LONDON'S CALLING

YOUNG LONDONERS, SOCIAL MOBILITY AND ACCESS TO HIGHER EDUCATION

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CENTRE FOR LONDON

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The Centre for London is a new politically independent, not-for-profit think tank for London. It is the only organisation of its kind focusing on the big issues confronting London and the problems facing Londoners.

It aims to act as a critical friend to London's leaders and policy-makers, promote a wider understanding of the problems facing London and develop rigorous and radical policy solutions for the capital. The Centre works collaboratively with its supporters, drawing on their experience and expertise.

The Centre launched in 2011 and initial projects include work on social mobility in London, housing, worklessness, East London Tech City, the Thames and London's competitiveness.

The Centre for London is incubated by the think tank Demos, and will become independent in time.

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The views in this report are solely those of the authors. All errors and omissions remain our own.

Stephen Evans and Rob Whitehead, 2011

EXECUTIVE SUMMARY

London is an opportunity city – its dynamism attracts the best and brightest talent from across the country and around the world. Over recent decades, higher education has increasingly become the entry ticket to these opportunities. Four in ten London jobs today require degree-level skills and this figure continues to rise.

Those with higher level skills can be catapulted into a world of opportunity. A far wider range of careers opens up to them. Those without these skills increasingly find themselves locked out, facing a glass ceiling to their pay and job prospects. Ensuring equitable access to higher education is critical to ensuring equality of opportunity and social mobility. At the same time promoting the social mobility of young Londoners will have long-term economic benefits. This report explores how access to higher education among young Londoners varies across different groups and areas, and how this access can be further opened up.

London's record is, in many ways, a proud one. School results, now higher than the national average, have improved dramatically across the social spectrum over the last decade. Partly as a result of these improvements, the 'poverty penalty' that young people from lower income areas pay in terms of their chances of getting to university has fallen since the mid 2000s. This means that Londoners who stay on in education past the age of 16 have a broadly equal chance of going on to higher education whether they are from a poor area or not. However, significant challenges remain.This is particularly true of entrance to the most prestigious research-intensive universities. Young people from poorer areas are significantly less likely to go to the most prestigious universities. In Richmond, the London borough with the lowest concentration of deprivation, 42 per cent of applicants go to research-intensive universities, whereas in Barking and Dagenham, with one of the highest concentrations of poor areas, only 12 percent do.[1]

But this is not inevitable. In some London schools, young people from poorer areas have at least as good a chance of getting into higher education and in some schools actually stand a better chance. Moreover, young people from poorer areas in a handful of schools do better than their richer peers in getting into research- intensive universities. In short, the evidence suggests that schools and associated services can significantly help level the playing field for children from low income families when it comes to getting into higher education. We also find that the 'poverty penalty' seems to be weaker in poorer areas, challenging the notion that poorer children do best in more middle class schools.

The lessons seem clear. If we can learn from the best schools, we can make a very significant contribution to tackling the disadvantages of birth and opening up higher education to all young Londoners.

What lessons can be learned from those schools and areas doing better? Each is different, but they share some characteristics. The first is a relentless focus on results and achievement for all young people – a refusal to accept that there is an inevitable link between poverty and poorer exam results. The second is early engagement with families and wider peer networks – young people do not make decisions in isolation but are decisively influenced by their family and friends. The third is close partnership working between schools, colleges, higher education institutions and employers – for example, taster sessions and summer schools can help make higher education a more accessible choice.

Putting these lessons into practice across the board – making them business as usual – won't be easy, particularly at a time of public spending cuts. Similarly, persuading young people that higher education could be the route for them if neither they nor their families have considered it before won't be easy in tough economic times with rising tuition fees. But the evidence suggests that we should not give in to counsels of despair – there is much we can do to widen access to higher education.

1 INTRODUCTION

Over the last 40 years, higher education has expanded dramatically in London and across the world. More and more jobs require degree level skills. Nowhere is this more true than in London. By 2020 one in two jobs in London is projected to be filled by people with degree-level qualifications. As a result, higher education is a driver of both economic growth and social mobility.

There is cross-party consensus nationally and in London on the importance of boosting social mobility, but disagreement on how to achieve it. School results have improved faster in London than nationally over the last decade.[2] Other schemes, such as summer schools and outreach, have aimed to encourage young people from all backgrounds to consider higher education. Together they have helped to narrow the higher education participation gap between richer and poorer areas of London since the mid 2000s.

However, significant disparities remain, particularly with regard to entrance to more research-intensive higher education institutions, which for the purposes of this study are the members of the Russell Group[3] plus members of the 1994 Group.[4] Promoting more equitable access to higher education is likely to be an even greater challenge over the decade ahead because today's graduates face the toughest jobs market in generations – their degree is not necessarily a guarantee of a job and good pay. Public spending reductions and increases in tuition fees will have an impact too.

As the UK's most globalised city, London has been particularly exposed to the transformation towards a skilled economy. London's employers have access to a global labour market, able to attract the best and brightest from around the world as well as here in the city. Despite containing some of the country's leading centres of wealth creation, London remains a place of great economic and social inequalities, and uneven educational opportunities. There is a clear risk that London's higher levels of inequality will become even more entrenched if access to opportunities is not widened.

This is therefore an opportune moment to take stock of access to higher education in London today and identify priorities for action. Chapter 2 of this report examines the increasing importance of higher education to London's prosperity and fairness and how this is likely to grow. Chapter 3 analyses access to higher education in London today by background, borough and institution. Chapter 4 constructs a new behavioural economics framework to understand the key drivers of young people's decisions about whether or not to go to university. Finally, chapter 5 uses a cost–benefit model to estimate the size of the prize for improving access for London's young people.

2 THE INCREASING IMPORTANCE OF HIGHER EDUCATION

"UPON THE EDUCATION OF THE PEOPLE OF THIS COUNTRY, THE FATE OF THIS COUNTRY DEPENDS."
Benjamin Disraeli

This chapter analyses the growing importance of higher education to social mobility and economic prosperity. It considers the fundamental economic forces that are driving this increased importance and their particular impact in London.

The rise and rise of higher education

Over recent decades, higher education has shifted from being the preserve of a privileged elite to the expectation of the majority. The proportion of young people attending university in the UK has risen from 6 per cent in the 1950s to more than 40 per cent today.[5] In the process, higher education has changed, with new universities emerging and a greater diversity of provision, with some focused more on research and others more on teaching. This diversity is clear in London, which has the highest concentration of higher education institutions in the UK and some of the best regarded in the world. These draw in students from across the country and around the world, and from all income groups and abilities.

But this astonishing growth in higher education is not just a London or UK phenomenon. It has been seen across much of the world. The reason is the dramatic rise in higher education's importance to economic and social opportunity. The type of jobs available in the UK and other advanced economies and the skills required for them are being reshaped by fundamental global economic changes. As a result, skills play an increasingly pivotal role in driving economic and business performance and determining individual's job and pay prospects. In a knowledge-based economy, individuals, businesses and cities must compete more and more on the basis of skills.

A global premium on skills

Throughout the world, the past 30 years have seen a significant rise in the wage and job premium attached to skills, particularly high-level skills – those with high-level skills are more likely to be in work and earn more on average. Here in the UK, almost nine in ten graduates

are in work, compared with fewer than one in two people with no qualifications. Those with degrees earn, on average, almost 23 per cent more than those without.[6] There is an increasing opportunity divide between those with high skills and those without. Box 1 investigates what high-level skills are.

This is a consequence of the fundamental reshaping of the economy and jobs market, driven by seismic shifts in the global economy. Three fundamental and linked sets of changes are under way:

- *Emerging economies are growing.* By 2015, China is likely to be the third largest economy in the world. The rapid growth of China and other emerging economies brings significant new markets for British firms and cheaper goods for UK consumers, but also increases competition for jobs and business. This increasingly includes high-skill jobs – although a small proportion of their overall economies, India and China together produce more than 4 million graduates each year, compared with 600,000 in the UK.[7]

Box 1: What do we mean by high-level skills?

It is not easy to define what we mean by skills. Generally they are seen to be capabilities and expertise in a particular occupation or activity. They can be grouped into basic or generic skills, such as literacy and team working, applicable to most jobs, and specific skills that apply to a particular occupation, such as engineering. There is no perfect measure of skills, but the most common measure is qualifications.

High-level skills are usually defined to be those attained at university level – in practice, this means those equivalent to degree level or higher (level 4 or above). Such skills can therefore be gained at university, in college or through work, for example through advanced apprenticeships. As with skills more generally, high-level skills can be specific, such as those required in accountancy, or generic, such as those needed for critical analysis and reasoning. This helps to explain why people often do not go into jobs directly associated with their degrees – the course has helped them to develop higher-level analytical and other skills that can be applied in a range of occupations.

- *Communications are improving.* Advances in information and communication technology have led to new methods of production as well as new goods and services. Different parts of the production process increasingly take place in different areas or countries, according to the comparative advantage of that area or country. While such specialisation has been most common in manufacturing, it is happening increasingly in service industries. For example, the financial markets, retail, communications and the media, and banking sectors account for almost 40 per cent of all outsourcing.[8]

- *Technological change is skills-biased.* Technological changes over the past generation have tended to most benefit those with skills. For example, many low skill manufacturing jobs have been replaced by technology (such as assembly line technology), though low skill service jobs have grown. At the same time, advances in areas such as information technology have often required highly skilled workers to make the most of them (for example, financial modelling in the finance sector).

