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# Economic Bulletin

## HOW TO OVERCOME SELECTION BY HOUSE PRICE



*Image Credit: iStock/Getty Images*

- Selection by house price is a feature of the education system. There is a 20% house price premium near to top comprehensives. The upcoming White Paper will need to tackle this.
- Free schools reduce selection by house price. Free schools have, on average, higher standards and are 10x more likely to be in the most deprived areas compared to the least.
- Selective London boroughs with very different characteristics show that grammars are perfectly compatible with a good education for all. For example, 100% of pupils going to secondary schools in Kingston, Redbridge and Sutton attend good or outstanding schools.
- Grammars offer benefits to bright disadvantaged children. The attainment gap between rich and poor at grammar schools is just 4.3%, but over 25% at all schools.
- New grammar schools could help reduce selection by house price. Grammar schools should be targeted in areas with few good or outstanding schools.
- More access to the disadvantaged is needed. For example, current schools that wish to convert into grammars will need active programmes to ensure a representative intake.



## 1. INTRODUCTION

### ***Selection by house price, not ability***

“Comprehensive schools have largely replaced selection by ability with selection by class and house price”. These were the words of the former Labour Party Education Minister Andrew Adonis in 1998, and selection by house price remains prevalent in the UK’s education system in 2017.

Research by Lloyds Bank last year revealed that in areas closest to England’s top 30 state schools, house prices were 17% higher than the average. Moreover, a Teach First study found that there is a 20% house price premium near to top comprehensives, and that 43% of pupils at England’s ‘outstanding’ secondary schools are from the wealthiest fifth of households. In fact, selection by house price is now so prevalent that property websites run special search engines to allow families to find properties within the catchment areas of good or outstanding schools.

In light of the upcoming White Paper on education, this economic bulletin seeks to examine how the Coalition Government’s flagship policy of free schools has, to some extent, reduced education selection by house price, and how further free schools – including some new grammar schools – could promote higher standards of education for disadvantaged pupils.

## 2. FREE SCHOOLS POLICY SINCE 2010

### ***More competition, higher standards for all and targeted in deprived neighbourhoods***

- From 2012 to 2014, 69% of free schools were rated good or outstanding compared to 63% for schools overall.
- Free school openings have been associated with improvements for all secondary schools with below average results.
- Free schools are ten times more likely to be in the most deprived local authorities compared to the least deprived.

In 2010, the Coalition Government identified that giving head teachers greater freedom over the curriculum, budget and staff could help improve education and reduce the attainment gap between rich and poor pupils – as originally advocated by Sean Williams for the Centre for Policy Studies in 2000 "Freedom for Schools". The Coalition therefore gave the option for all schools to become academies and promoted new free schools, where teachers, charities and parents could establish new schools. It was intended that these reforms would increase competition and drive up standards.

By the start of the 2016/17 school year, a total of 425 free schools had been opened out of around a total of 25,000 state schools. Evidence suggests that free schools are helping to

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increase standards in the areas where they are located. According to the [Department for Education](#)'s inspections between 2012 and 2014, 69% of free schools were rated good or outstanding compared to 63% for schools overall.

Although the policy has only been implemented for a few years, there is some evidence to suggest that underperforming existing schools in areas where free schools have been set up are also seeing improved academic standards. Free school openings were associated with improvements for all secondary schools with below average results, according to a [report](#) from Policy Exchange. This suggests that competitive pressures may be helping to increase standards.

Critics of the free schools policy often [argue](#) that they are likely to be centred in middle-class neighbourhoods. However, the proportion of pupils eligible for free school meals (FSM) at new free schools is, in fact, higher than the national average for secondary schools, according to the [House of Commons Library](#). Moreover, the [New Schools Network](#) finds that free schools are ten times more likely to be located in the most deprived local authorities compared to the least deprived, helping to reduce the "selection by house price bias" in the UK's education system.

Some critics also claim that free schools are often based in areas without a need for school places, yet the evidence points to free schools being set up in areas of need. At the start of the 2014/15 academic year, [three quarters](#) of open or approved free schools were in areas of expected need.

