment. One of these is an experimental budget of more than £4 million, managed by the Education Endowment Foundation to trial projects.[38] The idea is to provide more information about what works and practical evidence-based tools which will enhance the quality of the home learning environment.

For the innovation and activity in the home learning environment to be of value to the least advantaged communities and parents, there has to be real thought put into how the results of the trial projects can be made genuinely accessible. Fundamentally, parents need to be able to engage in order to be able to create a positive home learning environment. In his evidence to the life chances inquiry Sir Kevan Collins (Chief Executive of the Education Endowment Foundation) expressed the view that children's centres offer a physical base for parental engagement because parents are involved and welcome.[39] Sutton Trust analysis suggests that children's centres in England led to a better home learning environment and a less chaotic home life.[40]

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32   Melhuish, E.C. (2010), *Impact of the home learning environment on child cognitive development: secondary analysis of data from "Growing Up in Scotland"*

33   EPPSE was previously called the Effective Provision of Pre-school Education (EPPE). The study first collected data on a nationally representative sample of 3,000 children aged three and their parents/carers back in 1997. Chair: Brenda Taggart, Professor Andrew Pollard

34   Ibid.

35   Rowe, M., Godlin-Meadow, S., *Differences in early gesture explain SES disparities in child vocabulary size at school entry*, 2017

36   Ibid.

37   Ibid.

38   Education Endowment Fund announcement of £5m fund to support early years home learning, https://educationendowmentfoundation.org.uk/news/5m-fund-to-support-early-years-home-learning/

39   House of Commons, Education Committee, *Life Chances Inquiry*, op.cit. (paragraph 75), 2019

40   Written Evidence by the Sutton Trust to the Life Chances Inquiry, 2019, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/education-committee/life-chances/written/83918.html

Therefore, the Commission is concerned about the recent closure of somewhere between 500 and 1,000 children's centres.[41] These closures, in response to local authority funding cuts, risk isolating the least advantaged in society and risk the funding for the home learning environment missing the families that need it most. While middle class children are more likely to grow up in language-rich environments, the existence of some form of local facility which can provide practical assistance for parents and coordinate the delivery of the what works message is more important than ever. The Commission therefore echoes the view of the Education Select Committee that the DfE's review of children's centres should be completed as soon as possible.[42]

Figure 2.9: Total children's centre closures for each local authority (2009-2017)

5 Local Authorities showed a decrease of more than 25 centres

93 Local Authorities showed a decrease in the number of centres

52 Local Authorities showed no change in the number of centres

7 Local Authorities showed an *increase* in the number of centres

■ Decrease in number of children's centres from 2009 to 2017, by Local Authority
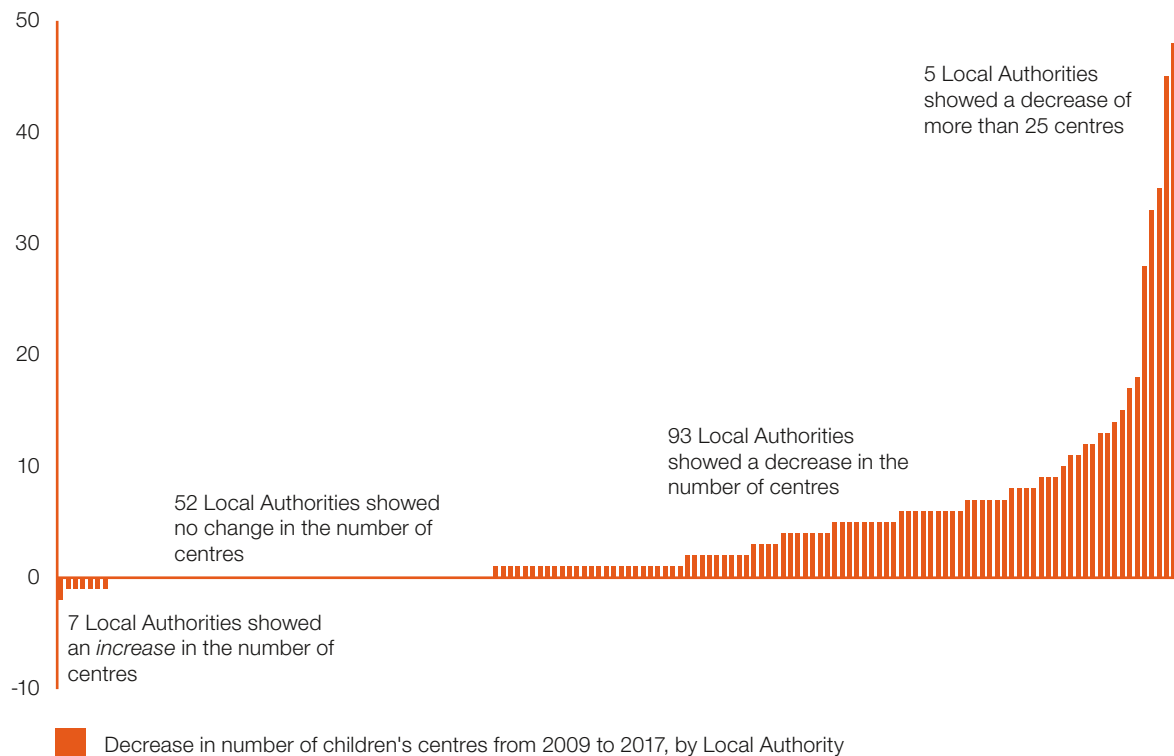
Source: Smith, G., Sylva, K. et. al. in *Stop Start 2018* produced for The Sutton Trust – analysis of TFC database 2009 and Edubase October 2017

41   https://www.theguardian.com/society/2018/apr/05/1000-sure-start-childrens-centres-may-have-shut-since-2010
42   House of Commons, Education Committee, *Life Chances Enquiry*, op.cit.

> **Case Study – St. Helens libraries**
>
> St Helens, in the north-west of England, has high levels of multiple deprivation, and of communication and language difficulties in babies and young children. The library service has developed a Reading for Pleasure Strategy that includes getting books into the hands of those that need them the most and supporting the work that agencies and professionals are doing with families to offset some of the issues.
>
> The Schools Library Service with the Paediatric Speech and Language Service has devised BLUSH (Books and Language Unite St Helens), a language development tool helping teaching staff to spot communication and literacy difficulties in the early years by using quality, age-appropriate books. This unique partnership has resulted in training for library staff in developing their 'Rhyme Times' skills and use of language with young children.
>
> Chester Lane library, sited in one of the most deprived wards in the borough, offers high-quality Read and Rhyme Times using songs and stories to ignite an enthusiasm for reading. These have proved popular so the library has had to introduce extra sessions with stay and play time afterwards as the parents do not want to leave. Agencies such as the Healthy Living team, Dental Health team, Deafness Resource Centre and Breastfeeding professionals want to use the sessions to link in with families as they recognise the work the Library Service is doing to improve life chances for children.
>
> St Helens libraries are working towards being designated special educational needs and disabilities (SEND) friendly. Working in partnership with the Designated Clinical Officer, this is a way to ensure SEND children prepare for adulthood and make the best use of community facilities such as libraries.

The DfE should complete its review of children's centres as soon as is practicable. Following this review, the government should ensure the investment in the home learning environment reaches disadvantaged and vulnerable families.

2.6 On the horizon

Reception testing

The government has confirmed plans to introduce a 20-minute statutory baseline assessment for reception-aged students from autumn 2020 to enable the measurement of progress primary schools make with their pupils from reception through to the end of Key Stage 2 (ages 7-11).[43] There is widespread scepticism associated with the test and it is important that as it is developed by the National Federation for Educational Research (NFER) it is robust, enjoyable and age-appropriate and has as much support as possible from leaders and practitioners working in the sector.[44] Additionally, its relationship with the current Early Years Foundation Stage (EYFS) needs to be considered carefully.

T-Level in Childcare

One of the first T-Levels to be launched in 2020 is the Education and Childcare T-Level. The outline content has been produced by a panel of employers and professional bodies and has

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43   DfE, *Guidance: Reception Baseline Assessment, April 2018*, https://www.gov.uk/guidance/reception-baseline-assessment
44   Nursery World, *Baseline Contract goes to NFER despite Protests over reception Assessment*, 2018

been based on the same standards as those used for apprenticeships. Given the number of childcare qualifications at Level 3 (as discussed earlier) it is unclear as to how this qualification will be perceived amongst the suite of other qualifications in education and childcare available at Level 3.

Early Years Foundation Stage reforms

The DfE is also proposing reforms to the Early Years Foundation Stage Profile (EYFSP), including to the 17 Early Learning Goals, which are a measure of each child's attainment by the end of reception year. The reforms also include changes to the assessment process which are intended to reduce workload through freeing up teachers to spend more time supporting children in the classroom and improving outcomes for all children. They will introduce a clear and specific set of Early Learning Goals that drives a greater focus on language and vocabulary development in the early years, which is key to tackling the word gap between disadvantaged children and their peers. These reforms are being piloted by 24 schools from this academic year and will be evaluated by the Education Endowment Foundation in partnership with NatCen. The pilot is the first stage of the reforms, which will be followed by a public consultation ahead of full rollout expected in 2021.

Local strategy and social mobility

Local authorities and subregional groups have critical roles to play in early education. The diversity of services available, the different challenges in each region, the central role of local authorities as service commissioners, and changing government targets and initiatives mean the need for cooperation and collaboration is paramount. The government has committed £8.5 million to a local government programme, delivered in association with the Local Government Association (LGA) and Early Intervention Foundation. It includes a social mobility peer review programme, where a cross-disciplinary team of peer reviewers conduct a four-day peer review of a local area's early years system. Through these programmes, DfE aims to identify and spread evidence-based practice and service models around the wider early years system.

Spending review and the early years Pupil Premium

The early years Pupil Premium, worth around £300 per three and four-year-old per year is designed to support the early development of disadvantaged children, which is usually guaranteed year by year. The Spending Review has the opportunity to assure the future of the early years Pupil Premium over the next few years, which could provide important confidence to early years institutions that work with large numbers of disadvantaged children.

2.7 Conclusions and recommendations

Given that gaps between the advantaged and less advantaged open up before birth and get wider through one's formative years, the role of parents and the early years workforce is highly important. These issues are complex; the Commission is pursuing further work in this area. Early years education is the first opportunity for professionals in the education system to shape lives. The part played by those working with young children is exciting and significant. The ingredients for a strong reputation are present but will require collaboration to be realised.

While it has helped many families, the government's 30-hour childcare offer risks entrenching educational inequality. However, there is still scope for it to help the most disadvantaged if more of the children who need it most can access the offer. Significantly reducing the lower income limit of eligibility should make a difference.

The government is recognising the importance of the home learning environment and committing to it with money and innovation. Where the challenge lies is that some communities continue to be difficult to reach. The most disadvantaged and the least engaged are not going to see the benefits of this innovation, unless there is a local system which engages parents in the most socio-economically deprived communities.

Recommendation 2.1: The government should:

- Extend the eligibility of the 30-hour childcare offer by lowering the lower income limit of eligibility to those earning the equivalent of eight hours per week as a first step towards making it available to more parents.

- Introduce a national marketing campaign to promote the revised 30-hour childcare offer, working with local authorities to specifically target low-income households.

Recommendation 2.2: The Department for Education (DfE) should complete its review of children's centres as soon as is practicable. Following this review, the government should, by working closely with local authorities, ensure the investment in the home learning environment reaches disadvantaged and vulnerable families.

Chapter 3: Schools (ages 5-18)

Key Findings

- At Year 1, the gap in phonics attainment between children entitled to free school meals (FSM) and their more advantaged peers is 14 percentage points.[1]

- At the end of Key Stage 1 (by age 7), larger gaps are evident in reading (18 percentage points), writing (20 percentage points) and mathematics (18 percentage points).

- By the end of Key Stage 2 (by age 11), less than half (46 per cent) of pupils entitled to free school meals reach the standards expected for reading, writing and mathematics, compared to 68 per cent of all other pupils.

- Better A Level grades are more concentrated among the more advantaged. While 12 per cent of the A Level cohort achieving three E grades or better are classified as disadvantaged, this proportion falls to nine per cent for those achieving three B grades or better.

- Schools with better Ofsted ratings do not tend to have a lower attainment gap.[2] Ofsted inspection outcomes largely correlate with the socio-economic makeup of a cohort.

- Recent reforms to the curriculum, although well intentioned, were implemented too quickly, and disadvantaged students lost out disproportionately during the implementation, at Key Stage 2 in particular.

- Numbers of children studying languages at A Level continue to fall, despite their importance for social mobility.

- Schools have had to face an eight per cent real terms funding cut which has affected their ability to deliver important services.

- There is a stark divide between many schools within the independent sector and those in the state sector. Independent schools are both better resourced and often socially exclusive in nature. Given society's decision makers remain disproportionately drawn from independent schools, there is a risk that future leaders will be detached from the broader lived experience of the people their decisions may impact.

1   The phonics assessment is a headline target at Key Stage 1 as it represents the basis for children's literacy
2   Education Endowment Foundation, *The Attainment Gap 2017*, 2018

Recommendations

The DfE should reconsider its policy of exempting outstanding schools from inspection, which would enable more balanced oversight of schools.

Ofsted should use the opportunity given by the formulation of its new inspection regime to improve the accountability regime for schools by:

- Continuing to provide descriptions of what it has found during school inspections and find an effective approach to move beyond historical use of its four-tier categories of inspection outcomes.

- Carefully monitoring the implementation of its new arrangements and report on the impact its new approach is having on schools in more disadvantaged areas.

- Identifying educational excellence in schools operating within the constraints of poverty, which peer-led school review structures could then explore and champion.

Ofsted and the DfE should work together and with others on finding ways to publicly acknowledge schools which attempt to genuinely tackle long term educational inequality.

The government should consider whether Pupil Premium funding is effectively targeted at supporting disadvantaged students and whether differential levels of funding might be more beneficial for those with long-term disadvantage.

3.1 Introduction

Schools have the power to be formative and transformative. They have the power to enable young people to grow into confident, resilient and happy adults who have the skills and knowledge to make positive contributions to the societies in which they live and the world around them. It is imperative that they do this for every student, including the least advantaged.

In December 2017 the DfE took a concrete step towards recognising the critical importance of the role of education in social mobility by publishing its plan for social mobility through education, 'Unlocking Talent, Fulfilling Potential'.[3] This was the first time there was a meaningful and tangible commitment to social mobility in the form of a department-wide plan. The plan was designed to permeate the work of every team within the DfE and had four key ambitions – closing the word gap in early years, closing the attainment gap in schools, ensuring high quality post-16 choices for all and improving access so that everyone could achieve their potential in rewarding careers. The Commission notes and welcomes the ambitiousness of this plan and hopes, despite ministerial changes, the strategic commitment to social mobility through schools continues.

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3   DfE, op. cit. 2017

This chapter reviews:

- The scale of the social mobility challenge in schools

- The impact of reforms to the curriculum and qualifications framework

- The existing high-stakes and accountability context for schools

- The pressures of school funding, with a focus on the impact of the changes on some of the most vulnerable students in the system

- Independent schools, their relationship with the state sector, and social mobility

- Key developments on the horizon for schools

3.2 The scale of the challenge

There are huge disparities in the attainment of children at school, depending on their socio-economic background. Gaps between children entitled to free school meals and others persist throughout the school years. Additionally, the gap in attainment in public exams between children who attend independent schools and those who attend state schools is significant.

The gap between free school meal entitled Year 1 pupils and their peers reaching the expected standard of phonics decoding is 14 percentage points.[4] This is a fundamental skill because it is about the understanding children have about the relationship between the sounds in spoken language. Phonics decoding is the headline measure used by the government to measure development at this age, however this gap is also reflected in each of the other assessments at Key Stage 1 (ages 5-8): reading, writing and mathematics.[5][6] Figure 3.1 demonstrates that the gap has slowly been closing since 2011.

Figure 3.1: Percentage of Year 1 pupils meeting the expected standard of phonics decoding FSM v Non FSM
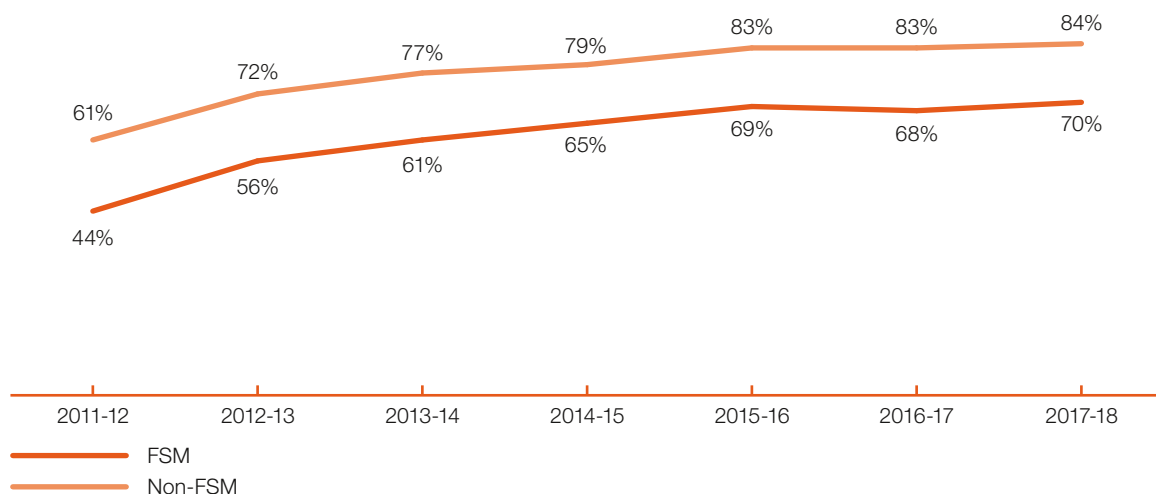
Source: DfE, *Phonics screening check and key stage 1 assessments*, 2018. https://www.gov.uk/government/collections/statistics-key-stage-1

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4   DfE, *Phonics screening check and key stage 1 assessments,* 2018
5   Ibid.
6   Speech by Nick Gibb, Minister of State for Schools, *The Importance of Phonics*, March 2015, https://www.gov.uk/government/speeches/nick-gibb-the-importance-of-phonics

At Key Stage 2 (ages 7-11), there is a 22 per cent point attainment gap between children entitled to free school meals and others. As Figure 3.2 shows, this gap has remained steady since 2015.

Figure 3.2: Percentage of pupils achieving level 4 or above (pre 2015-2016) / the expected standard in reading, writing and maths (2015-2016 onwards) by the end of KS2 FSM v Non FSM
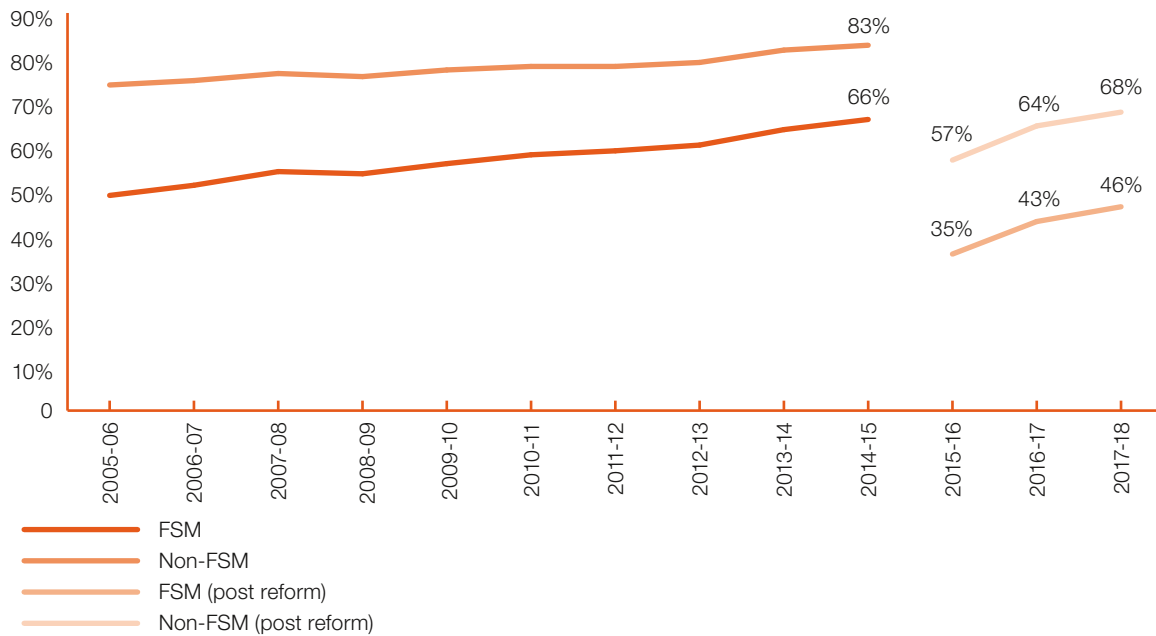
Source: DfE, *Key stage 2 statistics*, 2018. https://www.gov.uk/government/collections/statistics-key-stage-2

At Key Stage 4 (ages 14-16), the percentage of free school meal eligible pupils achieving a grade 4/C or above in GCSE English and Maths is 40 per cent compared with 68 per cent of all other pupils.[7] When looking at the more comprehensive set of qualifications at Key Stage 4, which is taken into account using the Attainment 8 measure (an average of scores across eight key subjects including maths and English), the gap is just as stark. Those entitled to free school meals score 34.4 points, on average. The average for all other pupils is 48.3 points.[8]

Figure 3.3: Percentage of pupils achieving grade 4/C or above in English and Maths GCSEs
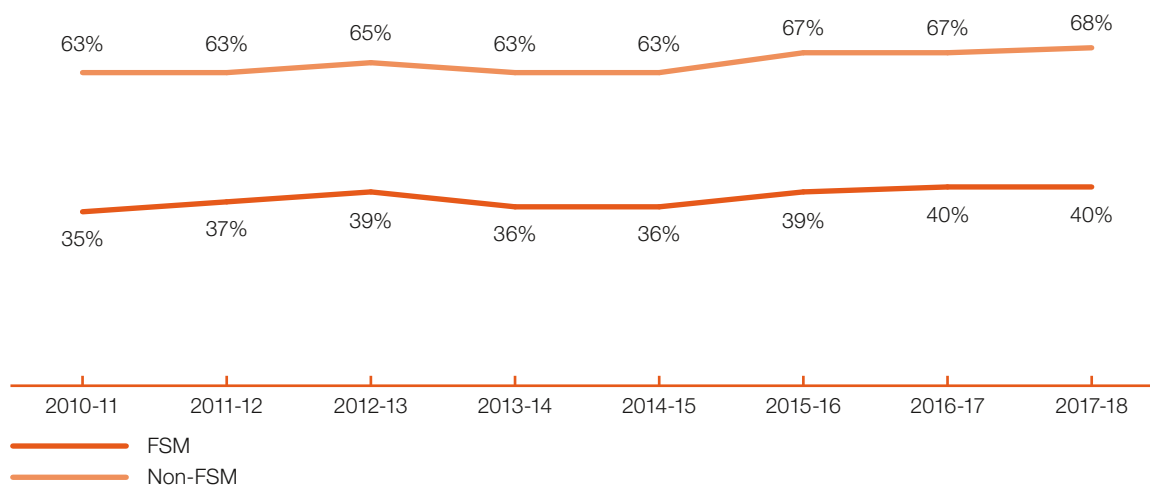
Source: *GCSEs statistics*, DfE, https://www.gov.uk/government/collections/statistics-gcses-key-stage-4

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7   DfE, *Statistics: key stage 4*, 2018
8   Ibid.

By age 19, 16 per cent of pupils entitled to Free School Meals attain at least 2 A Levels at age 19 compared to 39 per cent of all other pupils.[9]

Figure 3.4: Percentage of pupils attaining level 3 at least 2 A Levels at age 19 – FSM v Non FSM

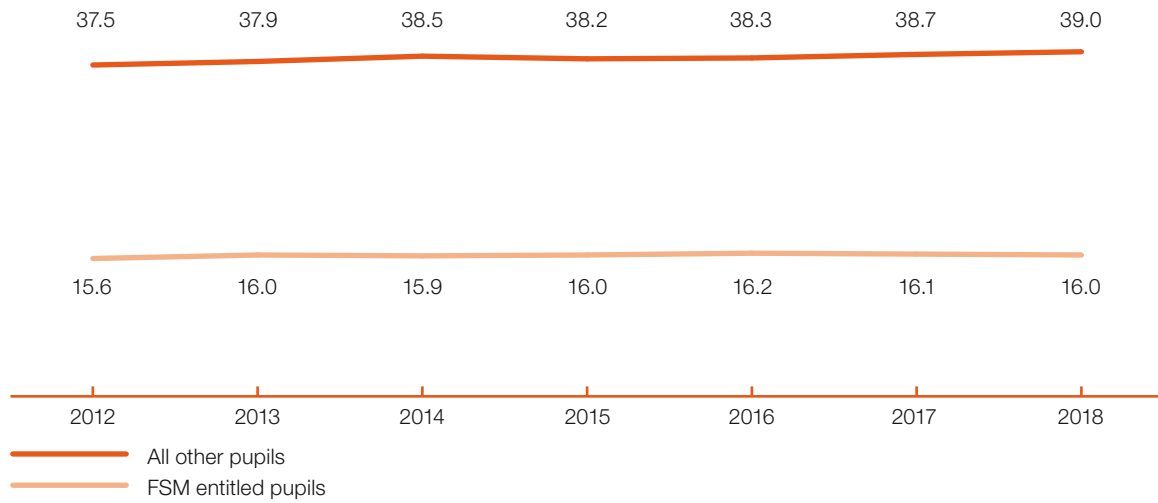|	2012	2013	2014	2015	2016	2017	2018
All other pupils	37.5	37.9	38.5	38.2	38.3	38.7	39.0
FSM entitled pupils	15.6	16.0	15.9	16.0	16.2	16.1	16.0

Source: National Statistics, *Level 2 and 3 attainment by young people aged 19 in 2018*
https://www.gov.uk/government/statistics/level-2-and-3-attainment-by-young-people-aged-19-in-2018

The graph below shows an average point score per A Level entry for state schools, independent schools, children classified as disadvantaged at age 16,[10] and the national average over the last two years.

Figure 3.5: KS5 Attainment by pupil characteristics and institution type
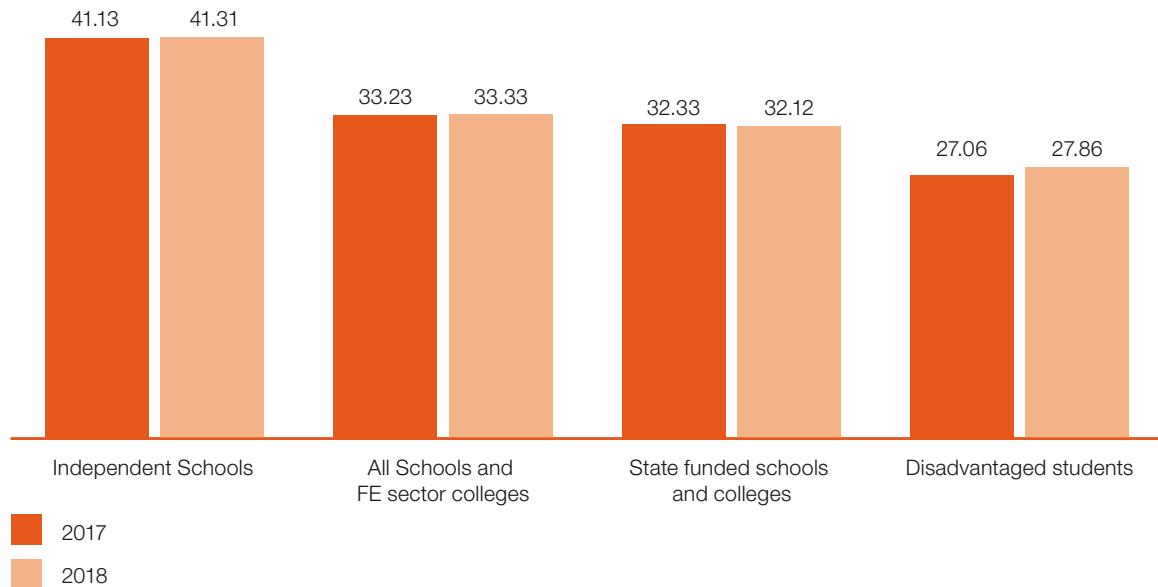
	Independent Schools	All Schools and FE sector colleges	State funded schools and colleges	Disadvantaged students
2017	41.13	33.23	32.33	27.06
2018	41.31	33.33	32.12	27.86

Source: National Statistics, *A-Level and other 16 to 18 results: 2017 to 2018.* https://www.gov.uk/government/statistics/a-level-and-other-16-to-18-results-2017-to-2018-revised

Disadvantaged students start school developmentally behind their more advantaged peers and this trend continues throughout schooling. This chapter will consider how changes to Ofsted's approach and funding for pupils could help alleviate these disadvantages. However, it will first take stock of the impact of the recent qualification reforms on disadvantaged students.

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9   DfE, *Level 2 and 3 attainment by young people aged 19 in 2018*, 2019
10   Disadvantaged is defined as children eligible for FSM at any point in the last six years, in care or adopted from care

3.3 Qualification reform

One of the key reforms of the Coalition Government were those to the school curriculum and core qualifications in England and Wales, which began in 2011. These changes were wide-ranging and spanned the entire compulsory period of schooling from Key Stage 2 through to Key Stage 5. These reforms disproportionately impacted disadvantaged students.

Reforms to the primary school National Curriculum were announced in 2011 and first taught in 2014. Alongside the changes to the curriculum, standard attainment tests (SATs) were reformed at Key Stage 1 and Key Stage 2 with the aim of being more challenging and demanding.[11] Reformed GCSEs, which are tougher and have a different grading scale (9-1, replacing A*-G) began to be taught in 2015, and have now almost been completely rolled out. A Levels were updated to better prepare students for higher education. By the end of the reform period, in 2018, 28 A Level courses had been scrapped, AS Levels had been decoupled from A Levels, and the A Level exam had become a linear assessment at the end of the course.

This large volume of curricular and qualification reforms, which were implemented over a relatively short space of time, was something of an educational whirlwind for teachers and leaders. Schools had to revamp their schemes of work and significant preparation was required in a short period of time in order to deliver the new curricula effectively.

Primary school qualification and assessment reform

The quickly implemented harder primary school exams at Key Stage 2 resulted in fewer disadvantaged students achieving the expected level in reading, writing and maths in primary school. The proportion of 11-year-olds eligible for FSM achieving this standard dropped drastically from 66 per cent in 2014/2015 to 35 per cent in 2015/2016.[12] Whilst there was also a 26 per cent drop in all students reaching the expected level, teachers reported that such poor results were demotivating and disappointing for children from disadvantaged backgrounds.[13]

The proportion of FSM-entitled pupils reaching the expected standard at Key Stage 2 is now much higher (46 per cent) and has risen considerably since the first set of exams. This suggests the two years allocated from first teaching in September 2014 to first exams in 2016 was simply not enough time for schools to prepare children adequately for the harder tests. As a result, the way in which the reforms were implemented made reaching the expected level more difficult for a greater proportion of disadvantaged 11-year-olds than before. It is imperative to ensure the nearly 166,000 disadvantaged children, who failed the test in 2016 and 2017, are not disenchanted by the education system, as they move through their secondary schools and beyond.[14]

Secondary school (GCSE and A Level) qualification and assessment reform

At secondary school, the reformed GCSEs have not had a discernible impact on the attainment gap between the least advantaged pupils and their more advantaged peers. The disadvantage gap index is a measure which allows us to see changes in the gap in attainment over time, accounting for the phased roll-out of curriculum and assessment changes. As the

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11   Subsequently, the DfE announced statutory SATs at KS1 would remain non-statutory – DfE, *Primary Assessment in England: Government Consultation Response,* 2017
12   See Figure 3.2 above
13   Raey, D., *Miseducated*, (2018)
14   This was the number of children entitled to free school meals who failed to reach the expected standard in reading, writing and mathematics in the first two years of the new test – 2016 and 2017

first new GCSE exams were taken by pupils in 2017, there was a very small decrease in the gap, and then a small widening of the gap in 2018.[15]

Figure 3.6: Trend in the disadvantaged pupils' attainment gap index
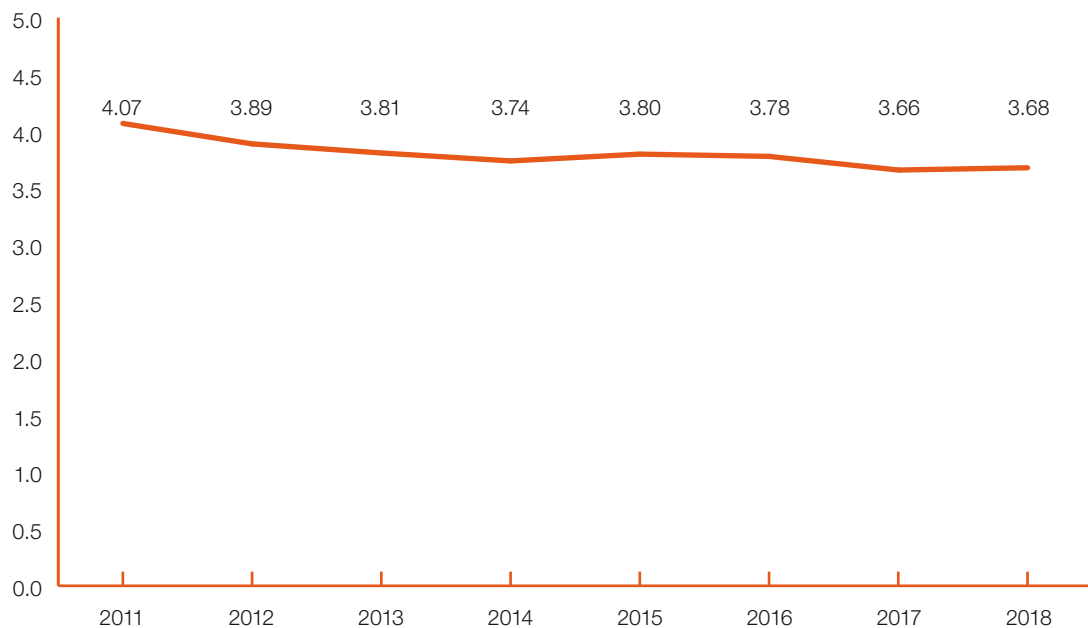
Source: National pupil database and key stage 4 attainment data, 2018. https://www.gov.uk/government/collections/statistics-gcses-key-stage-4

Studying core subjects such as languages, English, mathematics and science is important for the long-term occupational opportunities of individuals.[16] However, if left to chance, children born to literate and wealthy parents are more likely to encounter powerful, conceptual knowledge than their less advantaged peers.[17] Therefore, for the curriculum to support social mobility it ought to be broad, balanced and knowledge-rich.[18]

In practice, however, the reforms at secondary school have resulted in a compromise in breadth of learning to ensure depth. The English Baccalaureate is a good example. By encouraging children to study certain academic subjects at GCSE, there was a consequent fall in the number of entries for certain subjects which fell outside of the English Baccalaureate. Encouraging academic depth is positive and to be supported. However, the need for a rich and diverse school experience is equally important.

The breadth within the school experience is particularly important for children from disadvantaged backgrounds because children from more advantaged backgrounds are more likely to have such exposure elsewhere. Generally, a broader range of extra-curricular opportunities are available to children who attend independent schools, and middle-class parents will frequently give their children access to such opportunities outside of school – through attendance at private music lessons, for example.

At Key Stage 5, the breadth of subjects being studied is also declining. The context is that exam entries in the Advanced Subsidiary (AS) qualifications since 2014 have fallen dramatically from 1,350,545 to 269,090.[19] Pre-reform, students largely chose four subjects to study at the start of sixth form and dropped one (often their weakest), after their AS exams at the end of Year 12, focusing on three in their final year of study. Increasingly, now, the norm is to study three subjects from the start of Year 12.

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15   DfE disadvantage gap
16   Iannelli, C., (2013), 'The role of the school curriculum in social mobility', *British Journal of Sociology of Education*, 34:5-6, 907-928, DOI: 10.1080/01425692.2013.816031
17   Young, M., 'Knowledge, Curriculum and the Future School' in Michael Young, David Lambert, Carolyn Roberts and Martin Roberts, *Knowledge and the Future School: Curriculum and Social Justice* (London: Bloomsbury Academic, 2014)
18   This is a view echoed by E.D. Hirsch in *Why Knowledge Matters?*, 2016
19   Ofqual, *Summer 2018 exam entries GCSE Level 1_2 AS and A Levels,* 2018

This is due to the fact that, post reform, AS Levels no longer counted towards students' final A Level grade. Also, schools stopped offering AS Level examinations because they clashed with Year 12 A Level teaching time and because they represented a potential cost saving in the context of a tight funding climate.[20]

There are two concerning implications for social mobility. First, the decreased breadth of study at A Level impacts most on disadvantaged students who are less likely to pursue other disciplines outside of the formal curriculum. Secondly, the pre-existing trend in falling modern languages entries has not been helped by this narrowing of the sixth form curriculum. A modern language may often have been selected as a fourth choice subject by students at the start of Year 12 with a plan to complete the AS Level qualification and focus on their other three subjects in Year 13. However, often the modern language then 'overtook' one of the other choices and became one of three subjects a student took through to the end of their A Levels. Now, with the constriction of choice at the start of sixth form, entries at A Level have continued to fall. The reason proficiency in a modern language appears to be beneficial for social mobility is because the skill can prepare young people for future employment opportunities in an increasingly globalised economy and it enhances one's cultural agility, which in turn can improve prospects in the global labour market.[21] The government itself has recognised the importance of modern languages for social mobility and, therefore, has committed to "improve access to high quality modern foreign language subject teaching, particularly for disadvantaged pupils".[22] However, the national decline continues and young people from working class backgrounds in socially deprived areas are less likely to choose or have the opportunity to study languages, compared with their more affluent peers.[23] This is of concern to the Commission.

Figure 3.7: MFL A-Level Entries (French, German and Spanish combined)
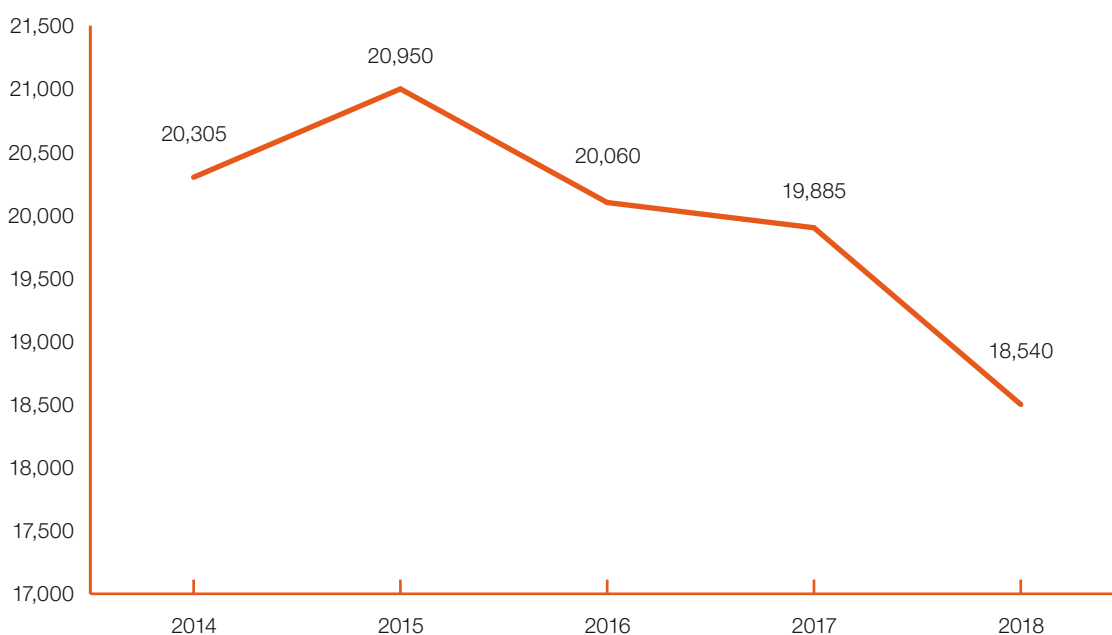
Source: SMC Analysis of Ofqual Data. Ofqual, Entries for GCSE, AS and A Level: summer 2018 exam series

The new curriculum across the key stages aimed to democratise knowledge. However, the speed of the roll-out, particularly at Key Stage 2, caught many disadvantaged children in the crossfire. At GCSE, certain subjects were crowded out and the educational experience narrowed. At A Level, the picture is similar, the reforms have narrowed the Year 12 curriculum.

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20   Raise the Rate, *Raise the Rate Campaign: Funding impact survey report*, 2019
21   CBI-Pearson (2016), Education and Skills Survey, The Right Combination; British Academy (2018), The Right Skills: celebrating skills in the arts, humanities and social sciences.
22   DfE, op. cit. 2017
23   Ridealgh, K., *Why learning another language is still a sign of privilege*, 2019, http://theconversation.com/why-learning-another-language-is-still-a-sign-of-privilege-112626

They have not corrected the decline in modern languages entries and this may be of concern in the long run because foreign languages can foster a confidence of mindset which may improve opportunities for individuals in a global labour market.[24]

3.4 Accountability in schools

Accountability context

Schools are held accountable for their performance and progress as measured by examination results, as reported in the DfE's performance tables, and by the inspectorate, Ofsted, via its cyclical inspection regime. Academies and academy trusts are required to ensure public money is spent prudently and are held accountable for their financial performance by the Education and Skills Funding Agency (ESFA) and independently appointed auditors. School leaders are challenged by their governing bodies, by the parents of their pupils, and their communities more generally. Teachers are also increasingly held accountable for the performance of their pupils in public exams through decisions about performance-related pay. The Commission acknowledges that not all of these methods of accountability are perfect, for instance there is a dearth of school governors in certain geographies,[25] and the implementation of performance-related pay measures can be ill-thought through in some schools.[26] However, in the context of Ofsted's consultation on its new inspection framework due for implementation in September 2019, we have focused our analysis on the two most significant elements of accountability – DfE performance metrics and Ofsted's headline judgments.

DfE performance metrics

DfE performance metrics drive practice in schools, and the introduction of the English Baccalaureate entry as a headline accountability measure serves as one particular example of this. It was introduced to encourage students to study more academically rigorous subjects at GCSE, which should, on the face of it, have been positive for social mobility.[27] However, in 2011, the EBacc performance measure (passes in certain 'EBacc' subjects, such as maths and English, at GCSE) was introduced retrospectively to the 2010 results. In response, schools rushed to enter children for the EBacc without ensuring they were equipped for success.[28] Entries increased from 22 per cent to 37 per cent but a smaller proportion of students achieved five good EBacc grades, as shown by the graph below.[29]

24   The British Academy, *Languages in the UK: A Call for Action*, 2019
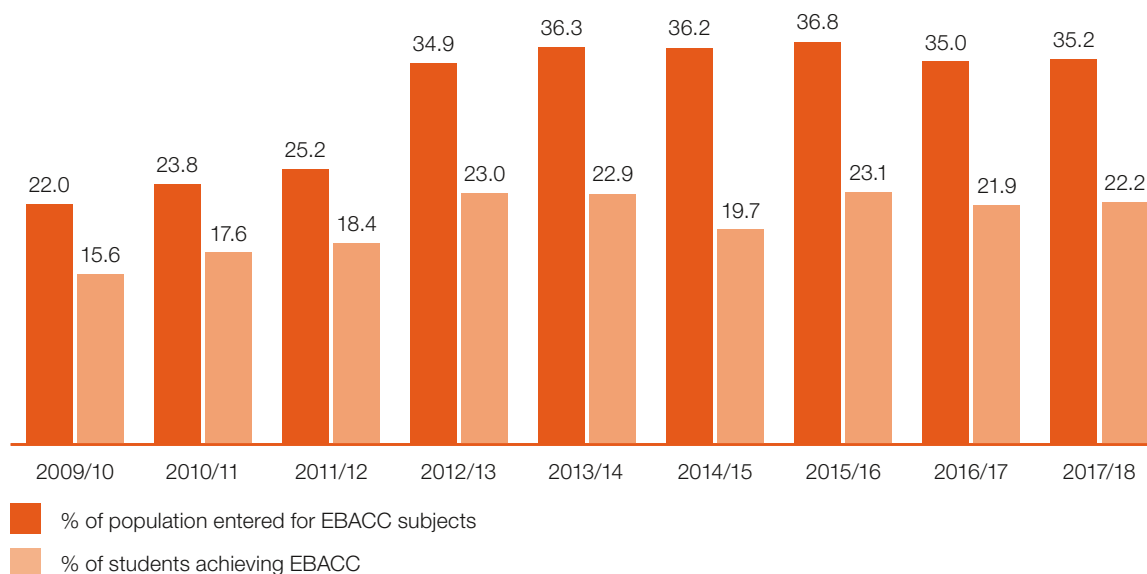25   RSA Action and Research Centre, *Who governs our schools?,* 2017
26   Bryson, A., Stokes, L., and Wilkinson, D., *Can HRM Improve Schools' Performance?,* 2018
27   See Theme 1, above
28   DfE Key Stage 4 Attainment Data, Key Stage 4 and multi-academy trust performance, January 2019
29   Ibid.

Figure 3.8: Ebacc subjects entered vs. achieving

Source: DfE Key Stage 4 Attainment Data, Key Stage 4 and multi-academy trust performance, January 2019

The DfE made important changes to its accountability framework in 2016. Most significantly at Key Stages 2, 4 and 5, the shift moved from headline attainment to include measures of progress as well. For example, secondary schools are now judged on their performance using the 'Progress 8' measure, an average of the progress made between Key Stage 2 and Key Stage 4 across eight key subjects, as opposed to simply the proportion of students achieving five good GCSEs. The shift to considering progress rather than attainment alone encourages a focus on all pupils, including the most vulnerable, and not just those on the C/D (or 3/4 or 4/5) borderline. This, therefore, is a cautiously positive development and one which the Commission welcomes. Nonetheless, we are interested in exploring the argument that the current measures of progress themselves could be further improved. For instance, in some primary schools there is an undue focus on teaching to the test at Key Stage 2 which may undermine the broader educational experience for children and leave them with artificial secondary school 'starting points', causing inaccuracies when measuring progress from Key Stage 2, given their potentially flawed starting points.[30]

More generally, the DfE has recently explicitly recognised that the existing system of accountability required greater clarity and transparency, and they are now seeking to make this happen.[31] For instance, there were incentives for schools to avoid being caught by the DfE's 'coasting' definition (set out in the footnote) to avoid forced transfer to an academy sponsor or re-brokerage.[32] However, the DfE has now decided no formal intervention action will be taken if a school meets the definition of coasting.[33] The Commission welcomes this.

Ofsted's approach to inspection

The current inspection arrangements have been in place since September 2015 and Ofsted has rightly recognised a need to evolve its approach. It has recently undertaken a consultation on a new framework which it plans to implement in September 2019.[34] The proposals make the curriculum a central focus in a new quality of education judgement. This

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30   Raey, D., op. cit., 2018
31   DfE, *Principles for a clear and simple accountability system,* 2018
32   The coasting definition requires a secondary school to have fewer than 60 per cent of its pupils achieving five A*-C grades at GCSE, and less than the national median expected progress in English and maths and two years of the Progress 8 score below –0.25
33   DfE, *Schools causing concern,* November 2018
34   Education Inspection framework: draft for consultation, 16 January 2019, https://www.gov.uk/government/publications/education-inspection-framework-draft-for-consultation

provides a holistic assessment of a school's curriculum intent, implementation and impact on pupils' outcomes.