These forces are the economic equivalent of shifts in the earth's tectonic plates. They are stripping away jobs and opportunities for those with low or no skills, and have dramatically boosted the advantage that those with high-level skills already enjoyed. All of this means too that skills are an increasingly crucial driver of economic growth – one-fifth of the UK's growth over the last decade has come from improvements in skills.[9]

They are a gateway to social mobility too – unless someone has high-level skills, most professional and higher paid jobs are out of reach to them. The rise in the importance of higher education has been associated with a stalling in social mobility over recent decades. Evidence shows that since the 1970s the influence of parental occupation on children's' occupations appears to have remained fairly constant.[10] It also indicates that

over the past five years gaps in educational performance throughout key stages between those children who are eligible for free school meals (one measure for being in poverty) and those who are not has narrowed only slightly despite significant investment.[11]

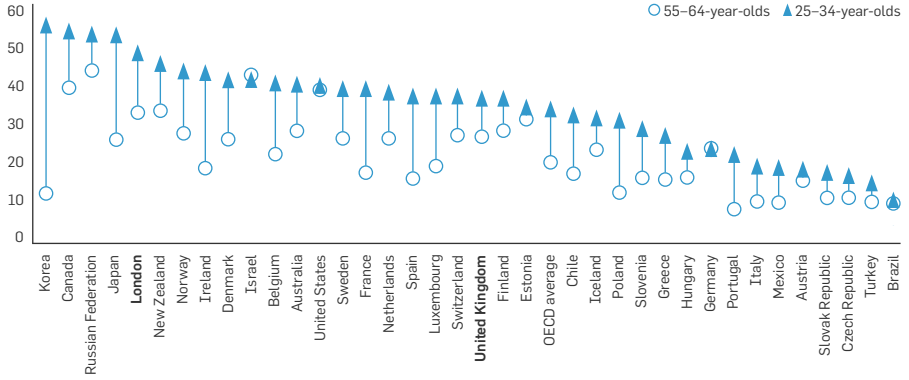
London's race to the top

Nowhere are these dramatic shifts more evident than in London, which has made the transition to a knowledge-based economy more fully than anywhere else in the UK. As one of the most open and global cities in the world, London is in what former Prime Minister Gordon Brown described as a 'global skills race'. In this respect London is a magnet for talent from around the world.

Today more than four in ten London jobs are filled by people with degree-level skills, compared with one in three in the UK as a whole.[12] This is the result of London's greater concentration of high skills sectors, such as finance and high added value manufacturing; and in occupations, such as managerial and professional. If London had the same industrial structure as the rest of the UK, it would have 420,000 fewer graduates in employment.[13]

Figure 1: Population attaining qualifications in tertiary education as percentage of total population, 2008

Sources: OECD and ONS[14]



The response, in a process mirrored across the UK and much of the world, has been a sharp rise in the number of Londoners in higher education: more people than ever before are going on to higher education, and it is no longer the preserve of a small minority. This sharp rise has not been uncontroversial – significant 'growing pains' have been felt and are discussed more fully in the next section. However, the increase in the numbers going into higher education in London and the UK has not been unusual internationally. Indeed, as figure 1 shows, people in other countries, such as the USA, Canada and South Korea, have higher levels of attainment than the UK. Advanced skill levels have increased even faster than those in the UK over the last 30 years.

The Leitch Review and UK Commission for Employment and Skills have found that the UK is on track to remain just above mid-table in the rankings for high skills of the Organisation for Economic Co-operation and Development (OECD), despite heading toward more than 40 per cent of the workforce having high skills by 2020.[15] In other words, London and the UK are running to stand still.

An increase in the *quantity* of people with university-level education will not be of benefit unless the *quality* of that education is maintained. Among the best ways to measure the economic value of degree-level qualifications is through the wage and employment premium of those with such qualifications. There is evidence, described in box 2, that the wage and employment returns that those with higher qualifications enjoy have remained fairly stable over recent decades – supply has not outstripped demand for such skills. There are some important caveats to this, however, discussed more fully below.

Growing pains

The rapid growth in higher education has not been straightforward or uncontroversial – three particular sources of 'growing pains' have been felt.

The need for and limits to expansion of higher education

The first source of growing pains has been around the need for and limits to expansion of higher education. As participation has grown, concerns have risen that we now have too many young people going to university and that too often they don't use their expensively acquired skills in the jobs they get (so-called under-employment). These concerns were particularly prominent as the previous Labour Government approached its 50 per cent participation target, but have risen further in the recent recession and sluggish recovery.

Box 2: The economic returns to higher education

Higher education can help to boost individuals' job and earning prospects, the productivity and profitability of businesses and the prosperity of the economy. Each of these has been estimated in economic studies.

Those with degree-level qualifications are more likely to be in work; they have an employment rate of around 90 per cent, compared with around 75 per cent for those with A-level equivalent qualifications. They also earn more. Most studies conclude that those with degree-level qualifications earn, on average, 23 per cent more than those without.[16] This equates to around £100,000 across a working life.

Estimates of the impact of skills on business productivity are based on this wage return data. Employers would not in general pay those with higher skills more unless they produced more. The higher wages that individual's earn therefore represent the lower boundary of the productivity boost employers enjoy. However, it is highly likely that the boost goes beyond this and some studies suggest that an employee's productivity gain from having higher-level skills may be 50 per cent higher than the wage returns alone suggest.

Similarly, the overall boost to the economy from an increase in the number of people with high-level skills is likely to be higher than the wage returns alone. Having a higher proportion of people with higher skills can have spillover effects for both cities and nations. For example, having more highly skilled people can boost innovation, which then boosts the productivity of the workforce as a whole.

Critically, the evidence also shows that the benefits of higher education vary significantly by institution and subject,[17] so all of these averages mask a high degree of variation. The benefits of higher education are therefore highly dependent on where you go to university and the course that you do. Maximising the benefits for individuals, employers and London will require a focus on quality and matching choice to economic need, as well as overall number.

Yet, as box 2 showed, the jobs market has, on average, absorbed the massive increase in the number of graduates. Around nine out of ten graduates are in work today (just as they were previously) and they earn on average 23 per cent more than those without a degree (just as they did in the past). In other words, the demand for graduates has increased in line with their increased supply, as a result of the economic changes described above. The caveat here is that the range of wage returns to degrees has increased (it is increasingly dependent on the choice of course and institution). The potential role of a degree in simply signalling existing abilities must also be considered – higher education may signal a potential worker's existing skills and abilities to an employer rather than actually boosting them.

How to fund the expansion of higher education

The second set of concerns has been how to fund the expansion of higher education. Governments around the world have increasingly concluded that taxpayers should not have to foot the whole or even the majority of the bill for increasing participation to 40 per cent and more of young people. As a result, many countries have introduced tuition fees so that graduates, who will reap the rewards of their higher education through higher wages, pay a higher share of the costs.

The introduction and raising of tuition fees has usually been controversial, including in the UK. This is especially the case in London, where higher costs of living make it more expensive to attend university. Yet the experience is generally that there is a rush for people to sign up before the rise in fees kicks in (as we saw in 2010/11), a dip in participation the year fees rise, but then a resumption of the previous upward trend in the number of university applications. In other words, the introduction and increasing of tuition fees have not in general reduced the number of people wanting to go to university.

Do the most talented young people go to university?
The third and final set of growing pains has been a rising concern about whether it is the most talented young people who get to go to university. The evidence clearly shows that younger people from more affluent backgrounds are far more likely to go to university, particularly to the elite research-intensive universities. These concerns have been put into even sharper relief by the recent debates over further sharp rises in tuition fees. It is important not to exaggerate the role that financial considerations play in encouraging or discouraging people to pursue a higher degree – a point set out more fully in chapter 4. But the point remains: the increasing cost of higher education demands that we redouble our efforts to ensure that those from poorer backgrounds who are inclined and able to access higher education are encouraged and supported to do so.

Considered together, we are likely to need to think more imaginatively about what we mean by higher education. As a result of the forces of global economic change the importance of high skills will continue to grow. But it is unlikely that further growth in higher skills can come from a further expansion of 18-year-olds undertaking full-time three-year degrees. Instead, the focus is likely to be more on delivering such skills in the workplace, for example through advanced apprenticeships and other vocational or part-time routes for those already in the workplace. This will be crucial in order to extend access to higher education further.

Higher education will remain the passport to social mobility
Recent decades have seen dramatic rises in the importance of higher education to economic prosperity and social mobility. But will the decades ahead see similar rises? The future is clearly highly uncertain, given the range of economic challenges London, the UK and the world face. However, projections suggest that the fundamental economic forces set out above will continue, with ongoing growth in 'skills hungry' sectors

and occupations. By 2020, the number of managers and professionals is set to grow by 120,000 in London.[18] More than one half of new jobs created will require degree-level skills.

No job, sector, business or city can be immune from these changes. Rather than trying to hold back the tide, the challenge is to ensure that London's economy, businesses and people are best placed to adapt to and make the most of new challenges and opportunities. Acquiring good-quality, high-level skills is among the best ways to do this – it is an implicit recognition of this that lies behind the explosion in the volumes of people gaining high skills over recent decades.

All of this means that equitable access to higher education will remain a prerequisite for boosting social mobility. This highlights how important it is to ensure that young people from all backgrounds can gain the skills they need to access the upper end of the labour market.

Conclusion
The past 30 years have seen a massive rise in levels of higher education participation in London, the UK and much of the advanced world. This has been a response to global economic changes, which have curtailed economic opportunities for those without skills and made high skills a key driver of economic growth and individual opportunity. This trend is set to continue, further boosting the premium to those with high-level skills. So it is economically important to further expand London's pool of highly skilled workers. We are therefore running to stand still as other cities and countries continue to expand their high skills base. It is also socially and economically important that we ensure that those with the ability to attain high skills and use them in the workplace are able to do so – without this social mobility will remain stalled.

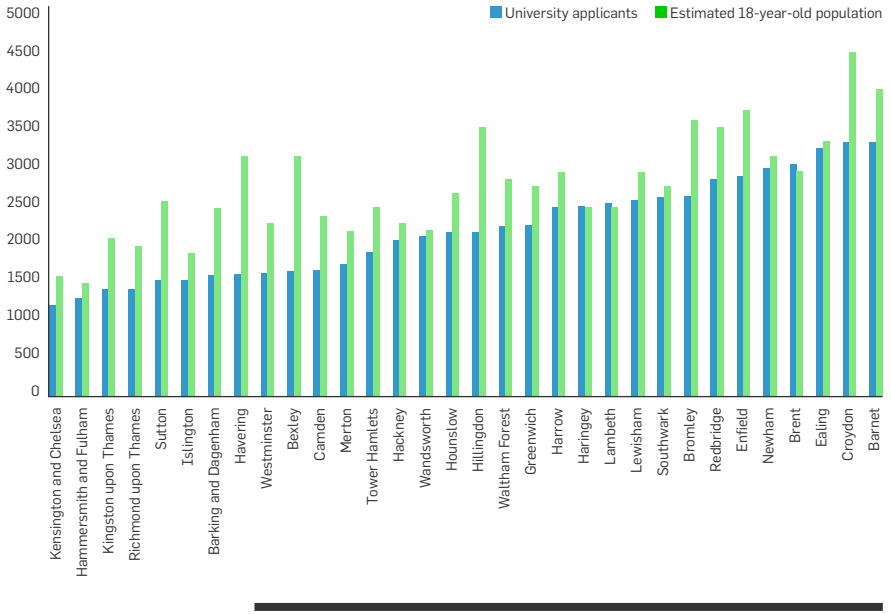
3 ACCESS TO HIGHER EDUCATION FOR LONDONERS

As chapter 2 showed, the rise in participation in higher education has been accompanied by a debate about fair access – whether everyone has an equal chance to go to university based on their merits and regardless of their background. This chapter analyses access to higher education in London, and explores the following questions:

- Which Londoners apply to university?
- How successful are Londoners in their university applications?
- How well do students from London's most deprived areas fare?
- How does participation in higher education for young people from deprived areas vary by school?

