



DIVERSE MISSIONS

ACHIEVING EXCELLENCE AND EQUITY IN POST-16 EDUCATION

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The word 'diversity' has become fashionable in the political arena and acquired several meanings depending on context. For many, the word signifies a multicultural environment. This meaning is relevant to the internal diversity of the student population in educational institutions and to the Government's widening participation agenda, which we address briefly in this report. However, the primary focus here is on diversity *between* rather than *within* institutions. We are exploring how far the post-16 sector is composed of institutions with distinct missions, characteristics and activities and whether more diversity is a desirable objective.

The rationale underpinning the government's promotion of a diversity of providers is that public services must be more responsive to individual need particularly because it is thought that individuals

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(and employers) are now more discerning and sophisticated consumers and used to a wide range of choice. Choice is not just a matter of a wider selection of providers but more importantly, a spur to quality through greater competition between several potential providers. Diversity can also increase quality through greater specialisation and more distinct and refined institutional missions. However, at the same time as promoting competition between providers, public policy wants to promote collaboration between them without specifying in detail how collaboration and competition are to work alongside one another in the quasi-markets the government has set up in the core public services.

The present Government has reiterated and amplified the call for greater diversity made by successive governments particularly in *The Future of Higher Education* (2003) and *Success for All* (2002). But the Government's stance is still subject to a range of interpretations. For some, New Labour is challenging the idea that greater equality necessarily entails uniformity – 'the levelling down' principle. But for others, diversity is a euphemism for inequality. For them, difference inevitably leads to hierarchy, elitism and social polarisation. This report addresses these key questions: is diversity compatible with equality? Does greater diversity promote greater choice, competition and specialisation and higher quality, cost-effective provision? How far are competition and collaboration compatible? How much diversity is desirable? Institutions in the Learning and Skills Sector (LSS) are generally more responsive to student need and place greater emphasis on teaching than those in Higher Education (HE). But many institutions in both HE and the LSS are still not

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sufficiently responsive to student and employer need.

Differential fees should make HE institutions more responsive and if so the cap on fees might eventually be increased to allow greater differentiation between institutions, empower students and improve the quality of teaching. However, this should only occur if the Government's planned review of the impact of the new system, particularly on participation amongst the lower social groups, indicates no adverse effects. As this review is not due to report until 2009, further reform of fees in HE is some way off. There is currently no evidence to suggest that differential fees will restrict access and entrench elitism.

The Government should also go ahead with proposals to relax the criteria for university status; teaching-only or teaching-focused universities and colleges have a role to play in delivering HE. A 'scholarly environment' is essential for genuine higher education but not all institutions should be expected to engage in high-level research. Much HE is already taught in FE colleges and this proportion is set to rise with the Government's promotion of the Foundation Degree which will primarily be provided in FE colleges. Consequently, the Government should adopt a more coherent and consistent approach across the LSS and HE and follow the Scottish Executive in revising the legal definitions of FE and HE. However, the consequences of any move to merge the respective funding councils for the two sectors should be carefully considered.

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While most traditional research is conducted in HE institutions, some significant research and development takes place in the LSS. Some colleges should be encouraged to develop a mission in business-related research. The pilot schemes in Sussex suggest that the 'college for business' could be an effective vehicle to facilitate this mission. In order to establish this mission, colleges should be permitted to access 'third leg' funding from the Higher Education Innovation Fund (HEIF) which is currently restricted to HE institutions.

The rationale for the distribution of research funding should be to promote high quality research both academic and applied wherever it occurs. Any funding system must recognise and reward innovation and talent wherever it is found. It should also not dominate the activities pursued in universities to the detriment of missions other than research such as engaging with business and the community.

The RAE is flawed and costly and should be replaced by a funding system which channels funds through the research councils. HE institutions in the UK have increased their revenue from industry over the past decade but there is scope for a substantial increase in funds derived from business. All HE institutions should be engaged in basic business-related activities. Some should specialise in developing business-related research; they should be embedded in industrial networks and encourage secondees in and from industry.

Knowledge exchanges should have a regional focus and be steered by a consortia of research-intensive, 'modern universities' and ideally an LSS provider.

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Greater specialisation has the potential to raise quality and respond to consumer needs but the Government should be wary of prescriptions for organisational change which are not based on sound evidence. For example, it is not clear that segregation according to age is in the best interests of the student. Greater specialisation and diversity should also be accompanied by more collaboration. Collaborative arrangements can bring many benefits to organisations but the obstacles to forming successful collaborations should not be underestimated. The Government should reduce the barriers to provide more incentives for institutions to collaborate. The same funding arrangements should apply to schools, colleges and HE institutions for the same task.

Accountability mechanisms such as league tables which obstruct collaboration should be reconsidered. There are insufficient incentives for successful HE institutions to collaborate; collaboration should be a condition of the freedom to vary tuition fees. Few would disagree that there are benefits to be gained from nurturing a diverse post-16 system –creating a consensus on what is meant by diversity, how much is desirable and how it is to be achieved is more problematic.

A variety of providers offering a range of courses and modes of provision can increase choice, fulfil the needs of the ‘consumer’ and create a positive competitive environment. Greater specialisation and a more honed institutional mission can also improve quality. Genuine collaboration between more specialised institutions can also facilitate access and extend opportunities. Diversity is not incompatible with equality. The state has an important role to play in removing the barriers to diversity and collaboration and not perpetuating them with

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conflicting policies. But the Government should avoid the temptation to engineer and impose diversity through policies which are not sufficiently based on evidence. Ministers should create the optimum conditions for institutions to respond to the diverse needs of employers, students and the wider community and create what David Watson calls a 'genuinely complementary mosaic of differentiated institutions - colleges as well as universities'.

Key recommendations

- The Government should relax the criteria for university status; teaching only and teaching-focused universities and colleges have a role to play in delivering HE.
- Academic staff at teaching-only institutions should be able to participate in research at regional centres perhaps based in departments which scored highly in terms of their research.
- Pedagogy in HE should be taken more seriously and incentives offered by the criteria for centres of teaching excellence and more grants offered by the research councils.
- Only if the Government's planned review of the impact of the new system of differential fees in HE indicates no adverse effects on participation amongst the lower social groups should the cap on fees be increased to allow greater differentiation between institutions and empower students.
- Government should adopt a more coherent and consistent approach across the LSS and HE and follow the Scottish Executive in revising the legal definitions of FE and HE.

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- A credit accumulation and transfer system should be established covering both FE and HE.
- Some selectivity in funding research is necessary but the Government should not pursue a policy of greater concentration without stronger evidence of the benefits.
- The RAE should be replaced by a funding system which channels funds through the research councils.
- Some colleges should be encouraged to develop a mission in business related research. The pilot schemes in Sussex suggest that the 'college for business' could be an effective vehicle to facilitate this mission.
- In order to establish this mission, colleges should be permitted to access 'third leg' funding through the Higher Education Innovation Fund, which is currently restricted to HE institutions.
- Government should reduce the barriers to provide more incentives for institutions to collaborate: The same funding arrangements should apply to schools, colleges and HE institutions for the same task.
- Accountability mechanisms such as league tables which obstruct collaboration should be reconsidered. There are insufficient incentives for successful HE institutions to collaborate; collaboration should be a condition of the freedom to vary tuition fees.

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