Ofsted's new approach is welcome and has the potential, if implemented effectively, to be an improvement on the existing situation. Our analysis above highlights the importance of a broad curriculum for disadvantaged pupils in particular. This is good for schools which have high numbers of pupils from less advantaged backgrounds; the new framework will allow these schools to be acknowledged for the breadth and quality of the educational experience and remove the sole reliance on examination outcomes. This should go some way to ensuring that disadvantaged students and schools serving disadvantaged students can thrive under the inspection regime.[35]

We also welcome Ofsted's intention to reward those who 'run their schools with integrity', which is critical given the evidence that the practice of strategic off-rolling is increasing (see discussion below).[36] Effective implementation of the new framework will be important in realising the potentially positive impact on social mobility that Ofsted's proposals offer.

Off-Rolling

Off-rolling, the practice of removing children from the school roll, for example through strongly encouraging students to withdraw, is one of the darkest consequences of the behaviours associated with the present accountability system. While there may be justifiable reasons for removing children from a school roll in certain circumstances, the Commission is concerned that some of this off-rolling is motivated by a school's exam results, associated Ofsted outcome and position in the performance tables. The need for schools to achieve well in exams means that headteachers may off-roll pupils facing disadvantage just before their exam year, so as to avoid the consequent impact in the accountability picture.[37] The national proportion of students with special educational needs and disabilities is 13 per cent, whereas 30 per cent of pupils who leave their school between Year 10 and Year 11 (GCSE examination year) have special educational needs.[38] This is of concern, particularly given the intersection of disability and socio-economic disadvantage.[39] This indicates that the system may be having the effect of rewarding schools for ineffective and even unethical behaviour. If league tables are reweighted to include the performance of pupils who have been off-rolled, GCSE pass rates are up to 17 percentage points lower for some schools.[40] The solution being proposed in the draft 2019 inspection framework is that Ofsted 'crack down' on off-rolling. Whilst this is necessary, it continues to treat the symptoms, rather than the cause.

Ofsted headline judgments

One aspect that Ofsted has not addressed in its reform proposals is its existing headline judgments on overall effectiveness.

The shift towards new public management approaches in the late 1990s and early 2000s and the introduction of market incentives positioned parents within the accountability system as customers in need of high quality, simple and easy to navigate information as a tool to support their choices of schools as education 'products' for their children. Ofsted headline judgments have come to be seen as one of the most effective parts of the system loved by parents and ministers; parents, because they find them a simple and comprehensible

35   Speech by Amanda Spielman, Chief Inspector, Ofsted, 11 October 2018, https://www.gov.uk/government/speeches/amanda-spielman-speech-to-the-schools-northeast-summit
36   Ibid.
37   Off-Rolling in English Schools, Briefing Paper, House of Commons Library, (2019), http://researchbriefings.files.parliament.uk/documents/CBP-8444/CBP-8444.pdf
38   Ofsted blog: schools, early years, further education and skills – Off-rolling: using data to see a fuller picture, 2018 https://educationinspection.blog.gov.uk/2018/06/26/off-rolling-using-data-to-see-a-fuller-picture/
39   DfE, *Special educational needs in England: January 2018,* 2018, https://www.gov.uk/government/statistics/special-educational-needs-in-england-january-2018
40   FFT Education DataLab, *Who's left: the main findings,* 2017, https://ffteducationdatalab.org.uk/2017/01/whos-left-the-main-findings/

signpost for quality, and ministers because it makes communicating the health of the system to the public relatively straightforward. There have been proposals to show school performance in different ways, for example, by using more nuanced approaches that incorporate or make central issues such as student wellbeing, a school's success at reducing the impact of disadvantage, and parent and student perceptions of the school. However, many of these have failed to secure consensus – the 2009 proposals for School Report cards being the most memorable example.[41]

However, as is widely recognised, the benefits of apparent simplicity mask the harmful element of these judgments. We are concerned that the failure to identify an effective replacement to the simplistic labelling will continue to undermine many of the benefits that the new inspection regime promises.

Ofsted's headline judgments are, as a result, a crucial plank of a particularly high-stakes regime.[42] The headline judgment is made on a four-point scale, from outstanding to inadequate. The label of that judgment remains with the school until its next inspection. For schools rated outstanding, they may be exempt from routine inspection indefinitely. For schools rated good who were formerly less than good, there may be a swell in their waiting list or their pupil numbers, which brings consequent financial benefits. For schools rated inadequate, consequences can be significant. This can range from various school improvement interventions, mandated change to governance structures, close monitoring by the Regional Schools Commissioners or even entire structural change.

Ultimately, whatever the outcome of an inspection, there are significant consequences, whether disruptive or liberating, for a school on the basis of the single-word inspection outcome. This matters for social mobility because disadvantaged pupils are disproportionately served by schools which are rated poorly by Ofsted, and the consequences for those schools are the most disruptive.

Ofsted is more likely to determine that a secondary school requires improvement or is inadequate if it is in a particularly deprived area. According to Ofsted's own inspection data, in the least deprived areas, one per cent of secondary schools are inadequate. In the most deprived this number is 11 per cent.[43]

This is reflected by research from the Education Policy Institute. Secondary schools with up to five per cent of pupils eligible for FSM are over three times as likely to be rated 'outstanding' as schools with at least 23 per cent FSM eligible pupils.[44] Further, secondary schools with the highest numbers of FSM eligible pupils are more likely to be rated inadequate than those with the fewest.[45]

41   Shepherd, J., *Ed Balls forced to drop key reforms,* The Guardian, April 7 2010
42   William, D., *Standardised testing and school accountability,* 2010
43   Ofsted, *Schools, pupils and their characteristics and Ofsted inspection data as at 30 December 2018,* 2019
44   Education Policy Institute, *School Inspection in England, is there room to improve?,* 2016
45   Ibid.

Figure 3.9: Most recent overall effectiveness grades of secondary schools, by level of deprivation, 31 December 2018
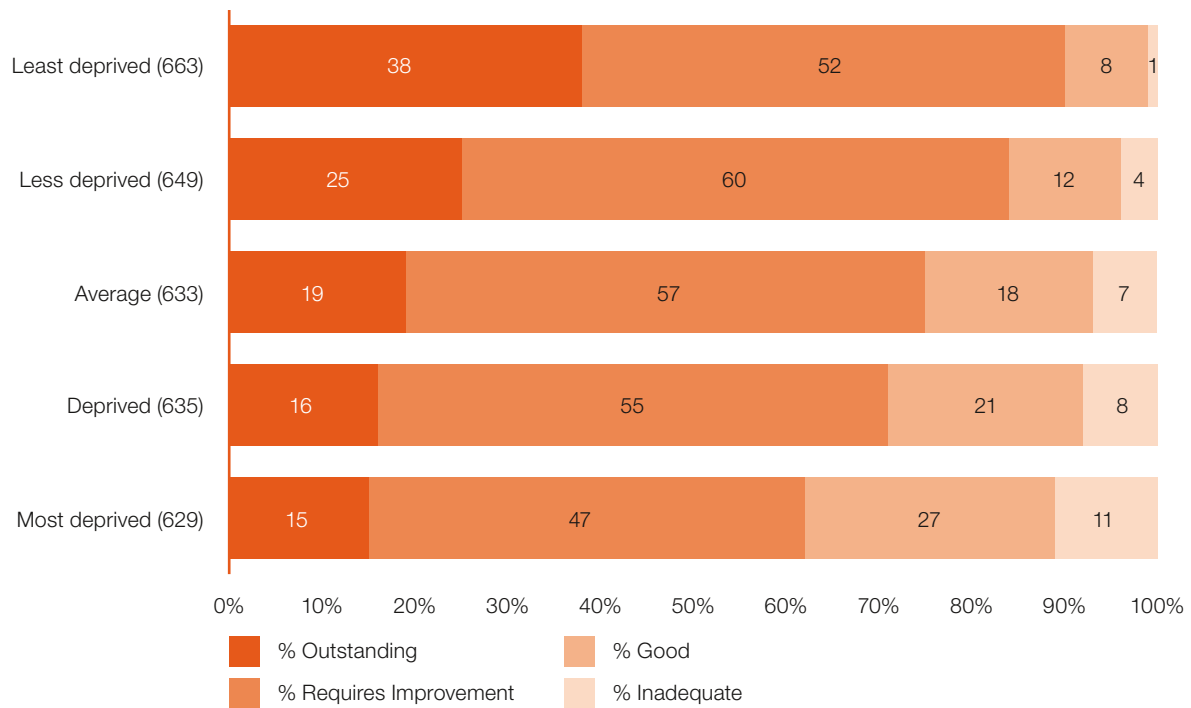
Source: Ofsted, Inspection data as at 30 December 2018

While there are a handful of schools in deprived areas which buck this trend, the link between Ofsted rating and socio-economic makeup is stark and is shown below.

Table 3.1: Mean characteristics of each OFSTED outcome

	Outstanding	Good	Requires improvement	Inadequate
Percentage FSM	12	15	19	22
Average IDACI rank	18,201	16,819	15,387	13,999

Source: Education Policy, Policy Press, 2018.

To some extent, Ofsted labelling is reflecting the reality of how challenging some of these contexts are. There are frequently more difficulties associated with teaching in deprived contexts. However, there are two key impacts of these labels for social mobility, operating at opposite ends of the spectrum. Positive labels foster clustering of the middle class and the more affluent in certain schools whilst negative labels exacerbate already difficult recruitment and retention issues for the schools that serve the most deprived students.

The single word Ofsted label often highlights the disadvantaged nature of the school's cohort and subsequently penalises the school for teaching deprived cohorts, which alienates both that school and its teachers. Whilst there are schools labelled inadequate which may need structural interventions which the current inspection regime triggers, there are a number of other schools whose headline label may obscure their strengths. For the stability of these schools and their staff, this catch-all label is damaging. Research from the National Foundation of Educational Research (NFER) suggests the rate of teachers leaving the profession and moving school are highest when the school has been rated as being inadequate in successive inspections.[46] The group with the next highest probability of

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46   Worth, J., De Lazzari, G., and Hillary, J. (2017), *Teacher Retention and Turnover Research: Interim Report*. Slough: NFER

teachers leaving are schools rated as requiring improvement.[47] The same research concludes that schools which are downgraded have the highest proportion of teachers both leaving the profession and moving school.[48] Sims' research from the Department of Quantitative Social Science at UCL also concludes that schools rated inadequate see a 3.4 percentage point increase in turnover, as compared to schools rated outstanding, which see no change.[49]

Leaders report their decisions to leave the profession prematurely are motivated by fear, or the impact of inspection.[50] Schools deemed to be outstanding are also given more leeway – they are inspected far less frequently than those in the other categories, which are more likely to serve more disadvantaged children. Although legislative change would be required, visits ought to be more evenly spread and assumptions should not be made that an 'outstanding' school does not need to improve in some areas.

There are significant national challenges associated with teacher recruitment and retention – staff turnover levels are currently high and we know that certain subjects with high returns for social mobility, such as modern languages, mathematics and physics, are difficult to recruit for.[51] We also know that it is difficult to attract high quality teachers to work in schools in deprived settings which serve more disadvantaged children. In this context the high levels of staff turnover, and general turbulence triggered by a low Ofsted outcome, make a difficult situation worse.[52]

The second problem is that a single word label often dominates and obfuscates other messages within an Ofsted report. It is easy to describe a school as 'good', or 'requires improvement', however there is little benefit for the communities in which schools operate if everyone within them makes assumptions about the quality of education on the basis of an oversimplification. The single word label erases any nuance, making it harder for people to make a genuinely informed choice, particularly for those who choose to rely solely on the label.

It is argued that Ofsted labels enable effective parental choice, but given that access to certain schools is often dependent on access to a housing market that is impenetrable for those from lower socio-economic backgrounds, the signal (right or wrong) that an outstanding classification gives to parents can largely be acted upon by the more affluent who have the ability to choose to buy in catchment areas of 'good' schools, because they can afford to move there.[53] This is effectively constricting choice in school admissions on the basis of family finance and creating schools with unbalanced social makeups. The Social Mobility Commission is initiating further research into the workings of the admissions system and on the question of the extent to which socio-economic balance is positive for social mobility, but our initial analysis suggests that single word Ofsted labels are often misleading and are contributing to social imbalance within the school system.

This regime of high-stakes accountability is having unintended consequences. It is also undermining the core purpose of what happens in schools and contributing to and exacerbating some of the retention issues in the most challenging schools.[54]

47   Ibid.
48   Ibid.
49   Sims, S., *High-Stakes Accountability and Teacher Turnover: how do different school inspection judgements affect teachers' decisions to leave their school?*, 2016
50   NAHT, op. cit., 2018
51   DfE, *Initial teacher training (ITT) census for the academic year 2018 to 2019, England,* 2018
52   Education Policy Institute, *The teacher labour market in England,* 2018
53   Hussain, I., *Do consumers respond to short-term innovations in school productivity? Evidence from the housing market and parents' school choices,* 2016
54   National Association of Head Teachers Accountability Commission, *Improving School Accountability,* 2018

The DfE should reconsider its policy of exempting outstanding schools from inspection which would enable more balanced oversight of schools.[55]

Ofsted should use the opportunity given by the formulation of its new inspection regime to improve the accountability regime for schools by:

- Continuing to provide descriptions of what it has found during school inspections and find an effective approach to move beyond historical use of its four-tier categories of inspection outcomes.

- Carefully monitoring the implementation of its new arrangements and report on the impact its new approach is having on schools in more disadvantaged areas.

- Identifying educational excellence in schools operating within the constraints of poverty, which peer-led school review structures could then explore and champion.

Ofsted and the DfE should work together and with others to find ways of publicly acknowledging schools which attempt to genuinely tackle long term educational inequality.

3.5 School funding pressures

School funding

There has been an overall reduction of eight per cent in total spending on students (ages 11-18) between 2009-10 and 2017-18. Whilst overall school funding for ages 11-16 has increased in recent years, there has been an overall reduction in spend per pupil; this has partly been driven by increases in pupil numbers.[56] This is also partly a consequence of a 55 per cent real terms cut in local authority spending and a reduction of more than 20 per cent in sixth form spending per student during this time.

Figure 3.10 shows that spending on education as a share of national income has reduced since 2009-10.

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55   We note that Amanda Spielman, Chief Inspector has noted the importance of this in her letter to the Public Accounts Committee, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752721/HMCI_PAC_letter_311018.pdf, 30 October 2018
56   Institute for Fiscal Studies, *Annual report on education spending in England,* 2018

Figure 3:10 Education spending in the UK over time (2018-2019 prices)
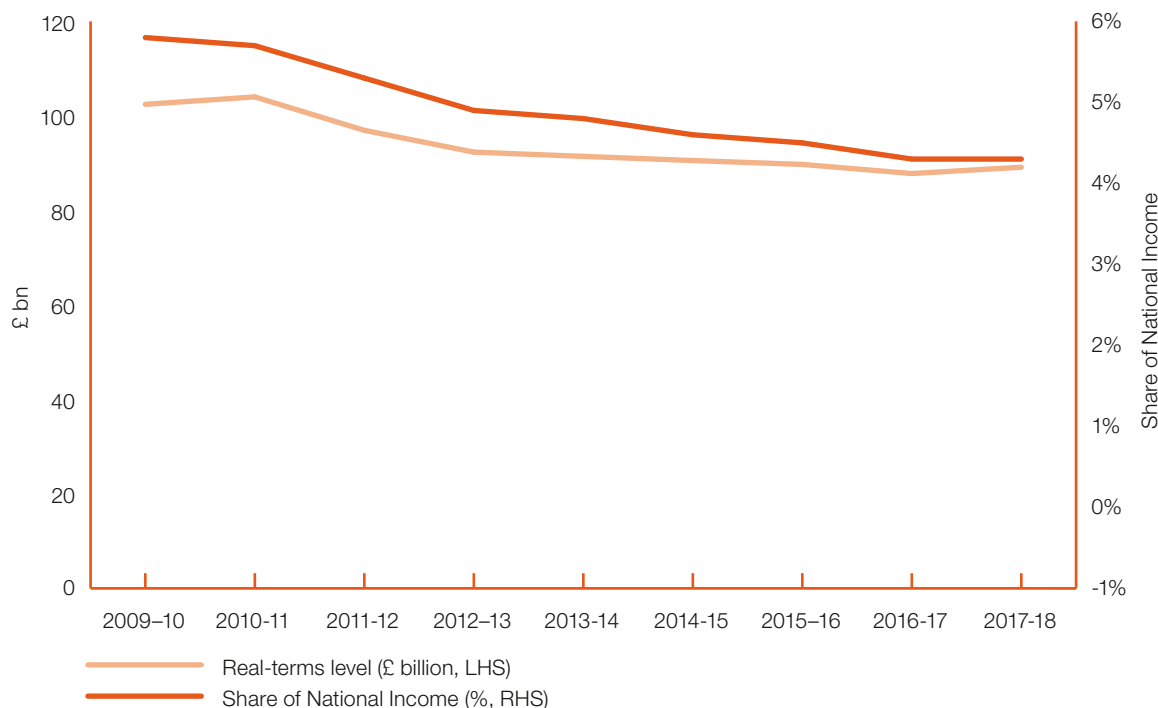
Source: Institute for Fiscal Studies, 2018

However, not all areas are affected, as funding has been allocated based on historical information, with some areas receiving more funding than they required and some areas receiving less than they required. This difference in funding is being addressed by the introduction of the National Funding Formula. The new formula has an increased focus on disadvantage when allocating funding, with a greater proportion of funding being directed to schools in the areas that need it most.

Funding pressures have impacted upon some schools' ability to deliver a broad range of activities, many of which are particularly beneficial to those from disadvantaged backgrounds (such as after school clubs), as well reductions in support staff and supply teacher budgets. The government should consider the impact of these pressures and whether they impact disproportionately on disadvantaged students.

Measures to help disadvantaged children

Case study – National School Breakfast Programme

An example of the support being offered by the National School Breakfast Programme is Wallington Primary Academy in Sutton. The academy has invested the grant it has received in cooking equipment to prepare a healthy, nutritious breakfast for pupils. It has reported 150 children attending the breakfast club and an improvement in parental engagement, particularly with families that have been hard to reach.

Head of School, Nicola Wright, has said: "Often, students are developing their own self-help skills without realising it as they're preparing their own food. They are also growing in independence through the breakfast sessions, which complement work going on in the classrooms. Also, all the children love the social aspect because they are not going straight into class but are able to talk with friends and family about whatever's happening in their worlds… the football match the night before, for instance. They have the time to do that before they start learning, so their language and social skills are developing and they are able to settle down to learning in the classroom in a more focused way."

The Commission welcomes the government's efforts to tackle hunger in schools. For a variety of reasons, some children arrive at school hungry. The Commission welcomes funding to support breakfast clubs in 1,770 schools in disadvantaged areas as part of the National School Breakfast Programme, as breakfast provision can improve academic outcomes for children.[57]

The Commission also welcomes the government's plans to tackle hunger in the summer school holidays by committing £9 million to provide activities and free meals in nine disadvantaged areas. The Commission strongly encourages an extension of the programme to other areas, and to the other school holidays.

Case study – OnSide Youth Zones

Tom and Tim are siblings from a local school, aged nine and 10, who would normally receive free school meals when attending school. They frequently attended an OnSide Youth Zone centre during term time to participate in various after school activity sessions. Staff frequently waived the small entry charge as they were aware of financial difficulties at home. Tom and Tim also attended the OnSide Youth Zones Holiday Club during the school holidays. Staff were aware that both Tom and Tim were very engaged in the activities because they had a place to go and play and receive nutritious food every day during the school holidays.

Funding for students with special educational needs and disabilities (SEND)

The Commission is particularly concerned about the impact of funding pressures on those with special educational needs and disabilities (SEND). There is a high correlation between being disadvantaged and having special educational needs, with SEND children much more likely to be eligible for free school meals: 25.8 per cent compared to 11.5 per cent of pupils without educational needs.[58]

There are a number of reasons why funding for SEND students is not currently sufficient. One reason is a significant reduction in overall funding to local authorities: as highlighted above, there has been a 55 per cent real terms cut in local authority spending, partly driven by an increase in the costs of providing services; this excludes the Dedicated Schools Grant, which has been protected. Schools are expected to fund the first £6,000 of a lower needs SEND student's support from their core budget, but this can be problematic when their budgets are already being squeezed. This can create an additional financial burden on those schools that are inclusive and can serve as a disincentive to enrol SEND students.[59] Local authorities are then expected to top up funding for additional support. However, the funding that local authorities receive has been based on historic levels of need, which has not reflected changes over time in the number of students with SEND – this is being addressed with the introduction of a new funding formula. Schools and local authorities can also struggle when there are unexpected increases in the number of SEND students in a given year.[60]

A further complication is the increasingly fragmented education system. Whereas previously all services were provided by local authorities, the academisation of much of the school system has resulted in differing levels of support provided. Whilst larger academy chains are able to pool resources, single academy trusts and maintained schools can find it difficult to buy in the resources required to help children with SEND.

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57   Institute for Fiscal Studies, *Free school meals for all primary pupils*, 2017
58   DfE, *Special educational needs in England*, 2018
59   DfE, *Research on funding for young people with special educational needs*, 2015
60   The Children's Commissioner, *Public spending on children in England: 2002 to 2020*, 2018
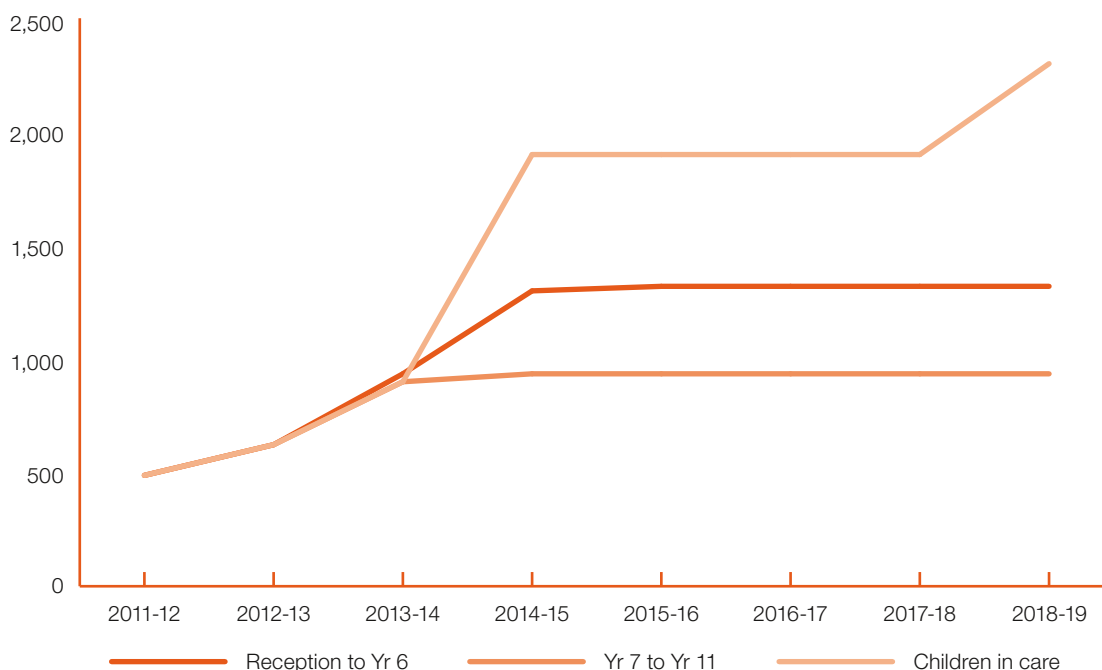
Pupil Premium funding

Pupil Premium funding is additional funding for schools to support disadvantaged children. It is 'designed to help disadvantaged pupils of all abilities perform better, and close the gap between them and their peers'. The funding that a school receives depends on how many children registered as eligible for FSM at any point in the previous six years.

In 2018-19, funding is £1,320 per pupil for reception and primary school children (up to Year 6), and £935 per pupil for secondary school children (Years 7-11); there is no Pupil Premium funding for those in Years 12 and 13 (please see chapter 4 for a discussion of funding for disadvantaged students aged 16-19).

Funding for disadvantaged children in schools has remained constant for five years, although it is considerably higher than when first introduced. Children in care attract a higher rate of £2,300 per pupil, paid to the local authority if the child is not in mainstream education. The Commission welcomes the recent increases for this vulnerable group.

Figure 3.11: Pupil Premium funding by year

Source: SMC own analysis

Pupil Premium funding is, however, not based on numbers of those who are eligible for FSM, but on those who register as eligible. This is a crucial difference, as approximately one in 10 of those who are eligible do not register. This impacts on the level of Pupil Premium funding that schools receive. There are many different reasons why parents who are eligible do not register for FSM, including perceived stigma and lack of awareness. Many schools are increasing awareness amongst parents and reducing the likelihood of FSM pupils being identified by their peers, for example introducing cashless payment systems. However, it remains the case that schools are not being given the full amount of Pupil Premium funding that they would be entitled to if funding was based on the number of families who are eligible, rather than the number of families who register. Government should consider ways to ensure that all schools are receiving the Pupil Premium funding that they are entitled to.

<div style="border: 1px solid orange;">

Case study – Using Pupil Premium funding

Last year, a small group of Pupil Premium entitled students were mentored by senior staff within the school. There was a control group of non-Pupil Premium entitled students too. These individuals were selected as they were the students who were under-attaining the greatest amount (compared to target grades). As a result of these interventions, an average progress of 0.338 was achieved per subject, per student in their Key Stage 4 performance. Progress was greatest with the Pupil Premium entitled students compared to those who were not entitled. As a result of these results, this mentoring programme has been expanded this year to include 25 of the most under-attaining Pupil Premium students.

</div>

The Ofsted accountability framework requires inspectors to consider how a school uses its Pupil Premium funding when making a judgment. The Commission supports this and encourages schools to use the Pupil Premium guidance that is available through the Education Endowment Foundation. The Commission is, however, concerned that Pupil Premium funding is not being used effectively by all schools to narrow the gap between disadvantaged students and their more advantaged peers. Differential levels of funding may be beneficial to support some schools whose students' disadvantage is more entrenched (this could be linked to the length of time the student is eligible for FSM). Ofsted has previously conducted reviews into this area, but last conducted a review into how Pupil Premium funding is spent in 2014.

The government should consider whether Pupil Premium funding is effectively targeted at supporting disadvantaged students and whether differential levels of funding might be more beneficial for those with long-term disadvantage.

3.6 Independent schools

The independent schools sector educates a relatively small proportion of the population. Currently seven per cent of children are educated at private schools.[61] The schools are funded, in the main, from fees paid by the parents of children who attend.

Social exclusivity

Independent schools are socially exclusive in their makeup. The graph below shows participation in private schooling after 2004 against net family income. At the one-\hundredth percentile, close to 60 per cent of children go to an independent school. At the ninety-fifth, this falls to 17 per cent.[62]

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61 Independent Schools Council, *ISC Census and Annual Report 2018*, 2018. The number at sixth form level rises to 14 per cent

62 Green, F., Anders, J., Henderson, M., and Henseke, G. (2018), *Who Chooses Private Schooling in Britain and Why?* London: Centre for Research on Learning and Life Chances (LLAKES), Research Paper 62

Figure 3.12: Independent schools attendance vs. net income percentile
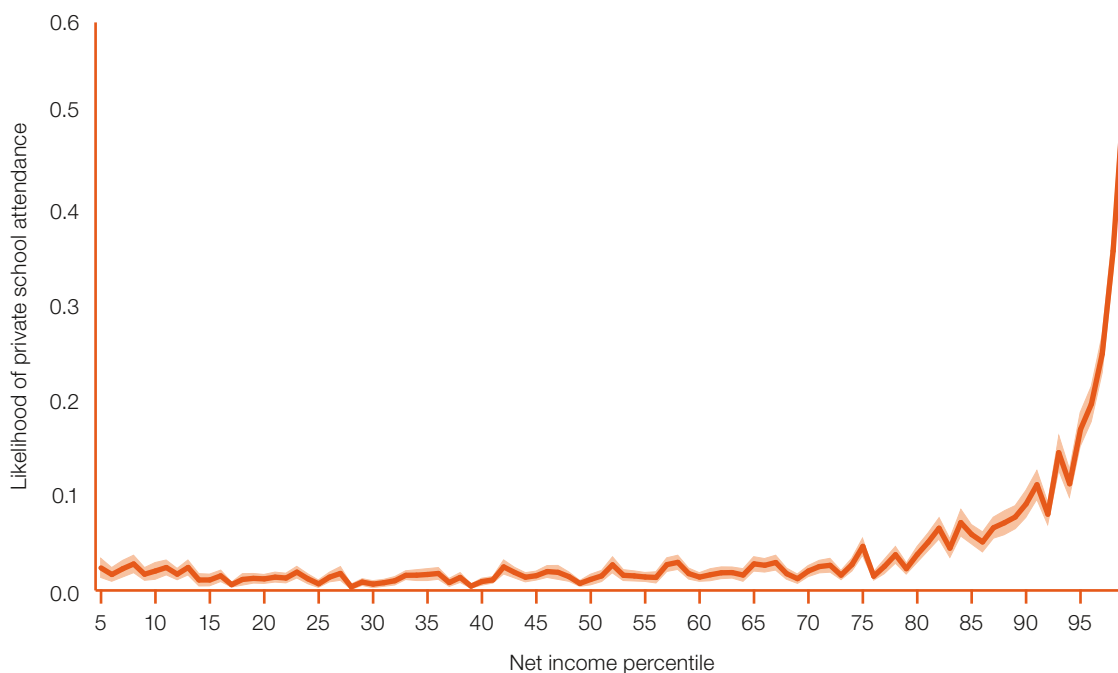
Source: Green, F., Anders, J., Henderson, M., and Henseke, G. (2018). *Who Chooses Private Schooling in Britain and Why?* London: Centre for Research on Learning and Life Chances (LLAKES), Research Paper 62

Two more statistics are useful to illustrate the same point. First, almost half of children in private schools are from families in the top income decile. Second, 82 per cent of the private school population are drawn from the top half of the income distribution.

Resource disparity

On average, independent schools are three times better resourced than state funded schools.[63] In the wealthiest of independent schools, the resources are significantly greater than those in the state sector. Internationally, this is a relatively rare phenomenon. In Germany, for example, where the private school sector educates a comparable percentage of the population, there are very low tuition fees owing to generous state funding. This is because socio-economic segregation in schools is discouraged in Germany.[64]

In England, the pupil teacher ratio in the state sector was 17:1 in 2016 compared to 8.6:1 in the private sector.[65] In practice this means children receive more individual attention, more pastoral support and smaller class sizes. Children from independent schools also typically enjoy a wider range of extra-curricular opportunities than those educated in the state sector.

Outcomes

Attending an independent school brings disproportionate privileges in terms of exam results, prestige of position in the labour market, and income.[66] In 2017, 48 per cent of A Level grades achieved in independent schools were at A* or A. The national average was 26 per cent.[67] Even when other characteristics such as socio-economic background are accounted for, there is an eight per cent difference in A Level outcomes between those who attend private school and those who do not.

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63 Green, F. and Kynaston, D., *Engines of Privilege,* 2019
64 Grundgesetz (German Constitution) – Article 7, Paragraph 4
65 Green, F. and Kynaston, D. op. cit.*,* 2019
66 Henderson, M., Anders, J., Green, F., et al., *Private Schooling, Subject Choice and Upper secondary academic attainment in England,* paper presented to ESRC-funded workshop: Britain's private schools in the 21st Century, UCL Institute of Education, December 2018
67 DfE, *16-19 performance data*, 2019

Labour market positions which are seen as more prestigious, remain dominated by alumni from private schools, as shown in Figure 3.13.

Figure 3.13: Percentage of people at the top of a sample of professions who attended independent schools (snapshot at 2016)
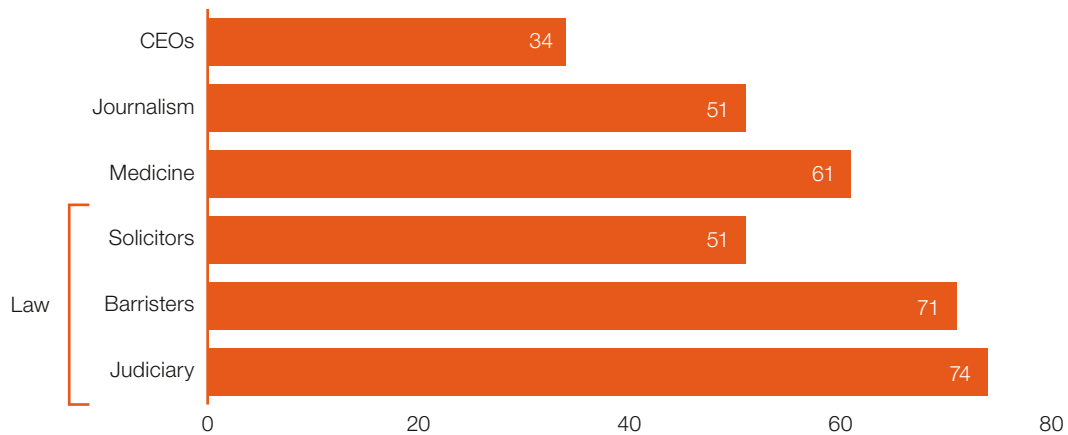
Source: Sutton Trust, *Leading People*, 2016

In a similar vein, the alumni of the nine Clarendon schools are 94 times more likely to reach the British elite than those who attended any other school.[68]

On wages, there is a premium of up to 35 per cent for men educated privately and 21 per cent for women.[69] However, even by the IFS' more modest calculations, controlling for socio-economic background, privately schooled graduates earn seven per cent more than their peers from maintained schools.[70]

Finally, these advantages are also reflected in perceptions of people who attend these schools; 64 per cent of users of independent education label the system 'unfair'.[71]

Accessibility

The costs of private schooling are high and have recently risen. By 2018 the average annual fee before any extras was £14,280 for day school and £33,684 for boarding school. This is 60 per cent above the figures for 2000, and three times the 1980 fees, in real terms. Incomes have risen significantly more slowly. At the ninety-fifth percentile, between 1980 and 2018 the average fee approximately doubled as a proportion of current family income to 20 per cent; affordability at the median declined even more, with fees rising to above half of income.[72]

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68   Reeves, A., Friedman, S., Rahal, C., et al., The Decline and Persistence of the Old Boy: Private Schools and Elite Recruitment 1897 to 2016
69   Green, F., Henseke, G. and Vignoles, A., *Private schooling and labour market outcomes,* 2017
70   Institute for Fiscal Studies, *Heterogeneity in graduate earnings by socioeconomic background,* 2014
71   Green, F. and Kynaston, D. op. cit*.,* 2019
72   Green et al. 2017

Berkhamsted School – Partnership with Denbigh Luton

Berkhamsted, one of the country's leading independent schools located in Hertfordshire, has recently begun to offer a handful of free places at sixth form for academically able and ambitious pupils from Denbigh High, a school for 11 to 16 year-olds in Luton. Denbigh performs outstandingly well at GCSE, despite nearly 40% of its population being entitled to free school meals. It significantly outperforms the local and national averages at Key Stage 4. Pupils at Denbigh are encouraged to put themselves forward for Berkhamsted's sixth form bursaries and it forms a key part of Denbigh's aspirations strategy. As well as benefitting from Berkhamsted's resource, the plan is for ex-Denbigh students to champion the values of their community both among Berkhamsted's traditional population and also by going back to talk to students at Denbigh. Berkhamsted has reported the scheme has enhanced the horizons and challenged the perceptions of their fee-paying sixth formers.

Increasingly the sector is becoming aware of the extent of its privilege given the combination of the comparatively limited resources of the state sector and the impact of social exclusivity on their cohorts and on society more broadly. The Commission notes the increasing efforts of the independent sector to educate more children from lower-income households through fee schemes, school to school partnerships, assisted places and so on. This kind of partnership work is essential to allow more disadvantaged pupils to derive advantages and increase the socio-economic diversity of the independent school population.

Despite increased government guidance generally on the need for impactful partnerships[73] and more specific examples of good practice, for example Berkhamsted (see above), there is a lack of definitive best practice in the sector in terms of support and assisted places as well as a lack of genuine thought leadership from the independent sector on how to systematically move the dial. Initiatives such as Berkhamsted's and the Schools Together group, which champions independent and state school partnerships, are positive, but too small in the wider picture to make significant inroads to the problem.[74] It is also important to note that such initiatives need to be careful not to imply that the only way to success is by abandoning one's own community. At a societal level, partnerships ought to be sustainable, based on mutual respect and must champion values which economically disadvantaged communities hold dear. Independent schools have particular strengths, and significant resource. There is a moral imperative for them to take meaningful and concrete steps to support education in their local, national and international communities.

Despite the Joint Understanding between DfE and the Independent Schools Council, there is not enough of a clear steer from government on the role the sector should play in advancing social mobility.[75] The DfE is 'encouraging' ISC schools to support those on the lowest incomes, but given the extent of the privilege which private schools and their pupils enjoy, and the impact of this society more broadly, the government's steer ought to be stronger.[76]

Independent schools run the risk of entrenching privilege. They are better resourced than schools in the state sector and they are increasingly financially inaccessible for significant proportions of the population. Those who attend are disproportionately drawn from society's richest families and benefit from better outcomes in life.

Independent schools, at the very least, need to be more socially diverse in their makeup, not least because the present lack of diversity represents and perpetuates inequity. Students who

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73   DfE, *Setting up school partnerships,* 2019, https://www.gov.uk/government/publications/setting-up-school-partnerships
74   The Schools Together website lists several examples of independent and state sector collaborative partnerships. https://www.schoolstogether.org/
75   DfE, *Joint understanding between DfE and Independent Schools Council* (ISC), 2018
76   Ibid.

study at independent schools remain, disproportionately, society's decision makers.[77] The population of these schools ought to be drawn from a wider pool of society. This would lead to a more diverse group of people in influential roles and simultaneously broaden the lived experience of all who go through the system. Many of the problems associated with social exclusivity could equally apply to selective grammar schools or comprehensives benefitting from being located in affluent areas.

The Commission is exploring the wider issue of social balance in the schools sector in more detail, so it can make detailed recommendations to both the independent and state sectors, their most influential players, and the government more generally about school admissions.

3.7 On the horizon

New Ofsted framework

Ofsted's revised framework, discussed above, will be new for schools in September 2019. Other than the substantive need to ensure the focus is on a broad and balanced curriculum, there is a concern that the time from final publication of the new framework to the first inspection may not give schools enough time to prepare.

Teacher recruitment and retention strategy

The DfE published a new strategy for recruitment and retention of teachers in January 2019. Highlights of this include plans to introduce a 'one-stop' application system and a series of 'Discover Teaching' initiatives to enable people to become teachers. For teaching to remain attractive throughout a career, there are plans to introduce a new job-share service and new specialist qualifications for those who wish to progress but not go down the traditional leadership route. The introduction of an Early Career Framework includes a two year funded support package for new teachers to help their professional development. There is also a promise to work with Ofsted to simplify the accountability system.

National funding formula

The DfE's desire to reassess how budgets are shared within schools via its national funding formula will be rolled out in 2021. The hope is that this will direct resources where they are most needed and address historical unfairness and underfunding for certain schools. Some schools will benefit from bigger budgets, while others will see their funding cut. The Commission will monitor developments closely as roll-out approaches in 2021.

3.8 Conclusions and recommendations

Despite the positive intention behind the Coalition Government's curricular reforms, the manner of the roll-out had negative unintended consequences. Some of these were rolled out too quickly for schools to prepare adequately and others resulted in a narrowing of focus, which may be damaging in the long run.

Schools can be the bedrock of social mobility. However, some schools in the state sector are operating under severe constraints. Frequently these constraints are most aggravated for those schools which serve particularly challenging cohorts. In the worst of cases, the threat of damaging and controversial Ofsted judgments is dictating leadership decisions, which are not necessarily being made in the best interests of children. The problem is compounded

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77   Here the term 'independent school' refers to a private school, which typically charges school fees to parents

because those judgments make staff retention difficult. Financial constraints are also limiting provision, particularly provision for children with special educational needs.

Most worryingly, it is the children with least access to cultural capital and knowledge about the wider world (often gained through extra-curricular experiences), with more challenges in their home life, who have the most to lose if their school is not a happy, structured, stable and inclusive place in which they can seize the opportunity to learn. Stripping back the accountability regime could be significant in helping some schools and teachers to do a better job. The DfE has begun to do so.[78] Ofsted should seize its opportunity.

Great Britain's school system provides an excellent educational journey and outcomes for some children. For this excellence to be better distributed and for it to be less unfair, it needs to do more for the least advantaged in society.

Recommendation 3.1:

The DfE should reconsider its policy of exempting outstanding schools from inspection which would enable more balanced oversight of schools.

Ofsted should use the opportunity given by the formulation of its new inspection regime to improve the accountability regime for schools by:

- **Continuing to provide descriptions of what it has found during school inspections and find an effective approach to move beyond historical use of its four-tier categories of inspection outcomes.**

- **Carefully monitoring the implementation of its new arrangements and report on the impact its new approach is having on schools in more disadvantaged areas**

- **Identifying educational excellence in schools operating within the constraints of poverty, which peer-led school review structures could then explore and champion.**

Ofsted and the DfE should work together and with others on finding ways to publicly acknowledge schools which attempt to genuinely tackle long term educational inequality.

Recommendation 3.2:

The government should consider whether Pupil Premium funding is effectively targeted at supporting disadvantaged students and whether differential levels of funding might be more beneficial for those with long-term disadvantage.

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78   DfE, *Principles for a clear and transparent accountability system,* 2018

Chapter 4: Further Education and Apprenticeships (ages 16-24)

Key Findings

- Twice the number of disadvantaged 16 to 18-year-olds are in further education (FE) compared to school sixth forms, and this segregation within the education system has risen by 1.2 per cent since 2013.

- Disadvantaged students still do worse in improving their scores when they resit Level 2 exams compared to their more affluent peers, and the gap between disadvantaged and advantaged students is growing.

- Per student funding for 16 to 19-year-olds has fallen 12 per cent since 2011-12 and is now eight per cent lower than for secondary schools (11 to 15-year-olds), leading to cuts to the curriculum and student support services that harm disadvantaged students.

- Driven by funding shortfalls and a £2,500 difference in pay between FE and school teachers, recruiting and retaining teachers in FE colleges is a major problem. Ninety per cent of colleges report difficulty recruiting and the average college had 16 vacancies at the start of the 2017/18 school year, creating volatility for students and impacting on student attainment.

- Apprenticeships have the potential be a powerful vehicle for social mobility but the reality is not as clear cut. Those from lower socio-economic backgrounds are clustered in lower-returning and lower level apprenticeships, and are thus not benefitting as much from apprenticeships as their more affluent peers.

- The benefits that many disadvantaged students do receive from apprenticeships may also be at risk. Starts at Levels 2 and 3, which offer a stepping stone into work, have decreased by 16 per cent and 38 per cent respectively since 2016/17, which could further reduce options for disadvantaged students if this trend continues.

Recommendations

The government should increase per student spending in the 16-19 education budget by a significant amount within the upcoming spending review.

The government should immediately make the following changes to existing disadvantaged funding mechanisms for 16-19 students:

- Reform how data can be shared automatically across schools into 16-19 institutions, so disadvantaged students are automatically identified by administration officials.

- Rapidly update the methodology underpinning the Discretionary Bursary fund to ensure resources are allocated to institutions based on current data.

The government should introduce a Student Premium for disadvantaged students aged 16-19 that models the Pupil Premium in schools, with a goal of targeting funding and focus on raising attainment for disadvantaged students. At the same time, the government should commit to significant 'what works' style research in technical education to help providers make evidence-based decisions with their funding for disadvantaged students.

The Commission welcomes the government's announced review of post-16 qualifications and believes additional items should be added to its scope to ensure social mobility is considered in the review:

- Assess ways to improve progression of disadvantaged students beyond Level 2, including reviewing whether prior qualifications and other course requirements create barriers to entry and progression for disadvantaged students.

- Create seamless and clear transitions between technical and academic routes for all students.

- Assess the availability of options up to Level 3 across the broad range of provisions, including apprenticeships.

4.1 Introduction

In England, twice as many disadvantaged students are studying in FE colleges as are in school sixth forms (789,500 versus 424,000, respectively).[1] For those ending Key Stage 4 in 2016/17 (approximately at age 16), 11 per cent more students from poorer backgrounds went into FE compared to advantaged students.[2]

Across many surveys, research and measures of deprivation, it is clear that disadvantaged students are significantly more likely to enter FE than their more affluent peers and are slightly more likely to take up apprenticeships.[3,4,5,6] This makes FE and apprenticeships a crucial lever for social mobility, as the education and skills gained here provide a bridge into the workplace for less well-off youth.

Technical education is delivered in two broad categories across England; FE, a classroom-based approach to technical training, and apprenticeships, a job-based training programme. Both systems serve a broad range of ages, as will be shown in this chapter. However, this chapter will mainly analyse its impact on young people aged 16-24, while Chapter 6: Working Lives, will look at technical education's role in adult education and skills training.

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1   Association of Colleges, College Key Facts 2017/18, 2018
2   DfE, *Destinations after KS4 and KS5 2016/17*, 2019
3   DfE, *Learners and Apprentices Survey 2018*, 2018
4   DfE, *Post-16 education: outcomes for disadvantaged students, 2018*
5   DfE, *Deprivation Tables for Further Education and Skills: December 2018,* 2018
6   DfE, *Destinations of KS4 and KS5 Pupils 2016/17*, 2018

This chapter covers:

- The scale of the social mobility challenge for further education and apprenticeships

- Structural problems in further education

- Apprenticeship participation

- Apprenticeship outcomes

- Key developments on the horizon for further education and apprenticeships

4.2 The scale of the challenge

Despite FE's importance in providing skills-based training, raising social mobility outcomes and shoring up skills shortages in the workforce, outcomes for FE tend to lag behind schools. It is also consistently valued below higher education (HE) in opinion polls.[7] It has long been considered the education option for 'other people,' and policy and funding have followed this, with a disproportionate focus on the 40 per cent of 16 to 18-year-olds undertaking A Levels.[8]

Broadly speaking, general attainment in FE has remained constant in 2017/18.[9] But there are still major challenges for disadvantaged students achieving basic English and maths qualifications.

Funding provisions ensure that students who fail their GCSEs at age 16 must either resit the exam or be enrolled in Functional Skills qualifications, an alternative route to achieving an English or maths qualification. But success rates in resits are appallingly low. On average and across all disadvantaged students, those who resit these qualifications do worse in improving their score, compared to their more affluent peers who improve.[10, 11] Last year's scores did see a moderate improvement for disadvantaged students – 0.06 in English and 0.04 in maths in average progress scores. However, the gap between disadvantaged and more advantaged students is growing.[12]

7   Social Mobility Commission, *State of the Nation*, 2016
8   Education DataLab, *Why aren't we talking about further education and social mobility?*, 2015
9   Based on DfE internal analysis, provided to the Commission in 2019, when analysing the courses FE students take, rather than new qualifications that make up new government league tables
10   From the DfE: A negative score means pupils in this school on average do worse at KS4 as those with similar prior attainment nationally. A negative score does not mean that pupils did not make any progress; rather, it means they made less progress than other pupils nationally with similar starting points. For example, if a school has a Progress 8 score of -0.25 this would mean that, on average, pupils in this school achieved a quarter of a grade less than other pupils nationally with similar starting points. Additionally, there is a -1 penalty for all students who do not resit an approved exam; however, published data does not allow for external verification of how disadvantaged students do on each type of exam they resit.
11   DfE, *Revised A Level and other 16-18 results in England, 2017/18*, 2018
12   Ibid.