In doing so it builds on recent research by the Department for Business, Innovation and Skills (BIS)[19] and the Sutton Trust.[20]

Figure 2: Applications to higher education institutions by London borough, 2010
Source: UCAS admissions data



Who applies to university in London?

Over 72,000 students in London's schools and colleges applied to higher education institutions in 2010, of whom 67,700 lived in London. Figure 2 shows which London boroughs these applicants lived in, and compares the figures with the number of 18-year-olds estimated to live in that borough.[21]

There are significant variations. A higher proportion of young people in some boroughs, such as Brent and Ealing, tend to apply to get into higher education institutions than young people in other boroughs, such as Croydon and Havering.

Applications also vary by ethnicity. Figure 3 shows the number of applications from London to higher education institutions by ethnicity; for example, the largest proportion of applicants from an ethnic minority is black Africans, followed by those of Asian Indian origin.

Over a quarter (27 per cent) of London applicants live in areas that are in the 20 per cent most deprived in England based on the Index of Multiple Deprivation (IMD).[22] Some 26 per cent of London's neighbourhoods are in this category, which suggests there is a weak link between poverty and rates of applications to higher education.

The income distribution of applicants varies very widely across these ethnic groups (figure 4). Less than 20 per cent of applicants from white, mixed white and Asian and Indian groups live in the poorest areas. In contrast, over half of Bangladeshi and black African applicants live in the poorest areas. This suggests that although higher education may be seen to be out of reach for those in some poorer communities, this is far from the case in all London's poorer communities.

For more analysis on the composition of applicants from London see the online slide pack.

Figure 3: Applications to higher education institutions from London by ethnicity, 2010
Source: UCAS admissions data

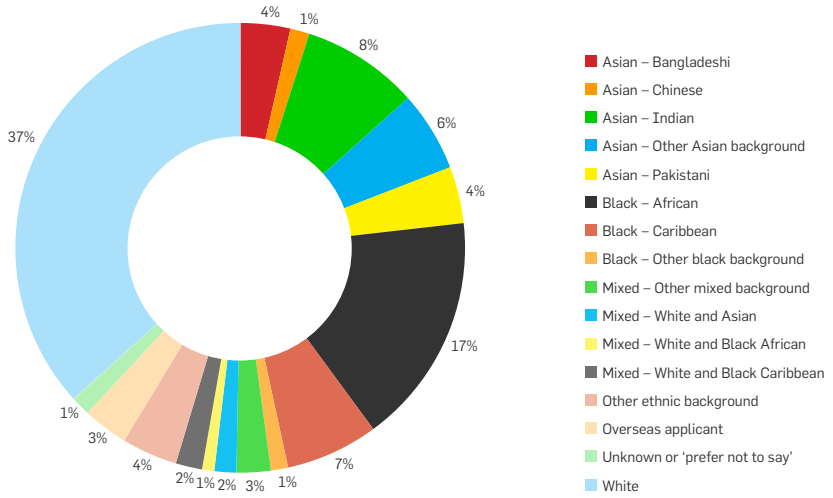
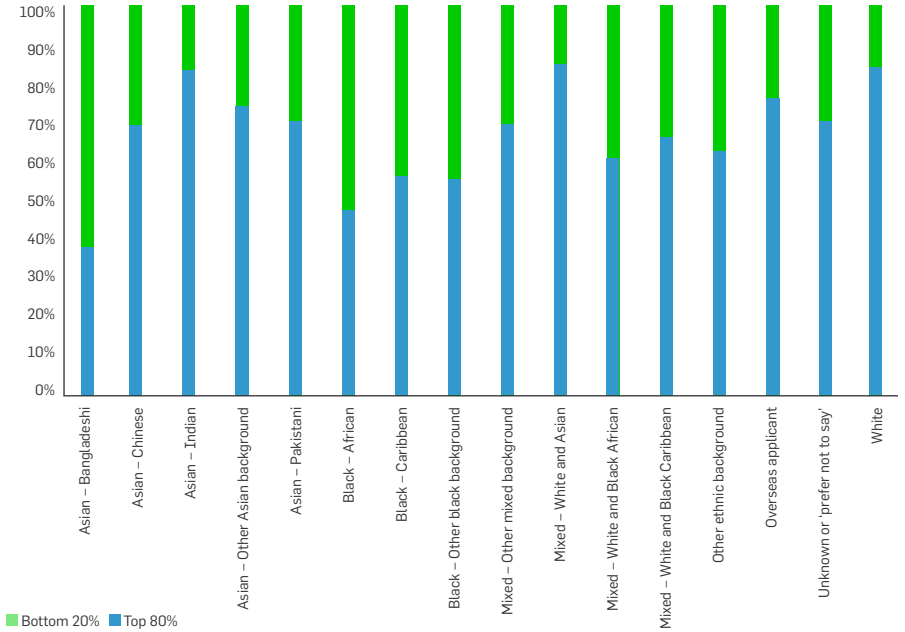


Figure 4: The income distribution of applicants from London to higher education institutions by ethnicity, 2010
Source: UCAS admission data



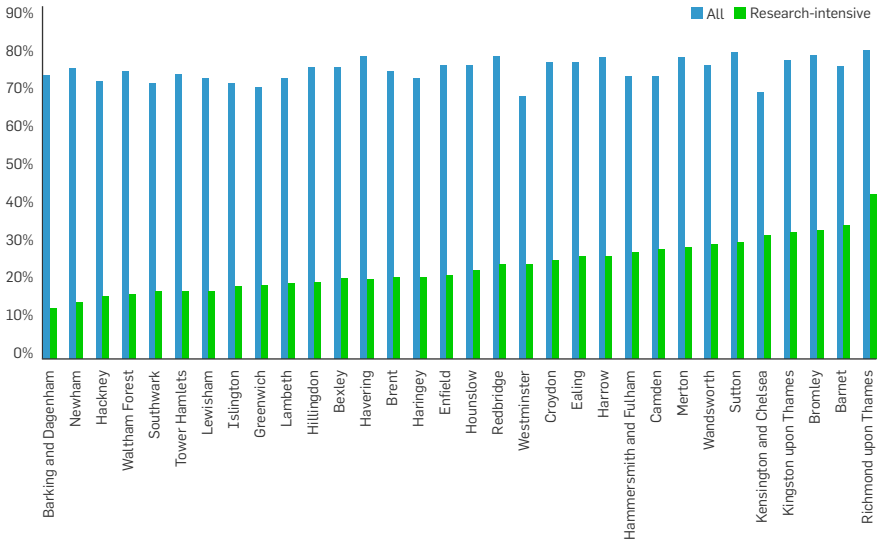
How successful are Londoners in their higher education applications?

Almost three-quarters (74 per cent) of young Londoners who applied to study for a higher education degree secured a place, with 22.5 per cent of all applicants getting a place at a research-intensive university.

Overall, the variation across boroughs in the proportion of applicants who were successful in securing a place in higher education is not very large (12 percentage point range), but there is a much greater difference in the acceptance rate into research-intensive universities between boroughs (figure 5).

At one end of the spectrum sits Barking, where only 12 per cent of the young people who go to university go to the research-intensive universities; at the other end is Richmond upon Thames, where 42 per cent of university students go to research-intensive universities. This is a range of 30 percentage points, so a young person's chance of going to a research-intensive university vary far more across boroughs than the chance of being accepted to

Figure 5: Acceptance rates of applicants to research-intensive and all universities by London borough, 2010
Source: UCAS applications data



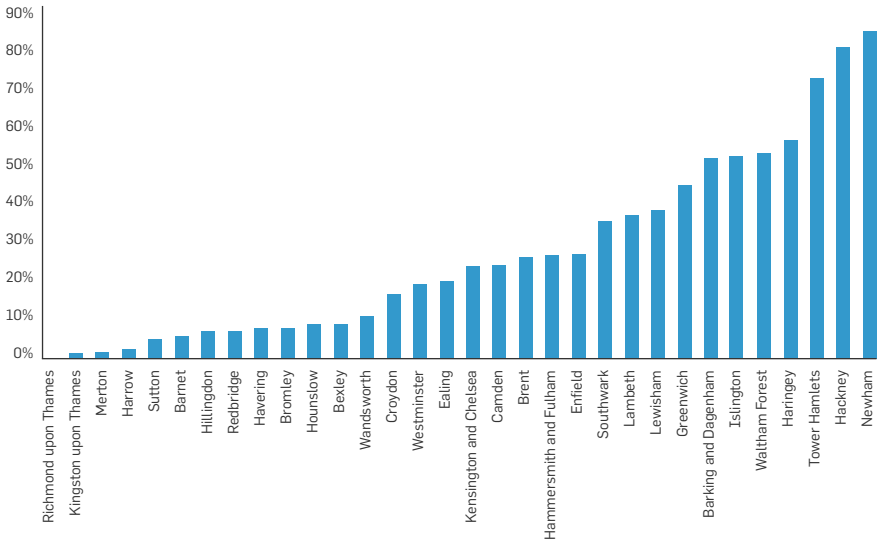
any university. Additional analysis of the success rates of higher education applicants from London is available in our online slide pack.

How well do students from London's most deprived areas fare?

Here we examine the attainment and progression to university of young Londoners from the most deprived areas, relative to young Londoners as a whole. As might be expected, young Londoners from poorer areas achieve lower grades at key stage 4, and fail to get into the research-intensive universities in anything like the numbers achieved by young people from more well-off areas. More surprisingly, however, once a young person has made the decision to stay in education into key stage 5, they do almost as well as their peers in getting into university.