### **3. WHAT ABOUT NEW GRAMMAR SCHOOLS?**

*Good at narrowing the attainment gap and compatible with good schools for all. However, more access is needed for disadvantaged pupils and new grammars should be targeted in areas with few good or outstanding schools.*

In the [Budget 2017](#), the Government committed to £320 million of investment to help fund up to 140 new free schools, some of which may include selective grammar schools. These new free schools will, according to the Government, be located where they are most needed to improve the choice available to parents.

#### **The case against new grammar schools**

It is commonly believed that the old system of grammar schools and secondary moderns led to those attending secondary moderns being 'left behind'. The Institute of Fiscal Studies has, for example, [highlighted](#) three academic reports which indicate that whilst grammar schools boosted attainment in the 1950s and 1960s, they often left behind the children who did not pass the 11-plus and did not provide much access for poorer children.

There is also a lack of disadvantaged children attending the current crop of grammar schools. Only 3% of grammar school pupils are [entitled](#) to FSM in England, which is lower than the 16% of pupils attending non selective schools. Many also argue that as high performing, non-

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selective schools are better at attracting disadvantaged children, there is no need for additional grammar schools.

### The response to these criticisms

*Grammar schools can be compatible with good schools for all.*

Although in the past many children attending secondary moderns were indeed 'left behind', it is not fair to compare this to modern day circumstances. Today's education system has changed considerably since the 1960s. There is now growing competition and choice for parents with the creation of academies, free schools and University Technical Colleges. This, together with the burgeoning faith school sector, provides a diversity of choice for parents, which would remain unaffected by the promotion of a modest number of new grammar schools.

London schools are a case in point. London schools have improved dramatically since 2000, and much of this is attributed to the promotion of the academies programme that has helped promote diversity and choice.

Table 1 shows the London Boroughs that have selection by ability. These boroughs have very different characteristics. For example, some of these boroughs have large numbers of ethnic minorities attending secondary schools (e.g. Redbridge and Enfield) while others have a majority of White British pupils attending secondary schools (e.g. Bexley, Bromley and Sutton). In every case, schools have seen dramatic improvements (see Table 1). With the exception of Bexley, over 90% of pupils attending a secondary school in London boroughs with grammar schools are now going to good or outstanding schools. This shows that grammar schools can be perfectly compatible with a good education for all.

**Table 1: London Local Authorities with grammar schools**

Local Authority	% of pupils in good or outstanding schools (2009)	% of pupils in good or outstanding schools (current)	Percentage point increase	Number of Grammar Schools
Barnet	90%	93%	3	3
Bexley	53%	76%	23	4
Bromley	82%	95%	13	2
Enfield	41%	92%	41	1
Kingston-upon Thames	70%	100%	30	2
Redbridge	82%	100%	19	2
Sutton	85%	100%	15	5
<b>Average for England</b>	63%	78%	15	

Sources:

Department for Education (current) [link](#); Ofsted (2009) [link](#) and [link](#); Institute of Fiscal Studies (number of grammar schools) [link](#).

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The case of Northern Ireland also highlights that selection by ability can be beneficial for disadvantaged children across the board. Northern Ireland selects children by ability and its education system is far better at helping raise the attainment of children on FSM. When including English and Maths, nearly half of pupils on FSM achieve five or more A\*-C grades at GCSE in Northern, which compares to just one third of pupils on FSM in England (see Table 2).

**Table 2: Attainment of pupils on FSM in England and Northern Ireland (2014-15)**

	England	Northern Ireland
Percentage of pupils (FSM) achieve 5+ A*-C inc. English and Maths	33.1%	45.6%

Source: Northern Ireland Department for Education [link](#)  
Source: Department for Education (England) [link](#)

### Benefits for disadvantaged children

The lack of disadvantaged children attending the current crop of grammar schools is certainly an issue. However, the scarcity of grammar schools in England is partially responsible for the low attendance. For example, in Northern Ireland –where nearly half of pupils go to grammar schools – there are proportionally nearly twice as many children on FSM going to grammar schools.<sup>1</sup> Yet, despite this, measures will need to be implemented to ensure that new grammar schools do not become the preserve of the middle class.