Figure 4.1: Average progress in English and maths resits by disadvantage (eligible for Free School Meals) in 2016/17 and 2017/18
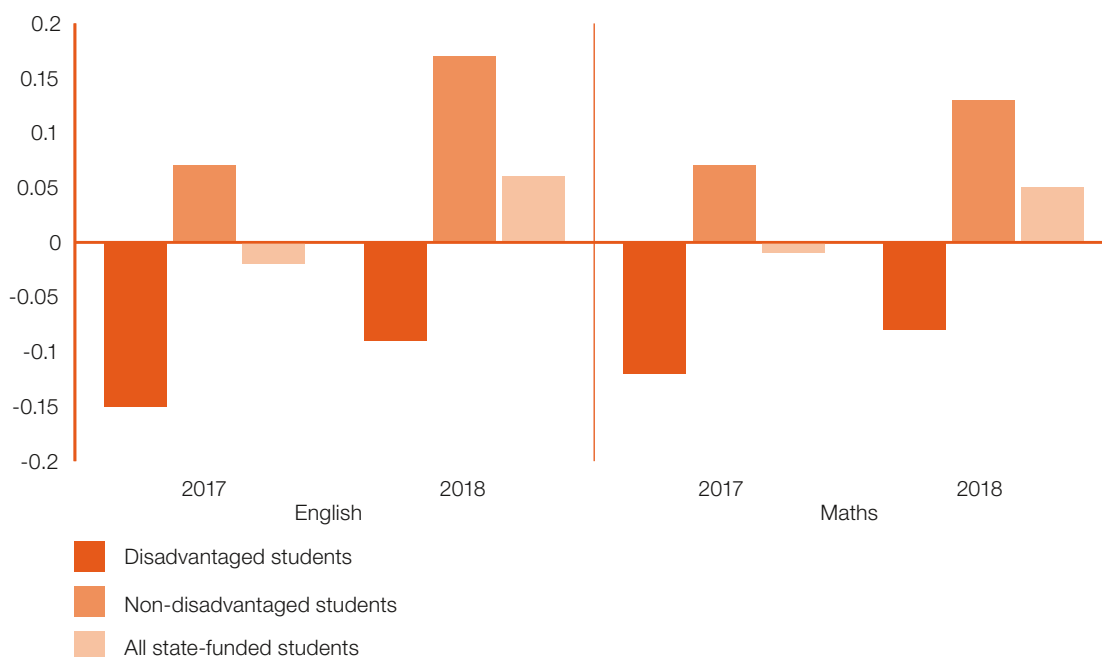
Disadvantaged students

Non-disadvantaged students

All state-funded students

Source: SMC analysis of Department for Education, *Revised A Level and other 16-18 results in England*, 2017/18, 2018

This trend is concerning. Failing multiple times jeopardises the students' ability to leave school with a qualification that helps get a foot on their chosen career ladder. It has also sparked concern that it is affecting the mental health of these students, who consider themselves to be 'failures'.

Across all students (not just disadvantaged students) and all institutions, those who improve the least on resits are clustered in FE (see Figure 4.2). It is important to note that FE colleges see significantly more students who retake qualifications than schools or sixth form colleges. For maths retakes that encompasses: 125,500 students compared to just 11,000 in sixth form colleges and 29,000 in schools.[13] It is impossible to know how each institution is performing for disadvantaged students, due to data limitations. Similar data limitations also mean it is impossible to separate out Functional Skills qualifications resit results from GCSE resits. It is thus not publicly known whether disadvantaged students perform better when taking an alternative qualification route. Nonetheless, more needs to be done to improve English and maths outcomes in FE to ensure students gain these important qualifications.

In 2019/20, the Commission will conduct and publish a review to better understand what works to improve attainment in FE and to map where the evidence gaps exist.

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13   DfE, *A Level and other 16 to 18 results (revised), English and Maths Tables*, 2019

Figure 4.2: Average progress for all students in English and maths qualifications resists by institution in 2017/18

Source: SMC analysis of Department for Education, *Revised A Level and other 16-18 results in England*, 2017/18, 2018

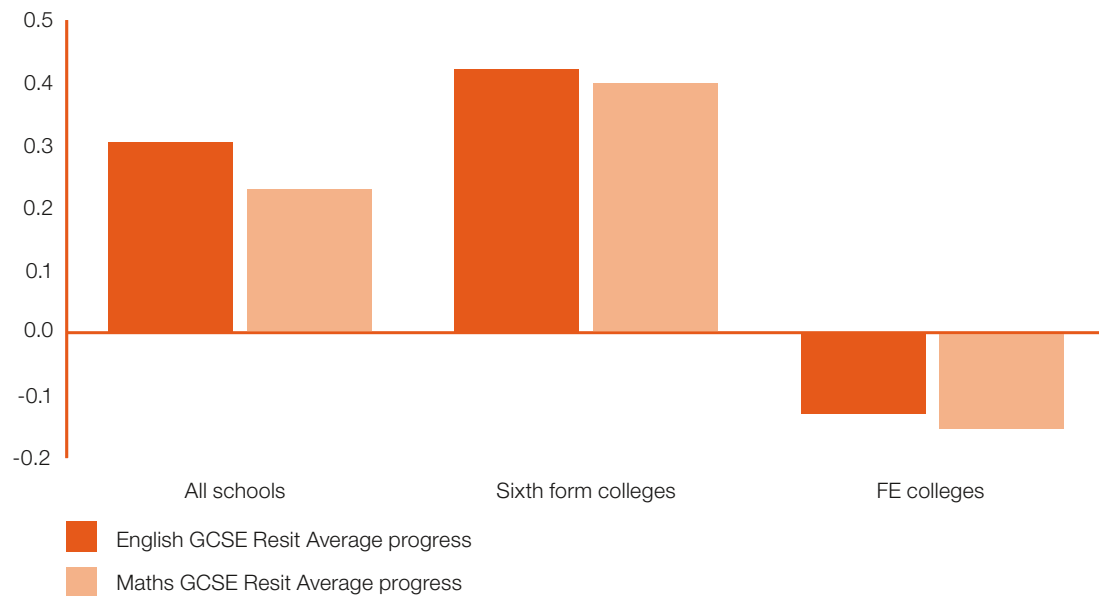Within apprenticeships, the last several years have seen major policy reforms to try to place apprenticeships on a par with other educational routes. These include the redesign of apprenticeship curriculum from the old frameworks to the new standards to try to increase quality, and the apprenticeship levy, introduced in April 2017, which is intended to drive employer investment and to fund the government's ambitious three million target for new apprenticeship starts by 2020.

While it is too early to fully evaluate the impact of these reforms on social mobility, there are early signs that policies have shifted employer behaviour. There are also serious questions about whether the current apprenticeship system offers opportunities for social mobility, which will be addressed in this chapter.

Concurrently, the value of a HE degree appears to be falling for some graduates. The proportion of university graduates in non-graduate roles has been increasing in recent years, up from 31 per cent in 2002 to 36 per cent in 2018.[14] Giving more prominence to a strong FE sector will help students make an informed choice and provide more options for a wider range of students.

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14   Resolution Foundation, *The Resolution Foundation Earnings Outlook*, 2018

Figure 4.3: Proportion of employed 'established' graduates working in non-graduate roles
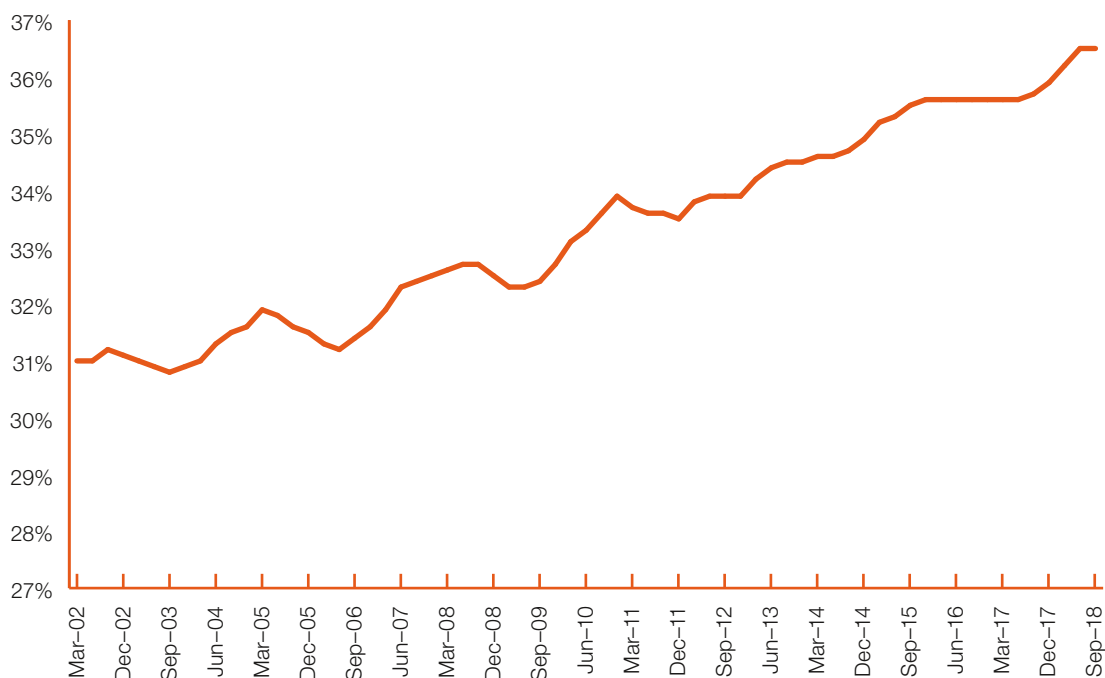
Source: Resolution Foundation, *The Resolution Foundation Earnings Outlook*, 2018

With just 40 per cent of Britain's young people following the 'traditional' path of GCSEs, A Levels, and into HE, technical education is the default route for the remaining 60 per cent to ensure a smooth transition into the labour market.[15] It is a sector that has long been underfunded and overlooked. It is therefore a critical area to address for improving social mobility.

4.3 Structural problems in further education

The FE system is complex, with numerous qualifications, a diverse range of students and challenging logistics in course delivery. Structural issues, such as the segregation of the education system, teacher recruitment and retention issues, and inequalities in funding, put enormous strain on the system.

Class-based segregation of the education system

There is class-based segregation in the English educational system. At age 16, disadvantaged young people are much more likely to go into FE than their affluent peers. Although there has been a significant focus on improving participation in HE, there is not as much focus on diversifying the FE sector.

This segregation of post-16 education by background has risen slightly since 2013. In 2016, young people who received free school meals (FSM), a measure of disadvantage, were 21.2 per cent more likely to attend FE than those not eligible for FSM, up from 20.6 per cent in 2013.[16] This shift is the result of more advantaged students concentrating in school sixth forms.[17]

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15 Richmond and Simmons, *The skills we need, and why we don't have them,* Policy Exchange, 2016
16 Education Policy Institute, *Education in England: Annual Report 2018*, 2018
17 Ibid.

Figure 4.4: Sustained destinations after key stage 4 (age 16) by disadvantage (eligible for Pupil Premium) in England in 2016/17
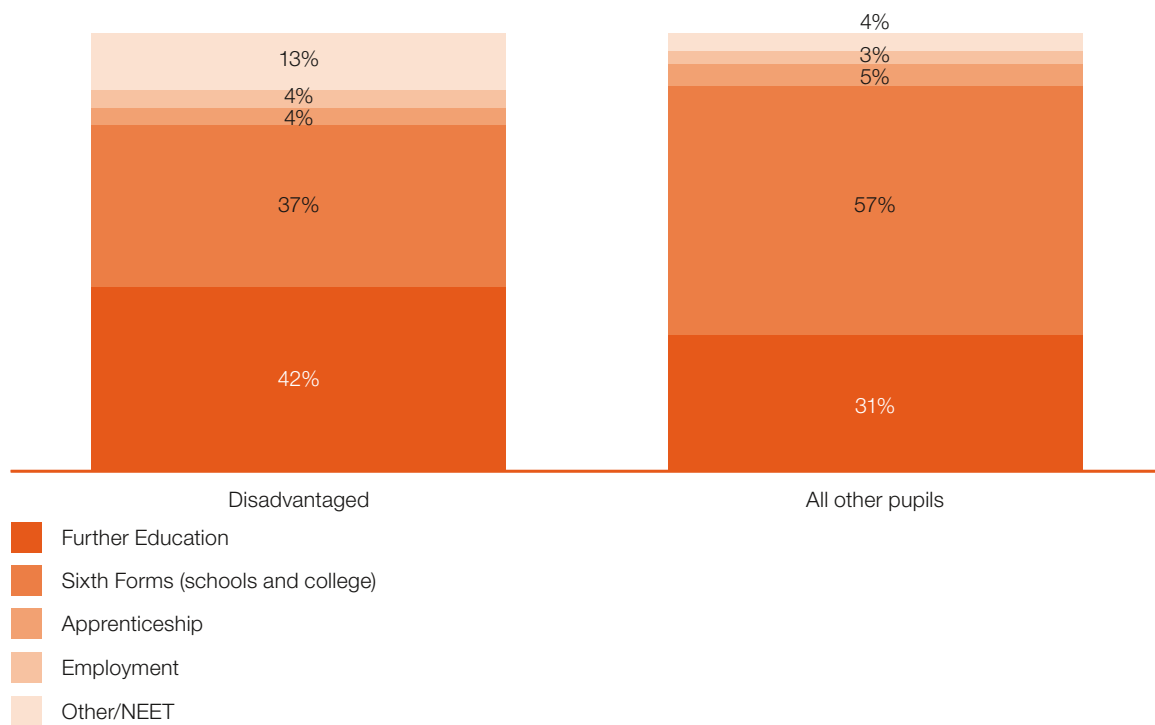
Source: SMC analysis of Department for Education, *Destinations of KS4 and KS5 Pupils 2016/17*, 2018

This segregation means the FE sector looks measurably different to the population. There is a high proportion of ethnic minority learners; treble the general population of ethnic minority individuals in England and Wales.[18, 19] Almost a quarter speak English as a second language and many were born outside the UK.[20] FE students disproportionately live in deprived areas and are often on low incomes, with 25 per cent of FE students claiming out-of-work benefits prior to starting.[21] Additionally, the age make-up is varied. Twenty-eight per cent of FE students are aged below 19, 17 per cent are aged between 19-24, and the remaining 45 per cent are spread out in their late 20s, 30s, 40s, and 50s.[22] More than half of FE students (55 per cent) have children, indicating that they are likely to be balancing caring responsibilities.[23] The FE population is diverse and hosts a significantly larger proportion of disadvantaged students than other educational settings.

Apprentices, on the other hand, more closely reflect the ethnic profile within England. Fourteen per cent of apprentices speak English as a second language, they disproportionately live in deprived areas, and 41 per cent are aged over 25.[24] Almost half of apprentices (40 per cent) have children. A key difference between apprentices and FE students is their background immediately prior to studying; 54 per cent of apprentices were working full time before starting, compared to just 34 per cent of FE students.[25] Additionally, even within the technical education landscape, most disadvantaged students are clustered in FE compared to apprenticeships (see Figure 4.5).

18   DfE, *Learners and Apprentices Survey 2018*, 2018
19   DfE, *FE and skills learner participation by provider, local authority, funding stream, learner, and learner characteristics: 2017 to 2018*, 2018
20   Education Policy Institute, *Education in England: Annual Report 2018*, 2018; DfE, *Learners and Apprentices Survey 2018*, 2018
21   DfE, *Learners and Apprentices Survey 2018*, 2018
22   DfE, *FE and skills learner participation by provider, local authority, funding stream, learner, and learner characteristics: 2017 to 2018*, 2018
23   DfE, *Learners and Apprentices Survey 2018*, 2018
24   DfE, *FE data library: Apprenticeships and HC Dec 14 Feb 2011 c560-1W (PQ38062); DfE, Deprivation Tables for Further Education and Skills: December 2018,* 2019
25   DfE, *Learners and Apprentices Survey 2018*, 2018

Figure 4.5: Levels of deprived students in FE and apprenticeships in 2017/18 based on Indices of Multiple Deprivation
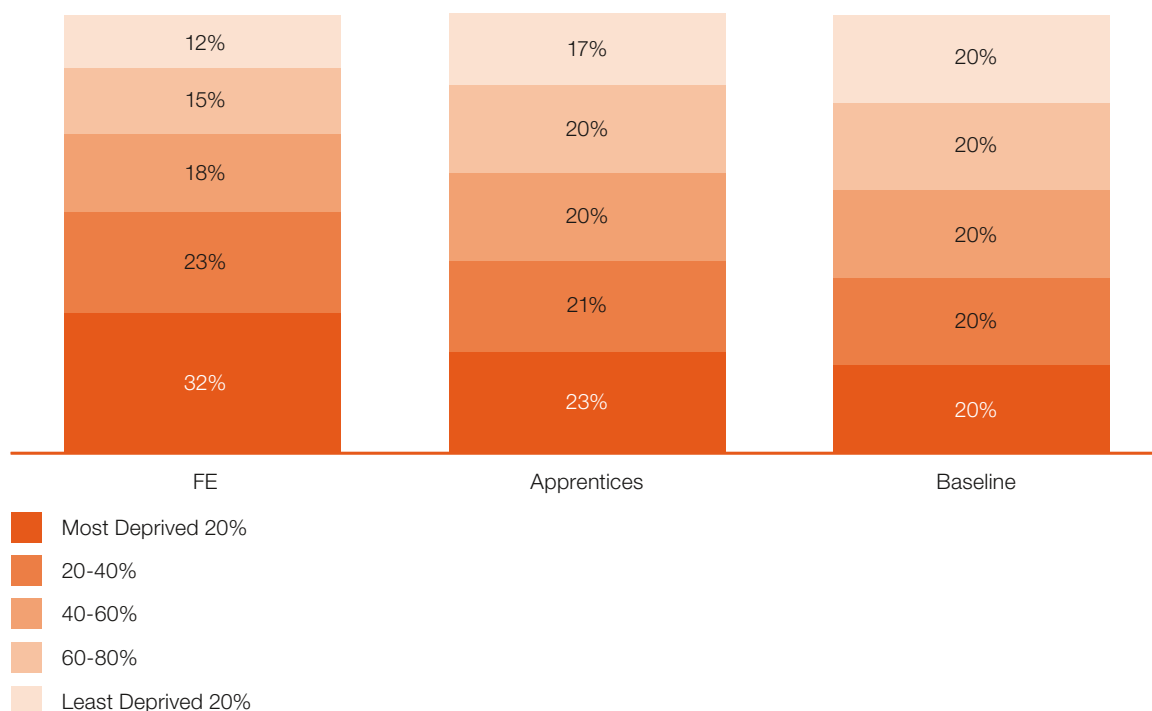
Legend:
- Most Deprived 20%
- 20-40%
- 40-60%
- 60-80%
- Least Deprived 20%

Source: Department for Education, *Deprivation Tables for Further Education and Skills: December 2018*, 2018

This clustering of disadvantaged young people in FE has fuelled the image of the sector being for 'other people' who 'fail at school' and devalues the legitimacy of the training and education offered in the sector. Without parity of reputation between the academic and technical routes and a more equal distribution of affluent and non-affluent students, it is unlikely that funding and workforce provisions will materialise in the sector.

Teacher recruitment and retention

Teaching in FE represents unique challenges, due to the need to balance teaching experience with industry expertise. Recruitment and retention have been major issues in the sector, resulting in a disjointed educational experience for students. This difficulty is often cited by college leaders as the main reason for poor performance in English and maths resits.

In 2016/17, 90 per cent of colleges reported difficulty filling posts and the average teacher turnover was 16 per cent, compared to 9.9 per cent in schools in the same year.[26] This figure represents the lowest rate of turnover in FE colleges in five years, down from a spike of 19.5 per cent in 2014/15. Nonetheless it is problematic, as it means the average college has 16 vacancies at the start of the school year, prohibiting subject choices for students. Geography matters, with the worst area being the south-west with 19.9 per cent average turnover.[27] Thus, the most disadvantaged students are also disproportionately taught in a sector of the education system with deep recruitment and retention issues.

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26   DfE, *School Workforce in England: November 2017,* 2018
27   Association of Colleges, *AoC College Workforce Survey 2017; Summary of Findings*, 2018

Figure 4.6: Teacher turnover in FE colleges and schools
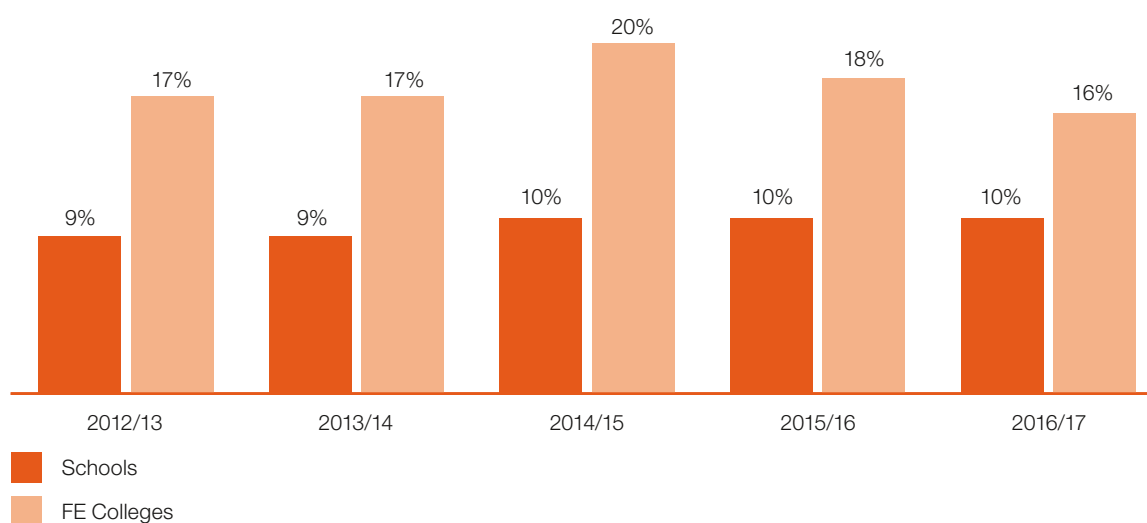
Sources: SMC analysis of Department for Education, *School Workforce in England: November 2017*, 2018; Association of Colleges, *College Key Facts 2015/16*, 2017

Colleges have a challenge attracting and retaining teaching staff in high-demand subjects where their skills can be better paid in industry. Specifically, construction, engineering and manufacturing, and digital/IT have some of the highest vacancy rates and were identified in a survey of Principals as the most difficult technical subjects to recruit in.[28] Staff in construction and engineering and manufacturing were particularly likely to say they were 'very likely' to leave FE in the next twelve months (22 per cent and 20 per cent respectively).[29] This is worrying, as construction and digital/IT are among the first T Levels, a new set of technical qualifications to be launched in 2020.[30]

Many college leaders believe competition from higher salaries in industry and schools is a main driver of the retention issues. For teachers considering leaving, the dominant reasons they cited included workload, perceived poor college management and pay.[31] Full-time FE teachers are paid an average of £2,500 less than full-time school teachers.[32] While the DfE announced a 3.5 per cent raise for school teachers in 2018, FE teachers have had no such promise.[33]

In response, the DfE has allocated £5 million to Taking Teaching Further, a programme to recruit industry professionals into teaching in FE. Increasing the FE workforce is critically important ahead of the introduction of T Levels, which will require significantly more teaching hours and thus a bigger workforce. While the spirit of this investment is welcome, it is unclear how colleges will retain new entrants, as the programme does not change the underlying issues of pay.[34] Additionally, the original intention to run a randomised controlled trial for this programme was scrapped due to insufficient participant numbers. It is therefore critical that the accompanying evaluation is conducted with as rigorous an analysis as is methodologically possible to determine its effectiveness.

Since 2012/13, FE colleges have had significantly larger class sizes compared to secondary schools. This goes against historical trends which supported smaller class sizes to accommodate more technical and specialised training. Additionally, this could make individualised learning more difficult for students. This is likely to be a particular issue for

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28   DfE, *College Staff Survey 2018; Research Report*, 2018
29   DfE, *College Staff Survey 2018; Research Report*, 2018
30   Ibid.
31   Ibid.
32   ONS, *Earnings and hours worked, occupation by four-digit SOC: ASHE Table 14*, 2018
33   Gov.uk, *Government to fund pay rise for teachers*, 2018
34   Education and Training Foundation, *Taking Teaching Further*, 2018

students with special educational needs (SEN), another area in which FE lags behind schools, due to funding disparities.

Figure 4.7: Student teacher ratio in FE colleges and secondary schools per full-time teacher

Class sizes in FE colleges

Class sizes in secondary schools
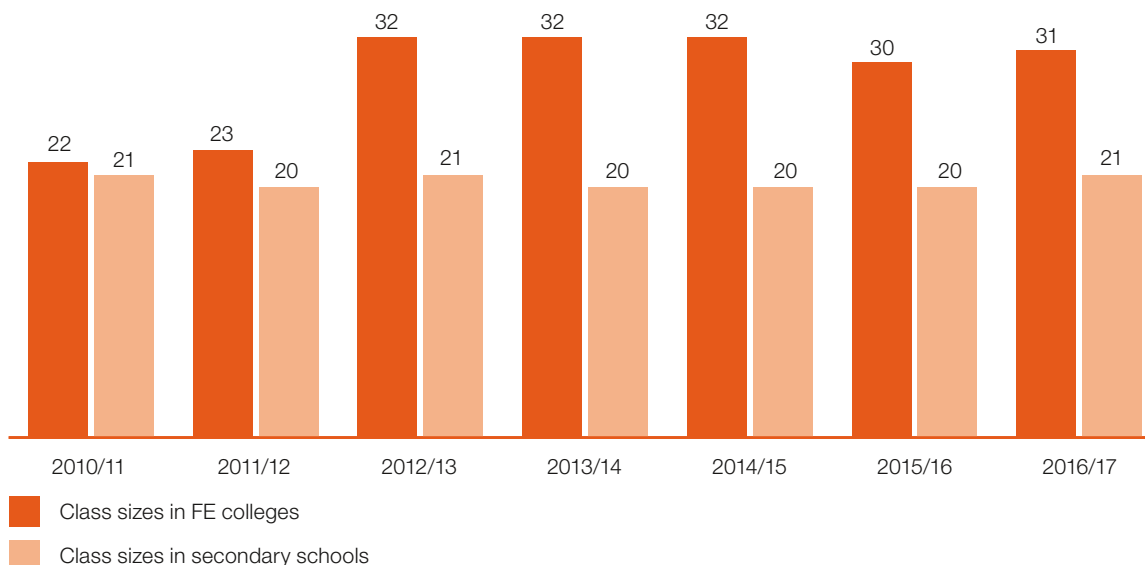
Source: SMC analysis of ESFA College accounts data, 2018; BBC, *Class-sizes up in 'two-thirds' of secondary schools*, 2018

Ultimately, FE students bear the brunt of these structural issues, thus reducing the quality of education that the most disadvantaged students are receiving.

The funding squeeze

According to the IFS, 'funding per student aged 16 to 18 has seen the biggest squeeze of all stages of education for young people in recent years', while Ofsted notes, it 'has borne the brunt of austerity when it comes to education'.[35, 36] These years are crucial in determining a student's future prospects, whether they are entering the workforce or going on to an apprenticeship or university. However, it is clear that lack of funding is causing issues in quality education for this age group. As always, it is the disadvantaged students that are losing out most from the cuts, as they do not always have the opportunities at home to supplement their formal education that the more advantaged youth have.

Context

In 2008, continued education or training to age 18 was made compulsory for young people (coming into full force in the 2015 school year). The number of young people continuing in full-time education after the age of 16 has now more than doubled to eight out of 10, up from four out of 10 in the mid-1980s.[37] Concurrently, since the early 1990s there has been a general increase in education spending across all age groups (see Figure 4.8). These changes likely benefitted social mobility, as they significantly benefitted disadvantaged students, who were previously less likely to stay in school. It also shifted overall school funding from a regressive to a progressive system, due to the large volumes of disadvantaged students in the 16-19 age group[38] benefitting from more government spending.[39]

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35   IFS, *2018 annual report on educational spending in England*, 2018
36   Burke, J., *Ofsted annual report 2017/18: Nine key findings for FE*, 2018
37   IFS, *School funding: Why it costs £73,000 to educate a child*, 2018
38   Education funding is distributed based on the students' age group and not by institution type
39   Institute for Fiscal Studies, Socio-economic differences in total education spending in England: middleclass welfare no more, 2018

However, since 2011/12, there has been a dramatic squeeze on funding for 16 to 19-year-olds. Per student spending has fallen by 12 per cent, leaving it eight per cent lower than spending for young people between the ages of 11-15 in secondary schools (see Figure 4.8).[40] While younger age groups saw a real-time protection to funding in recent years, the 16-19 budget has not.

Figure 4.8: Per pupil spending on education over time
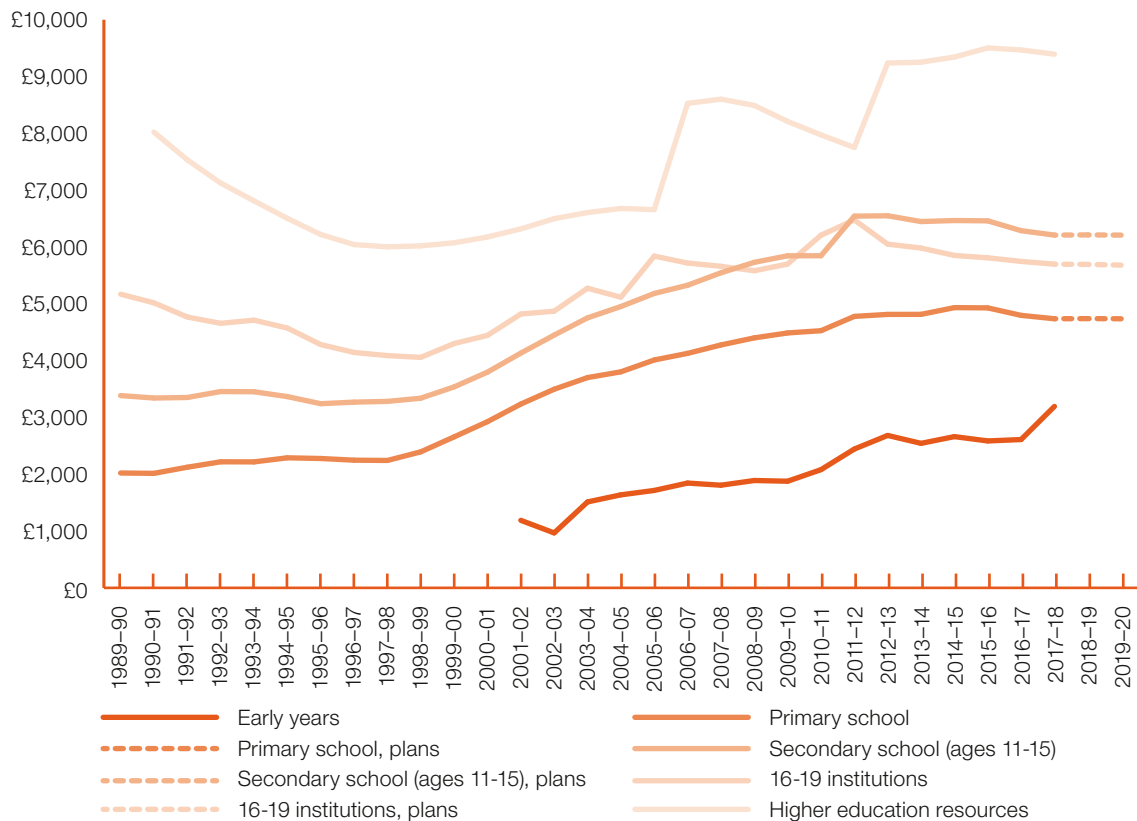
Source: IFS, *2018 annual report on educational spending in England*, 2018

Increases in funding for other age groups in recent decades has far outstripped increases in funding for 16 to 19-year-olds (see Figure 4.8). A student will receive increased funding at each successive stage of education, as subjects become more complex and subject-specialist teaching, more expensive resources and equipment and, in some cases, smaller class sizes are required. The exception to this is at ages 16-19, where students face a drop in funding.

Effects of the squeeze on 16-19 provisions

This drop in funding comes at an important stage in a young person's life. For many young people, especially the most disadvantaged, this is the final stage of their formal education. The qualifications achieved at this age will likely be the ones that determine a young person's career opportunities, and whether they can go to university (and if so, which one).

The reduced level of funding for this age group since 2011 has led to issues in the quality of the education and support they receive. This chapter demonstrates how it has impacted teacher recruitment and retention in FE institutions. Historically, FE was allocated higher budgets to reflect the need for smaller class sizes and more expensive technical courses (see Figure 4.8). This chapter shows that FE class sizes are now significantly larger than in secondary schools (ages 11-15). This is the wrong direction of travel. Small class sizes are ideally needed to accommodate the unique needs of the sector.

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40   IFS, *2018 annual report on educational spending in England*, 2018

But it is not just 16-19 provision in FE institutions that has suffered. A recent survey of institutions providing 16-19 education in England found that over the past year, funding pressures have caused the majority of institutions educating 16 to 19-year-olds to reduce the choice of subjects available, increase class sizes, and reduce extra-curricular provisions, including careers advice and mental health support.[41, 42]

The survey found that more than two-thirds of 16-19 providers (69 per cent) have moved from a four subject offer at A Level as standard to a three subject offer (for more, see Chapter 3: Schools).[43] Most 16-19 providers (81 per cent) are teaching students in larger class sizes, while nearly half (46 per cent) have reduced the delivery hours of individual courses.[44] This demonstrates an overall reduction in the choice and quality of education provided at this age.

The subjects that can typically increase employment prospects most have been the hardest hit. Fifty-one per cent of 16-19 providers have dropped courses in modern foreign languages as a result of funding pressures, with A Levels in German, Spanish and French the main casualties, while over a third of schools and colleges (38 per cent) have dropped STEM (science, technology, engineering, maths) courses.[45]

Worryingly, 78 per cent of 16-19 providers have reduced or removed student support services or extra-curricular activities, with significant cuts to mental health support, employability skills and careers advice.[46]

Underfunding students at this stage of education can have severe ramifications for future employment and life prospects for students, as they progress into the world of work, apprenticeships, university or elsewhere.

Effects on disadvantaged students

Reduced breadth in the curriculum impacts disadvantaged students most, as they are unable to access these provisions elsewhere in the same way their more affluent peers can (see Chapter 3). However, it is cuts to extra-curricular activities and student support services that is particularly concerning from a social mobility perspective.

Reductions in extra-curricular activities such as sport, music and drama, and educational visits have implications for social mobility, particularly when it comes to university applications. Disadvantaged students will be unlikely to get these opportunities outside of school, and therefore cutting these provisions is likely to increase the gap in entry to selective universities between disadvantaged and more advantaged students.[47] Disadvantaged students are also less likely to be able to access good careers advice and more likely to be leaving education at age 18, meaning this is a crucial age for quality advice and guidance to help shape students' future careers.

Disadvantaged students are also far less likely to have families who can help pay for mental health support. The reduction in these services at schools and colleges (41 per cent have reduced careers guidance, while 48 per cent have reduced mental health support), is therefore likely to disproportionately impact the disadvantaged students who need it most.

Finally, disadvantaged students are more likely than their affluent peers to be retaking Level 2 exams, as has been discussed in this chapter. It is counterintuitive to require students to retake an exam they have already failed, while cutting support and expecting different outcomes. It is welcome that the DfE is working with the Education Endowment Fund to

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41   Including school sixth forms, academy sixth forms and free school sixth forms, FE colleges and sixth form colleges.
42   Raise the Rate, *Raise the Rate campaign: funding impact survey report*, 2019
43   Ibid.
44   Ibid.
45   Ibid.
46   Ibid.
47   Ibid.

test a maths premium pilot to evaluate whether providing £500 per student will help increase scores; however, college leaders are sceptical.[48] Just six per cent of those surveyed felt targeting funding at a specific subject would have a major impact on their institution.[49]

Upcoming changes

The Commission recognises that the government has made a welcome pledge to increase spending by £600 per student in 2021/22 to pay for T Levels. The Commission applauds the intention and the desire to put technical education on a par with academic education. T Levels have the potential to achieve this vision. However, the Commission is concerned that given the current mix of students who are eligible to apply for T Levels, these planned changes to funding allocations will still not benefit the most disadvantaged. Additionally, a real terms funding freeze affecting the 16-19 budget means that this increase in funding for T Levels is offset, leaving spending per student in 2019/20 flat from the previous year.[50] Given the prior academic requirements that T Levels require, it is likely that T Level students will be more advantaged than the average FE college student. Depending on how many disadvantaged students are able to take up T Levels through mechanisms such as the planned transition year, this shift in funding will likely be regressive and could lead to worse social mobility outcomes in FE.

Increasing funding for 16 to 19-year-olds

Funding for education for 16 to 19-year-olds needs to be increased – and increased significantly. The issues in the quality of education at this crucial stage of life are concerning and are impacting disadvantaged students in particular. The base rate that supports individual learning is inadequate and is causing strains across all institution types.

There is an eight per cent difference in spending between pre- and post-16 funding, equivalent to £512 per student.[51] However, simply raising funding by this amount may be inadequate to address the structural issues outlined in this chapter.[52] A recent report from London Economics suggests that the base rate should increase by £720 per student, in addition to £140 per student to ensure sixth form colleges can meet pension commitments – a total increase of 22 per cent.[53] This rate is required to both widen and deepen the curriculum offer.

Therefore, the Commission is calling for increased spending in the base funding formula, in order to increase subject choice, extra-curricular support and quality education for everyone at this age. By doing so, the government will improve the future educational and technical prospects for the most disadvantaged young people in particular.[54]

The Commission calls on the government to increase per student spending in the 16-19 education budget by a significant amount within the upcoming spending review.

Additional funding support

This section will look at specific provisions in the 16-19 budget that provide additional support for disadvantaged students across all types of institutions.

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48   Education Endowment Foundation website, *Basic Maths Premium Pilot*, accessed April 2019
49   Raise the Rate, *Raise the Rate campaign: funding impact survey report*, 2019
50   IFS*, 2018 annual report on educational spending in England,* 2018
51   Ibid.
52   Ibid.
53   London Economics, *Understanding the funding shortfall in sixth form education*, 2018
54   The minimum cost for this increase is £823 million; calculated by bringing the per student spend up to £6,156 to equalise with 11-15 schools, multiplied by the number of students in each institution type, according to data in IFS*, 2018 annual report on educational spending in England,* 2018

Schools receive additional funding based on areas of multiple deprivation that is built into the funding formula, as well as a Pupil Premium for disadvantaged students aged up to 16. After that, the disadvantaged funding mechanisms change (see Table 4.1). There are two categories of schemes, one of which directly supports students and one for the provider to fund additional academic support. The former is intended to fund a learner's day-to-day costs of education. The latter is similar to weighting in the schools' funding formula and provides for some of the additional academic support needs of disadvantaged students and those with special educational needs and disabilities (SEND).

Table 4.1: Disadvantaged funding mechanisms for 16-19-year olds

Direct student support schemes	
16-19 Bursary Scheme	Discretionary bursary fund – to purchase equipment and other goods in-kind for students (e.g. bus fare, safety equipment, etc.).
	Defined vulnerable groups – up to £1,200/year for specific categories of students with needs, such as care leavers, those in care, and those on disability benefits.
Care to Learn	Childcare support for those up to the age of 20.
Residential support	To assist those who want to take courses that are not available nearby, such as specialist courses that are only offered in certain locations. To fund residential programmes to meet statutory care requirements.
College level schemes	
Disadvantaged block funding	Block 1: for students from areas of multiple deprivation, based on Indices of Multiple Deprivation 2015.
	Block 2: to support students with higher needs, including learning disabilities, and is based on low prior achievement in English and maths.

Source: Gov.uk, *16 to 19 funding: how it works*, 2019

None of these funds are directly relatable to the Pupil Premium, which sits on top of similar funding mechanisms in primary and secondary schools. All disadvantaged funding mechanisms are calculated into previously cited work showing a drop of eight per cent in spending between pre- and post-16 spending.

These funds are not ring-fenced, meaning that colleges and school sixth forms are asked to follow guidance, but can include the funds as part of their regular budgets. This is intended to give colleges flexibility to address a broad range of needs and courses offered but presents several major problems.

Old methodology

The Commission has specific concerns about how the Discretionary Bursary fund is distributed. It is allocated to colleges and sixth forms based on methodology that is from 2009 – i.e. 10 years out of date.[55] This means that it is highly likely that some colleges are receiving funds when they are not needed, and others are missing out. This is incredibly important – students who need additional support to purchase equipment for classes or get bus fares to school may not be receiving that support, due to outdated data. It is welcome that the government is undergoing a public consultation on updating this methodology.[56] The Commission calls upon the government to quickly implement the findings and update the methodology, following the conclusion of this consultation.

55   Gov.uk, *16 to 19 Bursary Fund*, accessed January 2019
56   Gov.uk, *Allocations methodology for the 16 to 19 discretionary bursary fund*, 2019

Lack of visibility and accountability

When a disadvantaged student aged below 16 attends a school, the school administration knows who the student is and exactly how much additional funding support it will receive to help that student, due to the Pupil Premium. For 16 to 19-year-olds across all institutions, the institution leaders do not automatically know which students are disadvantaged (unless the students' former school has proactively shared records). FE colleges, in particular, have such large volumes of students enrolled that administrators lack the time and resources to chase up schools to send records over. This results in disadvantaged students dropping off the radar.

Additionally, 16-19 education providers are not required to report how they spend their funds, unlike reporting requirements for the Pupil Premium. In practice, this means that there is more limited information on whether and how disadvantaged students are benefitting from funds aimed at supporting their needs.

This may be impacting the effectiveness of disadvantaged funding. Evidence from the Pupil Premium indicates that one of the significant ways it improves outcomes is by focusing schools' attention on disadvantaged students.[57] If a college does not know who the students are and does not have to report on how they have targeted support at them, it is likely that the impact of existing money is diminished.

Lack of support to make evidence-based decisions

The government has made significant and welcome investment to ensure that schools are supported with resources to make evidence-based decisions with their disadvantaged funding. For example, the Education Endowment Foundation was created with a £125 million founding grant from the DfE to create evidence-based toolkits that support schools in closing the attainment gap.[58] FE colleges and other technical education providers have nothing similar. The lack of basic evidence-based support around disadvantaged spending for FE colleges and technical education providers is staggering.

The Commission is committed to supporting FE and working to resolve this crucial omission. It has commissioned research to map the evidence gaps in FE provision, with a goal of sparking research and toolkits that support college leaders to close the attainment gap. This research will include guidance to government on how much attention and investment is needed to support evidence-based interventions in technical education providers.

Lack of funding

Ultimately, there is a significant dearth of funding for disadvantaged students in 16-19 education. There is no logical reason why students should be supported with additional funding in the form of the Pupil Premium to meet their specific needs at age 15, only to have that funding removed at age 16. Gaps in attainment have narrowed in secondary schools, likely due, in part, to the Pupil Premium. This success must be applied to 16-19 institutions to help ensure that disadvantaged students are best prepared to gain the qualifications that will help transition them to their next phase of life.

This must all change. Not only must the base rate for 16-19 education providers be raised, but adjustments to existing provisions must be made and additional funding for disadvantaged students introduced.

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57   National Audit Office, *Funding for disadvantaged pupils*, 2015
58   Education Endowment Foundation, *About*, accessed April 2019

The government should immediately make the following changes to existing disadvantaged funding mechanisms for 16-19 students:

- Reform how data can be shared automatically across schools into 16-19 institutions, so disadvantaged students are automatically identified by administration officials.

- Rapidly update the methodology underpinning the Discretionary Bursary fund to ensure resources are allocated to institutions based on current data.

The government should introduce a Student Premium for disadvantaged students aged 16-19 that models the Pupil Premium in schools, with a goal of targeting funding and focus on raising attainment for disadvantaged students. At the same time, the government should commit to significant 'what works' style research in technical education to help providers make evidence-based decisions with their funding for disadvantaged students.

4.4 Apprenticeship participation: a two-tier system

Turning to apprenticeships, this section will address participation across apprenticeships and will look at where disadvantaged and more advantaged students engage in the system. It will then look to degree level apprenticeships, which are a newer addition to the apprenticeship landscape.

Apprenticeships are frequently lauded as a ladder for opportunity.[59] They are potentially an effective vehicle for social mobility by offering the means to 'earn and learn', routes into work for those with no or low qualifications, an alternative path to qualifications for those who do not excel in traditional school environments, and routes into professions that were traditionally reserved for university graduates. Additionally, apprenticeships could offer workers stuck in low pay a means of upskilling. However, the current apprenticeship system in England is not fulfilling this potential.

The young do not rate apprenticeships highly. Polling undertaken by YouGov with the Social Mobility Commission in 2018 found that those over 65 are much more likely than those aged 18-24 to think that apprenticeships offer the best opportunity for career progression. Younger people, in comparison, thought HE offered a better opportunity.[60]

This should be a wakeup call for the government and employers. Many of the people that apprenticeships are aimed at do not recognise their value, creating a wasted opportunity. Apprenticeships offer two to three times greater earnings returns for young people than for those over 25.[61] Generally, employers too are not embracing the social mobility potential of apprenticeships, instead targeting them at older, skilled workers.

On average, apprentices are from better-off backgrounds than FE learners but are still slightly more disadvantaged than the national population (23 per cent using Indices of Multiple Deprivation (IMD) compared to 20 per cent baseline). The government has eagerly pressed the apprenticeship agenda, with a pledge to have three million apprenticeship starts by 2020 and a new set of standards designed and rolled out.[62]

While it is too early to tell how much of the current changes in take-up are driven by the government's new apprenticeship levy and how much by qualifications reforms, there are

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59   House of Commons Education Committee, *The apprenticeships ladder of opportunity: quality not quantity*, 2018
60   Social Mobility Commission, *Social Mobility Barometer*, 2018, p.13
61   Cavaglia, C., McNally, S., Ventura, G., *Do Apprenticeships Pay? Evidence for England*, Centre for Vocational Education Research, LSE, 2018; McIntosh, S., Morris, D., *Labour Market Outcomes of Older vs. Younger Apprentices: a Comparison of Earnings Differentials*, 2018
62   UK Parliament, *Welfare Reform and Work Act 2016*, 2016

two separate and major trends emerging in apprenticeship participation over the last few years. Firstly, a fall of 24 per cent in apprenticeship proportion in the first year of the levy and secondly, a significant rise in the number of older apprentices (those over 25 years old) since 2010, who now make up 46 per cent of apprentices.[63] This counters the core of the original policy vision that sought a rise in apprenticeships to open up routes for young people to enter work.[64] In the ensuing push, the landscape of who completes an apprenticeship has changed and there are early warning signs that a two-tier system is forming, based on apprentices' backgrounds.