Figure 6 shows the proportion of London boroughs' Lower Super Output Areas (LSOAs, areas comprising around 1,500 people), which are among the 20 per cent

Figure 6: Proportion of LSOAs of London boroughs scoring in bottom fifth of IMD in England, 2010
Source: DCLG[23]



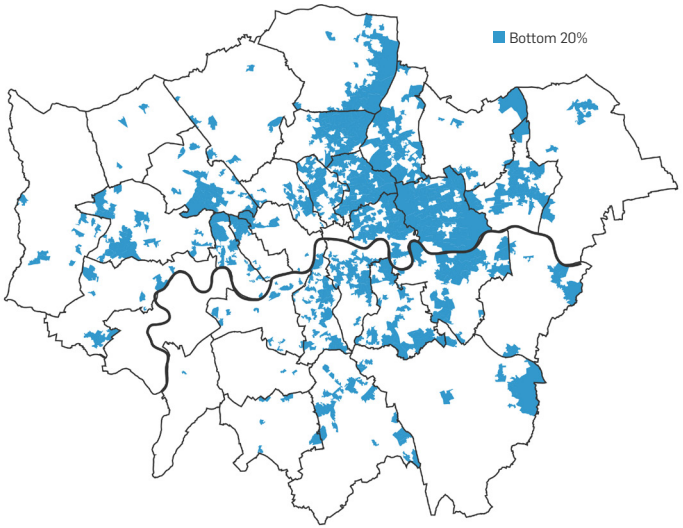
most deprived in England. Newham, Hackney and Tower Hamlets have particularly high proportions of deprived areas.

Figure 7 shows all of the areas of London that were in the most deprived 20% of all areas in the UK on the Index of Multiple Deprivation in 2010.

Figure 8 shows the same poverty data against the GCSE results for 2011. There have been impressive improvements in educational attainment in London in the last ten years. In spite of this there remains a negative relationship between poverty and attainment at age 16. In general, in London, the stronger the concentration of poverty in an area the worse the results at key stage 4.

Recent research by the Department of Business, Innovation and Skills[26] that tracks young people at Key Stage 4 through to university shows that there is a general 'poverty penalty' for young people in London in progressing to university (see figure 9). Remarkably, in London, the stronger the concentration of poverty in an area, the lower the 'poverty penalty': young people

Figure 7: Areas in bottom 20% on Index of Multiple Deprivation, measured nationally
Source: DCLG[24]

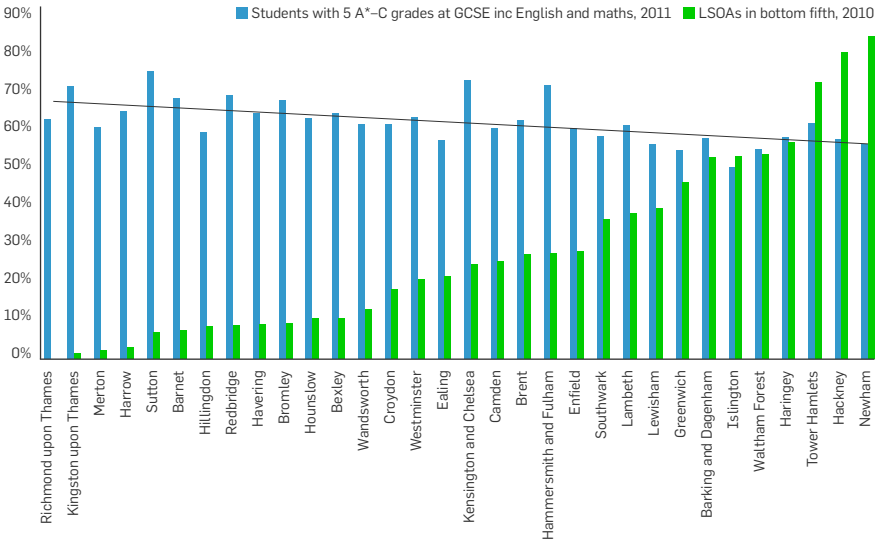


from a poorer background have a better chance, relative to their classmates, of getting into university if they live in a poorer area.

At its most extreme, in Sutton, this gap between students on free school meals and the rest in accessing higher education is as large as 35 percentage points. On the other hand, in two boroughs, Westminster and Islington, students on free school meals outperformed their peers.

A comparison of the extent of poverty in boroughs and the proportion of applicants to higher education residents in the poorer areas of each borough (figure 10) reveals that in over half of London's boroughs the proportion of poor applicants surpasses the proportion of poor areas, sometimes by as much as ten percentage points. This leads us to conclude that although there persists a 'poverty penalty' on attainment at key stage 4, there is not a substantial, if any, 'poverty penalty' at key stage 5 in London as a whole, at least in the number of applications. In other words poorer sixth-formers in

Figure 8: Concentration of poverty and A*–C grades at GCSE, including in English and maths (with trendline)
Source: DCLG[25]

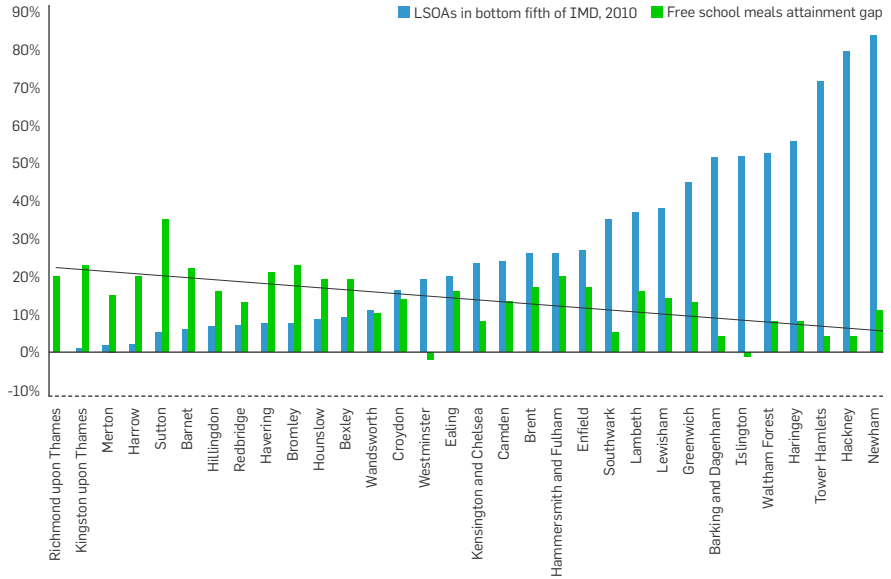


London stand almost as good a chance of getting into higher education as their better off peers.

However, the picture looks very different when we focus not on the proportion of sixth-formers applying to university, but on the proportion who are accepted to research-intensive universities.

In general, applicants to higher education from the most deprived areas are marginally less likely to get a place in higher education overall: 71 per cent of applicants from poorer areas get a place, compared with 74 per cent overall. But these applicants from poorer areas are only half as likely to go to a research-intensive university as the average London applicant: in 2010 12.5 per cent of applicants from poorer areas in London got a place at a research-intensive university, compared with 22.5 per cent of applicants across London as a whole. There are limitations in the data from the Universities and Colleges Admissions Service (UCAS) so we cannot

Figure 9: Concentration of poverty compared with gap in FSM students attaining a place at university (with trendline) Source: BIS and DCLG[27]

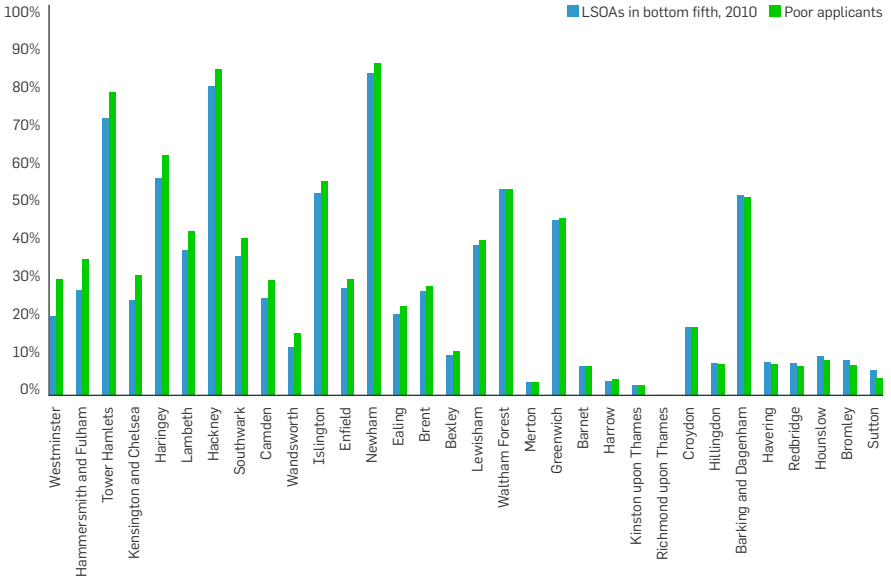


determine how much of this is the result of fewer applications or a higher failure rate among young people from poorer areas.

Our analysis of applications to university of young people from poorer areas by borough in figure 11 shows that acceptance rates range from 60 per cent in Merton to 79 per cent in Kingston upon Thames and Harrow. The acceptance rates of students by research-intensive universities range from 6 per cent in Bexley to 20 per cent in Kensington and Chelsea.

Figure 12 compares differences between the acceptance rates of young people from deprived areas and those for all young people. There are significant variations. The acceptance rates among students from deprived areas are lower than the average across the majority of boroughs. Merton scores lowest on this measure, with a gap of 17 percentage points. However, in four boroughs (Kingston upon Thames, Westminster,

Figure 10: Percentage of applicants to higher education institutions from poorer areas compared with percentage of deprived areas by London borough, 2010 Sources: UCAS admissions data and DCLG[28]

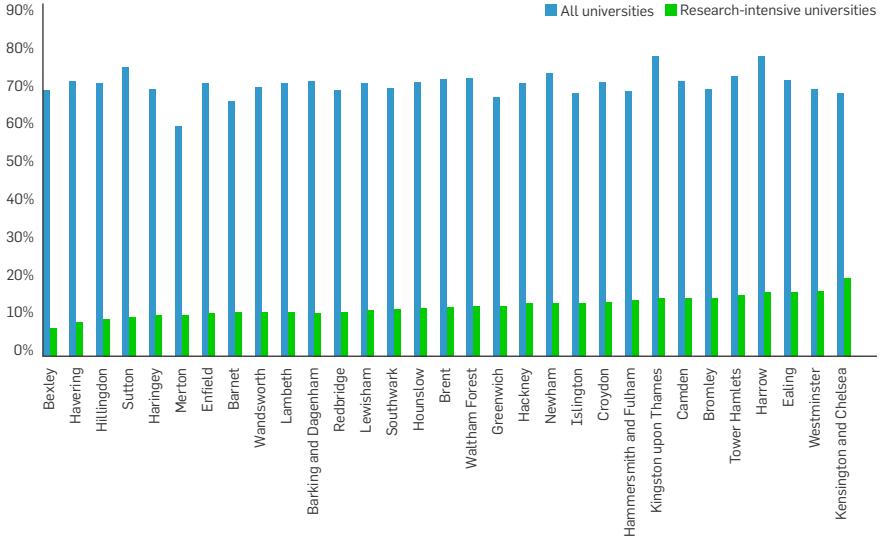


Tower Hamlets and Harrow) those from deprived areas outperform the average application success rates. In other words, in these boroughs, applicants from the most deprived areas are more likely than others to get a place at university.

