

## **ENGAGE 27 : Chris Hale** **Higher Education Reform: Risks and Opportunities**

In England decisions made by the current government will lead to significant change within the higher education sector, which will also have wider UK implications. The government's proposals focus on promoting a shift towards a more student-centred system by increasing competition and choice, improving transparency and information for students, and placing greater emphasis and significance on the quality of teaching in higher education institutions. The current white paper, BIS technical consultation and Hefce teaching consultation, taken together as a package of proposals, seek to implement and see through these changes. Further consultations, for example on a risk-based approach to quality, are in the pipeline.

Universities UK and others have broadly supported this reform agenda, which brings with it opportunities for the sector to build on its strong track record for world-class excellence and innovation in the delivery of higher education. But during this period of change there will be significant risks and uncertainties which will need to be understood and managed. There are also areas where it is important that the sector can, in its own interests, proactively engage with reform or lead the process of change.

The scale of change will introduce a considerable degree of instability and uncertainty into the sector. Change will need to be carefully implemented and phased and policies evaluated based on the best available data and evidence, to understand whether stated objectives are being achieved and to identify unintended consequences. The proposed reforms for higher education require the sector to be more flexible, but the government will also need to be responsive to how the policies implemented in pursuit of its objectives for higher education are working, and recalibrate them where necessary.

Having a responsive policy environment will be essential to the interests of prospective and current students. For example, proposals for the deregulation of student number controls are a logical step as we move toward a system where funding follows the student. However, the proposals that have been put forward represent relatively uncharted territory, and to an extent have been conditioned by uncertainty around the costs to government of the loan system as much as by the desire to create greater choice and competition. There is significant speculation about the consequences of the AAB+ proposals for widening participation and the future viability and capacity to sustain certain subjects, but it is not possible to know at this stage exactly how students' and institutions' behaviour will be affected and historic trends are unlikely to be a guide. Similarly, the introduction of a margin based on price and the strong direction from government to encourage bids for these places from further education colleges raises the possibility of breaking well established links with FECs, which may not always be in the best interests of the student, so a good understanding of the impact of these changes and a willingness to adapt policies accordingly will be essential. Furthermore, the government has consciously only focused on reforms to teaching funding and will need to be clear on the wider impacts and implications across the range of higher education activities.

Whilst the implementation of change in higher education will need to be carefully managed, the white paper and associate proposals outlined in the BIS technical consultation provide the sector with a number of opportunities to embrace further change. For example, there is a clear focus on developing a more flexible and risk-based approach to regulation, particularly in the area of quality assurance. Protecting the quality and reputation of UK higher education should be the driving principle of any changes to the quality assurance system, but change in this area should be welcomed as a significant opportunity for the sector to reduce regulation and the associated costs and burden. The challenge for the sector will be to look beyond familiar processes and systems, and think innovatively about new ways of doing things.

There are also areas where it is in the interests of the sector to lead the agenda, demonstrating that it can respond to new demands and challenges without government intervention or direction. The work of the UUK Efficiency and

Modernisation Task Group, chaired by Professor Ian Diamond, is a good example of how this is already happening in response to an increasing need for the sector to demonstrate value for money. Efficiency in the public sector has been characterised by a strong central mandate, which has achieved a lot but is not appropriate for a higher education sector that derives its strength from the autonomy of its institutions. The work being led by Professor Diamond has developed a strategy and plan of action for change within a higher education setting, which seeks to embed a continuous commitment to effectiveness and efficiency. This strategy identifies areas where it is in the interests of the sector to develop national frameworks and approaches, for example in realising the potential from procurement or developing more useful data and approaches for efficiency benchmarking. Government can help facilitate this through supporting the sector and reforming regulation where necessary, but the success of this approach will be derived from strong leadership at the sector and institutional level.

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