It is important to promote greater attendance of disadvantaged pupils into grammar schools, particularly as there is strong evidence to suggest that it can offer huge benefits to academically bright children. This is especially highlighted by comparing the attainment gap in selective and non-selective schools.

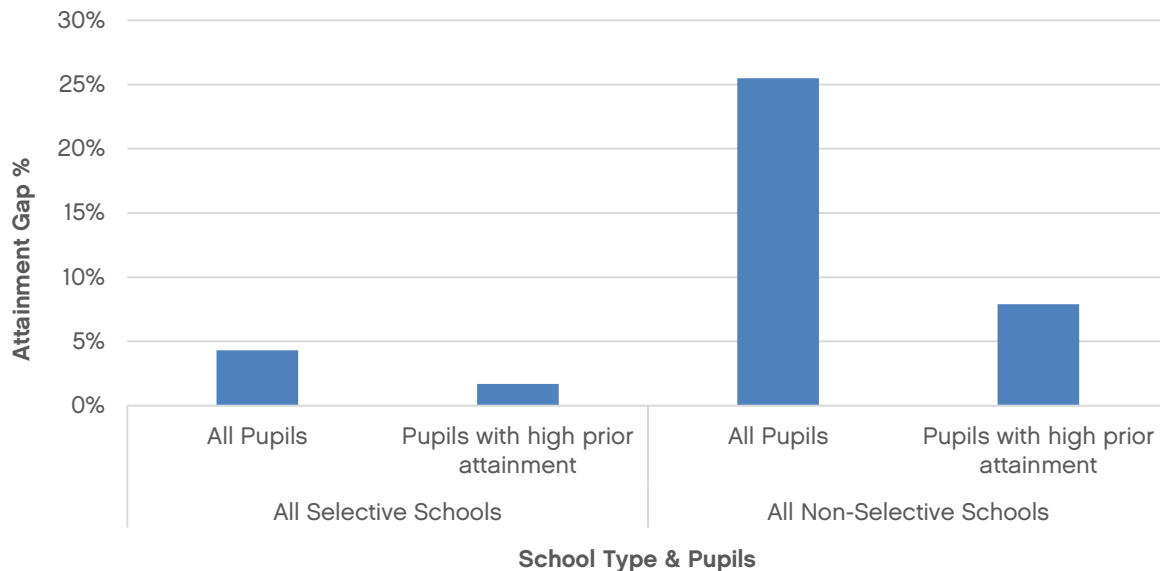
Despite low access of disadvantaged children, the attainment gap between FSM and non-FSM pupils at grammar schools stands at just 4.3%, whereas in non-selective schools it stands at 25.5%. Even when disaggregating the data to look at pupils with “high prior attainment”, the attainment gap at selective schools is just 1.7 percentage points against a 7.9 percentage point gap at non-selective schools (see Figure 1).

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<sup>1</sup> 13.9% of admissions to NI grammars are from FSM and 39.9% of admissions to non-grammar are from FSM [**Ratio 2.9:1**] 3% of admissions to English grammars are from FSM and 16% to non-grammar schools [**Ratio 5.3:1**].



**Figure 1: Proportion of pupils with high prior attainment that achieved 5+ A\*-C at GCSE or equivalent, including English and Maths, in selective and non-selective schools (2015)**



Source: Education Policy Institute [link](#), CPS analysis

### How best to pursue new grammar schools

Grammar schools are undoubtedly popular with parents. Despite the ban on new grammar schools, the number of pupils attending these schools has increased since 1997. In 1997, there were 128,710 pupils in grammar schools in England. There are currently 163,000 pupils in grammar schools, some 34,000 more places. The proportion of pupils in grammar schools has risen from around 4% to 5.2% of all pupils. This growth is due to the extension of the age range at grammar schools.

The very low attainment gap between rich and poor pupil at grammar schools makes a strong case for the opening of some new grammars. However, the Government will need to consider carefully where these new grammar schools should be located.

There are many areas of the country where there are few good or outstanding schools. The most egregious example is the borough of Knowsley in Merseyside, which last year closed down its only sixth form college and has 0% of its pupils attending good or outstanding schools. In order to proceed with A-levels, students residing in Knowsley must now travel outside the borough.