Acceptance rates of applicants from deprived areas to research-intensive universities do not outperform the average in any London borough. Yet a cluster of relatively poor inner London boroughs do perform relatively well on this measure with Newham, Tower Hamlets, Barking and Dagenham, Hackney, Waltham Forest and Islington all managing variations of less than five percentage points. Sutton, Barnet, Wandsworth, Merton, Bromley and Kingston upon Thames have the worst results, all with variations of 18 percentage points or higher.

So far we have been looking at how deprivation affects young Londoners' chances of applying to and being accepted to university. But what of the interplay

Figure 11: Acceptance rates of students from deprived areas by research-intensive and all universities, by London borough, 2010 Source: UCAS admissions data



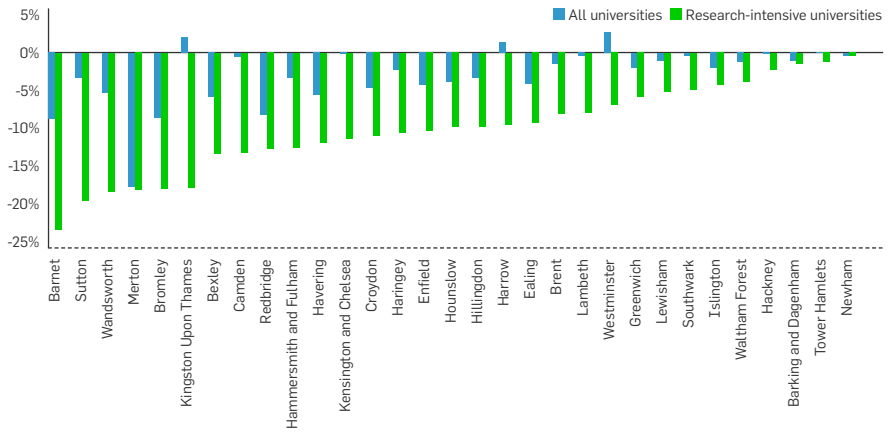
of deprivation and ethnicity? Figure 13 shows university acceptance rates by ethnic group for all applicants and for those from the poorest areas. There is significant variation between groups. For applicants from most ethnic groups there is a small 'poverty penalty', but poorer applicants from three ethnic groups outperform the average for their group (mixed white and Asian, Pakistani and other ethnicities). White and mixed white and black African applicants suffer the greatest 'poverty penalty' of all ethnicities – there is a five percentage point gap.

How does participation in higher education for young people from deprived areas vary by school?

This section looks at young people from deprived areas, their applications to higher education and their success rates, by school, and compares them with each school's key stage 5 populations. This results in a measure for the relative success of young people from deprived areas in each school.

We do this by comparing, for each school, the proportion of accepted applicants to higher education from deprived areas (using UCAS data) with the

Figure 12: Variation in acceptance rates by universities of young people from deprived areas and all young people in London, by London borough, 2010 Source: UCAS admissions data



proportion of all key stage 5 students from deprived areas (using the National Pupil Database). This analysis covers a sample of 181 state-funded schools in London – the data did not allow all London schools to be included. For the purposes of this analysis we have not identified individual schools by name. Our concern is with general patterns in performance. There are some caveats to this analysis, the principal ones being:

- Results are based on state secondary schools and sixth form colleges – data for small schools, further education colleges, and private schools were either not robust enough or not available.
- The school and university datasets come from different sources, so it is challenging to compare them. For example, it is not possible using these datasets to track the progress of individuals from school to university.
- Pupil information released by the Department for Education does not contain information on the level of every pupil's parent's income. Partly this is the result of many children aged 16 transferring from schools to colleges.
- There is no direct measure of parental income in the UCAS applicant data. This analysis therefore constructed a 'proxy' for parental income based on each pupil's postcode. This defined disadvantaged pupils as those living in the most deprived 20 per cent of areas, according to the national Index of Multiple Deprivation.

Further technical details are in the accompanying online slide pack.

There are wide variations across schools in the relative access to higher education of young people from deprived areas. In some schools, young people from deprived areas are far less likely to go to university, but in around one half of schools young people from deprived

Figure 13: University acceptance rates of students from London by ethnic group, 2010
Source: UCAS admissions data for 2010

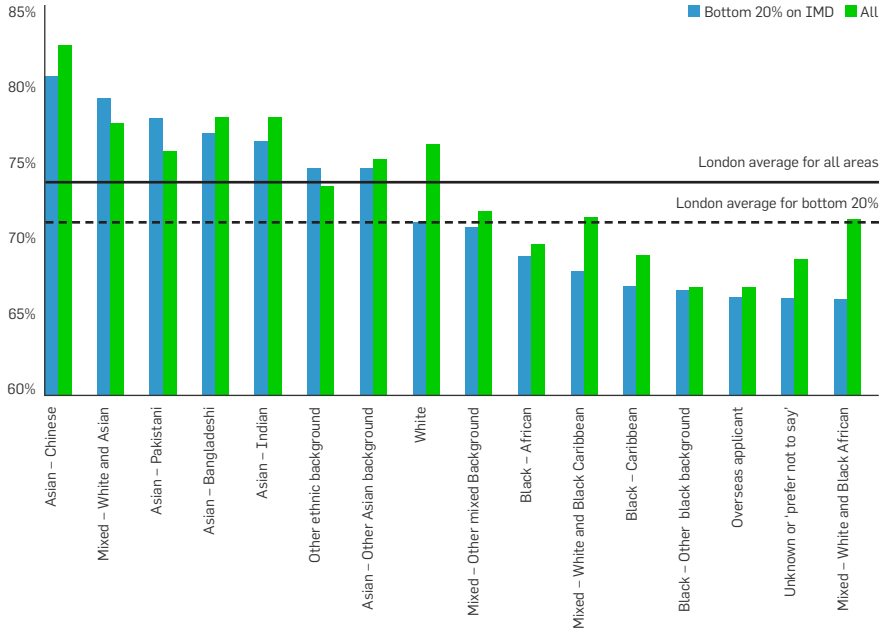
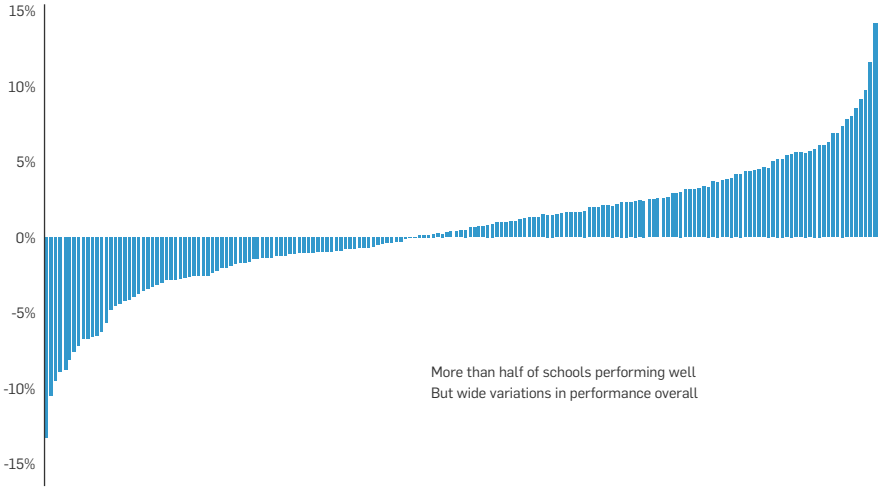


Figure 14: Relative access to university of sixth-formers from deprived areas in London by school, 2010
Sources: UCAS admissions data; DfE, National Pupil Database; Centre for London analysis[29]

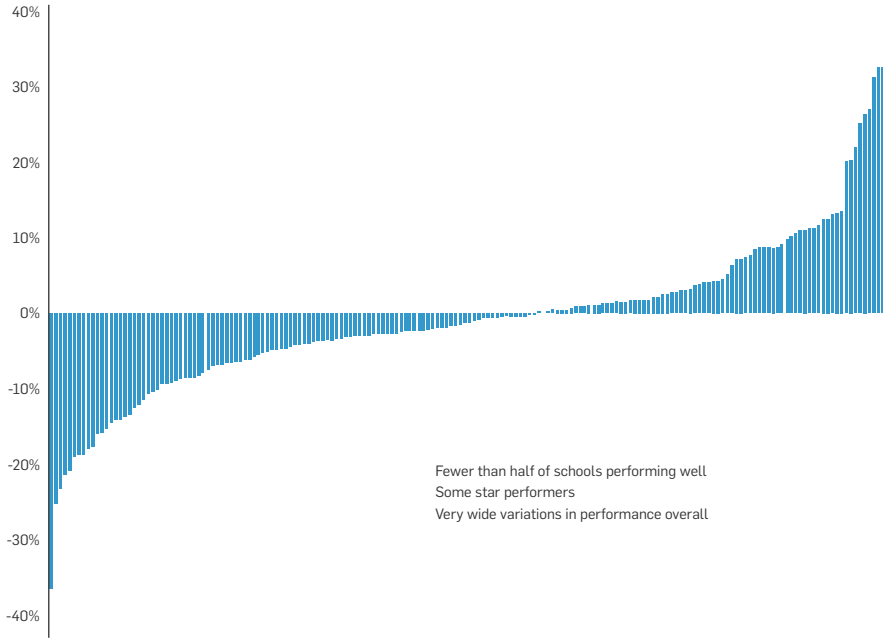


areas are more likely to go to university than those who do not live in deprived areas (figure 14).

The proportion of young people from deprived areas who go to the more research-intensive universities is lower, but in a significant minority (40 per cent) of schools, young people from deprived areas are more likely than young people from richer areas to go on to a research-intensive university (figure 15).