The Commission recognises that reforms to the apprenticeship system are new, with robust data concerning social mobility missing in some areas. As such, the Commission intends to lay out existing evidence in this report and build upon it through future research to ensure that it can make evidence-based recommendations in the future.

Figure 4.9: Apprenticeship starts in England by age since 2002/03, thousands
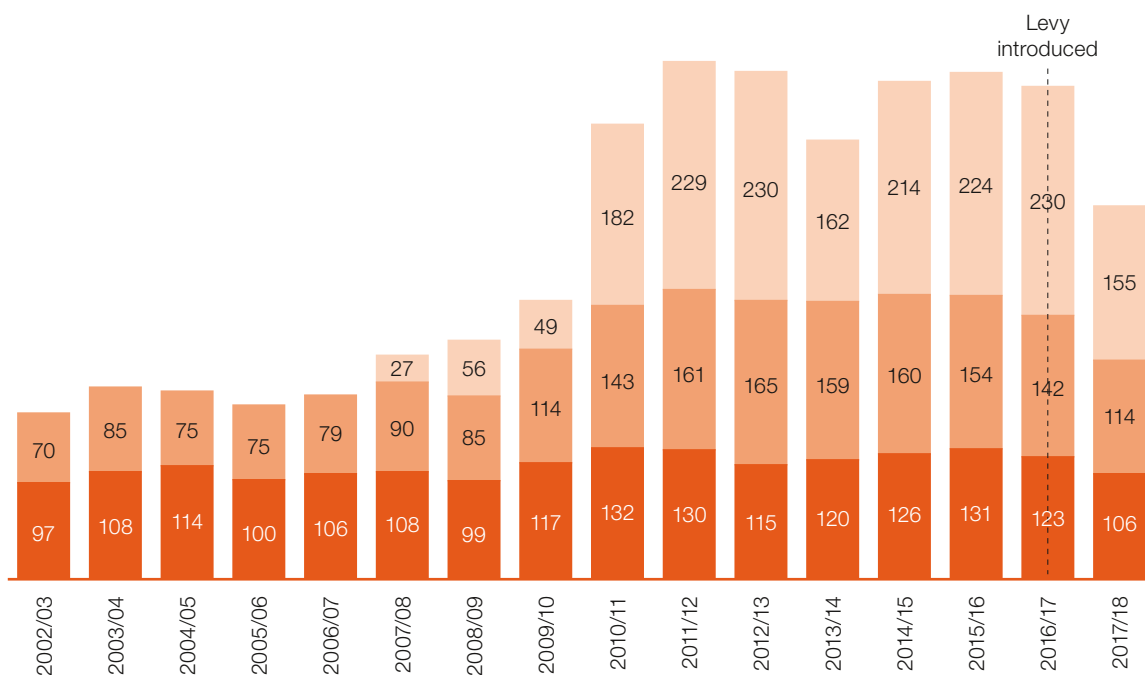
Source: Department for Education, FE data library: *Apprenticeships and HC Dec 14 Feb 2011 c560-1W (PQ38062)*; Department for Education, *Deprivation Tables for Further Education and Skills: December 2018*, 2019

The two-tier system

Disadvantaged people of all ages are disproportionately clustered at the lower levels of apprenticeships; they are significantly more likely to be studying at Level 2 or 3 apprenticeships than in higher or degree-level apprenticeships (see Figure 4.10). While there are significant benefits for disadvantaged apprentices from achieving a Level 2 or 3 qualification, it is equally important that they be able to progress beyond these qualification levels. A system in which advantaged students gain access to the highest levels while disadvantaged students are 'stuck' at the lower end due to institutional and cultural barriers is not a system that is creating equal opportunities for all, and not one that will improve social mobility.

As has been seen throughout the earlier chapters of this report, disadvantaged students tend to be behind more advantaged students at each stage of schooling. By the time students transition into the labour market through apprenticeships, the inequalities of the

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63 DfE, *FE data library: Apprenticeships and HC Dec 14 Feb 2011 c560-1W (PQ38062)*; DfE, *Deprivation Tables for Further Education and Skills: December 2018*, 2019
64 Department for Business Innovation and Skills, *English Apprenticeships: Our 2020 Vision*, 2015

school system and the gaps that have already emerged between disadvantaged and more advantaged students mean fewer and fewer disadvantaged students progress through to higher levels of apprenticeships.

Figure 4.10: Overall proportion of each apprenticeship level held by a disadvantaged student
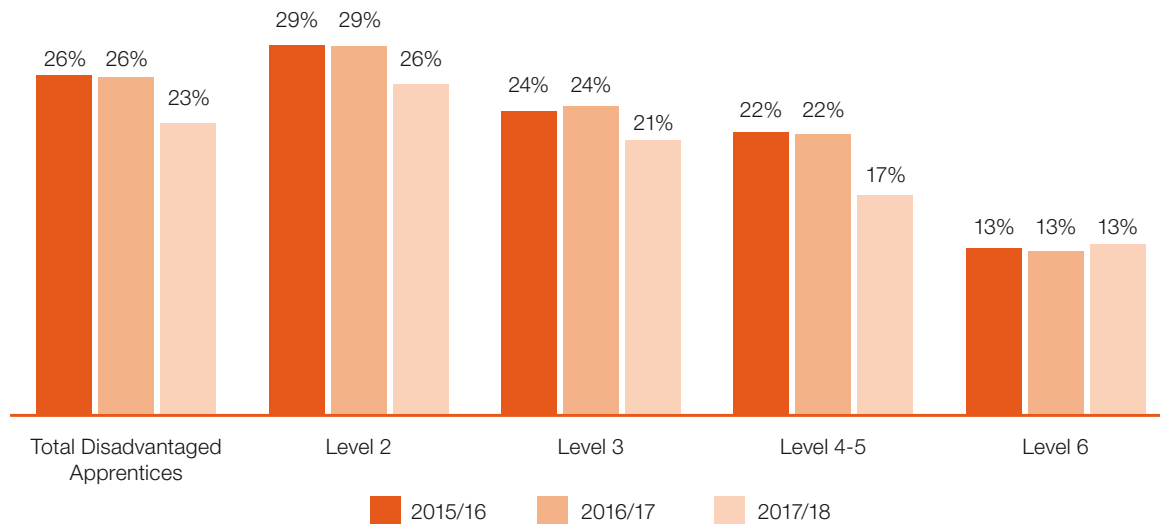
Source: SMC Analysis of Department for Education, *Deprivation tables for Further Education and Skills: December 2018*, 2018

As it stands, this problem is front and centre of the current apprenticeship system, as progression for disadvantaged students is low. It is not possible to analyse progression in real time due to a lack of reported data – either as measured by linear progression through to higher apprenticeship levels or by progression once in work. However, cohort research has found that just 25 per cent of Level 2 apprentices, who are disproportionately made up of disadvantaged students, go on to complete a Level 3 apprenticeship.[65] While this low level of progression may be a result of learner choice, it is also possibly a factor of institutional and cultural barriers prohibiting progression. These could include:

- that disadvantaged students are more likely to have lower prior achievement than affluent peers;

- student choice of occupation;

- poor careers advice for disadvantaged students;

- the required English and maths Level 2 qualification to progress beyond Level 2 apprenticeships;

- lack of a clear route from a Level 2 to a Level 3 apprenticeship;

- a general lack of support to circumvent high rates of dropouts among apprentices.

While the National Apprenticeship Service's Opportunities through Apprenticeships (see page 80 for case study) is a welcome start to begin to address the drivers of this progression gap, more should be done to improve progression rates for disadvantaged students.

Higher and degree level apprenticeships

Degree level apprenticeships (Level 6) have great potential to offer pathways into work for those who would not traditionally choose HE, which can improve social mobility outcomes (see Chapter 5). Generally, degree level apprenticeships benefit more privileged students, as

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65   Cavaglia, C., McNally, S., Ventura, G., *Do Apprenticeships Pay? Evidence for England*, Centre for Vocational Education Research, LSE, 2018

it is simply shifting those who would have gone into HE into a degree level apprenticeship, and thus not producing new opportunities for those for whom HE was not previously a viable route. The current socio-economic mix for higher level apprenticeships is approximately the same as in HE – 30 per cent on degree level apprenticeships compared to 26 per cent in HE, as measured by POLAR quintiles one and two.[66] Further, in 2017/18, a massive 65 per cent of those starting a higher level apprenticeship were older than 25 and just six per cent were aged below 19.[67]

The advantage to young people is clear; instead of incurring over £9,000 of annual tuition at universities, apprenticeships pay the learner to get the same qualification, and usually guarantee a job at the end of it. More affluent students are more likely to have the prior qualifications to enter HE, resulting in this system disproportionately benefitting them.

This issue is more critical now than ever before. Along with the focus on increasing higher and degree level apprenticeships, there has been a decline in intermediate and advanced apprenticeships. In 2017/18, Level 2 and 3 apprenticeships declined by 38 per cent and 16 per cent respectively, while higher level starts soared by 32 per cent (from a base of zero).[68] Level 2 and 3 apprenticeships offer a 'foot on the ladder' for young people who have not done well in traditional school settings and, if they begin to disappear in favour of the newer higher level apprenticeships, it will hinder social mobility opportunities.

Figure 4.11: Total apprenticeship starts over time by level
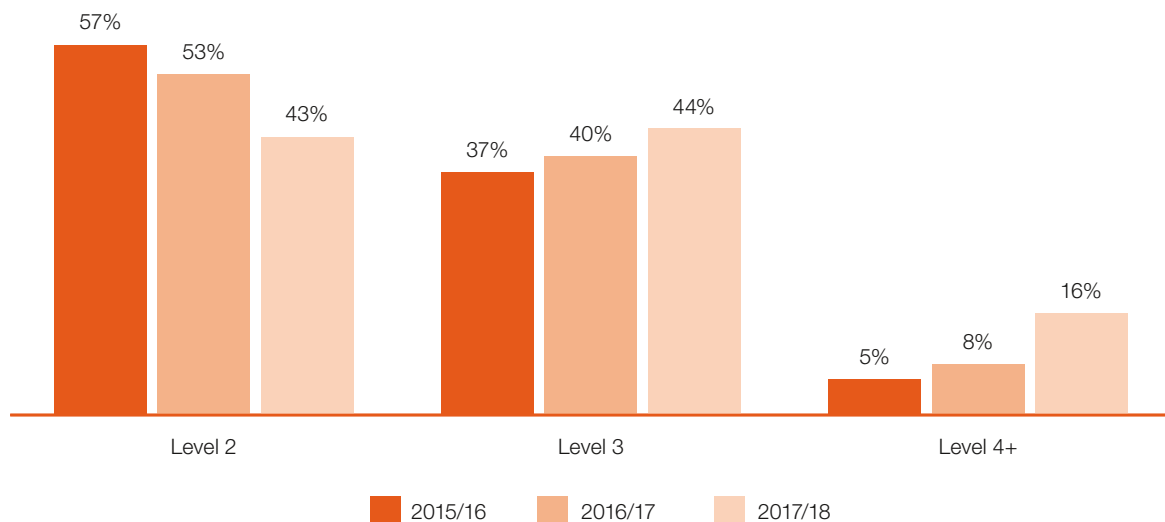
Source: SMC Analysis of Department for Education, *Deprivation tables for Further Education and Skills: December 2018*, 2018

Employers offering degree level opportunities to young people are in the early stages of developing their awareness and recruitment strategies. Nonetheless, employers' role is even more concerning from a social mobility perspective, as recruitment practices are largely dictated by individual employers, and not the larger university institutions. Widening participation into degree level apprenticeships will involve working with an even more challenging array of entities than doing so in HE alone. And, if businesses do not see a strong business case to undertake the additional time and cost that widening participation will require, there may not be a strong commitment to doing so.

Higher and degree level apprenticeships cost more to deliver than Level 2 and 3 provisions, meaning more of the government's purse is being spent on expensive degree level programmes that are benefitting more advantaged and older learners.

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66   Office for Students, *Degree Apprenticeships: a viable alternative?*, 2019
67   Social Mobility Commission analysis of DfE, *Apprenticeship and Levy Statistics: December 2018*, 2018, Table 2
68   DfE, *Apprenticeship and Levy Statistics: December 2018*, 2018

The Commission intends to monitor these new offerings and calls on government to ensure widening participation to degree apprenticeships is as much a focus as widening participation is in HE.

4.5 Apprenticeship outcomes

Apprentices usually expect to improve their wages and gain entry into the labour force upon finishing their qualification. However, these wage gains are widely variable and are based on the sector and level studied.[69] Some apprenticeships (such as higher level engineering) provide the same earnings as those who studied engineering in HE institutions, while others (such as hairdressing and childcare) provide either negligible or even negative earnings returns compared to alternative routes at the same levels.[70]

In general, new research indicates that one way in which apprenticeships increase earnings is through exposure to the workplace.[71] Simply starting an apprenticeship can still produce labour market gains and can increase the likelihood of being in consistent, long-term employment at all levels.[72] This indicates that it is not just the qualification that pays off but the exposure to the workplace. Income gains are higher for those who complete an apprenticeship compared to those who drop out, which many do. Between one third and 45 per cent of apprenticeship starts do not complete the course.[73]

For disadvantaged young apprentices, there is a big difference in labour market returns compared to their more affluent peers, with the difference favouring the more affluent. In a cohort study that followed students who took GCSEs in 2005 through to their earnings at age 26, just 14 per cent of the disadvantaged students in the cohort earned over £25,000 at age 26, compared to 32 per cent of their more affluent peers.[74]

Table 4.2: Disadvantage and progression to high earnings by gender

Gender	Total students	Disadvantaged students (%)	% of students earning over £25k	% of disadvantaged students earning over £25k	% of non-disadvantaged students earning over £25k
Female	296,200	19%	23%	10%	26%
Male	314,200	19%	33%	19%	37%
Total	610,300	19%	28%	14%	32%

Source: Department for Education, *Post-16 education: outcomes for disadvantaged students*, 2018

Course selection

Two possible drivers for this difference in earnings returns are the clustering of disadvantaged students at lower levels of apprenticeships, as has been discussed, as well as a clustering of disadvantaged students in certain courses. In the same cohort study of those who completed GCSEs in 2005, the apprenticeships which returned the highest wage progression to any students – including engineering, construction, and information and communication technologies – had the lowest proportions of disadvantaged students.[75] Apprenticeships in

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69   McNally, S., *Apprenticeships in England: What does research tell us?,* 2018
70   Ibid.
71   Cavaglia, C., McNally, S., Ventura, G., *Do Apprenticeships Pay? Evidence for England*, Centre for Vocational Education Research, LSE, 2018
72   Ibid.
73   Ibid.
74   DfE, *Post-16 education: outcomes for disadvantaged students*, 2018
75   Ibid.

retail, health, and social care had higher rates of disadvantaged students but significantly lower earnings returns. It is important to note that this study did not control for prior achievement and it is not clear whether the different socio-economic mixes in courses is inherent to disadvantaged students or is more indicative of prior achievement more generally.

There are also notable gender gaps, with women completing lower earning apprenticeships and receiving significantly lower earnings returns from apprenticeships at every level. Men from both advantaged and disadvantaged backgrounds dominated the highest-returning apprenticeships. This leaves women from disadvantaged backgrounds reaping the lowest income rewards compared to all other groups. For example, just five per cent of those in health and care, a field made up of 92 per cent women, went on to earn over £25,000 annually in this cohort study.[76]

Table 4.3 Progression to high earning for disadvantaged students: top 5 and bottom 5 apprenticeships

Top 5 Apprenticeships for Progression to High Earning for Disadvantaged Students				
Level	Sector Subject Area	No. of Disadvantaged Students (out of a cohort of 610,300)	% earning over £25K/annually at age 26	% male
Level 3	Engineering and Manufacturing Technologies	1,100	56%	97%
Level 3	Construction, Planning, and the Built Environment	400	46%	98%
Level 3	Information and Communication Technology	200	40%	88%
Level 2	Engineering and Manufacturing Technologies	1,000	31%	95%
Level 2	Information and Communication Technology	200	29%	87%

Source: Department for Education, *Post-16 education: outcomes for disadvantaged students,* 2018

Table 4.4: Progression to high earning for disadvantaged students: top 5 and bottom 5 apprenticeships

Bottom 5 Apprenticeships for Progression to High Earnings for Disadvantaged Students				
Level	Sector Subject Area	No. of Disadvantaged Students (out of a cohort of 610,300)	% earning over £25K/annually at age 26	% male
Level 3	Health, Public Services, and Care	1,400	5%	8%
Level 2	Retail and Commercial Enterprise	2,300	8%	40%
Level 3	Retail and Commercial Enterprise	600	9%	27%

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76   Ibid.

Bottom 5 Apprenticeships for Progression to High Earnings for Disadvantaged Students				
Level	Sector Subject Area	No. of Disadvantaged Students (out of a cohort of 610,300)	% earning over £25K/annually at age 26	% male
Level 2	Health, Public Services, and Care	1,200	9%	23%
Level 3	Agriculture, Horticulture, and Animal Care	100	10%	36%

Source: Department for Education, *Post-16 education: outcomes for disadvantaged students*, 2018

Apprenticeships can raise earnings and increase the likelihood of staying in sustained employment, but it is also clear that some groups benefit significantly more than others. Disadvantaged students, older apprentices and women are generally enrolling in apprenticeships that provide significantly lower returns. The Commission intends to conduct independent research into the drivers behind these course differences in 2019/20 to better understand what is influencing or causing this split.

Case study: Opportunities Through Apprenticeships

The National Apprenticeship Service's newly launched pilot programme, Opportunities Through Apprenticeships, is working with local authorities in four deprived areas – as measured by the IMD. Launched in late 2018, this programme hopes to determine how to improve economic development priorities by those from disadvantaged backgrounds, using a place-based approach. Working with parents, employers, providers and schools, it aims to identify the barriers at a local level, influence stakeholders, and share examples of best practice across the country. While each area will have a different objective and starting point, success could include: changes in the range of levels – with more apprentices from disadvantaged backgrounds undertaking apprenticeships at a higher level, or in sectors that offer increasing value to the learner, such as those with higher earnings potential and progression opportunities.

While unfunded, it is part of the government's Apprenticeship Benefits Realisation Strategy which also seeks to raise the proportion of apprentices from BAME communities and those with disabilities by 20 per cent, through a number of parallel projects. To accomplish its BAME target, the Education and Skills Funding Agency (ESFA) is running the Five Cities Project, working with Local Enterprise Partnerships in England's five most diverse cities to develop action plans. To achieve its disability target, it has identified 21 'Pacesetter' organisations to help identify best practice and embed systemic change. The Apprenticeship Diversity Champions Network encourages businesses to take up apprentices from a diverse range of backgrounds.

A full evaluation is expected in June 2020 at which point, the Commission calls on government to ensure that effective practice be disseminated widely and scaled up across the country.

4.6 On the horizon

T Levels and qualification reform

The government is introducing a new set of technical qualifications, T Levels, for those aged 16-18 to sit alongside A Levels, beginning with selected providers in 2020. T Levels are designed to be more streamlined than previous technical routes; a welcome change to a complex system that many struggle to navigate.[77] T Level courses will include significantly more hours of teaching than current technical courses and a minimum 45-day work placement.[78] The new system has the potential to boost parity of esteem between technical and academic paths. However, the Commission is monitoring aspects of T Levels that could jeopardise their ability to boost social mobility, including:

- **Quality control**: Worried about quality control, the DfE's Permanent Secretary invoked a rarely used tool in summer 2018 – the ministerial direction – to formally object to government plans to introduce T Levels in 2020, on the grounds that they will not be ready in time. Secretary of State for Education, Damian Hinds, chose to overrule this.[79] It is expected that social mobility could be impacted if T Levels are not of a high quality when introduced.

- **Work placements**: All T Level placements will include a mandatory 45-day work placement. While work placements are valuable ways for students to understand career options, there is concern that there will not be enough placements to meet this requirement. Young people in isolated areas may find it particularly difficult to travel long distances to placements. If there is not significant support to match students to placements, it could mean that those from more advantaged backgrounds, who have larger networks to draw on, can find higher quality work experiences than disadvantaged students. In 2018/19, the government funded a pilot programme to assess potential barriers, with completion due by 1 June 2019.[80] With the first T Levels expected to be implemented in 2020, there is concern whether sufficient testing and learning will have been incorporated.

- **Transitions**: In order to be successful, routes into and out of academia and technical education must be clear. The Institute for Apprenticeships has been instructed to extend its occupational maps to cover the entire technical education system, to ensure that all technical programmes align. This is a welcome step to clarify routes to and from T Levels; however, it is unclear whether enough has been done to ensure pathways are obvious.

- **Progression**: T Levels have been designed to have full parity of esteem with A Levels, including earning equivalent UCAS points.[81] This could be a welcome route into HE after receiving a T Level, as college students who complete Level 3 qualifications are 17 per cent less likely to enter HE than school students.[82] However, disadvantaged students are disproportionately more likely than their affluent peers to still be studying at Level 2 after Key Stage 4 and progression throughout the higher technical levels is low. If this is not improved, T Levels may simply shift more advantaged students from A Levels and onto T Levels, without benefitting the most disadvantaged students. It is welcome, therefore, that the DfE is working on a transition programme to help prepare students who are not yet ready to take a T Level to transition into the courses. It is also welcome that additional funds will be provided to help students achieve a Level 2 English and maths while taking their T Level.[83]

77   Social Mobility Commission, *State of the Nation*, 2016
78   DfE, *Introduction of T Levels*, 2018
79   Zeffman, H., *T Levels are Being Rushed, Damien Hinds Told by Top Official*, 2018
80   ESFA, *Work Placements – Capacity and Delivery Fund from April 2018 to July 2019*, 2017
81   Hinds, D., *Speech at the Battersea Power Station in London*, 6 December, 2018
82   DfE, *Destination of Key Stage 4 and Key Stage 5 Students, England, 2016/17*, 2018
83   DfE, *Implementation of T level programmes: Government consultation*, 2018

- **Level 2**: The reforms discussed in this chapter have changed the landscape of Level 2 offerings, between the introduction of T Levels at Level 3 and the reduction of Level 2 apprenticeships. Ofsted has raised concern that, despite most apprenticeships being delivered in 2016/17 being at Levels 2 and 3, over a third of standards ready for delivery are at Level 4 and above.[84] There is a risk that Level 2 provision is not being addressed in a holistic way and that there is a hollowing out of opportunities at Level 2, the level at which disadvantaged students are more likely to stop their qualifications.

Between the focus on T Levels, which will be Level 3, and a 32 per cent reduction in Level 2 apprenticeship offers, there is a real danger that students who do not hold a Level 2 qualification by the age of 16, who are also disproportionately likely to be disadvantaged, have shrinking options. Additionally, there is mounting concern that pathways in and out of technical education are not clear for students. The Commission calls on this review to expand its scope to ensure social mobility is at its heart.

The Commission welcomes government's announced review of Levels 3 and below. In addition to its current scope, the review should seek to:

- **Assess ways to improve progression of disadvantaged students beyond Level 2, including reviewing whether prior qualifications and other course requirements create barriers to entry and progression for disadvantaged students.**

- **Create seamless and clear transitions between technical and academic routes for all students.**

- **Assess the availability of options up to Level 3 across the broad range of provisions, including apprenticeships.**

4.7 Conclusions and recommendations

An increasing proportion of disadvantaged young people are taking up FE for their post-16 education. Once there, too many disadvantaged young people are 'stuck' trying to achieve a Level 2 qualification and are not progressing into higher qualifications that can boost their social mobility prospects. Structural issues, such as poor teacher recruitment and retention, and larger class sizes, have been driven by a shortfall in funding. FE has long been the after-thought of the education system; a view that continues to impact on social mobility outcomes.

Recent apprenticeship reforms have significantly changed the landscape of apprenticeships in England. Ultimately, these policy changes may be resulting in an increase in apprenticeships that upskill older, existing workers at the expense of entry level apprentices with clear progression routes. Disadvantaged students are much more likely to be studying for Levels 2 or 3 and are much less likely to be in courses that return high wages, compared to their more affluent peers. To achieve the social mobility ambitions that are so often lauded in the apprenticeship agenda, employers, educators and government should ensure that disadvantaged apprentices are just as likely as their affluent peers to start at any apprenticeship level, and progress through to higher levels.

Recommendation 4.1: The government should increase per student spending in the 16-19 education budget by a significant amount within the upcoming spending review.

Recommendation 4.2: The government should immediately make the following changes to existing disadvantaged funding mechanisms for 16-19 students:

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84   Burke, J., *Ofsted Worried about Lack of Level 2 and 3 Apprenticeships*, 2017

- Reform how data can be shared automatically across schools into 16-19 institutions, so disadvantaged students are automatically identified by administration officials.

- Rapidly update the methodology underpinning the Discretionary Bursary fund to ensure resources are allocated to institutions based on current data.

Recommendation 4.3: The government should introduce a Student Premium for disadvantaged students aged 16-19 that models the Pupil Premium in schools, with a goal of targeting funding and focus on raising attainment for disadvantaged students. At the same time, the government should commit to significant 'what works' style research in technical education to help providers make evidence-based decisions with their funding for disadvantaged students.

Recommendation 4.4: The Commission welcomes government's announced review of post-16 qualifications. In addition to its current scope, the review should seek to:

- Assess ways to improve progression of disadvantaged students beyond Level 2, including reviewing whether prior qualifications and other course requirements create barriers to entry and progression for disadvantaged students.

- Create seamless and clear transitions between technical and academic routes for all students.

- Assess the availability of options up to Level 3 across the broad range of provisions, including apprenticeships.

Chapter 5: Higher Education (ages 18+)

Key Findings

- Increasing numbers of students from low-income families are entering university by age 19, although they are still much less likely to do so than others (26 per cent do so versus 43 per cent of better-off peers).

- Regional variations persist. In inner London, the gap in higher education (HE) entry by free school meal (FSM) entitlement status is smallest at only nine per cent. Comparatively, in the south west it is 23 per cent and in the south east it is 25 per cent.

- Only five per cent of disadvantaged young people enter the most selective HE institutions compared to the national average of 12 per cent, and once there, disadvantaged students are more likely to drop out than better-off peers (at 8.8 per cent versus 6.3 per cent overall).

- Significant amounts of money are spent on outreach and financial support. In 2016-2017 this amount was £1.38 billion (approx. four per cent of university spending).[1]

- Graduates from the least well represented areas (POLAR Q1) earn about 19 per cent less than those from the most advantaged areas after five years.

- Numbers of disadvantaged part-time students have fallen by 42 per cent since 2012/2013.

- The Office for Students has set challenging long-term and medium-targets to close access and participation gaps. The Commission supports these new ambitious targets and urges universities to act proactively and decisively in order to achieve them.

- The HE application and admissions system remains too complex, and fierce competition between institutions is resulting in too many universities making increasing numbers of unconditional offers which are frequently not in the best interests of students. This regime is at best confusing and at worst damaging for the least advantaged and least supported students in the system.

- The government's response to the post-18 review must carefully consider the impact on prospective disadvantaged students.

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1   Universities UK figure. The OfS calculate total investment in 'WP activity' at £887.7 million, https://www.officeforstudents.org.uk/media/00065f84-f4fe-4df4-82c6-0b809f30b543/ofs2018_37.pdf

> **Recommendations**
>
> • UCAS, working closely with the OfS, universities and others, should develop a system which displays all financial support (bursaries, scholarships and ad hoc funds) available to undergraduates alongside their eligibility criteria which can be accessed in a simple, centrally accessible, user-friendly and digitally-smart format.
>
> This system should allow current and prospective students, and their parents, to be informed of all forms of financial support during the process of researching courses and making applications, as well as during the course of their studies.
>
> • Universities should only make pre-qualification unconditional offers where it is very clearly in the interests of the individual students to do so. In terms of widening access, universities should make more use of contextualised offers.

5.1 Introduction

Higher education can act as an engine for social mobility if disadvantaged students win places, participate fully during the course of their degrees (in both the academic and extra-curricular life of the university), and receive the teaching and advice required to transition into a career.[2]

Today, low-income students are still far less likely to undertake degrees than their better-off peers, particularly at the most competitive HE institutions. Selective universities frequently cite poorer prior attainment by more disadvantaged students to explain the access gap, but this does not excuse the fact that students from less traditional backgrounds who do get in are more likely to drop out and less likely to end up in high skilled jobs.

Universities and government have put a huge amount of energy and effort into widening access and participation in HE, with a noticeable and increasing push that this energy and effort is joined up and evidence-based.[3] However, the need for universities to stay afloat amid this competition for students is sometimes resulting in perverse incentives being offered to disadvantaged students to take up places on courses and at universities which are not the most suitable for them. This is dangerous, and potentially damaging for social mobility.

This chapter highlights:

• The scale of the social mobility challenge for higher education

• Cultural and financial barriers for disadvantaged students

• The unintended consequences for disadvantaged students of the increasing use of unconditional offers

• Alternative routes to achieving higher education qualifications

• Key developments on the horizon for higher education

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2   Institute for Fiscal Studies, *The impact of undergraduate degrees on early-career earnings*, November 2018
3   See information about the Impact and Evidence Exchange in the 'On the Horizon' section in this chapter

5.2 The scale of the challenge

This section covers the current status of social mobility with respect to higher education, measured by the following indicators: entry rates to HE and the most selective institutions for disadvantaged students; unconditional offers; dropout rates; and graduate earnings.

Entry rates

There is an 18 per cent gap in access to HE. Forty-three per cent of non-FSM entitled state-funded pupils enter HE by age 19, whereas the proportion is 26 per cent for pupils entitled to FSM. There has been a steady increase in numbers of disadvantaged students going on to HE, but the gap has remained at 18 percentage points over the past three years.

Figure 5.1: Estimated percentage of 15 year olds from state funded and special schools by FSM status who entered HE by age 19
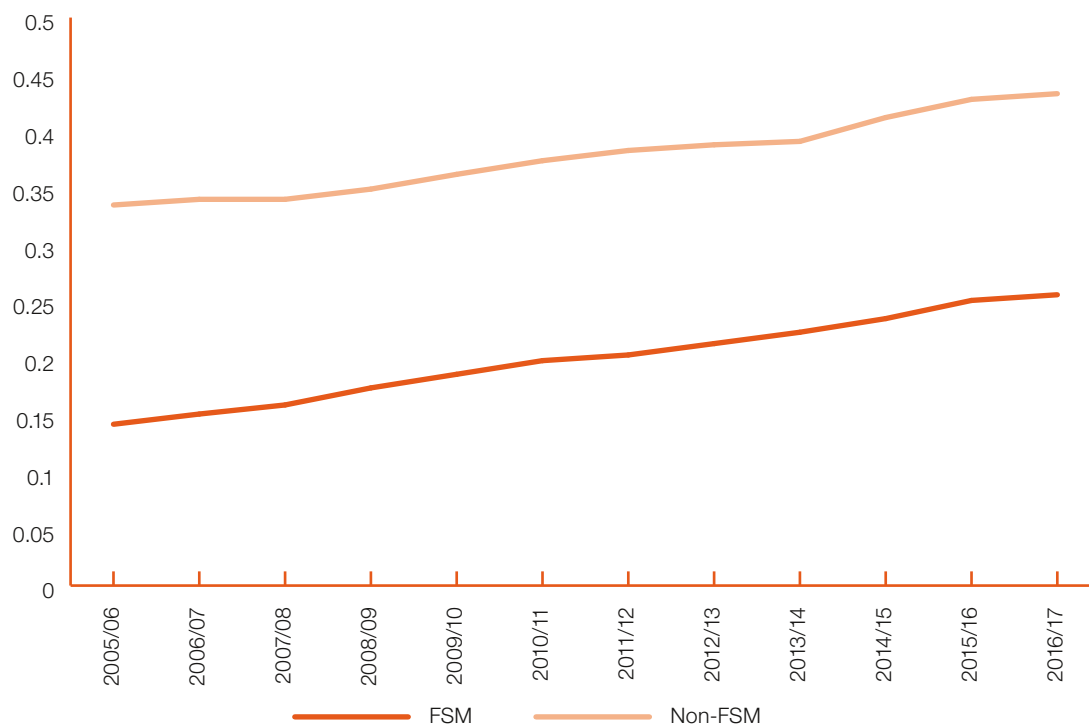
Source: DfE, *Widening participation in higher education*, 2018. https://www.gov.uk/government/statistics/widening-participation-in-higher-education-2018

In fact, the more educationally advantaged a child's background, the more likely they are to go to university, as shown in Figure 5.2 below.

Figure 5.2: UCAS Entry by POLAR Quintile

Source: UCAS, Equality and entry rates data explorers, 2018. https://www.ucas.com/data-and-analysis/ucas-undergraduate-releases/ucas-undergraduate-analysis-reports/equality-and-entry-rates-data-explorers

Twelve per cent of youngsters go on to the top third of HE institutions by UCAS entry tariff. For students eligible for FSM, this number is five per cent.[4] When analysed using POLAR quintiles, the inequality is just as clear.[5] Eighteen-year-old students from the most advantaged POLAR background (POLAR Q5) are far more likely to enter more selective HE institutions than students from less advantaged backgrounds, shown in Figure 5.3. The Commission acknowledges some of the constraints and challenges associated with measuring by POLAR classification, but even when analysed using UCAS' new Multiple Equality Measure (MEM), the picture is similarly stark.[6]

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4   DfE, *Widening Participation in Higher Education, England, 2016/2017 age cohort – Official Statistics*, 2018
5   See glossary for definition of POLAR classification
6   See glossary for UCAS multiple equality measure

Figure 5.3: UCAS Entry by POLAR Quintile to higher tariff institutions, polar quintiles 1 to 5

Source: UCAS, Equality and entry rates data explorers, 2018. https://www.ucas.com/data-and-analysis/ucas-undergraduate-releases/ucas-undergraduate-analysis-reports/equality-and-entry-rates-data-explorers
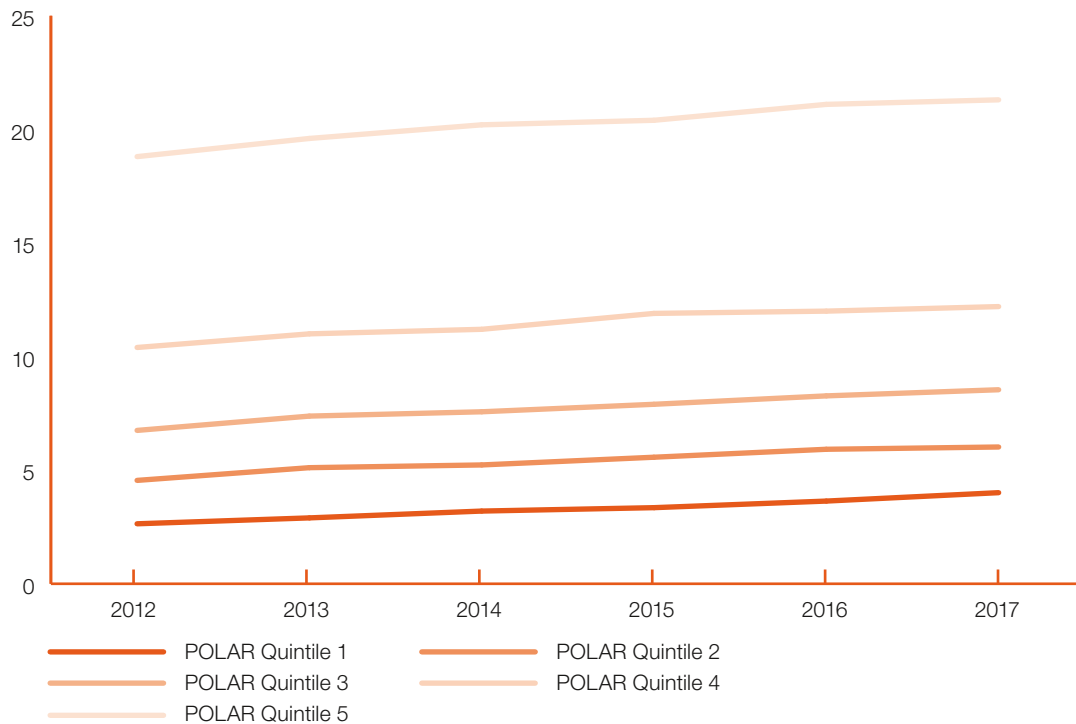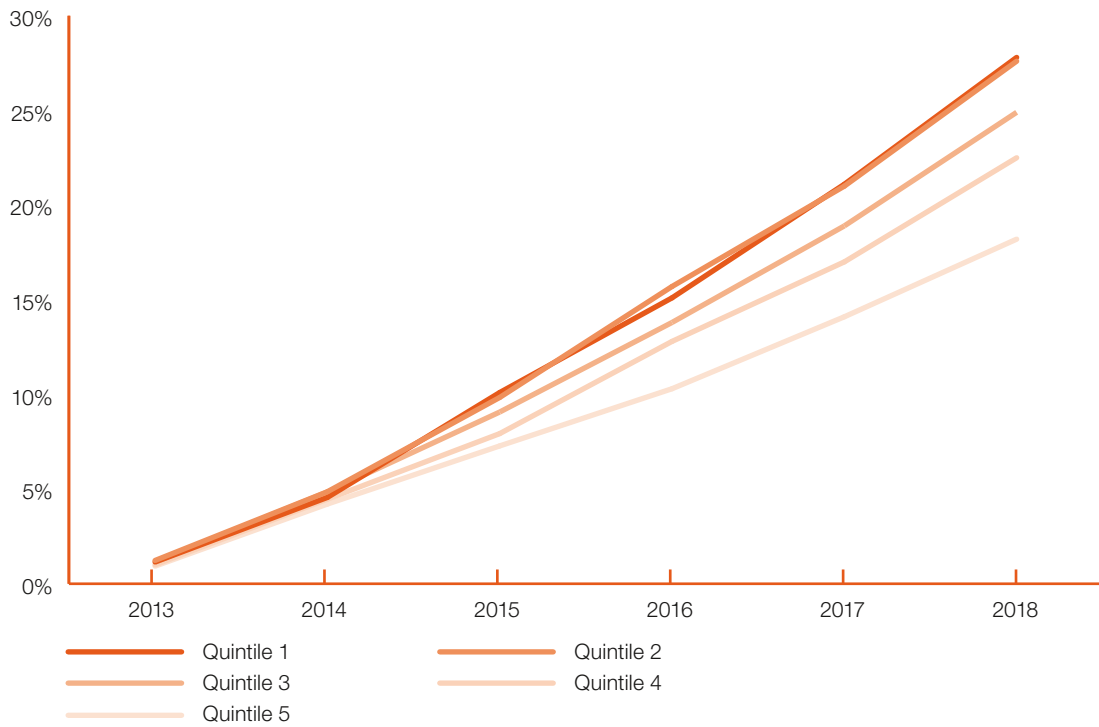
Unconditional offers

For 18-year olds, receiving an unconditional offer makes them seven per cent more likely to miss their predicted A Levels by two or more grades. This is particularly relevant for social mobility, because educationally disadvantaged students are proportionally more likely to receive an offer with an unconditional component and the number of such offers is increasing. Although there were just 3,000 unconditional offers made to 18-year-olds in England, Northern Ireland and Wales in 2013, this increased to 68,000 in 2018.[7] In 2018, unconditional offers were most likely to be made to applicants in the quintile of greatest disadvantage – more than a quarter (28 per cent) of unconditional offers were made to applicants from this quintile, with the percentage falling for each quintile to 18 per cent for applicants from quintile five (the quintile of least disadvantage).[8] However, it remains the case that applicants who hold an unconditional offer as their firm choice are more likely to miss their predicted A Level grades by two or more grades even when controlling for background characteristics, compared to those who are holding a conditional offer as their firm choice.[9]

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7   UCAS, *End of Cycle Report 2018 – Unconditional offer-making to 18-year-olds from England, Northern Ireland and Wales*, 2018

8   Nachiappan, A., and Kernohan, D., Blog post: *How do unconditional offers affect attainment?* https://wonkhe.com/blogs/how-do-unconditional-offers-affect-attainment/

9   UCAS, End of Cycle Report 2018 – Unconditional offer-making to 18 year-olds from England, Northern Ireland and Wales, 2018

Figure 5.4: Unconditional offers by POLAR quintile

Source: UCAS, *End of Cycle Report 2018*, 2018. https://www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/ucas-undergraduate-end-cycle-reports/2018-end-cycle-report

Dropout rates

The dropout rate is too high for all students, although it is highest for disadvantaged students. Figure 5.5 shows that the more educationally advantaged a student's background, the less likely they are to drop out of their degree.

Figure 5.5: Non continuation rates by POLAR quintile
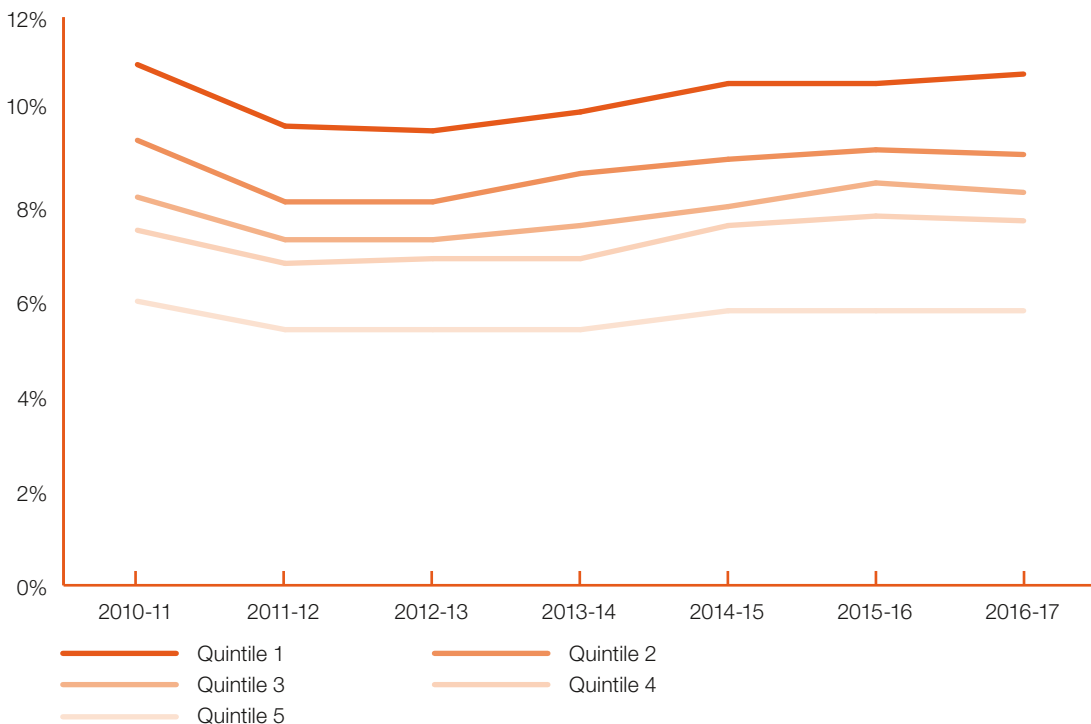
Source: HESA and ILR, accessed via OfS (https://www.officeforstudents.org.uk/data-and-analysis/continuation-and-transfer-rates/continuation-non-continuation-and-transfer-rates/)

Jobs

After graduating, those from less affluent backgrounds tend to have fewer options. A total of 81 per cent of graduates from the most advantaged backgrounds were in high-skilled jobs six months after graduating, compared with 76 per cent of those from less advantaged backgrounds.

Figure 5.6: High skilled jobs
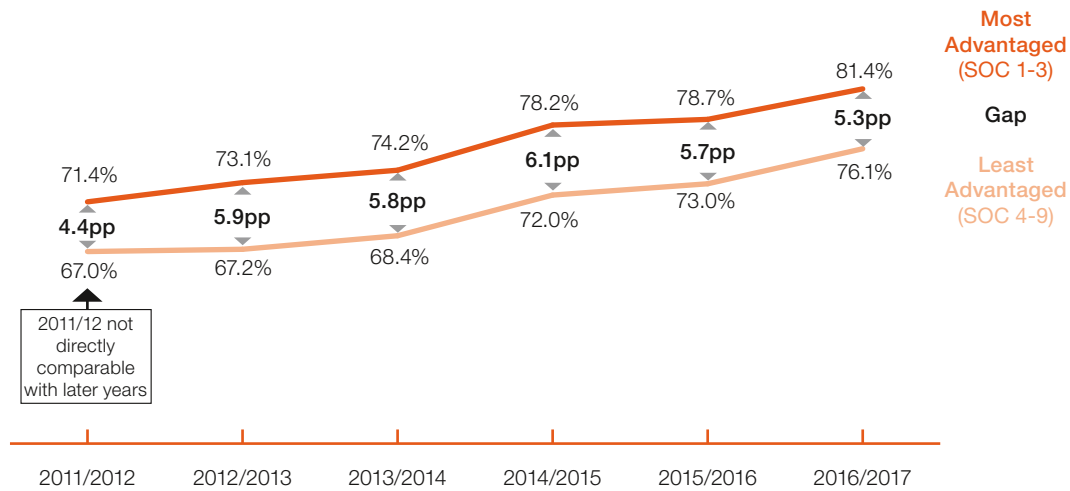
Source: HESA, Student Record and DLHE Survey, 2018

Graduate earnings

The financial returns from a degree are still significant. Even though there are class differentials for young people who do get a degree, there are still significant pay rewards for graduates, particularly from the most selective universities.[10, 11] According to the Institute for Fiscal Studies, over the course of a lifetime women can expect to earn about £250,000 more if they have a degree, while the figure is £170,000 for men.[12] Graduates of the 24 Russell Group universities earn 40 per cent more than those who studied at other universities.[13]

10   Friedman, S., and Laurison, D., *Why it pays to be privileged*, 2019
11   Institute for Fiscal Studies, *The relative labour market returns to different degrees*, June 2018
12   Ibid.
13   Ibid.