Other localities perform badly. The Isle of Wight, Blackpool, Bradford and Swindon all have more than 50% of pupils attending schools that are deemed to be 'failing' or 'in need of improvement' (see Table 2). Areas such as these – with few good or outstanding schools – would be ideal areas for new grammar schools, offering opportunities for academically bright children from disadvantaged backgrounds. This could come from existing schools converting into grammars, or as part of the new wave of free schools that are expected over the coming years.

It is, of course, vital that standards for all schools in these areas improve. This means

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learning lessons from the improvements observed in the London boroughs with grammar schools. The London boroughs with selective schools show that a diversity of choice, including free schools, academies and grammar schools, can lead to a good education for children of all abilities.

**Table 3: Worst Performing Regions for Secondary Schools (2016)**

Region	% of pupils in good or outstanding schools
Knowsley	0%
Isle of Wight	26%
Blackpool	42%
Bradford	44%
Swindon	47%

Source: Department for Education [link](#)

Where parents wish to see grammar schools expand in areas that already have academic selection, there will need to be measures implemented to ensure that more disadvantaged pupils gain entry into these schools. Currently, [evidence](#) suggests that the proportion of children eligible for FSM is slightly higher than the national average in grammar schools catchment areas.

It was recently [reported](#) that some grammars will lower pass marks for children from deprived families. While there might be certain circumstances where schools feel this is appropriate, it would be punitive to insist on this being applicable to all grammar schools.

Measures that could apply across the board to ensure that more disadvantaged pupils enter grammars could include, among other things, making sure more children sit grammar school exams in areas where it is no longer automatic in primary schools. It is also important that children from disadvantaged backgrounds are familiar with the format of tests, to guard against so-called “teaching for the test”. Furthermore, existing schools that are seeking to convert into grammars will need to have active programmes to encourage disadvantaged pupils, ensuring that the intake is representative of the community.

New grammar schools could also be considered for new University Technical Colleges. This could accompany the Government’s moves to make a technical education more prestigious with the creation of so-called ‘T-Levels’.

#### **4. HOW SHOULD THE GOVERNMENT PURSUE THE FREE SCHOOLS POLICY?**

It is clear that “selection by house price” continues to be endemic in the UK’s education system. The Government’s upcoming White Paper on education should seek to reduce this bias.

The Government’s announcement of a further raft of free schools will help tackle this issue

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somewhat. Evidence suggests that free schools tend to offer higher education standards for pupils, and they have been disproportionately located in the most deprived areas.

A gradual increase in the number of grammar schools in targeted locations could also help to reduce selection by house price. New grammar schools could come from existing schools converting into grammars, or as part of the new wave of free schools that are expected over the coming years. The Department for Education should therefore identify preferred locations for new grammar schools in the upcoming White Paper.

The attainment gap between rich and poor pupils is far smaller in selective schools compared to non-selective schools, even when disaggregating for “high prior attainment”. Focusing new grammar schools in areas with few good or outstanding schools would be highly effective in reducing selection by house price, and allowing some technical colleges to select by ability could also help make a technical education more attractive.

It may also be appropriate to review whether the current definition used for the pupil premium is sufficient. For example, many of the so-called “just about managing” would not be counted within the pupil premium.

It is also, of course, important to ensure that all schools in areas with few good or outstanding areas see higher education standards. Lessons from the improvements across all schools in the London boroughs with grammar schools should be used as a template to raise standards in these localities.

Where parents wish to see grammar schools places expand in areas that already have academic selection, the Government should allow this but ensure that existing schools that are seeking to convert into grammars have active programmes to encourage disadvantaged pupils, ensuring that the intake is representative of the community. Even the chairman of the National Grammar Schools Association, Robert McCartney, says: “*They will have to introduce some conditions that will prevent these schools being swamped by families with money*”.

This could include, among other things, making sure more children sit grammar school exams in areas where it is no longer automatic in primary schools. It is also important that children from disadvantaged background are familiar with the format of tests, to guard against so-called “teaching for the test”.

The evidence is clear that disadvantaged pupils would benefit from a grammar school entry, but England needs more grammar schools to meet demand and spread opportunity.

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