Figure 16 combines these sets of results together, showing schools' records in getting sixth-formers from deprived areas into higher education institutions overall (compared with all young people in the school) and relative access to research-intensive universities. The data show a surprising mix. Just over one-third of schools in the sample (36 per cent) have lower acceptance rates of students from poorer backgrounds for all universities

Figure 15: Relative access to research-intensive universities of sixth-formers from deprived areas in London by school, 2010 Sources: UCAS admissions data for 2010; DfE, National Pupil Database 2010; Centre for London analysis[30]

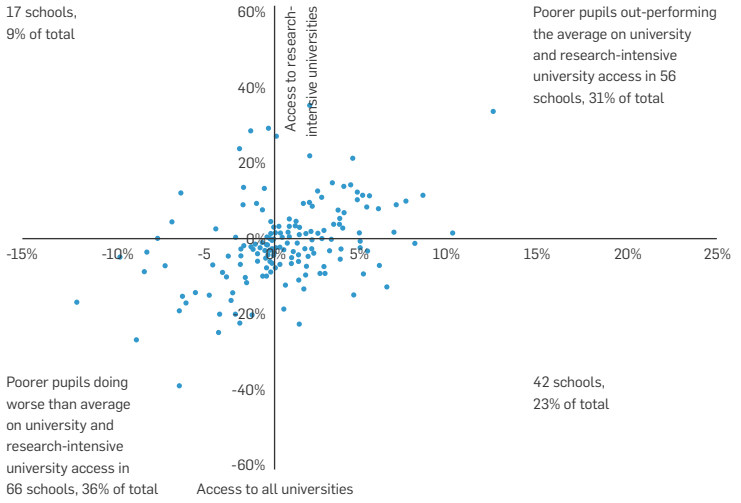


and research-intensive universities, but in just under one-third of schools (31 per cent), young people from more deprived areas stand a better chance of going to a research-intensive university than those who do not live in deprived areas. An inspection, shown in full in the online slide pack, of the school level results above by borough shows that schools in Redbridge, Bexley, Westminster and Haringey perform particularly well at getting students from deprived areas into university (relative to their key stage 5 populations). Schools in Barnet, Greenwich, Kingston upon Thames and Tower Hamlets perform least well in the progression of deprived students relative to their population at key stage 5.

Conclusion

A high proportion of young Londoners from all communities apply to get into a higher education institution. Young people in many communities show a strong preference for higher education in spite of low income levels, promoting upward social mobility.

Figure 16: Relative access to university and research-intensive universities for young people in London by school, 2010 Sources: UCAS admissions data for 2010; DfE, National Pupil Database 2010; Centre for London analysis[31]



That said, despite recent improvements, there is strong evidence that there is a persistent link between poverty and educational attainment, with children from poor families doing much less well, on average, than children from richer families in securing good GCSE results.[32]

But our findings suggest that at sixth form level, Key Stage 5, this link does not apply to the number of young people in London who access higher education as a whole: 67,700 students, including nearly 20,000 from London's poorest areas, applied for higher education in 2010. More than two-thirds (71 per cent) of applicants from deprived areas were accepted, which is only a little below the overall acceptance rate of 74 per cent.These poorer applicants however, were only half as likely as the average London applicant to go on to a research-intensive university, with only 12.5 per cent getting a place, compared with 22.5 per cent overall. This 'poverty penalty' is true across all boroughs, although much more significant in many parts of outer London.

These overall headlines hide significant variations in the data. For example, in some schools, young people at Key Stage 5 from poor families are more likely than other students to go on to higher education (including research-intensive universities).

It is hard on the basis of the data we have to explain exactly how large a role schools and associated services, including local education authorities, play in determining these variations. But the conclusion seems clear: some schools are much better than others at getting poorer young people into university – indeed, some schools have managed to remove the 'poverty penalty' altogether. And a small number seem to excel not merely in getting their young people into university but getting them into the most sought-after, research-intensive ones. These schools have come close to make a reality of the long cherished ideal of equality of opportunity – at least as far as their older, Key Stage 5 young people are concerned.

Chapter 4 explores what we know about what motivates and enables young people to go to university. It also describes some examples of good practice in London.

4 THE DRIVERS OF PARTICIPATION IN HIGHER EDUCATION

Higher education is becoming more important for London's people, businesses and economy. Yet the evidence shows that, despite some progress, attainment and access to higher education remain strongly linked to parental background, particularly for entry to research-intensive universities. This chapter analyses some of the reasons behind this, identifying some of the key drivers and hence future focus for policy.

Getting the grades

It is clear that one of the main determinants of whether a young person goes to university is their educational attainment – you need certain grades and qualifications to access higher education.

The evidence shows that much of the gap in participation between socio-economic groups can be explained by gaps in educational attainment. For a given set of grades, people from different socio-economic backgrounds have a relatively similar likelihood of going to university. But that attainment varies by socio-economic group.

This suggests that efforts to boost access to higher education need to have a clear focus on raising attainment in schools, but we also know that prior academic attainment does not alone explain whether a young person goes on to higher education. So a wider understanding of the factors that drive decision-making is crucial too.

The wider determinants of access

Educational attainment is clearly a major determinant of access to higher education, but it is not the only determinant. Classical economic theory suggests that young people weigh up the lifetime benefits of higher education against the costs of attending. If the benefits outweigh the costs, then they would enrol. In this way, theory suggests that young people make perfectly rational decisions.

However, in reality it is clear that people's decisions are influenced by a complex array of factors, including

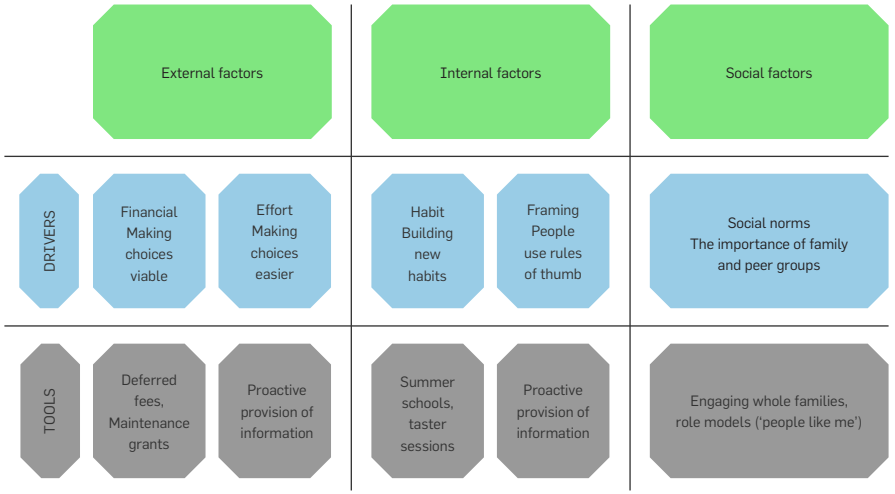
family and peer networks, past experience and social norms. Life is not just a purely rational calculation, although financial incentives clearly play a role.

Behavioural economics seeks to bring together these collective insights from economics, sociology and psychology into an overarching framework able to account for human conduct and building up a fuller picture of the 'choice architecture' that people operate in. This section applies a behavioural economics approach to a young person's decision to access higher education. Figure 17 sets out a choice architecture framework for this decision.[33]

The framework identifies three sets of factors:

- External. The factors external to an individual that influence their decisions:
  —Financial – for young people to decide to go to university, it must be affordable and likely to pay off in better pay and job prospects.
  —Effort – accessing higher education must be as straightforward as possible, with no unnecessary bureaucratic burdens.

Figure 17: Drivers of higher education choices



- Internal. The internal factors that influence the way an individual thinks about an issue:
  —Habit – once formed, habits are hard to break. For many young people, going on to higher education is not the default choice, nor is participating in the extracurricular activities that can improve chances of admission. Early intervention for younger pupils can therefore be beneficial.
  —Framing – people use rules of thumb to make decisions and these are based on attitudes built up over a long period of time.
- Social. The wider effect of family and peer networks, including the creation of social norms and status attached to higher education.

Policy has traditionally focused more on the external factors – making 'good' behaviour cheaper and easier than 'bad' behaviour. This can be seen in the Coalition Government's recent increase in tuition fees, where many efforts have focused on dissemination of information on the new regime (for example, that the fees don't need to be paid back until earnings are above £21,000 per year).

This is important. Yet at least as important are the internal and social factors that affect young people's decision-making. The cultural shift involved in someone going to university when few people in their family, peer group or university have done so cannot be underestimated. A purely rational argument, based on the lack of upfront costs and benefits to come, while necessary, will not be sufficient to overcome this.

Combined with effective dissemination of information and effective financial support, a range of other approaches will be needed. The next section discusses this further, including some examples of existing activity.

Applying the framework: implications for policy

Many aspects of the framework outlined above have formed an important part of efforts to improve access to

higher education. For example, the London Challenge has played a part in boosting academic attainment and achievement in the capital – a clear prerequisite for increasing participation in higher education.[34] Overall, school results in London have increased faster than those across England as a whole over the last decade and London has a higher proportion of local authority schools judged by Ofsted to be excellent than the rest of England (30 per cent versus 17 per cent).

In addition to efforts to improve exam results, a wide variety of schemes have aimed to improve access. Aimhigher, a national programme to increase access, which ended in July 2011, also ran a number of schemes targeting some of the internal and social factors that affect young people's decision-making. For example, London Aimhigher ran a series of summer schools, which included sessions on university finance and careers advice, as well as on specific subjects. Over five years, these gave 7,000 London students a taste of university life that they would not otherwise have had – 80 per cent had no parental experience of higher education and 73 per cent were from the most deprived areas of London. Among participants, the intention to apply to university rose from 69 per cent to 72 per cent. Four in five young people put this change in decision down to the summer school.[35]

It is likely that a combination of these efforts, combined with wider factors, lie behind the relative boost in participation for young people from more disadvantaged backgrounds since the mid 2000s.[36] However, significant disparities remain and, as Chapter 3 showed, these are even more pronounced with regard to access to research-intensive universities. This makes continued and further efforts vital.

The onus now is much more on higher education institutions to lead access efforts, including as part of their access agreements. In total, 139 institutions across England will invest £602 million by 2015/16, compared with £407 million in 2011/12, in efforts to boost access.[37] In London, higher education institutions are being

supported by a new organisation, AccessHE, described in box 3. The challenge for AccessHE and London's wider set of stakeholders is to draw all of these experiences and best practice together into a clear and coherent strategy to further boost access in the years ahead.

Conclusion

Young people's decisions about whether to apply for higher education or not depend on a complex array of factors. The financial viability and payback matter, but at least as important are the influence of peer, family and school networks and broader cultural factors.

London already has significant experience of efforts to improve access and engage young people. Building on these will be crucial for London to further improve its record on access.

