

ENGAGE 25 : David Allen **The Browne Report: Six Months On**

So here we are. Six months after Lord Browne produced his report, we have moved from a home undergraduate market where the government controls the volume and the price... to one where, you've guessed it, the government controls the volume and the price!

I recall, many years ago, attending a conference where a despairing American from the World Bank stunned a room full of Brits by getting up and saying, "The trouble with the UK is that you're all obsessed with the supply side. The market would soon tell you where quality lies, if only you weren't too scared to let it." As a result we still have all the paraphernalia of a neo-market – regulation, national collective bargaining (even the nomenclature is redolent of the 1970s) and funding councils – as a proxy for student choice.

For a few heady weeks after the publication of the Browne report, until coalition politics took over, it looked as if it had created the conditions for a market to develop in UK higher education. Other than a 'soft' cap at £6,000 there was to be no upper limit on fees. The clever levy proposal would have had the effect of supporting widening participation, disincentivising excessive fee setting (by means of the escalating nature of the levy as fees rose), and forcing universities to get their market pricing right rather than defaulting to a cap.

On the demand side the Browne report enabled the sector to expand, and placed student choice (informed by transparent and accessible information, advice and guidance) at the heart of the system. No longer would applicants and parents have to rely on prospectuses where the sun always shines, or on league tables designed to sell newspapers. They wouldn't have to speak QAAhili to obtain key information about, for example, staff/student ratios, contact hours, completion rates and graduate employability. Browne also deserves great credit for levelling the playing field for part-time students and giving them access to the student finance scheme. In years to come, patterns of supply and demand may well shift significantly as students increasingly live at home or work and study, and new providers offer cheaper, more flexible options.

But Browne didn't get everything right. His proposal that Hefce should form a new HE Council with the Quality Assurance Agency and the Office for Independent Adjudication (OIA) was taking the Anglocentric nature of the review too far, given that the former has a UK-wide and the latter an England and Wales remit. In the OIA's case the word 'independent' in its title should have provided a clue that it might best remain separate!

A more interesting relationship is that between the Student Loans Company (SLC) and the funding councils, given that the SLC will soon become the biggest conduit of funding in England and Wales. Browne's proposal that a minimum qualification threshold be set by UCAS for access to the student finance scheme also seems to have sunk without trace, since so many enter higher education as mature students with few formal qualifications or with qualifications such as BTEC which do not carry a UCAS tariff.

Browne also put postgraduate education, which was part of his remit, in the 'too difficult' drawer, with the result that David Willetts has asked Sir Adrian Smith to reconvene his review of postgraduate education. This is timely because the effects of the new undergraduate fees regime on master's and doctorate study are as yet

unknown, but a supply of well-qualified postgraduates is key to the development of a knowledge economy in the UK, especially as we have the first signs that big pharmaceuticals think they can do their R&D more effectively and efficiently in emerging economies.

Once politics takes over, of course, governments always do what the authors of the reports they commission advise them not to do: cherry-pick and second-guess. It wasn't Dearing who proposed upfront fees; it was the incoming Labour government in 1997. In 2005 Tony Blair's government undid its post-Dearing regime, partly in order to abolish upfront contributions, and just scraped through the Commons by five votes. Now, against the background of massive cuts to publicly funded teaching through the funding councils, higher education is largely to be funded by its graduates. Ironically, because of the provision for bad debt and non-repayment from low earners (estimated officially at 31% but by some commentators at 50%), the new system will probably over time not reduce the burden on the public purse. Hence David Willetts's anxiety to avoid a stampede to £9,000 fees, and the range of interventions set out in his recent speech to Universities UK (UUK) designed to increase competition and lower prices: private-sector access to the student finance scheme; a greater role for further education; and the award of external degrees by existing holders of degree-awarding powers, rather than the extension of these powers. Perhaps the CNAA will be re-invented!

In Wales (and here I declare an interest as a Welshman and a member of Hefcw), the funding council will need to approve fee agreements with Welsh HEIs before they can charge higher fees. This reflects the strategic priorities of the Welsh Assembly. These include institutional mergers as well as widening participation. This is likely to generate more traction and change than the Office for Fair Access (OFFA) can achieve in England, but universities are autonomous institutions and, ultimately, their governing bodies must decide what is in their best interests. Welsh-domiciled students, wherever they study in the EU, will not pay more than they would have under the current regime, which should make for interesting cross-border flows.

A number of myths are already apparent as a result of the government's proposals, for example that humanities and social sciences will be decimated. At the moment the amount of money per student in these subjects from Hefce and the current fee combined is around £6,000, so even at the new base fee their funding is level. At higher fee levels there will be scope for investment in the humanities to improve staff/student ratios. A bigger worry is that Hefce will be raided if sector-wide fees exceed the government's average £7,500 modelling. This could put great pressure on funding for science and medicine.

So we await the white paper with trepidation among recruiting universities and confidence among selecting ones. In the end Browne turned out to be orange and blue.

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