Figure 5.7a: Graduate earnings by university (women)
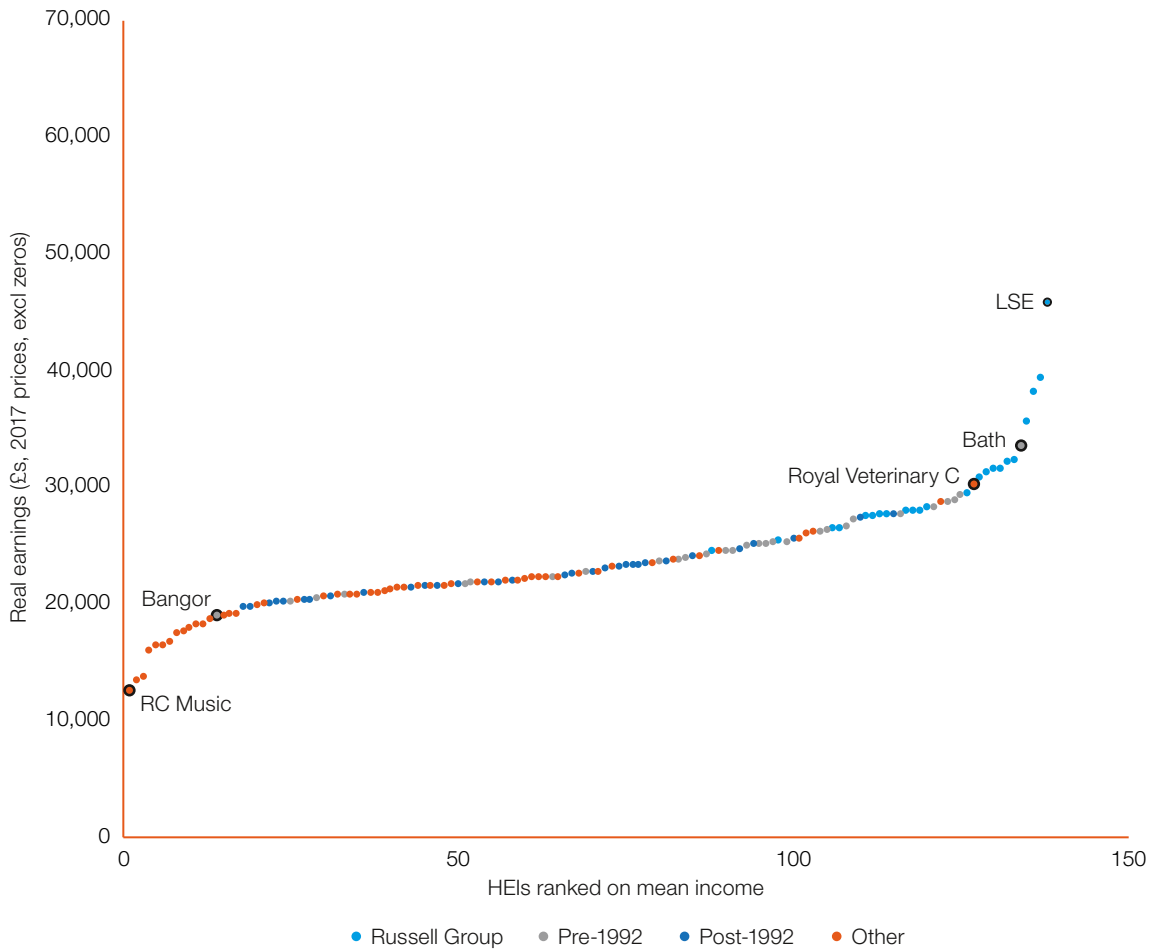
Source: IFS, *The Relative Labour Markets Returns to Different Degrees*, 2018. https://www.ifs.org.uk/publications/13036

Figure 5.7b: Graduate earnings by university (men)
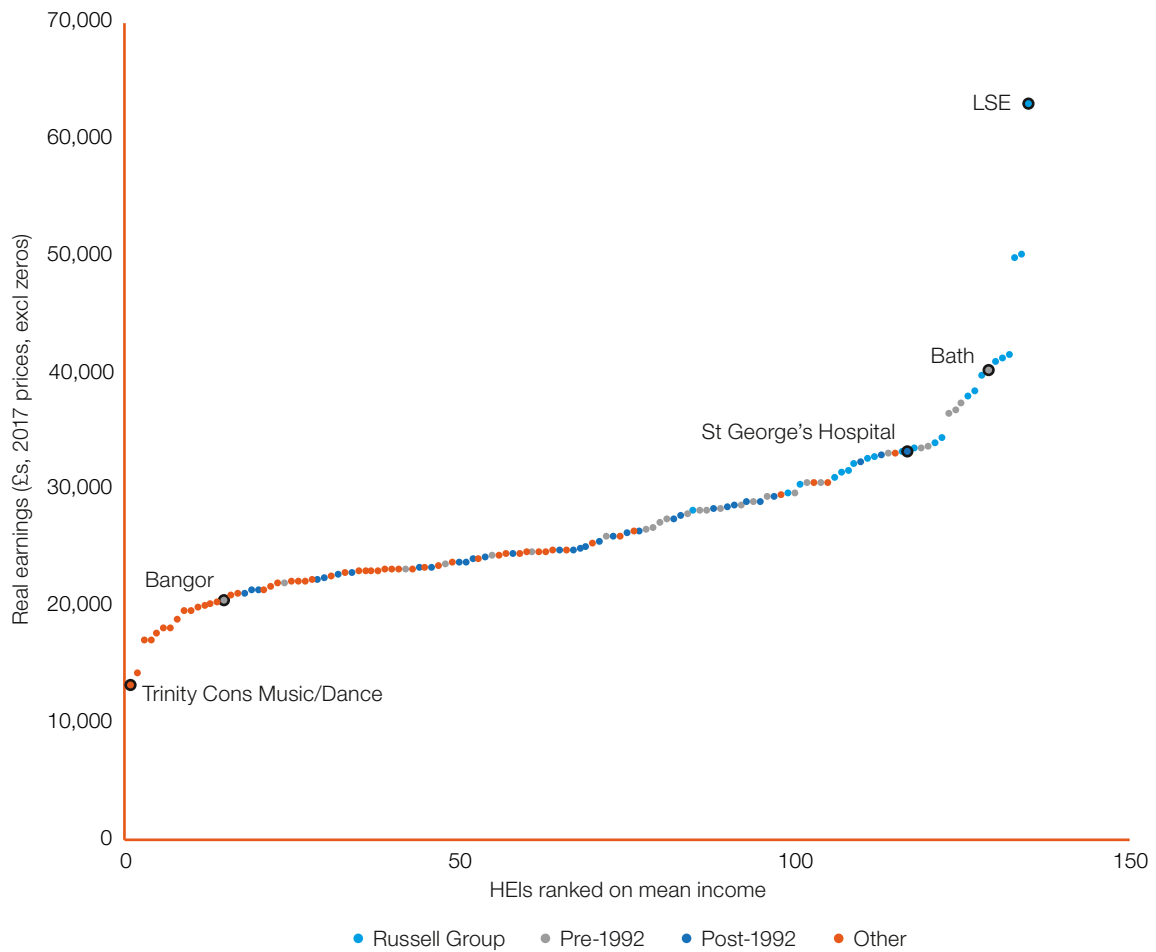
Source: IFS, *The Relative Labour Markets Returns to Different Degrees*, 2018. https://www.ifs.org.uk/publications/13036

There is a gap in employment outcomes between those that were eligible for FSM, with a gap of around 3.5 percentage points in each of the years between those that were eligible and those that were not; after five years, 91.4 per cent versus 94.8 per cent.

Figure 5.8: Percentage in sustained employment or education (years after graduation) – SMC analysis

Source: DfE, SMC Analysis of Longitudinal Educational Outcomes, 2017. https://www.gov.uk/government/statistics/graduate-outcomes-2015-to-2016
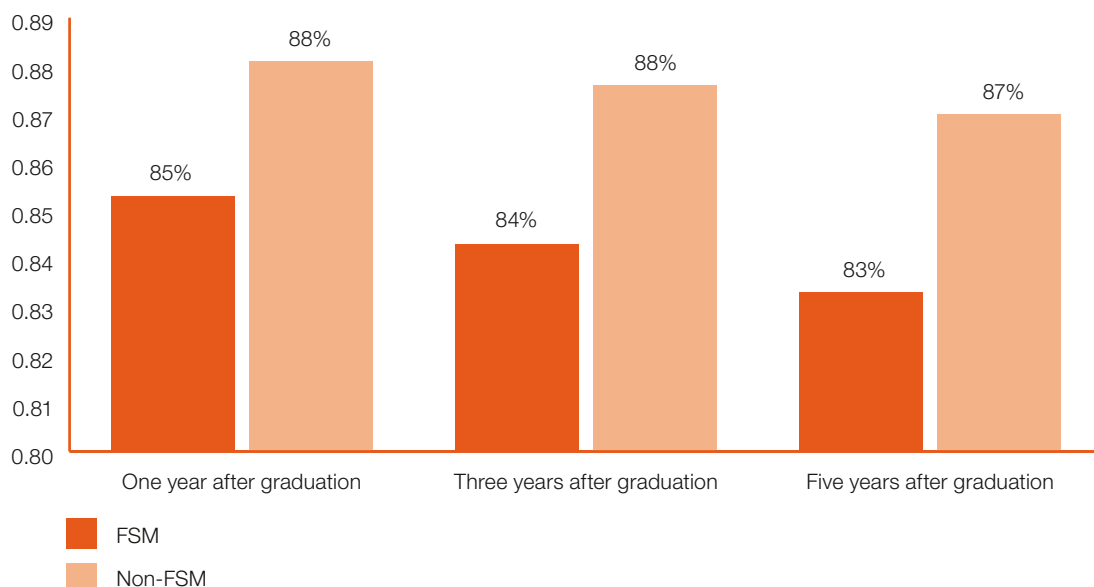
New data published by the DfE makes it possible to look at the difference in earnings and employment between those that were eligible for FSM and their better-off counterparts. Again this shows persistent gaps in outcomes with those on FSM earning less than those that are not, one, three and five years after graduation.

Figure 5.9: Median earnings gap by free school meals eligibility after graduation – SMC analysis

Source: DfE, SMC Analysis of Longitudinal Educational Outcomes, 2017. https://www.gov.uk/government/statistics/graduate-outcomes-2015-to-2016
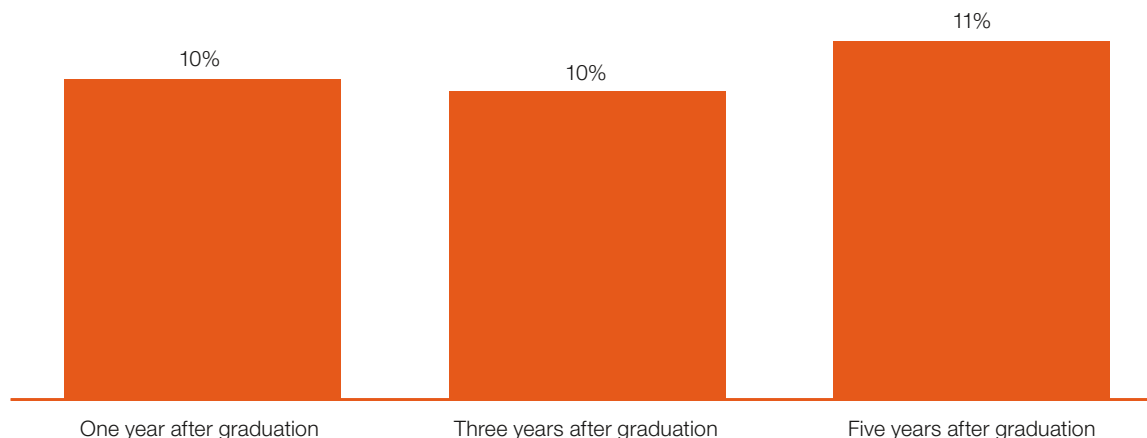
5.3 Participation issues

Given the barriers to entry, it is imperative that when students from less advantaged backgrounds go into higher education, the relevant support structures are in place to support them both to complete their studies and engage fully with the wider opportunities which present themselves during their courses.

Cultural barriers

Research has consistently shown that prospective students from less traditional backgrounds are confronted with institutional and cultural hurdles at university. The most selective universities are more likely to be dominated by young people from more advantaged backgrounds, and elitism and class-based segregation exist on many university campuses across the country.[14, 15, 16] Such realities damage social integration.[17] The lived experience for students from lower socio-economic backgrounds at some universities is often very different and significantly more challenging when compared to the lived experience of those from higher socio-economic backgrounds. This is to say, there are class divisions which play out directly in the student experience.[18] There are a number of documented examples of young

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14   Raey, D., *Social Class and Higher Education: still an elephant in the room*, 2016

15   Bamber, J., and Tett, L., *Transforming the Learning Experiences of Non-traditional Students: a perspective from higher education*, 2000

16   NUS, *Class dismissed: Getting in and getting on in further and higher education – Report of the NUS Poverty Commission*, 2018

17   Rubin, M., *Social class differences in social integration among students in higher education: a meta-analysis and recommendations for future research, Journal of Diversity in Higher Education*, 2012

18   Bathmaker, A.M., and Ingram, N., *Higher Education, Social Class and Social Mobility: The Degree Generation*, 2016

people from working class backgrounds who go to university telling of social alienation, crises of identity, unpreparedness and self-doubt.[19, 20, 21, 22]

Furthermore, regional accents and the lack of networks which offer access to informal and often unadvertised work experience opportunities present barriers which students from more advantaged backgrounds do not have to deal with.[23] Even formal work experience opportunities, such as advertised internships, are dominated by students from middle class backgrounds. The Sutton Trust reports that there is a 12 per cent difference in take up of internships between middle class and working class graduates.[24] The reasons for this are varied but aside from finance, many students, for whom university is a new experience, are simply not informed of how quickly they need to make applications. In terms of banking and law for instance, some penultimate (second year) internships have to be applied for almost nine months before they take place.

Case Study – Access 2 Internships, Exeter University

Access to Internships (A2I) provides support and funding to help students/graduates arrange their own paid internship in the UK. Established in 2012, A2I was created in response to students' low rate of work experience (65%). 2017-18 has seen this rise to 80.9%. Exeter university helps students on the scheme enter a range of hard to access sectors including law, media and publishing. "I finished my internship on Friday and loved it! It opened up so many doors and I wouldn't have been able to do it without the help of A2I, so thank you!!" Catherine Baldwin, BSc Environmental Science-2018. Over six years Exeter have supported 847 internships and given away £936,187 in employer subsidies/grants.

Financial barriers

According to research from the National Union of Students, there is an £8,000 disparity annually between student maintenance loans and a student's average outgoings.[25] For those coming from households where such a shortfall cannot be covered easily by parents, there can be strains on health, relationships, choices, engagement and sense of belonging.

Despite university and student union initiatives to improve social segregation, more than three times more students in the lowest social class group commute to university from home than the highest group.[26, 27] Those commuting are less likely to be able to engage with spontaneously organised social activities which characterise the experience of many people who live away from home when studying at university. Universities themselves have suggested that students commuting may be 'missing something' which is a significant part of the student experience.[28] Those students from working class backgrounds who do live away are also more likely to live with other poorer students.[29] All of this impacts on the ability

19   Kennedy, J., *Middle-class students will never understand what it's like to be working-class at university*, The Tab, 2018, https://thetab.com/uk/manchester/2017/09/01/middle-class-students-will-never-understand-what-its-like-to-be-working-class-at-university-29344

20   Innes, M., *Now I'm an Oxford student, am I still working class?* – The Guardian, 2018, https://www.theguardian.com/education/2018/oct/02/now-im-an-oxford-student-am-i-still-working-class

21   Daniel, R., *Fish out of Water: A Working Class Student in an Elite Institution*, CLASS, 2019, http://classonline.org.uk/blog/item/fish-out-of-water-a-working-class-student-in-an-elite-institution

22   Reclaim, *Educating All: University can be a tough place for working class students to navigate, especially in the first year*, https://www.reclaim.org.uk/blog/ed-all

23   Donnelly, M., Baratta, M., Gamsu, S., *A Sociolinguistic Perspective on Accent and Social Mobility in the UK Teaching Profession*, 2019

24   Sutton Trust, *Pay as you go?*, 2018

25   NUS, op.cit. 2018

26   Oxford University, "Class Act", https://www.oxfordsu.org/campaigns/ClassAct/0

27   Sutton Trust, *Home and Away – social, ethnic and spatial inequalities in student mobility*, 2018

28   NUS, *Reaching home – policy and practice for students living in the parental home*, 2015

29   Hanton, A., *Are Universities even trying to create social mobility?* Intergenerational Foundation Blog Post December 2017, http://www.if.org.uk/2017/12/01/universities-even-trying-create-social-mobility/

of universities to be institutions that break down class barriers, as integration becomes heavily influenced by financial circumstances.[30]

Financial support for disadvantaged students is limited. The support which is available is not always clear. As a result, there is often a financial imperative for young people from less affluent backgrounds to undertake paid work to support their studies. It stands to reason that disadvantaged students will often have to work more hours while at university to sustain themselves. Further, students living at home are more likely to be undertaking paid work.[31] There is no comprehensive dataset on the amount of paid work students undertake, so the Commission asked the education charity upReach to conduct a short survey of some of the disadvantaged undergraduate students with which they work to highlight the lived experience. This is demonstrated in the case study below.

Case Study – Survey with upReach and Prasilla's story – Working to support full-time study

The Commission's exploratory survey with upReach surveyed 50 full-time students. 90 per cent had household income levels below £26,000. Forty had to work to support their living costs and 12 had to work more than 16 hours per week during term time. Students reported negative impacts on their studies, well-being and ability to engage with the wider life of the university. Although the sample is small, and there is not comparative data for undergraduates from wealthier backgrounds, the survey provides an interesting insight, to be explored further.

We spoke further with Prasilla, originally from Coventry, and one of the respondents to our survey. Prasilla is a final year undergraduate studying at a top 50 university based in the south east of England. She has two term-time jobs in order to sustain herself during her degree. She has a bar job from 8pm to 5am three nights a week and a zero-hours contract with a major supermarket. Prasilla says that her student loan only covers the costs of her accommodation. She needs the jobs to give her the independence and flexibility which her more middle-class friends have because of cash they receive from their parents.

She adds that while the jobs have not affected her attendance at university classes, the working hours prevent her from engaging more widely with the university experience.

Prasilla also is required to work full-time hours during the holidays. While university careers services may encourage her to undertake summer internships and other broader opportunities, often the need to work outside of term prevents these from being a real possibility.

While there are still no centrally awarded maintenance grants, many universities have pots of money available to support the least advantaged. A random sample of five universities from across the entry tariff spectrum shows a total of 46 different bursaries, scholarships and ad hoc funds which are available to support the least advantaged. Funding, however, is to some extent, a lottery. In some cases, it is generous. As part of their outreach work, many universities attempt to explain the funding available to less advantaged groups to ensure everyone has fair access. However, there is no system-led approach to this, and individual students and their parents may not know about the funding available at the crucial points of decision making around university.

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30   Rubin, M., and Wright, C., *Time and money explain social class differences in students' social integration at university,* 2015
31   Higher Education Policy Institute, *Student Academic Experience Survey 2018*, 2018

Currently UCAS encourages universities to list information on additional funding clearly. As a result, accessing this support often depends on the level of knowledge of the student's careers adviser at school, or the savviness of their parents.

UCAS, working closely with the OfS, universities and others, should develop a system which displays all financial support (bursaries, scholarships and ad hoc funds) available to undergraduates alongside their eligibility criteria which can be accessed in a simple, centrally accessible, user-friendly and digitally-smart format.

This system should allow current and prospective students, and their parents, to be informed of all forms of financial support during the process of researching courses and making applications, as well as during the course of their studies.

Cumulative impact

Disadvantaged students who manage to go to university despite the challenges to entry have yet more barriers to participation when they get there. Ultimately, the compounding of cultural, financial and other barriers is leading to more disadvantaged students dropping out. Dropout rates are higher by 33 per cent amongst poorer students (Figure 5.5).

Resolving the issue starts with building very strong pastoral care systems, including ensuring there are robust academic, professional and student-led support structures in place for all students, which are designed in such a way that students from lower socio-economic backgrounds feel comfortable using them.

5.4 Unconditional Offers

Since the lifting of the student numbers cap, unconditional offers have increased significantly. There were 117,000 offers with an unconditional component made to 18-year-olds in England, Northern Ireland and Wales in 2018, compared with just 3,000 in 2013.[32] Applicants from low HE participation areas were proportionally more likely to hold an unconditional offer in 2018, compared to those from high participation areas.[33] Although some of these unconditional offers have been made with the aim of widening participation and relieving the pressure for students as they approach their exams at age 18, the widespread increase has been borne of the fierce competition between universities for students. This is particularly evidenced by the practice of 'conditional unconditional' offers, whereby a student's offer becomes unconditional if they select the university as their firm choice. These types of offers represent 6.9 per cent of all offers made to 18-year-olds from England, Wales and Northern Ireland.[34]

The effect, on the whole, is worrying. A Level students with unconditional offers are more likely to miss their predicted A Level grades by two points or more compared to those who do not have unconditional offers, perhaps due to not working as hard for their final exams because they appear to matter less.[35] Some students are confused by the offer.[36] Sixth form and college leaders report that in many cases such offers are demotivating and in some cases these offers are distorting choice and encouraging students to select universities on the basis of their offer, rather than on the basis of the appropriateness of their course.[37]

The Office for Students (OfS) is deeply concerned about the practice. It has said that unconditional offers 'may be driven more by the circumstances of universities and colleges

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32   UCAS, op. cit. 2018
33   Ibid.
34   Ibid.
35   UCAS, op. cit. 2018
36   Daily Telegraph, *Universities cashing in on unconditional offers are doing great harm to our examinations system*, 2017
37   Otty, A., *Why unconditional offers should be banned*, 2018

than the needs of students'.[38] As universities compete for students, providing them with a 'conditional unconditional' offer has become an increasingly worrying tendency. The Secretary of State has labelled this practice as unethical.[39] Whilst there may be a role for unconditional offers to operate to support particular individuals in particular circumstances, their role as a tool to market to and attract students is unhelpful. Ultimately the Commission is interested in exploring the idea of moving to a system of post-qualification admissions (PQA), which is increasingly the case internationally.[40] There is an attraction in that such a system may assist in removing some of the difficulties of unconditional offers as well as the anxiety of the clearing process, and would encourage the sector to give more thought to moving to this area.

Universities should be strongly encouraged to make more use of contextual admissions instead. This goes beyond simply making use of contextual data in their admissions process in the determination of whether to make an offer, but reducing the grade entry requirement depending on the background of the student, i.e. considering the school they attended and any other relevant indicators of deprivation.[41, 42] This solves two problems. First, all universities can reduce exam pressure on the most disadvantaged students, which was one of the original rationales offered for making unconditional offers. Secondly, by making more contextual offers, the pool of disadvantaged students from which selective universities can admit becomes greater and the gaps in access would reduce accordingly. Initial data collections from universities which are adopting contextual offers seem to suggest that such students are not any less academically capable and small grade differences on entry are unlikely to impact on degree outcomes.[43]

Universities should only make pre-qualification unconditional offers where it is very clearly in the interests of the individual students to do so. In terms of widening access, universities should make more use of contextualised offers.

5.5 Alternative routes into higher education

There are a number of alternative routes to the traditional three-year university undergraduate degree at age 18. These include studying part-time as a mature student, which can provide a 'second chance' for those who did not attend university direct from school or college. This can aid social mobility as it can allow students to earn before or whilst they are learning. Accelerated study can also be a useful alternative to traditional degrees for those from disadvantaged backgrounds, as they involve less time away from the labour market and therefore may appeal to those for whom a traditional degree would be too expensive. Level 4 and 5 study, including access courses and foundations years, can provide pathways to degree level study for those without the grades at school, acting as a stepping stone to an undergraduate degree, as well as being useful courses in their own right.

Outside of universities, students have the option of studying for undergraduate courses at further education colleges (in association with a higher education institute), which can be preferable for those who do not wish to move away or travel to university to study. Higher and degree apprenticeships also provide a cheaper alternative to degree level study, helping the apprentice to obtain a higher qualification whilst earning and without the financial burden of tuition fees.

38   Office for Students, *Unconditional Offers: Serving the interests of students?*, 2019
39   Hinds, D., 5 April 2019
40   G. Atherton, G., and Nartey, A., *Post-qualification application: a student-centred model for higher education admissions in England, Northern Ireland and Wales*, 2019
41   Sutton Trust, *Admissions in Context: the use of contextual information by leading universities*, 2017
42   upReach data scientists have developed a model for calculating contextual A Level grades via https://realrating.co.uk/
43   Sutton Trust, op. cit., 2017

In addition, Massive Open Online Courses (MOOCs) have untapped potential in supporting social mobility by providing low cost (or free) degree level learning, which could open doors to those from lower socio-economic backgrounds and support them in their learning.

Part-time study, mature students and 'second chancers'

The number of students studying part-time for a HE qualification in England is falling.[44]

Figure 5.10: Total number of part-time students
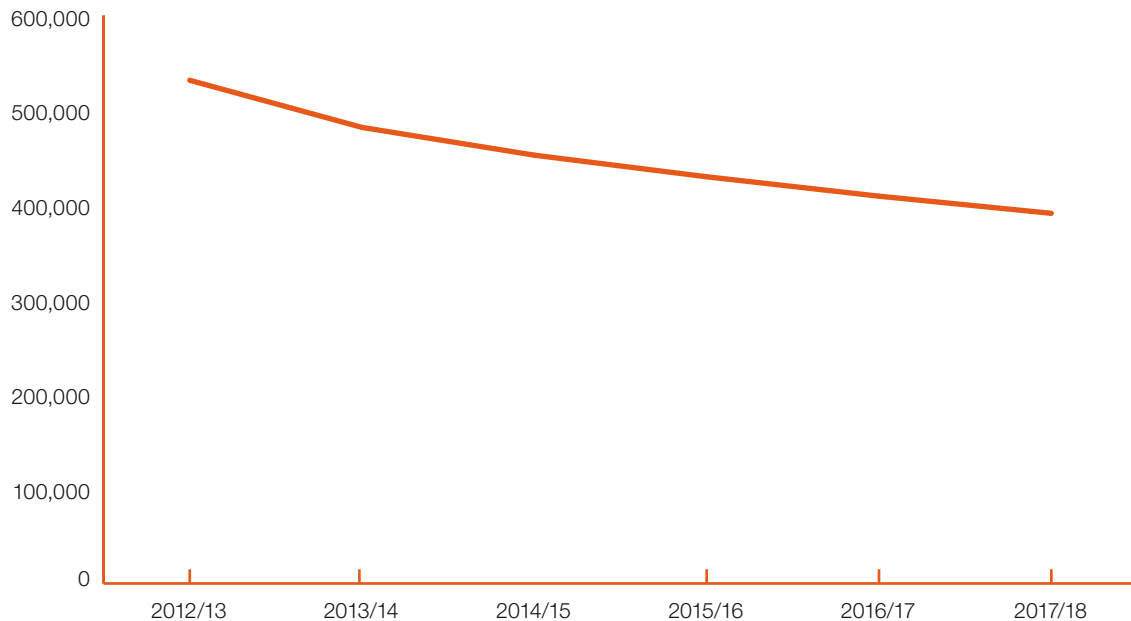
Source: HESA

The number of part-time disadvantaged students (across all ages) has also fallen dramatically since 2010/2011, partly caused by the increase in tuition fees and abolition of maintenance grants. Such a significant fall is likely to act as a barrier to social mobility because part-time study can frequently be the only option for disadvantaged students who need to work while they study. In addition, these students are more likely to study on a part-time basis and students older than 35, both advantaged and disadvantaged, have seen their numbers fall furthest, from 95,000 in 2010 to 39,000 in 2015.[45]

44   Sutton Trust, *The lost part-timers – the decline of part-time undergraduate higher education in England*, 2018
45   Ibid.

Figure 5.11: Part-time UK-domiciled disadvantaged undergraduate entrants at english institutions 2006/2007 to 2016/2017 by level of study
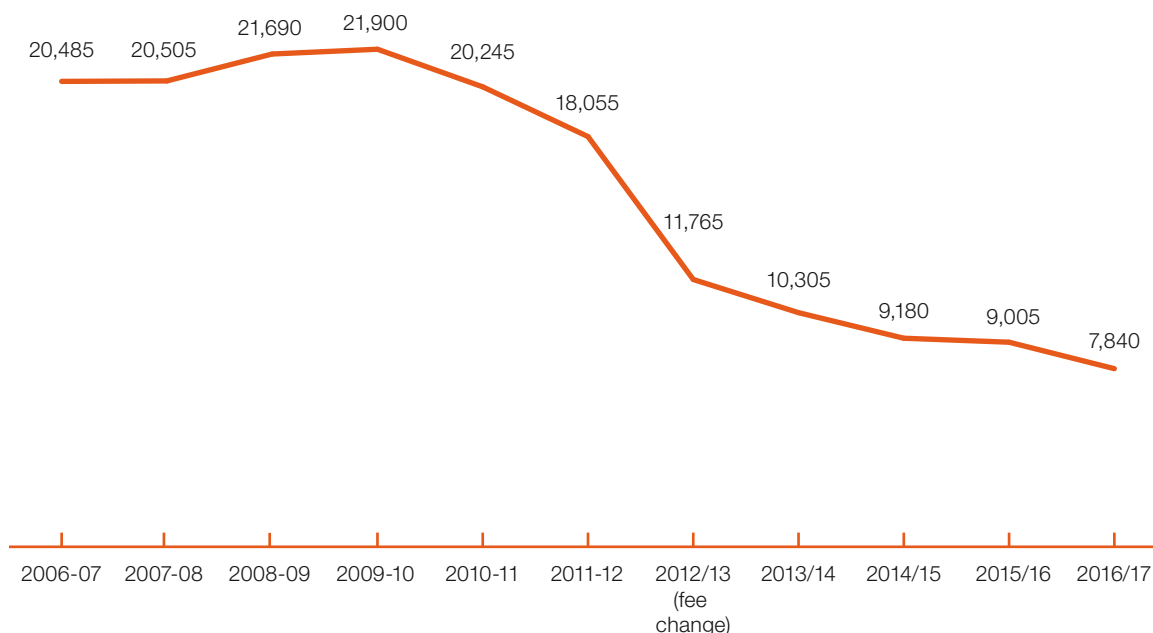
Source: HESA + ONS

The proportion of mature part-time students from disadvantaged areas has increased in recent years (from 6.5 per cent in 2009/10 to 8.3 per cent in 2017/18). However, numbers are still low and efforts are needed to increase take-up in part-time study amongst mature people in disadvantaged areas. There could be a role here for the National Collaborative Outreach Programme (NCOP), which encourages those in disadvantaged areas to study at university.

Degree and higher apprenticeships

Degree and higher apprenticeships offer a non-traditional route to obtaining valuable skills and qualifications, as well as purposeful experience of work, without the burden of tuition fees. However, the Commission has concerns about whether these pathways, as they are currently designed, will narrow the gap for disadvantaged young people: they are no more likely to be undertaken by a disadvantaged person than a university course, and the vast majority of higher level apprenticeships are started by those who are over 25. The Commission's analysis can be found in more depth in Chapter 4.

Higher education courses in further education colleges

A number of higher education courses are delivered in further education colleges (in association with an HE institute). These can increase options post-18 for students, and can be beneficial for those not seeking (for financial or cultural reasons) to move away to study. Studying for undergraduate degrees in further education colleges has great potential to help disadvantaged people in accessing degree level study closer to home. There are numerous good examples of universities and further education colleges working together to deliver degree level courses through further education colleges to increase options for learners. However, the proportion of degree level study undertaken at a further education college is low.[46] Efforts are required to increase awareness of these courses to increase take-up, both via the further education college and the university.

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46   DfE, *Participation Rates in Higher Education*, 2019

Level 4 and 5 study

Level 4 and 5 study is the name given to the myriad of courses that are available between Level 3 study (for example, A Levels) and Level 6 study (an undergraduate degree). These can form pathways that allow progression to a higher education degree and include foundation years, foundation degrees, Higher National Certificates (HNC) and Higher National Diplomas (HND).

These qualifications are particularly beneficial for those who might not ordinarily access HE because they enable those without sufficient prior attainment to have the option of HE. However, take-up is low. The reasons for this are varied: there is a wide range of qualifications available, with no consistent standard, and there is little awareness of the courses, qualifications and benefits amongst potential students and employers.[47] The funding picture is also variable, as is the financial support that is available to students.

Case study: Progression from Level 4/5 study to a degree

Helen went into nursing after leaving school with poor GCSEs. She chose to study for a Diploma in Nursing as she didn't feel she was ready to do a degree. She decided to top up her diploma with a distance-learning degree with the Open University. In 2013, Helen achieved a first class BSc (Hons) in Adult Nursing. She has successfully completed her Masters in Advancing Healthcare Practice, which has helped her gain a promotion to junior sister. Helen studied around her shifts and caring for her two small children.

The government is currently reviewing Level 4 and 5 study. The Commission hopes that the review identifies many of the social mobility benefits of Level 4 and 5 study, including to those who have completed Level 3 study but do not feel ready for the jump to Level 6 study. The review should also make recommendations to remove the current barriers to take-up, including the complexity of the courses available and the poor information available on these courses to prospective students. A greater focus on encouraging take-up amongst school leavers would also be welcome.

Accelerated degrees (Level 6)

A small proportion of undergraduate courses are offered as accelerated courses. These accelerated courses normally have the same content of a three-year course but are delivered in two years by having fewer academic breaks during the year. In 2016/2017 only 0.25 per cent of the undergraduate population were enrolled on two-year accelerated programmes. The government is strongly supportive of more two-year degrees and is increasing the fee cap to encourage more of such courses to be made available.[48] However, only 20 lower and medium tariff providers offer accelerated degree courses. For the reputation of such courses not to be diminished and social mobility to be unintentionally damaged, it is important that the sector thinks collaboratively and carefully about how the full range of institutions can offer accelerated options.

Massive Open Online Courses (MOOCs)

Massive Open Online Courses (MOOCS) are online courses delivered free or low cost via the internet. There are a wide range of courses available, and they can provide students with

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47   DfE, *Review of Level 4 and 5 Education, Interim Evidence Overview*, 2018

48   DfE, *Accelerated Degree Courses, Assessment of Impact,* 2018, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/760257/Accelerated_Degree_RIA__RRC_.pdf

degree level learning across many different subject areas. They were intended to have great potential for increasing social mobility, democratising knowledge and providing disadvantaged people with access to a wide range of courses, allowing them to reskill or upskill. However, take-up and completion of MOOCs among disadvantaged people has been low for reasons both practical (e.g. lack of necessary equipment) and cultural (e.g. requirement of prior knowledge, experience of study discipline).[49] International evidence shows that the majority of MOOC learners are employed professionals, many of whom are already educated to degree level.[50] Further research into the barriers to participation from disadvantaged people is required.

5.6 On the horizon

The post-18 review

The post-18 review was called in order to 'give everyone a genuine choice' about what they do after the age of 18, and is designed to be a wide-ranging review of the post-18 education system.[51] Higher Education Institutions (HEIs) will be particularly interested in both its recommendations and the government's response. It is important, from the perspective of social mobility, that any changes associated with fees and funding have no negative impact on the widening participation effort or the teaching grant. For example, when funding for the National Collaborative Outreach Programme (NCOP) ends (in 2021), there must be enough structure in its place to ensure collaborative widening participation efforts are able to be sustained. When the government comes to make its decisions, it must have regard to ensuring that the courses that remain on offer are available to all regardless of social background, that they are of the highest possible quality, and that HEIs are financially able to provide sufficient pastoral support to assist the least advantaged so they are able to succeed.

The Office for Students (OfS)

In 2018, the OfS became the regulator of higher education. It is welcome that the regulator's role encompasses fair access and participation. In December 2018, the OfS published ambitious targets to eliminate the access and participation gap between more and less advantaged students in 20 years.[52] This Commission welcomes such targets and strongly encourages universities to take on the challenge with ambition and optimism. In January 2019 a warning shot was fired by the OfS regarding indiscriminate unconditional offers.[53]

The National Collaborative Outreach Programme (NCOP)

On 1 August 2019 the NCOP will move into its second two-year phase. Its aim is to improve participation in areas with traditionally low HE attainment, given Key Stage 4 attainment. NCOP is delivered through 29 regional partnerships across the country. The advent of NCOP is valuable for social mobility, for two reasons. Firstly, the partnerships may help promote collaboration in a wider context which currently inspires sometimes unhelpful competition. Secondly, given record levels of investment in widening participation with not much discernible impact to go alongside it, it brings a more thorough, rigorous, evidence-based approach to the crucial issue of widening participation. Additionally, the second phase has seen the removal of the upper age limit for recipients of NCOP funding (it was previously

49   https://core.ac.uk/download/pdf/80802291.pdf
50   https://www.era.lib.ed.ac.uk/bitstream/handle/1842/6683/Edinburgh_MOOCs_Report2013_no1. pdf?sequence=1&isAllowed=y
51   PM's speech, Feb 2018, https://www.gov.uk/government/news/prime-minister-launches-major-review-of-post-18-education
52   Office for Students, *A new approach to regulating access and participation in English higher education: consultation outcomes*, 2018
53   Office for Students, *Unconditional offers: serving the interests of students?*, 2019

limited to those up to 19 years old), which means work can be done to engage adults currently studying Level 2 or 3 courses to consider further study. However, in communities where there is widespread cultural aversion to the formal education system, interventions will need to be deeply sustained and embedded in the medium term to have the desired impact. They will need to win the support of school teachers, which may, in places, take persistence for professionals who have more pressing priorities. The Commission suggests, generally, that scrapping efforts because they are not making obvious impact within a two-year time frame would be unwise.

Mental health challenges

The charity Student Minds is working with NUS, OfS, DfE and others to build a charter for mental health that will reward institutions that deliver improved student mental health outcomes. It has been suggested that two pressure points for exacerbating mental health difficulties among students are; the difficulty of making transitions to university from pre-18 education, and social isolation/sense of a lack of belonging. While the evidence is somewhat sparse in this area, the Commission's initial assessment is such that young people from poorer backgrounds are less likely to have someone within their pre-existing networks to assist with such transitions. Issues of identity and belonging may also be more pronounced among poorer students going to university.[54] The Commission welcomes the new student transitions taskforce set up by the DfE to support students to deal with the challenges that starting university can bring and proposes to explore the issue of mental health and disadvantage in the coming year, particularly considering the impact on disadvantaged students.[55]

Evidence and impact exchange

King's College London, in February 2019, won the bid to lead the newly formed 'what works centre', which will be responsible for access to, and success in higher education.[56] The body will bring together best practice with the aim of proactively informing the national spend on widening participation activity such that it is as streamlined and effective as possible.

5.7 Conclusions and recommendations

Universities are aware of their responsibilities to improve both access and participation for the least advantaged students and there is an ever-increasing willingness and energy to do something about the gaps. However, despite this goodwill, the gap in access at the most selective universities has not moved enough, and there are still differences in the quality and effectiveness of the student experience for more and less advantaged young people.

Universities must lead the way in addressing the issue of the divided culture and endeavour to make the student experience comfortable and welcoming for people from all socio-economic backgrounds. In particular, there is a critical need for students from disadvantaged backgrounds to have simple and straightforward access to the financial support that they need to participate in the university experience on a par with their peers. This should be made clear at the time of application to universities (through the UCAS system), instead of in the complicated, piecemeal way it is now available. The university experience should not further entrench privilege by continuing to require poor students to work long hours while the parents of privileged students top up their maintenance loans.

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54   King's College London, *The Importance of Social Capital,* 2018, https://blogs.kcl.ac.uk/behaviouralinsights/2018/12/10/the-importance-of-social-capital/

55   DfE, Government creates new student mental health taskforce, 7 March 2019, https://www.gov.uk/government/news/government-creates-new-student-mental-health-taskforce

56   Office for Students, *Evidence and Impact Exchange Announcement*, 2019, https://www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/evaluation-and-effective-practice/evidence-and-impact-exchange/

Some activities, like the indiscriminate use of conditional unconditional offers are borne of a university's desire to maintain their numbers in years of demographic decline. Such behaviour, although understandable, undermines the wider positive energy in the space. Such practices ought to end quickly before they end up harming students.

The Commission welcomes the OfS' bold statements on unconditional offers, access and participation targets, NCOP and the Evidence and Impact Exchange. The Commission supports initiatives that will encourage more mature students to benefit from a higher education experience, and would like to see greater flexibility in the local and regional provision of part-time courses. There should be a student experience and an organisational culture which welcomes, facilitates and champions diversity of socio-economic background.

Recommendation 5.1:

UCAS, working closely with the OfS, universities and others, should develop a system which displays all financial support (bursaries, scholarships and ad hoc funds) available to undergraduates alongside their eligibility criteria which can be accessed in a simple, centrally accessible, user-friendly and digitally-smart format.

This system should allow current and prospective students, and their parents, to be informed of all forms of financial support during the process of researching courses and making applications, as well as during the course of their studies.

Recommendation 5.2:

Universities should only make pre-qualification unconditional offers where it is very clearly in the interests of the individual students to do so. In terms of widening access, universities should make more use of contextualised offers.

Chapter 6: Working Lives (ages 25+)

Key Findings

- Getting into professional occupations is largely dependent on parental occupation. People from professional backgrounds are 80 per cent more likely to get into a professional job than their less privileged peers.

- This starts from an uneven playing field – over half (52 per cent) of disadvantaged youth leave school without basic qualifications and many get stuck in low paid work.

- The adult education system could help to redress this but almost all forms of adult education have been in decline since 2010, including a 45 per cent decline in Level 2 English and maths courses and a 60 per cent decline in adults achieving this qualification.

- In fact, adult education appears to widen the gap – those who then get training or education as adults are more likely to be affluent; 49 per cent of the poorest adults have received no training since leaving school, compared to 20 per cent of the richest adults.

- It is therefore the case that people starting in low pay tend to get stuck, and those who experience low pay are more likely to be from working class backgrounds – 27 per cent are paid below the voluntary living wage, compared to 17 per cent from more advantaged backgrounds.

- One of the routes to a better paid job is moving region – young people who moved region over a four-year period were 12 percentage points more likely to experience wage progression than those who stayed.

- But moving is dependent on background – those from professional backgrounds are more likely to move, using their resources to stay ahead.

- As automation changes the world of work, these divides could worsen, as workers in low pay and with low qualifications are most at risk of their work being automated, whilst at the same time are the least likely to access training to reskill.

Recommendations

Government departments should lead the way in being model employers by becoming accredited voluntary living wage employers. The government should embed the Living Wage Foundation's recommendations for public procurement systems, including assessing the voluntary living wage as part of the new social value framework for procurement.

> **When considering what qualifications to require in recruitment, employers should only require those academic and technical qualifications which are actually and demonstrably necessary to perform the advertised job.**
>
> **Employers and the government should follow the action plan the Commission has set out in its January 2019 report on adult skills. In particular, the government should equalise adult education funding with EU statistical averages and reduce the underspend of its adult education budget through more flexible funding structures.**
>
> **The Department for Work and Pensions and the Department for Business, Energy and Industrial Strategy should work collaboratively with the Department for Education on the Opportunity Areas programme, providing concentrated investment in the skills, jobs and infrastructure in these areas of low social mobility and low pay and expanding the reach to more cold spots.**

6.1 Introduction

Great Britain is experiencing the beginnings of a technological revolution that will fundamentally alter the way we live, work and interact. It has been called the Fourth Industrial Revolution and may be as transformative to society as the revolutionary changes brought by steam, electricity, and digital technology across the nineteenth and twentieth centuries. Just like the pioneering and ultimately life-improving technologies before them, the rise of modern robotics and artificial intelligence, the 'internet of things' and biotechnology are predicted to improve standards of living and cause disruption to the working lives. They could also have huge consequences for social mobility.

As it stands, it is likely that most of this disruption will disproportionately impact those from disadvantaged backgrounds and will disproportionately benefit the affluent. While the Fourth Industrial Revolution is forecast by most estimates to add millions of jobs, most of these will be higher skilled jobs that may also place a premium on 'life skills' that cannot be automated and are socio-culturally subjective.[1, 2, 3] This means that an enormous effort is needed to train and prepare millions of currently low skilled adults for the new future of work, at a scale which has not been seen since Britain introduced The Open University post-World War I to upskill its workforce for a modern era.

Currently, over half of all disadvantaged students leave school at the age of 19 without a crucial Level 2 in English and maths (GCSE or Functional Skills equivalent), compared to just 25 per cent of their advantaged peers. [4] The likelihood of upskilling later in life is slim.[5] This means that disadvantaged Britons are more likely than their affluent peers to not gain the qualifications that most employers require, even for entry-level positions. There has also been a 45 per cent decline in adult education since 2010, which is exacerbated by a lack of a lifelong learning culture while in work.[6] Disadvantaged and low skilled workers are more likely to be affected by the automated world of work, without possibilities to upskill or retrain.[7]

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1   McKinsey and Co., *Harnessing automation for a future that works*, 2017
2   House of Lords Select Committee on Artificial Intelligence, *AI in the UK: ready, willing, and able?*, 2018
3   Deloitte, *From brown to brains: The impact of technology on jobs in the UK,* 2015
4   Department for Education, *Level 2 and 3 attainment in England: Attainment by age 19 in 2017*, 2018
5   Department for Education, *Further Education and Skills 2018 Main Tables,* Table 6, 2018
6   Social Mobility Commission, *The adult skills gap: is falling investment in UK adults stalling social mobility?,* 2019
7   House of Lords Select Committee on Artificial Intelligence, *AI in the UK: ready, willing, and able?,* 2018

Added to the landscape is Britain's persistent problem of low pay and low progression.[8] This has contributed to six million Britons working in low paid jobs with limited opportunities to move up.[9] Regional differences in opportunities are making further social mobility impacts, as workers increasingly have to 'move out to move up.' Even when doors open, options are limited and progression is arrested. A growing body of research shows a significant gap in progression opportunities and pay that is starkly tied to class and background – showing that achieving social mobility is not simply a matter of opening up routes into work, but also changing systemic and cultural barriers inhibiting people from moving up.[10] Even when controlling for all measurable characteristics, such as performance, educational background and tenure in a job, the remaining 'class pay gap' is still prevalent.[11]

Regardless of whether the predictions for the future of work come true, this low pay and low progression problem is affecting millions today. Unless the government and employers join together to overhaul the way people are supported to train once they leave formal education, and address sometimes subtle structural and cultural biases in the workplace, any gains achieved in the school system will be wiped out in the labour market.