Case study 1: Haringey Sixth Form Centre

Haringey Sixth Form Centre in Tottenham, established in 2007, takes students from over 40 different schools, with a very wide range of entry qualifications, including many without any qualifications. Around three-quarters of students are from low income families eligible for the recently abolished Education Maintenance Allowance. Yet it has a proud record of getting its students into higher education. Last year almost 200 students got a place. What is the secret of its success? First, many young people, especially those already enrolled for A-levels, arrive with high aspirations for going to university already, partly driven up by the summer schools and visits that were funded by Aimhigher.

Second, to build aspiration and tailor choices there is active and organised careers advice and support. This includes a full programme of tutorials, visits, fairs and summer schools, including subject specific programmes. One student with three As at A/S-level had been keen on studying medicine. He visited a health and medical careers summer school organised by Queen Mary and City universities and consequently realised that he wanted to be a scientist, not a clinician, and instead applied to study biochemistry at Cambridge.

Third, students are encouraged to aim high regardless of their entry qualifications. Of the 60 students with no qualifications in the centre's first intake, 13 have gone on to university. Students studying for GCSEs are advised about university options and are encouraged on to the access activities. Students studying BTECs are equally encouraged with many succeeding to convert BTEC success into places at university.

Case study 2: Mossbourne Community Academy

Mossbourne Community Academy in Hackney has a catchment that covers one of London's most deprived areas; 40 per cent of its students receive free school meals, and a similar proportion speak English as a second language. The area was formerly served by the defunct Hackney Downs School, described as the 'worst in the country', and 46 per cent of parents left the area when their children reached high school age.

Mossbourne Community Academy has been widely celebrated for its success in providing a top-tier education for some of the city's most disadvantaged students. It had an outstanding first set of A-level results in summer 2011; 97 per cent of students went on to higher education, and ten were offered places at Oxbridge. Ofsted described Mossbourne last year as the 'best school in the country'. Its success is grounded on three main elements:

- a structured environment based on clear rules and boundaries, and tight discipline
- a devolved management structure, with individually run 'learning areas' devoted to different subjects and clear accountability and monitoring of teaching standards
- inclusive and dedicated teaching: the school aims to reach every student, sets and reviews learning targets with students themselves, and offers long teaching hours and extensive after-school activities.

Mossbourne has been able to foster a 'culture of aspiration', which encourages students to take responsibility for their own achievement. The emphasis on structure provides a safe and controlled environment – often contrasting with students' home lives – which clearly signals that achievement is valued and encourages maturity and responsibility. Clear learning targets give students continual objectives to strive for. With students bouncing off each other and the school gaining a formidable reputation and demand for places, this culture is self-reinforcing. Constant monitoring and accountability of teacher and student performance ensure that standards are kept consistently high. Extra hours and activities are intended to give students full opportunities for self-development, helping make them competitive with higher education applicants from more exclusive schools.

Mossbourne highlights how enabling aspiration and achievement, often through apparently straightforward measures, can radically improve access in the most difficult circumstances. Mossbourne's Principal describes their approach as one of 'no patronising, no excuses': extending expectation and opportunity to every student, rather than using backgrounds to justify underachievement. Its impressive higher education acceptance rates show that this practice leads to students succeeding.

Case study 3: Paddington Academy

Paddington Academy was founded in 2002. Though situated in the affluent London borough of Westminster it serves a high proportion of students from disadvantaged backgrounds, with over 50 per cent receiving free school meals and 65 per cent identified as having a special need. In the last few years the school's outcomes have improved swiftly. In 2009 the school was rated as 'satisfactory but improving rapidly'; just before the publication of this report its latest Ofsted inspection classified it as 'outstanding'. The number of pupils obtaining five A*–C grades including English and maths in their GCSE exams rose from 34 per cent in 2009/10 to 63 per cent in 2010/11. The school credits its improvement to continual striving across its operations to encourage student success. Its core approach shares many aspects with other successful comprehensives – discipline, accountable teaching and inculcating a culture of achievement, which is gradually strengthened over time. However, its dramatic improvement is particularly due to the additional efforts the school has been able to implement once this core culture has been established. This has included a number of measures specifically directed towards access.

First, the school has made particular efforts to involve parents in their children's education. Consultation and surveys of parents' opinions on their children's education have been used to monitor satisfaction and build goodwill; the school provides information about career routes and higher education through parent information evenings especially for year 9 and year 10 students. This involves parents in the process of building aspiration for access, helping develop a crucial home culture equivalent to that which conveys such advantage to students who have a family history of higher education.

Second, the school has encouraged links between years – creating a mentoring program and counselling groups in which sixth formers help Key Stage 3 students deal with the pressures of change and develop their aspirations and ambitions. This enables older students to develop leadership skills and helps nurture the success of students in the years leading up to their progression to higher education.

Third, having established its ethos more generally, the school has been able to focus attention on career and higher education guidance for sixth formers. The school has focused on creating links with businesses and universities, and has dedicated sixth form careers advisers to provide information to students. As in other schools, Paddington Academy's culture of achievement is self-reinforcing: its achievements signpost the possibility of success, and particularly successful students serve as role models. The school's first student to secure an Oxbridge place was accepted to study medicine at Cambridge this year although he spoke no English only four years ago. The school hopes that his achievement will be a powerful example for future students that aspiring for the highest tier of further education is achievable.

Box 3: AccessHE

Widening access to higher education for those from lower socio-economic groups is a multi-faceted challenge. It requires a similarly multi-faceted approach. At its heart must be collaboration across sectors. Access can only be widened by universities, schools and colleges working together. Prioritising, or holding responsible, one sector alone will not work.

AccessHE is a new organisation that aims to enable collaboration between universities within and outside London; it was launched in September 2011 as a division of London Higher. It is working with over 30 higher education institutions inside and outside London, aiming to:

- facilitate cross sector communications by identifying a named AccessHE advocate in every school and college in the capital
- help universities identify 'what works' in widening access and where hot and cold spots in access are in London
- provide continuous professional development for the access community
- construct pan-London cohorts of particular learners groups – those with the potential to achieve AAB or better at level 3, children in care and those with disabilities
- pilot new ways of supporting learners, eg e-mentoring

AccessHE will be supported by investment from higher education institutions, schools and colleges rather than the government. It aims to help them meet the commitments in the 'access agreements' they have to submit to the Office for Fair Access (OFFA).

5 THE PRIZE FOR DOING BETTER

Higher education is of increasing importance. It is both a driver of economic growth and a passport to opportunity for Londoners. Yet not all Londoners get the same opportunity to access higher education. This chapter explores the potential size of the prize for getting more young Londoners into higher education, especially young Londoners from poorer backgrounds.

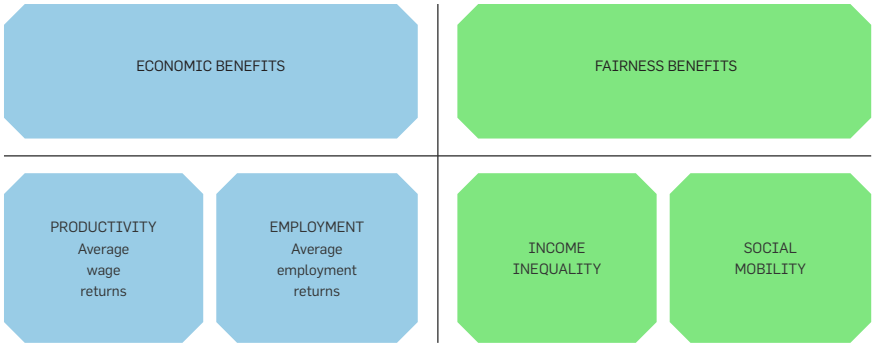
Estimating the costs and benefits of higher education

The analysis in this chapter is based on the cost–benefit analysis model developed by the Leitch Review of Skills.[38] This analysed the long-term costs and benefits of investing in a range of skills, as part of its efforts to determine the UK's optimal skills mix for 2020. Figure 18 shows the key benefits analysed.

It is important to note a number of caveats:

• *Productivity.* The impact on productivity is estimated using average wage returns to high skills. These benefits are assumed to accrue to individuals over 30 years (appropriately discounted). Clearly, it is not certain that this will be the case. However, the wage returns provide a lower bound to productivity benefits (employers capture some of the benefits too) and so this remains a conservative assumption.

Figure 18: Key benefits of higher education



- *Employment.* The employment returns to higher education are also assumed to remain constant. Clearly, if higher education expands further, the employment returns could fall, but they haven't over the last 30 years of expansion – quite the opposite.
- *Fairness benefits.* These have not been quantitatively estimated for the purpose of this project, but are clearly of at least equal importance to the economic benefits that accrue to individuals, businesses and London's economy.
- *Costs of delivery.* The Leitch Review estimated an average cost of delivering high skills, based on the mix of delivery at that time. Clearly, changes in the pattern of delivery (whether more online, in the workplace or a different mix of subjects) will affect costs. The costs are calculated to include the direct costs of provision and the opportunity costs (for example, young people could have been employed during the duration of their course instead).

The Leitch Review estimated the benefit–cost ratio of investment in higher skills to be around 1:1.4 every £1 invested gives an economic benefit of around £1.40.

The benefits of improved access for London

There is a significant economic benefit to expanding the number of London's young people accessing higher education. As previous chapters have shown, the number of jobs in London requiring high-level skills is likely to continue to grow – there is economic demand for such skills. True, London's employers have access to a global labour market – they could fill these jobs with recruits from overseas. But there are good social and economic reasons for wanting to ensure that as many Londoners as possible can benefit from new growth and opportunity.

Based on the model described above, boosting the number of Londoners undertaking higher education by 10 per cent in one year (equivalent to around an additional 6,000 young people) would boost the London economy by around £60–100 million per year over

and above the costs of delivering this. Over 30 years (an average working life taking account of potential absences from the labour force) this would (appropriately discounted) amount to around £1.5–2.5 billion.

This would be a cumulative figure – keeping higher education participation at this new higher level for a second year would generate an additional £60–100 million boost for the economy from that cohort in addition to the £60–100 million boost from the first year's cohort, and so on.

Within this, there would be an Exchequer benefit (in higher taxes paid) of £15–30 million per additional cohort of higher education completers per year. While these are ballpark calculations, this is an important consideration for policy-makers, particularly in the current climate of public spending cuts.

The most cost-effective ways of boosting access in London

Promoting social mobility brings its own economic benefits. The Sutton Trust has estimated that boosting social mobility would boost the UK economy by up to £140 billion by 2050, or 4 per cent.[39] This figure is based on the additional productivity that more skilled people bring (as described above). In turn, this is based on the assumption that economic growth is not a zero sum game – expanding the number of people with better skills can boost the economy overall; there is not a fixed number of high-skilled jobs (a rejection of the 'lump of labour' fallacy).

