

Higher Education Funding Review: Greatest Risk and Opportunity

Greatest Risk

The Review is, quite rightly, taking a whole system approach to looking at HE funding and student finance. In my view, however, the greatest risk is that the Review takes a mechanistic or structural approach to analysing the whole system problems and fails to recognise that the biggest barrier is likely to be an adaptive challenge; a fundamental conflict of values.

It is clear that there is need for system reform and I have great confidence in the Review team's ability to analyse and synthesise the many detailed recommendations and submissions that deal with this area – in particular, the reform of the repayment system (or contribution system) in order to remove blanket subsidies and to design a system that enables private contributions to increase without an increase in cost to the state. I am equally confident that the Review team will be able to place this in the wider context of HE funding environment and make sensible recommendations.

It is also clear, however, that if the proposals that relate to student finance are to be successful, they will require the buy-in of students, applicants, parents and possibly the wider public. In this case the Government is not a mechanistic delivery agency that can just impose a new system and, therefore, some of the implicit assumptions being made are perhaps not that helpful.

Most systematic solutions get stuck because of an adaptive problem; a value-based problem. People don't resist change for the sake of it – there is usually a requirement for a group of people to change their values / habits / assumptions. This adaptive challenge needs to be identified, recognised and addressed if the proposed system solutions are going to be successful. This usually requires strong leadership to change the hearts and minds of the co-producers that are likely to resist change.

In the case of fees, I would suggest that the fundamental conflict of values is still about fairness and access. The vast majority of those involved in the Review process (those providing evidence to the Review) are persuaded of the evidence that a purely publicly funded higher education system is highly regressive and that there is a strong case for some level of private investment in higher education as long as access is protected. The vast majority of the general public, however, believe that the most 'fair' system would be one in which higher education was free for everyone – providing equal access to all who are qualified to go.

I believe that this fundamental conflict of values around what is 'fair' is the main adaptive challenge – and one which the Review team, given its remit, could legitimately overlook if they took a mechanistic approach to whole system analysis.

Greatest Opportunity

Given this perspective, I believe the greatest opportunity of the Review is to identify, recognise and address the main adaptive challenges where there is a conflict of values in relation to student finance and higher education funding.

In relation to student finance arrangements in particular, there is the opportunity for the Review to undertake a body of work that will greatly significantly improve understanding of the many different perspectives that exist in the wider population. The Review could then bring together experts in tackling issues that involve fundamental conflicts of values and make recommendations to any future Government about how to approach these significant adaptive challenges.

This is not to reduce the importance of making sure the structural system solutions are the right ones – nor would I wish to take away from the difficulty of this challenge in and of itself. Gaining consensus across the diverse stakeholders involved in the Review process in terms of preferred solutions and recommendations to improve the structures of the system is, of course, critically important.

I would, however, argue that it is equally important to identify and address any conflict of values that exist in order to ensure that such adaptive challenges do not prevent the well-constructed structural solutions from being successfully implemented. We need to make sure we learn lessons from the 2004 process. There is a great opportunity to achieve a sustainable funding and student finance system against an agreed set of principles, if we can get this right. This will be a hearts and minds issues as much as it is about the structure and mechanisms of the system.

The views expressed here are those of the Director.