This chapter covers:

- the scale of the social mobility challenge throughout our working lives

- low pay and the changing workforce

- adult education: broken supply and demand

- the geography of progression

- key developments on the horizon for social mobility and working lives

6.2 The scale of the challenge

There are five million people in low paid work, in addition to just under one and a half million people unemployed and another one million inactive and not looking for work.[12]

8   Social Mobility Commission, *The Great Escape*, 2017
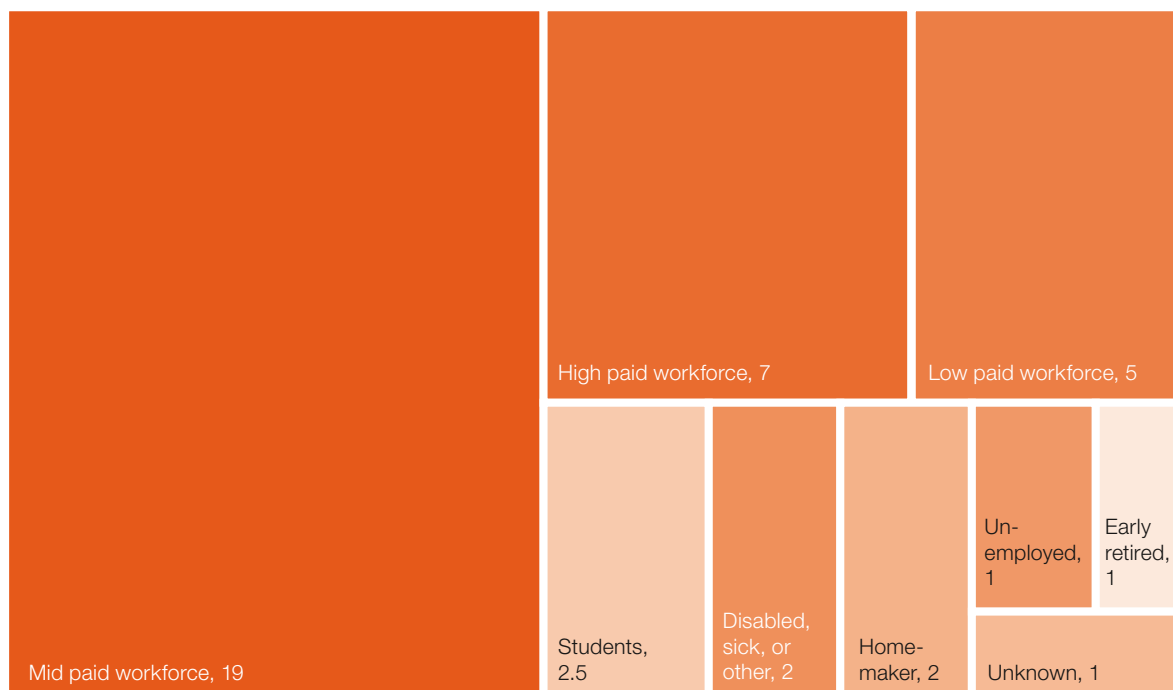9   Office for National Statistics, *Labour market statistics December 2018*, 2018
10   Friedman, S., Laurison, D., *The class ceiling: why it pays to be privileged*, 2019
11   Ibid.
12   Resolution Foundation, *Low Pay Britain 2018*, 2018

Figure 6.1: People of working age pay level or status in 2018 (to nearest 0.5 million)

Source: ONS, *Labour market statistics*, December 2018

Of all those low paid in 2006, only one in six made a sustained progression onto higher wages ten years later.[13] Over half were 'stuck' on low pay for this period with no imminent prospects to progress.[14] Further, low paid workers face acute problems of large firms dominating in certain sectors. Nearly one in six (16 per cent) low paid workers are employed by just 20 firms, reducing choice and competition for improved job conditions.[15]

This large volume of Britons stuck in low pay is set against the context of a steady year-on-year decline in the number of those participating in adult education, with a 10 per cent drop in 2017/18 compared to 2015/16.[16] Recent Social Mobility Commission research found that the poorest adults with the lowest qualifications are the least likely to access training; almost half (49 per cent) from the lowest socio-economic group receive no training at all after leaving school, compared to 20 per cent from the highest socio-economic group. This means that those stuck in low pay have fewer opportunities to upskill or retrain.[17]

Further, those who do currently participate in adult education are typically more affluent.[18] This correlates with the findings from the Commission's recent research which found the adult education system, both employer and government driven, tends to disproportionately be targeted at the more affluent.[19] This long term underinvestment of people with low skills, from school years into the workplace, leaves disadvantaged people stuck in low pay, unable to learn because they need to earn.

Meanwhile, in the context of a changing workforce that requires higher skills to meet the technology jobs of the future, the affluent are more likely to benefit from changes. Employers are more likely to invest in those with higher skills; graduates are three times more likely to receive training than those with no qualifications, while professionals and managers are about twice as likely to receive training as lower-skilled workers.[20] Low-skilled jobs that may be more

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13   Resolution Foundation, *Low Pay Britain 2017*, 2017
14   Ibid.
15   Resolution Foundation, *Low Pay Britain 2018*, 2018
16   Department for Education, *Further Education and Skills, England: 2017/18 academic year*, 2018
17   Social Mobility Commission, *The adult skills gap: is falling investment in UK adults stalling social mobility?,* 2019
18   Department for Education, *Further Education and Skills, England: 2017/18 academic year*, 2018
19   Social Mobility Commission, *The adult skills gap: is falling investment in UK adults stalling social mobility?,* 2019
20   Social Mobility Commission, *The adult skills gap: is falling investment in UK adults stalling social mobility?,* 2019

easily automated, especially in administration, manufacturing and retail, employ millions and are expected to be lost on a vast scale, as automation increases.[21]

The result of this means that millions of hard-working Britons are vulnerable to job losses and are lacking skills that will be needed to undertake roles of the future. The system is not supporting the people most at risk of automation to retrain and benefit from the positive effects of the Fourth Industrial Revolution. If this is not addressed, it risks leaving people worse off, exacerbating the cycle of disadvantage that is already entrenching poor social mobility generation on generation.

6.3 Low pay and the changing workforce

Britain has long had a problem with 'sticky floors' in its workforce; it has poor pay, poor progression and large numbers of low-skilled jobs.[22] There is also a trend towards more unstable (or 'flexible') employment.

Who is paid a living wage?

Since the introduction of the National Minimum Wage, there has been a decline of those on low pay to under five million people – the first time it has dipped below five million since 2003.[23] This represents a significant shift over a short period of time.[24]

By 2020, the National Living Wage is set to increase to 60 per cent of median hourly earnings for those aged 25 and over, increasing from £7.83 an hour to £8.67 by 2020.[25] While this is a welcome step to further reduce the rates of low pay, it is still not sufficient for all workers.

The Living Wage Foundation estimates that their voluntary living wage – the wage they define to be required in order to live a minimum standard of life – is £9.00 across the UK and £10.55 in London, compared to the National Living Wage of £7.83 for those over 25.[26] This means that, under this definition, thousands of hard-working people are still not able to make ends meet. This is in part because minimum wages are not set with an eye to living standards. They are driven by economic theory which tries to maximise the rate of the wage floor while minimising layoffs, due to higher pay bills. This, though, means that minimum wages do not always compensate actual living costs.

In England, 23 per cent of all workers are paid below the voluntary living wage, with 40 per cent of those living in London.[27, 28] Of all of those earning below the voluntary living wage, 20 per cent are employed in the public sector.[29]

Using new data from the Labour Force Survey, which for the first time includes a measure of background, the Commission has found that 27 per cent of people from working class backgrounds are paid below the voluntary living wage, compared to 17 per cent from professional backgrounds. London has the lowest percentage of people earning below the voluntary living wage across all backgrounds, though it has almost double the rate of those earning below the living wage from working class backgrounds (22 per cent) than from professional backgrounds (12 per cent).

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21 McKinsey and Co., *Harnessing automation for a future that works*, 2017
22 Social Mobility Commission, *State of the Nation*, 2016
23 Resolution Foundation, *Low Pay Britain 2018*, 2018
24 Note that, while the government introduced a National Living Wage, for clarity, this report will refer to it as the 'minimum wage' and to the voluntary wage set by the Living Wage Foundation as the 'voluntary living wage'
25 Gov.uk, *National Minimum Wage and National Living Wage rates*, accessed February 2019
26 Living Wage Foundation, *What is the real living wage?*, 2019
27 Resolution Foundation, *Low Pay Britain 2018*, 2018
28 The Smith Institute, *The local Living Wage dividend: An analysis of the impact of the Living Wage on ten city regions*, 2018.
29 Living Wage Foundation, *Low Pay Spotlight: Public Sector,* 2019

Figure 6.2: Percentage of people earning below the voluntary living wage, by background[30]
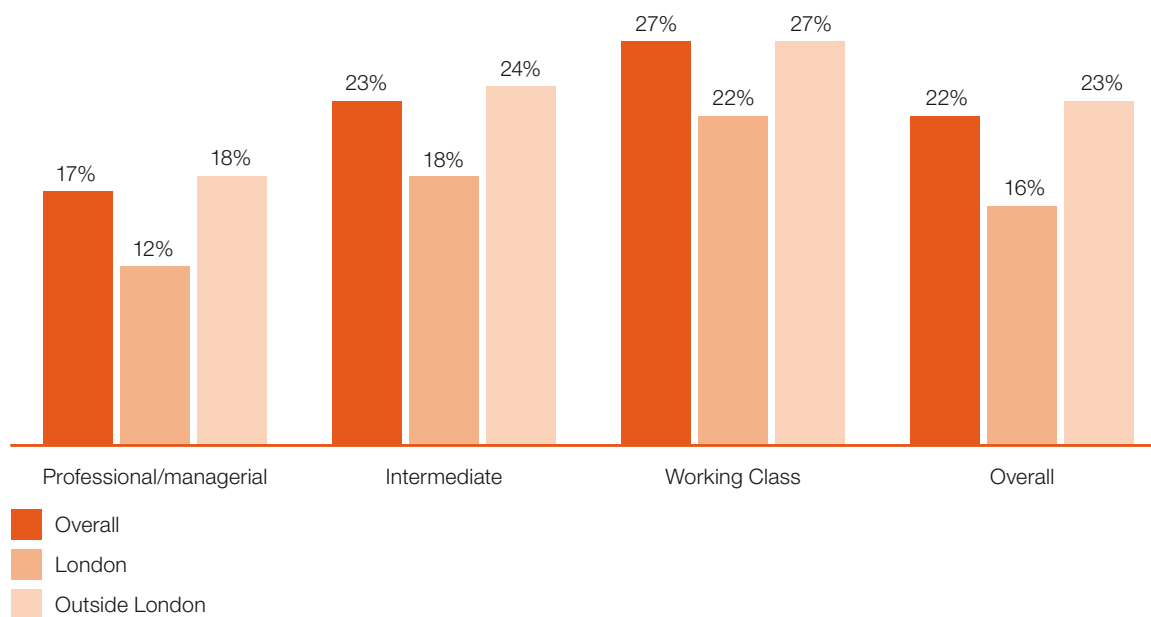
Source: SMC analysis of Labour Force Survey, 2018[31]

Having businesses voluntarily opt in to the voluntary living wage could have significant impacts on social mobility. Given that those in low pay disproportionately come from low socio-economic backgrounds, if all employers adopted the voluntary living wage, it would increase individual workers' absolute income mobility. But more than that, it could have ripple effects by lowering child poverty, raising living standards and increasing wages.[32] Therefore, social mobility gains could be significant.

There is also an economic argument. Modelling based on conservative estimates show that the UK economy could grow by £560 million if a quarter of low paid workers in the UK received the voluntary living wage. Of that, the Treasury would gain £350 million in additional taxes.[33] Similar work by IPPR and Resolution Foundation found that, if all low paid workers were paid the living wage, the Treasury would receive gross savings of £3.6 billion as a result of increased taxes and reduced benefits pay outs.[34] The voluntary living wage is also thought to provide other gains in productivity through increased retention and employee motivation.[35, 36]

No central government employer is currently accredited to the voluntary living wage, and so, none require third party contractors to pay the voluntary living wage. Thus, in government buildings across the country, approximately 69,000 hard-working people are cleaning, servicing, and securing government buildings at a rate below the cost of living as defined by the voluntary living wage – working indirectly for the public and yet paid below what is deemed by some to be adequate to live on.[37] Of this workforce, approximately 27,000 are outsourced and 42,000 are directly on government payrolls.[38]

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30   See Glossary for the definition of 'working class', 'intermediate', and 'professional/managerial backgrounds'
31   It is important to note that the Labour Force Survey is not the most accurate measure of wages and the sample size for this analysis, while adequate, is not as large as more comprehensive wage datasets – datasets which do not contain a measure of social background and thus cannot be used to determine interactions between social mobility and low pay. Nonetheless, the overall rate of those below the living wage found here (22 per cent) is consistent with findings from others. It is therefore expected that this analysis can be used as a relatively accurate guide to understand the make-up of social background for those below the living wage
32   Resolution Foundation and IPPR, *Beyond the Bottom Line: The challenges and opportunities of a living wage*, 2013
33   The Smith Institute, *The local Living Wage dividend: An analysis of the impact of the Living Wage on ten city regions*, 2018
34   Resolution Foundation and IPPR, *Beyond the Bottom Line: The challenges and opportunities of a living wage*, 2013
35   The Smith Institute, *The local Living Wage dividend: An analysis of the impact of the Living Wage on ten city regions*, 2018
36   Cardiff Business School, *The Living Wage employer experience*, 2017
37   Living Wage Foundation, *Low Pay Spotlight: Public Sector*, 2019
38   Ibid.

Uplifting the low paid workforce would cost central government departments between £25 million and £75 million, dependent on whether government met all the costs or shared them with contractors.[39] It is important to note that the modelling behind this cost is limited by a lack of data on the number of workers in government-paid third party contracts and, as such, exact figures should be read with caution. Despite the high bill that raising these wages would produce, there is a substantial economic argument. As has been noted, for every £1 paid in additional wages to the low paid workforce, the Treasury is estimated to receive £0.35.[40]

The government has an incredible opportunity to lead by example; to be a model employer that others should emulate. Additionally, it has an opportunity through the strength of the public procurement system to lift up the wages for thousands of people.[41] As the Cabinet Office seeks to strengthen the Social Values Act, it should ask bidders to demonstrate 'fair work practices' in all relevant (Soft Facilities Management) contracts, to advocate that paying the living wage be a measurement of 'Inclusion and Wellbeing' in government's new social value framework, and to include a case study on how paying the living wage demonstrates social value in its public procurement guidance.[42]

Over 477 public sector bodies are accredited living wage employers by the Living Wage Foundation, including the Scottish Government, the Welsh Government, the House of Commons, the House of Lords, the City of London and most London Boroughs.[43] The Commission believes that government departments should join this list.

Government departments should lead the way in being model employers by becoming accredited voluntary living wage employers. The government should embed the Living Wage Foundation's recommendations for public procurement systems, including assessing the voluntary living wage as part of the new social value framework for procurement.[44]

The gig economy

The gig economy refers to people providing courier services or using apps to sell their labour, such as Uber and Deliveroo, who are usually classified as 'self-employed' or 'workers' rather than employed.[45, 46] Because there is no single definition or measurement it is unknown exactly how many people work in the gig economy, with estimates varying from 1.3 million to 2.8 million people.[47, 48] This is a third to two-thirds of the four million self-employed people who do not employ anybody else and likely accounts for the majority of the 40 per cent rise in self-employment since 2001.[49] The number of people declaring themselves part-time self-employed has gone up 42 per cent: seven times the rate of the number of people declaring themselves part-time employed.[50] The gig economy shows how technology will create jobs – but the rise of such technologically dependent, flexible, and insecure work has implications for social mobility.

It is currently unclear whether the gig economy helps workers 'top up' pay in ways that are more flexible and help move workers out of low pay, or if it is entrapping workers in cycles of low pay and limited options and moving the labour market backwards, in terms of less stable and protected work.

39   Living Wage Foundation, *Unpublished briefing paper provided to the Social Mobility Commission*, 2019
40   Ibid.
41   The Smith Institute, *The local Living Wage dividend: An analysis of the impact of the Living Wage on ten city regions*, 2018
42   Department for Digital, Culture, Media, & Sport, *Civil Society Strategy: building a future that works for everyone*, 2018
43   Living Wage Foundation, *What is the real living wage?*, 2019
44   National Living Wage Foundation, *What is the living wage?*, Accessed March 2019
45   Department for Business, Energy, and Industrial Strategy, *The characteristics of individuals in the gig economy*, 2018.
46   Department for Business, Energy, and Industrial Strategy, *Good Work: the Taylor Review of Modern Working Practices*, 2017
47   CIPD, *To gig or not to gig? Stories from the modern economy,* 2017
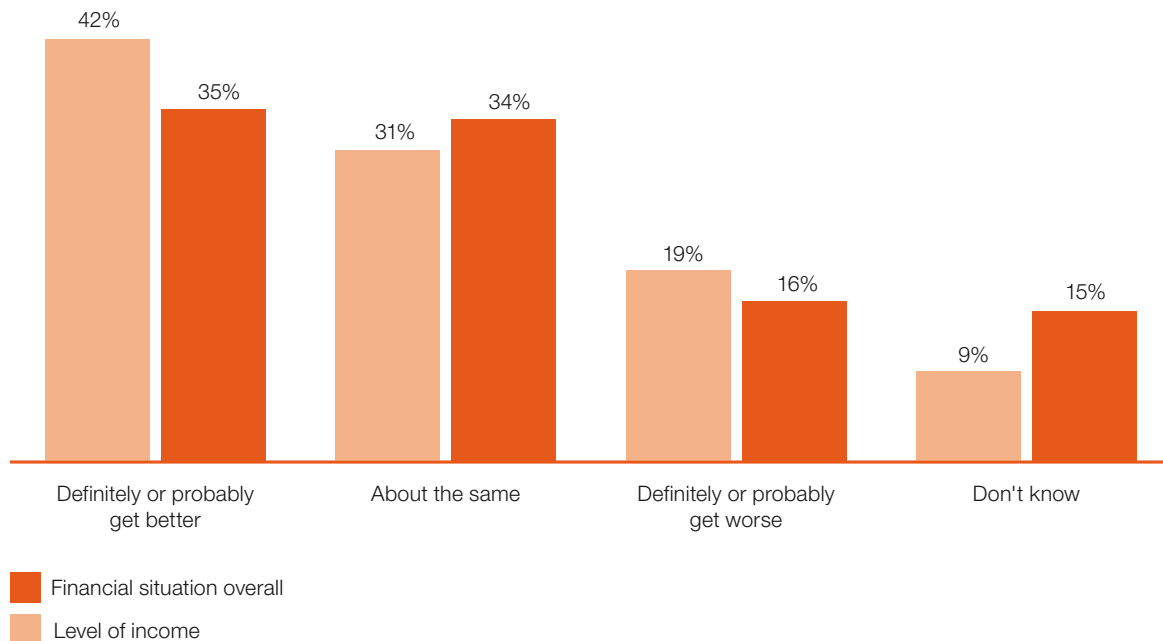48   Department for Business, Energy, and Industrial Strategy, *The characteristics of individuals in the gig economy*, 2018
49   Office for National Statistics, *Trends in self-employment in the UK*, 2018
50   Ibid.

A recent survey of those working in the gig economy conducted by the Department for Business, Energy and Industrial Strategy found that 34 per cent of respondents felt their income would definitely or probably improve in the coming 12 months, while the same proportion felt it would stay the same and 16 per cent thought it would get worse.[51] More research is needed to understand how these responses would change for those currently in low pay.

Figure 6.3: Respondents to a poll asked whether the gig economy would help with their financial situation in the coming 12 months

Source: Department for Business, Energy, and Industrial Strategy, *The characteristics of those in the gig economy*, 2018

As automation and technological change increase, there is likely to be increased disruption. Predictions suggest technological change will create at least as many jobs as it destroys, but it is still unclear who will benefit from these new jobs.[52] The Commission intends to monitor the impact of the gig economy on social mobility in future years.

'Job shock'

The gig economy, the hollowing out of the labour market,[53] the Fourth Industrial Revolution, all have one consistent consequence: 'job shock', a rapid shockwave of changes to the nature of work, and the consequent impact on the workers. PWC estimates that up to around 30 per cent of existing UK jobs are at high risk of job shock by the early 2030s.[54] Oxford researchers arrive at higher estimates than these, predicting that 35 per cent of jobs in the UK are at high risk of automation by 2030.[55] The Organisation for Economic Co-operation and Development (OECD) forecasts only six to eight per cent of UK jobs are at high risk, whilst McKinsey estimates a very precise 43 per cent of UK work activities have the technical potential to be automated by adapting current technology.[56, 57] It is important to note that many of these estimates are based on theoretical technological capabilities, and not necessarily on business feasibility, to adopt such technological advances.[58] Further, since there are so many uncertain factors, all these figures should be read with caution.

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51   Department for Business, Energy, and Industrial Strategy, *The characteristics of those in the gig economy*, 2018
52   House of Lords Select Committee on Artificial Intelligence, *AI in the UK: ready, willing, and able?,* 2018
53   Deloitte, *From brown to brains: The impact of technology on jobs in the UK,* 2015
54   PWC, *Workforce of the future: The competing forces shaping 2030*, 2018
55   Frey, C. and Osborne, M, *The Future of Employment: How susceptible are jobs to computerisation?,* 2013
56   OECD, Job Creation and Local Economic Development: *Preparing for the future of work,* 2018
57   McKinsey and Co., *Harnessing automation for a future that works*, 2017
58   House of Lords Select Committee on Artificial Intelligence, *AI in the UK: ready, willing, and able?,* 2018

Across these four studies, the definition of 'high risk' is an estimated 70 per cent probability of automation. This means that there is a seven in ten chance that ten million low-skilled jobs could be lost, with all four studies estimating that low to mid-skilled jobs are the most vulnerable. Each of these studies also suggest the job loss will be offset by the creation of jobs, but predominantly in mid-high skilled work. This will therefore only benefit those who are made redundant if they are given the opportunity to retrain and upskill.

Figure 6.4: Estimate of reskilling needs by 2030 (left) and estimate of risk of automation by occupation by 2020 (right)
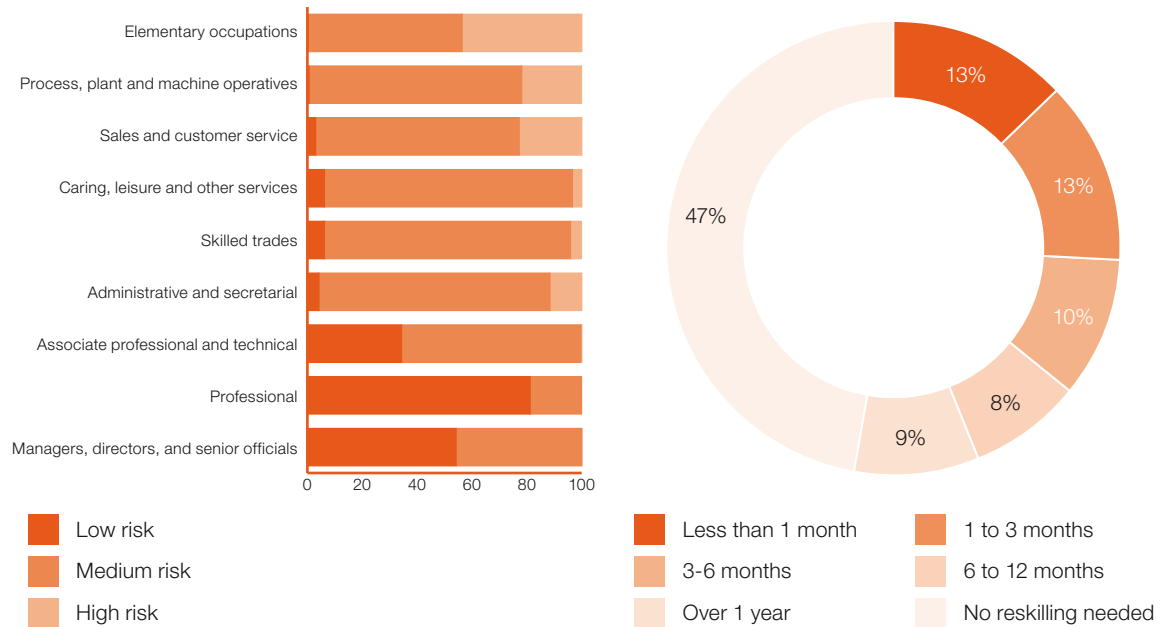
Source: World Economic Forum, *The Future of Jobs Report 2018*, 2018

The effects of the Fourth Industrial Revolution will be more prominent in the north-east and south-west of England.[59] Its effects may exacerbate pre-existing trends the Commission has shown in Chapter 1, where workers must 'move out to move on.' It may also further the social mobility divide, as these areas have a high concentration of social mobility cold spots.[60] London, with its high concentration of high skilled and service-sector jobs is forecast to face little impact, whereas almost all other areas of England will see larger impacts, as they typically have more low-skilled jobs.[61]

If London and the south-east continue to drive job growth, especially high-skilled, high paid job growth, then improving social mobility will rely on the ease through which people from disadvantaged backgrounds can find work in the capital. Yet the cost of housing, the cost of living and the cost of transport and the competition for work from large-scale emigration remain a huge barrier for people from moving to the south-east.[62]

Unless England can quickly build an adult skills system that enables retraining into medium-skilled work, these changes will inevitably see social mobility get worse as the more educated pull ahead and the low-skilled are left behind, living from vulnerable job to vulnerable job. The following section considers how to ensure the adult education system is prepared.

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59   Deloitte, *From brown to brains: The impact of technology on jobs in the UK,* 2015
60   Social Mobility Commission, *State of the Nation 2017*, 2017
61   Deloitte*, From brown to brains: The impact of technology on jobs in the UK, 2015*
62   Greater London Authority, *Migration Indicators*, 2018

6.4 Adult education: broken supply and demand

Within this context of the rapidly changing nature of work, adult education and training needs to be a crucial aspect of Britain's strategy to achieve its goals to improve productivity and meet its creative potential.[63] However, there are stubborn issues with the system as it stands: a poor in-work training culture among British employers on average, a fragmented, inflexible and underfunded adult education system, and a consistent low take-up of training and adult education among low paid British workers. But if social mobility is to improve, Britain needs a skills system that enables a lifetime of education and training whilst in work.

Adult education comes in many forms. The following will be considered in this section: Further Education (FE) and skills funded by the tax payer, including a second chance for young adults; 19 to 25-year-olds completing a Level 1, Level 2 (GCSE or equivalent) or Level 3 qualification (A Levels or equivalent) can get a fully funded classroom education, with the catch being that the course must be available locally. Informal community learning for all ages can include basic skills such as English and maths, including courses such as health, wellbeing, employability, gardening and cookery. Apprenticeships can be taken up by all ages at all levels of training, and are co-funded by employers and the government, though some evidence suggests the gains to adults are not as strong as for young apprentices.[64] Finally, employers offer a range of training and support for workers, with recent research by the Commission showing a disproportionate investment in high-skilled workers from more privileged backgrounds.[65]

This section will look at who participates in adult training and education by social background, before looking at the role of employers and funding mechanisms.

Adult education is in decline

Almost all forms of adult education are in decline, both in terms of funding and take-up, with adult apprenticeships being the singular exception since 2015/16. Since 2005, there has been a 45 per cent decline in adults (age 19+) participating in FE and skills (see Figure 6.5 below).[66] Since 2010, community learning participation has fallen by 28 per cent and part-time adult learning has fallen by 43 per cent in the same period.[67, 68] Further, as has been discussed in Chapter 5: Higher Education, a consequence of tuition fees in higher education has been the decline of part-time HE learning, which was often taken up by adults. Taken in sum, offerings and take-up have significantly declined for adults.

63   Department for Business, Energy, and Industrial Strategy, *The Industrial Strategy*, 2017
64   McIntosh, S., Morris, D., *Labour Market Outcomes of Older vs. Younger Apprentices: a Comparison of Earnings Differentials,* 2018
65   Social Mobility Commission, *The adult skills gap: is falling investment in UK adults stalling social mobility?,* 2019
66   Department for Education, *Further Education and Skills 2018 Main Tables,* Table 4.1, 2018
67   Department for Education, *Community Learning Participation by Narrow Age Band, Gender, Learners with Learning Difficulties and/ or Disabilities and Ethnicity (2005/06 to 2017/18) – Learner Volumes,* 2018
68   Association of Colleges and Centre for Progressive Policy analysis of the MiDES Individualised Learner Record, 2019

Figure 6.5: Participation across all adult education
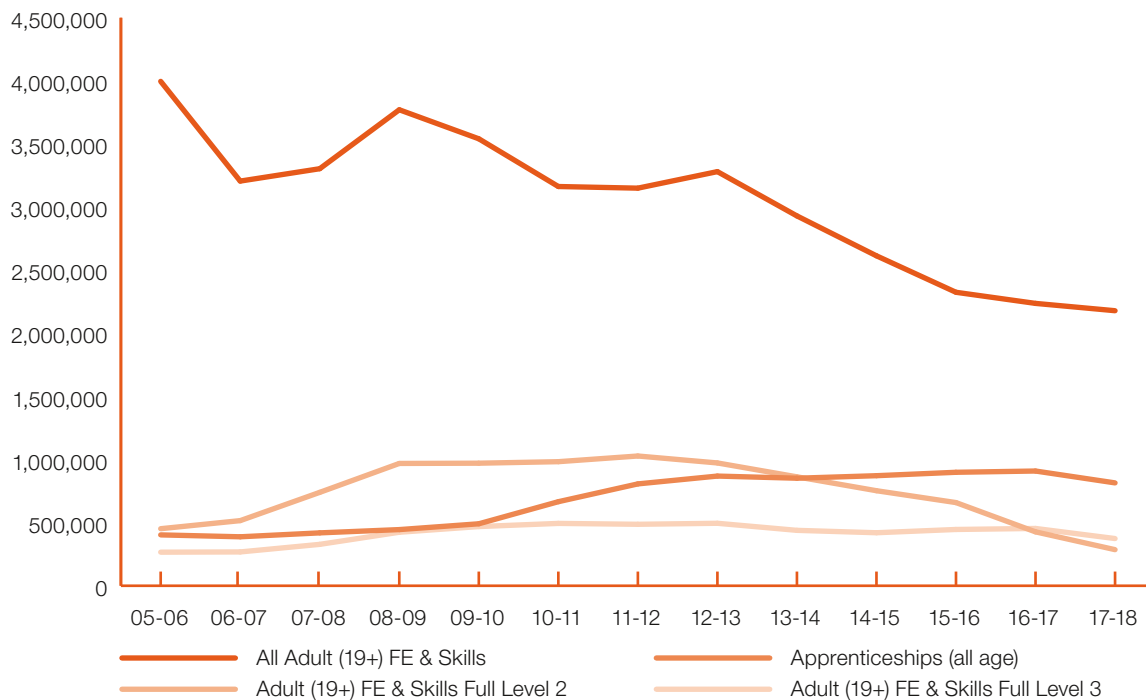
Source: Department for Education, *Further Education and Skills, England: 2017/18 academic year*, 2018

Perhaps the most important of these are formal basic skills in English and maths, which are also in decline. Between 2010/11 and 2017/18, there was a 31 per cent decline in adults participating in up to a Level 2 English and maths and a 30 per cent decline in the number of those achieving up to Level 2 qualifications over the same period (see Figure 6.6).[69]

This is concerning, as employers perceive these qualifications as critical to entry-level positions. A 2018 survey commissioned by Ofqual found that nearly 75 per cent of businesses consider English and maths functional skills or GCSEs essential to secure an entry or administrative role.[70] This is worrying for the millions who are unable to get their foot in the door to entry-level jobs and who are effectively relegated to low pay for the rest of their careers.

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69   Department for Education, *Further Education and Skills 2018 Main Tables,* Table 6, 2018
70   Ofqual, *Perceptions of Vocational and Technical Qualifications*, 2018

Figure 6.6: Adult basic skills education participation and achievement in basic English and maths
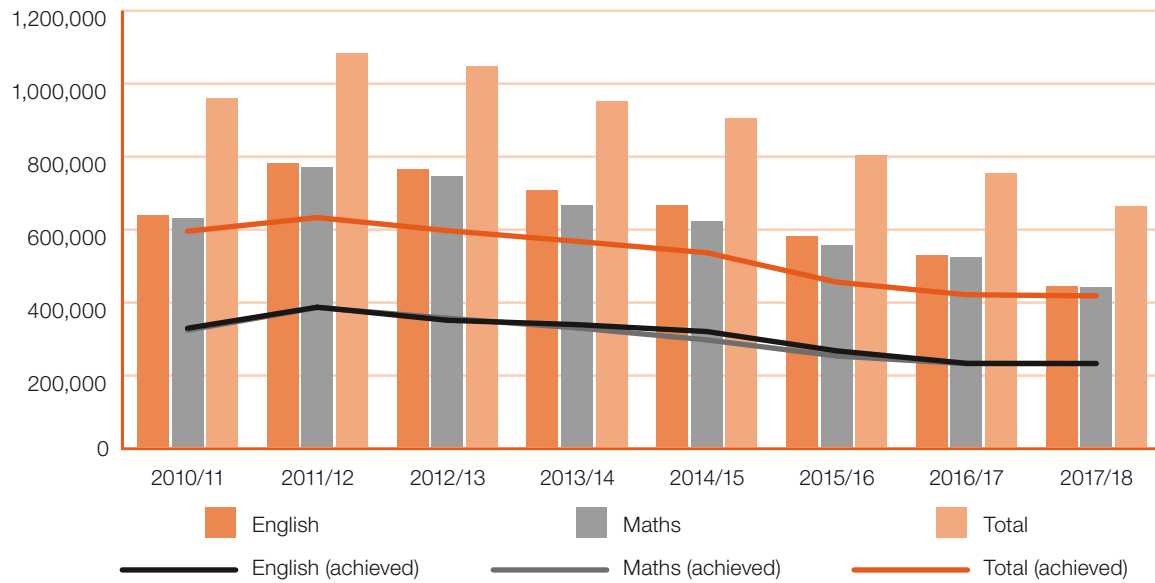
Source: Department for Education, *Further Education and Skills 2018 Main Tables*, Table 6, 2018

Young people eligible for free school meals (FSM) are more likely to leave school at age 19 without a Level 2 in English or maths. Over half of those who received FSM (52.2 per cent) left school without a Level 2 in English and maths, compared to just a quarter of those who didn't receive FSM (24.8 per cent). Further, while rates of attainment for both groups have increased, the gap between the two has been largely static since 2005.[71]

Not only are thousands of students, including the majority of disadvantaged students, leaving school without this qualification, but fewer adults are achieving it later in life. As a result, England has the highest rates of school leavers without basic skills qualifications in the OECD.

This decline for second chancers is particularly damaging for social mobility. A well-designed and delivered system to provide basic skills later in life will disproportionately benefit the disadvantaged and increase mobility chances.

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71   Department for Education, *Level 2 and 3 attainment in England: Attainment by age 19 in 2017*, 2018

Figure 6.7: Percentage of 16-19-year olds below Level 2 qualifications in literacy and numeracy in OECD
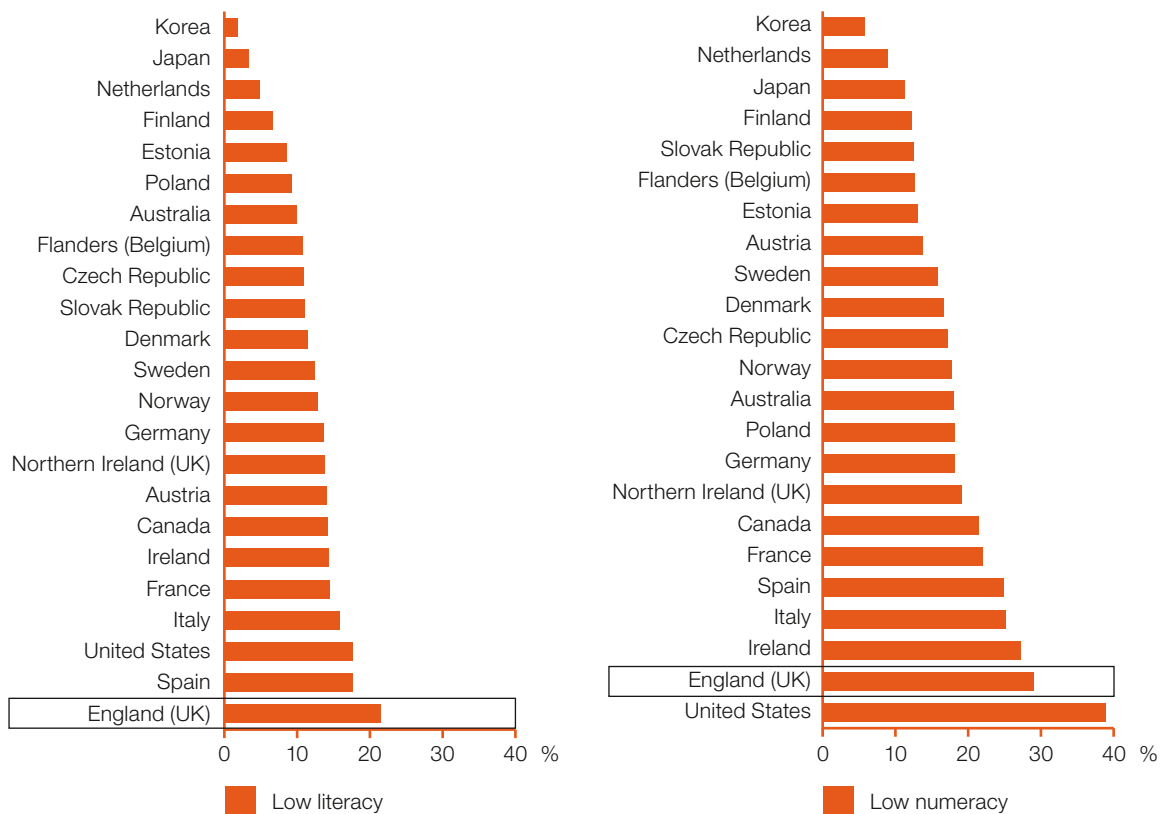
Source: OECD, *Building Skills for all: A Review of England*, 2016

Yet, this poor performance in qualifications is not necessarily indicative of the actual *competency* of the English population. In the OECD literacy and numeracy test, England ranked as above average for literacy among OECD countries, and average for maths.[72] There is further evidence that qualifications are not necessarily indicative of literacy and numeracy performance, as England has higher-than-average rates of the well qualified (upper- and post-secondary, including university graduates) with low basic skills.[73] There is a mismatch between competency and how qualifications are awarded.

GCSEs, the most widely recognised qualification at Level 2, go far beyond assessing for basic skills, and yet they have become the standard measure of this for employers. They are therefore not acting as the helpful indicators of proficiency in basic skills that many employers assume they are. Employers are using GCSE qualifications to screen applicants for entry-level roles without examining fully whether a GCSE is necessary for the role. This barrier can inhibit social mobility chances and stop young people getting on in life.

Too many people are barred from even entry-level roles because of a lack of a qualification that does not always predict future job success. Employers should evaluate, at all levels of recruitment, whether the qualifications they are asking for directly link to future performance. In addition, they should consider whether the skills gained through studying for a qualification can be gained in other areas of life (such as years in work) and, if so, allow for that alternative pathway into jobs.

When considering what qualifications to require in recruitment, employers should only require those academic and technical qualifications which are actually and demonstrably necessary to perform the advertised job.

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72 OECD, *Skills Matter: Further Results from the Survey of Adult Skills*, 2016
73 OECD*, Building Skills for all: A Review of England,* 2016

Case study: Do degrees predict future performance?

Forty-two per cent of the UK population hold degrees and, as has been shown in Chapter 5, these are disproportionately more likely to be attained by those from advantaged backgrounds.[74] And yet, many jobs require degrees to even get an interview. Is there evidence to support this?

The answer is simply… no. A 2017 Harvard Business School study found that, in the USA, holding a degree had no advantage to those who learned necessary job skills via alternative pathways, such as through employment or technical education.[75]

A growing number of businesses are responding to this. Ernst & Young, Penguin Random House, Virgin Media, Google, Apple, Starbucks, IBM, and others have announced in recent years that they will scrap degree requirements unless they can prove they link to future performance.[76]

> *"Academic qualifications will still be taken into account and indeed remain an important consideration when assessing candidates as a whole, but will no longer act as a barrier to getting a foot in the door," said Maggie Stilwell, Ernst & Young's managing partner for talent.*

The Commission welcomes this move and asks businesses to go even further in evaluating whether other qualifications, such as GCSEs or A Levels, are truly necessary when recruiting to entry-level positions.

Work is the key barrier to adult learning

The Adult Education Survey 2016 (published in 2018), identified that the three biggest barriers to learning among adults surveyed were time (over 50 per cent of respondents), cost (over 40 per cent), and an inability to fit education around family, unsupportive work environments, or schedules (between 25 to 35 per cent).[77] The survey and the Commission's recent research on Adult Skills both found similar conclusions, namely that those in work, with higher incomes and higher levels of education, living in more affluent areas, and whose parents had a higher level of education, were far more likely to take up either learning than their less affluent, less educated, less southern, or less qualified counterparts.[78, 79]

In other words, those in far more need of educational support are the least likely to take it up. There was an astonishing 80 percentage point gap between those who had a degree as their highest qualification and those with no qualifications who had undertaken any type of learning in the last 12 months (92 per cent of those with a degree undertook learning compared to 13 per cent with no qualifications).[80]

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74   HESA, *Higher Education Student Statistics: UK, 2016/17 – Qualifications achieved*, 2018
75   Fuller, J., Raman, M., *Dismissed by Degrees: how degree inflation is undermining US competitiveness and hurting America's middle class*, Harvard Business School and Accenture, 2017
76   Glassdoor, *15 more companies that no longer require a degree – apply now*, 2018
77   Department for Education, *Adult Education Survey 2016*, 2018
78   Department for Education, *Adult Education Survey 2016*, 2018
79   Social Mobility Commission, *The adult skills gap: is falling investment in UK adults stalling social mobility?,* 2019
80   Department for Education, *Adult Education Survey 2016*, 2018

Figure 6.8: Learning undertaken in the last 12 months, by net household annual income

Legend:
- Less than £14,999
- £15,000 to £29,999
- £30 to £44,999
- £45,000 and above
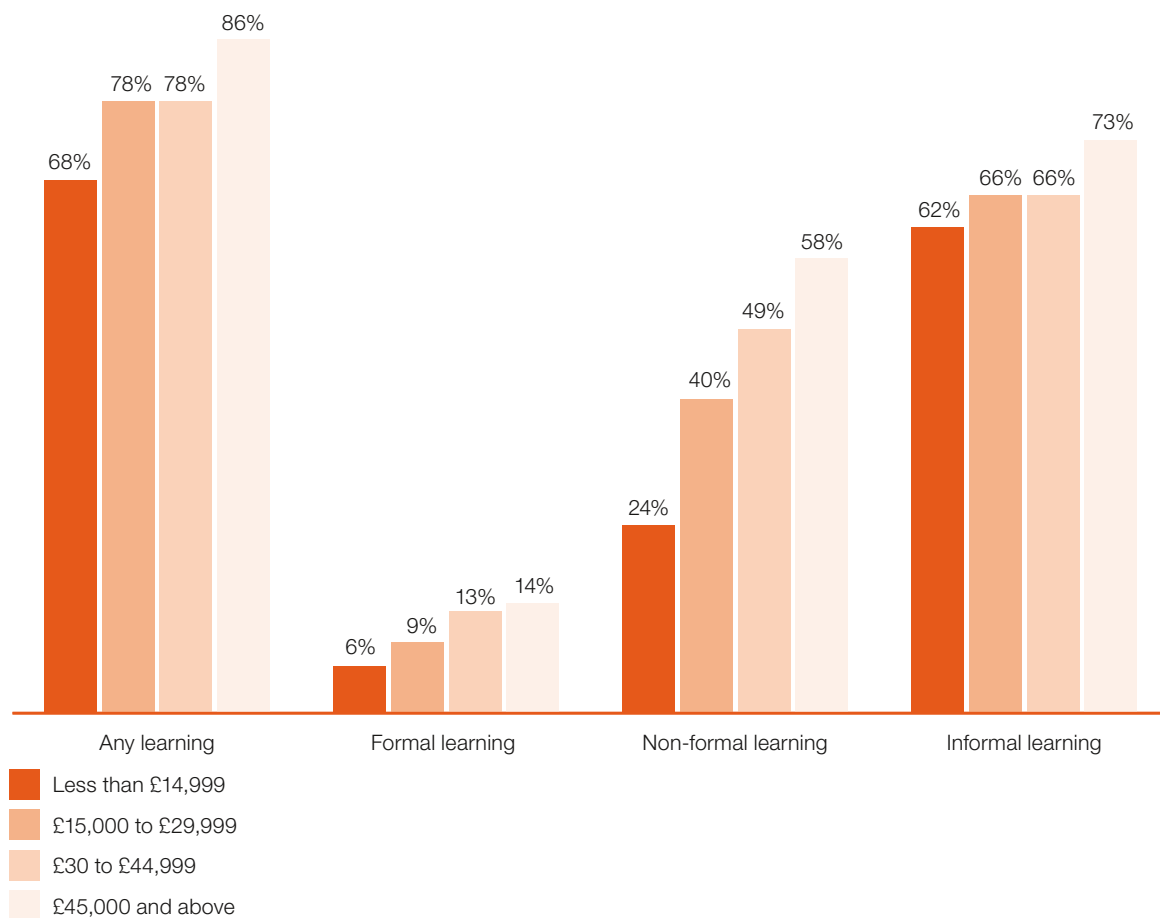
Source: Department for Education, *Adult Education Survey 2016*, 2018

Employers' role in training

To make matters worse, overall employer investment in training has been static and is targeted at those who are already skilled. The Department for Education's Employer Skills Survey has shown that the number of employers reporting to be investing in training has remained largely static since 2005, at about two thirds.[81] Those that do offer training prioritise employees in senior or professional roles.[82]

Those who take up employer funded training are more likely to be from more privileged backgrounds. Almost twice as many people in managerial, professional and associate professional occupations access training (30 per cent) compared to those in intermediate (16 per cent) or routine and manual occupations (18 per cent).[83] This demonstrates that employers are choosing to upskill already skilled workers and leaving a gap in the overall provision of training options for the low skilled.

This divide in access to training, even for those in the same occupational grouping, could be contributing to the class pay gap. The Commission's research found that, even when people from working class backgrounds reach professional occupations, they receive less training (see Figure 6.9). This perhaps signals that there is a difference in who knows about training, who is offered it, and who feels they have the capacity to undertake it. More research is needed to investigate this and to determine its links to the class pay gap.

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81   Department for Education, *Employer Skills Survey 2017: UK Findings*, 2018
82   Social Mobility Commission, *The adult skills gap: is falling investment in UK adults stalling social mobility?,* 2019
83   Ibid.

Figure 6.9: Percentage of people who participated in training in 2017, by their current and parental class

Managerial & professional	Parent – Mngr/Prof	31.5
	Parent – Intrmd	28.3
	Parent – Rtn/Mnl	28.5
Intermediate	Parent – Mngr/Prof	19.5
	Parent – Intrmd	15.4
	Parent – Rtn/Mnl	15.6
Routine & manual	Parent – Mngr/Prof	19.6
	Parent – Intrmd	18.0
	Parent – Rtn/Mnl	17.4
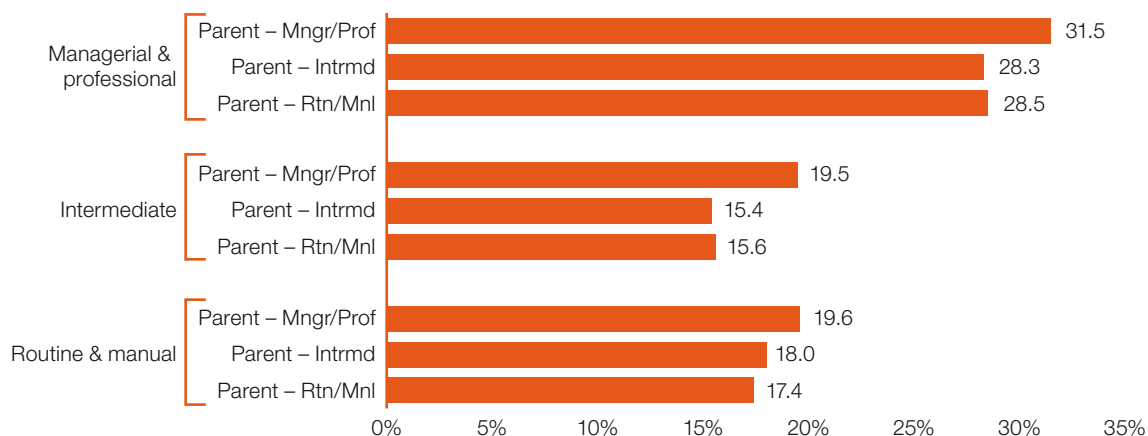
Source: Social Mobility Commission, *The adult skills gap: is falling investment in UK adults stalling social mobility?*, 2019

The role of funding provisions

The UK spends just two-thirds of the EU statistical average on adult training, far below that of France, Germany, and Italy.[84] Between 2010/11 and 2015/16, funding for adult skills fell by a massive 34 per cent in real terms.[85] While government-funded training does reach lower-skilled workers and those in deprived areas, 29 per cent of the adult education budget still goes to adults in the most affluent 40 per cent of areas.[86] Add to this landscape that employers fund 82 per cent of training in the UK (£36 billion in 2016) and, as has been shown, target it at the most skilled in their workforce.[87] The financial investment and the subsequent benefits of training is flowing to the most affluent and the most educated, leaving behind those stuck in low pay.

