

BRIEFING on the cost of education, January 2014

The best catchment areas: more expensive than going private

FAST FACTS

- Statistics indicate that buying a house in the catchment areas of the best performing Scottish state schools can cost more than sending children to a private secondary school and living in a less expensive area
- This highlights that parents 'pay' to access schools with good academic results in Scotland, either directly through school fees or indirectly through higher housing costs
- However, those unable to pay, either directly or indirectly, are left with little choice but to accept schools with poorer academic results
- The Commission on School Reform's final report recommended "*The allocation of support for pupils and schools experiencing disadvantage should be reviewed and needs to be better targeted. More of the available support should follow the individual disadvantaged learner*". Reform Scotland believes that a pupil premium is one way of achieving this goal

BACKGROUND

School league tables were published in December 2013. Many will have been unsurprised by the location of the best and worst performing schools, reflecting the wealthiest and poorest parts of the country.

The purpose of this bulletin is to highlight that parents pay for what they perceive as good education - either directly through school fees or indirectly through housing

costs, and it is those trapped in disadvantaged areas who are left behind with no way to access more academically successful schools.

However, the bulletin doesn't include information on private tuition, which is another way parents of children, both at state and private schools, help buy their children additional education. Reform Scotland isn't criticising the decisions made

by parents wanting to help their children fulfil their potential. However, because the current school system is letting down those children trapped in poorer performing schools, paying for education, either directly or indirectly, is leaving children from the poorest families behind.

RESEARCH

Reform Scotland wanted to measure the average house prices in the catchment area for each secondary school alongside exam results. We used data provided by Zoopla.com¹, which details house price statistics for the first part of the postcode as well as local authority areas together with information provided by Scottish Schools Online regarding exam results for every secondary school in Scotland.

There is no perfect and pure way of analysing this; however in the absence of figures based on catchment areas, the first part of the postcode was the closest measure. There are some potential anomalies - the first part of the post code can cover more than one secondary school, for instance, and can cover areas that are very different in nature. Furthermore, some very rural areas had no statistics, and some schools did not have exam results published online. However, a clear pattern emerged.

We measured each school's exam results against the percentage difference in the average price paid for a property in the first part of the school's postcode over the past three years compared to the local authority average. By using the difference between

the school and its local authority average, this allowed us to fairly compare schools in urban centres, where property is more expensive, against schools in areas where property is less expensive.

The chart on the final page illustrates the results and indicates that there is a correlation between how expensive an area is to live in and the exam success of a school.

Of the top 10 schools across the whole of Scotland based on percentage of pupils of S4 roll gaining 3 or more highers, 8 have average house prices at least 34% higher than the local authority average (the other two were below the average).

Of the bottom 10 schools, 8 have average house prices below their local authority average, with 6 having house prices of at least 20% below.

Whilst some variation in some local authority areas is far wider than others, it also became apparent that, especially in more urban areas, it cost parents less to send two children to a private secondary school and live in a less expensive area of the local authority, than to buy a house in the catchment area of one of the best performing schools in the area.

An example, of which there are more, is illustrated below. *We believe that this clearly indicates that to access the best performing schools in Scotland, parents are paying for the privilege - either directly through school fees, or indirectly through higher housing costs.*

¹ Information was taken from Zoopla.com between 31/10/13 and 7/11/13

The high house prices around the most academically successful schools can mean it is cheaper to live in a less expensive area and send your children to a private school, than it is to live in the catchment area of one of the best academically performing schools.

For example, the average house price paid in Edinburgh over the past three years was £225,931 according to Zoopla. The average house price in the postcode area of Boroughmuir was £327,313 - a difference of £101,382. Borrowing this amount over a 25-year period at a competitive interest rate of 1.99% costs around £127,000, according to the calculator on mortgagerates.org.uk.

School fees at George Heriot's, George Watson's and Erskine Stewart's Melville are all around £10,000 a year, meaning the cost of educating two children for six years of secondary school is about £123,000, assuming fees increase by about 1% a year.

Therefore, it is cheaper to send two children to private school than buy a house in the catchment area of the best performing school in the city.

RECOMMENDATION

The point of the research outlined in this bulletin is not to justify the existence of private schools, nor is it to criticise the decisions parents make. We simply want to point out that people who live in the catchment area of the best performing state schools have paid to access these schools and should not condemn others who choose to pay for education directly when they are doing so indirectly. What we want to illustrate is the impact and consequence of

this catchment system on the most disadvantaged in Scotland.

In the Commission on School Reform's final report 'By Diverse Means: Improving Scottish Education', it recommends:

"The allocation of support for pupils and schools experiencing disadvantage should be reviewed and needs to be better targeted. More of the available support should follow the individual disadvantaged learner".

Keir Bloomer, Reform Scotland Advisory Board member and chairman of the Commission on School Reform commented:

"Scottish education remains highly inequitable. This is not about 'good schools' and 'bad schools' but about our failure to tackle disadvantage effectively. Until effective action is taken, parents will quite naturally try to buy educational success in the ways this bulletin shows."

Reform Scotland published Parent Power in 2009 setting out proposals which we believe could better ensure that resources are targeted towards disadvantaged individuals.

We recommended:

Parental choice: We recommend that parents or guardians should be given an entitlement equal to the value of the average cost of educating a child in their local authority area which could be used to send their child to any school which costs the same as the entitlement or less. This would give parents a greater say in choosing the school they believe will help

their child fulfil his or her potential, whether it is the local state school, a state school on the other side of town or an independent school if its fees were the same or less than the value of the entitlement. If an independent school charged fees higher than the value of the entitlement parents would not be able to top-up the difference themselves.

Where parents are able to exercise greater choice between schools, the introduction of competition can help improve attainment levels in all schools, an advantage highlighted in the OECD's Programme for International Student Assessment (PISA) published in 2007.

Supplement for children in receipt of free school meals or with special educational needs: We recommend that, as part of this scheme of parental choice, pupils in receipt of free school meals or with special educational needs would receive a permanent supplement on top of their entitlement. This would come from central government and ensure that such pupils are more attractive to schools which will ensure that the scheme achieves the objective of extending opportunity and increasing social mobility.

Transitional introduction for children on free school meals: We recommend that this scheme of parental choice should be introduced initially for two years to parents and guardians of children in receipt of free school meals and then extended to all. This emphasises the most important aim of these reforms which is to help pupils from more disadvantaged backgrounds, who are the pupils most obviously being

failed by the current system. During this period, these parents would be given priority over other parents using the existing placing request system.

Allow new schools to be set up: We recommend that new and more diverse schools are opened up since evidence shows that competition can drive up standards in all schools. At present, nothing prevents new schools opening up and operating as private schools as long as they meet required guidelines.

However, providing the entitlement to parents to send their child to the school of their choosing will increase the potential demand for independent, state-funded schools and so provide an important stimulus for the establishment of new schools. As with existing independent schools, new non-state schools would only be eligible for the parental choice scheme if their fees are the same as the value of the entitlement or less. Schools should not choose pupils on the basis of ability – parents and pupils should choose schools. As more schools open, the supply of independent school places should broadly match demand. However, initially if there are more applicants for a school than places available then a lottery system should be used, though preference could be given to a child with a sibling at the school. Local authorities could continue to use the existing catchment area as the basis on which to allocate places at the schools which they run.