



Social Mobility
Commission

State of the Nation 2016: Social Mobility in Great Britain

2016

Summary

November 2016

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. It consists of up to ten commissioners, supported by a small secretariat.

The Commission board comprises:

- The Rt. Hon. Alan Milburn (Chair)
- The Rt. Hon. Baroness Gillian Shephard (Deputy Chair)
- Paul Gregg, Professor of Economic and Social Policy, University of Bath
- David Johnston, Chief Executive of the Social Mobility Foundation

The functions of the Commission include:

- publishing an annual report assessing improvement in social mobility in the UK
- providing published advice to ministers on matters relating to social mobility
- undertaking social mobility advocacy

The Commission is supported by a secretariat comprising: Paul Johnston, Jodie Smith, Kirsty Walker, Sarah Waite, Kiran Gill, Alivia Kratke, Rachael Millar and Gene Ward.

Summary

The Social Mobility Commission is an independent statutory body which examines what is happening to social mobility in the United Kingdom. This is the fourth State of the Nation report that the Commission presents to Parliament. In this report we assess progress towards improving social mobility and what could be done to accelerate that progress. We explore what the Government could do, and examine the contribution many others could make including employers and professions, schools and universities, parents and charities. We make a number of recommendations for action.

Parenting and the Early Years

- The early years of a child's life have a lasting impact, but there are stark social class differences in how ready children are for school: in the last decade 500,000 poorer children were not school-ready by age five.
- What happens in the home is key to child development, but support for parents is weak and provision patchy, even though most want better advice.
- The Government's increased investment in the early years is welcome, but there is not enough high-quality provision: poorer children, who stand to gain most from high-quality childcare, are least likely to receive it.
- The cost of childcare for a family with two young children is more than the average mortgage: struggling families are priced out of the best provision and new childcare reforms could make this worse, not better.

As part of a ten-year programme of social reform, the Government should:

- Introduce a new parental support package, including a guarantee of help if a child's 2 to 2½-year check shows that they are falling behind.
- Set a clear objective for early years services that by 2025 every child is school-ready at five and the child development gap has been closed, with a new strategy to increase the availability of high-quality childcare to low-income families.
- Double the Early Years Pupil Premium from £302 to £604 a year for each child and extend its cover to disadvantaged two-year-olds.

Schools

- Despite a welcome focus on improving attainment in schools, the link between social demography and educational destiny has not been broken: over the last five years 1.2 million 16-year-olds – disproportionately from low-income homes – have left school without five good GCSEs.
- Just 5 per cent of children eligible for free school meals gain 5 A grades at GCSE. The income gap is larger than either the ethnicity gap or the gender gap in schools.
- A child living in one of England's most disadvantaged areas is 27 times more likely to go to an inadequate school than a child living in one of the least disadvantaged. Ten local authorities account for one in five of England's children in failing schools.
- Poor careers advice and work experience mean that even with the same GCSE results, one-third more poorer children drop out of post-16 education than their better-off classmates.

As part of a ten-year programme of social reform, the Government should:

- Have as its core objective the ambition, within the next decade, of narrowing the attainment gap at GCSE between poorer children and their better-off classmates by two-thirds, bringing the rest of the country to the level achieved in London today.
- Rethink its plans for grammar schools, and for more academies.
- Mandate all schools in the ten lowest performing local authorities to take part in area-wide programmes, so that by 2020 none of those schools are Ofsted-rated inadequate and all are progressing to good.
- Reform the training and distribution of teachers across the country and create new incentives – including better starting pay – to get more of the highest-quality teachers into the schools that need them most.
- Require independent schools and universities to provide high-quality careers advice, support with university applications and to share their business networks with state schools.
- Repurpose the National Citizen Service to deliver an opportunity fund so that all children between the ages of 14 and 18 can have a quality work experience or extra-curricular activity.