84   Ibid.
85   Ibid.
86   Ibid.
87   Ibid.

Figure 6.10: Average expenditure on continual vocational training courses per employee by enterprises in the EU-28, 2005-15, euro
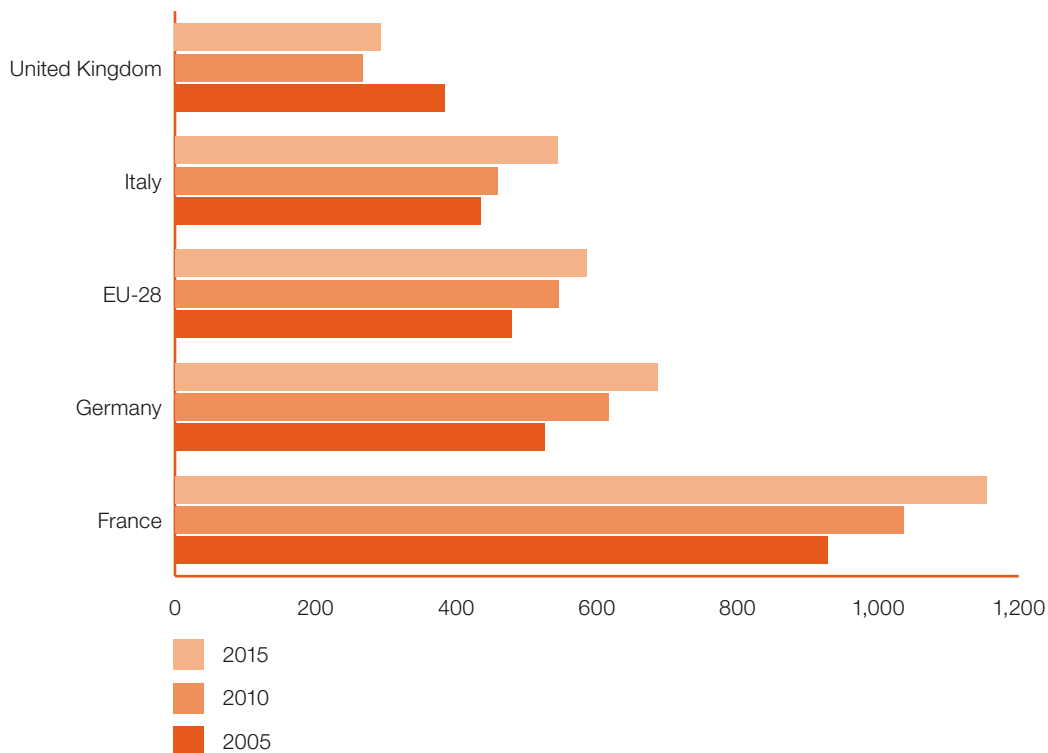
Source: Eurostat, *Cost of CVT courses by type and size class - cost per person employed in all enterprises' Selected countries shown*, 2015

Even within government provisions, the process for Further Education colleges to unlock adult education funding is so complicated that it regularly leads to the DfE underspending its adult education budget. In 2016/17, over £63 million of the adult training budget went unspent.[88]

Employers and the government should follow the action plan the Commission has set out in its January 2019 report on adult skills. In particular, the government should equalise adult education funding with EU statistical averages and reduce the underspend of its adult education budget through more flexible funding structures.

Adult apprenticeships on the rise

Apprenticeships are classically, and often internationally, associated with training for young people.[89] But since 2010, about three quarters of apprenticeship starts have been by over 19-year-olds, while over four in ten (43 per cent) have been by over 25s.[90] In the apprenticeship system, an 'older' apprentice is one over 25 years old. Apprenticeships are the only form of adult education that has seen an increase in participation since 2010.[91]

As has been analysed in Chapter 4: Further Education and Apprenticeships, the apprenticeship levy has incentivised businesses to upskill its workforce through apprenticeships. This could be positive for social mobility, as it could be providing people 'stuck' in low pay the opportunity to retrain and progress.

New analysis of the Learner and Apprentices survey has found that older apprentices tend to be from more working class backgrounds than their 19 to 24-year-old counterparts (see

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88   Ibid.
89   Richmond and Simmons, *The skills we need, and why we don't have them,* Policy Exchange, 2016
90   Department for Education, *FE data library: Apprenticeships and HC Dec 14 Feb 2011 c560-1W (PQ38062); Department for Education, Deprivation Tables for Further Education and Skills: December 2018,* 2019
91   Department for Education*, Further Education and Skills, England: 2017/18 academic year,* 2018

Figure 6.10). This may be a positive sign, as it may indicate that adults who miss out on training, as found in the Commission's Adult Skills research, are accessing it in the form of apprenticeships. [92]

Figure 6.11: Backgrounds of older apprentices (age 19+) based on parents' NS-SEC

Age Group of Apprentice 19-24
Age Group of Apprentice 25+
Total
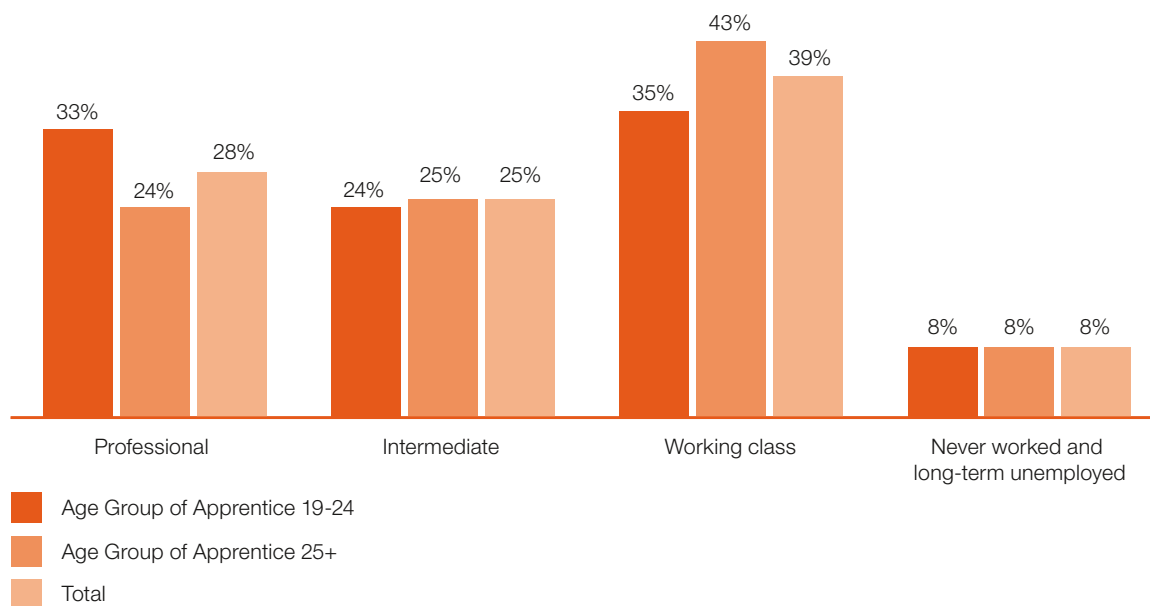
Source: Department for Education, *FE Learners and Apprentices Survey*, 2018[93]

However, there are indications that employers are simply rebadging existing training programmes as apprenticeships and thus not achieving their full potential. While definitive evidence of this is being analysed by the Department for Education, early warning signs include: 84 per cent of older apprentices (aged 25+) were already working for their employer prior to starting the apprenticeship (versus 37 per cent of those aged 19-24),[94] and 36 per cent of higher level apprentices, which are over-represented by older workers, did not know they were on an apprenticeship.[95] This indicates employers may be simply shifting employees onto 'apprenticeships,' often without them even realising it.

Research also suggests that apprenticeships are poor value for older workers. In one study, older apprentices earned up to three times less from completing an apprenticeship, compared to younger apprentices (see Figure 6.11).[96] This is particularly stark, as older workers performed the same or worse, even within the same level and occupation as younger apprentices. This suggests that it is not simply that younger apprentices are choosing more valued apprenticeship fields.[97] The only exception to this is for manual occupations, such as construction, where higher level apprenticeships gave older apprentices a bigger earnings bump.[98]

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92   Social Mobility Commission, *The adult skills gap: is falling investment in UK adults stalling social mobility?,* 2019
93   Parental background was unknown for around a quarter of each age group. Percentages were based only on respondents where their background was known
94   Department for Education, *Learners and Apprentices Survey 2018*, 2018
95   Department for Education, *Apprenticeships evaluation 2017: learners*, 2017
96   McIntosh, S., Morris, D., *Labour Market Outcomes of Older vs. Younger Apprentices: a Comparison of Earnings Differentials*, 2018
97   Ibid.
98   Ibid.

Figure 6.12: Labour market gains for older vs. younger apprentices

Earning of Level 2/Intermediate Apprentices
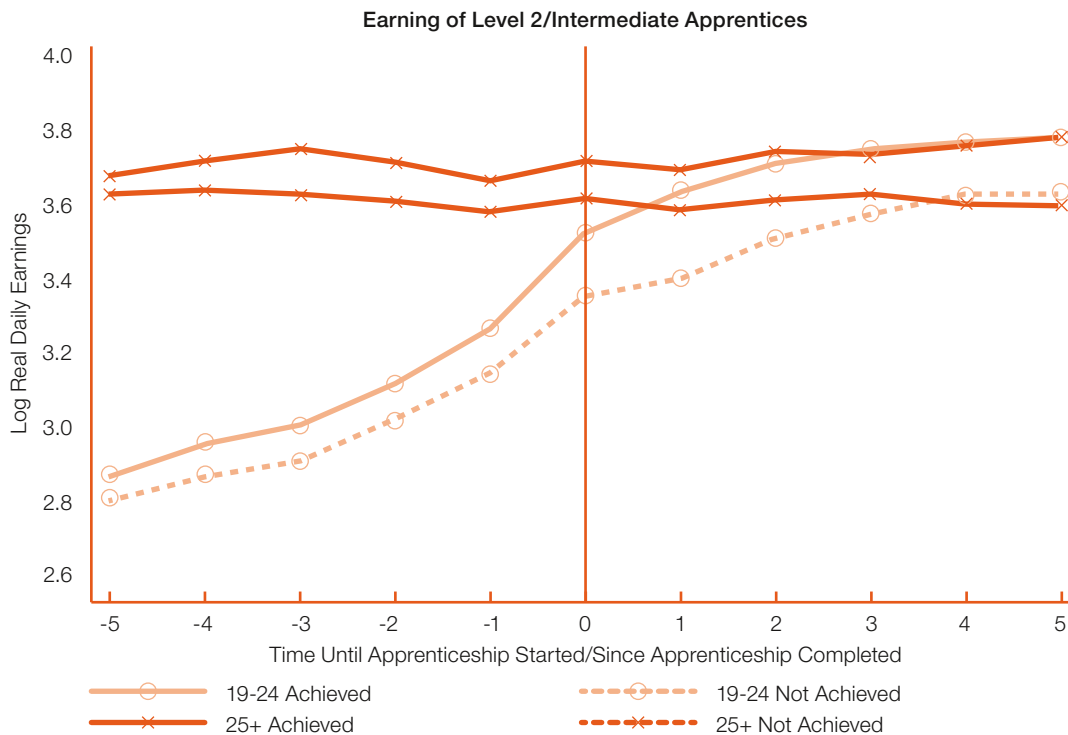
Source: McIntosh, S., Morris, D., *Labour Market Outcomes of Older vs. Younger Apprentices: a Comparison of Earnings Differentials*, 2018

When inequalities in the education system have left many adults behind, this raises questions of whether apprenticeships are truly the best way to upskill or retrain adults. These workers do not need the experience of labour market participation but simply high-quality further training, accessible alongside an occupation. They may be opting for apprenticeships not because it is the best training for them but because employers, driven by the levy, are offering them as the only option for advancement. The Commission applauds the government's investment and attention in apprenticeships, which has resulted in the only form of adult education that has increased in recent years. Yet, there are lingering questions around whether apprenticeships are the only or even the best tool to upskill older workers.

In light of such important issues that fundamentally impact on adults' social mobility chances, the Commission is conducting new research in 2019 to better understand the labour market returns of apprenticeships for older workers and to know what lifelong learning provisions, incentives, and funding mechanisms need to be in place in the landscape of changing jobs and automation.

6.5 The geography of progression

Social mobility and the mobility of labour are closely linked. The urban working class emerged in first phases of the industrial revolution when agricultural labourers moved to cities on steam-powered trains to work in factories, and the explosion of the middle class during the middle of the twentieth century saw high income workers move to larger houses in electric lit suburbs. The later phases of the industrial revolution, the age of computers and the internet, has, so far, seen a less clear pattern of internal mobility, but it is one that has repercussions for social mobility and has become more acute in the debates around 'left behind places.' Many Britons may have felt the need to 'move out to move up.'

In the last forty years, there has been a population decline in smaller northern cities and towns, especially in the north-east and in smaller towns in Lancashire and Yorkshire (Greater

Manchester and the Leeds-Bradford conurbation are an exception).[99] Meanwhile, there has been a population growth in southern coastal cities and the many towns surrounding London, as well as the capital itself. The fastest growing towns have been Milton Keynes, Slough, Swindon and Peterborough, all 'new towns' intended to absorb the swelling population of London.[100] These southern towns also tend to have higher wages, high employment rates, lower welfare costs, and, crucially, have had higher job growth rates than many northern towns.[101] The social mobility challenge is that these southern cities in commuting distance of London also have very high housing costs (about twice as costly by some estimates) meaning moving to work in these places requires the means to move there.[102]

It is the domination of the UK service-based economy that is behind this trend. Service industries such as finances, professional services and tech tend to cluster in hubs based in large conurbations such as London, Manchester and Birmingham. This is likely because the principle asset is the availability of large pools of highly skilled people that services feed off.

Nonetheless, there is still a persistent link between what job someone does and their parents' profession; professional roles are more likely to be occupied by those from professional backgrounds. In this regard, London does worst. It has the highest proportion of individuals from professional backgrounds occupying professional occupations (54 per cent), and the lowest proportion of individuals from working class backgrounds in professional jobs, at just 17 per cent (see Figure 6.12). Here, the north-east fares much better – it has the highest proportion of individuals from working class backgrounds occupying these occupations, with 37 per cent in professional occupations.

It is important to consider these trends in terms of the sheer volume of jobs. London, which has a higher proportion of jobs in services than any other region of the UK, has created 35 per cent of the jobs created in the UK in the last decade.[103] It has almost 50 per cent more professional jobs than the next highest region – around one third more than the rest of the UK.[104] This is in comparison to the north-east, which saw the lowest increase in new jobs in the UK, the lowest population increase, and has seen its proportion of high skilled work fall to 39 per cent of the jobs in the region.[105]

The underlying driver of this trend is shown in Chapter 1 – those from more privileged backgrounds are much more likely to move region to take up opportunities. Despite the disproportionate number of opportunities London offers, it is the least accessible as those from privileged backgrounds are more able to move to access them.

99   Elledge, J., *Britain's fastest growing cities are all in the south – and its shrinking ones all in the north*, 2015
100   Ibid.
101   Centre for Cities, *Cities Data Tool*, Accessed February 2019
102   Milligan, B., North-South house price divide hits record high, 2016
103   Office for National Statistics, *Regional labour market statistics in the UK: December 2018*, 2019
104   Social Mobility Commission analysis of *Labour Force Survey (ONS) 2017*, 2019
105   McCall, C., *London dominates UK jobs growth over past decade*, BBC, 2018

Figure 6.13: Percentage of individuals from different socio-economic backgrounds in a professional occupation, by region worked in 2017

Professional background
Intermediate background
Working class background
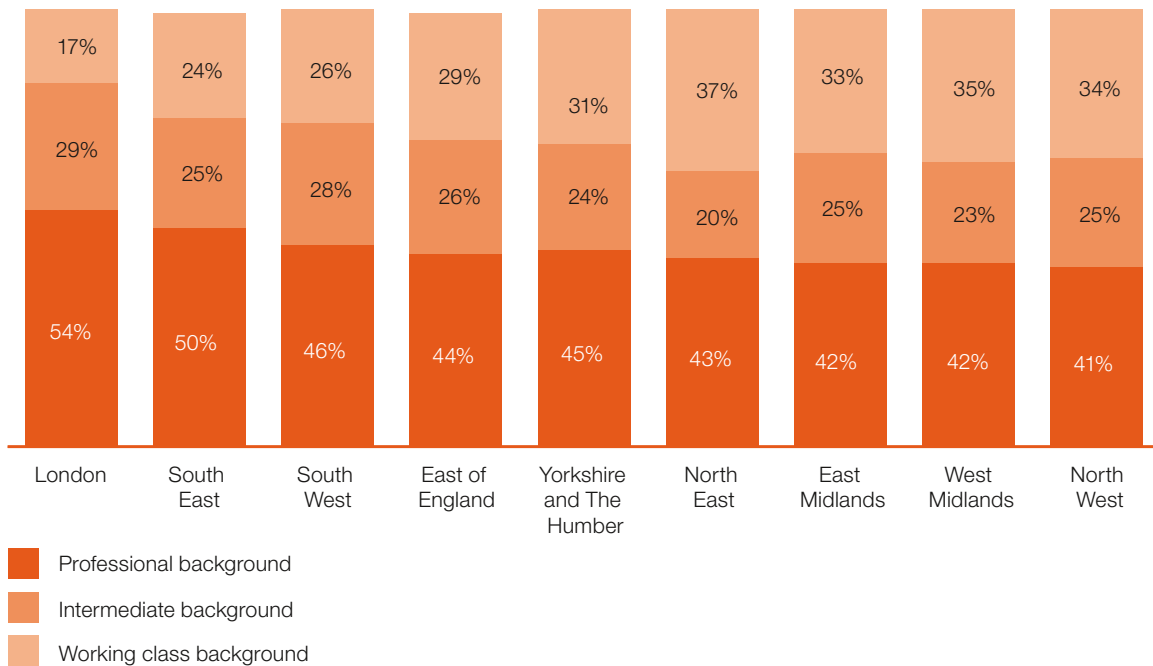
Source: SMC analysis of Labour Force Survey (ONS)

Nonetheless, for those seeking not only to get a foot on the ladder of opportunity but to then climb up, it is important to look at where those stuck in low pay can have the best opportunity of experiencing wage progression. In this regard, London does outperform the national average (63 per cent versus 59 per cent respectively), while the north-east, which has more equitable distribution of those in professional jobs, does worst on progression for its lowest earners at just 55 per cent.[106]

Figure 6.14: Percentage of lowest earners aged 25-29 in 2011 experiencing wage progression in each region by 2015
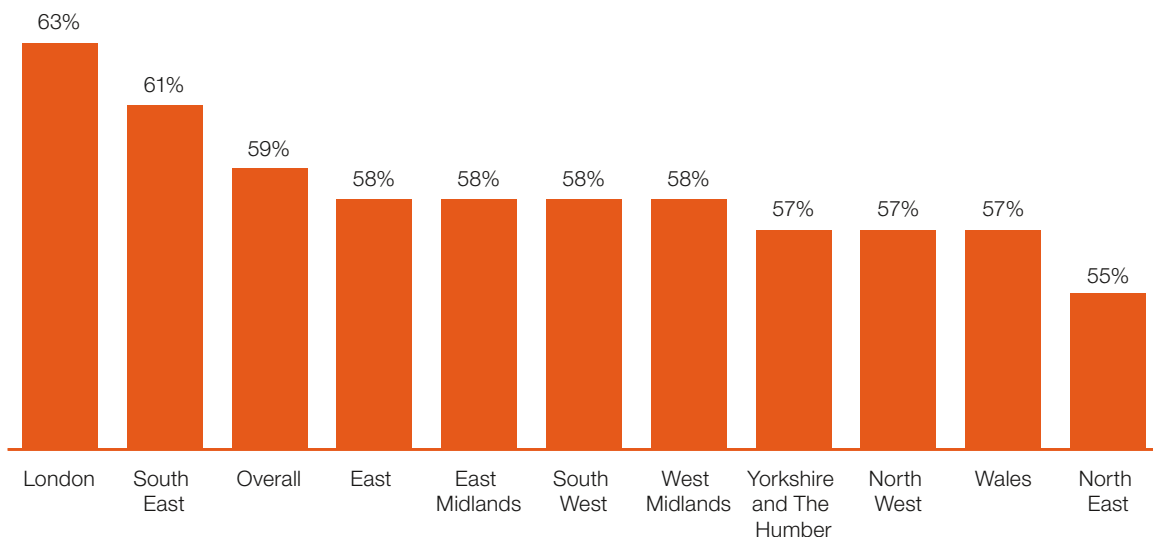
Source: SMC analysis of ONS, *Inclusive growth: measures and trends*, 2018

Moreover, those that tried to 'move out to move up' had significantly more success than their counterparts who did not. Those that moved out of their region between 2011 and 2015 were more likely to experience wage progression: 70 per cent in comparison to 58 per cent of

106   Social Mobility Commission analysis of *Labour Force Survey (ONS) 2017*, 2019

those that remained in their original region (see Figure 6.15). This is a barrier to social mobility, as the inhibiting cost of moving region, the impact on 'left behind' areas, and the necessity of moving (rather than the choice to do so) can all be barriers to social mobility, social cohesion, and individual autonomy.

Figure 6.15: Percentage of lowest earners aged 25-29 years old in 2011 experiencing wage progression in each region by 2015, by those that moved regions and those that stayed

Percentage who moved region that experienced wage progression

Percentage who stayed in the same region that experienced wage progression
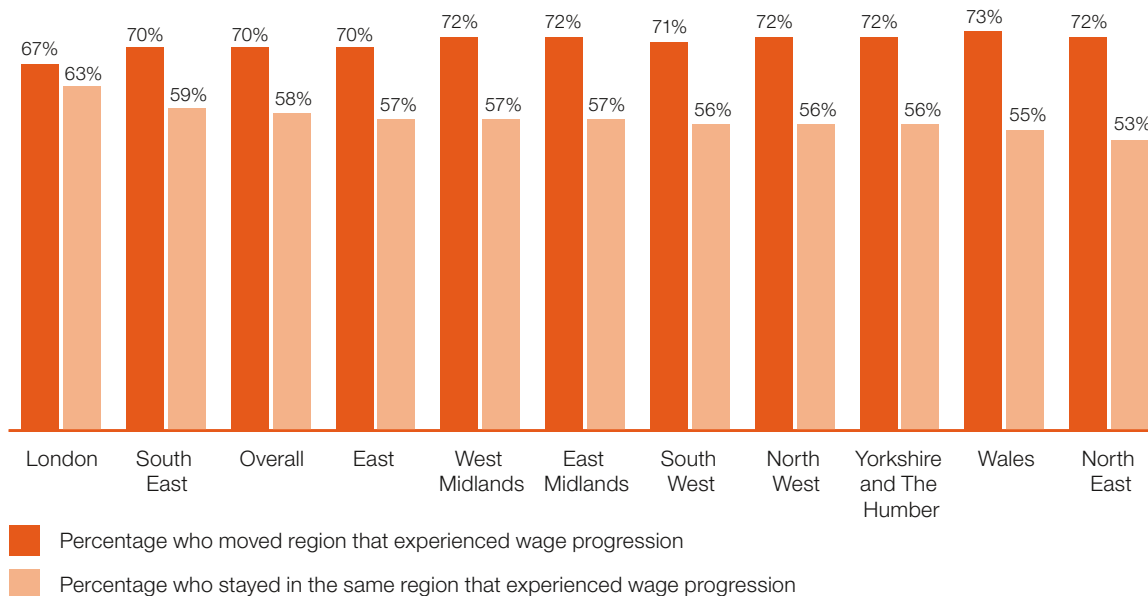
Source: SMC analysis of ONS, *Inclusive growth: measures and trends*, 2018

This finding is reflected in polling data undertaken in 2018 by YouGov with the Social Mobility Commission. Seventy-three per cent thought that there are large differences in opportunities available in different parts of Britain. The most pessimistic of respondents were in the north-east of England. Just 19 per cent of those who grew up in the north-east felt they would have had the same opportunities and success if they had not moved region, compared to 37 per cent of those who grew up in London.[107]

In 2019/20, the Commission will build on the analysis presented here and will conduct further research to evaluate the effect of individuals moving to seek better opportunities and the impact on the 'left behind' places.

6.6 On the Horizon

Stronger Towns Fund

In March 2019, the government announced the Stronger Towns Fund; a £1.6 billion pledge between 2019 to 2026 to create new jobs, train people and boost growth.[108] Current guidance requires Local Enterprise Partnerships and Local Industrial Strategies to coordinate with partners on the ground to create local proposals. These funds could have a significant impact on social mobility if it is considered at the core of its work. The Commission calls on the government to incorporate learning from the Department for Education's Opportunity Areas programme and to include social mobility at the heart of its plans for the fund.

107 Social Mobility Commission, *Social Mobility Barometer*, 2018
108 Gov.uk, Guidance on Stronger Towns Fund – questions and answers, Accessed March 2019

Good Work Plan

In 2018, the government published the Good Work Plan, a 'vision' document setting out how it will respond to *The Taylor Review of Modern Working Practices,* a 2017 review concerning employee and worker rights under UK labour law. In it, the government recommended that people who work in the gig economy be classed as dependent contractors (also known as 'workers' under current law), in addition to accepting the majority of recommendations in the review.

All of this is a highly welcome strengthening of workers' rights – especially in the booming gig economy and for insecure agency workers. However, the government has been fairly reserved on wider plans to improve the quality of work.

Sector deals

The government has committed almost a billion pounds to support the development of sector deals in various areas.[109] The Artificial Intelligence Sector Deal's stated goals are to promote and invest in AI technology. The 'People' strand of its objectives aims to 'generate good jobs and greater earning power for all' through workforce training and upskilling efforts. It does not include engagement with the Further Education sector in its public brief which should be redressed in further sector deals so that this important sector is considered.

National Retraining Scheme

The National Retraining Scheme supports retraining for workers in jobs threatened by automation. The challenges of such a programme are colossal, including:

- There is no guaranteed prediction for what jobs are or are not future-proof, so it is not clear what skills the workers need to learn.

- Substantial upskilling is needed to retrain currently low to mid-skilled adults into jobs that will require higher skills.

- There is expected to be wide geographic inequality of where jobs will be lost and created, requiring targeted access and availability of training.

- With automation still years away for some industries, there is little incentive today for employers to support their workers to reskill out of their jobs, and little incentive for employees to give up paid work to reskill without the guarantee of a future job. It will be too late to upskill the volume of workers who could lose their jobs if individuals wait until their job has been terminated.

- There is no guarantee that those who retrain will be representative of the wider population. The House of Lords Select Committee on Artificial Intelligence highlighted that those who will disproportionately 'lose out' to automation will include minorities, women, working mothers and disabled persons.[110]

At present, the National Retraining Scheme is developing as its initial programme a digital service that offers vulnerable workers online support and matches them to jobs and training. What form of training and its efficacy is unclear. To give Britons the best chance, this effort must be supported by a more targeted adult education system and schemes to encourage businesses to better target their investment in training for employees who need it. It also needs to be scaled up quickly in order to address the challenges laid out in this chapter.

109   Department for Business, Energy, and Industrial Strategy, *Industrial Strategy: Artificial Intelligence Sector Deal*, 2018
110   House of Lords Select Committee on Artificial Intelligence, *AI in the UK: ready, willing, and able?,* 2018

Opportunity Areas

The Department for Education's Opportunity Areas policy, which targeted a cross-policy, place-based approach in areas of low social mobility, is a pioneering programme that may offer solutions to social mobility problems. Early anecdotal evidence released shows promising results, with a full report expected by 2021. By providing concentrated infrastructure and business investment in these areas of low social mobility, more could be done to strengthen these programmes.

Opportunity Areas provided focused and place-based approaches to solving social mobility. Going forward, it should be strengthened by partnering with other key departments who play a large role in social mobility, beyond education.

The Department for Work and Pensions and the Department for Business, Energy and Industrial Strategy should work collaboratively with the Department for Education on the Opportunity Areas programme, providing concentrated investment in the skills, jobs and infrastructure in these areas of low social mobility and low pay and expanding the reach to more cold spots.

6.7 Conclusions and Recommendations

As Britain prepares for one of the most substantial changes in its modern history, many working Britons do not have the support available to prepare them to adapt. Working Britons stuck in low paid, insecure jobs are most vulnerable to the disruption likely wrought by the wider technological change. The effect on towns and regions the are 'left behind' will only continue to be felt, as new jobs are created in urban hubs. The necessity to move out to move up is leaving fewer choices for the most disadvantaged groups.

To help address this, the government must shine the light on an adult education and training system that is not currently suitable for supporting vulnerable workers and is likely to exacerbate the gap between the disadvantaged and the affluent.

Recommendation 6.1: Government departments should lead the way in being model employers by becoming accredited voluntary living wage employers. The government should embed the Living Wage Foundation's recommendations for public procurement systems, including assessing the voluntary living wage as part of the new social value framework for procurement.[111]

Recommendation 6.2: When considering what qualifications to require in recruitment, employers should only require those academic and technical qualifications which are actually and demonstrably necessary to perform the advertised job.

Recommendation 6.3: Employers and the government should follow the action plan the Commission has set out in its January 2019 report on adult skills. In particular, the government should equalise adult education funding with EU averages and reduce the underspend of its adult education budget through more flexible funding structures.

Recommendation 6.4: The Department for Work and Pensions and the Department for Business, Energy and Industrial Strategy should work collaboratively with the Department for Education on the Opportunity Areas programme, providing concentrated investment in the skills, jobs and infrastructure in these areas of low social mobility and low pay and expanding the reach to more cold spots.

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111   National Living Wage Foundation, *What is the living wage?*, Accessed March, 2019

Chapter 7: Social Mobility in Scotland and Wales

Key Findings

- Scotland and Wales are becoming more socially mobile, with a person's socio-economic status less determined by their parents' socio-economic status. The likelihood of being in a professional job has narrowed over the past four years between those from a working class and a professional background, from 28 percentage points in 2014 to 23 percentage points in Scotland and from 33 percentage points in 2014 to 20 percentage points in Wales.

- The Scottish Government has introduced a legal requirement on public bodies aimed at reducing socio-economic disadvantage, although it is too early to identify the impact. The Welsh Government is planning to introduce a similar duty.

- Child poverty rates in Scotland have increased recently in line with rates in England, although at 24 per cent it still has the lowest rate in Great Britain. The Scottish Government has an ambitious aim to reduce child poverty to under 10 per cent by 2030. The Welsh Government has succeeded in reducing child poverty in recent years, although there has been a slight increase in the most recent figures.

7.1 Introduction

The Commission has a duty to assess progress in improving social mobility in Scotland and Wales. This is different from the Commission's duty in England, which is also to promote social mobility. Therefore the Commission does not make recommendations for Scotland and Wales, but monitors their progress. The Commission's remit does not extend to Northern Ireland.

There has been an increase in social mobility in Scotland and Wales: our analysis shows that there has been a reduction in recent years in the likelihood that professional jobs will be taken by those whose parents are from a professional background.

The Commission is particularly excited about the new Fairer Scotland Duty, introduced in 2018, which is encouraging public bodies in Scotland to consider how best to help disadvantaged people. The Commission will continue to monitor the impact of this new duty in helping to increase social mobility. The Scottish Government has also introduced a duty to reduce child poverty to under 10 per cent by 2030.

The Welsh Government has a stated ambition to 'break the cycle of disadvantage and inequality over the longer term', although its primary focus is on increasing prosperity and job opportunities throughout Wales rather than specifically tackling disadvantage. The Welsh

Government are also looking to introduce a duty on public bodies to reduce inequalities of outcome caused by socio-economic disadvantage.

7.2 Current position

This section sets out the current position in Scotland and Wales on a range of factors that affect social mobility and includes a comparison with England where applicable. This includes new analysis, as highlighted in Chapter 1.

Living standards

Despite the Scottish Government's stated ambitions to reduce child poverty, relative child poverty has risen in recent years. This has followed the same trend as in England and can be partly attributed to UK-wide benefit changes. Wales has seen a drop in the percentage of children in poverty in recent years (although the latest figures show a slight rise) and England has now overtaken Wales as the country with the highest percentage of children in poverty.

Figure 7.1: Percentage of children in relative poverty (after housing costs)
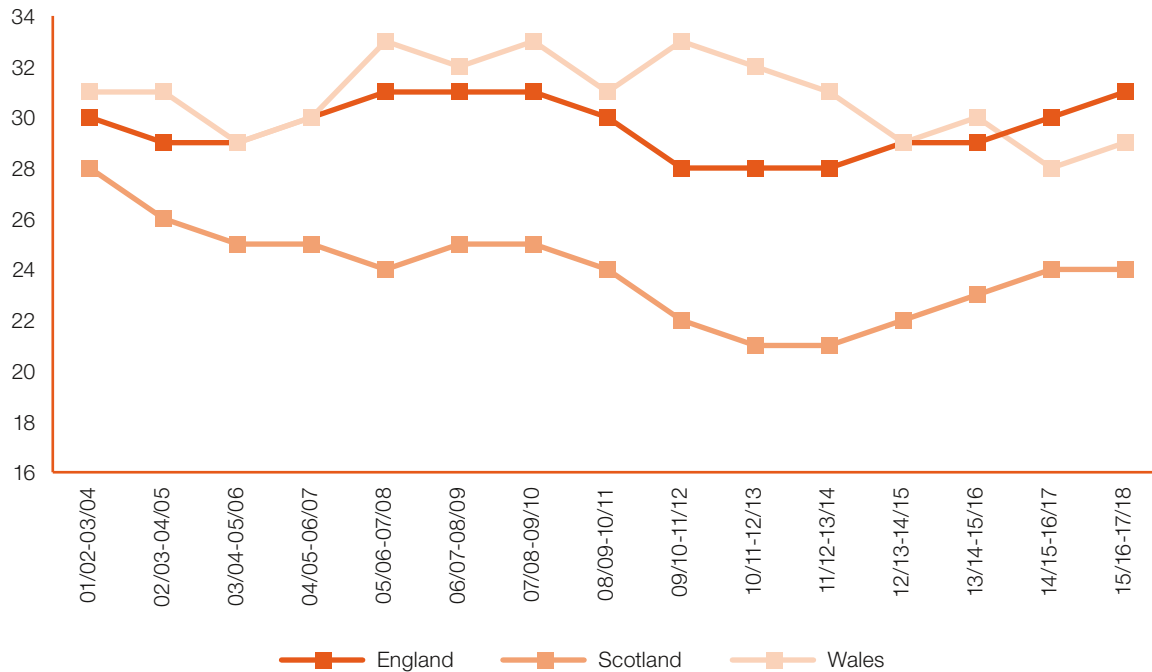
Source: Households Below Average Income, 2019

There is a link between social mobility and wellbeing: social mobility can help alleviate inequalities in wellbeing, but low levels of wellbeing can hold people back from achieving their full potential, thereby reducing social mobility. This is something the Commission will investigate further.

There is little difference between the ratings for people in Scotland, Wales and England for very high life satisfaction, very high levels of happiness, very high sense of feeling worthwhile and very low anxiety. Welsh people have slightly higher scores for very high life satisfaction and a very high sense of feeling worthwhile.

Figure 7.2: Proportion of people reporting 'very good' wellbeing ratings
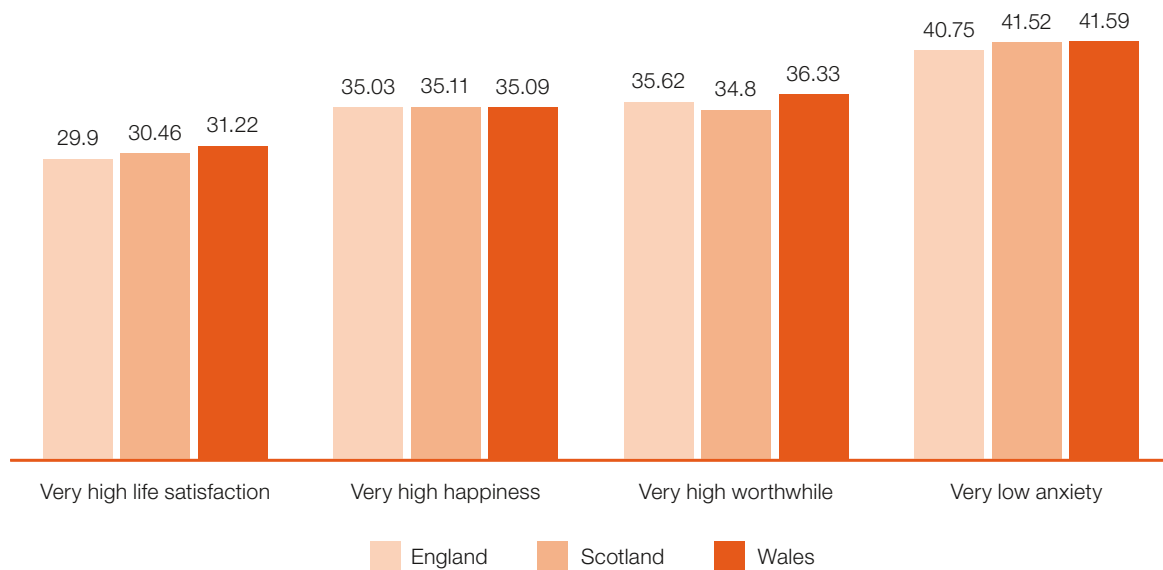
Source: SMC analysis of Community Life Survey (DCMS), 2019

Early years

In England, nearly half of pupils eligible for free school meals (FSM) at age five did not achieve a good level of development in 2018 (as measured by the early years foundation stage profile assessment framework), compared to only 26 per cent of non-FSM pupils. Also, in England there is a 14 per cent gap in four and five-year-olds meeting the expected standard of phonics decoding.

In Scotland, there remains a large attainment gap at the first year of schooling (four and five-year-olds) between the least deprived and most deprived children, which has not improved in recent years. The reading attainment gap was 17 percentage points in 2017/18, the writing gap between the most deprived and least deprived remained at 18 percentage points, and the numeracy attainment gap was 13 percentage points.[1]

There is also a large attainment gap in Wales for children in the foundation phase, between those eligible for FSM and those who are not, although the gap has narrowed in recent years. Recent changes mean that the latest figures cannot be compared to previous years.

Schools

In England, the attainment gap between disadvantaged children and their more advantaged peers is 14 percentage points at age four/five and increases to 22.5 percentage points at age 19.

In Scotland, the attainment gap for 11 and 12-year-olds between the most disadvantaged and least disadvantaged continues to be high, with attainment gaps of 18 percentage points for reading, 22 percentage points for writing and 20 percentage points for numeracy in 2017/18.

The gap for older children has remained consistent in recent years: the attainment gap in reading for third level children (ages 14 and 15) was 11 percentage points in 2017/18 (same as 2016/17), the attainment gap for writing was 12 percentage points (same as 2016/17) and for numeracy it was 14 percentage points (reduced by 1 percentage point from 2016/17). The attainment gap for school leavers achieving Level 5 or better for the SCQF (Scottish

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1   Scottish Government, *Achievement of Curriculum for Excellence Levels 2017/18*, 2018; it should be noted that these are experimental statistics

Credit and Qualifications Framework) has reduced to 20 percentage points in 2017/18, down from 33 percentage points in 2009/10. This shows that the attainment gap has closed in recent years.[2]

There has also been a reduction in Scotland in the gap between the most deprived and least deprived initially going on to education, employment or training after leaving school: the gap was 14.6 percentage points in 2009/10 and has reduced to 6.8 percentage points in 2017/18. The percentage of young people not in education, employment or training continues to fall in Wales, down to 9.5 per cent in 2017.

The attainment gap in Wales between FSM and non-FSM children in the Core Subject Indicator (a measure of attainment in key subjects including English, Welsh and maths) reduced significantly between 2012 and 2018 at Key Stage 2 (11-year-olds), from 20 percentage points to 14 percentage points. This trend continues for the attainment gap between FSM and non-FSM children at Key Stage 3 (14-year-olds) in the Core Subject Indicator, reducing from 30 percentage points in 2012 to 19 percentage points in 2018.

Whilst the attainment gap has reduced, the overall performance of Welsh schools is a concern, as the most recent PISA rankings once again put Wales at the bottom of the countries in the United Kingdom (and below the OECD average).

Scottish schools have also shown a decline in PISA rankings in recent years. The Commission is concerned about the apparent reduction in attainment in Scotland and Wales in recent years and is interested to see how the Scottish and Welsh Governments will address this.

Higher education

In Scotland there has been an increase in the proportion of young people from disadvantaged areas going to university through UCAS, up to 13 per cent.[3,4] However, this is still significantly lower than the proportion of more advantaged students going to university who apply through UCAS: there is a gap of 29 percentage points between the most advantaged and the least advantaged.[5] There has, however, been an increase in the proportion of students attending university in Scotland from the most disadvantaged areas, up to 13 per cent in 2017/18 from 11 per cent in 2013/14.[6]

In 2018, Wales was the only country in Britain where the entry rate between the most advantaged and the least advantaged increased for 18-year-olds going into full-time higher education.[7] This is before the implementation of changes to student funding (described in section 7.3).

Working lives

Social mobility remains limited in Scotland: it is still the case that you are more likely to be in a professional occupation if your parents were in a professional job, although the gap has narrowed (from 28 percentage points to 23 percentage points) in the past four years.

Wales is also becoming significantly more socially mobile in terms of the likelihood of being in a professional job (the gap was 33 percentage points in 2014, which has reduced to 20

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2   Scottish Government, *Achievement of Curriculum for Excellence Levels 2017/18*, 2018; it should be noted that these are experimental statistics
3   Students in the Scottish Index of Multiple Deprivation quintile 1
4   In contrast to England and Wales, where most students apply to university through UCAS, only full-time university students apply through UCAS; students for part-time and college undergraduate courses delivered in Scotland do not apply through UCAS
5   UCAS, *End of Cycle Report 2018*, 2018
6   Higher Education Statistics Authority, *Higher Education Student Statistics 2017/18*, 2019
7   Ibid.

percentage points in 2018). However, the likelihood of ending up in a professional occupation is still as linked to your background in Wales as it is in Scotland.

This data highlights that both Scotland and Wales are becoming significantly more socially mobile, as a person's job and life chances are less determined by their socio-economic status at birth. This is encouraging and compares favourably to England, where social mobility has not improved (Figure 1.2 in Chapter 1 shows no change in social mobility across Britain as a whole at 26 percentage points).

Figure 7.3: Percentage of people in professional/managerial occupations by parents' background

Scotland

Wales
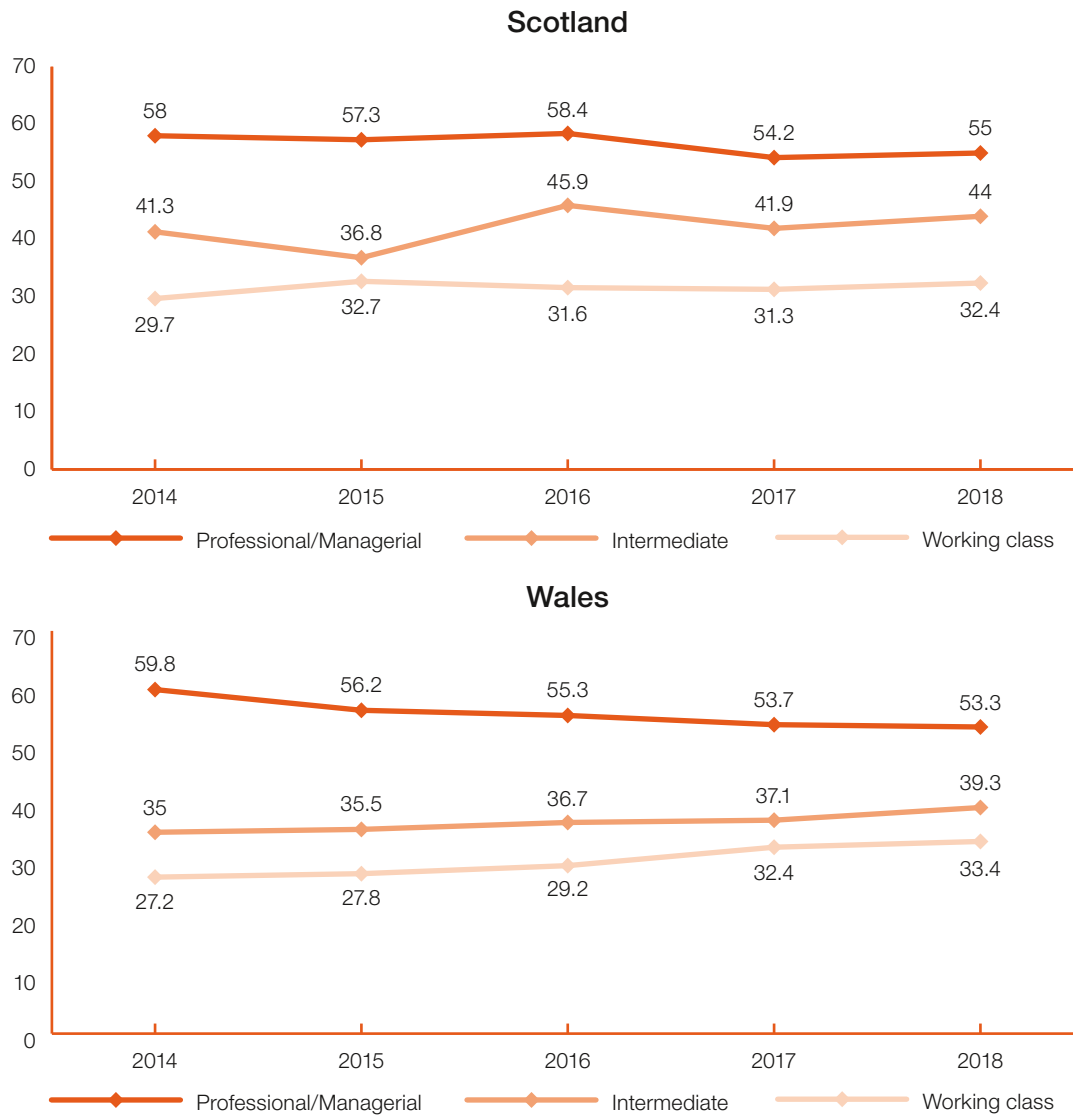
Source: SMC analysis of the Labour Force Survey (ONS), 2019

There is also a narrowing in the gap in the likelihood of someone from a professional background and a working class background being unemployed in both countries; this is especially the case in Scotland.