The same study also shows the relative cost-effectiveness of different approaches to boosting access. In line with the evidence from London programmes set out in chapter 3, data show that university access programmes and summer schools are the most cost-effective. For each £1 invested, they give an estimated benefit of £53 and £43 respectively.[40]

University admissions test support gives a benefit of £26 for every £1 invested, which is particularly important in light of recent UCAS evidence that the admissions

process is better navigated by young people from schools and backgrounds with significant experience of the process and effective advice and support.[41]

Critically, these and other interventions generate significant economic benefits by boosting social mobility – significantly greater benefits than the cost of the schemes themselves.

Conclusion

Higher education is at the heart of economic and social opportunity for the UK and nowhere is this more true than in London. Demand for people with high-level skills is likely to rise still further over the coming years. Meeting this demand through expanding access to higher education can have the win–win effect of boosting economic prosperity and social mobility. A range of schemes have been shown to deliver economic benefits significantly greater than the costs of the schemes themselves. The size of the prize is clear. The scale of the challenge and most cost-effective approaches are equally clear. London must rise to it.

6 CONCLUSION

Higher education is a key driver of both London's economy and social mobility. This importance is projected to grow over the coming years – demand for people with high-level skills shows no signs of dropping off.

Yet access to higher education remains deeply unequal, with a strong correlation between family background and educational attainment and life chances. These entrenched links have helped to stall social mobility in the UK over recent decades. In general, young people from poorer areas of London are less likely to go to university and far less likely than other young people to go to research-intensive universities.

But this overall picture hides huge variations. In some boroughs and schools, young people from deprived areas are more likely than other young people to go to university and more likely to go to research-intensive universities. This shows that lower participation of those from lower income backgrounds need not be inevitable. While it is impossible to measure the effect of all the factors at work here, it is clear that schools and other services play a significant role.

Understanding the reasons underpinning this gives important lessons for future policy. This research has built a behavioural economics framework to better understand how decisions about participating in higher education are made by young people. It shows the importance of financial considerations and getting good grades, but also wider social and cultural factors such as peer networks and family attitudes.

There are many excellent examples of good practice in London, with schools, colleges, higher education institutions, boroughs and others often working together to boost participation. The results of their efforts show what can be achieved.

The odds of going on to university are too often stacked against young Londoners from poor backgrounds. This is not fair, and it is not sensible either – increasing the proportion of young Londoners who go to university and promoting social mobility will be

good for London's economy and society. Fortunately, our analysis strongly suggests that even in these straightened economic times there is much that London's schools and school partners can do to improve dramatically the number of young Londoners – especially those from poor backgrounds – who have access to higher education.

NOTES

1. UCAS Admissions Data for 2010 and Centre for London analysis.
2. Ofsted, London Challenge, 2010, www.ofsted.gov.uk/resources/london-challenge (accessed 10 Nov 2011).
3. Russell Group members are the University of Birmingham, University of Bristol, University of Cambridge, Cardiff University, University of Edinburgh, University of Glasgow, Imperial College London, King's College London, University of Leeds, University of Liverpool, London School of Economics and Political Science, University of Manchester, Newcastle University, University of Nottingham, University of Oxford, Queen's University Belfast, University of Sheffield, University of Southampton, University College London and University of Warwick.
4. 1994 Group members are the University of Bath, Birkbeck (University of London), Durham University, University of East Anglia, University of Essex, University of Exeter, Goldsmiths (University of London), Institute of Education (University of London), Royal Holloway (University of London), Lancaster University, University of Leicester, Loughborough University, Queen Mary (University of London), University of Reading, University of St Andrews, School of Oriental and African Studies, University of Surrey, University of Sussex, University of York
5. *Skills in the UK: The long-term challenge, interim report*, Leitch Review interim report, 2005, http://webarchive.nationalarchives.gov.uk/+/http:/www.hm-treasury.gov.uk/d/pbr05_leitchreviewexecsummary_255.pdf (accessed 5 Nov 2011).
6. *Evidence on the balance of supply and demand for qualified workers*, S McIntosh, in S Machin and A Vignoles (eds), *What's the Good of Education: The economics of education in the UK*, Princeton NJ and Oxford: Princeton University Press, 2005.
7. *Prosperity for All in the Global Economy – World Class Skills: Final report*, the Leitch Review, London: HM Treasury, 2006.
8. Ibid.
9. *A quality adjusted labour input series for the United Kingdom (1975–2002)*, V Bell, P Burriel-Llombart and J Jones, Bank of England working paper 280, 2005, www.bankofengland.co.uk/publications/workingpapers/wp280.pdf (accessed 5 Nov 2011).
10. Evidence taken from *Intergenerational class mobility in contemporary Britain: political concerns and empirical findings*, J Goldthorpe and M Jackson, British Journal of Sociology 58, no 4, 2007, 525–46.
11. Cabinet Office analysis based on Department for Education data.
12. *The London Story*, Greater London Authority, 2008, www.london.gov.uk/lseb/docs/thelondonstory.pdf
13. *Destination 2020: Employment projections across sectors and occupations in London*, Oxford Economics and London Development Agency, 2010, www.lda.gov.uk/Documents/Destinations_2020_Employment_projections_across_sectors_and_occupations_in_London_9263.pdf (accessed 5 Nov 2011).
14. *Education at a Glance*, Organisation for Economic Co-operation and Development, table A1.3a, OECD, 2010; Labour Force Survey, Office for National Statistics, 2011.
15. *Prosperity for all in the Global Economy – World Class Skills: Final report*, the Leitch Review, HM Treasury, 2006; Ambition 2020: *World class skills and jobs for the UK*, UK Commission for Employment and Skills, [2010], www.ukces.org.uk/assets/bispartners/ukces/docs/publications/ambition-2020-the-2010-report.pdf (accessed 10 Nov 2011).
16. Ibid.
17. Ibid.
18. Oxford Economics and London Development Agency, *Destination 2020*.
19. *Widening participation in higher education: analysis of progression rates for young people in England by free school meal receipt and school type*, Department for

Business, Innovation and Skills, Aug 2011, https://www.bis.gov.uk/assets/biscore/statistics/docs/w/11-1082-widening-participation-higher-education-aug-2011-v3.pdf (accessed 5 Nov 2011).
20. *Degrees of success – university chances by school*, Sutton Trust, Jul 2011, www.suttontrust.com/public/documents/sutton-trust-he-destination-report-final.pdf (accessed 5 Nov 2011).
21. Note this data excludes applications from London residents at school or college outside London.
22. There is no perfect way to measure deprivation. The Index of Multiple Deprivation (IMD) provides a relatively robust measure. However, some later analysis uses eligibility for free school meals as a measure of deprivation, where this is more readily available. The IMD combines a number of indicators, chosen to cover a range of economic, social and housing issues, into a single deprivation score for each small area in England based on geographic units known as lower layer super output areas (LSOAs). These are small areas containing around 1,500 people. There are 4,765 LSOAs in London. See ONS, *Mid-2010 Population Estimates for Lower Layer Super Output Areas in England and Wales by Broad Age and Sex*, London: Office for National Statistics, 2010.
23. *English Indices of Multiple Deprivation*, Department for Communities and Local Government, 2010; Neighbourhoods Statistical Release, Department for Communities and Local Government, March 2011.
24. Ibid.
25. Ibid.
26. BIS, *Widening participation in higher education*.
27. BIS, *Widening participation in higher education*; DCLG, *English Indices of Multiple Deprivation*, 2010; DCLG, *Neighbourhoods Statistical Release*, March 2011.
28. UCAS admissions data for 2010; DCLG, *English Indices of Multiple Deprivation*, 2010; DCLG, Neighbourhoods Statistical Release, March 2011.
29. UCAS admissions data for 2010; DfE, National Pupil Database 2010, London: Department for Education, 2010, www.education.gov.uk/vocabularies/educationtermsandtags/5385 (accessed 10 Nov 2011); Centre for London analysis
30. Ibid.
31. Ibid.
32. S Machin, *Higher education, family income and changes in intergenerational mobility* in R Dickens, P Gregg and J Wadsworth (eds), *The Labour Market Under New Labour: The state of working Britain*, Basingstoke: Palgrave Macmillan, 2003; Greater London Authority, GCSE Results by Free School Meal (FSM) Eligibility, Borough, 2010, http://data.london.gov.uk/datastore/package/gcse-results-free-school-meal-fsm-eligibility-borough (accessed 10 Nov 2011).
33. Based on J Prendergrast et al, *Creatures of Habit? The art of behaviour change*, London: Social Market Foundation, 2008, www.smf.co.uk/assets/files/publications/SMF_Creatures_of_Habit.pdf (accessed 5 Nov 2011).
34. See London Challenge, Ofsted, 2010.
35. *Aimhigher London Regional Team Overview 2003–2008*, Aimhigher, www.londonaimhigher.ac.uk/documents/LondonAimhigherFinalReport.pdf (accessed 5 Nov 2011)
36. *Trends in Young Participation in Higher Education: Core results for England*, HEFCE, 2010, www.hefce.ac.uk/pubs/hefce/2010/10_03/ (accessed 5 Nov 2011).
37. Office for Fair Access, *Access agreement data tables for 2012–13*, July 2011.
38. Leitch, Skills in the UK: The long-term challenge, interim report, HM Treasury, 2005
39. *The Mobility Manifesto: A report on cost-effective ways to achieve greater social mobility through education, based on work by the Boston Consulting Group*, Sutton Trust, 2010, www.suttontrust.com/research/the-mobility-manifesto/ (accessed 5 Nov 2011).
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London is an opportunity city – its dynamism attracts the best and brightest talent. Over recent decades, higher education has increasingly become the entry ticket to these opportunities. So, how successful are London's schools in enabling young people to make the most of these opportunities – specifically by increasing access to higher education and all the benefits that brings?

This report draws from UCAS 2010 admissions data and compares both applications and admissions from a wide range of London's schools. This was cross-referenced with the Index of Multiple Deprivation across London, to compare each schools performance in getting the poorest 20 per cent of young people into University.

London's record is a proud one. The 'poverty penalty' that young people from lower income areas pay in terms of their chances of getting to university has fallen since the mid 2000s. However, if we are to achieve true parity, significant challenges remain. In Richmond, the only London borough with virtually no poor areas, 42% of applicants go to research-intensive universities, whereas in Barking and Dagenham, one of London's poorest areas, only 12% do.

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