Post-16 Education and Training

- Low-income youngsters are one-third more likely to drop out of education at 16 than better-off peers with similar GCSEs, and are 30 per cent less likely to take the A levels needed to study at a top university.
- Poorer students in areas with school sixth forms do better, but in 20 places in the country there is no access to school sixth forms, and in them poorer youngsters are 18 per cent less likely to take Level 3 qualifications.
- Funding is being diverted from second chance education in further education (FE) colleges to apprenticeships, which are often of low quality, in low-skill sectors and not linked to the country's skill gaps.
- Despite recent progress, for every child who goes to university from a family in the bottom two income quintiles, seven do not.
- Youngsters cannot access higher education (HE) locally in many parts of the country, exacerbating the gap between those parts of England that are pulling ahead and those that are falling behind.

As part of a ten-year programme of social reform, we recommend that:

- The Government should create a single, UCAS-style portal that includes vocational training alongside HE options and shows the outcomes associated with different qualifications.
- The Government should build destinations data into accountability frameworks for schools, encouraging them to take responsibility for the choices of all pupils, including those who take technical routes at 16.
- The Government should encourage sixth-form provision in areas where it is lacking and give schools a central role in supporting FE colleges to deliver the Skills Plan. It should aim to reduce the number of 16- to 18-year-olds who are not in education, employment or training to zero by 2022.
- The Institute of Apprenticeships should impose robust quality criteria for apprenticeships and not allow schemes that do not meet these criteria to be called apprenticeships.
- The Government should make social mobility reputational for universities, by publishing an annual social mobility league table.
- The Government should work with universities to ensure HE can be accessed locally in all parts of the country. The 90 areas with no HE provision should be assessed and there should be locally accessible provision everywhere by 2025.

Jobs, Careers and Earnings

- Millions of hard-working families have experienced a 5 per cent real-terms average fall in wages since 2008 and young workers have seen a 15 per cent decline in hourly pay.
- Only one in ten low-paid workers – who are mainly women – escape low pay and in 40 local authorities in England a third of all employees are not paid the voluntary Living Wage.
- 700,000 better-paid, intermediate-skilled jobs have gone in a decade and a regional brain drain is occurring, with more graduates move from areas with few professional jobs to those with more.
- If current trends continue, nine million low-skilled people could be chasing four million jobs, with a shortage of three million workers to fill 15 million high-skilled jobs by 2022.
- Despite efforts in recent years to change the social make-up of the professions, only 4 per cent of doctors, 6 per cent of barristers and 11 per cent of journalists are from working-class origins.

As part of a ten-year programme of social reform, we recommend that:

- A new deal between government and employers should be agreed to define businesses' social obligations and the support they will get from welfare, training and education policy.
- All large employers should develop strategies to provide their low-skilled workforces with opportunities for career progression.
- The Government should focus on moving people from low pay to living pay through a Second Chance Career Fund to help older workers retrain and by writing off advanced learner loans for part-time workers taking career-enhancing Level 3 qualifications.
- The Government should work with large employers, local councils and Local Enterprise Partnerships (LEPs) to bring new, high-quality job opportunities backed by financial incentives to the country's social mobility coldspots.
- The Government should support LEPs in social mobility coldspots to implement plans to tackle local skills gaps and attract better jobs to the area.
- The Government should introduce a legal ban on unpaid internships.

Housing and Social Mobility

- Home ownership rates among under-44s have fallen 17 per cent in the last decade as their housing costs have grown twice as fast as their incomes.
- Nearly one million more households with children rent privately than ten years ago, but they face higher housing costs than those who own their own homes.
- The gap between the housing haves and have-nots is accentuating the wealth divide: people who own their homes have an average wealth of £307,000, compared with less than £20,000 for social and private tenant households.
- Government schemes to help people get on the housing ladder are welcome, but high house prices mean homes are beyond the reach of almost all average earners.

As part of a ten-year programme of social reform, the Government should:

- Commit to a target of three million homes being built over the next decade with one-third – or a million homes – being commissioned by the public sector.
- Expand the sale of public sector land for new homes and allow targeted house-building on Green Belt land.
- Modify its Starter Home initiative to focus on households with average incomes and ensure these homes when sold are available at the same discount to other low-income households.
- Introduce tax incentives to encourage longer private sector tenancies.
- Complement the Heseltine Panel's plans to redevelop the worst estates with a matching £140 million fund to improve the opportunities social tenants have to get work.