Figure 7.4: Unemployment rate by socio-economic background

Scotland

- 6.4% — 7.1% — 6.0% — 4.4% — 3.8% (Working class)
- 4.2% — 5.5% — 4.7% — 3.5% — 3.5% (Professional/managerial)

2014   2015   2016   2017   2018

■— Working class   ■— Professional/managerial

Wales

- 7.4% — 7.5% — 5.0% — 5.4% — 4.2% (Working class)
- 6.7% — 4.7% — 5.5% — 3.7% — 3.0% (Professional/managerial)

2014   2015   2016   2017   2018

■— Working class   ■— Professional/managerial
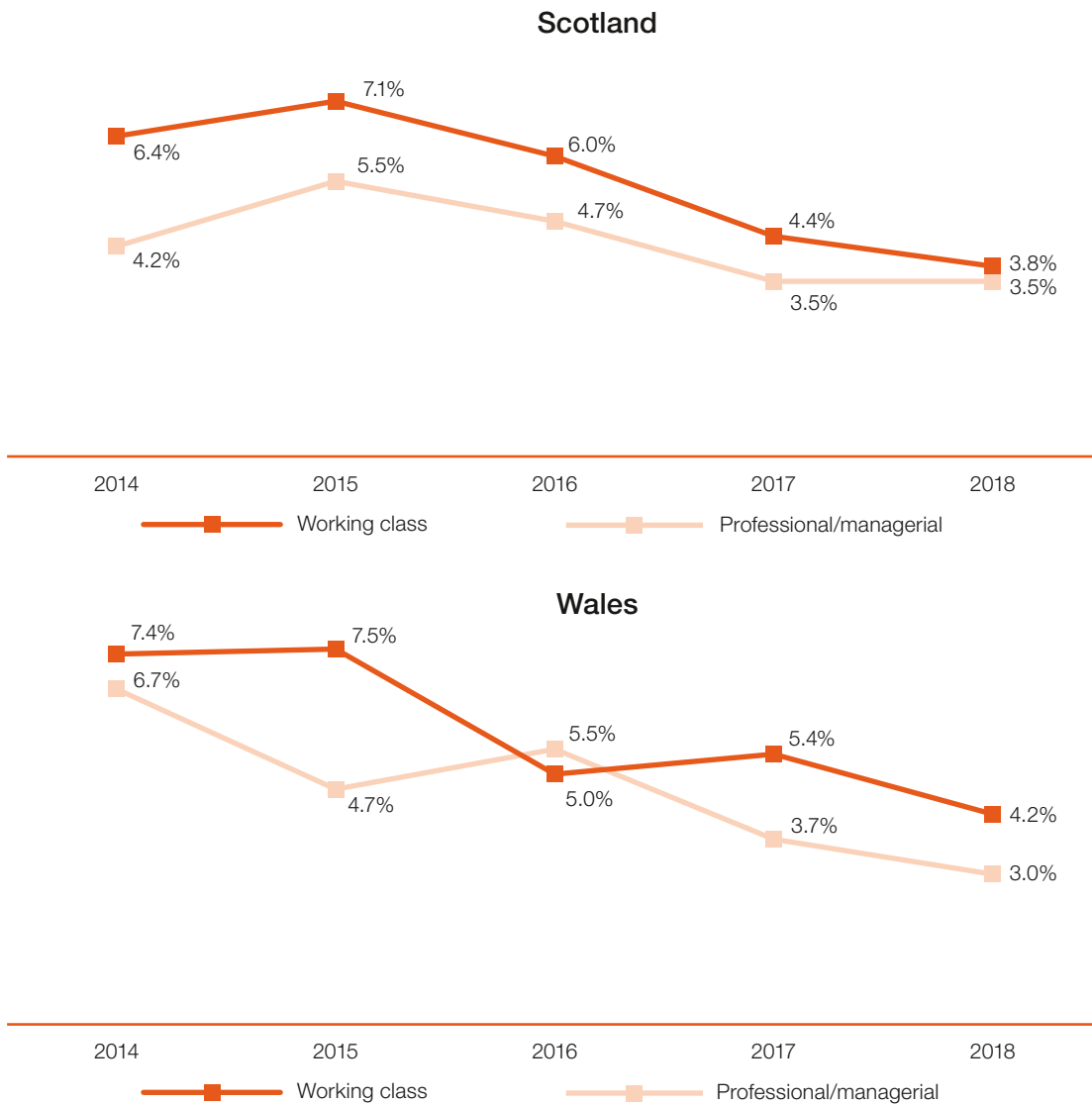
Source: SMC analysis of the Labour Force Survey (ONS), 2019

However, as in England, there is still a difference between the economic inactivity (not working but not necessarily unemployed) between those from a professional background and those from a working class background. In Scotland, 24.3 per cent of those from working class backgrounds are economically inactive, compared to 17.8 per cent of those from a professional background. In Wales, the economic inactivity rates are 23.4 per cent (working class background) and 18.3 per cent (professional background) respectively.

As highlighted in Chapter 1, the growth in jobs in Scotland and Wales since 2012 is significantly lower than in the rest of Britain (except the north east). This is particularly true for Wales, where the growth in professional jobs lags behind the rest of Britain. This lack of growth in professional jobs will hinder efforts in Wales to further increase social mobility in the future.

Figure 7.5: Growth in all jobs and professional jobs since 2012 by region

Region	Professional jobs	All jobs
London	379,400	772,600
South east	174,800	275,200
South west	112,400	230,000
West midlands	94,400	224,900
North West	105,100	213,300
Yorkshire and the Humber	101,800	206,200
East	74,600	176,800
Scotland	69,800	131,300
East Midlands	49,900	99,900
Wales	26,700	82,700
North east	41,300	59,300

Professional jobs / All jobs
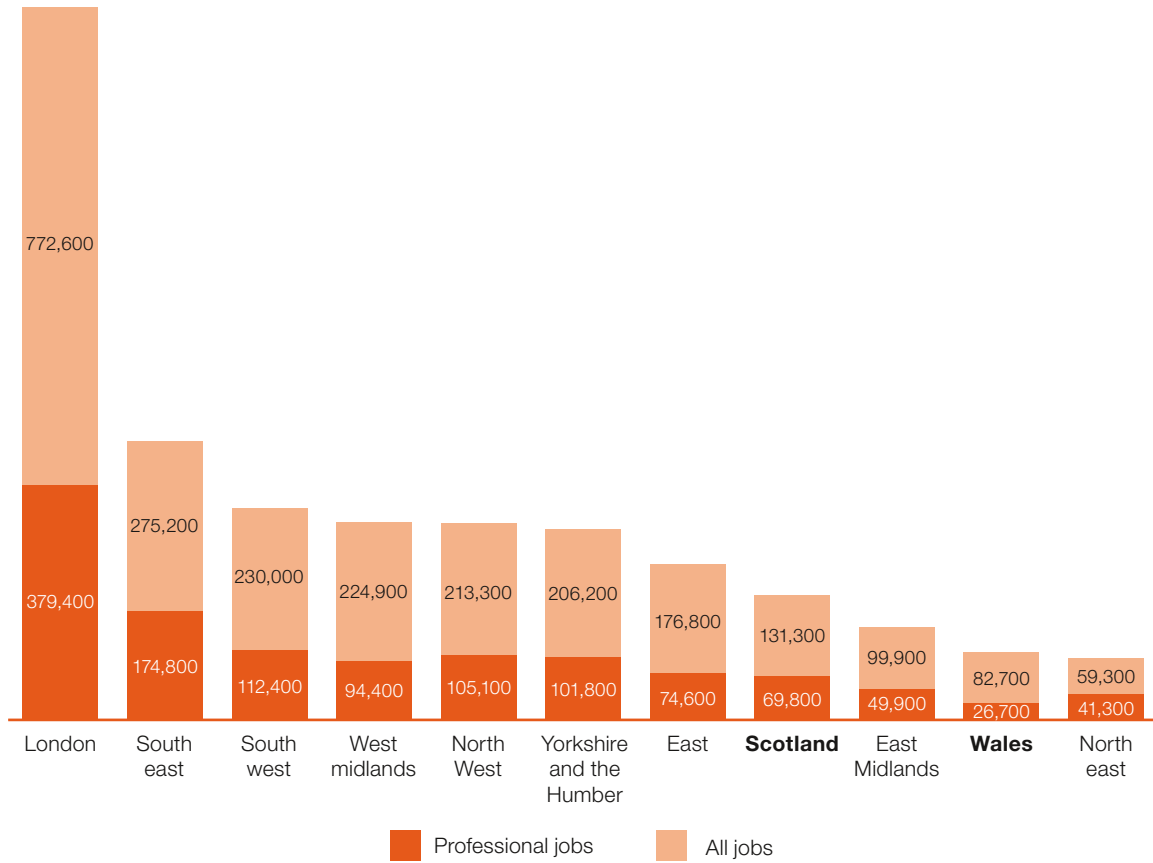
Source: SMC analysis of Nomis (ONS), 2019

Wales continues to have a lower median weekly equivalised household income than the other countries in Britain.

Figure 7.6: Median weekly equivalised household incomes (average 2017/18 prices)

England / Scotland / Wales

Source: Households Below Average Income, 2019

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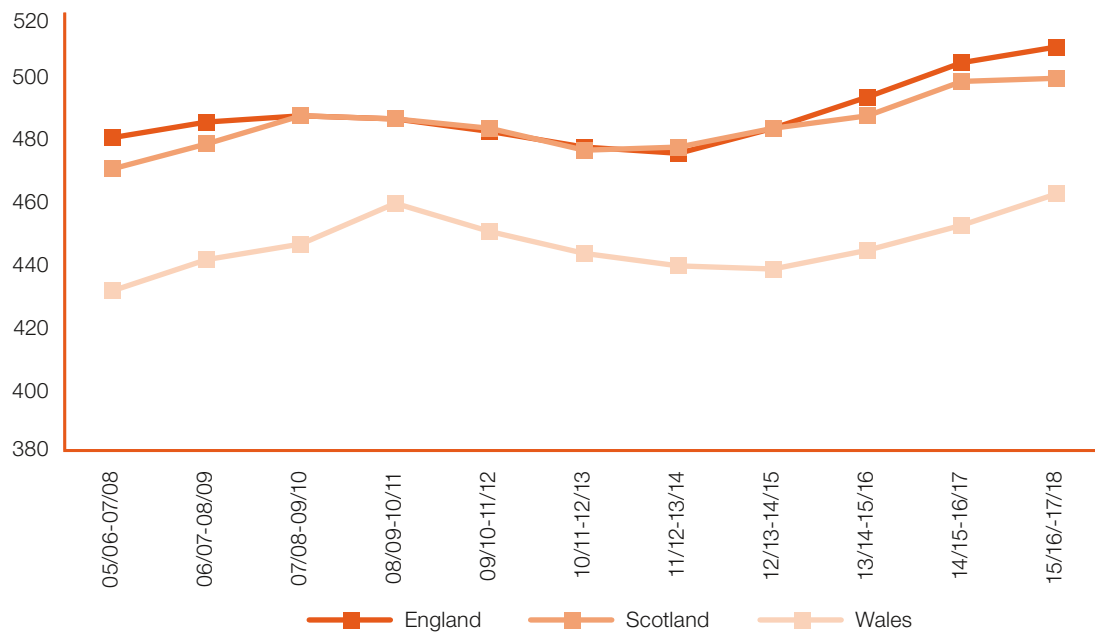
7.3 Key policies

Below are the policies that the Scottish and Welsh Governments are implementing or have implemented that are impacting upon social mobility and the key indicators in section 7.2.

Living standards

The policies highlighted below are helping Scotland and Wales to become more socially mobile. Social mobility should further increase as a consequence of the introduction in Scotland, and the planned introduction in Wales, of a duty on public bodies to consider the impact of socio-economic disadvantage when making strategic decisions. Whilst it is too early for this duty to have had an impact in Scotland, an analysis of similar duties shows that it can have a positive impact in ensuring public bodies work together and make effective use of data in determining their policies.[8] A review into how a duty to reduce socio-economic disadvantage has been implemented voluntarily in local authorities in England has highlighted areas that are essential for tackling socio-economic disadvantage effectively.[9]

Despite the recent rise in child poverty rates in Scotland, which can be partly attributed to UK-wide benefit changes, it is clear that reducing child poverty is a priority for the Scottish Government. To support the ambitious intention to reduce relative child poverty (after housing costs) to less than 10 per cent by 2030, the Scottish Government published a detailed delivery plan.[10] It is too early for these policies to have had an impact.

The reduction in child poverty in recent years in Wales is to be welcomed. It should be noted that the increase in recent years in child poverty in Scotland and England has also occurred in Wales in the latest figures. It is too early to tell if this slight recent rise is as a consequence of UK-wide benefit changes that have resulted in the rise in child poverty in the other countries.

Early years policies

In England, the aim is to halve the number of children (from 28 per cent to 14 per cent) finishing reception year without the early communication and reading skills they need by 2028. Working parents are entitled to 30 hours of funded childcare.

The Scottish Government recognises the benefits of high-quality childcare in supporting disadvantaged people to work whilst also helping children get a good start in life. Free childcare is available to all three and four-year-olds. At approximately 16 hours a week, this is lower than in England and Wales but this will increase over the coming years. In addition, there is targeted childcare available for two-year-olds from low income families. Additional policies to support working parents will make childcare even more accessible to working parents of young children. The funding of £12.4 million for Best Start Grants, to help disadvantaged families with the additional costs associated with having a newborn baby, may help to narrow the gap in the early years.

Flying Start is the Welsh Government's key programme to help support disadvantaged parents in the early years of a child's development. It provides free early years learning, including quality childcare, early language development and parenting support programmes. It is available to all children in an area that is defined as disadvantaged. As noted by Save the Children, Flying Start's design means that almost half of all disadvantaged children across the country are not eligible to receive the programme's support.[11] This obviously limits the overall effectiveness of the programme on social mobility and the Commission is interested in whether the Welsh Government decides to broaden the geographical scope of the programme in future years.

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8   Equality and Human Rights Commission, *Socioeconomic Requirements*, 2018
9   Just Fair, *Tackling socioeconomic inequalities locally*, 2018
10   Scottish Government, *Every child, every chance*, 2018
11   Save the Children, *Little Pieces, Big Picture*, 2018

The Welsh Government has introduced a policy of 30 hours of funded early education and childcare a week for working parents of three and four-year-olds. This builds on the existing universal entitlement to early education which provides every three and four-year-old in Wales with at least 10 hours of funded provision under the Foundation Phase Nursery. The Commission is concerned that eligibility for the additional hours is restricted to working families; given the concerns expressed above about some disadvantaged families not being eligible for Flying Start, it is likely that many disadvantaged children will miss out on early years support, which benefits their more advantaged peers and could increase attainment gaps in the early years.

Schools' policies

The Pupil Premium in England is a well-established mechanism for providing additional funding to disadvantaged pupils at school. This additional funding has helped to narrow the attainment gap in recent years between those eligible for FSM and their better-off peers. Equivalent funding is found in Scotland (Pupil Equity Funding) and Wales (Pupil Development Grant).

Closing the attainment gap between disadvantaged children and their more advantaged peers is one of the Scottish Government's core priorities, with significant funding of £750 million committed during the course of this Parliament through the Attainment Scotland Fund. This includes £120 million Pupil Equity Funding allocated directly to schools to help close the attainment gap. The Scottish Government has recently published guidance on how schools might use the Pupil Equity Funding.[12] The Scottish Government monitors how the Pupil Equity Funding is being spent and is considering how to narrow the attainment gap for younger children. It could explore the value of a student premium for 16 to 19-year-olds in education or training.

The Pupil Development Grant is funding provided to schools in Wales to support disadvantaged students and it helps schools work towards closing the attainment gap. Given the reduction in the attainment gap highlighted above, the Pupil Development Grant appears to be achieving its aims. The Welsh Government should continue to monitor the effectiveness of the scheme to ensure that the attainment gap in schools continues to narrow.

Higher education policies

In Scotland, there is free tuition for Scottish students. This has contributed to the increased number of disadvantaged people attending university. However, advantaged young people are more likely to attend university than disadvantaged young people, despite the free tuition. There are likely to be a number of factors as to why disadvantaged students are less likely to go to university. One potential reason is the limited grants to help disadvantaged students with living costs whilst studying. Instead, Scottish students are expected to take out loans to help with living costs, which can be off-putting for those whose parents do not have the means to support them.[13]

The Welsh Government has recently agreed with the recommendations from the Diamond Review to replace the tuition fee grant with a system of means-tested grant payments. A grant will be available for most students and will be more generous for those who need it most. The Commission will monitor the impact of these grants in encouraging disadvantaged young people to study at university.

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12   Scottish Government, *Pupil Equity Fund: National Operational Guidance*, 2019
13   Lucy Hunter Blackburn, *Who pays for free higher education? The case for Scotland*, 2013

Working lives policies

Fair Start Scotland is the Scottish Government's key service in helping people who are least likely to be in work to find a job. It is a service that helps those who are struggling to obtain work with pre-work support, including writing a CV, identifying a person's skills and preparing for an interview. Whilst it is early in development, the initial signs appear to be promising, with more than 7,000 people helped to move closer to finding a job in the first six months.

In addition, £12 million is being invested by the Scottish Government to help low income families find and progress in work and £10 million has been allocated to a fund that supports in-work training in 2018/19. This should address the percentage of employees receiving on-the-job training in the previous three months (down from 29 per cent in 2013 to 23 per cent in 2017).[14]

The Commission recognises the Scottish Government's efforts at tackling in-work poverty by becoming an accredited voluntary living wage employer, as well as strongly encouraging other employers to do the same. However, the proportion of employees earning below the voluntary living wage has risen in 2018. The Poverty and Inequality Commission highlights that the Scottish Government needs to be more ambitious with its plans to help the 435,000 people in Scotland who are not paid the living wage.[15]

The Commission also recognises the Welsh Government's efforts at tackling in-work poverty by becoming an accredited voluntary living wage employer. Employability is one of the Welsh Government's priority areas. The Employability Plan set out ambitions to support people into work, making strategic links between skills, training and other policy areas that impact on employment opportunities.[16]

The Welsh Government is seeking to overcome barriers to employment with a number of initiatives to help those who are least likely to be in work, including Communities for Work and Communities for Work Plus. These programmes have provided support to 25,000 people and helped over 8,500 people into employment. The Welsh Government has also set up a Fair Work Commission to consider issues such as guaranteed earnings, fair pay and opportunities for progression.

There has been good progress in Wales on three important indicators of working age poverty: unemployment has fallen (to 16 per cent in 2017 from 25 per cent in 2001), employment rates have risen and adults' skills have improved.[17] The proportion of adults with a degree or equivalent has increased significantly over recent years: nine per cent of the working age population had a degree or equivalent in 1996, compared to 24 per cent in 2016.[18] Despite these improvements, poverty rates for working adults have increased due to low pay.[19] As highlighted earlier, the slow growth in professional jobs in Wales will be a factor here and more needs to be done to increase the number of professional jobs.

7.4 Conclusions

The Commission welcomes the Scottish Government's introduction of the socio-economic duty which puts in place a requirement for public bodies to consider the impact on all members of society when making important decisions. The Commission awaits more information on the impact of this duty as it becomes known. Wales has announced its

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14   Scottish Government National Indicator Performance, 2019
15   Poverty and Inequality Commission, *What has happened since 'Shifting the Curve'?*, 2019
16   Welsh Government, *Employability Plan*, 2018
17   Joseph Rowntree Foundation, *Poverty in Wales*, 2018
18   Ibid.
19   Ibid.

intention to introduce a similar duty and the UK Government is encouraged to introduce a similar duty in England.

The Commission welcomes the findings showing that Scotland and Wales are becoming more socially mobile, with a person's socio-economic status less likely to be determined by their parents' socio-economic status than in 2014. This is especially encouraging in light of the limited social mobility in Britain as a whole.

The Commission welcomes the Scottish Government's decision to maintain a clear focus and set of objectives on child poverty, including legislating to reduce child poverty to under 10 per cent by 2030. The Commission also welcomes the reduction in child poverty rates in Wales in recent years, recognising this is the result of the policies included in the 2015 Child Poverty Strategy.[20] This is likely to help improve social mobility in the future.

However, the Commission does have some concerns. In Scotland, there remains a large attainment gap between the most disadvantaged and most advantaged children at age four/five. In Wales, it is concerning that some families who are most in need will miss out on early years' childcare and education as they are not eligible for either the 30 hour childcare offer or the Flying Start programme. Also, the lack of growth in professional jobs in Wales is a concern.

20   Welsh Government, *Child Poverty Strategy*, 2015

Annex A: Social Mobility Indicators

In 2011, the Coalition Government introduced an annual report card to assess whether policies were improving people's life chances, drawing together seven indicators, starting with babies' birth weight and going all the way through life to success in adulthood. While these indicators were a product of the Coalition Government and so are no longer being used, they are nevertheless still useful.

The full set of indicators have been set out below, as they appeared in the Coalition Government's April 2011 document *Opening Doors, Breaking Barriers: A Strategy for Social Mobility*. We have also set out where in the document these indicators are covered.

Life stage	Indicator	Measures	Location
Foundation years	**Indicator 1**: Low birth weight	Low birth weight: under 2.5kg (most advantaged socio-economic groups, least advantaged socio-economic groups and the gap between them)[1]	Chapter 2, Figure 2.1
	Indicator 2: Child development	We will develop an indicator looking at gaps in school readiness for children aged up to five from different social backgrounds in light of the Tickell review	Good level of development indicator included in Chapter 2, Figure 2.2
School years	**Indicator 3**: School attainment	Percentage achieving Level 4 at Key Stage 2 (eligible for free school meals, not eligible for free school meals and the gap between them)	Similar measure in Chapter 3, Figure 3.2
		Percentage achieving new 'basics' measure at GCSE (eligible for free school meals, not eligible for free school meals and the gap between them)[2]	Not included in this report
		Percentage achieving new 'basics' measure at GCSE (most deprived schools and least deprived schools, and the gap between them)	Not included in this report

1   The preferred Department of Health and Social Care measure of low birth weight, currently being consulted on as part of the Public Health Outcomes Framework, looks at term babies (37 weeks plus) only, as this measure of birth weight is considered to be the most useful one. However, as this cannot currently be segmented by socio-economic group, the indicator used in this strategy looks at all live births. The Department of Health and Social Care will consider the fit between these indicators as part of the business plan process

2   The 'basics' measure is currently GCSE A*-C in English and maths. The intention is that this will include science in the future.

Life stage	Indicator	Measures	Location
Transition years	**Indicator 4**: Employment and participation in education of 18 to 24-year-olds[3]	Percentage of 18 to 24-year-olds participating in (full or part time) education or training	Similar measure in Section 4.3, Figure 4.4
		Percentage of 18 to 24-year-olds not in full-time education or training who are workless	Similar measure in Section 4.3, Figure 4.4
	Indicator 5: Further education	Percentage achieving a Level 3 qualification by age 19, broken down into percentage achieving 2+ A Levels and percentage achieving other A Level equivalent qualification (eligible for free school meals at age 15, not eligible for free school meals at age 15 and the gap between them)[4]	Similar measure included at Chapter 3, Figure 3.4
	Indicator 6: Higher education	Progression of pupils aged 15 to higher education at age 19 (free school meal at age 15, non-free school meal at age 15 and gap)	Chapter 5, Figure 5.1
		Percentage of young people who go on to the 33 per cent most selective higher education institutions (gap between students educated at state school and independent school)	Chapter 5, figure 5.3[5]
Adulthood	**Indicator 7**: Social mobility in adulthood	We are committed to developing new measures of progress in improving social mobility looking at access to the professions, progression in the labour market and the availability of 'second chances' to succeed in the labour market	Chapter 1 (access to professions, progression in the labour market), Section 5.5 (second chances) Section 6.4 (adult education and training)

3   Suitable gap measures for these indicators are not currently available. The Departments for Business, Innovation and Skills and Work and Pensions are committed to developing appropriate measures as part of their work to improve the social mobility indicator set
4   This indicator will distinguish between A Levels and other Level 3 qualifications
5   Gap between highest and lowest POLAR quintile

Annex B: Glossary

Chapter 1

Absolute social mobility	Where people end up in comparison to their parents.
Class pay gap	The difference in average pay between people from different class backgrounds.
Economic inactivity	Individuals that are out of work and not looking for a job. Reasons for this include: sickness, looking after family, and being a student, amongst other reasons.
Income mobility	The extent to which income inequalities are passed from one generation to another.
Intermediate occupations	These are defined as NS-SEC 3 and 4 occupations. Examples include: shopkeepers, paramedics, and police officers.
NS-SEC	National Statistic Socio-Economic Classification: This is the best national measure that allows us to monitor occupational social mobility. We define an individual's social background by understanding the occupation their highest earning parent belongs to.
Occupational mobility	Can either mean class destinations of people in comparison to their origins (absolute occupational mobility) or the relative chances of individuals of different class origins arriving at different class destinations net of all change in the occupational structure (relative occupational mobility).
Professional occupations	These are defined as NS-SEC 1 and 2 occupations – managerial and professional (as per standard reporting). Examples include: CEOs, senior police officers, doctors, journalists, barristers, solicitors, teachers and nurses.
Relative social mobility	The chances of people from different backgrounds ending up in a different occupational group from their origin in comparison to others from different social backgrounds.
Working class occupations	These occupations are defined as NS-SEC 5, 6, 7 occupations – routine and manual. Examples include: receptionists, electricians, plumbers, butchers and van drivers.

Chapter 2: Early Years

Early Career Framework	A two-year, fully-funded package of structured training and support for early career practitioners linked to the best available research evidence.
Early years	The period in a child's life between birth and five years of age.

Early years foundation stage profile assessment framework	The early years foundation stage sets standards for the learning, development and care of children from birth to five years of age. The profile assessment is a summary of a child's attainment against these standards, and measures children's attainment against 17 areas of learning, known as early learning goals.
Gestures	A gesture is a movement of part of the body, for example the hand, to express an idea or meaning.
Home learning environment	The environment children experience at home in the context of their family and community. This includes the availability of resources which might affect a child's learning and development, for example toys and books.
IDACI (Income deprivation affecting children index) decile	This index measures the proportion of children under the age of 16 who live in low-income households.
Level 2, 3, 4, 5, 6 qualifications	See definitions under Chapter 4.
Phonics decoding	Phonics is the understanding of letter-sound relationships. Decoding is when a student uses knowledge of letter-sound relationships to accurately read a word.
Pupil Premium	A sum of money given by the government to schools to improve the attainment of disadvantaged children.
SES (socio-economic status)	A combined total measure of an individual's or a family's economic and social position in relation to others based on income, education and occupation.
T Levels	New Level 3 courses coming in September 2020 which will follow GCSEs, aimed at 16 to 18-year-olds designed to help students meet the needs of industry and prepare them for work. T Levels will be equivalent to A Levels in worth and include a 45 working day industry placement alongside classroom study.

Chapter 3: Schools

Academisation	The process by which local authority maintained schools turn into academies. Academies are schools funded centrally by local government instead of via a local council.
Attainment 8	Attainment 8 measures a student's average grade (at Key Stage 4) across eight subjects: the same subjects that count towards Progress 8.
	The eight subjects fit into three groups:
	1. English and maths. These are double-weighted, which means they count twice.
	2. Three further qualifications which count for the English Baccalaureate (EBacc).
	3. Three further qualifications from the 'open group' which is any remaining GCSEs and other approved academic, arts or vocational qualifications. It can include qualifications which count for the EBacc.
	A student's Attainment 8 score is calculated by adding up their points for their eight subjects and dividing by 10 to get their Attainment 8 score. Students don't have to take eight subjects, but they score zero for any unfilled slots.

Clarendon Schools	Nine of England's most famous private schools comprising Eton, Charterhouse, Harrow, Rugby, Shrewsbury, Westminster, Winchester, St Paul's and Merchant Taylors'
EBacc	Not a qualification in its own right but a combination of GCSE subjects – English language, English literature, mathematics, combined science or three single separate sciences and computer science, history or geography and a language.
Key Stage 1	The two years of schooling in England and Wales described as Year 1 and 2, when pupils are aged between 5 and 8.
Key Stage 2	The four years of schooling in England and Wales described as Year 3, Year 4, Year 5 and Year 6, when pupils are aged between 7 and 11. Key Stage 2 SATs (standard admissions tests) are taken by pupils aged 11 at the end of Year 6, which is, usually, the final year in primary school.
Key Stage 3	The three years of schooling in England and Wales known as Year 7, Year 8 and Year 9, when pupils are aged between 11 and 14.
Key Stage 4	The two years of schooling in England known as Year 10 and Year 11, when pupils are aged between 14 and 16. Most pupils take their final general certificate of secondary education (GCSE) exams at the end of Year 11.
Key Stage 5	The two years of schooling in England and Wales known as Year 12 and Year 13, when pupils are aged between 16 and 18. Typical qualifications studied for during this time are A-Levels and BTEC Level 3 courses. T Levels are expected to be the gold standard of new vocational courses offered at Key Stage 5 from 2020.
Ofsted (The Office for Standards in Education, Children's Services and Skills)	The education and skills inspectorate, and both regulator and inspectorate of services which provide care for children and young people.
Phonics decoding	Phonics is the understanding of letter-sound relationships. Decoding is when a student uses knowledge of letter-sound relationships to accurately read a word.
Progress 8	A measurement of a student's progress between Key Stage 2 and Key Stage 4 across eight key subjects. It shows whether students have performed to expectation, based on a value-added measure using Key Stage 2 English and maths as a baseline. It is calculated by subtracting a student's actual Attainment 8 score from their expected Attainment 8 score.
Rebrokered academies	Rebrokered academies are effectively schools under new management. The authorities move the governance from one trust to another, in order to have an institution run under new governance/leadership/management.
SATs (Standard Attainment Tests)	Tests taken by school students as part of the national curriculum. Typically, these are taken at the end of Key Stage 1 and the end of Key Stage 2.

Chapter 4: Further Education and Apprenticeships

Apprenticeships	A work-based training system, where apprentices earn a qualification after completing a blended mix of study and work. Apprentices must complete 20 per cent of their training off-the-job, be paid the apprenticeship minimum wage (£3.70/hr for those aged 19 and over) and pass an end point assessment.
Further education	Typically refers to classroom-based learning at Further Education (FE) colleges or providers. Colleges offer a wide array of offerings, including academic routes (such as basic maths and English courses, GCSEs and A Levels), as well as hundreds of technical qualifications (such as BTEC), apprenticeships, English as a second language courses, adult education classes, and more. Students can start at age 14 or 16, depending on the college. Most colleges and providers are for-profit and receive significant state investment. Sixth form colleges are sometimes included in this definition, though traditionally they mainly offer academic qualifications and have fewer students enrolled compared to FE colleges.
Level 2 qualifications	Qualifications at this level can include GCSEs, Functional Skills in English and maths, a wide array of technical qualifications and apprenticeships. They are usually taken for the first time at the end of Key Stage 4, when a student is aged 16.
Level 3 qualifications	Qualifications at this level can include A Levels, a wide array of technical qualifications, apprenticeships, and starting in 2020, T Levels. They are usually taken for the first time at the end of Key Stage 5, when a student is aged 18. They are the final qualification level a student is expected to achieve while in mandatory schooling.
Levels 4 and 5 qualifications	Include numerous higher level technical qualifications as well as qualifications that help students bridge into higher education, such as certificates or diplomas of higher education.
Level 6 qualifications	Qualifications at this level can include bachelor's degrees, some technical qualifications and apprenticeships. They are usually completed after mandatory schooling.
Older learner	In FE, this means over 19 years old, in apprenticeships this means over 25.
Technical education	The academic and vocational education of students for jobs that usually include an applied element.

Chapter 5: Higher Education

Level 2, 3, 4, 5, 6 qualifications	See definitions under Chapter 4.
Mature student	A student who attends college or university some years after leaving school.
National Collaborative Outreach Programme	An Office for Students funded initiative which aims to support the most disadvantaged young people in England to progress into higher education through a collaboration of 29 partnerships of universities and other local partners, to deliver outreach programmes to young people of secondary school age.
Office for Students (OfS)	The independent regulator of higher education in England.

POLAR (participation of local area) quintile	A classification of local areas into five groups – quintiles – based on the proportion of 18-year-olds who enter HE aged 18 or 19.
Sustained employment	Graduates are considered to be in sustained employment if they were employed for at least one day for five out of the six months between October and March of the tax year in question or if they had a self-employment record in that tax year.
UCAS	The Universities and Colleges Admissions Service – a non-profit organisation which conducts the application process for British universities.
UCAS multiple equality measure	UCAS' new and principal measure of equality. It brings together information on several equality dimensions for which large differences in the probability of progression into higher education exist.
UCAS tariff	System which allocates a numerical point score to post-16 qualifications.

Chapter 6: Working Lives

Gig economy	A term broadly applied to technology companies that create platforms in which users sell their labour as and when they wish to work, such as by driving or by delivering packages.
Level 2, 3, 4, 5, 6 qualifications	See definitions under Chapter 4.
Professional, intermediate, working class occupation	See definitions under Chapter 1.
Social Values Act	The Public Services (Social Value) Act came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.
National living wage	The national minimum wage that an employer must pay its workforce. Rates vary by age but for those aged over 25, it is currently set at £8.21 as of April 2019. In this report, this is referred to as the minimum wage.
Voluntary living wage	An hourly rate set by the Living Wage Foundation, which employers can voluntarily pay. It is based on a 'minimum cost of living, based on a basket of household goods and services.' It is currently £9.00 outside of London and £10.55 in London.

Chapter 7: Scotland and Wales

Best Start Grants	Best Start Grants will provide lower-income families with financial support during the key early years of a child's life. They provide eligible families with £600 on the birth of their first child and £300 on the birth of any subsequent children.
Core Subject Indicator	The Core Subject Indicator (CSI) represents the percentage of pupils in Wales achieving the expected level or above in English or Welsh (first language), mathematics and science in combination.
Early Years Scotland	Early Years Scotland is the body in Scotland that provides information and support to parents.

Flying Start	Flying Start is a Welsh Government funded programme and is available in targeted areas supporting all families to help 0 to 3-year-olds.
P1 to P7; S1 to S6	These are different school age year groups in Scotland, with P1-P7 roughly equivalent to primary school age in England and Wales, and S1-S6 roughly equivalent to secondary school age in England and Wales.
Scottish Credit and Qualifications Framework	These are the school age qualifications in Scotland that are the equivalent of GCSEs.

Annex C: Further Detail on Methodology

This report uses socio-economic background questions within the UK Labour Force Survey (LFS) to provide comprehensive analysis of social mobility from 2014 to 2018. The LFS represents the largest survey of employment in the United Kingdom, with a sample of around 80,000 to 90,000 each quarter.

The survey has a rolling panel design over five waves, with one fifth entering the survey and one fifth leaving at each wave. The July-September wave has been used in each year for this analysis, as this has questions on socio-economic background, asking about the survey respondent's parents in childhood. It asks about the household composition, the main wage earner (including if no parent was earning) and the occupation of the main wage earner when the respondent was 14. This has been included in each July-September wave since 2014, meaning that there are now five years' worth of data.

Socio-economic background has largely been derived using occupational class in this report, the measure that sociologists traditionally favour. This is based on an individual's National Statistic Socio-Economic Classification (NS-SEC), a measure which combines occupation with the degree of autonomy of the role and size of the employer. Mobility is calculated by looking at how a person's NS-SEC compared to that of their main income-earning parent. Alternatively, economists have tended to measure social mobility in terms of intergenerational differences in income or earnings. This has also been considered within the report.

The sample for this report is 252,847 respondents aged 25-60. The sample has been restricted to age 60 to minimise the effects of retirement and also due to recall issues; as the questionnaire asks respondents for their parent's occupational details at age 14, there may be more difficulty in recalling this for older respondents. Age 25 is used as the lower limit, as it takes time for people to settle into careers and younger age groups will often still be in education or starting out in their careers. Therefore, those aged under 25 have been removed to minimise these effects. Sampling weights are used throughout the analysis. Income-related analysis in the report has been drawn from smaller samples, due to income not being captured in all waves of the survey and advice that income data should not be pooled across quarters for the purpose of analysis.

Income analysis also does not include individuals that are self-employed, as the LFS does not include earnings data for these individuals. Any figures that are shown on an annualised basis have been calculated by multiplying gross weekly earnings by the relevant multiplier. Differences between 2014 and 2015 and later years may in part be due to methodological differences: after 2015, NS-SEC was derived using both parental occupation and parental employment status (whether they were an employee or self-employed) whereas in years prior to this, there was no self-employment variable available so the simplified method for deriving NS-SEC was used instead of the reduced method.

The seven groups of NS-SEC have been simplified into three distinct groups:

Class title	NS-SEC code
Professional and managerial (referred to as 'professional' in the report)	NS-SEC 1 NS-SEC 2
Intermediate	NS-SEC 3 NS-SEC 4
Routine and manual (referred to as 'working class' in the report)	NS-SEC 5 NS-SEC 6 NS-SEC 7

To measure intergenerational occupational mobility, origin class has been created using information on the respondent's main earning parent's occupation when the respondent was 14. The four-digit Standard Occupational Classification (SOC) code (SMSOC104) is used to compute NS-SEC using the simple method of coding available from the Office of National Statistics (ONS). For those who respond to this question in multiple waves, their first reported NS-SEC is taken as their current class.

Intergenerational earnings mobility cannot be directly estimated based on the existing LFS data as no social mobility questions were asked on parent's earnings at 14. To get an estimate, the respondents' father's earnings were summarised with weekly male earnings for individuals aged 35 to 50 in full time employment, using 3-digit SOC 90 code from the Labour Force Survey for the periods 1993-1996 and 1997-2000. The 3-digit SOC 90 codes were then matched to SOC 2010 codes based on the occupation description. An occupation-level wage was imputed based on the year that the respondent would have been 14. Given that there is no wage data in the LFS prior to 1993, it is not possible to extend this method beyond those survey respondents' age 29-36 (14 in 1993-2000) for this analysis. To measure destination wages, the gross weekly wage of the survey respondents was used. Wages above £3,500 a week are coded as missing to ensure that extreme results do not affect the estimates.

This work contains statistical data from ONS which is Crown Copyright. The use of the ONS statistical data in this work does not imply the endorsement of the ONS in relation to the interpretation or analysis of the statistical data. This work uses research datasets which may not exactly reproduce National Statistics aggregates.

Samples, both weighted and unweighted, for each of the charts included in the report are below.

Figure in Chapter 1	Unweighted Sample Size	Weighted Sample Size
Figure 1.2	**2014** Professional: 5,909 Intermediate: 3,391 Working class: 4,364 **2015** Professional: 5,880 Intermediate: 3,258 Working class: 4,243 **2016** Professional: 5,608 Intermediate: 3,112 Working class: 3,745 **2017** Professional: 5,869 Intermediate: 3,328 Working class: 3,767 **2018** Professional: 5,462 Intermediate: 2,943 Working class: 3,513	**2014** Professional: 4,023,343 Intermediate: 2,291,060 Working class: 2,835,814 **2015** Professional: 4,142,139 Intermediate: 2,267,345 Working class: 2,882,330 **2016** Professional: 4,243,999 Intermediate: 2,300,504 Working class: 2,725,170 **2017** Professional: 4,462,240 Intermediate: 2,528,303 Working class: 2,745,591 **2018** Professional: 4,301,159 Intermediate: 2,282,402 Working class: 2,599,781
Figure 1.3	**2014** Professional: 1,571 Intermediate: 2,145 Working class: 4,738 **2015** Professional: 1,611 Intermediate: 2,124 Working class: 4,542 **2016** Professional: 1,600 Intermediate: 1,715 Working class: 4,039 **2017** Professional: 1,649 Intermediate: 1,714 Working class: 4,103 **2018** Professional: 1,487 Intermediate: 1,599 Working class: 3,618	**2014** Professional: 1,056,790 Intermediate: 1,426,994 Working class: 3,094,588 **2015** Professional: 1,139,823 Intermediate: 1,473,893 Working class: 3,098,342 **2016** Professional: 1,200,003 Intermediate: 1,280,545 Working class: 2,950,518 **2017** Professional: 1,235,154 Intermediate: 1,291,820 Working class: 3,033,592 **2018** Professional: 1,134,738 Intermediate: 1,224,682 Working class: 2,697,149
Figure 1.5	Professional: 6,741 Intermediate: 4,558 Working class: 7,387	Professional: 5,162,396 Intermediate: 3,444,817 Working class: 5,426,747
Figure 1.6	Move to London: 1,000 Don't move to London: 17,686	Move to London: 980,424 Don't move to London: 13,053,536

Figure 1.7	**Professional** East of England: 714 East Midlands: 523 London: 555 North East: 287 North West: 792 Scotland: 597 South East: 1,154 South West: 636 Wales: 306 West Midlands: 586 Yorkshire and the Humber: 591 **Working class** East of England: 618 East Midlands: 574 London: 524 North East: 463 North West: 1,021 Scotland: 760 South East: 772 South West: 572 Wales: 455 West Midlands: 851 Yorkshire and the Humber: 777	**Professional** East of England: 548,584 East Midlands: 380,045 London: 508,127 North East: 205,358 North West: 587,272 Scotland: 467,177 South East: 920,436 South West: 463,178 Wales: 214,932 West Midlands: 451,173 Yorkshire and the Humber: 416,114 **Working class** East of England: 456,619 East Midlands: 403,059 London: 455,310 North East: 312,982 North West: 745,941 Scotland: 562,251 South East: 591,097 South West: 408,880 Wales: 316,168 West Midlands: 630,222 Yorkshire and the Humber: 552,218
Figure 1.8	Overall: 6,352 Men: 2,985 Women: 3,367 Degree educated: 3,019	N/A
Figure 1.11	Professional: 9,268 Working class: 10,319 Men: 18,420 Women: 20,576 White: 34,057 Ethnic minorities: 4,908 People without disabilities: 31,497 People with disabilities: 7,299	Professional: 7,204,222 Working class: 7,662,380 Men: 14,898,417 Women: 15,116,203 White: 25,739,371 Ethnic minorities: 4,252,065 People without disabilities: 24,372,725 People with disabilities: 5,490,564
Figure 1.12	**Men from a professional background** Professional: 2,743 Intermediate: 743 Working class: 745 Not working: 139 **Women from a professional background** Professional: 2,719 Intermediate: 1,092 Working class: 742 Not working: 345 **Men from a working class background** Professional: 1,736 Intermediate: 895 Working class: 1,896 Not working: 358 **Women from a working class background** Professional: 1,777 Intermediate: 1,310 Working class: 1,722 Not working: 625	**Men from a professional background** Professional: 2,276,633 Intermediate: 605,417 Working class: 598,946 Not working: 113,543 **Women from a professional background** Professional: 2,024,526 Intermediate: 793,119 Working class: 535,792 Not working: 256,246 **Men from a working class background** Professional: 1,332,895 Intermediate: 704,175 Working class: 1,480,003 Not working: 279,662 **Women from a working class background** Professional: 1,266,886 Intermediate: 924,130 Working class: 1,217,146 Not working: 457,483

Figure 1.14	**People without disabilities from a professional background** Professional: 4,831 Intermediate: 1,517 Working class: 1,186 Not working: 249 **People with disabilities from a professional background** Professional: 615 Intermediate: 310 Working class: 292 Not working: 232 **People without disabilities from a working class background** Professional: 3,013 Intermediate: 1,782 Working class: 2,822 Not working: 354 **People with disabilities from a working class background** Professional: 489 Intermediate: 415 Working class: 779 Not working: 624	**People without disabilities from a professional background** Professional: 3,81,074 Intermediate: 1,160,748 Working class: 910,574 Not working: 190,884 **People with disabilities from a professional background** Professional: 478,836 Intermediate: 232,213 Working class: 217,847 Not working: 176,792 **People without disabilities from a working class background** Professional: 2,240,102 Intermediate: 1,319,965 Working class: 2,116,806 Not working: 271,748 **People with disabilities from a working class background** Professional: 352,670 Intermediate: 302,004 Working class: 567,386 Not working: 461,863
Figure 1.15	**White people from a professional background** Professional: 4,904 Intermediate: 1,661 Working class: 1,324 Not working: 375 **Ethnic minorities from a professional background** Professional: 554 Intermediate: 172 Working class: 163 Not working: 109 **White people from a working class background** Professional: 3,215 Intermediate: 2,024 Working class: 3,347 Not working: 849 **Ethnic minorities from a working class background** Professional: 296 Intermediate: 180 Working class: 270 Not working: 133	**White people from a professional background** Professional: 3,804,531 Intermediate: 1,244,462 Working class: 990,950 Not working: 277,878 **Ethnic minorities from a professional background** Professional: 494,321 Intermediate: 152,577 Working class: 143,788 Not working: 91,911 **White people from a working class background** Professional: 2,348,640 Intermediate: 1,473,613 Working class: 2,470,183 Not working: 631,007 **Ethnic minorities from a working class background** Professional: 249,934 Intermediate: 154,003 Working class: 226,413 Not working: 105,418

Figure 1.17	**2014**	**2014**
	Professional: 11,005	Professional: 7,653,522
	Intermediate: 8,607	Intermediate: 5,871,843
	Working class: 13,440	Working class: 8,906,019
	2015	**2015**
	Professional: 10,965	Professional: 7,909,069
	Intermediate: 8,278	Intermediate: 5,873,995
	Working class: 13,187	Working class: 9,151,077
	2016	**2016**
	Professional: 10,537	Professional: 8,107,860
	Intermediate: 7,445	Intermediate: 5,627,021
	Working class: 11,350	Working class: 8,409,283
	2017	**2017**
	Professional: 10,872	Professional: 8,425,459
	Intermediate: 7,851	Intermediate: 6,055,354
	Working class: 11,499	Working class: 8,560,638
	2018	**2018**
	Professional: 10,021	Professional: 8,031,422
	Intermediate: 7,016	Intermediate: 5,530,171
	Working class: 15,535	Working class: 7,956,426
Figure 1.18	**2014**	**2014**
	Professional: 13,622	Professional: 9,391,194
	Intermediate: 10,856	Intermediate: 7,334,221
	Working class: 17,741	Working class: 11,646,048
	2015	**2015**
	Professional: 13,483	Professional: 9,681,306
	Intermediate: 10,418	Intermediate: 7,352,866
	Working class: 17,273	Working class: 11,878,098
	2016	**2016**
	Professional: 12,912	Professional: 9,879,045
	Intermediate: 9,304	Intermediate: 7,021,894
	Working class: 14,881	Working class: 10,937,339
	2017	**2017**
	Professional: 13,404	Professional: 10,334,928
	Intermediate: 9,686	Intermediate: 7,424,968
	Working class: 15,024	Working class: 11,094,797
	2018	**2018**
	Professional: 12,364	Professional: 9,837,579
	Intermediate: 8,744	Intermediate: 6,867,210
	Working class: 13,666	Working class: 10,259,644

| Figure 1.21 | **2014**
Professional: 10,223
Intermediate: 8,411
Working class: 13,581
2015
Professional: 10,261
Intermediate: 8,081
Working class: 13,210
2016
Professional: 9,754
Intermediate: 7,377
Working class: 11,440
2017
Professional: 10,253
Intermediate: 7,678
Working class: 11,629
2018
Professional: 9,411
Intermediate: 6,863
Working class: 10,414 | **2014**
Professional: 6,916,729
Intermediate: 5,628,138
Working class: 8,843,335
2015
Professional: 7,215,897
Intermediate: 5,640,834
Working class: 8,975,934
2016
Professional: 7,334,270
Intermediate: 5,479,754
Working class: 8,314,474
2017
Professional: 7,741,794
Intermediate: 5,788,641
Working class: 8,504,525
2018
Professional: 7,325,527
Intermediate: 5,302,426
Working class: 7,736,684 |